Central Iowa Regional Drinking Water Commission (CIRDWC)

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- History
  - Formed in 2001 by 28E agreement
  - Primary objective: Collaborative planning for water needs in DM metro
  - 22 members, including several who do not purchase their water from DMWW

Members

Altoona
Ankeny
Bondurant
Carlisle
Clive
Cumming
Des Moines Water Works
Johnston
Indianola
Mitchellville
New Virginia
Norwalk
Pleasant Hill
Polk City
Polk County Board of Supervisors
St. Charles
Urbandale Water Utility
Warren Water District
Waukee
West Des Moines Water Works
Windsor Heights
Xenia Rural Water District

CIRDWC – The Early Years

- 2001 – 2007
  - Rapid growth in metro area
  - Discussions focused on infrastructure needed to meet growing water needs
  - Joint projects constructed:
    - **Louise P. Moon Storage Facility** WDMWW, Clive, Waukee, DMWW
    - **3 Aquifer Storage & Recovery (ASR) Wells** – 2 DMWW; 1 Ankeny
    - **Saylorville Water Treatment Plant** – DMWW sold purchased capacity to suburban wholesale customers generating about $48 million in capital to construct the plant.
    - **Joint Eastside Storage and Pumping Facility** - Altoona, Pleasant Hill, unincorporated Polk County

CIRDWC – The Middle Years

- 2008 - 2012
  - With immediate water needs addressed, in addition to the downturn in the economy, CIRDWC added source water advocacy to their mission.
  - Water rates also became a focus, as DMWW raised rates for wholesale and retail customers 10%+ per year for a 3-year window to more closely align rates with the Cost of Service for each customer class.

