CENTRAL IOWA WATER WORKS
28E/28F AGREEMENT

Execution Version Dated November 28, 2023

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CENTRAL IOWA WATER WORKS
28E/28F AGREEMENT

WHEREAS, the Board of Water Works Trustees of the City of Des Moines, Iowa, ("DMWW"), the Board of Water Works Trustees of the City of West Des Moines, Iowa, ("WDMWW"), the Water Utility Board of Trustees of the City of Urbandale, Iowa ("UWU"), and the municipal water utility systems of the Cities of Ankeny ("Ankeny"), Clive ("Clive"), Johnston ("Johnston"), Grimes ("Grimes"), Norwalk ("Norwalk"), Polk City ("Polk City"), and Waukee ("Waukee"), Iowa, each a municipal water utility organized and existing under the Iowa Code, and the Warren Water District ("Warren"), a rural water district organized and existing under Chapter 357A, Iowa Code, and Xenia Rural Water District ("Xenia"), a rural water district organized and existing under Chapter 357A, Iowa Code (collectively, the "Founding Agencies") are each duly established public agencies in the State of Iowa that own and operate public water supply systems serving retail customers and others, and each consider it to be desirable, in their best interests, and in the best interests of their respective entities and water consumers to establish a shared regional system of drinking water production and supply facilities under regional governance to meet their existing and future needs for safe, sufficient, reliable, and reasonably priced drinking water to be delivered by them in turn to their respective customers; and

WHEREAS, the Founding Agencies desire to exercise and share their respective powers pursuant to Chapter 28E and Chapter 28F, Iowa Code, to establish a new regional water authority as a joint cooperative undertaking to be created as a separate public entity to be known as the "Central Iowa Water Works" to act as a regional water wholesale production and supply provider exclusively to the Member Agency utilities under the terms of this Agreement, with other incidental wholesale service only to the extent permitted by this Agreement; and

WHEREAS, the Founding Agencies have agreed that from and after the Effective Date the terms of this Agreement shall be given full effect and shall govern the matters set forth herein.

NOW, THEREFORE, the undersigned Founding Agencies agree as follows:

ARTICLE I. PURPOSES AND ESTABLISHMENT OF LEGAL ENTITY

Section 1. Purposes. The purposes of this Agreement are: (a) to establish a joint cooperative undertaking by creating, establishing, and providing for the operation of, a separate entity under Chapter 28E and Chapter 28F, Iowa Code, as a body corporate and political subdivision of the State of Iowa, and an instrumentality of political subdivisions of the State of Iowa, in accordance with IRS Revenue Ruling 57-128, 1957 C.B. 311; (b) to create and provide for operation of a regional water wholesale production and supply entity that shall operate exclusively on a cooperative basis for the mutual benefit of the Founding Agencies and other agencies subsequently admitted to membership as provided by this Agreement, as their exclusive water supply provider except as otherwise provided in this Agreement; (c) to otherwise achieve the objectives set forth in Section 5 of this Article; (d) to delegate to such entity certain powers and authorities of the Founding Agencies and other agencies subsequently admitted to membership

as provided by this Agreement to the fullest extent allowed by law; and (e) to otherwise govern and provide for the operation and governance of such entity.

Section 2. Founding Data. The terms of this Agreement are based on the historic annual finished water demand ("Annual Demand") and the historic maximum day utilization of capacity ("Max Day Demand") of the Founding Agencies as defined and set forth in Schedule I-2 attached. The parties agree that the Annual Demand and Max Day Demand information stated in Schedule I-2 is true and correct for the calendar years 2018 through 2022, inclusive, for all purposes of this Agreement. Schedule I-2 shall be augmented to include the Annual Demand and Max Day Demand data for the preceding five (5) calendar years for each new agency admitted to membership after the Effective Date of this Agreement. Schedule I-2 shall be updated to include data for each calendar year after 2022, subject to approval of the Board. In the event of a loss of a significant customer, a Member Agency may, prior to the annual update of Schedule I-2, petition the Board for an adjustment to the five-year average of Annual Demand and Max Day Demand for purposes of fairly allocating costs in future budget years. The Technical Committee shall review the petition and advise the Board before it takes action on the petition. If the Board approves the petition, Schedule I-2 shall reflect the petitioner's adjusted five-year average Annual Demand and Max Day Demand as determined by the Board.

Section 3. Creation of Entity and Name. An entity is hereby established under Chapter 28E and 28F, Iowa Code. Its name shall be:

CENTRAL IOWA WATER WORKS

(referred to herein as "CIWW").

Section 4. Membership. Each of the Founding Agencies shall be a member of CIWW upon execution of this Agreement. Additional public agencies meeting the eligibility requirements of this Agreement, and approved for admission to membership as provided herein, shall become Member Agencies upon the effective date of their joinder in this Agreement. References herein to "Member Agency" and "Member Agencies" shall mean the Founding Agencies, and any other public agency subsequently admitted to membership as provided herein ("New Member Agency"). Entities to which a Member Agency provides water service under a Total Service Agreement as defined in Section 14 of Article IV or other wholesale agreement are not Member Agencies.

Section 5. CIWW Objectives. The objectives of CIWW shall be:

(a) To be a membership organization governed by, and operated for the mutual benefit of, its Member Agencies;
(b) To manage the natural resource of water as a region to ensure drinking water remains safe, in sufficient supply, and available to meet the needs of the people of central Iowa served by the Member Agencies;
(c) To manage water costs to Member Agencies by providing value and stability through economies of scale and regional public governance and management;
(d) To improve the governance of regional water production to include wider representation within the region served by the Member Agencies;

(e) To consolidate the authority for the planning and expansion of Water Supply Facilities including construction of new Water Supply Facilities;

(f) To establish shared ownership of existing Water Supply Facilities of the Founding Agencies;

(g) To provide for the ownership, operation, and maintenance of Water Supply Facilities of the Member Agencies;

(h) To act as the exclusive wholesale supplier of water to the Member Agencies, except as otherwise provided in this Agreement, and to establish rates for water production consistent with its expenses and capital needs;

(i) To retain and not displace the structure and governance of all existing Member Agency water utility boards, city water utilities and rural water districts in all matters related to distribution of water to their residential, business, and other customers; and

(j) To advance and promote regional and statewide water resource management as a critical quality of life and economic development asset in the context of climate change and source water quality and quantity challenges.

Section 6. Status as Separate Legal Entity. CIWW is organized exclusively under Chapters 28E and 28F, Iowa Code, to permit joint exercises of any powers, privileges or authorities exercised or capable of exercise by city utilities and other public agencies, including rural water districts organized under Chapter 357A, Iowa Code, as Founding Members or Member Agencies in the future, to maximize the mutual benefits and efficiencies of collaboration thereunder. Pursuant to Sections 28E.4, 28E.5, and 28F.1, Iowa Code, CIWW shall be constituted as a separate legal and administrative entity to be governed by the Board established under Article VIII, subject to the Member voting requirements of Article XI. As so constituted, CIWW shall be a public body corporate that is separate and distinct from its Member Agencies, but organized and operated for their mutual benefit.

Section 7. Governmental Status. CIWW shall be a body corporate and a political subdivision of the State of Iowa under Chapter 28E and Chapter 28F, Iowa Code, and an instrumentality of political subdivisions of the State of Iowa as a joint cooperative undertaking for the exclusive benefit of its Member Agencies. CIWW shall be a governmental body subject to open meetings requirements under Chapter 21, Iowa Code, and a government body subject to open records requirements under Chapter 22, Iowa Code, to the extent provided by law, as amended. CIWW shall be operated to be exempt from federal and state income tax to the fullest extent permitted by law.

Section 8. Limited Liability of Member Agencies. Except as otherwise provided by Chapter 28F, Iowa Code, and by this Agreement, no Member Agency of CIWW shall be liable in such capacity for any acts or omissions, debts, or other obligations of CIWW. No assets, revenues, or taxing authority of any Member Agency may be reached, attached, or executed upon by any creditor of, or claimant against, CIWW.

Section 9. Initial Capital Contributions. The Founding Agencies shall make initial start-up Capital Contributions to CIWW based on their proportionate shares of Annual Demand in the amounts set forth in Schedule I-9 ("Initial Capital Contributions"). Such Initial Capital Contributions shall be made in cash within sixty (60) days of the Effective Date. The Board shall evaluate the sufficiency of CIWW's initial capital after the Effective Date under the provisions of Section 2 of Article XV, and if required upon such evaluation, the Board shall increase the Initial Capital Contribution of each Member Agency, and cause Schedule I-9 to be revised accordingly and specify the due date for payment of additional amounts. Capital Contributions shall earn no interest or other investment return and shall be non-refundable, except as otherwise expressly provided in this Agreement. Each New Member Agency shall make an initial capital contribution in the amount as required by the Board.

Section 10. Reimbursable Start-Up Expenses. Certain start-up expenses incurred by certain Founding Agencies for the benefit of CIWW prior to the Effective Date of this Agreement shall be reimbursed by CIWW prior to the Operational Commencement Date. Schedule I-10 details the expenses eligible for reimbursement to Founding Agencies.

Section 11. No Seal. CIWW shall have no seal.

Section 12. Effective Date. This Agreement shall be effective, and the existence of CIWW shall commence, after all of the Founding Agencies have authorized and executed this Agreement, on the date of its filing with the Iowa Secretary of State as provided by Section 28E.8, Iowa Code. The date the fully executed Agreement is filed shall be the "Effective Date."

Section 13. Operational Commencement. CIWW shall commence operations as a wholesale water supplier to Member Agencies on January 1, 2025, or on such later date approved by the Board on which the transfer of all of the Designated Water Supply Facilities of the Founding Agencies to CIWW hereunder is consummated (the "Operational Commencement Date").

Section 14. Term and Period of Existence. The initial term of this Agreement, and the initial period of existence of CIWW, shall be forty (40) years from the Effective Date. Early termination and any extension of such term of existence shall be governed by Article XXIV.

Section 15. Manner of Financing. The manner of financing of the joint and cooperative undertakings of the Member Agencies hereunder shall be Capital Contributions from, and funding of certain capital projects by, Member Agencies as provided herein, wholesale water delivery and other operating revenues, state, federal or other grant receipts, and issuance of bonds and indebtedness under Chapter 28F, Iowa Code, as amended.

Section 16. Individual Ownership and Responsibility. Except as otherwise explicitly provided herein, each party to this Agreement shall at all times hold and own its respective properties. Each party shall be solely authorized to supervise, direct, and manage its own activities and the activities of its respective employees and agents. Each party shall retain sole responsibility and liability for its own acts and omissions hereunder and for the acts and omissions of its respective employees and agents hereunder.

ARTICLE II. POWERS OF CIWW

Section 1. Powers Generally. Except as expressly limited under this Agreement, CIWW shall have and may exercise, under the direction of the Board constituted under Article VIII, any and all powers necessary and proper to the accomplishment of the purposes provided herein, to the fullest extent permitted under Chapter 28E and Chapter 28F, Iowa Code, as the same may be amended and supplemented in the future, or under any other applicable law.

Section 2. Specific Enumeration of Powers. Without limiting the generality of the powers conferred under Section 1 of this Article, the powers of CIWW include, but are not limited to, the power to do all of the following within the limitations provided by this Agreement:

(a) To perform the functions of production, storage, delivery, sale, and re-sale of wholesale water to, on behalf of, and as an essential governmental purpose of the Member Agencies;

(b) To acquire drinking water for re-sale to its Member Agencies or to non-member public water supply systems, as defined in Chapter 455B, Iowa Code, to the extent permitted by this Agreement;

(c) To produce drinking water for sale to its Member Agencies and to non-member public water supply systems as defined in Chapter 455B, Iowa Code, to the extent permitted by this Agreement;

(d) To sell water on a wholesale basis to Member Agencies and to non-member public water supply systems, and to provide for the terms of such service by rule or by contract;

(e) To establish, adopt and enforce rules and regulations governing its operation and provision of wholesale water service;

(f) To establish rates and charges for wholesale water service, and reasonable penalties for any rates or charges that are delinquent. Rates and charges shall be non-discriminatory and imposed in accordance with Schedule VI-2 herein;

(g) To plan for, acquire, construct and secure such Water Supply Facilities as it deems necessary or proper;

(h) To operate and secure CIWW Water Supply Facilities for the benefit of Member Agencies;

(i) To contract for, or provide and maintain, security to preserve and protect the CIWW Water Supply Facilities and properties owned or operated by CIWW, as the Board deems necessary to preserve and protect the peace, health, safety, and welfare of the public and the public water supply;

(j) To contract with any public or private entity to acquire supplies of water for re-sale or to acquire Water Supply Facilities, and any other services as it may require;

(k) To take any actions necessary or appropriate to secure or improve the quality and available quantity of source waters required for the provision of safe drinking water to its Member Agencies and otherwise to advance and promote regional and state-wide water resource management;

(l) To do all things necessary and proper to operate as a regional water wholesale supplier;

(m) To rent, lease, or purchase, or otherwise acquire any tangible personal property,

real estate or services reasonably necessary to fulfill the purposes of this Agreement;

(n) To approve its own budget, including approval and payment of its costs of operation and maintenance;

(o) To make provision for its capital needs and requirements;

(p) To contract for services or employ such staff as it deems necessary, or both;

(q) To establish a system of accounting and budgeting, and a system for receiving and disbursing payments;

(r) To insure its properties and its risks against loss;

(s) To retain legal counsel, accountants, professional engineers, and other professional advisers needed in order to fulfill the purposes of this Agreement;

(t) To establish Bylaws as provided by Section 13 of Article VIII;

(u) To sue or be sued;

(v) To enter into agreements, contracts or other arrangements for the financing of its operational and capital requirements, and joint projects hereunder, including the issuance of bonds or other debt;

(w) To merge or consolidate with another entity;

(x) To sell or dispose of any or all of its assets;

(y) To apply for grants or other funding from state government, federal government, or non-governmental entities;

(z) To exercise the powers generally possessed and exercised by Member Agencies under Iowa law, including necessary police powers, the power of eminent domain, and special assessment authority, to the fullest extent permitted by Iowa law, except to the extent expressly inconsistent with this Agreement; and

(aa) To exercise any of the powers of Member Agencies delegated to CIWW to the maximum extent permitted under Chapter 28E, Iowa Code, and all powers granted to entities under Chapter 28F, Iowa Code.

ARTICLE III. LIMITATIONS OF SCOPE AND CIWW POWERS AND OPERATIONS

Section 1. Prohibited Activities. Notwithstanding the provisions of Article II, CIWW shall not have the power under this Agreement to do any of the following:

(a) Sell or distribute water to any entity that is not a public water supply system, as defined in Chapter 455B, Iowa Code, or otherwise engage in distribution of water at retail to any customers;

(b) Directly furnish water to customers within the individual distribution systems of Member Agencies;

(c) Have any power over the rates charged by Member Agencies;

(d) Provide free water to any private or public agency;

(e) Provide any preference in service to any Member Agency or discriminate in service against any Member Agency;

(f) Establish any rates or rate methods that unreasonably favor or discriminate against any Member Agency;

(g) Restrict any Member Agency from serving any specific retail customer within the terms of this Agreement;
(h) Enter into any other business other than provision of water to Member Agencies;
(i) Enter into any Total Service Agreements as defined by Section 14 of Article IV; or
(j) Pledge the assets or revenue of CIWW to any person or entity, or to serve as a surety for any Member Agency, except as expressly provided in Article XVII related to the issuance of bonds.

Section 2. No Private Inurement. No part of the net earnings of CIWW shall inure to the benefit of, or be distributable to any private person or private agency, except CIWW is authorized and empowered to pay reasonable compensation or consideration for goods, services, materials, or properties that it obtains.

ARTICLE IV. CIWW EXCLUSIVE SUPPLY RIGHTS AND SERVICE OBLIGATIONS AND TRANSFER OF EXISTING WATER SUPPLY FACILITIES

Section 1. Exclusive Supply Rights. Except as set forth in Schedule IV-1, each of the Founding Agencies hereby grants to CIWW the exclusive right to supply all finished drinking water required by their respective water utilities, on a wholesale basis on terms as provided herein, to be effective as of the Operational Commencement Date. Each new Member Agency shall grant the same rights to CIWW as a condition of its membership.

Section 2. Definitions of Water Supply Activity and Water Distribution Activity.

(a) As used in this Agreement, "Water Supply Activity" shall mean and include:

(i) Acquisition and withdrawal of surface water or groundwater as a raw source of water for treatment and re-sale;
(ii) Storage of raw source water;
(iii) Treatment of raw source water to produce finished drinking water;
(iv) Storage of treated water for later delivery on a wholesale basis to a public water supply system;
(v) Transmission, pumping, and supply of finished water on a wholesale basis to a Member Agency or other public water supply system; and
(vi) Other activities necessary and appropriate for CIWW to meet its water supply obligations to Member Agencies under this Agreement.

(b) As used in this Agreement, "Water Distribution Activity" shall mean and include:

(i) Acquisition of finished water from CIWW or from others as permitted under this Agreement;
(ii) Distribution, distribution storage, delivery, and metering of finished water to the customers of a Member Agency; and
(iii) All activities, other than a Water Supply Activity, required to conduct business as a public water supply utility.

(c) Water Supply Activity shall not include Water Distribution Activity and Water Distribution Activity shall not include Water Supply Activity. The Board shall refer any uncertainty or dispute regarding the scope of Water Supply Activity and Water Distribution Activity to the Technical Committee for review and recommendation to the Board regarding proper classification. The Board shall make a final decision regarding whether an activity is a Water Supply Activity or Water Distribution Activity after receipt of the Technical Committee's recommendation.

Section 3. Definitions of Water Supply Facilities and Water Distribution Facilities.

(a) As used in this Agreement, "Water Supply Facilities" shall mean the assets and facilities used to conduct Water Supply Activity, including assets transferred to CIWW on the Operational Commencement Date or subsequently created or acquired by CIWW. This definition includes source water systems, water treatment plants, aquifer storage and recovery ("ASR") systems or other storage facilities used for Water Supply Activity, and the transmission pumps, mains, and systems, including easements, required to conduct Water Supply Activity on an efficient basis. Water Supply Facilities include facilities used for Water Supply Activity even if also used, in part, for certain Water Distribution Activity. Except as any Founding Agency and CIWW may otherwise agree as to any specific property or facility, Water Supply Facilities shall not include the existing office buildings and/or distribution buildings, or assets not related to CIWW Water Supply Activities of the Founding Agencies or any existing grounds or facilities made available to the public for park or other recreational use.

(b) As used in this Agreement, "Water Distribution Facilities" shall mean the assets and facilities used to conduct Water Distribution Activity by a Member Agency, either individually or on a shared basis, including water feeder and distribution mains, water towers, or ASR systems not used for Water Supply Activity, and other storage of finished water by a Member within its system of distribution, as required to conduct Water Distribution Activity on an efficient basis.

(c) Water Supply Facilities shall not include Water Distribution Facilities and Water Distribution Facilities shall not include Water Supply Facilities.

(d) The differentiation and line of demarcation between Water Supply Facilities and Water Distribution Facilities shall be based on the principles that facilities that primarily provide a system-wide water supply benefit shall be deemed Water Supply Facilities, while facilities, whether or not shared, that primarily provide benefit to individual Member Agencies shall be deemed Water Distribution Facilities. Any uncertainty or dispute regarding the scope of Water Supply Facilities and Water Distribution Facilities shall be referred by the Board to the Technical Committee for review and recommendation. The Board shall make a final decision regarding whether a facility is a Water Supply Facility or Water

Distribution Facility only after receipt of the Technical Committee's recommendation.

Section 4. Transition Rule. All assets transferred to CIWW in accordance with Schedule IV-7 of this Agreement shall be Water Supply Facilities without regard to anything contained in this Agreement to the contrary. All facilities constructed after the Operational Commencement Date shall be treated as Water Supply Facilities or Water Distribution Facilities by the application of definitions in this Agreement. All Water Supply Facilities transferred shall be transferred subject to pre-existing cost sharing arrangements, which arrangements shall be assigned to, and assumed by, CIWW.

Section 5. Limitations on Founding Agency Water Supply Activities.

(a) Beginning on the Operational Commencement Date, the Founding Agencies shall not:

(i) Engage in Water Supply Activity, except as a supplier to CIWW or as permitted under Sections 1, 14, 15, and 16 of this Article;
(ii) Except as allowed by Schedule IV-1, contract for drinking water supplies from any party other than CIWW;
(iii) Acquire or expand assets providing for Water Supply Activity that infringe on CIWW's exclusive right to serve as described in this Article, except to the extent approved in advance by the Board; or
(iv) Apply for new water allocation permits from the State of Iowa, or in any way alter the flows or water quality of surface or groundwater supplies, allocated to CIWW or to CIWW's contract suppliers, unless agreed to by CIWW.

(b) Notwithstanding Section 5(a) of Article IV, each of the Founding Agencies has the right to conduct Water Distribution Activity, and to supply water as permitted under Sections 14, 15, and 16 of this Article, but construction or operation of ASR facilities as a part of a Water Distribution Activity shall be subject to Section 19 of this Article.

(c) Each New Member Agency shall agree to the foregoing limitations and reservations as a condition of its membership.

Section 6. CIWW Service Obligations. Effective as of the Operational Commencement Date, CIWW shall supply the drinking water required by Member Agencies, except as otherwise provided in Schedule IV-1, on a non-discriminatory basis, within the limits of its capacity, at existing connection points, with future connections approved by the Board in accordance with the service obligations standards as set forth in Schedule IV-6. CIWW shall take reasonable steps required to maintain and expand its capacity to meet the projected finished water needs of the Member Agencies in accordance with the CIWW Long Range Plan, and to assure that drinking water delivered by CIWW shall meet all applicable state and federal water quality regulations.

It shall be the responsibility of CIWW to manage the interaction, for CIWW's use, between various water qualities of the Water Producing Member Agencies, and to bear the expense thereof.

Section 7. Transfer and Operation of Existing Water Supply Facilities. DMWW, WDMWW, Grimes, and Polk City, shall transfer their existing Water Supply Facilities and related rights to CIWW on the terms provided by this Agreement to be effective on the Operational Commencement Date. UWU, Xenia, and Waukee will also transfer certain assets related to Water Supply Activity. The specific facilities and assets to be transferred are set forth in Schedule IV-7 (the "Designated Water Supply Facilities"), together with certain terms of transfer. Each Member Agency transferring a Designated Water Supply Facility, except UWU, Xenia, and Waukee is a "Water Producing Member Agency," or collectively the "Water Producing Member Agencies." From and after the Operational Commencement Date, Water Producing Member Agencies shall continue to operate their respective Designated Water Supply Facilities exclusively for the benefit of CIWW under operating contracts with CIWW as provided in Article V, Section 1, and shall exclusively dedicate their use of waters of the State of Iowa, under permits from the Iowa Department of Natural Resources, to CIWW until such time as such permits are issued to or transferred to CIWW.

Each of the Water Producing Member Agencies shall transfer the ownership interests in Designated Water Supply Facilities as set forth in Schedule IV-7 to CIWW on the Operational Commencement Date on the terms provided in Article XIII of this Agreement, subject to the prior execution of an Operating Contract with CIWW under Article V, Section 1. CIWW shall acquire ownership as provided in Article XIII. CIWW Water Supply Facilities shall be permitted in accordance with applicable law.

UWU, Xenia, and Waukee shall each transfer the ownership interests in certain Designated Water Supply Facilities as set forth in Schedule IV-7 to CIWW on the Operational Commencement Date on the terms provided in Article XIII of this Agreement.

Section 8. Ownership, Operation, and Maintenance of Designated Water Supply Facilities prior to Operational Commencement Date. Each of the Water Producing Member Agencies, UWU, Xenia, and Waukee shall continue to own and operate its respective Designated Water Supply Facilities, until such time as the transfer of such assets to CIWW is consummated hereunder. Until the Operational Commencement Date, each Water Producing Member Agency shall have the right and the obligation at its own expense, except as otherwise provided in this Agreement, to undertake such repair, replacement and improvement of its Designated Water Supply Facilities as it determines are reasonably needed to maintain its Designated Water Supply Facilities in good sound operational condition and to maintain their full operational capacity.

Section 9. Repair, Replacement, Updating, Improvement, and Expansion. Except for the Saylorville Expansion Project, which shall be governed by Section 10 of this Article, from and after the Operational Commencement Date, the cost of repair, replacement, updating, and improvement of Designated Water Supply Facilities shall be paid by CIWW as provided in Section 2 and Section 9 of Article V. The currently planned facility projects listed in Schedule

IV-9 shall be constructed by the Founding Agencies as listed without further Board approval and the costs thereof shall be paid by CIWW.

Each of the Water Producing Member Agencies shall expand the capacity of their Designated Water Supply Facilities to the extent directed by the Board, provided that CIWW makes provision to pay for the full cost of such Capacity Expansions. Water Producing Member Agencies shall not otherwise expand the capacity of the respective Designated Water Supply Facilities without the consent of the Board.

Section 10. Saylorville Water Treatment Plant Expansion. DMWW shall plan, design and commence construction of a 10 MGD expansion of the Saylorville Water Treatment Plant (the "Saylorville Expansion Project") to be included within its Designated Water Supply Facilities. To the extent DMWW incurs indebtedness for the Saylorville Expansion Project, CIWW shall assume said outstanding debt incurred by DMWW and reimburse DMWW for the full actual costs thereof, including debt service paid by DMWW to the date of the transfer of the Saylorville Expansion Project to CIWW. Thereafter, the parties agree that debt service on said assumed debt shall be paid by certain of the Founding Agencies in the shares set forth in Schedule IV-10. The new capacity created by the Saylorville Expansion Project shall be allocated among the Founding Member Agencies as set forth in Section 4 of Article V.

Section 11. DMWW Incomplete Facility Projects. To the extent DMWW has, within five (5) years prior to the Operational Commencement Date, budgeted for repair, replacement, and improvement facility projects and has fully recovered the budgeted cost of such projects in prior years' rates and water revenue, but such projects remain incomplete as of the Operational Commencement Date, DMWW shall pay the unexpended budgeted amounts, or if only partially collected in prior years' rates and water revenue, the partially collected unexpended amounts of these projects, in cash to CIWW. Such cash payment shall be included in the book value of assets transferred by DMWW to CIWW in Schedule XIII-1. An estimate of such projects and their budgeted costs is set forth in Schedule IV-11. Schedule IV-11 shall be updated as of the Operational Commencement Date.

Section 12 Costs of Water Supply Facilities Also Used for Water Distribution Activity, for Total Service Agreements or for Permitted Wholesale Service. To the extent CIWW Water Supply Facilities are used in part to support Water Distribution Activity by a Member Agency or used in part to support a Member Agency's provision of service under Total Service Agreements or wholesale agreements permitted under Sections 15 or 16 of this Article, all of the costs of such Water Supply Facilities shall be allocated and shared, notwithstanding any other provision of this Agreement, as follows: (i) in accordance with the existing agreements assumed by CIWW in connection with Asset Transfers as set forth in Schedule IV-7 to the extent applicable; or (ii) otherwise in accordance with the guiding principles set forth in Schedule IV-12. It is intended that the existing agreements assumed by CIWW as provided in this Section shall be applied and administered in accordance with existing practice. In addition, each agreement shall be reviewed by the Technical Committee and such agreements may be renegotiated among the parties to this Agreement in good faith to conform with the guiding principles over a period of transition not to exceed five (5) years.

Section 13. Excess Usage of Capacity in Shared Facilities. Each Member Agency shall take reasonable steps to avoid use of capacity in shared transmission mains and pumping stations that exceeds its agreed or allocated share of such capacity and shall comply with recommendations and decisions of the Technical Committee to remediate excess usage and resulting detriment to other Member Agencies. If a Member Agency fails to comply with remediation recommendations and decisions of the Technical Committee, the CIWW Board may proceed with construction of additional capacity. The Member Agency exceeding its capacity shall reimburse CIWW for the full cost and expenses of the additional capacity provided to the Member Agency.

Section 14. Total Service Agreements. As used in this Agreement "Total Service Agreement" means an agreement, now existing or hereafter arising, between a Member Agency and another retail public water supply entity whereby the Member Agency serves the consumers of the other retail entity on a direct basis that includes distribution to a consumer's connection point, operation and maintenance of the distribution system, and billing and collection of rates and charges, and in the case of existing Total Service Agreements, supplying water. Total Service Agreements existing as of the Effective Date and potential future Total Service Agreements reserved by Member Agencies are listed in Schedule IV-14 hereto. Each Member Agency retains the right to provide water service under existing Total Service Agreements, and the consumers served under such agreements shall, for all purposes of this Agreement, be considered retail customers of the Member Agency providing such total service. However, except for potential future Total Service Agreements reserved by Member Agencies as outlined in Schedule IV-14, for new Total Service Agreements established after the Effective Date, CIWW shall be the wholesale supplier to the counterparty under the new Total Service Agreement unless such customer cannot be directly served by CIWW due to lack of geographic proximity, available transmission facilities, or other good reason as determined by the Board.

