

**Minutes**  
Central Iowa Water Works  
Finance and Audit Committee  
October 10, 2024  
West Des Moines Water Works Board Room  
1505 Railroad Avenue, WDM  
11:00 a.m.

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*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

*\*attended by Zoom*

*Others Present:*

William Smith, Interim CIWW Executive Director  
Amy Kahler, Des Moines Water Works  
Christina Murphy, West Des Moines Water Works  
Matt Stoffel, PFM  
Lainey Davison, CIWW  
Pat Mullenbach, WDMWW

Item 1: Call to Order

*Chair Brennan called the meeting to order at 11:02 am.*

Item 2: Roll Call

Item 3: Presentation and Discussion on CIWW 2025 Budget

Item 4: Discussion of CIWW Audit for 2024

Item 5: Implementation of Accounting System - RSM

Item 6: Review Mock-ups of CIWW billing

Item 7: Other Business

Item 3: Presentation and Discussion on CIWW 2025 Budget

*Matt Stoffel of PFM gave an overview of the 2025 Budget. He stressed the importance of adhering to the 28E principles on cost recovery and noted the schedules needing to be updated*

*on an annual basis. Matt solicited advice from the Finance and Audit Committee on how much information needs to be presented to the Board; discussion recommended a target of 15 minutes. In October, a resolution on rates will be adopted and a hearing set for November on the budget.*

*Matt spoke to the Technical Committee (TC) yesterday about joint capital projects and debt service payments. The expansion projects previously built into the long range plan was estimated at \$600M through 2035; the recent presentation by HDR at the Technical Meeting on October 9, 2024 estimated the future expansion costs at 1.3 billion dollars through 2050. Important questions are how to allocate these costs and how to finance them. The TC should recommend allocations as it recommends expansion projects. The Finance and Audit Committee (F&A) will need to consider the benefits of each expansion and the financing options. Every expansion proposal that goes before the Board should include a detailed allocation schedule, i.e. Schedule IV-10. Schedule IV-12 will be a critical guide to adhere to.*

*Comparing individual community impacts in the budget is difficult.*

- Some communities operate on fiscal years rather than calendar years.*
- Some communities include other costs, such as sewer/wastewater, with Grimes as an example. Variable costs therefore differ significantly.*
- Projects in progress at year end will not be included in the rates but will be funded by producers that have already collected revenues to fund these capital project.*

*Sue Huppert requested the Grimes representative be given a heads up on the cost disparities ahead of the Board meeting to avoid surprise. Matt agreed to contact Grimes to review and answer questions.*

*In reviewing several schedules, Matt suggested the F&A Committee will need to consider which 28E schedules need to be updated as part of the annual budget process.*

*Matt reviewed a table showing proposed debt scheduled to transfer to CIWW on January 1, 2025. One Grimes loan will be partially retained by Grimes. Total transfer will be approximately \$57.3M.*

*Tom Cope left the meeting at 11:26 am.*

**Item 4: Discussion of CIWW Audit for 2024**

*Interim Executive Director Smith provided an overview of 3 options for an audit of CIWW for 2024.*

*Option 1: Conduct a full competitive sourcing by issuing a Request for Proposals.*

*Option 2: Solicit proposals for the 2024 audit from a small number of firms, using the firms that submitted proposals for the Accounting Services RFP.*

*Option 3: Choose a single firm and request a proposal to perform the 2024 audit.*

*F&A members present all agree that the Interim Executive Director should use Option 2 to recommend the most reasonable proposal.*

**Item 5: Implementation of Accounting System - RSM**

*Interim Executive Director Smith is expecting a response today, from the RSM Legal Team, providing a draft contract.*

*Amy Kahler would like some clarification on who will deal directly with RSM and who the support staff will be. The Committee suggested that Amy, Bill and others as needed form this group.*

#### **Item 6: Review mock-ups of CIWW Billing**

*Amy Kahler provided a high-level overview of billing and meter-to-cash services. DMWW is actively working on this and continues to make progress.*

*Task 1: Re-configure DMWW billing and financial systems to remove CIWW members as wholesale customers of DMWW*

*Task 2: Identify how to bill CIWW water producing members with unmetered usage. Some transitional processes need to be sorted out.*

*Task 3: Create a CIWW billing statement (Amy provided a sample billing statement and went into detail about how those calculations and totals were figured.*

*Task 4: Identification of changes needed in mail remittance.*

*Task 5: Work with RSM on reporting needs. This task has not started as the RSM contract is not yet finalized.*

*Matt Stoffel suggested potentially sending out 2 bills (variable rates and fixed charges) and Christina suggests vetting the sample invoice through Johnston or Ankeny to get their feedback.*

#### **Item 8: Other Business**

*Sue Huppert suggested setting a recurring meeting for the F&A Meeting each month (Thursdays after the TC Meeting has been suggested)*

*Chair Brennan adjourned the meeting at 12:39 pm.*