

(Prepared by/Return to: Amy Kahler, Des Moines Water Works, 2201 George Flagg Parkway, Des Moines, IA 50321, 515-283-8760)

Meeting
CENTRAL IOWA REGIONAL DRINKING WATER COMMISSION
Executive Committee
A.C. Ward Treatment Plant Board Room
November 12, 2014
3:30 p.m.

Present: Bart Weller, Jim McKenna, E.J. Giovannetti, Dan Lovett, Shane Kinsey, David Lindeman, Dale Acheson, Diana Wilson, John McCune, Bill Stowe, Vern Willey, Susan Judkins, Larry Hulse (City of Des Moines), Mike Borchers (B&V), Peggy Howe (B&V), Les Lampe (B&V), Josh Scanlon (B&V)

Feasibility Study Update

Black & Veatch (B&V) reported that project team member, Peggy Howe, will be rolling off the project and reassigned to another project. She has prepared her materials for the report and B&V is committed to ensuring her departure does not adversely impact the project. Peggy's replacement has been tentatively identified.

Mike Borchers reviewed a presentation providing an update of work and direction of the study thus far. The consulting team has been focused on Task 4, Valuation Estimate, which is 60-70% complete. Data reviewed includes DMWW GIS data, planning reports, and asset inventory. B&V reported they conducted site visits on DMWW's treatment plants in October, and has been engaged in understanding the components of the Core Network. B&V also visited WDMWW's facilities in early November to gain an understanding of the general conditions and strengths and weakness of the facilities. In calculating the asset valuations, the original cost and replacement cost will be identified using historical information and/or trend analyses. Accumulated depreciation will be estimated on 1) straight line and 2) survivor curve methodologies considering service lives and asset age.

Task 5, Financial and Cost Analysis is also underway. This involves reviewing operating budgets for production facilities, as well as the Cost of Service analysis for DMWW. Administrative costs for the new entity will be estimated. For capital, B&V will review CIP budgets and estimated debt service of the new entity.

Work on Task 6, Governance is also being performed. B&V indicated they are analyzing at least 3 governance alternatives, including 1) WRA Model, 2) Contractual Agreements, 3) Public Private Partnership.

There was general discussion about the presentation and considerations of the study.

It was determined that an additional meeting in 2014 would be difficult due to year-end holidays and B&V will provide the next update in January.

Meeting adjourned at 5:00 p.m.