Section 15. Wholesale Water Service Master Agreement. The existing Wholesale Water Service Master Agreement among DMWW, other Founding Agencies, and others dated June 10, 2005, which made provision for "purchased capacity" (the "Purchased Capacity Master Agreement") shall be deemed terminated as among the Founding Agencies as of the Operational Commencement Date. The Purchased Capacity Master Agreement shall otherwise remain in full force and effect as to other purchasing parties that are not Member Agencies, and DMWW shall retain the right to set rates and provide service under the Purchased Capacity Master Agreement for parties that are not Member Agencies of CIWW. DMWW shall limit its supply of water under the Purchased Capacity Master Agreement to the capacity legally required to be provided under such agreement and shall not extend the Purchased Capacity Master Agreement beyond its current expiration date in 2045.

Section 16. Other Preexisting and Potential Future Wholesale Relationships. Member Agencies may continue to supply their pre-existing wholesale customers listed in Schedule IV-16 for the full term of any existing agreement, including any contract renewal periods, and until such agreement expires or is terminated. The retail customers served through pre-existing wholesale customers shall, for all purposes of this Agreement, be considered retail customers of the Member Agency. Potential future wholesale relationships reserved by Member Agencies are also included in Schedule IV-16.

Section 17. Wheeling. CIWW may request consent from a Member Agency to wheel water through the Member Agency's water distribution mains to serve other existing or potential Member Agencies. Such consent shall not be unreasonably withheld unless the Member Agency demonstrates that service to its current or reasonably expected future retail customers within the next five (5) years would be adversely affected. Wheeling arrangements shall be at mutually agreeable reasonable capacities and terms as outlined and executed in a separate wheeling agreement between CIWW, the Member Agency requesting wheeling service, and the Member Agency giving consent. Such terms shall provide that the Member Agency giving consent for wheeling shall recover from the Member Agency obtaining wheeling service the full annual capital costs, computed under a utility-basis approach that considers both depreciation expense and a rate of return on net book value, of the proportionate distribution main capacity so diverted to serve others, plus the full applicable operating costs thereof, including but not limited to pumping and chlorination costs. If, subsequent to such consent, wheeling adversely affects the granting Member Agency's service to its then existing retail customers or reasonably expected future retail customers within the next five (5) years, the Member Agency giving consent may give notice to the parties to terminate the wheeling arrangement. After receipt of such notice the Member Agency requiring connection shall be responsible for the costs of removing the wheeling connection and constructing new connection facilities to replace the wheeling connection within a reasonable time after such notice that allows for planning, funding, and construction of the new connection facilities. The wheeling arrangement shall terminate upon the completion of the new connection facilities.

Section 18. Member Agency Obligations. Except as otherwise provided herein, each Member Agency shall be solely responsible for its own assets and operations related to Water Distribution Activity and shall solely bear all costs thereof. Each Member Agency agrees, within the limits of its powers, to assist CIWW in obtaining rights for placement of infrastructure or rights to raw water sources needed to serve the Member Agencies and to support CIWW's regional system.

Section 19. ASR Operations. The construction and operation of ASR facilities of CIWW and the Member Agencies shall be subject to reasonable rules and requirements established by the Board. The initial ASR rules and requirements are set forth in Schedule IV-19. Such rules may be amended by the Board at any time.

ARTICLE V. WATER SUPPLY FACILITY OPERATING CONTRACTS AND CAPACITY EXPANSION

Section 1. Operating Contracts. CIWW and each of the Water Producing Member Agencies shall enter into a facility operating contract for operation of the particular Water Producing Member Agency's Designated Water Supply Facility from and after the Operational Commencement Date on terms as provided in the respective forms of contract approved by the governing board of each Water Producing Member Agency at the time of such governing board's approval of this Agreement, which shall include reimbursement of costs as provided in Section 2 of this Article V and Schedule V-2 from and after the Operational Commencement Date (each an "Operating Contract"). Each such initial Operating Contract shall be in full force for a minimum

term of twenty (20) years from the Operational Commencement Date. The transfer by each Water Producing Member Agency of its Designated Water Supply Facilities to CIWW shall be subject to the condition precedent that CIWW shall have previously entered into an Operating Contract with such Water Producing Member Agency under this Section.

Section 2. Actual Cost Recovery. CIWW shall pay the Water Producing Member Agencies for the operation of their respective Designated Water Supply Facilities amounts pursuant to its Operating Contract that are equal to their full actual cost of providing such services plus two percent (2%), to be determined on the basis of the principles set forth in Schedule V-2 attached. Such amount shall be paid in monthly installments based on estimated costs, with a periodic true up to reflect actual costs incurred, as provided in Schedule V-2. In addition to payment of costs of operation, CIWW shall reimburse each Water Producing Member Agency for the full actual cost of all capital projects for repair, replacement and improvement of its Designated Water Supply Facilities incurred after the Operational Commencement Date as such costs are incurred. To the extent a specific project benefits both Designated Water Supply Facilities and Water Distribution Facilities, the project costs shall be allocated between CIWW and the Water Producing Member Agency based on relative benefit conferred. CIWW shall at all times maintain sufficient capital and reserves to assure its ability to meet its financial obligations under this Section, and the Board shall make Capital Calls or issue Emergency Member Agency Assessments under Article XV as needed to make timely payment to Water Producing Member Agencies.

Section 3. Initial Capacity Allocations. The initial total capacity of CIWW to supply the Member Agencies as of the Effective Date is determined to be 134.5 Million Gallons per Day ("MGD"). Such capacity shall be allocated among the Member Agencies for use under this Agreement. Each Member Agency's capacity allocation is referred to herein as its "Allocated Capacity." The initial Allocated Capacity of each Founding Agency is set forth in Schedule V-3. Schedule V-3 shall be updated by the Board when and as the Allocated Capacity of any Member Agency changes.

Section 4. Saylorville Expansion Capacity Allocations. The Allocated Capacity of Founding Member Agencies that pay the costs of the Saylorville Expansion Project shall be increased in the amounts set forth in Schedule IV-10, as of the date that the facilities constructed by the Saylorville Expansion Project become fully operational.

Section 5. New Member Agency Allocations. After the Effective Date, a New Member Agency shall be admitted only to the extent that CIWW has, after taking into consideration any new capacity acquired from the New Member Agency, sufficient capacity available to provide for the New Member Agency's estimated Max Day Demand, and if need be, there are sufficient existing Member Agencies willing to voluntarily reduce their Allocated Capacity in exchange for payment as provided under this Section.

The following provisions shall govern the Allocated Capacity of New Member Agencies:

(a) The New Member Agency's minimum requirement for Allocated Capacity ("Required New Member Capacity") in order to be admitted shall be the highest maximum day demand during the previous full five (5) calendar years plus ten percent (10%).

(b) If the New Member Agency has physical production capacity to be dedicated or transferred to CIWW by the New Member Agency, such capacity shall be allocated to the New Member Agency.

(c) To the extent that the New Member Agency is a party to a Total Service Agreement with a Founding Agency under Section 14 of Article IV or is a wholesale customer of a Founding Agency under Section 16 of Article IV, the average Max Day Demand for the previous five years supplied to it by the Founding Agency shall be reallocated from such Founding Agency to the New Member Agency. Such Founding Agency shall be compensated for such reallocation as provided in Subsection (f) of this Section.

(d) To the extent that the New Member Agency is a customer of DMWW under Section 15 of Article IV, the average Max Day Demand for the previous five years supplied to it by DMWW thereunder shall be reallocated from DMWW to the New Member Agency and the Purchased Capacity Master Agreement and all right thereunder shall be deemed terminated as between the New Member Agency and DMWW as of the effective date of admission. DMWW shall be compensated for such reallocation as provided in Subsection (f) of this Section.

(e) To the extent the Required New Member Capacity is not allocated to the New Member Agency under subsections (b), (c), and (d), it must be obtained by the New Member Agency by voluntary reductions in the Allocated Capacity of existing Member Agencies. Such Member Agencies shall be compensated for such reductions as provided in Subsection (f) of this Section.

(f) The payment required from a New Member Agency with respect to its acquisition of Allocated Capacity under Subsections (c), (d), and (e) of this Section shall be at the rate determined by the Board pursuant to the principles set forth in Schedule V-5. Such payment shall be made by the New Member Agency to CIWW. To the extent a reallocation is made under Subsections (c) or (d), the Founding Agency affected by a reduction of its Allocated Capacity shall be paid a share of such payment that is equal to the increase in the asset transfer consideration that such Founding Agency would have been due if the New Member Agency had become a founding agency when this Agreement was executed less any amount previously recovered by the Founding Agency from the New Member Agency as a capital cost of wholesale service to the New Member Agency, plus interest on the amount computed to be due at the rate of four percent (4%) per annum from the Operational Commencement Date. The balance, if any, of the payment shall be retained by CIWW as additional capital. Any payment under Subsection (e) of this Section shall be paid to the reducing Member Agencies in proportion to their agreed respective reductions of their Allocated Capacities.

If there are insufficient voluntary reductions by existing Member Agencies to accommodate a New Member Agency's Required New Member Capacity, the New Member Agency may request

membership in CIWW based on its participation in Capacity Expansion Projects pursuant to Sections 6 and 7 of this Article. If the New Member Agency meets all the other requirements of this Agreement and the Board for admission, the New Member Agency will be admitted after the requisite Capacity Expansion Projects have been completed and are producing finished water at rated capacity.

Section 6. Capacity Expansions. CIWW shall construct, own and operate new or expanded additional Water Supply Facilities, to increase water output available to CIWW consistent with the CIWW Long Range Plan established under Article VII (each a "Capacity Expansion"). A project that creates a Capacity Expansion is a "Capacity Expansion Project." All Capacity Expansion Projects required to meet expected growth in demand by Member Agencies as expected under the CIWW Long Range Plan shall be funded by the Member Agencies as stated in Section 7 of this Article. Other Capacity Expansion Projects may be funded either from CIWW funds or by prospective New Member Agencies, or by Member Agencies as provided in the CIWW Long Range Plan and the CIWW Capital Plan. The additional water output capacity created by a Capacity Expansion Project funded by Member Agencies, other than New Member Agencies, shall be allocated to Member Agencies in proportion to the amount such Member Agency pays for a part of a Capacity Expansion Project under Section 7(b) of this Article. The additional water output capacity created by a Capacity Expansion Project funded by a New Member Agency under Section 7(c) shall be allocated to the New Member Agency providing the funding. The additional water output capacity created by a Capacity Expansion Project funded from CIWW sources of funds shall be allocated to Member Agencies in proportion to their previously Allocated Capacities prior to the Capacity Expansion, except to the extent the Board determines to maintain an unallocated reserve capacity for business and operational reasons it deems sufficient.

Section 7. Costs of Member Agency-Funded Capacity Expansions. The costs of Capacity Expansion Projects funded by Member Agencies shall be allocated among, and be borne by, the Member Agencies as follows:

(a) Nine per cent (9%) of the total cost of the Capacity Expansion Project shall be allocated to all Member Agencies based on each Member Agency's pro rata share of Allocated Capacity as of the date the Board approves the Capacity Expansion Project;

(b) Ninety-one per cent (91%) of the total cost of the Capacity Expansion Project shall be allocated pro rata based upon the forecasted increases in projected demand of each Member Agency having a projected increased demand as set forth in the CIWW Long Range Plan that forms the basis of the Board's approval of the Capital Expansion Project;

(c) Notwithstanding subsection (a) and (b), one hundred percent (100%) of the cost of any Capacity Expansion Project, or any part thereof, which is constructed to meet the Required New Member Capacity of a New Member Agency, shall be paid by such New Member Agency; and

(d) Each Member Agency or New Member Agency shall pay or satisfy its share of the costs of each Capacity Expansion Project pursuant to Section 7(a), 7(b), and 7(c) hereof by payment of such share to CIWW. Each Member Agency and New Member Agency shall make specific provision for payment of its allocated share of the Capacity Expansion Project, and if sufficient funds are not available to said Member Agency or New Member Agency, each shall issue bonds, notes, or other obligations as it deems appropriate to fund its allocated share. Financing allocated costs of a Capacity Expansion Project, including the issuance of bonds, notes or other obligations, shall be undertaken by Member Agencies and New Member Agencies individually, to the extent necessary to capitalize their respective cost allocation. If CIWW issues Bonds for said Capacity Expansion Project, Debt Service on said Bonds shall be allocated to Member Agencies and New Member Agencies in accordance with Section 7(a), 7(b), and 7(c) hereof, and collected by CIWW from the affected Member Agencies and New Member Agencies, along with rates imposed in accordance with Schedule VI-2 hereof.

Section 8. Member Agencies Transferring Capacity to Other Members. A Member Agency that no longer has a need for a portion of its allocated capacity may sell allocated capacity deemed to be in excess of its needs to any interested Member Agency. In the event two or more Member Agencies are interested in the capacity being offered, the capacity shall be allocated among all interested Member Agencies based on a pro rata allocation of each Member Agency's best estimates of future water requirements and demand as reported to the Technical Committee for Long Range Planning under Section 3 of Article VII. The purchase price per gallon per day shall be the cost per gallon per day of CIWW's most recently constructed capacity expansion. Payment in cash or, if the selling Member Agency has an allocation of CIWW debt, a portion of its allocated debt based on the purchase price and gallons of capacity purchased and sold, shall be transferred from the selling Member Agency to the purchasing Member Agency or Agencies. The Board shall have discretion to adjust the methodology set forth in this Section as it may determine to be necessary to ensure equity among the Member Agencies in the cost allocation used to determine the appropriate cash payment or transfer of debt.

Section 9 Funding of Joint Capital Projects. After the Effective Date, each capital project related to the Designated Water Supply Facilities acquired, or to be acquired, by CIWW or any other CIWW facility that is not a Capacity Expansion Project shall be a "Joint Capital Project." Joint Capital Projects shall include any project to maintain, repair, update, or improve any applicable facility that does not expand its capacity. The funding of Joint Capital Projects shall not be subject to Section 7 of this Article. Joint Capital Projects shall be funded by CIWW from one or more of the following sources: CIWW rates, CIWW reserves, CIWW bond issuance, or other sources of funding available to CIWW.

ARTICLE VI. WHOLESALE RATES TO MEMBER AGENCIES

Section 1. Rates to Recover Costs. The Board shall establish wholesale rates to be charged to Member Agencies that are calculated in the aggregate based on the anticipated total Revenue Requirements of CIWW as determined by the Board. CIWW's "Revenue Requirements"

shall be the amount determined to be sufficient to defray all of the costs of water and other operating and maintenance expenses of CIWW, to provide for capital requirements, and to satisfy all requirements of the current and future financing of CIWW's capital requirements, including payment of Debt Service, compliance with coverage and reserve requirements, and financing covenants of any Bonds, and to provide reasonable unrestricted cash reserves as determined by the Board of Directors. The Board may adjust the operating reserves from time to time.

Section 2. Annual Determination of Revenue Requirement. CIWW's Revenue Requirements and the rates to be charged to Member Agencies collectively and individually, shall be determined annually by the Board in its sole judgment. The Revenue Requirements will be prospective and developed as part of the budget process under Article XV. The Board shall obtain a cost of service study annually based on the American Water Works Association M-1 Manual or similar standard that is widely accepted in the water supply industry, and shall apply such study in a manner consistent with the mandatory rate principles set forth in Schedule VI-2. In setting rates, the Board will assign the actual cost of service to each member, and recover costs from each within a reasonable degree of precision and certainty.

Section 3. Volume and Max Day Demand of Member Agencies. The volume of water provided by CIWW to each Member Agency and the Max Day Demand utilized by each Member Agency shall be determined by metering at the point of delivery to the extent meters now existing or hereafter created allow such measurement. All other volumes and Max Day Demands shall be estimated based on the methods and assumptions set forth in Schedule VI-3 hereto.

Section 4. Individual Rates. The Board will establish rates prior to the Operational Commencement Date. The Board shall analyze, review and revise rates annually as provided by the terms of this Agreement. The rates to Member Agencies shall be based on the principles and methodologies as set forth in Schedule VI-2. The Board's judgment, reasonably reached, shall be final as to the establishment of water rates to Member Agencies, subject only to the dispute resolution provisions of Article XXV of this Agreement. Rates shall be effective January 1 of each year.

Section 5. Charges for Excess Consumption. Water delivered in a daily quantity that is greater than a Member Agency's Allocated Capacity is deemed to be "Excess Consumption" and further deemed to be the use of the Allocated Capacity of other Member Agencies. CIWW is not obligated to supply water on any day to any Member Agency that is in excess of its Allocated Capacity. However, to the extent Excess Consumption is provided to a Member Agency then the Member Agency shall be subject to Capacity Lease Charges as defined by Schedule VI-5. Capacity Lease Charges shall be billed to Member Agencies incurring the charges and CIWW shall credit the receipts thereof to the Member Agencies not incurring such charges on such days on a proportionate basis as defined in Schedule VI-5. Member Agencies that have Excess Consumption for more than ten (10) days in any calendar year shall have the maximum amount of the Excess Consumption added to the Member Agency's projected demand in the Long Range Plan prepared according to Article VII.

Section 6. Billing, Payment. Member Agencies shall be billed monthly in arrears for actual delivery at the established rates, and shall pay the billing in full without offset or reduction,

except for the netting specified in Section 7 of this Article, within twenty-five (25) days of the date of issuance of the bill.

Section 7. Netting of Payments Due Under This Agreement. Any amounts due or credits due between CIWW and any Member Agency for services, charges, or other obligations arising under this Agreement may be netted against any other billings between them, but billings shall not otherwise be offset against any other obligations between them.

Section 8. Member Agency Financial Covenant. Each Member Agency covenants that it will set its own rates and charges to its retail, Wholesale and Total Service Agreement customers, and collect such charges, to assure that the Member Agency has revenue sufficient to meet the Member Agency's expenses and financial obligations, including all financial obligations to CIWW, which shall be an annual operating expense of the public water supply system of each Member Agency.

ARTICLE VII. LONG RANGE PLAN AND WATER QUALITY

Section 1. Long Range Plan. The Board shall prepare and adopt a long-range plan to meet the needs for drinking water of the Member Agencies over a planning horizon of not less than ten (10) years (the "CIWW Long Range Plan") and shall revise such plan as needed as new Member Agencies are admitted and as other circumstances dictate. The CIWW Long Range Plan shall take into account all factors relevant to the mission of CIWW, including without limitation: (a) expected growth in water requirements of the Member Agencies; (b) source water availability and quality; (c) long range trends affecting source water supplies and allocations, including impacts of climate change; (d) water treatment capacities and requirements; and (e) all other matters necessary to assure the safety of drinking water supplies and sufficiency of quantity to meet demands, at reasonable cost. The initial CIWW Long Range Plan preparation shall commence promptly after the Effective Date and be completed within one (1) year of the Operational Commencement Date. The initial CIWW Long Range Plan will be based on the existing DMWW and WDMWW long-range plans as starting points but with such changes and updates as may be proposed to the Board by the Long Range Planning and Capital Improvements Committee, and by the Technical Committee, or that the Board determines to be appropriate.

Section 2. Update to Plan. The CIWW Long Range Plan shall be updated on a regular basis, and in any event no less frequently than every five (5) years.

Section 3. Member Agency Participation. Each Member Agency shall participate in, and support, the process of preparing and updating the CIWW Long Range Plan by making its data and information available to CIWW and to its planning staff and contractors. Each Member Agency shall supply its best estimates of future water requirements and demand in support of CIWW's planning efforts within a reasonable time upon request. Information supplied by Member Agencies shall be based on uniform standards and principles for such information established by the Technical Committee. CIWW shall have no service obligation to meet any Member Agency's demand to the extent the Member Agency's demand exceeds the Member Agency's forecasted demand expressed in the CIWW Long Range Plan.

Prior to the original adoption of the CIWW Long Range Plan by the Board, and prior to each update thereto, Member Agencies shall review, approve and certify to CIWW confirmation of the CIWW Long Range Plan's compliance with their individual stated needs over the intended time period covered by the applicable CIWW Long Range Plan, or updates thereto.

Section 4. Implementation of CIWW Long Range Plan. The Board shall be responsible, in its discretion, to operate CIWW in accordance with the CIWW Long Range Plan and to implement the CIWW Long Range Plan's provisions.

Section 5. Source Water Quality Protection and Improvement. The Board shall establish and implement a program to protect and improve the water quality of CIWW's actual and potential water sources. The program will include outreach and cooperation with federal, state and local agencies, and with other parties with interests in the watersheds and aquifers on which CIWW relies. CIWW's implementation of a water quality program may include expenditures of CIWW funds under the direction of the Board after determination that such expenditures will further the goals of protecting and improving the quality of CIWW's source waters.

ARTICLE VIII. GOVERNING BOARD

Section 1. Governing Body. CIWW shall be governed by a Board of Trustees ("Board") as constituted and established in this Article. Members of the Board shall receive no compensation from CIWW, other than reimbursement for valid expenses incurred, for service on the Board. Except as limited by the Member Agency Vote requirements of Article XI, and by the terms of this Agreement, the Board shall have full and plenary authority over CIWW, and over the conduct of CIWW's business and affairs.

Section 2. Initial Composition of Board. The initial Board shall consist of thirteen (13) Trustees, with one Trustee appointed by and representing each of the Founding Agencies, and with DMWW entitled to appoint and be represented by one Additional Trustee by application of the additional Trustee provision of Section 4 of this Article. It is intended that water systems served by Member Agencies under Sections 14, 15, and 16 of Article IV shall be represented on the Board only by the Trustee(s) appointed by the Member Agency providing service to such water systems.

Section 3. Size of Board. The number of Trustees shall always be equal to the number of Member Agencies of CIWW plus one or more Additional Trustees based on population served as provided in Section 4 of this Article.

Section 4. Additional Trustees. In addition to the one Trustee representative provided for each Member Agency, any Member Agency that serves areas with a total population in excess of one hundred thousand (100,000) persons shall be entitled to one additional Trustee representative (an "Additional Trustee"). The Additional Trustee shall be identified as such by the appointing authority at the time of appointment. Population shall be determined on the basis of the most recently available United States Census data, including any United States Census estimates that are issued after the last decennial United States Census. For the purposes of this Section, the

area served by a Member Agency shall include the areas directly served by the distribution system of the Member Agency, and the area served by the Member Agency under Sections 14, 15 and 16 of Article IV.

Section 5. Board Appointments and Terms. Each Trustee, including any Additional Trustee, shall be appointed by the Member Agency being represented. In the case of a Member Agency that is a city utility governed by the City Council, the appointment shall be made by the mayor of the City, subject to approval of its City Council. In the case of any other Member Agency, including Board-governed city utilities, the appointment shall be made by resolution of its governing body. Trustees shall serve three (3) year staggered terms or until their replacement is appointed. For the purpose of providing staggered terms, the Board shall be divided into three classes of equal size, or as nearly equal size as possible, with terms expiring on a staggered basis. The initial staggered terms of the Trustees representing the Founding Agencies shall be established by division of the Board into three classes that are assigned by lot at the first meeting of the Board after the Effective Date, subject to the requirement that the regular Trustee representing any Member Agency and any Additional Trustee representing such Member Agency shall be assigned to different classes. Upon the occurrence of any vacancy on the Board for any reason, the Member Agency being represented shall appoint a replacement for the unexpired term of the vacant position. Trustees may be appointed for any number of terms in the discretion of the appointing Member Agency. When a New Member Agency is admitted under this Agreement, the New Member Agency shall appoint a Trustee, and if applicable an Additional Trustee, to represent it, with each such Trustee assigned to a class by resolution of the Board.

Section 6. Board Alternates. Each Member Agency may at any time appoint an alternate, on a temporary or permanent basis, to any Trustee or Additional Trustee appointed by such Member Agency. The Member Agency may remove or replace any appointed alternate at any time. The appointment of an alternate to a Trustee or Additional Trustee at any time shall supersede and replace any prior appointments of an alternate. All appointments of alternates shall be made by resolution of the governing body of the Member Agency and communicated to the Secretary of the Board. Alternates shall be entitled to all information provided to, and notices given to, Trustees and Additional Trustees, and may attend any open session of the Board as an observer. An alternate to a Trustee or Additional Trustee shall vote and participate in any meeting of the Board in the place of such Trustee or Additional Trustee at any meeting where such Trustee or Additional Trustee is absent, but shall otherwise have no Board vote, and shall otherwise have no right or power to participate in Board discussions, deliberations, or actions except as recognized by the Chair of the Board.

Section 7. Removal. Any Trustee may be removed by the appointing Member Agency at any time for any reason or for no reason. Any Trustee may also be removed for cause by vote of the Board. Any such removal shall create a vacancy to be filled as provided in Section 5 of this Article. Any Trustee removed for cause by vote of the Board shall not be eligible for re-appointment.

Section 8. Effect of Withdrawal of Member Agency on Board. If any Member Agency withdraws from membership in CIWW or is for any other reason no longer a Member Agency, the size of the Board shall be automatically reduced and any Trustee representing the departed Member

Agency, shall be deemed to no longer serve on the Board effective as of the date of the Member Agency's withdrawal or departure.

Section 9. Quorum. The presence of at least a majority of the duly appointed and acting Trustees, including Additional Trustees, shall constitute a quorum required to be present to convene a meeting of the Board and for the conduct of its business. The Chair shall determine whether a quorum exists, shall cause the names of the Trustees present to be entered into the meeting minutes, and shall call the meeting to order if a quorum exists. A quorum for a weighted vote shall require the presence of Trustees representing at least three Member Agencies as well as Trustees representing a majority of the weighted vote allocation described in Section 11(d) of this Article.

Section 10. Voting. Except as provided in Section 11 of this Article, each Trustee, including each Additional Trustee, shall have one (1) vote, and the majority vote of the Trustees present and voting, if a quorum is established, shall prevail on any vote. No vote shall be taken without a quorum of the Board being present. The Chair, or in the Chair's absence the Vice-Chair, of the Board shall be entitled to vote and participate in discussion, but shall not make or second a motion.

Section 11. Weighted Voting by Board.

(a) Approval and issuance of Bonds shall be considered by the Board on a weighted vote, as described in subsection (d) hereof. An affirmative vote of a majority of the Trustees of the Board, on a weighted basis, shall be required on all Board actions relating to Bond issuances hereunder (other than as provided in Article XVII, Section 3).

(b) Trustees representing any two (2) or more Member Agencies may request a weighted vote on any of the following matters that come before the Board for action:

(i) Any proposal to the Member Agencies to amend or terminate this Agreement or to amend any Schedules to be submitted for Member Agency vote under Article XX;
(ii) Any Board action to update or amend the Board Modifiable Schedules as defined in Section 2 of Article XX;
(iii) Admission of New Member Agencies and the terms thereof under Article XII;
(iv) Adoption of the Initial Budget under Section 2 of Article XV;
(v) Adoption of each Annual Budget under Article XV, or any amendment to an approved Annual Budget;
(vi) Setting of rates and charges payable by Member Agencies;
(vii) Adoption of the initial Long Range Plan under Article VII;
(viii) Any modification of the Long Range Plan under Article VII;

(ix) Adoption of any CIWW Capital Plan or modification to the CIWW Capital Plan under Article XV, including without limitation adoption of the Initial CIWW Capital Plan or any Capital Call;
(x) Issuance of any Emergency Member Agency Assessments under Section 5 of Article XV;
(xi) Adoption or amendment to the Bylaws;
(xii) Declaration of Default of a Member Agency under Article XXIII;
(xiii) Hiring or terminating the Executive Director, Legal Counsel, or Third-Party Fiduciary;
(xiv) Removal of a Trustee for cause;
(xv) Any Amendment to the CIWW Water Shortage Plan; or
(xvi) Determination of any issues pertaining to the meaning or application of the definition of Water Supply Activity, Water Distribution Activity, Water Supply Facility or Water Distribution Facility.

(c) No action on any matter listed in Subsection (b) of this Section that is eligible for a request for weighted vote shall be considered by the Board at any meeting unless the matter is placed on the Agenda of the Board prior to the meeting and written notice of such agenda item is given at least five (5) days before the meeting to all Trustees. A request for weighted vote must be made by the requisite number of Trustees before the vote on the matter that is the subject of such request. Upon any timely request, any Board action on such matter shall be suspended, and the Board will hold a weighted vote on the matter subject to such request at its next meeting. Notwithstanding the foregoing, action on any Emergency Member Agency Assessments may be taken immediately at the meeting when proposed provided any required notice thereof is given in writing to each Member Agency.

