

Minutes

Central Iowa Water Works

Finance and Audit Committee

September 16, 2024

Des Moines Water Works Board Room

2201 George Flagg Parkway, DSM

11:00 a.m.

Committee Members Present:

Sue Huppert, Des Moines Water Works

Tom Cope, City of Johnston*

Scott Brennan, West Des Moines Water Works*

George Meinecke, City of Norwalk

John McCune, Urbandale Water Utility

Carol Butler Freeman*

Others Present:

Amy Kahler, Des Moines Water Works

Ted Corrigan, Des Moines Water Works

Caitlin Caldwell, Des Moines Water Works

Neil Weiss, Urbandale Water Utility

Christina Murphy, West Des Moines Water Works*

Pat Mullenbach, West Des Moines Water Works

Lainey Davison, Central Iowa Water Works

Matt Stoffel, PFM

Item 1: Call to Order

Chair Brennan called the meeting to order 11:12 a.m.

Item 2: Introductions were made by everyone present in the meeting.

Item 3: Recommendation for CIWW Accounting Firm

Motion was made by John McCune to select RSM US LLP, as the accounting firm for CIWW. This firm will be responsible for providing accounting services as outlined in the scope of work provided by CIWW. The selection was based on a thorough review of the firm's qualifications, expertise, and cost-effectiveness. Tom Cope seconded that motion. The motion was adopted by unanimous vote.

Item 4: Presentation and Discussion on Proposed Rates for Preliminary CIWW 2025 Budget

Presenter: Matthew Stoffel, CFA, Director, PFM Financial Advisors LLC

Preliminary Rates for the CIWW 2025 Budget: Discussed are the fixed and variable costs associated with operating leases, CIWW organizational costs, joint capital debt service, and shared expansion debt.

Projected Community Costs: The report outlines demand costs and total joint expenses for each community.

Community-Specific Costs:

1. **Ankeny:** \$1,888,147 for fixed costs and \$5,076,533 for variable costs.
2. **Clive:** \$800,412 for fixed costs and \$1,524,719 for variable costs.
3. **Des Moines Water Works (DMWW):** \$8,953,963 for fixed costs and \$19,455,158 for variable costs.
4. **Johnston:** \$1,029,210 for fixed costs and \$1,796,201 for variable costs.
5. **Grimes:** \$772,934 for fixed costs and \$1,328,999 for variable costs.
6. **Norwalk:** \$524,039 for fixed costs and \$880,738 for variable costs.
7. **Polk City:** \$251,032 for fixed costs and \$447,359 for variable costs.
8. **United Water Utilities (UWU):** \$2,064,794 for fixed costs and \$3,752,495 for variable costs.
9. **Warren Water District (WWD):** \$587,371 for fixed costs and \$1,393,487 for variable costs.
10. **Waukee:** \$923,715 for fixed costs and \$1,730,810 for variable costs.
11. **West Des Moines Water Works (WDMWW):** \$2,856,078 for fixed costs and \$6,142,618 for variable costs.
12. **Xenia:** \$594,161 for fixed costs and \$1,567,560 for variable costs.

Rate Calculations:

Rates are based on both base allocations and extra capacity requirements. The cost per million gallons (MG) for the member communities is derived from both current and projected demand and capacity needs.

Financial Timeline:

September 25, 2024: CIWW rate presentation to the board.

October 2024: Rate adoption resolution and public hearing for the 2025 budget.

November 2024: Final public hearing

Matthew's presentation serves as a critical document guiding the fiscal responsibilities of each participating community and outlines how the CIWW will manage its financial obligations for the upcoming year.

Item 5: Other Business

It was decided by the group that a Doodle Poll would be sent out to determine the next time and date for the next Central Iowa Water Works Finance and Audit Committee meeting.

Item 6: Adjournment

Having no other business the meeting was adjourned by the Chair at 12:10 p.m.