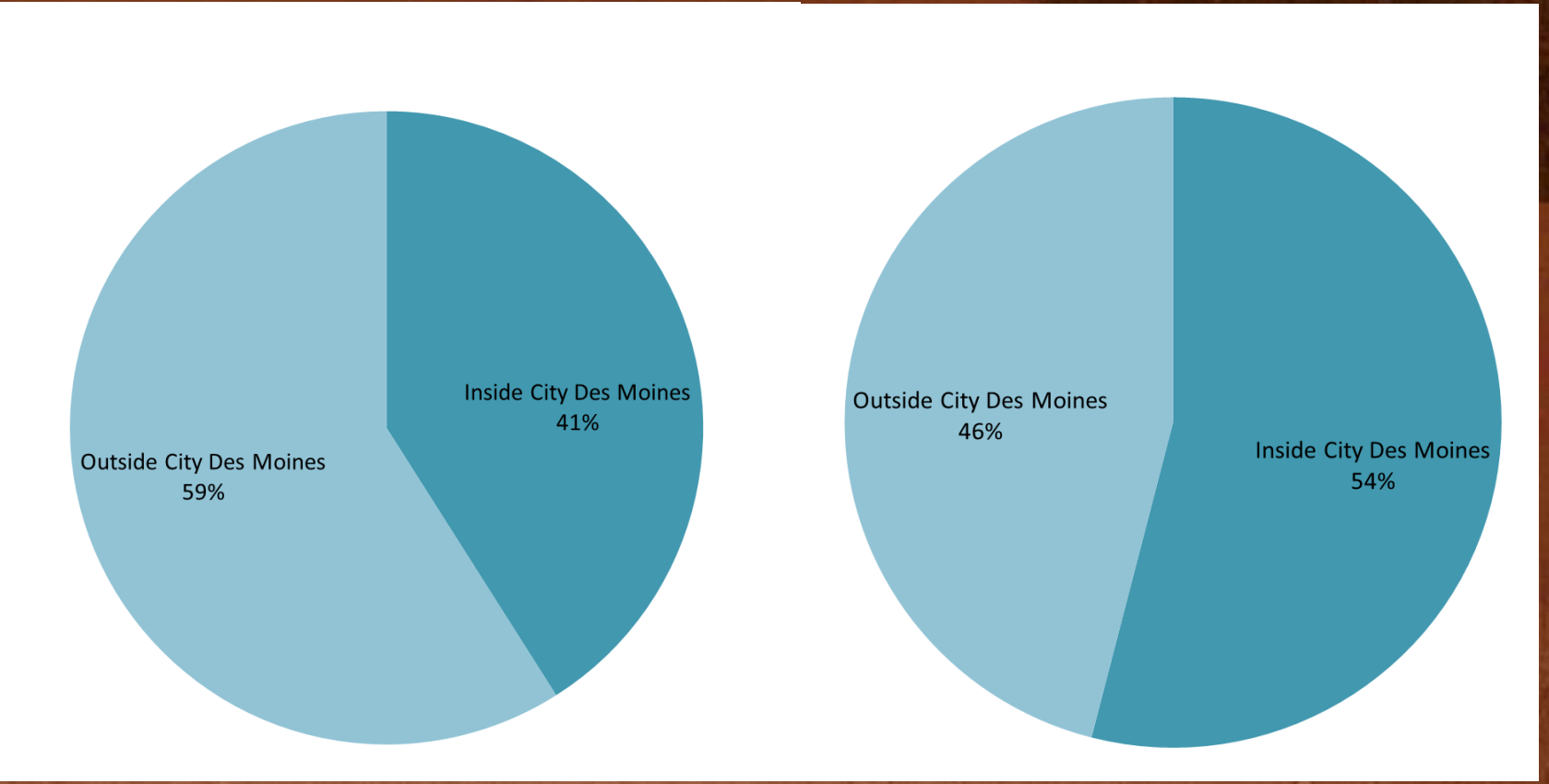
CIRDWC – Recent Years

- 2013 – 2016
  - While collaborative planning among water systems has allowed for a regional approach for decades, this collaboration naturally led to discussions in the last several years about formalizing regionalization and creating a regional water production utility.
  - In 2014, CIRDWC commissioned Black & Veatch (B&V) to complete a feasibility study for the formation of a regional water utility.

    Cost ~ $200k allocated among members.

Why Look at Regionalization?