(d) For purposes of weighted voting, the full voting power of the Board shall be proportionately allocated and assigned among the Trustees representing the Member Agencies, excluding any Additional Trustees, on the basis of the average of the Annual Demand as set forth in Schedule I-2, but excluding demand attributable to wholesale customers that continue to be served by DMWW under the Purchased Capacity Master Agreement, as updated for the immediately preceding five (5) full calendar years preceding the date of the vote. The allocation shall be recomputed when New Member Agencies are admitted, and shall be recomputed each year based upon the total Annual Demand of each Member Agency for the five (5) full calendar years preceding the vote. Votes representing a majority of the "weighted vote allocation" hereunder plus the votes of Trustees representing at least three (3) Member Agencies shall be required to approve Board actions subject to weighted voting under Subsection (b) of this Section. The agenda for any meeting where action will be taken to approve item(s) subject to weighted vote shall include a statement relating to the weighted vote requirement for each such item.

(e) The weighted voting power of a Trustee representing any New Member Agency admitted after the Effective Date shall be based on a transition formula based upon actual or expected Annual Demand established by the Board at the time of its admission.

(f) In the case of a Board action requiring a weighted vote, the minutes shall reflect the item(s) subject to a weighted vote, and record the specific votes of each Trustee for the Member Agencies on the Board.

Section 12. Meetings of Board.

(a) Regular meetings shall be held at least monthly at the place, day and hour set forth in a schedule of regular meetings for the following year that is approved by the Board at or before its Annual Meeting each year. The regular meeting of the Board in December of each year shall be the Annual Meeting. A copy of the agenda and all materials to be considered at each meeting of the Board shall be mailed, e-mailed, or delivered to each Trustee and to the elected official or administrator designated by each Member Agency to receive notice hereunder, at least two (2) days prior to the meeting, or such longer period as may otherwise be set forth in the Bylaws.

(b) Special meetings of the Board, for any purpose or purposes consistent with this Agreement may be called by the Chair and shall be called by the Chair at the request of any two Member Agencies. The requirements of subsection (a) of this Section shall apply except that the notice of any special meeting shall be given not less than five (5) nor more than twenty (20) days prior to the date of the special meeting.

(c) Notices under this section shall be deemed given upon actual delivery of a written notice, or by actual delivery of an e-mail, or three (3) days after deposit in the United States mail.

(d) All meetings of the Board shall be public meetings to the extent required by Chapter 21, Iowa Code, or any successor laws, as the same may be amended or supplemented in the future, and such rules of order as the presiding officer shall determine. Proceedings of the Board shall be published as provided by Section 28E.6(3), Iowa Code or other applicable law.

Section 13. Bylaws. The Board may adopt bylaws relating to its proceedings, the conduct of the affairs of CIWW, and the terms of service for water provided to Member Agencies that are not inconsistent with this Agreement. Such bylaws may be adopted, and may be amended or repealed, by vote under this Article, provided that such Bylaws or proposed amendment or repeal of such Bylaws, was presented in writing at a prior regular meeting of the Board, and provided that notice of the impending vote thereon is contained in the meeting notice and agenda of the meeting at which such vote is to be taken. In the event of conflict between the provisions of the bylaws and the provisions of this Agreement, the provisions of this Agreement shall prevail.

ARTICLE IX. OFFICERS OF BOARD

Section 1. Number and Term. The officers of the Board shall be the Chair, the Vice-Chair and the Secretary, each of whom shall be elected from among the members of the Board by vote of the Board at an Annual Meeting of the Board to serve for the following two calendar years. Each of the officers shall be a representative of a different Member Agency. Officers shall be elected for a two-year term, with a possible second term available. In no event shall a person hold one specific officer position for more than two (2) consecutive terms. Provided, however, that an officer chosen to fill a vacancy shall be entitled to serve two (2) full consecutive terms after completion of the term filling the vacancy.

Section 2. Duties of Chair. The Chair shall preside at all meetings of the Board. The Chair, or the Vice-Chair in the absence of the Chair, shall sign any instruments that the Board has authorized to be executed, except in cases where the signing of instruments shall be required by law to be otherwise signed or executed, or where the resolution of the Board authorizes the signing of such instrument by another person.

Section 3. Duties of Vice-Chair. In the absence of the Chair, or in the event of the death, inability to act, or refusal to act by the Chair, as directed by the Board, the Vice-Chair shall perform the duties of the Chair, and when so acting, shall have all the powers of and be subject to all the restrictions upon that office.

Section 4. Duties of Secretary. The Secretary shall have the following duties and responsibilities, any or all of which may be delegated or assigned by Board resolution to one or more Board clerks or assistant secretaries who need not be Trustees or representatives of Member Agencies:

(a) The taking and preservation of minutes of the meetings of the Board;
(b) The giving of all notices in accordance with this Agreement, any Bylaws, as directed by the Board, or required by law;
(c) Acting as custodian of the records of CIWW;
(d) Signing and certification of documents and instruments authorized by the Board or by law;
(e) Keeping a current registry of the names and addresses of Trustees, the Member Agencies, and the officer of each Member Agency designated to receive notices.

Section 5. Election. The Trustees serving on the Board shall elect the Board Officers. The Nominating Committee shall select and offer nominations for each office at the Board's Annual Meeting. Nominations for the officer positions shall also be accepted from the Trustees present at that Annual Meeting. All nominees, including those offered by the Nominating Committee, must receive a second for the nomination to be considered a candidate and voted on for said office.

Section 6. Vacancy. Each officer shall hold office until his or her successor has been elected. A vacancy in the office of Chair, Vice-Chair, or Secretary shall be filled by the Board for the unexpired portion of the term.

ARTICLE X. COMMITTEES OF BOARD

Section 1. Executive Committee.

(a) An Executive Committee is established for the purposes of reviewing and advising on policy issues at the request of the Executive Director or the Board and making recommendations to the Executive Director, and of making recommendations to the Board regarding the appointment of the Executive Director and thereafter periodically reviewing the performance of the Executive Director and to otherwise assist and advise the Board and the Executive Director. The Executive Committee shall be chaired by the Board Chair. Members of the Executive Committee shall be appointed by action of the Board each year at the Annual Meeting of the Board, consistent with the following provisions.

(b) For the first three (3) full calendar years after the Effective Date, the Executive Committee shall be comprised of (i) the current Chair, (ii) a Trustee representing DMWW unless it is already represented on the Executive Committee, (iii) a Trustee representing WDMWW unless it is already represented on the Executive Committee; (iv) a Trustee representing UWU unless it is already represented on the Executive Committee; (v) the most recently presiding Chair prior to the current Chair who remains a current Trustee, if applicable; and (vi) one (1) additional Trustee selected at-large. The foregoing provision notwithstanding, at no time shall the membership of the Executive Committee equal or exceed the quorum for the full Board. If the size of the Executive Committee must be reduced to meet this condition, the membership of the Executive Committee shall be reduced by eliminating one or more categories named above in reverse order as named above, that is category (vi), then (v) and so on.

(c) After the first three (3) full calendar years, the Executive Committee shall be comprised of (i) the current Chair; (ii) the most recently presiding Chair prior to the current Chair who remains a current Trustee; (iii) three (3) additional Trustees representing Member Agencies with the highest Annual Demand over the preceding five (5) -year period unless those Trustees are already represented on the Committee; and (iv) one additional Trustee representing the otherwise unrepresented Member Agencies. The foregoing notwithstanding, at no time shall the membership of the Executive Committee equal or exceed the quorum for the full Board. If the size of the Executive Committee must be reduced to meet this condition, the number of committee members in category (iii) shall be reduced as required to meet this condition, by eliminating the representative of the Member Agency under Subsection (c)(iii) with the lowest Annual Demand followed by the next lowest, and so on.

(d) The Executive Committee shall meet at the call of the Board Chair or at the request of the Executive Director to fulfill its purposes as set forth herein and such other duties as may be assigned to the Executive Committee by resolution of the Board. Member Agencies shall all be provided at least two (2) days' advance notice of, and an Agenda for, all meetings of the Executive Committee.

Section 2. Long Range Planning and Capital Improvements Committee.

(a) A Long Range Planning and Capital Improvements Committee is established to provide planning and technical advice and recommendations to the Board with respect to planning and capital, including but not limited to: (i) adoption and modification of the CIWW Long Range Plan under Article VII, and the CIWW Capital Plan under Article XV; (ii) planning for modifications, or additions to, source water and water treatment facilities and timeline(s) for potential construction; and (iii) such other duties requiring technical, or business expertise as may be assigned by Board resolution.

(b) The Long Range Planning and Capital Improvements Committee shall be comprised of one individual appointed by each Member Agency, who may be, but is not required to be a Trustee representing such Member Agency, but who shall be an individual familiar with the current and long-range drinking water requirements of the Member Agency and with regional assets and infrastructure. Each Member Agency may also appoint an alternate representative. The Long Range Planning and Capital Improvements Committee shall include the Executive Director or his or her designee who shall not be a voting member of the Committee.

(c) The Long Range Planning and Capital Improvements Committee shall be chaired by a member of the Committee elected by the voting Members of the Committee. The Long Range Planning and Capital Improvements Committee shall meet in accordance with a meeting schedule approved by the Committee, at the call of the Chair of the Committee, or at the direction of the Board.

Section 3. Finance & Audit Committee.

(a) A Finance & Audit Committee is hereby established for the purposes of reviewing issues and items referred to it by the Board. In addition, the Finance & Audit Committee shall make recommendations to the Board on the following: (i) finances, budgets, and budget amendments; (ii) audits of CIWW finances and CIWW records; (iii) rates and charges to Member Agencies; and (iv) such other duties as may be assigned by Board resolution.

(b) Members of the Finance & Audit Committee shall be appointed annually by the Board Chair at the Annual Meeting. The Membership of the Committee shall not equal or exceed the number constituting a quorum for the full Board. The Finance & Audit Committee shall include the Executive Director or his or her designee, and

contracted Third-Party Advisors of the Board, neither of which will be a voting member of the Committee. The Finance & Audit Committee shall be chaired by a voting member of the Committee elected by vote of the voting members of the Committee.

(c) The Finance & Audit Committee shall meet in accordance with a meeting schedule approved by the Committee, at the call of the Chair of the Committee, or at the direction of the Board.

Section 4. Nominating Committee. A Nominating Committee, consisting of at least three (3) Trustees, is established for the purpose of selecting and offering nominations for election to each office of the Board at the Annual Meeting of the Board. Members of the Nominating Committee shall be appointed by the Chair, with the appointments announced at a regular Board meeting held at least three (3) months prior to the Annual Meeting of the Board. The Nominating Committee shall be chaired by a Committee member selected by the members of the Nominating Committee.

Section 5. Technical Committee.

(a) A Technical Committee is hereby established to provide technical advice or recommendations to the Board in areas requiring technical, business, or operation expertise, including but not limited to:

(i) Determination of each Member Agency's water consumption, including its Annual Demand, Max Day Demand, average day demand, and average consumption over a specified number of consecutive years (e.g., 3 or 5 years);
(ii) Computation of updates to Schedule I-2 as soon as may be practical annually after the end of each calendar year;
(iii) Determination of designs for all capacity enhancements to be constructed by, or at the request and cost of, CIWW;
(iv) Recommendations regarding capacity enhancements or other improvements proposed by one or more Member Agencies or any proposed new Prospective Member Agencies;
(v) Determining the population served by each Member Agency for purposes of Section 4 of Article VIII;
(vi) Review of the operational sufficiency of the preliminary budget proposed by the Executive Director each year;
(vii) Review and recommendations to the Board regarding the meaning or application of the definitions of Water Supply Activity, Water Distribution Activity, Water Supply Facility or Water Distribution Facility;
(viii) Monitor effectiveness of, and compliance with the CIWW Water Shortage Plan and advise the Board with respect to amendments thereto as needed;

(ix) Monitor the usage by each Member Agency of shared transmission mains and pumping stations in comparison to the capacity assigned to each Member Agency under applicable agreements and recommend solutions required to remediate any excess usage and resulting detriment to other Member Agencies; and

(x) Duties as outlined in this Agreement, and such other duties requiring technical or business expertise as may be assigned by Board resolution.

(b) The Technical Committee shall be comprised of one (1) individual appointed by each Member Agency, who may be, but is not required to be a Trustee representing such Member Agency, but who shall be an individual familiar with the Member Agency's local distribution or business operations. Each Member Agency may also appoint an alternate representative. The Technical Committee shall include the Executive Director or his or her designee, who shall not be a voting member of the Technical Committee. Each Member Agency is entitled to one vote on the Technical Committee to be cast either by the appointed individual or alternate.

(c) The voting members of the Technical Committee shall elect a chair. The Technical Committee shall meet in accordance with a meeting schedule approved by the committee, at the call of the chair of the Committee, or at the direction of the Board.

Section 6. Other Committees. By resolution, the Board may designate two (2) or more Trustees or other persons to constitute a committee. Such committee shall, if authorized by resolution of the Board, provide advice and recommendations to the Board or otherwise act pursuant to the authority delegated by the Board resolution. The designation of such committees shall not relieve the Board of any responsibility unless such responsibility is specifically delegated to the committee by Board resolution. Meetings of such committees may be held at such time and place as the committees or Board may fix from time to time.

ARTICLE XI. MEMBER AGENCY VOTE

Section 1. Member Agency Votes. The matters set forth in Section 2 of this Article XI shall require a vote of the Member Agencies by written ballot before going into effect. Each Member Agency will have one (1) vote on each matter requiring a Member Agency vote under this Agreement.

Section 2. Requirement for Member Agency Vote. The following matters adopted or proposed by the Board shall require a vote of the Member Agencies to be effective:

(a) Any proposal adopted by the Board to amend or terminate this Agreement, except updates or amendments to the Board Modifiable Schedules as defined in Section 2 of Article XX may be approved by the Board without Member Agency vote;

(b) Any proposed merger or consolidation of CIWW with any other agency or entity or any sale of all, or substantially all, of the assets of CIWW; and

(c) Any matter regarding Bonds that, in the opinion of bond counsel to CIWW, requires a vote of the Member Agencies.

Section 3. Vote by Written Ballot. A vote of the Member Agencies shall be conducted by written ballot cast on a form of ballot for each measure coming before the Member Agencies that shall be provided by the Secretary, with such ballots cast required to be received by the Secretary within thirty-one (31) days of dispatch to the Member Agency. Member Agency votes shall be cast solely at the direction of the governing body of the Member Agency pursuant to a resolution of such governing body. Multiple measures may be submitted on a single form of ballot, provided that the ability to vote for or against each separate matter is preserved.

Section 4. Vote Required for Member Action. The affirmative vote of not less than a majority of the votes entitled to be cast by Member Agencies shall be required for approval or adoption of any matter coming before the Member Agencies for vote regardless of the actual total number of votes cast, except that a vote to terminate this Agreement, or a vote to amend this Agreement that effectively terminates this Agreement shall require the affirmative vote of two-thirds (2/3) of all Member Agencies as provided in Section 1 of Article XX, and the required vote on bond matters shall be as specified in Article XVII.

ARTICLE XII. ADMISSION OF NEW MEMBER AGENCIES

Section 1. Admission of Additional Member Agencies. During the term of this Agreement, one or more additional qualified public entities meeting the definition of a public water supply system in Chapter 455B, Iowa Code, ("Prospective Member Agency") may be admitted to membership as a Member Agency within the meaning of this Agreement, and thereby become entitled to, and subject to, all of the benefits and obligations of this Agreement. To be qualified for membership the Prospective Member Agency must be a political subdivision of the state, licensed as a public water supply entity within the geographic area that it is physically practical for CIWW to serve and that either CIWW has the capacity to serve, or CIWW and the Prospective Member Agency have agreed to the financing and construction of the Capacity Expansion Project necessary to provide additional capacity, with costs allocated to said Prospective Member Agency in accordance with Section 7 of Article V of this Agreement.

Section 2. Application for Membership. Any qualified public entity may apply for membership in CIWW by submitting a request for membership addressed to the Board. Upon receipt of any such request, the Executive Director, the Executive Committee, and the Technical Committee shall investigate such request, and each shall make their recommendations to the Board regarding the application as promptly as circumstances reasonably permit. The Prospective Member Agency shall pay an application fee in an amount determined by the Board that is sufficient to cover the actual costs incurred by CIWW to review such application. The Board shall approve or reject each application for membership, upon confirmation of conditions of membership. The Prospective Member Agency shall be required to comply with any and all legal requirements, including but not limited to notice and public hearing(s) required for any asset transfer, prior to becoming a New Member Agency.

Section 3. Conditions of Membership. The Board shall specify conditions of admission to membership for each Prospective Member Agency, which conditions shall include:

(a) The amount of the Prospective Member Agency's initial capital contribution;
(b) The new Prospective Member Agency's initial Allocated Capacity, and the payment or payments required to be made for such capacity, if any;
(c) The adoption of resolutions by the governing body of the Prospective Member Agency: (i) authorizing its joinder in this Agreement, (ii) accepting all terms and conditions of this Agreement, including without limitation the bond resolutions under Article XVII, and (iii) agreeing to any conditions of membership the Board specifies;
(d) Provisions for the point or points of connection of the Prospective Member Agency to the facilities and sources of supply of CIWW and for the metering or calculation of the quantity of water to be supplied;
(e) Provisions for dedication of any Water Supply Facilities of the Proposed Member Agency, and for their transfer to CIWW to the extent of benefit to CIWW. New Member Agencies admitted to membership shall be compensated for dedication and transfer of production capacity only to the extent the dedicated and transferred capacity exceeds the New Member Agency's Total Capacity Requirement. The compensation paid for any dedication of production capacity shall be the net book value of the surplus capacity dedicated by the New Member Agency and in substantially the same manner described in Schedule XIII-1;
(f) The effective date of membership and of operational connection; and
(g) Any other terms and conditions of membership that the Board deems to be necessary or appropriate.

The financial conditions applied to admission of each Prospective Member Agency shall never be more favorable than the terms which the Founding Agencies received when establishing CIWW. Except as provided in Schedule XII-3, or absent exceptional circumstances, the financial conditions for each Prospective Member Agency shall include a premium to reflect the risk incurred by the Founding Agencies in creating CIWW, and the benefits created by the Founding Agencies in establishing CIWW.

Section 4. Effecting Membership. A Prospective Member Agency approved by the Board for membership shall become a New Member Agency after compliance with any conditions of membership specified by the Board, by authorization of its governing body and execution of an agreement of joinder in this Agreement that is filed as required by Section 28E.8, Iowa Code. Such membership shall be effective as of the date of admission specified by the Board or the date of filing with the Iowa Secretary of State, whichever is later.

Section 5. Effect of Joinder. By signing a joinder to this Agreement, each New Member Agency agrees to all of the terms of this Agreement and covenants to take all steps necessary to meet all of its obligations to CIWW, and to enable CIWW to meet its bond obligations under Article XVII.

ARTICLE XIII. TRANSFER OF ASSETS

Section 1. Acquisition of Designated Water Supply Facilities. As provided in Section 7 of Article IV, CIWW shall acquire the Designated Water Supply Facilities from the Water Producing Member Agencies, UWU, Waukee, and Xenia on the Operational Commencement Date. Each such Member Agency has, or will have as part of the approval of this Agreement, complied with all legal requirements including notices and public hearings necessary for the transfer of the Designated Water Supply Facilities. The consideration to be paid for asset transfers and other terms and conditions of such acquisitions shall be as set forth in Schedule XIII-1 and Schedule IV-7 hereto. Each Member Agency transferring assets shall, except as it may otherwise agree in writing between the Member Agency and CIWW, retain ownership of its office building, but may lease space to CIWW for CIWW's purposes. Except to the extent otherwise described in Schedule IV-7, each Member Agency shall retain ownership of any grounds it makes available for public use for park or recreational purposes, subject to such rights of ingress, egress, and use that CIWW may require to make full use of the Designated Water Supply Facilities. Any alteration of the Member Agency's grounds, including, but not limited to, excavation, in order to access the Designated Water Supply Facilities may only occur after obtaining permission from the affected Member Agency, which shall not be unreasonably withheld. CIWW will be responsible for restoring a Member Agency's property that is altered at CIWW's direction. Each Member Agency reserves the right to control its parks and recreation grounds and to make rules governing park or recreational use of its grounds.

Section 2. Outstanding Obligations Secured by the Transferred Assets. No transfer of assets shall occur under this Article unless: (i) full and adequate provision is made for payment or defeasance of any bonds or other obligations secured by the assets transferred, or full and adequate provision is made for the assumption of said outstanding obligations by CIWW, where permitted, (ii) compliance with all bond covenants required for the transfer of the assets is otherwise established, or (iii) proper consent is obtained such that there will be no default or breach of covenants under any such bonds or obligations. Asset transfers shall be free of all liens and encumbrances, except the reversionary interest provided in Section 3 of this Article. Any assumption by CIWW of outstanding obligations which financed transferred assets will adjust the credit/consideration calculated under Section 1 of this Article in accordance with Schedule XIII-1.

Section 3. Reversionary Interests in Transferred Assets. Each Member Agency that transfers assets under this Article shall retain reversionary interests in the assets, properties and interests transferred by it to CIWW under this Article, under which such assets, properties and interests shall revert and be re-conveyed back to such Member Agency upon any invalidation of this Agreement or upon the expiration or complete termination of this Agreement. The reversionary interest shall not extend to or include any Capacity Expansion under Section 6 of Article V. The reversionary interest shall be recorded as a matter of public record with respect to any of the assets either in the instrument of transfer or in a separate document. Any asset that is used for both Water Distribution Activity by any Member Agency and Water Supply Activity by or on behalf of CIWW by any Operating Contractor at the time of any reversion of assets under this Section shall be deemed a "Dual Use Asset," regardless of when acquired. Dual Use Assets

shall revert to the Member Agency using such asset for Water Distribution Activity upon any invalidation of this Agreement or upon the expiration or complete termination of this Agreement.

Section 4. Funding of Consideration for Asset Transfer. CIWW shall fund cash payments to Member Agencies required for asset transfer through capacity payments from other Member Agencies, including New Member Agencies, under Article V or Article XII, or payments from Member Agencies as set forth in Schedule XIII-1.

ARTICLE XIV. CIWW STAFF, CONSULTANTS, AND MANAGEMENT SUPPORT

Section 1. Staffing. CIWW shall employ an Executive Director selected by the Board who shall be the CEO and General Manager of CIWW and serve at the pleasure of the Board. The Board may elect to engage a qualified firm to provide the Executive Director's services in lieu of hiring an Executive Director.

Section 2. Initial Administrative Support Contract. CIWW and one or more Member Agencies selected by the Board may enter into one or more initial administrative support agreements for a minimum term of three (3) years from the Effective Date. The Member Agency or Member Agencies will provide administrative services to CIWW, and be compensated as set forth in Schedule XIV-2 to this Agreement. The Board may renew the agreements after three (3) years, or retain a different entity to provide administrative support in the Board's full discretion.

Section 3. Third Party Financial Advisor. CIWW shall engage one or more qualified consultants to advise and support the Board in financial matters including budgeting, cost allocation studies, rate setting, indebtedness, and other financial matters as set forth in Schedule XIV-3. The financial advisor or advisors shall have professional responsibility to the Board to advise on a competent and impartial basis.

Section 4. Legal Counsel. CIWW shall select and engage a general counsel ("Legal Counsel") on terms specified by the Board and such special counsel as the Board may from time to time determine.

Section 5. Primary Engineering Consultant. CIWW shall select and engage a primary engineering advisor on terms specified by the Board and such special engineering advisors as the Board may from time to time determine.

Section 6. Other Staff and Contracts. The Board may determine to employ such other staff and engage other consultants and advisors for such purposes and on such terms as it determines to be necessary or appropriate, and may contract with third parties for all necessary or desirable services and may define and enforce applicable parameters and benchmarks for the same.

ARTICLE XV. BUDGET AND CAPITAL PLANS

Section 1. Fiscal Year. CIWW shall operate on a calendar year basis which shall be its fiscal year.

Section 2. Budget and CIWW Capital Plan. The Board shall establish and adopt an Annual Budget and CIWW Capital Plan as governed by a process as set forth herein and within the timeline as provided in Schedule XV-2 as follows:

(a) Initial Budget and CIWW Capital Plan. On or before the Operational Commencement Date or within twelve (12) months of the Effective Date, whichever first occurs, the Board shall establish an Initial Budget and an Initial CIWW Capital Plan to govern the period from the date of adoption of the Initial Budget to the expected Operational Commencement Date, and for the first fiscal year after the Operational Commencement Date. If the Initial CIWW Capital Plan and Initial Budget indicate a need for an increase in the capital of CIWW to assure that CIWW is able to meet its financial obligations as they become due until commencement of operations and for the first fiscal year thereafter, then the Board shall increase the Initial Capital Contributions specified in Section 9 of Article I and Schedule I-9, and each Member Agency shall make the additional Initial Capital Contributions in accordance therewith, within thirty (30) days of the Board's adoption of the Initial Budget and Initial CIWW Capital Plan.

(b) Annual Budget and CIWW Capital Planning. The Board shall annually adopt a CIWW Capital Plan and an Annual Budget.

(i) CIWW Capital Planning. On or before May 31 of each year, the Executive Director, with the assistance of the Third Party Financial Advisor and input from the Long Range Planning and Capital Improvements Committee and the Member Agencies, shall cause to be prepared and submitted to the Board for approval a five-year CIWW Capital Plan as the Board determines is necessary or appropriate to assure CIWW has adequate capital to achieve the Long Range Plan, and to meet CIWW's financial obligations as they become due.

(ii) Annual Budget. On or before August 30 of each year, the Executive Director, with the assistance of the Third Party Financial Advisor and input from the Member Agencies, shall cause to be prepared and submitted to the Board a proposed preliminary CIWW budget for the next fiscal year. The Annual Budget shall specify the expected revenues and operating and capital expenses of CIWW for the fiscal year, and shall make adequate provisions to meet the obligations of CIWW, including Debt Service and compliance with Bond covenants, and adequate provisions for operating reserves, capital reserves, Capacity Expansions, and funding for asset transfers. The Finance and Audit Committee and Technical Committee shall review and may propose revisions to the preliminary budget. The

Executive Director shall revise the preliminary budget based on the committees' reviews. The preliminary budget shall be considered by the Board after a public hearing at a regular Board meeting in November of each year and shall be adopted as the Annual Budget by the Board with such revisions as it deems proper after the November public hearing.

(c) Modification of CIWW Capital Plan. The Board may vote to modify the Initial CIWW Capital Plan, or any subsequent CIWW Capital Plan, only after providing at least sixty (60) days' written notice to all Member Agencies. A CIWW Capital Plan may provide for a capital call on Member Agencies under Section 3 of this Article.

Section 3. Capital Call on Member Agencies. A CIWW Capital Plan, as adopted or modified under Section 2 of this Article, may provide for a capital call on Member Agencies payable in one or more installments, provided that the payment shall become due at a time that is at least sixty (60) days after the adoption of the CIWW Capital Plan (a "Capital Call"). Any Capital Call shall be allocated among the Member Agencies on the basis of their respective Allocated Capacities at the time of adoption of the Capital Call. Any Capital Call created by a Capital Plan creates a payment obligation for all Member Agencies to be paid according to the terms of the Capital Plan.

Section 4. Return of Capital. Upon admission of each new Member Agency, the Board may, to the extent funds are available for such purpose, provide for a pro-rata return of the capital contributed by each prior Member Agency, plus a deemed rate of return based on any capital premium charged to the New Member Agency. For so long as CIWW shall remain in existence, no Member Agency or former Member Agency shall otherwise be entitled to any return of capital at any time except in accordance with the provisions of the CIWW Capital Plan.

Section 5. Emergency Member Agency Assessments. In the event that unforeseen or exigent circumstances arise such that CIWW's revenues and capital resources are insufficient to allow CIWW to meet its financial obligations as they become due, the Board shall issue one or more "Emergency Member Agency Assessments" to the Member Agencies. Each Member Agency's portion of the Emergency Member Agency Assessment will be based on the Member Agency's pro rata share of the total Allocated Capacity as defined in Schedule V-3, as amended. Each Emergency Member Agency Assessment shall be due and payable within thirty (30) days of adoption of the assessment by the Board. Emergency Member Agency Assessments shall be repaid, without interest, to the Member Agencies when and as the financial condition of CIWW permits. To the extent a shortfall necessitating an Emergency Member Agency Assessment under this section is due to one or more Member Agency's failure to timely pay any of its financial obligations to CIWW, CIWW may reallocate the shortfall to all other Member Agencies on an adjusted pro-rata basis (excluding the non-paying Member Agency's allocation in the calculation). Repayment to Member Agencies who funded the Emergency Member Agency Assessment shall be made from funds received by CIWW upon cure of the delayed payment by, or collection from, the non-paying Member Agency.

Section 6. Annual Budget Certification by Member Agencies. Each Member Agency shall annually certify to CIWW, before the beginning of each Member Agency's fiscal year, that the Member Agency has reviewed the CIWW Annual Budget and imposed sufficient rates and charges, or appropriated other funds, in its own budget sufficient in amount to timely pay its payment obligations to CIWW during the next fiscal year as they become due.

ARTICLE XVI. FUNDS AND ACCOUNTS

Section 1. Funds and Investments. The Board shall establish and maintain appropriate funds and accounts for the purposes set forth in this Agreement. All funds held by the Board shall be accounted for, managed and invested in compliance with Iowa law, including but not limited to, Chapters 12B and 12C, Iowa Code.

Section 2. Annual Audit. An independent auditor selected by the Board will annually audit the financial statements of CIWW. Following the receipt of the audit report, the Board shall deliver a copy of the annual audit to the Member Agencies and shall schedule a meeting of the Board for the purpose of having representatives of the independent auditing firm submit an oral presentation of the audit, and answer questions as may be posed to them by the Board.

ARTICLE XVII. CIWW PROJECT FINANCING; ISSUANCE OF BONDS AND REFUNDING BONDS

Section 1. Project Funding. To the extent the CIWW Annual Budget, as may be amended from time to time, contemplates financing a capital project, each Member Agency shall make specific provision for payment of its allocated share of the financed project, and if sufficient funds are not available to said Member Agency, each shall issue bonds, notes or other obligations as it deems appropriate to fund its allocated share. Financing allocated costs of a capital project, including the issuance of bonds, notes, or other obligations, shall be undertaken by Member Agencies individually, to the extent necessary to capitalize their respective cost allocation, unless the parties have agreed otherwise for CIWW to issue Bonds for said capital project. To the extent such capital project is a Capacity Expansion Project, if CIWW issues Bonds, Debt Service on said Bonds shall be allocated to Member Agencies in accordance with Section 7 of Article V hereof, and collected by CIWW from the affected Member Agencies, along with rates imposed in accordance with Schedule VI-2 hereof. If the capital project is not a Capacity Expansion Project, but rather a Joint Capital Project as defined in Section 9 of Article V for which CIWW issues Bonds, Debt Service on said Bonds will be administered by CIWW within the rates imposed therein for Base Costs and Extra-Capacity Costs.

Section 2. Obligations Authorized. The Board is authorized to issue its Bonds and Refunding Bonds under the authority of Chapter 28F of the Code, as amended, or as otherwise may be authorized by law from time to time for the purposes set forth in this Agreement. The Board also is authorized, in its discretion, to utilize existing reserves or other available funds to pay all or any portion of the costs associated with the financing or refinancing of the acquisition,

construction or expansion of any such water facilities deemed necessary or appropriate, in lieu of issuing Bonds or Refunding Bonds for the same under this Agreement.

Section 3. Member Agency Consent to Issuance.

(a) By their approval and execution of this Agreement, the Founding Agencies hereby consent to and authorize the Board, pursuant to Section 28F.3, Iowa Code, to issue Bonds in one or more series, the aggregate principal amount not to exceed Nine Hundred Million Dollars ($900,000,000.00) for projects necessary to carry out the purposes of this Agreement, including but not limited to construction of CIWW Water Supply Facilities to effectuate the CIWW Long Range Plan, or the CIWW Capital Plan, each of which may be modified from time to time by the Board. Without limitation, the initial scope of anticipated projects necessary to carry out the purposes of this Agreement is included as Schedule XVII. Such Bonds may be issued and sold by the actions of the Board in multiple series, at such times and from time to time over a period of years, in such amounts, to such purchasers and for such purposes, by either public or private sale, at fixed or variable rates of interest as shall be prevailing at the time of issuance of the Bonds, but which shall not exceed fifteen percent (15%) per annum in any event, with such covenants and terms and in such form and manner as the Board shall determine to be appropriate, in its sole discretion. Each new Member Agency shall provide the same consent and authorization upon joinder in this Agreement.

(b) Included within the Bonds authorized in subsection (a) hereof, the Founding Agencies hereby consent to and authorize the Board, pursuant to Section 28F.10, Iowa Code, which is incorporated herein by this reference, to issue Refunding Bonds for the purpose of refunding or refinancing any of the Bonds during the term of this Agreement. Such Refunding Bonds may be issued and sold by actions of the Board in multiple series, at such times and from time to time over a period of years, in such amounts, to such purchasers by either public or private sale, at such rates of interest as shall be prevailing at the time of issuance of the Refunding Bonds, but which shall not exceed fifteen percent (15%) per annum in any event, with such covenants and terms and for the purpose of refunding or refinancing such series of Bonds as the Board shall determine to be appropriate. Each new Member Agency shall provide the same consent and authorization upon joinder in this Agreement.

(c) To the extent permitted by law, the Board is authorized to and may enter into, amend or terminate, as it determines to be necessary or appropriate, Interest Rate Agreements or other contracts entered into for the benefit of CIWW or for the benefit of any of the holders of the Bonds or Refunding Bonds to facilitate the issuance, sale, resale, purchase, repurchase or payment of any of the Bonds or Refunding Bonds, including bond insurance, letters of credit and liquidity facilities.

Section 4. Not General Obligations. The principal of and interest on all Bonds and Refunding Bonds issued under this Agreement shall be payable solely from and secured by the net revenues of CIWW and from other funds of CIWW lawfully available therefore as provided in Section 28F.5, Iowa Code, or other applicable provisions of law, and the Bonds and Refunding Bonds shall not in any respect be general obligations of the Member Agencies, nor shall the

Member Agencies be in any manner liable by reason of such net revenues or other funds being insufficient to pay the Bonds and Refunding Bonds.

Section 5. Allocations of Debt Service. Following the issuance of the Bonds and Refunding Bonds and for so long as any of the Bonds and Refunding Bonds remain outstanding, the Debt Service thereon shall be allocated to the Member Agencies in accordance with this Agreement, and each Member Agency agrees to pay its share of such Debt Service allocated pursuant to Sections 6 and 7 of Article V, to CIWW at the times set forth in this Agreement. In the event of a failure by a Member Agency to make any payment due to CIWW as required under this section of the Agreement, which failure continues for a period of ten (10) days, the unpaid amount shall bear interest from the date due until paid at a rate equal to twelve percent (12%) per annum (or the maximum rate allowable by Iowa law, whichever is less). Failure to make a required payment which continues for a period of thirty (30) days shall constitute an Event of Default hereunder without further demand by CIWW and be subject to Article XXIII hereof.

Prior to any Bond or Refunding Bond sale, any Member Agency may make a cash payment for its estimated share, allocated in accordance with Section 7(b) or (c) of Article V, of one or more of the Capacity Expansion Project improvements to be financed or refinanced from the specific Bond or Refunding Bond issue. Upon Board acceptance of such Capacity Expansion Project, the Board shall reconcile the Member Agency's cash contribution to its actual share of the project costs as determined under this Agreement. The difference between the Member Agency's actual cost and its cash contribution shall be paid by or to the Member Agency within twelve (12) months.

Section 6. Restriction on Withdrawal. No Member Agency may withdraw or in any way terminate, amend or modify its obligations under this Agreement to the detriment of the holders of CIWW Bonds and CIWW Refunding Bonds while any CIWW Bonds and CIWW Refunding Bonds are outstanding and unpaid, and the provisions of Section 28F.3, Iowa Code, with respect thereto are hereby approved and accepted. Article XXII herein governs the limitations and processes for Member Agency withdrawal.

Section 7. Future Interpretation. The provisions of this Article are intended and shall be construed as to fully invoke the provisions of Chapter 28F, Iowa Code, with respect to the issuance of the Bonds and Refunding Bonds by the Board as described herein, and to reflect the full authorization, consent and agreement of the Member Agencies with respect thereto.

ARTICLE XVIII. ACQUISITION AND DISPOSITION OF PROPERTY

Section 1. Acquisition. In addition to asset transfers under Article XIII, CIWW may acquire such property as it needs to accomplish its purposes by purchase, gift, exchange, transfer, conveyance or otherwise, and shall hold all real, personal and intangible property which it acquires in its own name. To the full extent authorized by law and this Agreement, by authority of chapter 28E's joint exercise of Member Agencies' powers, privileges and authorities, Member Agencies hereby expressly delegate and empower CIWW to acquire real property or an interest therein for a public use or purpose related to CIWW's function by use of the power of eminent domain in accordance with Chapters 6A and 6B, Iowa Code. CIWW is authorized to bring an eminent domain

action in its own name, or CIWW may request a Member Agency to bring such action in its name on behalf of CIWW, provided CIWW shall fully reimburse the Member Agency for all costs of the proceeding, including reasonable attorneys' fees and damages to be paid to the owner of the property being so acquired, and all related administrative and legal expenses. In the event the Board determines not to pay the award made by the compensation commissioners and take possession of the property at the conclusion of the eminent domain proceedings or any appeal thereof, CIWW shall nevertheless reimburse the Member Agency for the costs and expenses, including any attorney fees or damages awarded to the property owner.

Section 2. Disposition. CIWW may dispose of any of its property and shall do so in the same manner as a city under Section 364.7, Iowa Code, provided, however, that any such transfer shall be subject to any rights of reversion provided by this Agreement, unless released or waived by the holder of the right of reversion. CIWW shall provide notice to any purchaser or recipient of CIWW property of any reversionary interests held by a Member Agency. All proceeds from the sale or disposition of property, no matter the origin of such property, shall be the property of CIWW, except for any payment made to any holder of a reversionary interest that is made in exchange for release of such reversionary interest.

ARTICLE XIX. WATER SHORTAGE PLAN

Section 1. Water Shortage Plan. The Water Shortage Plan attached as Schedule XIX-1 is hereby adopted by CIWW effective as of the Operational Commencement Date. Such Water Shortage Plan may be amended by the Board at any time.

Section 2. Adoption of Rules and Ordinances. Member Agencies shall enact water shortage provisions in their respective rules and ordinances to the extent necessary to comply with their obligations under the Water Shortage Plan.

ARTICLE XX. AMENDMENTS TO THIS AGREEMENT

Section 1. Amendments. This Agreement, including its Schedules, may be amended by action of the Board that is confirmed by Member Agency vote under Article XI, except that any amendment that effectively terminates this Agreement shall require the affirmative vote of two-thirds (2/3) of all Member Agencies.

Section 2. Board Modifiable Schedules. Notwithstanding Section 1 of this Article, the following Schedules may be updated or amended by vote of the Board and without a Member Agency vote: Schedule I-2, Schedule I-9, Schedule I-10, Schedule IV-1, Schedule IV-11, Schedule IV-12, Schedule IV-19, Schedule V-3, Schedule XIV-2, Schedule XIV-3, Schedule XV-2, and Schedule XIX-1 (the "Board Modifiable Schedules").

Section 3. Limits on Amendments to Terms and Schedules.

(a) Notwithstanding Section 1 of this Article, for a period of seven (7) years from the Effective Date, no amendment shall be made without the unanimous consent of the Member Agencies to the following Articles, Sections and Schedules of this Agreement:

(i) The following section of Article I Purposes and Establishment of Legal Entity:
   a. Section 14 Term and Period of Existence

(ii) The following section of Article III Limitations of Scope and CIWW Powers and Operations:
   a. Section 1 Prohibited Activities

(iii) The following sections of Article IV CIWW Exclusive Supply Rights and Service Obligations and Transfer of Existing Facilities:
   a. Section 1 Exclusive Supply Rights
   b. Section 5 Limitations on Founding Agency Water Supply Activities
   c. Section 7 Transfer and Operation of Existing Water Supply Facilities
   d. Section 9 Repair, Replacement, Updating, Improvement and Expansion
   e. Section 10 Saylorville Water Treatment Plant Expansion
   f. Section 14 Total Service Agreements
   g. Section 15 Wholesale Water Service Master Agreement
   h. Section 16 Other Preexisting and Potential Future Wholesale Relationships
   i. Section 18 Member Agency Obligations

(iv) The following sections of Article V Water Supply Facility Operating Contracts, and Capacity Expansion:
   a. Section 1 Operating Contracts
   b. Section 2 Actual Cost Recovery
   c. Section 3 Initial Capacity Allocations
   d. Section 4 Saylorville Expansion Capacity Allocations
   e. Section 5 New Member Agency Allocations
   f. Section 6 Capacity Expansions
   g. Section 7 Costs of Member Agency Funded Capacity Expansions

(v) The following sections of Article VI Wholesale Rates to Member Agencies:
   a. Section 1 Rates to Recover Costs
   b. Section 2 Annual Determination of Revenue Requirement
   c. Section 3 Volume and Max Day Demand of Member Agencies
   d. Section 4 Individual Rates
   e. Section 5 Charges for Excess Consumption

(vi) The following sections of Article VIII Governing Board:
   a. Section 1 Governing Body
   b. Section 2 Initial Composition of Board
   c. Section 3 Size of Board

d. Section 4 Additional Trustees
e. Section 11 Weighted Voting by Board

(vii) The entirety of Article XIII Transfer of Assets

(viii) The following sections of Article XX Amendments to this Agreement:
a. Section 1 Amendments
b. Section 3 Limits on Amendment to Terms and Schedules

(ix) The following section of Article XXII Withdrawal of Member Agencies:
a. Section 3 Restrictions and Limitations on Voluntary Withdrawal of Member Agencies

(x) The entirety of Article XXIV Extension and Termination of Agreement

(xi) The following schedules:
a. IV-7 Designated Water Supply Facilities
b. V-2 Costs Payable to Water Producing Member Agencies
c. V-5 Charges for Future Capacity Allocations
d. VI-2 Mandatory Rate Principles
e. VI-3 Assumptions Used to Estimate Volume of Unmetered Water Used by DMWW
f. VI-5 Charges for Excess Consumption
g. XIII-1 Asset Transfer Terms
h. XXII-3 Mandatory Exit Payments for Voluntary Termination of Agreement

(b) Notwithstanding Section 1 of this Article, the Board and Member Agencies may not adopt, nor purport to adopt, any amendment to the Agreement that adversely affects any operating contract rights, asset transfer provisions, or rights of reversion of any Water Producing Member Agency as provided in this Agreement without the affirmative consent of the governing body of the affected Water Producing Member Agency. Affirmative consent for purposes of this section requires a resolution adopted by the governing body of the affected Water Producing Member Agency.

Section 4. Explanation of Amendment. An explanation of the reasons for any proposed amendment requiring a vote of the Member Agencies shall be adopted by the Board and shall be included in the transmission of the proposed amendment to the Member Agencies prior to their vote.

Section 5. Filing and Effectiveness. If any proposed amendment is approved as provided herein, the amendments shall be filed with the Iowa Secretary of State as required by Section 28E.8, Iowa Code, and shall be effective, unless the amendment otherwise provides, upon such filing. Any such amendment shall be binding upon all Member Agencies without further agreement or joinder by any Member Agency.

ARTICLE XXI. BEST EFFORTS/LIMITATION OF LIABILITY/INDEMNITY

Section 1. Disclaimers. The Founding Agencies agree that the Designated Water Supply Facilities and any CIWW facilities designed and constructed for or by CIWW are special purpose facilities. Neither CIWW, the Board, nor any of the Water Producing Member Agencies warrants or guarantees that the facilities existing as of the date of this Agreement or created under this Agreement have been, or will be designed or constructed to function efficiently or accomplish the purpose for which they are used or were designed. CIWW accepts, and shall at the time of asset transfer accept, all of the Designated Water Supply Facilities "as-is" and with all faults. CIWW acknowledges that no representations or warranties have been provided to CIWW regarding the Designated Water Supply Facilities, and CIWW takes such facilities at its own risk.

Section 2. Best Efforts. Each Member Agency agrees to cooperate in good faith with CIWW, the Board, and the other Member Agencies to exercise diligence in performing its obligations hereunder, and to use its best efforts to carry out the provisions of this Agreement. The Board will exercise the judgment that a public body generally exercises in the selection of the design engineer or engineers, letting the construction contracts, and in monitoring the actual construction of any new facilities.

Section 3. No Liability. Neither CIWW nor any Water Producing Member Agency shall be liable to any Member Agency by reason of any failure to provide any water services contemplated by this Agreement, or for any error of judgment on the part of the Board or any Water Producing Member Agency, except for any bad faith or willful disregard for the terms of this Agreement. CIWW agrees to defend and indemnify any Water Producing Member Agency from any claims brought by any Member Agency or any third party related to any failure to provide any water services contemplated by this Agreement, or for any error of judgment on the part of the Board or any Water Producing Member Agency, except for bad faith or willful disregard for the terms of this Agreement. The indemnity provided by this section includes CIWW's payment of Water Producing Member Agency's reasonable attorneys' fees incurred in defending any action or claim.

Section 4. Limitations of Liability. NO PARTY (INCLUDING CIWW) SHALL BE LIABLE TO ANY OTHER PARTY UNDER THIS AGREEMENT FOR CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES, OR COSTS OF REPLACEMENT CAPITAL, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THIS SECTION DOES NOT LIMIT THE POWERS OF CIWW WITH RESPECT TO MEMBERS UNDER ARTICLE XV, NOR PRECLUDE ANY AVAILABLE REMEDIES OF CIWW AS TO MEMBERS SET FORTH IN ARTICLE XXIII.

Section 5. Indemnification. Each of the Member Agencies and CIWW ("Indemnifying Party"), to the fullest extent permitted by law, hereby agree to indemnify, defend, pay on behalf of, and hold harmless any other Member Agency and CIWW and their respective elected officials, as appointed officials, agents, employees and volunteers, and others working on behalf of such party ("Indemnitees"), against any and all claims, demands, suits, damages or losses, together with any and all outlay and expense connected therewith including, but not limited to, attorneys' fees and

court costs, that may be asserted or claimed against, recovered from or suffered by the Indemnitees by reason of any injury or loss arising out of any wrongful act or omission of the Indemnifying Party, including, but not limited to, bodily injury or death, property damage, including loss of use thereof, and economic damages that arise out of or are in any way connected to this Agreement. No party shall have any right of indemnity for damages or claims proximately caused by its own negligent or intentionally wrongful acts. Each party's agreements and obligations as set forth in this Section are applicable for the duration of and following expiration or termination of this Agreement, regardless of the manner of termination, and notwithstanding other provisions of this Agreement.

ARTICLE XXII. WITHDRAWAL OF MEMBER AGENCIES

Section 1. Duration of Membership. Each Founding Agency and each New Member Agency shall continue its membership until the Member Agency voluntarily terminates its membership herein, as hereafter provided. Any withdrawal by a Member Agency shall not constitute or cause termination of this Agreement.

Section 2. Voluntary Termination of Membership. Subject to the restrictions and limitations of Section 3 of this Article, a Member Agency may voluntarily withdraw from membership in CIWW on not less than five (5) years' written notice to the Board to be effective on the last day of the calendar year after the requisite period of notice has elapsed. In order to withdraw from membership, the governing authority of the Member Agency must adopt a resolution to withdraw, and a certified copy of the resolution to withdraw must be sent to the Board Chair, unless the Chair is a representative from the withdrawing Member Agency, in which case notice must be sent to the Vice-Chair.

Section 3. Restrictions and Limitations on Voluntary Withdrawal of Member Agencies.

(a) The Member Agencies acknowledge that under current law no Member Agency may withdraw or in any other way terminate, amend or modify its obligations under this Agreement to the detriment of the holders of CIWW's issued Bonds while any of the Bonds are outstanding and unpaid. Accordingly, no withdrawal, termination, amendment, or modification of the obligations of a Member Agency under this Agreement shall be effective unless adequate provision is made in accordance with section 28F.3 for defeasance and/or payment of Member Agency's allocation of issued and outstanding Bonds, including without limitation payment in full of any unpaid Capital Call.

(b) The Board, in its sole discretion, may require the Member Agency seeking withdrawal from this Agreement to pay to CIWW an amount determined by the Board to be necessary to fully fund the future payment obligations of the Member Agency with respect to Debt Service on all Bonds as allocated to the Member Agency under the provisions of this Agreement or any other future agreement related thereto.

(c) Any Member Agency that voluntarily withdraws shall pay within thirty (30) days of the effective date of the termination of the Member Agency as a member of this Agreement: (i) a "Mandatory Exit Payment" calculated in the manner prescribed in Schedule XXII-3; (ii) reasonable attorneys' fees incurred by CIWW related to the Member Agency's withdrawal; and (iii) any costs incurred by CIWW to disconnect the departing Member from CIWW Water Supply Facilities.

(d) A Member Agency that voluntarily withdraws from membership and participation in this Agreement relinquishes its rights to previously contributed capital, and to any reversionary interests in any assets transferred to CIWW. Any Member Agency that voluntarily withdraws is not entitled to any interest in any CIWW assets if after the Member Agency voluntarily withdraws, CIWW's existence terminates as provided in this Agreement. The Member Agency voluntarily withdrawing is not entitled to compensation for the interests relinquished.

ARTICLE XXIII. DEFAULT AND REMEDIES

Section 1. Definition of Event of Default. "Event of Default" as to CIWW or any Member Agency means:

(a) The failure to make payment as required under this Agreement or perform or observe any obligations or covenants under this Agreement, including without limitation any obligation of or relating to water service or under any Capital Call, except that an Event of Default under this subsection (a), other than a non-payment of debt service allocation as provided in Section 5 of Article XVII, shall not include a delay or failure of payment that is cured within thirty (30) days of a demand for payment, or any other failure of performance that is cured within ninety (90) days of a demand for cure or other corrective action;

(b) The affirmative repudiation of any obligation of payment or of any covenant of this Agreement, or under any related agreement except that an Event of Default under this subsection (b) shall not include any such action that is cured within thirty (30) days of a demand for cure;

(c) A receiver is appointed in relation to a Member Agency or CIWW, or in relation to any of the assets of a Member Agency or CIWW;

(d) A Member Agency or CIWW becomes insolvent, fails or admits in writing its inability generally to pay its debts as they become due;

(e) A Member Agency or CIWW makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(f) A Member Agency or CIWW institutes a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights;

(g) A Member Agency or CIWW has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within ninety (90) days of the institution or presentation thereof.

Section 2. Member Agency Default and CIWW Remedy. Upon the occurrence of an Event of Default as defined in Section 1 of this Article by or attributable to any Member Agency, CIWW may, at the direction of the Board, give the Member Agency notice of default, and after any applicable period of cure has expired:

(a) Suspend provision of water service to the defaulting Member Agency until such time as Member Agency shall cure the default;
or

(b) Bring a claim in arbitration for damages under Section 4 of Article XXV, or if CIWW so elects, in one or more actions at law or in equity in the Iowa District Court for Polk County to the extent allowed by Section 5 and 6 of Article XXV; or

(c) Exercise any other rights and remedies individually or collectively available to it by law or agreement.

Section 3. CIWW Default and Member Remedy. Upon the occurrence of an Event of Default, as defined in Section 1 of this Article by or attributable to CIWW that adversely affects any Member Agency, the Member Agency shall have the right, at the direction of its governing body, to give CIWW notice of default and after any applicable period of cure has expired:

(a) Terminate its membership under Section 2 of Article XXII, without regard to the five-year notice provided therein, and cancel its contracts with CIWW;

(b) Commence proceedings for an order of the Court for termination of this Agreement under Section 2(b) of Article XXIV;

(c) Bring a claim in Arbitration under Section 4 of Article XXV or if the Member Agency so elects, bring one or more actions at law or in equity in the Iowa District Court for Polk County to the extent allowed by Sections 5 and 6 of Article XXV;

(d) Exercise any other rights and remedies individually or collectively available to it by law or agreement.

ARTICLE XXIV. EXTENSION AND TERMINATION OF AGREEMENT

Section 1. Extension of Term. This Agreement may be extended beyond the termination date specified in Section 14 of Article I for an additional specified term not to exceed forty (40) years by written consent of not less than two-thirds (2/3) of the Member Agencies. Any Member Agencies that do not consent to such extension within ninety (90) days after receiving notice that the requisite number of Member Agencies have consented to the extension shall be deemed to have voluntarily terminated their membership as provided in Section 2 of Article XXII without further notice by such Member Agency, with such termination to be effective as of the date the period of notice expires.

Section 2. Termination Provisions. This Agreement may terminate earlier than the termination date only upon:

(a) the requisite vote of the Board and the Member Agencies as provided by Article XI; or

(b) A final order of a court having jurisdiction in an action by a Member Agency after a CIWW default where the Court finds that termination is warranted and in the best interests of the public.

Section 3. Disposal of Assets upon Termination. Upon termination of this Agreement after expiration of the Agreement's term, or for any other reason, the assets of CIWW that have not previously been disposed of by the Board shall, after payment in full of, or making provision for payment in full of all CIWW liabilities, be distributed to the Member Agencies as follows:

(a) Each Member Agency shall be deemed to acquire, and thereafter to possess ownership interests in the CIWW Water Supply Facilities and assets in which it has a reversionary interest on the date of CIWW's termination. Such ownership by reversion shall be documented and confirmed by deed, assignment, or other conveyance documents issued by CIWW to be effective as of the date of termination. In each case, the ownership interest of a Member Agency in a particular CIWW Water Supply Facility or asset shall be equal to the reversionary interest retained by the Member Agency in the specific CIWW facility or asset, under the terms of this Agreement according to the record of reversionary interests maintained by the Board. Such interest shall be conveyed as a tenancy in common with the other Member Agencies to the extent any particular property or asset has any non-reversionary interests held by CIWW on the date of termination, including without limitation by reason of Capacity Expansions after the Asset Transfer Date.

(b) Dual Use Assets shall revert to the Operating Contractor using them for Water Distribution purposes as of the date of termination. Any Dual Use Asset used for Water Distribution Purposes by multiple Member Agencies shall revert to such Member Agencies as tenants in common.

(c) Except to the extent provided in Subsection (a) and Subsection (b) of this Section, all of the other assets and properties of CIWW, including without limitation Capacity Expansions constructed by CIWW after the Asset Transfer Date, shall be distributed to the Member Agencies as tenants in common in proportion to their respective Allocated Capacities as of the date of termination, subject to any reversionary interest of any Member Agency under Subsection (a) of this Section. Such distribution shall be documented and confirmed by deed, assignment, or other conveyance documents issued by CIWW to be effective as of the date of termination.

(d) The distribution of assets under this Section 3 shall be subject to an equitable interest in favor of each entity that is a Member Agency on the date of termination of this Agreement that entitles each such entity to continue to be served by the output of water produced by the assets on a proportionate basis to the extent of their respective Allocated Capacities. Dual Use Assets shall be subject to an equitable interest in favor of continued use for Water Supply Activity by Member Agencies. Such service entitlement and continued use shall be on reasonable terms and conditions established among the parties by good faith negotiation, or if they fail to so agree, may be enforced by equitable proceedings commenced in the Iowa District Court for Polk County.

ARTICLE XXV. GENERAL

Section 1. Provisions to be Severable. If any provision of this Agreement is held to be invalid by a court of competent jurisdiction, the invalidity of any such provision shall not affect the other provisions of this Agreement that can be given effect without the provision determined to be invalid, and to that end, the provisions of this Agreement are severable.

Section 2. Insurance. CIWW shall procure and maintain its own insurance to cover applicable risk, including, but not limited to, cyber, property, casualty, and workers' compensation insurance. CIWW shall require all contractors and subcontractors to have and maintain bonds and insurance in applicable contract documents. The insurance maintained by CIWW and the insurance required of contractors and subcontractors to CIWW shall be established by the Board from time to time. Each Member Agency shall procure such insurance covering the Member Agency's risks as the Member Agency may determine. CIWW and each Member Agency waive subrogation for all claims, suits, damages, and demands that are covered by their own insurance, including but not limited to cyber, property, casualty, and workers' compensation insurance.

Section 3. Notices. Notices which CIWW or its Member Agencies are authorized or required to give one another pursuant to this Agreement shall be in writing and may be personally delivered, may be sent by ordinary mail or delivery service to the addresses for such party reflected in the records of CIWW, or may be sent by electronic means, including email. Notice by personal delivery, by delivery service, or by electronic means shall be effective upon actual receipt. Mailed notices shall be effective and deemed to be received by the party to whom directed three (3) days after deposit in the United States mail.

Section 4. Arbitration.

(a) CIWW and all Member Agencies agree that any challenge to rates or to any modification to the CIWW Capital Plan adopted by action of the Board and approved by the Member Agencies and any claims for money damages arising between or among them with regard to matters within the scope of this Agreement shall be submitted to mandatory, binding arbitration at the request of any party. A request for arbitration must be in the form of a written notice requesting arbitration. Such notice shall identify each disputed matter to be submitted to arbitration. In the absence of agreement by the parties to the contrary, the question or questions to be arbitrated shall be those specified in the notice requesting arbitration.

(b) If the parties agree, there may be one arbitrator. If they fail to agree on a single arbitrator, there shall be three arbitrators, one named in writing by the party or parties requesting arbitration, one named in writing by the adverse party or parties, and the third chosen by the first two arbitrators so chosen.