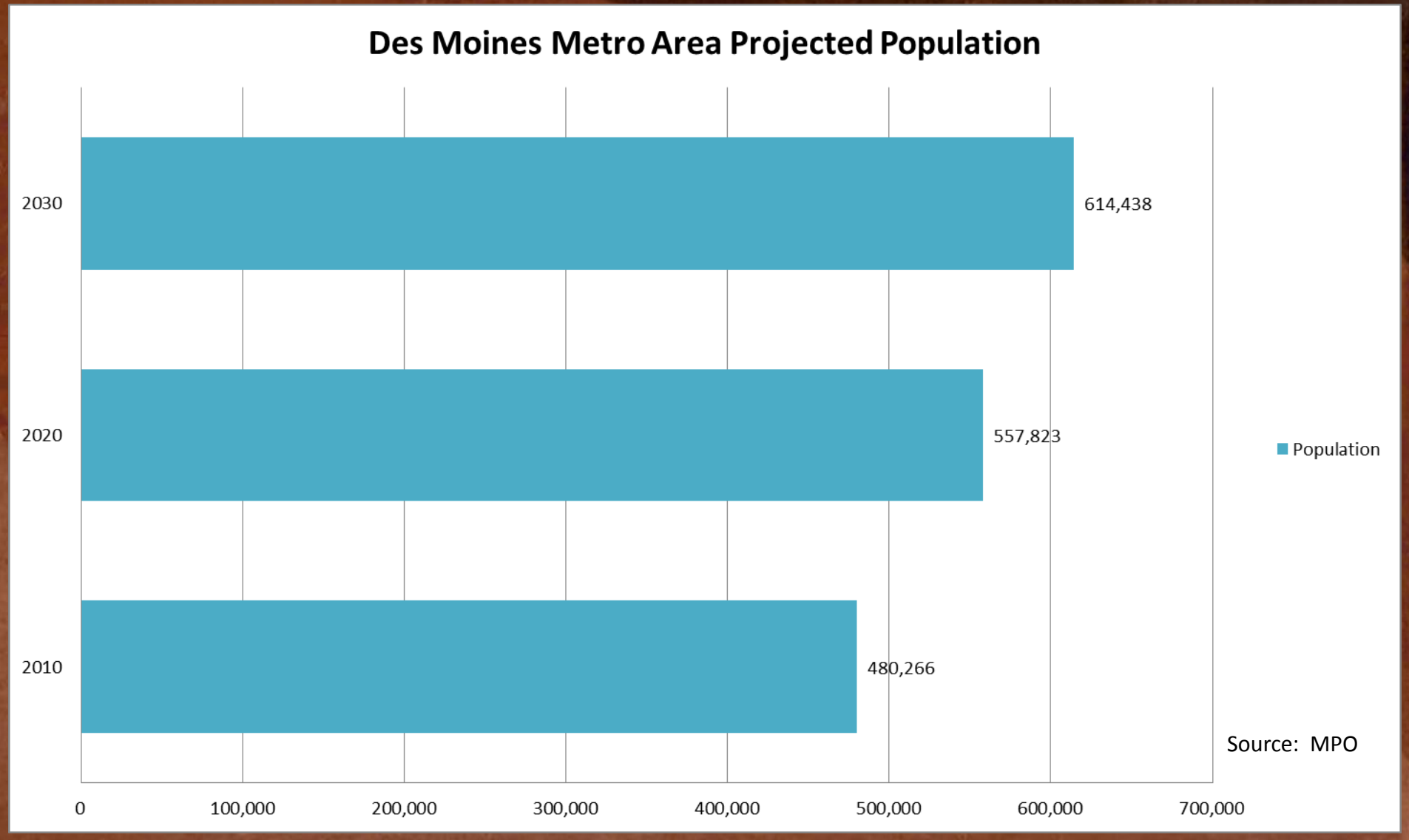
DMWW Consumption & Revenue



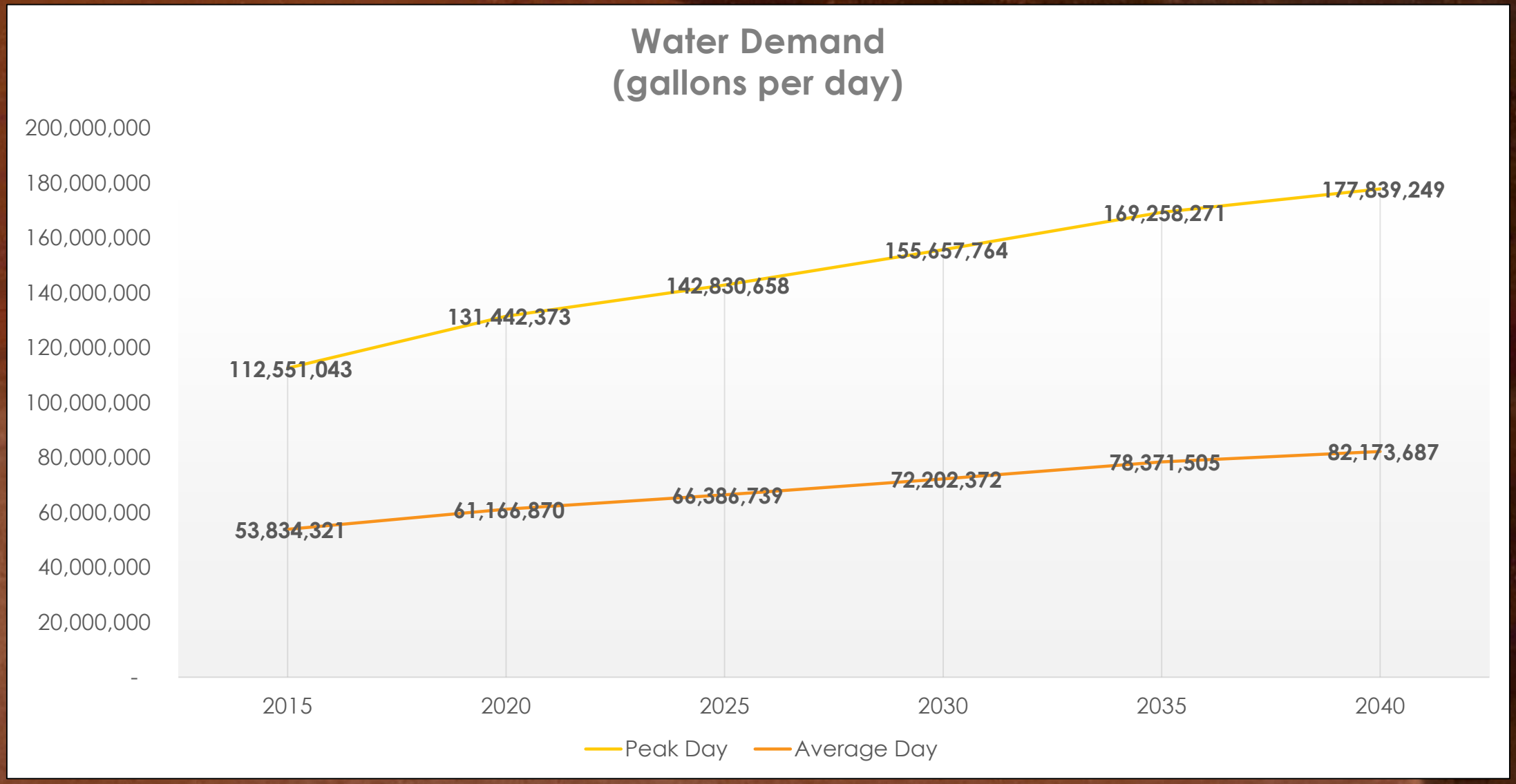
More consumption is used outside City of Des Moines.