(c) The party or parties requesting arbitration shall choose an arbitrator within ten (10) days following the parties' decision that they will not agree to use one arbitrator. Failure to do so shall be deemed a waiver of its request for arbitration. If the adverse party or parties desire to appoint a different arbitrator, they shall name their arbitrator within ten (10) days following the receipt of notice of the naming of the first arbitrator. The two arbitrators first chosen shall name the third arbitrator within ten (10) days following the selection of the second arbitrator. Extensions of the time periods to select arbitrators shall not be unreasonably withheld if requested prior to the original deadlines above. Should any party refuse or neglect to supply the arbitrators with any papers or information requested in writing by the arbitrators, the arbitrators are empowered to proceed ex parte. The parties shall agree on the rules to govern the conduct of the arbitration, but in the absence of such an agreement, the most recently published commercial arbitration rules of the American Arbitration Association shall be deemed to apply. The arbitrator or arbitrators must provide a minimum of thirty (30) days' notice before the date set for any hearing on the merits of the dispute.

(d) No one shall be qualified to act as an arbitrator if service in such role would create a conflict of interest. Each arbitrator selected shall be qualified by experience and knowledge of the matter to be submitted to arbitration. Conflicts of interest include, but are not limited to: (i) current service on the board, commission, council, or other governing body of CIWW or any Member Agency that is a party to the dispute; (ii) current employment, either as an employee or independent contractor, by CIWW or any Member Agency; (iii) employment, either as an employee or independent contractor, within the last five (5) years by CIWW or any Member Agency; (iv) any prior participation in negotiations related to the dispute; (v) any direct involvement in the dispute, including as a witness to relevant facts; and (vi) other circumstances that would materially impair the ability of the individual to serve as a neutral arbitrator.

(e) If there is one arbitrator, the award of the sole arbitrator shall be binding; if three, the agreed upon award of any two shall be binding. The award may be set aside only for reasons permitted under Iowa law.

(f) The award of the arbitrator or arbitrators shall be in writing and separately state the factual and legal analysis relied upon to reach the decision, and it shall not be open to objection on account of the form of the proceeding or the award.

(g) The arbitrator or arbitrators may retain special counsel for the purpose of conducting the arbitration proceedings and preparing the arbitration award. In selecting special counsel, the arbitrator or arbitrators may not retain any attorney who has represented CIWW or a Member Agency within the last five (5) years.

(h) The costs of arbitration and reasonable attorneys' fees for both parties shall be paid by the party requesting arbitration if it does not prevail in said arbitration proceedings. If the party requesting arbitration prevails in the arbitration proceedings, the cost of arbitration shall be shared equally by the parties. Costs of the arbitration include, but are not limited to, fees to the arbitrator or arbitrators, special counsel fees, and any other costs of the proceeding, but excluding reasonable attorneys' fees. If the party requesting arbitration prevails, each party shall be responsible for its own attorneys' fees. Unless CIWW is a party to the arbitration, CIWW will not be liable for any costs or fees related to the arbitration, except CIWW's own reasonable attorneys' fees if such fees are necessary.

(i) All Member Agencies consent that any award granted through arbitration will be confirmed in the Iowa District Court for Polk County.

Section 5. Specific Performance. In addition to any other remedies available under applicable law, CIWW, the Board, and each Member Agency shall have the right to the equitable remedy of specific performance to enforce compliance with any provision of this Agreement.

Section 6. Actions in Court. Except for disputes covered by Section 4 of this Article XXV requiring arbitration, any Party may bring an action in Court for declaratory relief, for specific performance, or for any equitable remedy. Any such action shall be brought in the Iowa District Court in Polk County. EACH PARTY WAIVES TRIAL BY JURY IN ANY SUCH ACTION.

Section 7. Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages under this Agreement and covenants that it will use reasonable efforts to minimize any damages it may incur as a result of an Event of Default involving any other Party.

Section 8. No Third Party Benefit and Limitation. Neither the provisions of this Agreement nor the provisions of any agreement that CIWW may have with any Member Agency or any other public or private agency shall inure to the benefit of any other entity, or any individual resident, taxpayer, or ratepayer of any Member Agency. Except as expressly provided in this Agreement, neither this Agreement nor any agreement that CIWW may have with any Member Agency or any other public or private agency may be the basis of a claim or cause of action on behalf of any other person or entity against any Member Agency or any of their respective residents, taxpayers, or ratepayers.

Section 9. Entire Agreement. This Agreement, including the Schedules attached hereto, is the entire agreement between the parties respecting the formation and operation of CIWW. Any subsequent change or modification to the terms of this Agreement shall be in the form of a duly approved and executed amendment to this Agreement.

Section 10. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Iowa.

Section 11. Partnership Disclaimer. Nothing in this Agreement is intended nor shall be construed as in any way creating or establishing a partnership between the parties hereto, nor as constituting any party as an agent or representative of the other for any purpose or in any manner, other than as specified herein.

Section 12. Counterparts. This Agreement may be executed in multiple counterparts, each of which so executed shall be deemed to be an original.

Section 13. Force Majeure. No party shall be liable for any failure to perform any or all of the provisions of this Agreement if and to the extent performance has been delayed or prevented by reason of any cause beyond the reasonable control of such party. The expression "cause beyond the reasonable control" and the term "Force Majeure" as used in this Agreement shall mean and be deemed to include, but not be limited to acts, regulations, laws, or restraints imposed by any governmental official or body; wars, hostilities, sabotage, riots, or commotions; acts of God; pandemic; or fires, floods, storms, or lightning.

Section 14. Service Territories. The retail service territories of Member Agencies, and any transfers of retail customers or territories between Member Agencies shall be governed by applicable state and federal statutes, including but not limited to Sections 357A.2 and 357A.21, Iowa Code, and other applicable law, except as they may otherwise expressly agree. Provided, however, in the event of a written agreement between Member Agencies, as identified on Schedule XXV-14 or entered into after the date of this Agreement, the written agreement shall control and nothing in this Agreement shall supersede the agreement between those Member Agencies.

Section 15. Territory Disputes Among Members. Each Member Agency agrees that it will negotiate in good faith with respect to any claims or disputes with other Member Agencies concerning their respective retail service territories and any other water utility operations matters. No Member Agency shall commence any legal action against any other Member Agency to resolve any such claim or dispute unless it has first conducted mediation of such claim or dispute with a neutral mediator selected by the Executive Director for a period of not less than thirty (30) days. The parties to any such mediation shall be deemed to have agreed to the tolling of any applicable statute of limitations during the pendency of any mediation under this provision.

ARTICLE XXVI. DEFINITIONS

Section 1. Definitions. For purposes of this Agreement, the following words and phrases shall have the following meanings:

(a) "Additional Trustee" is defined in Section 4 of Article VIII.

(b) "Agreement" shall mean this 28E/28F Agreement, as the same may be amended and supplemented from time to time.

(c) "Allocated Capacity" is defined in Section 3 of Article V.

(d) "Annual Budget" is defined in Article XV.

(e) "ASR" shall mean aquifer storage and recovery.

(f) "Board" shall mean the CIWW board of trustees created under this Agreement.

(g) "Board Modifiable Schedules" is defined in Section 2 of Article XX.

(h) "Bonds" shall mean any and all bonds, notes, loans or lease agreements, interim obligations, or other obligations issued by CIWW as authorized under Chapter 28F, Iowa Code, or any other applicable provision of law, for the purposes authorized under Chapter 28F, Iowa Code, to finance the costs of facilities and improvements to the CIWW Water Supply Facilities described in this Agreement.

(i) "Capacity Expansion" and "Capacity Expansion Project" are defined in Section 6 of Article V.

(j) "Capacity Lease Charges" is defined in Schedule VI-5.

(k) "Capital Contributions" shall mean funds provided to capitalize CIWW by Member Agencies either by Initial Capital Contribution, Capital Call or otherwise.

(l) "Capital Call" is defined in Section 3 of Article XV.

(m) "CIWW" means the Central Iowa Water Works entity established and operating as described in this Agreement.

(n) "CIWW Capital Plan" means any modified capital plan adopted after the Initial CIWW Capital Plan under Section 2 of Article XV.

(o) "CIWW Long Range Plan" is defined in Section 1 of Article VII.

(p) "CIWW Water Supply Facilities" means all facilities used by CIWW to produce, store, or transport water.

(q) "Core Network" means the system of Water Supply Facilities created and owned by DMWW as defined in the Purchased Capacity Master Agreement that is included in the assets to be transferred under this Agreement, and any additions made thereto and expansions constructed after the Operational Commencement Date.

(r) "Debt Service" means the aggregate annual principal (whether at maturity or pursuant to sinking fund redemption requirements), interest and other payments (including insurance costs, liquidity charges, letter of credit fees, auction agent and remarketing fees and broker-dealer fees) allocated to Member Agencies in connection with outstanding Bonds or Refunding Bonds of CIWW, or other debt obligations of CIWW for the period or periods in question; provided however, that payments on Bonds which have been advance refunded and defeased shall be excluded, as shall payments on Bonds which are to be made from capitalized interest or from other funds escrowed or deposited with a third party and pledged exclusively to the repayment of said Bonds.

(s) "Designated Water Supply Facilities" is defined in Section 7 of Article IV.

(t) "Dual Use Asset" is defined in Section 3 of Article XIII.

(u) "Effective Date" is defined in Section 12 of Article I.

(v) "Emergency Member Agency Assessments" is defined in Section 5 of Article XV.

(w) "Event of Default" is defined in Section 1 of Article XXIII.

(x) "Excess Consumption" is defined in Section 5 of Article VI.

(y) "Executive Director" means the CEO and General Manager of CIWW, selected as provided in Section 1 of Article XIV.

(z) "Force Majeure" is defined in Section 13 of Article XXV.

(aa) "Founding Agencies" is defined in the Preamble to the Agreement.

(bb) "Indemnifying Party" is defined in Section 5 of Article XXI.

(cc) "Indemnitees" is defined in Section 5 of Article XXI.

(dd) "Initial Budget" is defined in Section 2 of Article XV.

(ee) "Initial Capital Contributions" is defined in Section 9 of Article I.

(ff) "Initial CIWW Capital Plan" is defined in Section 2 of Article XV.

(gg) "Interest Rate Agreement" means, to the extent permitted by applicable law, an interest rate swap or exchange agreement, an agreement establishing an interest rate floor or ceiling or both (including options to enter into or cancel the agreement or to reverse or extend the agreement), currency exchange, cap, collar, forward, hedge or similar agreement entered into by the Board to moderate or manage the interest rate or exchange rate risk respecting any of the Bonds or Refunding Bonds.

(hh) "Iowa Code" shall mean the Code of Iowa (2023), as the same may be amended and supplemented from time to time.

(ii) "Joint Capital Project" is defined in Section 9 of Article V.

(jj) "Legal Counsel" is defined in Section 4 of Article XIV.

(kk) "Mandatory Exit Payment" is defined in Section 3 of Article XXII.

(ll) "Member Agency / Member Agencies" is defined in Section 4 of Article I.

(mm) "New Member Agency" is defined in Section 4 of Article I.

(nn) "Operational Commencement Date" is defined in Section 13 of Article I.

(oo) "Prospective Member Agency" is defined in Section 1 of Article XII.

(pp) "Purchased Capacity Master Agreement" is defined in Section 15 of Article IV.

(qq) "Refunding Bonds" means any bonds, notes, loan agreements or other obligations issued by CIWW for the purposes of refunding any of the Bonds under the provisions of Article XVII, Section 3(b) hereof.

(rr) "Revenue Requirements" is defined in Section 1 of Article VI.

(ss) "Total Service Agreement" is defined in Section 14 of Article IV.

(tt) "Water Distribution Activity" is defined in Section 2 of Article IV.

(uu) "Water Distribution Facilities" is defined in Section 3 of Article IV.

(vv) "Water Producing Member Agency" and "Water Producing Member Agencies" are defined in Section 7 of Article IV.

(ww) "Water Supply Activity" is defined in Section 2 of Article IV.

(xx) "Water Supply Facilities" is defined in Section 3 of Article IV.

Additional terms defined in the Schedules have the meaning assigned in the Schedules.

ARTICLE XXVII. EXECUTION OF AGREEMENT

Section 1. Passage of Resolution. A Founding Agency or other Member Agency shall become a party hereto by the passage of a resolution by its governing body approving this Agreement and authorizing execution of the same by its officers. This Agreement shall become effective upon such approval, and execution of a counterpart by all of the Founding Agencies and filing of the executed Agreement as required by law.

Section 2. Signature Pages. Each Founding Agency approving this Agreement shall execute the separate signature page provided for it. The parties authorize counsel to any Founding Agency to assemble the signature pages of all signatory parties and to append them to copies of this Agreement for filing with the Iowa Secretary of State.

[**Signature Pages Follow**]

BOARD OF WATER WORKS TRUSTEES OF
THE CITY OF DES MOINES, IOWA

By:_____
Andrea Bolton, Board Chairperson

ATTEST:

_____
Ted Corrigan, CEO and General Manager

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this _____ day of _____, 202___, before me, a Notary Public in and for the State of Iowa, personally appeared Andrea Bolton and Ted Corrigan to me personally known, and, who being by me duly sworn, did say that they are the Board Chairperson and the CEO and General Manager of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA, that no seal has been procured by the entity; that the attached instrument was signed on behalf of the said entity by authority of its Board as contained in the resolution adopted by the Board on the ____ day of _____, 202___, and that Andrea Bolton and Ted Corrigan acknowledged the execution of the instrument to be the voluntary act and deed of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA, by it and by them voluntarily executed.

_____
Notary Public in and for the State of Iowa

BOARD OF WATER WORKS TRUSTEES OF
THE CITY OF WEST DES MOINES, IOWA

By:_____
Scott Brennan, Chair

ATTEST:

_____
Christina Murphy, General Manager and Secretary

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this _____ day of _____, 202___, before me, a Notary Public in and for the State of Iowa, personally appeared _____ and _____ to me personally known, and, who being by me duly sworn, did say that they are the Board Chair and the Secretary of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF WEST DES MOINES, IOWA, that no seal has been procured by the entity; that the attached instrument was signed on behalf of the said entity by authority of its Board as contained in the resolution adopted by the Board on the ____ day of _____, 202___, and that _____ and _____ acknowledged the execution of the instrument to be the voluntary act and deed of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF WEST DES MOINES, IOWA, by it and by them voluntarily executed.

_____
Notary Public in and for the State of Iowa

CITY OF URBANDALE WATER UTILITY
BOARD OF TRUSTEES

By:_____
, Board Chairperson

ATTEST:

_____

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this _____ day of _____, 202___, before me, a Notary Public in and for the State of Iowa, personally appeared _____ and _____ to me personally known, and, who being by me duly sworn, did say that they are the Board Chairperson and the _____of the CITY OF URBANDALE WATER UTILITY BOARD OF TRUSTEES, that no seal has been procured by the entity; that the attached instrument was signed on behalf of the said entity by authority of its Board as contained in the resolution adopted by the Board on the ____ day of _____, 202___, and that _____ and _____ acknowledged the execution of the instrument to be the voluntary act and deed of the CITY OF URBANDALE WATER UTILITY BOARD OF TRUSTEES, by it and by them voluntarily executed.

_____
Notary Public in and for the State of Iowa

CITY OF ANKENY, IOWA

(SEAL)

By: _____
Its: Mayor

ATTEST:

By: _____
Its: City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this ____ day of _____, 202___, before a Notary Public in and for the State of Iowa, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the CITY OF ANKENY, IOWA, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

_____
Notary Public in and for the State of Iowa

CITY OF CLIVE, IOWA

(SEAL)

By: _____
Its: Mayor

ATTEST:

By: _____
Its: City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this ____ day of _____, 202___, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared John Edwards and Matthew D. Graham, to me personally known, and, who, being by me duly sworn, did say that they are the Mayor and the City Clerk, respectively, of the CITY OF CLIVE, IOWA; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Resolution No. _____ adopted by the City Council, under Roll Call of the City Council on the _____ day of _____, 202___, and that John Edwards and Matthew D. Graham acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

_____
Notary Public in and for the State of Iowa

CITY OF JOHNSTON, IOWA

(SEAL)

By: _____
Its: Mayor

ATTEST:

By: _____
Its: City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this ____ day of _____, 202___, before a Notary Public in and for the State of Iowa, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the CITY OF JOHNSTON, IOWA, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

_____
Notary Public in and for the State of Iowa

CITY OF GRIMES, IOWA

(SEAL)

By: _____
Scott Mikkelsen, Mayor

ATTEST:

By: _____
Rochelle Williams, City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this ____ day of _____, 202___, before a Notary Public in and for the State of Iowa, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the CITY OF GRIMES, IOWA, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

_____
Notary Public in and for the State of Iowa

CITY OF NORWALK, IOWA

_____

By: _____

Its: Mayor

ATTEST:

_____

By: _____

Its: City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this ____ day of _____, 202___, before a Notary Public in and for the State of Iowa, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the CITY OF NORWALK, IOWA, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

_____

Notary Public in and for the State of Iowa

CITY OF POLK CITY, IOWA

(SEAL)

_____

By: _____

Its: Mayor

ATTEST:

_____

By: _____

Its: City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this ____ day of _____, 202___, before a Notary Public in and for the State of Iowa, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the CITY OF POLK CITY, IOWA, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

_____

Notary Public in and for the State of Iowa

CITY OF WAUKEE, IOWA

(SEAL)

By: _____
Courtney Clark, Mayor

ATTEST:

_____
Rebecca D. Schuett, City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this ____ day of _____, 202___, before a Notary Public in and for the State of Iowa, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the CITY OF WAUKEE, IOWA, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

_____
Notary Public in and for the State of Iowa

WARREN WATER DISTRICT

(SEAL)

_____

By: _____

ATTEST:

_____

By: _____

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this ____ day of _____, 202___, before a Notary Public in and for the State of Iowa, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the _____ and _____, respectively of the WARREN WATER DISTRICT, a rural water district organized and existing under Chapter 357A, Iowa Code, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said District, and that said instrument was signed and sealed on behalf of said District by authority and resolution of its Board and said persons acknowledged said instrument to be the free act and deed of said District by it voluntarily executed.

_____

Notary Public in and for the State of Iowa

XENIA RURAL WATER DISTRICT

(SEAL)

By: _____
Dan Lovett, Chairperson

ATTEST:

_____
Peter Jensen, Secretary

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this ____ day of _____, 202___, before a Notary Public in and for the State of Iowa, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the _____ and _____, respectively of the XENIA RURALWATER DISTRICT, a rural water district organized and existing under Chapter 357A, Iowa Code, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said District, and that said instrument was signed and sealed on behalf of said District by authority and resolution of its Board and said persons acknowledged said instrument to be the free act and deed of said District by it voluntarily executed.

_____
Notary Public in and for the State of Iowa

CONSENT AND APPROVAL

This Agreement is consented to and approved ty United States Department of Agriculture, Rural Development, as of the ____ day of _____202___.

USDA RURAL DEVELOPMENT

By: _____

Program Director
Rural Utilities and Community Facilities

SCHEDULE I-2
FOUNDING DATA

A. HISTORIC ANNUAL FINISHED WATER REQUIREMENTS

	Annual Demand in Millions of Gallons					
Member	2018	2019	2020	2021	2022	Five-Year Average
Ankeny	2,053.270	1,980.672	2,446.297	2,253.334	2,497.238	2,246.162
Clive	669.093	630.973	698.917	733.048	708.084	688.023
DMWW	8,792.664	8,639.098	8,759.255	9,125.502	9,214.623	8,906.228
Johnston	748.274	762.712	820.081	869.177	822.323	804.513
Grimes	648.114	536.634	542.878	652.932	654.552	607.022
Norwalk	299.976	320.817	418.642	423.545	419.307	376.457
Polk City	176.252	192.558	230.128	198.496	200.616	199.610
UWU	1,536.328	1,541.656	1,691.490	1,773.936	1,821.323	1,672.947
Warren Water District	602.704	643.547	628.457	625.806	642.937	628.690
Waukee	596.345	614.201	728.623	799.649	840.129	715.789
WDMWW	2,775.840	2,557.970	2,810.655	2,895.342	2,825.989	2,773.159
Xenia	727.232	667.829	705.625	747.278	741.075	717.808
Total	19,626.092	19,088.667	20,481.048	21,098.045	21,388.196	20,336.408

Notes:

All figures are calendar year totals expressed in million gallon units.

SCHEDULE I-2
FOUNDING DATA

B. HISTORIC MAXIMUM DAY UTILIZATION OF CAPACITY

	Historic Maximum Day Utilization					
Member	**2018**	**2019**	**2020**	**2021**	**2022**	**Five-Year Average**
Ankeny	8.736	8.034	9.141	8.508	8.528	8.589
Clive	4.098	3.563	3.877	4.158	4.008	3.941
DMWW	45.145	40.835	42.763	45.563	46.763	44.214
Johnston	5.374	4.975	4.877	5.027	4.793	5.009
Grimes	3.887	3.665	3.386	2.808	3.080	3.365
Norwalk	1.831	1.779	2.216	2.722	2.865	2.283
Polk City	1.409	1.307	1.170	1.047	1.147	1.216
UWU	10.038	8.997	10.269	10.122	10.557	9.997
Warren Water District	2.674	2.656	2.467	2.824	3.290	2.782
Waukee	3.632	3.594	3.770	4.281	4.274	3.910
WDMWW	15.513	13.243	13.478	13.773	13.925	13.986
Xenia	2.881	2.667	2.803	3.065	2.893	2.862
Total	105.218	95.315	100.217	103.898	106.123	102.154

Notes:

All figures are calendar year maximums expressed in million gallon per day units.

SCHEDULE I-9
INITIAL CAPITAL CONTRIBUTIONS

Initial Capital Contributions are start-up funds that are contributed by the Founding Agencies to provide the initial capitalization of CIWW that has been deemed required for commencement of CIWW activities.

Member	Five-Year Average Demand (MG)	% of Total	Initial Capital
Ankeny	2,246.162	11.045%	$ 220,900
Clive	688.023	3.383%	$ 67,660
DMWW	8,906.228	43.795%	$ 875,900
Johnston	804.513	3.956%	$ 79,120
Grimes	607.022	2.985%	$ 59,700
Norwalk	376.457	1.851%	$ 37,020
Polk City	199.610	0.982%	$ 19,640
UWU	1,672.947	8.226%	$ 164,520
Warren Water District	628.690	3.091%	$ 61,820
Waukee	715.789	3.520%	$ 70,400
WDMWW	2,773.159	13.636%	$ 272,720
Xenia	717.808	3.530%	$ 70,600
Total	**20,336.408**	**100.000%**	**$ 2,000,000**

SCHEDULE I-10
REIMBURSABLE START-UP EXPENSES

The expenses below were incurred by Member Agencies on behalf of CIWW prior to the Effective Date of this Agreement. Such expenses shall either be reimbursed to the Member Agency that paid the expenses, or if the expenses are paid with proceeds of SRF indebtedness, such indebtedness shall be assumed by CIWW. Cash payments shall be made within twelve (12) months after the Operational Commencement Date.

Description of Engagement benefitting CIWW	Vendor	WDMWW	UWU	Total
Development of initial financial model	FCS	$ 141,360	$ 141,360	$ 282,720
Future plant site evaluation	HDR	$ 451,023	$ -	$ 451,023
Development of 28E/F by bond counsel	Dorsey & Whitney	$ 15,000	$ 15,000	$ 30,000
Set up of financial model and cost estimates per 28E language	PFM	$ 100,000	$ -	$ 100,000
Total Estimate		$ 707,383	$ 156,360	$ 863,743

Note: Expenses incurred by DMWW on behalf of CIWW prior to the Effective Date of this Agreement were sufficiently budgeted and recovered in water rates and no reimbursement to DMWW is therefore required.

SCHEDULE IV-1
EXCEPTIONS TO EXCLUSIVE SUPPLY RIGHTS AND SERVICE OBLIGATIONS

A. Warren Water District shall continue to service and DMWW shall continue to purchase water for DMWW's service area Greenbrier Estates subdivision.

B. Warren Water District (Warren) and Xenia Rural Water District (Xenia) serve large geographic areas which may necessitate serving portions of their respective service areas from a source other than CIWW. For this reason, exceptions to the exclusivity and service obligation requirements of this Agreement have been developed as outlined in this Schedule.

   Warren and Xenia have each submitted the attached existing service area map of territory currently served from the DMWW system, which shall define the areas to be exclusively served by CIWW unless modified as provided in this Schedule

   At such time that Warren or Xenia wishes to expand their service area served from CIWW or wishes to serve a portion of their existing service area from a source other than CIWW, it shall petition the Technical Committee for CIWW review and approval of the change. The approval of the Technical Committee shall be granted unless the Technical Committee finds that the request is unreasonably burdensome to CIWW in the conduct of its regional mission. Any denial of such request shall be subject to the dispute resolution provisions of this Agreement. The Board shall modify this Schedule based on any change approved by the Technical Committee.

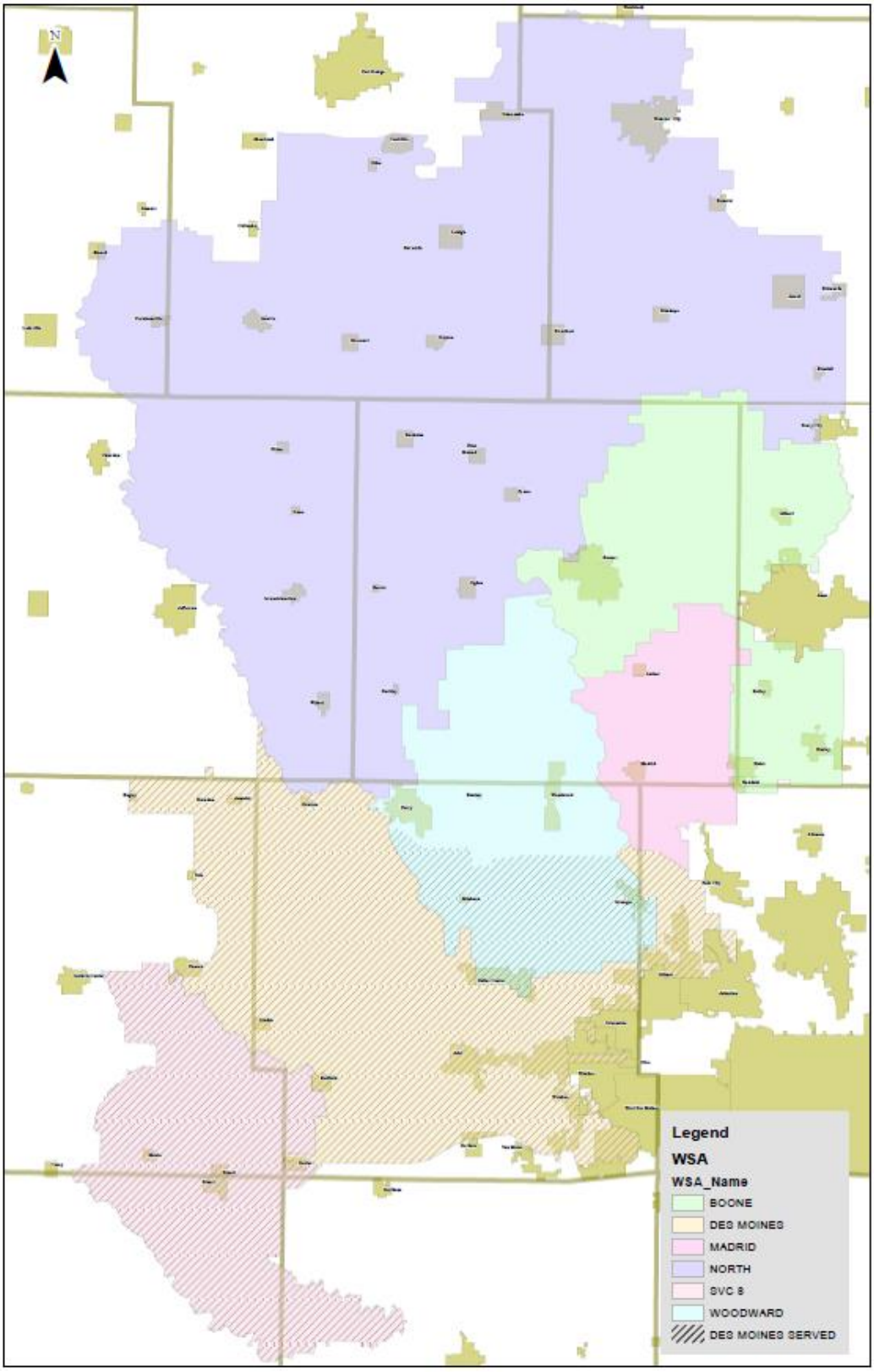
   Warren or Xenia shall provide a minimum of three-month's notice prior to planned implementation of the change in service area to be served from CIWW.

Service areas must be served from a source (CIWW or other) on a full calendar year basis for at least two full years. No seasonal changes which would result in peaking off the CIWW system shall be allowed, and no return to CIWW service shall be allowed for territory removed from CIWW service, for at least such minimum two-year term. The provisions of this paragraph shall be waived in the event of an emergency situation.

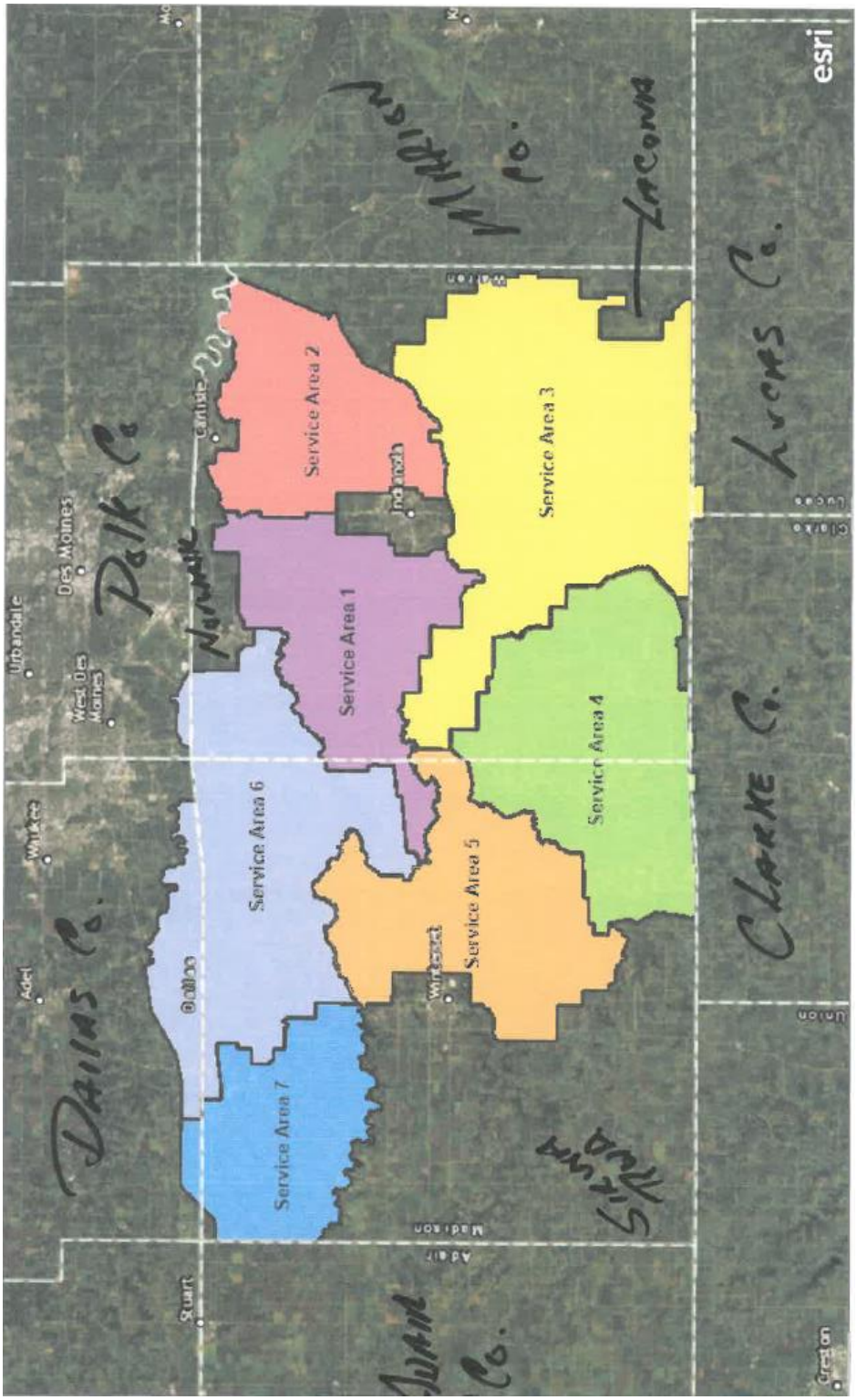
Warren and Xenia shall also have the right to serve additional incorporated areas within their service area as total service or wholesale customers if those incorporated areas do not have ready access to the Core Network transmission system.

All expansions of service territory and/or service to additional total service or wholesale customers must be accomplished within Warren or Xenia's duly allocated capacity within the CIWW regional system.

XENIA RURAL WATER DISTRICT – SERVICE TERRITORY



WARREN WATER DISTRICT – SERVICE TERRITORY



SCHEDULE IV-6
SERVICE OBLIGATION STANDARDS

CIWW shall have an obligation to make reasonable provision to meet all drinking water production requirements of the Member Agencies as needed, subject to mechanical failures, unforeseen events, or circumstances within the definition of Force Majeure, and subject to the exceptions stated in Schedule IV-1.

The following standards shall further define such service obligation:

- CIWW shall plan for delivery of each Member Agency's Allocated Capacity and shall not be required to deliver any more than any Member Agency's Allocated Capacity, or to serve geographic areas for certain Member Agencies serving primarily unincorporated areas beyond existing territories connected to the Des Moines system as shown in boundary maps in Schedule IV-1, as revised from time to time, without express Board approval.
- CIWW shall expand its capacity pursuant to its Long Range Plan contingent on available financing and funding.
- CIWW shall provide for sufficient water pressures and delivery points, both of which shall be determined in coordination with the Member Agencies.
- CIWW shall not deny service to any Member Agency that requests it so long as the requests are made reasonably in advance and consistent with adopted CIWW Long Range Plan and Capacity Expansions.
- CIWW's curtailments in service, if any, shall be made pursuant to the Water Shortage Plan.
- CIWW shall strive to meet all applicable state and federal water quality regulations; but in a situation where it fails to do so, it will provide timely notice to all affected Member Agencies.

The level of service provided by CIWW to Member Agencies shall be supported by rates, determined under Article VI and the principles set forth in Schedule VI-2, that are reasonably related to CIWW's actual costs, at levels determined by its Board to be sufficient to pay all CIWW expenses and obligations, to establish and maintain reasonable and adequate financial and operating reserves, and to provide for the current and future financing of CIWW's capital projects.

SCHEDULE IV-7
DESIGNATED WATER SUPPLY FACILITIES

ALL INSTRUMENTS OF TRANSFER WILL BE EXECUTED ON OR BEFORE THE OPERATIONAL COMMENCEMENT DATE.

Function*	Facility Name / Asset Description	Owner	Note
INCLUDED ASSETS			
MTR	Wholesale Meters	DMWW	1.
SOS	Infiltration Gallery	DMWW	2.
SOS	Raccoon River Intake	DMWW	3.
SOS	Des Moines River Intake	DMWW	4.
SOS	Des Moines River Pump Station	DMWW	5.
SOS	Saylorville Lake Storage Rights	DMWW	6.
SOS	McMullen Water Treatment Plant Shallow Alluvial Wells	DMWW	7.
SOS	Maffitt Reservoir and Grounds	DMWW	8.
SOS	Crystal Lake	DMWW	9.
SOS	Purple Martin Lake Water Resource Area	DMWW	10.
SOS	Hallett Lake	DMWW	11.
SOS	Saylorville Water Treatment Plant Radial Collector Wells	DMWW	12.
SOS	AC Ward Jordan Aquifer Wells	WDMWW	13.
SOS	AC Ward Alluvial Aquifer Wells	WDMWW	14.
SOS	Polk City Pleistocene Aquifer Wells	Polk City	15.
SOS	Grimes Jordan Aquifer Wells	Grimes	16.
SOS	Grimes Alluvial Aquifer Wells	Grimes	17.
SOS	Urbandale Raw Water Quarries	UWU	18.
STO	Army Post Road ASR Well	DMWW/ WDMWW	19.
STO	LP Moon ASR Well	DMWW	20.

STO	McMullen ASR Well	DMWW	21.
STO	98th Street Tower	WDMWW	22.
STO	Tenny Standpipe	DMWW	23.
BPS	LP Moon Pumping Station and Ground Storage Reservoir	DMWW	24.
BPS	Polk County Pumping Station and Ground Storage Reservoir	DMWW	25.
BPS	Joint Maffitt Lake Booster Station	DMWW/WDMWW	26.
BPS	NW 26th St. Booster Station	DMWW	27.
BPS	Xenia Booster Station at LP Moon	Xenia/Waukee	28.
TMT	Fleur Drive Water Treatment Plant	DMWW	29.
TMT	Laboratory	DMWW	30.
TMT	McMullen Water Treatment Plant	DMWW	31.
TMT	Saylorville Water Treatment Plant	DMWW	32.
TMT	AC Ward Water Treatment Plant	WDMWW	33.
TMT	Grimes Water Treatment Plant	Grimes	34.
TMT	Polk City Water Treatment Plant	Polk City	35.
TRN	Core Network Transmission and Raw Water Mains	DMWW	36.

The forgoing list of "Included Assets" is exclusive and exhaustive. The only assets to be transferred are those, and only those, expressly enumerated above and described in the notes thereto. All assets that are not Included Assets are reserved by the Parties and shall not be transferred.

The assets to be retained by the parties specifically include, but are not limited to, the following enumerated Excluded Assets, which are listed for avoidance of doubt. Other assets not listed as Excluded Assets, will also be retained. The omission of any assets from the list of Excluded Assets shall create no inference or presumption that it is, or should be deemed to be, an Included Asset.

Notwithstanding the foregoing, the lists of Included Assets and Excluded Assets and the terms and provisions of transfer set forth in this Schedule and Schedule XIII-1 shall be subject to revision to correct manifestly erroneous omission or inclusion or any other mistake that frustrates the intent of the express provisions of this Agreement.			
EXCLUDED ASSETS			
STO	Ankeny ASR Wells	Ankeny	37.
STO	Waukee ASR Well	Waukee	38.
STO	Grimes ASR Well	Grimes	39.
STO	Wilchinski Standpipe	DMWW	40.
STO	Joint Eastside Tower	DMWW	41.
BPS	Nollen Booster Station and Standpipe	DMWW	42.
BPS	Hazen Booster Station and Tower	DMWW	43.
BPS	Urbandale Booster Station	UWU	44.
BPS	Waukee Booster Station	Waukee	45.
BPS	Norwalk Booster Station	Norwalk	46.
BPS	Airport Booster Station	DMWW	47.
BPS	Delaware Booster Station	Ankeny	48.
BPS	Roosevelt Booster Station	DMWW	49.
BPS	SE Polk Alleman Booster Station	DMWW	50.
BPS	SE Polk Bondurant Booster Station	DMWW	51.
PARK	Des Moines Water Works Park and Adjacent Lands	DMWW	52.
ADMIN	DMWW General Office Building	DMWW	53.
ADMIN	DMWW Grounds Shop	DMWW	54.
ADMIN	WDMWW General Office Building	WDMWW	55.

*MTR = Meters; BPS = Booster/Pumping Station; SOS = Sources of Supply; STO = Storage; TMT = Treatment Facilities; TRN= Transmission Network

ALL TRANSFERS OF ASSETS SHALL BE SUBJECT TO THE RIGHTS OF REVERSION AS PROVIDED IN THE AGREEMENT TO WHICH THIS SCHEDULE IS ATTACHED AND ALL INSTRUMENTS OF TRANSFER SHALL CONTAIN PROVISIONS TO DOCUMENT SUCH REVERSION.

EXCEPT AS OTHERWISE NOTED ALL TRANSFERS SHALL BE SUBJECT TO ALL EXISTING EASEMENTS, LEASES, LICENSES, 28E AGREEMENTS AND OTHER AGREEMENTS

NOTES TO INCLUDED ASSETS

1. Ownership of all existing **Wholesale Meters** used by DMWW to meter water used by wholesale customers that will become Member Agencies shall be transferred to CIWW for the purpose of metering water for sale from CIWW to the Member Agency. Meter pits and other Connection Facilities will remain the property of the Member Agency and the Member Agency will continue to have maintenance responsibility for those facilities.

   The transfer of the Wholesale Meters shall be effected by delivery of a bill of sale by DMWW to CIWW, providing for transfer of the Wholesale Meters "as is" and in place.

2. Ownership of the **Infiltration Gallery** located within Des Moines Water Works Park and Adjacent Lands, which collects raw water to serve the Fleur Drive Water Treatment Plant shall be transferred to CIWW. The Infiltration Gallery gathers alluvial ground water from along the Raccoon River. The Infiltration Gallery, as used herein, consists of all gallery piping, manholes, valves, valve chambers, air shafts, tunnel, land flooding station (2803 George Flagg Parkway), flooding station piping, and other miscellaneous facilities necessary to make the Infiltration Gallery available for the collection of alluvial ground water as a source of raw water for the Fleur Drive Water Treatment Plant. The transfer shall include all Infiltration Gallery facilities currently in use and any such facilities not currently in use. DMWW shall retain ownership and use of the grounds which comprise the Des Moines Water Works Park and Adjacent Land. See Note 52 below.

   The transfer of the Infiltration Gallery shall be effected by delivery of a bill of sale, by DMWW to CIWW, providing for transfer of the Infiltration Gallery facilities "as is" and in place. A permanent easement for use, access, maintenance, improvement, repair, replacement, and expansion of all such facilities, above and below ground, within appropriate easement areas on land owned by DMWW shall be granted to CIWW, subject to continued reasonable use of the easement area for DMWW purposes, including park purposes, and subject to the payment by CIWW to DMWW on an annual basis, an easement fee reimbursing DMWW for a reasonable portion of DMWWs' actual costs of maintenance and upkeep of the areas utilized by CIWW pursuant to the easement. All related easements, agreements, water withdrawal permits, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

3. Ownership of the **Raccoon River Intake**, located in Des Moines Water Works Park, which collects raw water to serve the Fleur Drive Water Treatment Plant shall be transferred to CIWW. The Raccoon River Intake, as used herein, consists of the intake wet well, traveling screens, power, controls, water service, raw water piping, and other miscellaneous facilities necessary to make the Raccoon River Intake available for the use and benefit of CIWW for the collection of Raccoon River water as a source for the Fleur Drive Water Treatment Plant.

DMWW shall retain ownership and use of the grounds which comprise the Des Moines Water Works Park and Adjacent Land. See Note 52 below.

The transfer of the Raccoon River Intake shall be effected by delivery of a bill of sale, by DMWW to CIWW, providing for transfer of the Raccoon River Intake facilities "as is" and in place. A permanent easement for use, access, maintenance, improvement, repair, replacement, and expansion of all such facilities, above and below ground, within an appropriate easement area on land owned by DMWW shall be granted to CIWW, subject to continued reasonable use of the easement area for DMWW purposes, including park purposes. All related easements, agreements, water withdrawal permits, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

4. Ownership of the **Des Moines River Intake** located adjacent to the Des Moines River in Prospect Park in Des Moines, which serves the Fleur Drive Water Treatment Plant shall be transferred to CIWW. The Des Moines River Intake, as used herein, consists of an intake structure including traveling screens, source water piping, and other miscellaneous utilities and facilities necessary to make the Des Moines River Intake available for the use and benefit of CIWW for the collection of Des Moines River water as a source for the Fleur Drive Water Treatment Plant. The intake structure is located on property owned by the United States of America pursuant to a fifty (50) year easement granted November 12, 1980.

   The transfer of the Des Moines River Intake shall be effected by delivery of a bill of sale, by DMWW to CIWW, providing for transfer of such facilities "as is" and in place. The existing easement with the United States of America shall be assigned by DMWW to CIWW, subject to any required approval. All other related easements, agreements, water withdrawal permits, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

5. Ownership of the **Des Moines River Pump Station**, located at 2000 Prospect Road in Des Moines, which serves the Fleur Drive Water Treatment Plant shall be transferred to CIWW. The Des Moines River Pump Station, as used herein, consists of a pump station building and other miscellaneous utilities and facilities necessary to make the Des Moines River Pump Station available for the use and benefit of CIWW for the pumping of Des Moines River water as a source for the Fleur Drive Water Treatment Plant. The pumping station occupies ground owned by the City of Des Moines under a Grant of Management and Control instrument dated July 28, 1980, which is recorded in the real estate records of Polk County, Iowa at Book 5028, Page 482.

   The transfer of the Des Moines River Pump Station shall be effected by delivery of a quit claim deed to the building and a bill of sale for other facilities, by DMWW to CIWW, providing for transfer of Des Moines River Pump Station facilities "as is" and in place. The existing Grant of Management and Control shall be assigned by DMWW to CIWW, subject to any required consent by the City of Des Moines. All other related easements, agreements, and other related rights will be assigned by DMWW to CIWW and shall be assumed by CIWW.

6. Ownership of DMWW's **Saylorville Reservoir Storage Rights** shall be transferred to CIWW. A contract dated May 26, 1982, between the State of Iowa and the United States of America provides the State rights related to a quantity of water stored in Saylorville Reservoir under

certain conditions. A related contract between DMWW and the State of Iowa, also dated May 26, 1982, provides rights to DMWW to a portion of the State's stored water.

The contract between DMWW and the State of Iowa will be assigned to CIWW subject to approval by the State of Iowa and the Secretary of the Army, and assumption by CIWW of DMWW's obligations thereunder.

7. Ownership of the **McMullen Water Treatment Plant Shallow Alluvial Wells** shall be transferred to CIWW. The shallow alluvial wells include radial collector wells 1, 2, 3, 4, 5, and 6 in addition to one horizontal collector well, all located on the grounds of the McMullen Water Treatment Plant adjacent to the Raccoon River north of the McMullen Water Treatment Plant. The shallow alluvial wells, as used herein, consist of well caissons, well screens, pumps, valves, raw water transmission piping, and other miscellaneous facilities necessary to make the shallow alluvial wells available for the use and benefit of CIWW for the collection of alluvial ground water as a source for the McMullen Water Treatment Plant.

   The transfer of the McMullen Water Treatment Plant Shallow Alluvial Wells shall be effected by delivery of a quit claim deed and a bill of sale by DMWW to CIWW as part of the transfer documents pertaining to the transfer of the McMullen Water Treatment Plant as described in Note 31. The transfer shall be "as is" and in place. All related easements, agreements, water withdrawal permits, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

8. Ownership of **Maffitt Reservoir and Grounds** shall be transferred to CIWW. Maffitt Reservoir serves as a source of supply for the McMullen Water Treatment Plant during times of low alluvial well yield or poor water quality. Maffitt Reservoir, as used herein, consists of a tract of land and a reservoir, earthen dam, overflow works, fill and withdrawal piping works, protected watershed surrounding the reservoir, roads, shelter houses, restrooms, shop building and other facilities necessary to make Maffitt Reservoir available for the use and benefit of CIWW as a source of raw water for the McMullen Water Treatment Plant. During the term of the Initial Operating Contract DMWW will continue to maintain the grounds surrounding Maffitt Reservoir as a protected watershed and park open to the public at CIWW's expense, as part of the water supply operations provided to CIWW. Following the term of the Initial Operating Contract, the CIWW Board may decide to discontinue maintenance of the protected watershed as a park.

   The transfer of the Maffitt Reservoir shall be effected by delivery of a quit claim deed and a bill of sale by DMWW to CIWW as part of the transfer documents pertaining to the transfer of the McMullen Water Treatment Plant as described in Note 31. The transfer shall be "as is" and in place. All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

9. Ownership of **Crystal Lake** shall be transferred to CIWW. Crystal Lake serves as a source of supply for the McMullen Water Treatment Plant. Water is pumped from the Raccoon River into Crystal Lake (a former gravel pit) where after 30 to 40 days of detention time, nitrate concentrations are typically reduced by half. Crystal Lake as used herein consists of a tract of land and a water storage basin of approximately 60 surface acres, pumping facilities and piping

to withdraw water from the Raccoon River and deliver it to the lake, pumping and piping facilities to withdraw water from Crystal Lake and deliver it to the McMullen Water Treatment Plant, and other facilities necessary to make Crystal Lake available for the use and benefit of CIWW as a source of raw water for the McMullen Water Treatment Plant. This site also includes a truck scale and drying area used in the processing of lime residuals.

The transfer of Crystal Lake shall be effected by delivery of a quit claim deed and a bill of sale by DMWW to CIWW as part of the transfer documents pertaining to the transfer of the McMullen Water Treatment Plant as described in Note 31. The transfer shall be "as is" and in place. All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

10. Ownership of **Purple Martin Lake Water Resource Area** shall be transferred to CIWW. Purple Martin Lake Water Resource Area, as used herein, consists of a tract of land containing a former gravel pit lake that is currently managed by the State of Iowa as a part of Walnut Woods State Park. It is the next link in the chain of lakes concept which is intended to provide large quantities of low-nitrate source water to the McMullen Water Treatment Plant. The area includes a former gravel pit lake not yet connected to the other lakes in the chain but offers future potential for increased low-nitrate source water capacity. Purple Martin Lake Water Resource Area property is currently managed as a unit of Walnut Woods State Park by the Iowa Department of Natural Resources under an agreement with DMWW dated December 10, 2015. This agreement will be transferred to CIWW and will remain in effect until the end of the current term on December 31, 2025. Subsequently the CIWW Board will have the option to extend or terminate the Agreement.

    The transfer of Purple Martin Lake Water Resource Area shall be effected by delivery of a quit claim deed by DMWW to CIWW. The transfer shall be "as is" and in place and subject to the above-described agreement. The Agreement with the Iowa Department of Natural Resources and all other easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

11. Ownership of **Hallett Lake** shall be transferred to CIWW. Hallett Lake as used herein consists of a tract of land containing a former gravel pit lake. It is the last link in the chain of lakes concept which is intended to provide large quantities of low-nitrate source water to the McMullen Water Treatment Plant. Hallett Lake is not yet connected to the other lakes in the chain but offers future potential for increased low-nitrate source water capacity. This site includes two storage buildings.

    The transfer of Hallet Lake shall be effected by delivery of a quit claim deed by DMWW to CIWW. The transfer shall be "as is" and in place. All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

12. Ownership of the **Saylorville Water Treatment Plant Radial Collector Wells** shall be transferred to CIWW. The Saylorville Water Treatment Plant Radial Collector Wells include radial collector wells 1 (IGS GeoSam well number 73469) and 2 (IGS GeoSam well number 73471) located adjacent to the Des Moines River south of the Saylorville Water Treatment

Plant. The radial collector wells, as used herein, consist of well caissons, well screens, pumps, valves, raw water transmission piping, and other miscellaneous facilities necessary to make the radial collector wells available for the use and benefit of CIWW for the collection of alluvial ground water as a source for the Saylorville Water Treatment Plant. The Saylorville Radial Collector Wells are located on property owned by the United States of America and managed by the Department of the Army pursuant to a fifty (50) year easement granted on September 22, 2006.

The transfer of the Saylorville Water Treatment Plant Radial Collector Wells shall be effected by delivery of a bill of sale, by DMWW to CIWW, providing for transfer of such facilities "as is" and in place. The existing easement with the United States of America shall be assigned by DMWW to CIWW subject to written approval by the District Engineer, US Army Engineering District, Rock Island, Illinois, and assumption by CIWW of DMWW's obligations thereunder. All other related easements, agreements, water withdrawal permits, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

13. Ownership of the **AC Ward Jordan Aquifer Wells** shall be transferred to CIWW. Included are the following deep wells:

Well #1	1505 Railroad Ave – Plant Campus	IGS GeoSam well number 19416
Well #3	Raccoon River Park – City Park	IGS GeoSam well number
Well #4	300 S. 16th St – South Well Field	IGS GeoSam well number 54956
Well #26	1701 Railroad – City Park	IGS GeoSam well number 85507

The deep wells as used herein consist of buildings, well casings, well screens, pumps, valves, raw water transmission piping, and other miscellaneous facilities necessary to make the deep wells available for the use and benefit of CIWW for the collection of water as a source for the AC Ward Treatment Plant.

The transfer of the AC Ward Jordan Aquifer Wells shall be effected by delivery of a bill of sale, by WDMWW to CIWW, providing for transfer of such facilities "as is" and in place. Any existing easements, agreements, water withdrawal permits, rights, and claims will be assigned by WDMWW to CIWW and shall be assumed by CIWW.

14. Ownership of the **AC Ward Alluvial Aquifer Wells** shall be transferred to CIWW. Included are the following shallow wells:

Well #5	1505 Railroad Ave – Plant Campus
Well #6 thru #8	300 S. 16th St – South Well Field
Well #14 thru #21	2900 Grand Ave
Well #22 thru #25	2500 Grand Ave

The shallow alluvial wells, as used herein, consist of buildings, well casings, well screens, pumps, valves, raw water transmission piping, and other miscellaneous facilities necessary to make the shallow alluvial wells available for the use and benefit of CIWW for the collection

of alluvial ground water as a source for the AC Ward Treatment Plant. These wells are located on land owned by the City of West Des Moines/WDMWW.

The transfer of the AC Ward Alluvial Aquifer Wells shall be effected by delivery of a bill of sale, by WDMWW to CIWW, providing for transfer of such facilities "as is" and in place. Any existing easements, agreements, water withdrawal permits, rights, and claims will be assigned by WDMWW to CIWW and shall be assumed by CIWW.

15. Ownership of the **Polk City Pleistocene Aquifer Wells** shall be transferred to CIWW. Included are the following wells:

Well #4	IGS GeoSam well number 41483
Well #5	IGS GeoSam well number 56834

The Pleistocene Aquifer Wells, as used herein consist of well heads, well casings, well screens, pumps, valves, raw water transmission piping, and other miscellaneous facilities necessary to make the Pleistocene Aquifer Wells available for the use and benefit of CIWW for the collection of ground water as a source for the Polk City Water Treatment Plant. These wells are located on land owned by the Tournament Club of Iowa subject to easement agreements dated January 16, 2022.

The transfer of the Polk City Pleistocene Aquifer Wells shall be effected by delivery of a bill of sale, by the City of Polk City to CIWW, providing for transfer of such facilities "as is" and in place. Any existing easements, agreements, water withdrawal permits, rights, and claims will be assigned by the City of Polk City to CIWW and shall be assumed by CIWW.

16. Ownership of the **Grimes Jordan Aquifer Wells** shall be transferred to CIWW. Included are the following deep wells:

Jordan Well	NW 121st Street	IGS GeoSam well number 91788
Jordan Well	1801 N James Street	IGS GeoSam well number 77074

The deep wells as used herein consist of a well head, well casings, well screens, pumps, valves, raw water transmission piping, and other miscellaneous facilities necessary to make the deep wells available for the use and benefit of CIWW for the collection of water as a source for the Grimes Water Treatment Plant.

The transfer of the Grimes Jordan Aquifer Wells shall be effected by delivery of quit claim deeds and a bills of sale by the City of Grimes to CIWW as part of the transfer documents pertaining to the transfer of the Grimes well field as described in Note 17 and the Grimes Water Treatment Plant as described in Note 34 to CIWW, providing for transfer of such facilities "as is" and in place. Any existing easements, agreements, water withdrawal permits, rights, and claims will be assigned by the City of Grimes to CIWW and shall be assumed by CIWW.

17. Ownership of the **Grimes Alluvial Aquifer Wells** shall be transferred to CIWW. Three shallow alluvial aquifer wells are located north of Grimes in Polk County along NW 121st Street in the Grimes well field.

    The shallow alluvial wells, as used herein, consist of a tract of land and well heads, well casings, well screens, pumps, valves, raw water transmission piping, and other miscellaneous facilities necessary to make the shallow alluvial wells available for the use and benefit of CIWW for the collection of alluvial ground water as a source for the Grimes Water Treatment Plant. These wells are located on land owned by the City of Grimes. One of the Grimes Jordan Aquifer Wells also occupies this same tract of land.

    The transfer of the Grimes Alluvial Aquifer Wells shall be effected by delivery of a quit claim deed and a bill of sale, by the City of Grimes to CIWW, providing for transfer of such facilities "as is" and in place. Any existing easements, agreements, water withdrawal permits, rights, and claims will be assigned by the City of Grimes to CIWW and shall be assumed by CIWW.

18. Ownership of the **Urbandale Raw Water Quarries** located adjacent to the Des Moines River in Johnston shall be transferred to CIWW. The Urbandale Raw Water Quarries as used herein consist of a tract of land containing former gravel pit lakes. The property was acquired by UWU as a potential future raw water source and has potential future value for such use but is currently not being used for water supply.

    The transfer of Urbandale Raw Water Quarries shall be effected by delivery by UWU of a quit claim deed to CIWW. The transfer shall be "as is" and in place. All related easements, agreements, water withdrawal permits, rights, and claims will be assigned by UWU to CIWW and shall be assumed by CIWW.