More revenue is collected inside the City of Des Moines.

Population Growth



Long Range Planning



Past: Regional Approach to Projects

- Purchased Capacity
  - Significant amounts of capital were necessary in order to build treatment facilities to accommodate growth primarily taking place in the suburbs.
  - Rather than issue bonds and finance infrastructure through debt, DMWW sold purchased capacity in the water system.
  - In return for an upfront investment by suburban wholesale customers ($1.00 per gallon in 1995 and $1.90 per gallon in 2005), DMWW offers a lower purchased capacity rate to those investor communities for a period of 40 years.

Regionalization Key Questions

- Can or how a new entity legally be created?
- What would that entity look and act like?
- Will combining assets improve the regional water production level of service?
- Can efficiencies be gained?
- How will water rates be impacted?

Process

- Stakeholder input
- SWOT (Strengths, Weaknesses, Opportunities, Threats)
- Analysis
  - Financial – economics including asset valuations, rates, etc.
  - Legal – debt defeasance, etc.
  - Organizational – look at governance models, status quo vs. alternatives, etc.

Guiding Principles

1. **Future source of supply**
   Restricts members from developing their own source of supply
2. **Future purchase of finished water**
   Exclusive relationships
3. **Water quality**
   Commit to initiatives designed to improve source water quality
4. **System planning & expansion**
   Agree to regional planning
5. **Outstanding debt**
   All debt not held by DMWW remains separate from regional utility
6. **Rates and charges**
   Agree to being fiscally responsible to maintain healthy infrastructure and allow for growth in demand.

Benefits of Regionalization

- More representative governance structure
- Potential operational efficiencies/cost savings (needs closer look pending results of long range plan)
- Coordinated long term planning
- Coordinated economic development
- Coordinated stewardship of the region's water resources.

Questions and Challenges

Ensure:

- Customers are positively impacted
- Asset valuations and debt distribution is fair and reasonable
- Equitable future expansions
  - Everyone Pays
  - Growth Pays for Growth

Moving Forward

- Technical Advisory Subcommittee engaged in new Long-Range Plan to determine what additional infrastructure is needed beyond what exists today, considering population growth and customer demand through 2035 in each community.
- Long Range Plan will be completed by end of Q1 2017. Further economic evaluation to occur.
- Source water quality continues to be a concern.

Questions

Chair –Jim McKenna, Ankeny
Vice Chair – Karen Novak-Swalwell, West DM Water Works
Secretary/Treasurer – Vern Willey, Altoona
Immediate Past Chair – David Lindeman, Johnston

Visit www.cirdwc.com for meeting agenda, minutes, meeting schedule, and a full listing of CIRDWC representatives.

CIRDWC meetings, generally the 4th Tuesday of each quarter at 6:00 p.m., are public meetings. See website for location each quarter.