19. Ownership of the **Army Post Road ASR Well** located at 5470 Willow Creek Avenue in Des Moines shall be transferred to CIWW. The Army Post Road ASR Well, as used herein, consists of a tract of land and a Jordan Aquifer well (IGS GeoSam well number 81129), submersible pump and motor, pitless adapter, ASR building with chemical storage and feed, and a standby emergency generator. ASR wells are used to store treated drinking water in the Jordan Aquifer during times when excess treatment capacity is available and to recover treated drinking water during times when additional capacity is needed to meet demands. This ASR well was constructed under an agreement between DMWW and WDMWW. Per that agreement, WDMWW paid much of the cost of the well in exchange for receiving a 3.0 MGD regional capacity credit. This credit allowed the use of up to 3.0 MGD of capacity in a designated area without using purchased capacity. WDMWW and DMWW will each receive credit in the asset transfer calculation for their respective investment in the well. Once the well is transferred to CIWW, the regional capacity credit agreement will terminate, and this ASR well will be a regional asset delivering capacity to the Core Network during recovery.

    The transfer of the Army Post Road ASR Well shall be effected by delivery of a quit claim deed and a bill of sale by DMWW to CIWW, providing for transfer of the Army Post Road ASR Well site and facilities "as is," in place, and subject to existing third party rights of use.

All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW, except as cancelled as set forth above.

20. Ownership of the **LP Moon ASR Well** located at 2501 NW 156th Street in Clive shall be transferred to CIWW. The LP Moon ASR Well, as used herein, consists of a Jordan Aquifer well (IGS GeoSam well number 59746), submersible pump and motor, ASR building with chemical storage and feed, and a standby emergency generator. ASR wells are used to store treated drinking water in the Jordan Aquifer during times when excess treatment capacity is available and to recover treated drinking water during times when additional capacity is needed to meet demands. This ASR Well is a regional facility delivering water directly to the Core Network. This facility is located on the LP Moon Pumping Station and Ground Storage Reservoir site to be transferred as described in Note 24.

    The transfer of the LP Moon ASR Well shall be effected by delivery of a quit claim deed as defined in Note 24 and a bill of sale by DMWW to CIWW, providing for transfer of the LP Moon ASR Well site, and facilities "as is," in place, and subject to existing third party rights of use. All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

21. Ownership of the **McMullen ASR Well** located adjacent to the McMullen Water Treatment Plant site shall be transferred to CIWW. The McMullen ASR Well, as used herein, consists of a tract of land and a Jordan Aquifer well (IGS GeoSam well number 63127), submersible pump and motor, and ASR building with chemical storage and feed. ASR wells are used to store treated drinking water in the Jordan Aquifer during times when excess treatment capacity is available and to recover treated drinking water during times when additional capacity is needed to meet demands. This ASR Well is a regional facility delivering water to the filter effluent chamber of the McMullen Water Treatment Plant.

    The transfer of McMullen ASR Well shall be effected by delivery of a quit claim deed and a bill of sale by DMWW to CIWW as part of the transfer documents pertaining to the transfer of the McMullen Water Treatment Plant as described in Note 31. The transfer shall be "as is" and in place. All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

22. Ownership of the **98th Street Tower** located at 1675 98th Street in West Des Moines will transfer to CIWW. The 98th Street Tower, as used herein, consists of a tract of land, a 2.5 MG elevated water tower, and cellular telephone equipment which occupies the tower by lease agreement. This facility stores water for Clive, Waukee, and West Des Moines. Operational and maintenance costs will continue to be shared by the participants based on an existing agreement dated 1993.

    The transfer of the 98th Street Tower shall be effected by delivery of a quit claim deed and a bill of sale by WDMWW to CIWW, providing for transfer of the 98th Street Tower site and facilities "as is," in place, and subject to existing third party rights of use. All related easements, agreements, including cellular telephone equipment agreements, rights, and claims will be assigned by WDMWW to CIWW and shall be assumed by CIWW.

23. Ownership of the **Tenny Standpipe** located at 4006 Merle Hay Road in Des Moines shall be transferred to CIWW. The Tenney Standpipe**,** as used herein, consists of a tract of land and a 4.1 MG standpipe. This facility "floats" on the Core Network system and is critical to operational flexibility of the system. The Urbandale Booster Station and an associated meter pit occupy a portion of this site pursuant to rights derived from DMWW. Cellular telephone equipment is mounted on two monopoles and in two control buildings which occupy a portion of this site pursuant to easements and agreements with DMWW. All such easements and agreements will transfer to CIWW subject to CIWW assuming responsibilities under the agreements.

    The transfer of the Tenney Standpipe shall be effected by delivery of a quit claim deed and a bill of sale by DMWW to CIWW, providing for transfer of Tenney Standpipe site and facilities "as is," in place, and subject to existing of use of UWU and other third parties. All related easements, agreements, including cellular telephone equipment agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

24. Ownership of the **LP Moon Pumping Station and Ground Storage Reservoir** located at 2501 NW 156th Street in Clive shall be transferred to CIWW. The LP Moon Pumping Station**,** as used herein, consists of a tract of land and a pump station building which houses pumps that serve Clive, Waukee, and West Des Moines, pumps that serve Urbandale and Xenia, chemical feed equipment, electric and controls equipment, and a standby emergency generator. The 6.0 MG ground storage reservoir on the same site shall also be transferred to CIWW. Operational and maintenance costs for the pumping station and ground storage reservoir will continue to be billed to the participants based on volume of water used and an existing agreement dated May 26, 1992. The LP Moon ASR Well described in Note 20 and the Xenia Booster Station at LP Moon described in Note 28 both also occupy a portion of this site.

    The transfer of the LP Moon Pumping Station and Ground Storage Reservoir shall be effected by delivery of a quit claim deed and a bill of sale by DMWW to CIWW, providing for transfer of LP Moon Pumping Station and Ground Storage Reservoir facilities "as is," in place, and subject to existing third party rights of use. All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

25. Ownership of the **Polk County Pumping Station and Ground Storage Reservoir** located at 6071 NE 14th Street, Des Moines, shall be transferred to CIWW. The Polk County Pumping Station**,** as used herein, consists of a pump station building which houses pumps that serve Ankeny and pumps that serve unincorporated Polk County, electrical and controls equipment, and a standby emergency generator. This facility delivers water to Ankeny and unincorporated Polk County. Ownership of the 5.0 MG ground storage reservoir on the same site shall also be transferred to CIWW. Operational and maintenance costs for the pumping station and grounds will continue to be billed to the participants based on an existing Water and Service Agreement dated August 1, 1988. This property is occupied pursuant to a permanent easement granted by Polk County, which easement is recorded in the real estate records of Polk County, Iowa at Book 6132, Page 578. This easement and agreements will transfer to CIWW.

The transfer of the Polk County Pumping Station shall be effected by delivery of a bill of sale and assignment of the easement set forth above by DMWW to CIWW, providing for transfer of Polk County Pumping Station facilities "as is," in place, and subject to existing third party rights of use. All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

26. Ownership of the **Joint Maffitt Lake Booster Station** located at 1379 Adams Street, West Des Moines, shall be transferred to CIWW. The Joint Maffitt Lake Booster Station is located at the Maffitt Water Treatment Plant site to be transferred as provided in Note 31, and as used herein, consists of a booster station building which houses pumps that serve Cumming and Norwalk and pumps that serve West Des Moines, electric and controls equipment, and a standby emergency generator. This facility delivers water to Cumming, Norwalk, and West Des Moines. Operational and maintenance costs for the booster station and grounds will continue to be billed to the participants based on a 28E Agreement filed August 24, 2017, and a 28E Agreement Amendment filed December 7, 2017. The 28E Agreements will transfer to CIWW subject to existing rights per the 28E Agreements.

    The transfer of the Joint Maffitt Lake Booster Station shall be effected by delivery of a quit claim deed as described in Note 31 and by a bill of sale from DMWW to CIWW and bill of sale from WDMWW to CIWW, providing for transfer of Joint Maffitt Lake Booster Station "as is," in place, and subject to existing third party rights of use. All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

27. Ownership of the **NW 26th Street Booster Station** located at 2567 NW 72nd Place shall be transferred to CIWW. The NW 26th Street Booster Station as used herein, consists of a tract of land, a booster station building which houses pumps that serve both Polk City and unincorporated Polk County, electric and controls equipment, and a standby emergency generator. This facility delivers water to Polk City and unincorporated Polk County. Operational and maintenance costs for the booster station and grounds will continue to be billed to the participants based on terms of the 28E Agreement filed March 3, 2018. This agreement will transfer to CIWW subject to existing rights per the 28E Agreement.

    The transfer of the NW 26th Street Booster Station shall be effected by delivery of a quit claim deed and a bill of sale by DMWW to CIWW, providing for transfer of NW 26th Street Booster Station site and facilities "as is", in place, and subject to existing third party rights of use. All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

28. Ownership of the **Xenia Booster Station at LP Moon** shall be transferred to CIWW. The Xenia Booster Station at LP Moon, as used herein, consists of a booster station building which is jointly owned by Waukee and Xenia. Operational and maintenance costs for the booster station will continue to be billed to the participants served by the facility based on terms of the 28E Agreement filed April 3, 2019. This facility is located on the LP Moon Pumping Station and Ground Storage Reservoir site to be transferred as described in Note 27. The facility

occupies the site pursuant to a 28E Agreement with DMWW. This agreement will transfer to CIWW subject to existing rights per the 28E Agreement.

The transfer of the Xenia Booster Station at LP Moon shall be effected by delivery of a quit claim deed as described in Note 24 and by delivery of quit claim deeds by Waukee and Xenia to CIWW, and bills of sale by DMWW, Waukee, and Xenia to CIWW, providing for transfer of the Xenia Booster Station at LP Moon facilities "as is," in place, and subject to existing third party rights of use. All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

29. Ownership of the **Fleur Drive Water Treatment Plant** located at 408 Fleur Drive, Des Moines, shall be transferred to CIWW. The Fleur Drive Water Treatment Plant, as used herein, consists of building and facilities located on land owned by DMWW that is to be retained in ownership by DMWW and that comprise a 75 MGD conventional lime softening treatment plant with nitrate removal. The Fleur Drive Water Treatment Plant includes West High Lift Building B, Pumping Station Building C (including East Low Lift – infiltration gallery pumps, fluoride feed, polyphosphate feed, control center, break room, locker rooms, offices, etc.), Nitrate Removal Facility Building D (including sodium hypochlorite storage and feed, salt storage, etc. and a related force sewer main for discharge disposal), Filter Building E (including lime/soda ash/alum storage, backwash tank, slaker room, etc.), West Low Lift Building J (Raccoon River pumps), Sludge Pump Building K (including sludge concentrator), CO_2 Building M (including CO_2 storage tanks), Lime Sludge Dewatering Building N, Chemical Feed Building R (including ferric chloride feed), Carbon Feed Building S (including powdered activated storage tanks), truck scale, backwash tank, 10 MG clear well, Water Works owned medium voltage transformers, switch gear and 3,300 KW standby generator, and other miscellaneous facilities necessary to make the Fleur Drive Water Treatment Plant available for the use and benefit of CIWW for the production of drinking water.

    The transfer of the Fleur Drive Water Treatment Plant shall be effected by delivery of a quit claim deed for each included building, but not its underlying land, by DMWW to CIWW and a bill of sale, by DMWW to CIWW, providing for transfer of all of the above described facilities "as is" and in place. A permanent easement for use, access, maintenance, improvement, repair, replacement, and expansion of all such facilities, above and below ground, within a permanent easement area, to be defined as the area enclosed by the flood protection levee shall be granted by DMWW to CIWW, subject to continued reasonable use of the easement area for DMWW purposes, and subject to the payment by CIWW to DMWW on an annual basis an easement fee reimbursing DMWW for a reasonable portion of DMWW's actual costs of maintenance and upkeep of the areas utilized by CIWW pursuant to the easement. It is intended that CIWW and DMWW will enter into a 28E Agreement governing the ongoing use, maintenance, cost sharing, and mutual accommodations required for the location of their respective facilities located within the easement area and their shared use of such site.

    All related easements, agreements, water withdrawal permits, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

30. Ownership of the **Laboratory** at the Fleur Drive Water Treatment Plant shall be transferred to CIWW. The Laboratory Building will be included in the instruments of transfer as set forth in Note 29. All laboratory facilities and equipment shall be transferred by bill of sale "as is" and in place from DMWW to CIWW. The Laboratory shall provide laboratory services related to distribution activity of Member Agencies on a fee for service basis at cost.

31. Ownership of the **McMullen Water Treatment Plant** located at 12223 SW Maffitt Lake Road shall be transferred to CIWW. The McMullen Water Treatment Plant, as used herein, consists of a tract of land and a 25 MGD conventional lime softening treatment plant. The McMullen Water Treatment Plant includes a Chemical Building (including unloading, storage and feed equipment for lime, powdered activated carbon, ferric chloride, $C0_2$, fluoride, sodium hypochlorite, and polyphosphate), Splitter Box, Up-flow Clarifiers, Filter Building, 5.0 MG Clearwell, High Service Pump Building, (including two 1,800 KW standby generators and transfer switch), Backwash Lagoon, Lime Residual Lagoons, residuals drying area, and other miscellaneous facilities necessary to make the McMullen Water Treatment Plant available for the use and benefit of CIWW for the production of drinking water. Portions of the Maffitt site are subject to farming licenses. Various joint use facilities are in use under 28E Agreements and other agreements.

    The transfer of the McMullen Water Treatment Plant shall be effected by delivery of a quit claim deed and a bill of sale by DMWW to CIWW, providing for transfer of the McMullen Water Treatment Plant and all related facilities, which shall include the McMullen Raw Water Collection Wells, Maffitt Reservoir, Crystal Lake, McMullen ASR Well, and the Joint Maffitt Lake Booster Station as described in Notes 7, 8, 9, 21 and 26, "as is," in place, and subject to existing third party rights of use. All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

32. Ownership of the **Saylorville Water Treatment Plant** located at 6500 NW 26th Street in Polk County shall be transferred to CIWW. The Saylorville Water Treatment Plant, as used herein, consists of a tract of land and a 10 MGD dual membrane plant. The Saylorville Water Treatment Plant includes a Pretreatment Structure, Treatment Plant Building (including ultra filtration membranes, reverse osmosis membranes, chemical storage and feed system, high lift pumping, 5.0 MG Clearwell, lagoons, and other miscellaneous facilities necessary to make the Saylorville Water Treatment Plant available for the use and benefit of CIWW for the production of drinking water. All of the properties and assets of the Saylorville Expansion Project, including treatment facilities, collector wells, and transmission facilities shall be included as part of the Saylorville Water Treatment Plant for purposes of transfer to CIWW.

    The transfer of the Saylorville Water Treatment Plant shall be effected by delivery of a quit claim deed and a bill of sale by DMWW to CIWW, providing for transfer of the Saylorville Water Treatment Plant and all related facilities "as is," in place, and subject to existing third party rights of use. All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

33. Ownership of the **AC Ward Water Treatment Plant** Located at 1505 Railroad Ave, West Des Moines shall be transferred to CIWW. The AC Ward Water Treatment Plant as used

herein, consists of buildings and facilities located on land owned by the City of West Des Moines/WDMWW that is to be retained in ownership by the City of West Des Moines/WDMWW and that comprise a 10 MGD conventional lime softening treatment plant. The AC Ward Water Treatment Plant includes Building #1 Plant Building (filters, CO2 feed system and tank, lab and equipment, SCADA controls, security controls but not administrative offices and board room), Building #2 Sludge Room (including pumps), Building #3 Chemical Feed (including lime/soda ash/ferric chloride/sodium hypochlorite/phosphate systems and slaker room), Building #4 High Service Pumping (including pumps, MCC, and electrical components, 1,000 kW standby generator), Building #6 Dewatering Lime (including press, air compressors, truck bay used by lime hauler, offices and lunch room), 2 aerators and contact tanks, 4 Lime Softening Clarifiers, 1 Clear Well and associated pumps, 1 MG Ground Storage, 1 2MG Ground Storage, Elm Street Meter Pit and Valve Pipe from DMWW, Raw Meter Pit, Reclaim Tank and Pumps, and Lime Thickener Tank, Lime Lagoons (South Well Field), and other miscellaneous facilities necessary to make the AC Ward Water Treatment Plant available for the use and benefit of CIWW for the production of drinking water.

The transfer of the AC Ward Water Treatment Plant shall be effected by delivery of a quit claim deed for each included building, but not its underlying land, by WDMWW to CIWW and a bill of sale, by WDMWW to CIWW, providing for transfer of all of the above described facilities "as is" and in place. A permanent easement for use, access, maintenance, improvement, repair, replacement, and expansion of all such facilities, above and below ground, within a permanent easement area to be defined, shall be granted by WDMWW to CIWW, subject to continued reasonable use of the easement area for WDMWW purposes, and subject to the payment by CIWW to WDMWW on an annual basis an easement fee reimbursing WDMWW for a reasonable portion of WDMWW's actual costs of maintenance and upkeep of the areas utilized by CIWW pursuant to the easement. It is intended that CIWW and WDMWW will enter into a 28E Agreement governing the ongoing use, maintenance, cost sharing, and mutual accommodations required for the location of their respective facilities located within the easement area and their shared use of such site.

All related easements, agreements, water withdrawal permits, rights, and claims, will be assigned by WDMWW to CIWW and shall be assumed by CIWW.

34. Ownership of the **Grimes Water Treatment Plant** located at 1801 James Street, Grimes shall be transferred to CIWW. The Grimes Water Treatment Plant, as used herein, consists of buildings and facilities located on land owned by the City of Grimes that is to be retained in ownership by the City of Grimes and that comprises 5.2 MGD of treatment capacity including 1.44 MGD of conventional lime softening treatment capacity, 3.56 MDG of RO treatment capacity, a 2 MG ground storage tank, and other miscellaneous facilities necessary to make the Grimes Water Treatment Plant available for the use and benefit of CIWW for the production of drinking water.

    The transfer of the Grimes Water Treatment Plant shall be effected by delivery of a quit claim deed for each included building, but not its underlying land, by the City of Grimes to CIWW and a bill of sale, by the City of Grimes to CIWW, providing for transfer of all of the above described facilities "as is" and in place. A permanent easement for use, access, maintenance,

improvement, repair, replacement, and expansion of all such facilities, above and below ground, within a permanent easement area to be defined shall be granted by the City of Grimes to CIWW, subject to continued reasonable use of the easement area for the City of Grimes' purposes, and subject to the payment by CIWW to the City of Grimes on an annual basis an easement fee reimbursing the City of Grimes for a reasonable portion of the City of Grimes' actual costs of maintenance and upkeep of the areas utilized by CIWW pursuant to the easement. It is intended that CIWW and the City of Grimes will enter into a 28E Agreement governing the ongoing use, maintenance, cost sharing, and mutual accommodations required for the location of their respective facilities located within the easement area and their shared use of such site.

All related easements, agreements, water withdrawal permits, rights, and claims, will be assigned by the City of Grimes to CIWW and shall be assumed by CIWW.

35. Ownership of the **Polk City Water Treatment Plant** located at 402 N. 3rd Street in Polk City shall be transferred to CIWW. The Polk City Water Treatment Plant, as used herein, consists of a tract of land and a 0.5 MGD plant, and an iron lagoon located within an easement from the United States Army Corps of Engineers. The Polk City Water Treatment Plant will include all facilities necessary to make the Polk City Water Treatment Plant available for the use and benefit of CIWW for the production of drinking water.

    The transfer of the Polk City Water Treatment Plant shall be effected by delivery of a quit claim deed and a bill of sale by Polk City to CIWW, providing for transfer of the Polk City Water Treatment Plant and all related facilities, "as is," in place, and subject to existing third party rights of use. All related easements, agreements, rights, and claims will be assigned by Polk City to CIWW and shall be assumed by CIWW.

36. Ownership of **Core Network Transmission and Raw Water Mains** shall be transferred to CIWW. The Core Network is a system of pipelines that connects the treatment plants, storage tanks, pumping stations, and other related facilities in a way that allows each Member Agency to receive water. The Core Network consists primarily of large diameter (16-inch to 48-inch) pipelines totaling more than 700,000 linear feet. Core Network facilities are noted on the Core Network Map and are annotated in the DMWW GIS system. Much of the Core Network system lays in public right-of-way. In cases where Core Network facilities lay in easement, those easements will be assigned to CIWW. The Core Network includes mains that connect raw water collection facilities to water treatment plants. The Core Network also includes a number of automated control valves used to manage flow within the system. These control valves including associated valve vaults, controls, and power will be transferred to CIWW. The Core Network does not include the Norwalk Western Feeder Main.

    The transfer of the Core Network Transmission Mains shall be effected by delivery of a bill of sale by DMWW to CIWW, providing for transfer of Core Network Transmission Mains and all related facilities, "as is," in place, and subject to any existing third party rights of use. All related easements, agreements, rights, and claims will be assigned by DMWW to CIWW and shall be assumed by CIWW.

NOTES TO EXCLUDED ASSETS

37. Ownership of **Ankeny ASR Wells 1, 2, and 3** will **not** transfer to CIWW. These ASR wells are beyond Ankeny's wholesale meter and cannot deliver water to the Core Network. These ASR wells will serve as seasonal storage for the City of Ankeny.

38. Ownership of **Waukee ASR Well 1** will **not** transfer to CIWW. This ASR well is beyond Waukee's wholesale meter and cannot deliver water to the Core Network. This ASR well will serve as seasonal storage for the City of Waukee.

39. Ownership of **Grimes ASR Well 1** will **not** transfer to CIWW. This ASR well is beyond Grimes' wholesale meter and cannot deliver water to the Core Network. This ASR well will serve as seasonal storage for the City of Grimes.

40. Ownership of the **Wilchinski Standpipe** located at 903 E. Pleasant View Drive in Des Moines will **not** transfer to CIWW. This standpipe serves primarily DMWW direct retail customers. It is estimated that 10% of the water that flows through this standpipe is ultimately delivered to Member Agencies other than DMWW. The Wilchinski site also serves as a hub for the regional telemetry system with antennas mounted on the structure. For these reasons, 10% of the O&M costs for the Wilchinski site will be billed to CIWW by DMWW on an annual basis with such billing amount to be subject to annual adjustment as use changes.

    CIWW's right to use the telemetry facilities located on this site shall be granted under the Operating Contract between DMWW & CIWW.

41. Ownership of the **Joint East Side Tower** located at 8403 NE 27th Ave, Altoona will **not** transfer because Altoona will not be a Founding Agency but will be served by DMWW under Section 15 of Article IV.

42. Ownership of the **Nollen Booster Station and Standpipe** located at 2569 Hull Avenue in Des Moines will **not** transfer to CIWW. This booster station serves primarily DMWW direct retail customers. It is estimated that 5% of the water that flows through this station is ultimately delivered to Member Agencies other than DMWW. For this reason, 5% of the O&M costs for the Nollen Booster Station and Standpipe site will initially be billed to CIWW by DMWW on an annual basis, with such billing amount to be subject to annual adjustment as use changes.

43. Ownership of the **Hazen Booster Station and Tower** located at 4800 Hickman Road in Des Moines will **not** transfer to CIWW. This booster station serves primarily DMWW direct retail customers. It is estimated that 5% of the water that flows through this station is ultimately delivered to Member Agencies other than DMWW. For this reason, 5% of the O&M costs for the Hazen Booster Station and Tower site will be billed to CIWW by DMWW on an annual basis with such billing amount to be subject to annual adjustment as use changes.

44. Ownership of the **Urbandale Booster Station** located at 4006 Merle Hay Road in Des Moines will **not** transfer to CIWW. This booster station serves exclusively UWU direct retail

customers. Ownership of the site occupied by the Urbandale Booster Station will transfer to CIWW as part of the Tenny Standpipe transfer, subject to UWU's existing occupancy rights.

45. Ownership of the **Waukee Booster Station** located at 601 SE Boone Drive in Waukee will **not** transfer to CIWW. This booster station serves exclusively City of Waukee direct retail customers. The booster station sits in a permanent easement recorded at Dallas County Recorder's Office Book 826, Pages 1048-1051.

46. Ownership of the **Norwalk Booster Station** located in the east right-of-way of SW 42nd Street south of Echo Valley Drive in Norwalk will **not** transfer to CIWW. This booster station serves exclusively City of Norwalk direct retail customers.

47. Ownership of the **Airport Booster Station** located at 7407 SW 34th Street in Des Moines will **not** transfer to CIWW. This booster station serves exclusively DMWW direct retail customers.

48. Ownership of the **Delaware Booster Station** located on SE Delaware Ave in Ankeny will **not** transfer to CIWW. This booster station serves exclusively City of Ankeny direct retail customers.

49. Ownership of the **Roosevelt Booster Station** located at the intersection of Center Street and Polk Boulevard will **not** transfer to CIWW. This booster station serves exclusively DMWW direct retail customers.

50. Ownership of the **SE Polk Alleman Booster Station** located at 2220 NE 126th Ave, Elkhart will **not** transfer to CIWW. This booster station serves exclusively DMWW direct retail customers.

51. Ownership of the **SE Polk Bondurant Booster Station** located at 5638 NE 56th Street, Altoona, Iowa will **not** be transferred to CIWW because Bondurant will not be a Founding Agency but will be served by DMWW under Section 15 of Article IV.

52. Ownership of **Des Moines Water Works Park and Adjacent Lands** will **not** transfer to CIWW. The Des Moines Water Works Park and Adjacent Lands, as used herein, includes the areas currently utilized by the public as "Water Works Park" together with other adjacent land not currently designated for park purposes. All such property, including grounds which comprise Water Works Park shall be used jointly by CIWW and DMWW for their respective ongoing operations as provided in the instruments of transfer of assets hereunder, and may, in the sole discretion of DMWW, continue to be made available by DMWW to the public for park purposes that are consistent with DMWW and CIWW operational needs under rules established by DMWW in its sole discretion. It is intended that CIWW and DMWW will enter into a 28E Agreement governing the ongoing use, maintenance, cost sharing, and mutual accommodations required for the location of their respective facilities on the Des Moines Water Works Park and Adjacent Lands grounds and their shared use of the Park grounds.

53. Ownership of the **DMWW General Office Building** will **not** transfer to CIWW. A share of its operational costs may be allocated to CIWW under the Operating Contract between DMWW and CIWW.

54. Ownership of the **DMWW Grounds Shop** will **not** transfer to CIWW. A share of its operational costs may be allocated to CIWW under the Operating Contract between DMWW and CIWW.

55. Ownership of the **WDMWW General Office Building** will **not** transfer to CIWW. A share of its operational costs may be allocated to CIWW under the Operating Contract between WDMWW and CIWW.

SCHEDULE IV-9
CURRENTLY PLANNED DESIGNATED WATER SUPPLY FACILITY
JOINT CAPITAL PROJECTS FOR 2025-2026

The currently planned joint capital facility projects listed as follows shall be constructed without further Board approval by the listed Founding Agencies and the costs thereof shall be paid by CIWW, or in the case of a project financed by the State Revolving Fund, CIWW shall assume the debt.

[Schedule on following page]

Producer	Project Name	2025-2026 Estimated Costs	
DMWW	FDTP Bulk PAC System	2,600,000	
DMWW	FDTP CO2 Feed System Upgrade	1,200,000	
DMWW	FDTP Lime Slurry Feed Bldg Replacement	600,000	
DMWW	FDTP WHL High Service Pump Replacements	1,700,000	
DMWW	FDTP 5KV Switch Gear Controls Upgrade	1,400,000	*
DMWW	FDTP Sand Filter Rehabilitation	5,000,000	*
DMWW	FDTP Lime Sludge Filter Press Rehabilitation	4,200,000	*
DMWW	FDTP Treatment Basin Rechaining	1,400,000	*
DMWW	FDTP - HVAC	400,000	
DMWW	FDTP Safety Showers & Tempering	200,000	
DMWW	DM River Well Field	10,400,000	*
DMWW	MWTP Exterior Paint	500,000	
DMWW	MWTP Collector Well Rehabilitation	720,000	*
DMWW	MWTP Safety Showers & Tempering	200,000	
DMWW	Crystal Lake Improvements	800,000	*
DMWW	Crystal Lake Pump Station	4,500,000	*
DMWW	SWTP Collector Well Rehabilitation	700,000	*
DMWW	SWTP RO Membrane Replacement	500,000	*
DMWW	SWTP UF Membrane Replacement	1,200,000	*
DMWW	SCADA Network Improve	2,400,000	*
DMWW	Core Network Air Relief Valve Upgrades	600,000	*
WDMWW	Building 1 Structural Repairs	800,000	
WDMWW	Plant Improvements (Phase 1) - Clearwell Improv, Transfer	400,000	
WDMWW	Structural Repairs - Buildings 2, 3, 4, 6	375,000	
WDMWW	Shallow Wells AC Ward - carryover from 2022-23	2,800,000	*
WDMWW	Demolish Building 5 for future water plant needs	200,000	
WDMWW	Painting - Ground Storage Tank #1 - 1 MG Storage	725,000	
WDMWW	Replace HSP No. 3/Update Electrical/VFD	950,000	
WDMWW	Fencing Upgrades at A.C. Ward/flag pole	120,000	
WDMWW	New 30 ton CO2 tank	800,000	
WDMWW	Plant Equipment/Building Upgrades	400,000	*
WDMWW	Replace Air Backwash Blower	116,000	*
WDMWW	Miscellaneous Filter Improvements (Repainting and Valve Stem F	109,000	*
WDMWW	Replace HSP No. 2 and No. 3	272,000	*
WDMWW	Replace Process Valves	442,000	*
WDMWW	Install VFDs	292,000	*
WDMWW	Repaint Piping & Pumps	26,000	*
WDMWW	Ferric Chloride Feed System Improvements	80,000	*
WDMWW	Building 5 Structural-Architectural Demolition	108,000	*
WDMWW	Building No. 1 – Mechanical Repairs - Filter Room Dehumidifier	285,000	*
WDMWW	Building No. 1 – All Other Mechanical Improvements	249,000	*
WDMWW	Building No. 3 - Mechanical Repairs	285,000	*
WDMWW	Building No. 4 - Mechanical Repairs	35,000	*
WDMWW	Building No. 6 - Mechanical Repairs	166,000	*
WDMWW	Replace MCC Buckets	351,000	*
	Total	**$ 51,606,000**	

* Indicates projects that are ongoing or may extend beyond 2026

Grimes and Polk City have no planned joint capital projects in 2025 or 2026.

SCHEDULE IV-10
ESTIMATED SAYLORVILLE EXPANSION PROJECT ALLOCATION AND ESTIMATED COSTS

$159,054,000 **Engineer's Opinion of Probable Cost**

	V-3		Pro Rata 2017 LRP %	9%	91%			
Member	**Initial Capacity MGD**	**Pro Rata Initial Capacity %**	**Growth %**	**Resiliency**	**Growth**	**Total $**	**Pro Rata Allocation of Costs**	**Saylorville Capacity Allocation MGD**
Ankeny	15.026	11.172%	24.150%	$1,599,256	$34,954,502	$36,553,758	22.981%	2.415
Clive	4.370	3.249%	1.610%	$465,090	$2,330,300	$2,795,390	1.758%	0.161
DMWW	48.344	35.943%	12.070%	$5,145,189	$17,470,015	$22,615,204	14.219%	1.207
Johnston	6.690	4.974%	6.300%	$712,021	$9,118,566	$9,830,587	6.181%	0.630
Grimes	7.156	5.320%	14.220%	$761,551	$20,581,906	$21,343,457	13.419%	1.422
Norwalk	4.107	3.054%	6.840%	$437,176	$9,900,157	$10,337,333	6.499%	0.684
Polk City	1.681	1.250%	1.740%	$178,936	$2,518,461	$2,697,397	1.696%	0.174
UWU	13.716	10.198%	6.920%	$1,459,829	$10,015,948	$11,475,777	7.215%	0.692
Warren Water District	3.211	2.387%	1.610%	$341,696	$2,330,300	$2,671,996	1.680%	0.161
Waukee	7.128	5.300%	12.070%	$758,688	$17,470,014	$18,228,702	11.461%	1.207
WDMWW	17.312	12.871%	12.470%	$1,842,466	$18,048,971	$19,891,437	12.506%	1.247
Xenia	5.759	4.282%	0.000%	$612,962	$0	$612,962	0.385%	0.000
Totals	**134.500**	**100.000%**	**100.000%**	**$14,314,860**	**$144,739,140**	**$159,054,000**	**100.000%**	**10.000**

Note: Engineer's Opinion of Probable Construction Cost is an estimate only and shall not govern the financial obligation of each Member Agency. The full and actual cost incurred by DMWW and CIWW, including interest on debt service, shall be the basis of each Member Agency's financial obligation.

Upon CIWW assumption of any indebtedness incurred for the Saylorville Expansion Project, the above table shall be updated to reflect the full amortized cost of said debt, to be allocated to the Member Agencies in accordance with the schedule above.

SCHEDULE IV-11
DMWW INCOMPLETE PROJECTS FOR DESIGNATED WATER SUPPLY FACILITIES

Most recent information available as of 12/31/22

Amounts and projects will change as of Operational Commencement Date

Project #	Project Name	Amount
546-440	Roof Replacements/Repairs	$ 177,000
546-493	MWTP Glass Block Repairs	74,750
546-501	Nitrate Crawl/Clearwell Repair	244,000
546-509	FDTP Safety Showers & Tempering	223,000
546-519	Ops Ctr Storm Water PS Improve	347,000
546-521	DMR Isolation Valve-Parco Sys	264,000
546-532	FD Chemical Bldg Stairwell	39,000
546-533	FD EHL#1 Closed Loop Cooling	217,000
546-534	FD Diesel Gen Closed Loop Cool	155,000
546-535	FD Chemical Bldg Elevator	259,000
546-321	WHL Discharge Header Painting	157,000
546-443	FTP-Filter Media Replacement	720,000
546-495	Fluoride Room Improvements	216,000
546-499	Trmt Basin Rechaining Program	366,000
546-512	SCADA Network Improvement	1,690,480
546-528	Isolation Clear Well - Gallery	43,500
546-529	EHL Suction Well-Elevate Grade	200,000
546-539	FD VFD High Lift Pumps	387,000
546-540	FD ELL/EHL Flood Protect	287,000
546-541	FD 5kV Switch Gear Controls	585,000
546-543	FD PAC Facility Upgrades	293,500
546-610	FD Filter Plant Rehab	58,000
546-497	Rehab MWTP Radial Collect Wells	1,521,000
546-544	McM HSP Room HVAC Upgrades	119,000
546-545	McM Ferric Chloride Expansion	191,000
546-546	McM Ferric Feed Line Replace	233,000
546-547	McM PAC System	217,000
546-612	SWTP Floor Drain Improve	80,000
975-010	Production Vehicle Replacement (vehicles not yet available)	329,000
	Total Estimated Cash To Be Paid by DMWW at Operational Commencement Date	$ 9,693,230

SCHEDULE IV-12
GUIDING PRINCIPLES FOR FUNDING CAPITAL PROJECTS AND ONGOING OPERATIONS AND MAINTENANCE (O&M) COSTS

These principles are general in nature and should be used to guide cost responsibility decisions for capital projects and related operations and maintenance ("O&M") of facilities. Any uncertainty or dispute regarding the appropriate allocation and responsibility of costs shall be referred by the Board to the Technical Committee for review and recommendation. The Board shall make a final decision regarding the funding of capital and O&M costs.

1. Source and Treatment Expansion Projects (Capacity Expansion)

For projects that increase regional system capacity, the cost of source and treatment improvements will be allocated to Member Agencies based on the 91%/9% formula (outlined in Section 7 of Article V and Schedule VI-2 and included here for completeness).

2. Source and Treatment Maintenance, Repair, and Upgrade (Joint Capital)

For projects that do not increase regional system capacity, but are necessary to maintain the capacity of existing source or treatment facilities or to upgrade them to meet current standards, the cost of the project will be allocated to Member Agencies through CIWW rates, CIWW reserves, CIWW bond issuance, or other sources of funding available to CIWW (outlined in Section 9 of Article V and Schedule VI-2 and included here for completeness).

3. Core Network Transmission Main Projects

It shall be the responsibility of the Technical Committee to make the determination as to whether a transmission main project is an Expansion Capacity Project or a Joint Capital Project.

a. Transmission main projects that are constructed as part of a Capacity Expansion Project specifically to deliver the expanded capacity to the Core Network where it is needed will have costs allocated to Member Agencies based on the 91%/9% formula, with Member Agencies participating in and purchasing expanded capacity being allocated their share of the 91% based on their allocation of the expanded capacity. These facilities will be owned, operated, and maintained by CIWW.
b. Transmission main projects that are <u>not</u> constructed as part of a Capacity Expansion Project but support the Core Network broadly as determined by the Technical Committee, will have costs allocated to Member Agencies through CIWW rates, CIWW reserves, CIWW bond issuance, or other sources of funding available to CIWW. These facilities will be owned, operated, and maintained by CIWW.
c. Transmission main projects that deliver capacity to defined Member Agencies and do <u>not</u> support the Core Network more broadly as determined by the Technical Committee, will have 100% of construction costs allocated to Member Agencies receiving capacity through the project based on each Member Agency's proportionate capacity allocation in the project. If the facility serves more than one Member Agency, the facility will be eligible for ownership by CIWW, including capital replacement, operation, and maintenance, once constructed. If a transmission main project originally constructed and paid for by a single

Member Agency becomes a joint use facility in the future, the originally constructing Member Agency will be entitled to compensation for the proportionate share of capacity being allocated to another Member Agency. Such compensation shall be funded and paid for by the Member Agency acquiring such capacity. The portion of the facility which is joint use will then become eligible for ownership by CIWW, including capital replacement, operation, and maintenance costs.

4. Pumping Stations or Booster Stations Constructed Specifically to Deliver Capacity from an Expansion Project

Costs will be allocated to Member Agencies based on the 91%/9% formula with 91% being allocated to Member Agencies being *served by the facility*, based on each Member Agency's proportionate allocated capacity in the facility. The remaining 9% of the total cost of the project shall be allocated to all Member Agencies based on each Member Agency's pro rata share of Allocated Capacity as of the date the Board approves the project. O&M costs for the facility will be paid by these Member Agencies based on their usage of the facility. If the facility serves more than one Member Agency, the facility will be eligible for ownership by CIWW, including capital replacement, once constructed. This section will not apply to redundant or backup facilities.

5. Pumping Stations or Booster Stations Not Related to a Capacity Expansion Project

The full cost of pumping and booster stations unrelated to a Capacity Expansion Project will be allocated to the Member Agencies being served by the facility, based on each Member Agency's proportionate allocated capacity in the facility. O&M costs for the facility will be paid by those Member Agencies based on their usage of the facility. If the facility serves more than one Member Agency, the facility will be eligible for ownership by CIWW, including capital replacement, once constructed.

The following chart summarizes these guiding principles:

	Source & Treatment	Transmission (Core Network)	Transmission (Core Network)	Transmission (Non-Core Network) 1 Participant	Transmission (Non-Core Network) 2+ Participants	Pumping Station	Pumping Station 1 Participant	Pumping Station 2+ Participants
Expansion Related	X	X				X		
Non-Expansion Related			X	X	X		X	X
Eligible for CIWW Ownership	X	X	X		X	X		X
Capital Funding Mechanism	91%/9%	91%/9%	Base Extra Capacity Method	100% by Participant only	100% by Participants only	91% by Participants 9% all Member Agencies	100% by Participant only	100% by Participants only
O&M Cost Recovery Mechanism	Base Extra Capacity Method	Base Extra Capacity Method	Base Extra Capacity Method	100% by Participant only	Base Extra Capacity Method	Based on Usage to Participants only	100% by Participant only	Based on Usage to Participants only
Eligible for CIWW Capital Replacement	X	X	X		X	X		X

SCHEDULE IV-14
EXISTING AND POTENTIAL TOTAL SERVICE AGREEMENTS

Member Agency	Total Service Agreement
DMWW	Berwick Water Association, Iowa
	City of Alleman, Iowa
	City of Cumming, Iowa
	City of Pleasant Hill, Iowa
	City of Runnells, Iowa
	City of Windsor Heights, Iowa
	Greenfield Plaza Benefited Water District, Iowa
Warren Water District	St. Charles, Iowa
	Hartford, Iowa
Xenia Rural Water District	City of Bagley
	City of Linden
	City of Menlo
	City of Redfield[1]
	City of Dawson[1]
	City of Yale[1]

Footnote:

1 – Potential future agreement

SCHEDULE IV-16
EXISTING AND POTENTIAL WHOLESALE RELATIONSHIPS TO BE CONTINUED

Member Agency	Wholesale Relationship
DMWW	Water Development Company
	Note: The City of Altoona and the City of Bondurant will be served by DMWW as wholesale customers as provided by the Purchased Capacity Master Agreement under Section 15 of Article IV, subject to the terms and limitations of Section 15.
Grimes	Water Development Company
Johnston	Camp Dodge
Warren Water District	Milo, Iowa
	Martensdale, Iowa
	Truro, Iowa
	New Virginia, Iowa
	St. Marys, Iowa
	Earlham, Iowa
	Lacona, Iowa[2]
	River Oaks Development
	Deer Hunters Run Development
	Booneville Mobile Home Park
	Hartford Mobile Home Park
	Patterson Mobile Home Park
	DMWW for Greenbrier Estates Subdivision
Xenia Rural Water District	City of Stuart
	City of Minburn
	City of Jamaica
	City of Dallas Center[1]
	City of DeSoto[1]
	City of Dexter[1, 2]
	Fox Creek Benefited Water District[1]
	Wildwood Estates
	City of Redfield[2]
	City of Dawson[2]
	City of Yale[2]

Footnotes:
1 – Emergency connection only
2 – Potential future connection

SCHEDULE IV-19
REGIONAL AQUIFER STORAGE AND RECOVERY (ASR) RULES AND REQUIREMENTS

The Total ASR capacity and recharge and recovery schedules of CIWW and the Member Agencies shall be managed by CIWW and the Board to facilitate proper operation of the water production and delivery systems of CIWW and the Member Agencies during periods of ASR facility recharge or recovery and to maximize the benefit of ASR facilities to individual Member Agencies and to the CIWW regional system.

The following initial Rules shall apply to ASR facilities and operations until further action by the Board:

Rule 1. The following ASR capacity limits shall apply to help ensure that available system capacity is adequate to meet ASR facility recharge needs while also allowing for necessary treatment facility and transmission system maintenance and repairs to be completed during ASR facility recharge:

- "ASR Recovery Capacity" of each ASR facility shall mean the maximum daily capacity of water recoverable from the facility expressed in Million Gallons Per Day (MGD).
- Total ASR Recovery Capacity of CIWW and all Member Agencies shall at all times be limited to not more than 20% of the total treatment capacity of CIWW. For example, if CIWW's total treatment capacity is 120 MGD, total ASR Recovery Capacity shall be limited to 24 MGD. In addition, ASR Recovery Capacity of each Member Agency shall be limited to not more than 50% of its average day water demand.

Rule 2. To ensure treatment capacity adequate for ASR facility recharge, new ASR facilities of Member Agencies constructed after the Effective Date shall require approval by the Board. The Technical Committee shall review all new ASR facility proposals and make recommendations to the Board.

The capacity of existing ASR facilities shall not be increased without prior approval from the Board.

ASR facilities that are abandoned or decommissioned shall not be replaced or recommissioned without prior approval from the CIWW.

Member Agencies whose average day demand is not sufficient to support operation of an ASR facility may collaborate with other Member Agencies to aggregate their average day demand for consideration of a joint ASR facility.

Rule 3. Member Agencies shall coordinate ASR recharge and recovery schedules with CIWW and its operating contractors to ensure adequate capacity is available. CIWW and its operating contractors shall have the right to require changes to recharge and recovery schedules as necessary to accommodate source water challenges, maintenance and repairs to treatment or transmission facilities, or other operational issues.

Member Agencies shall suspend recharge or to initiate recovery on short notice from CIWW's staff or any of CIWW's operating contractors in response to operational challenges and regional needs.

CIWW does not guarantee Member Agencies that system capacity will be available to completely recharge ASR facilities in any given year.

Rule 4. The following ASR facilities are deemed approved without regard to the Maximums of Rule 1 or further Board Action under Rule 2:

Existing Regional ASR Facilities

	Capacity (MGD)
LP Moon	3.0
Army Post	3.0
McMullen	3.0

Existing Member Agency ASR Facilities

	Capacity (MGD)
Ankeny 1	1.5
Ankeny 2	3.0
Ankeny 3	3.0
Waukee	1.3
Grimes	0.7

Proposed Member Agency ASR Facilities

	Capacity (MGD)
DMWW	3.0
UWU	3.0
WDMWW	3.0

SCHEDULE V-2
COSTS PAYABLE TO WATER PRODUCING MEMBER AGENCIES

Each Water Producing Member Agency shall be paid for its full actual operational costs under its Operating Contract. Actual operational costs shall be based on the cost principles stated in this Schedule.

Full actual operational costs are defined to be the prudent and necessary costs actually incurred to operate the Designated Water Supply Facilities as defined in this Agreement, including repair, replacement, and other investment required to maintain existing production capacity, as well as related general and administrative expenses. For avoidance of doubt, such costs shall include actual contract costs with third-party contract operators. Excluded from the definition of operational costs are: (a) all debt service; (b) costs incurred by a Water Producing Member Agency for CIWW budgeted CIP capital projects that are otherwise reimbursed to the Water Producing Member Agency by CIWW; (c) all costs related to the Water Producing Member's water distribution network; (d) purchases of inventory (however, the use of inventory may be included as materials & supplies per the below definitions); (e) non-cash charges such as depreciation and amortization expense; and (f) payments or transfers from the Water Producing Member's water utility enterprise to any parent organization or general fund, unless benefit to Water Supply Activity or Designated Water Supply Facilities exists. Water Producing Member Agencies shall categorize their costs as follows:

Personnel Costs. The cost of wages and salaries; local, state, and federal employment taxes; and insurance and benefit costs. Water Producing Member Agencies are required to maintain separate accounts to differentiate between those Personnel Costs incurred in the operations of the Designated Water Supply Facilities from those used in the operation of the Water Producing Member Agency's distribution network.

Materials and Supplies. These costs are tangible items that are used or consumed in the direct operations and maintenance of the Designated Water Supply Facilities. Water Producing Members are required to maintain separate accounts to differentiate between those materials and supplies used in the operations of the Water Supply Facilities from those used in operation of the Member Agency's distribution network.

Contract Services. Any services provided under contract to the Water Producing Member Agency directly related to the operations of the Designated Water Supply Facilities. To the extent contract services may include services for both the Designated Water Supply Facilities and the Water Producing Member Agency's distribution network, the Water Producing Member shall be required to split the contract costs based on a distribution of labor and materials consistent with the contract's scope of work.

Utilities. The cost of electric, water, wastewater, stormwater, telephone, internet, gas or other utility services necessary for the direct operations of the Designated Water Supply

Facilities. Water Producing Member Agencies shall be required to maintain separate accounts to differentiate the utility costs used in the operations of the Designated Water Supply Facilities from those costs incurred to operate the Water Producing Member Agency's distribution network.

General & Administrative. Water Producing Member Agencies shall be allowed to include reasonable general and administrative costs, so long as the Board approves in advance that the methodology of the calculation is appropriate, reasonable, and consistent with other Water Producing Member Agencies, and the Water Producing Member Agency submits supporting accounting documentation of actual costs to justify the G&A expense.

2% Margin. Water Producing Members shall collect a 2% margin on their reimbursable operating costs, including personnel costs, materials and supplies, contract services, utilities, and general and administrative costs.

Renewal & Replacement. The costs of unforeseen, emergency renewal and replacement of capital assets that have not been considered in CIWW Capital Plan, such as the replacement of a pump due to failure and other costs of a similar nature. The Water Producing Member initially incurring the cost of capital replacement shall provide supporting documentation and justification for the capital expense.

During CIWW's budget process for each fiscal year (which, for CIWW, is calendar year), each Water Producing Member Agency shall submit to CIWW Board a projection of its full actual operational costs for the budget year, along with documentation to demonstrate the distribution of costs between the Water Producing Member Agency's production and distribution facilities. CIWW shall pay the operational costs in seasonally-adjusted monthly installments based on the budgets submitted by the Water Producing Members and approved by CIWW Board. Such payments to Water Producing Member Agencies shall be paid in advance for budgeted expenses to be incurred for the following month on the first business day of each month for that month. Throughout the fiscal year, Water Producing Member Agencies shall report actual operational costs on a quarterly basis to CIWW and identify and explain material fluctuations from projections.

True-Up Requirement

Within 60 days after the close of the fiscal year, full actual operational costs shall be summarized and a true-up amount calculated for each Water Producing Member Agency equal to the total amount previously paid for the year minus the actual amount calculated to be due. Any overpayment shall be refunded by the Water Producing Member Agency to CIWW and any underpayment shall be paid by CIWW to the Water Producing Member Agency. Such amounts shall be paid within twenty-five (25) days of the determination of the amount due.

SCHEDULE V-3
CAPACITY ALLOCATIONS

	Maximum Day Demand in Millions of Gallons		
	Adjusted I-2B [1]	XIII-1	V-3
Member	Five-Year Average	Reserve Capacity	Initial Capacity
Ankeny	8.589	6.437	15.026
Clive	3.941	0.429	4.370
DMWW	45.127	3.217	48.344
Johnston	5.009	1.681	6.690
Grimes	3.365	3.791	7.156
Norwalk	2.283	1.824	4.107
Polk City	1.216	0.465	1.681
UWU	9.997	3.719	13.716
Warren Water District	2.782	0.429	3.211
Waukee	3.910	3.218	7.128
WDMWW	13.986	3.326	17.312
Xenia	2.862	2.897	5.759
Total	103.067	31.433	134.500

[1] DMWW Five-Year Average MDD from Schedule I-2(B) was adjusted to reflect the Purchase Capacity requirements to serve Bondurant and Altoona as wholesale customers as provided by the Purchased Capacity Master Agreement under Section 15 of Article IV, subject to the terms and limitations of Section 15.

In addition to the initial capacity allocations above and the capacity created under the Saylorville Expansion Project as outlined in Schedule IV-10, there may be an additional 2 MGD of capacity constructed by a Water Producing Member Agency within approximately the first five years after the Operational Commencement Date, to be offered to all interested Member Agencies based on a pro-rata allocation of each Member Agency's best estimates of future water requirements and demand as reported to the Technical Committee for Long Range Planning under Section 3 of Article VII.

SCHEDULE V-5
CHARGES FOR FUTURE CAPACITY ALLOCATIONS

This Schedule describes the methodology for determining payments for Allocated Capacity by New Member Agencies under Section 5 of Article V.

Step 1: Determine the Total Capacity Requirements as described in Section 3 of Article V.

Step 2: Multiply the Total Capacity Requirement by the Incremental Unit Cost of Capacity, which shall be determined as follows:

Incremental Unit Cost = Expansion Cost / Expanded Capacity

Where:

Expansion Cost is the total cost of capital projects in the CIWW Long Range Plan identified as expansion-related only. Expansion Costs will exclude the cost of any project to meet non-expansion needs including but not limited to: renewal and replacements, upgrades, maintenance, acquisition or construction of assets with useful lives less than 10 years, regulatory projects, and acquisition or construction of administrative facilities. Expansion costs will be expressed in current-year dollars.

Expanded Capacity is the difference between the projected total capacity of the CIWW Water Supply Facilities upon completion of the expansion projects identified in the CIWW Long Range Plan and the current production capacity. If the CIWW Long Range Plan does not include expansion related costs for production capacity, costs for the most recently constructed production facilities, adjusted by an industry accepted construction cost index, shall be used.

SCHEDULE VI-2
MANDATORY RATE PRINCIPLES

CIWW will conduct an annual Cost of Service Study and allocate operation and maintenance (O&M) and capital costs to Member Agencies based on widely accepted industry cost allocation and rate making principles as set forth in the American Water Works Association's (AWWA) M-1 Manual "*Principles of Water: Rates, Fees, and Charges.*" CIWW costs include and are defined as:

1. ***Operations & Maintenance ("O&M")*** - Prudent and necessary costs to operate and maintain source of supply, treatment, pumping, and transmission facilities, as well as applicable efforts related to customer service and general and administrative expenses. O&M costs also include adjustments to operating reserves necessary to maintain appropriate levels of working capital consistent with CIWW financial policies as approved by the Board of Directors.
2. ***Joint Capital Projects*** – Joint Capital Projects shall include any project to maintain, repair, update, or improve any applicable facility that does not expand its capacity.
3. ***Shared Capacity Expansion Projects*** – Capital cost of assets and expansions constructed to meet regional growth in water demands common to all Member Agencies. Nine percent (9%) of projected expansion costs are allocated as Shared Capacity Expansion costs.
4. ***Allocated Capacity Expansion Projects*** – Capital cost of assets constructed to meet Member Agency-specific growth projections and water demands. Ninety-one percent (91%) of projected expansion costs are allocated as Allocated Growth costs.

COST ALLOCATION REQUIREMENTS

Cost allocation shall be based on the "Base Extra-Capacity" method as described in the AWWA M1 Manual, which recognizes four primary cost components: base costs, extra-capacity costs, customer costs, and fire protection costs. CIWW costs shall be assigned to the four cost components as follows:

- Base Costs ($/Million Gallons) shall include all O&M, Joint Capital and Shared Growth costs incurred in producing the volumes of water delivered to Member Agencies up to average-daily demand levels. Base costs shall be uniform for all Member Agencies and expressed as a cost per unit of volume delivered by CIWW with reasonable allowances for water losses determined per Schedule VI-3.
- Extra-Capacity Costs ($/MGD) shall include all O&M, Joint Capital and Shared Growth costs incurred in producing and delivering volumes of water in excess of average-daily demand levels. Extra-capacity costs shall be uniform for all Member Agencies and expressed as a cost per unit of demand.
- Customer Costs include costs directly related to serving customers, including meter reading, billing, and related services. Based on the immateriality of these costs to CIWW as a wholesale provider of water, such costs shall be included in Base Costs.
- Fire protection costs are not relevant to the operations of CIWW. Fire protection is instead a design requirement for local distribution systems and therefore the responsibility of individual Member Agencies.

- Member Agency Specific Expansion Costs (fixed $/period) shall include all costs related to Allocated Growth. Member Agency specific expansion costs shall be unique to individual Member Agencies and allocated to them based on their respective Growth Allocations and billed to Member Agencies as a fixed amount per period (e.g., month or year).

WATER RATE REQUIREMENTS

Water rates charged to Member Agencies shall include a volume rate that recovers the Base Costs, a fixed monthly charge to recover the Extra-Capacity Costs, and a separate monthly fixed charge to recover the Member Agency Specific Expansion Costs. The following table illustrates the calculation of unit costs, which are then multiplied by the Member Agency's units of service to determine the billable charges.

Cost / Expenditure Description	**Base Costs**	**Extra-Capacity Costs**	**Allocated Capacity Costs**	**Member Agency Specific Expansion Costs**
Allocated Based on:	**Average Day**	**Maximum Day**	**Allocated System Capacity**	**Pro Rata Share of Growth**
Variable Costs of Operating Leases	**X**			
Fixed Costs of Operating Leases	**X**	**X**		
CIWW Organizational Costs	**X**	**X**		
Joint Capital Debt Service	**X**	**X**		
Joint Capital Cash Funding	**X**	**X**		
Shared Expansion Debt Service (9%)			**X**	
Shared Expansion Cash Funding (9%)			**X**	
Allocated Expansion Debt Service (91%)				**X**
Allocated Expansion Cash Funding (91%)				**X**
Totals	**$XX**	**$XX**	**$XX**	**$XX**
Units	**Total CIWW Volume Projected to be Produced for the year in MG**	**Total of Member Agencies' 5-year average MDD in MGD**	**Total of Member Agencies' Allocated Capacity in MGD**	**Member Agency Specific**
Unit Cost	**$ / MG**	**$ / MGD**	**N/A**	**N/A**
Charge Type	**Variable**	**Fixed**	**Fixed**	**Fixed**
	Uniform cost per unit applicable to all Member Agencies		**Specific to each Member Agency**	**Specific to each Member Agency**

Extra-Capacity costs must be allocated between Base (average-daily demand) and Extra-Capacity (demands above average-day). The split between the two is determined mathematically as follows:

- Average Day Demand (Base) = total water deliveries to all Member Agencies together with allowances for water losses pursuant to Schedule VI-3, divided by 365 days (leap years will be ignored for this calculation).
- Maximum Day Demand (MDD) = 5- year average of non-coincident maximum daily water delivery to all Member Agencies.
- Extra-Capacity Demand (Extra-Capacity) = Maximum Day Demand minus Average Day Demand.

For illustration purposes only. Assume the average-day demand is 100 MGD and the Maximum Day Demand is 250 MGD. The allocation of costs between Base and Extra-Capacity components would be calculated as follows:

	Base	Extra Capacity	Total
System Demand	100 MGD	150 MGD	250 MGD
% Allocation	40% (100 / 250)	60% (150 / 250)	100% (250 / 250)

Charges for individual Member Agencies will be calculated as follows and billed monthly:

- Volume Charges: The Base Cost per unit x the Member Agency's volume as determined pursuant to Article VI, Section 3.
- Extra-Capacity Charges: The cost per MGD x the Member Agency's MDD, divided by 12 months.
- Allocated Capacity Costs: The cost per MGD x the Member Agency's allocated capacity, divided by number of periods.
- Member Specific Expansion Charges: The monthly cost of expansion specific to the Member divided by number of periods.

SCHEDULE VI-3
ASSUMPTIONS USED TO ESTIMATE VOLUME OF UNMETERED WATER USED BY DMWW

The following calculation illustrates the methodology to calculate estimated annual water loss attributable to the Water Distribution Facilities of DMWW. Such calculation is provided for illustrative purposes only and shall be performed on an annual basis using the most recently available pumpage and metering data. The annual amount attributable to DMWW shall be divided into twelve (12) equal monthly installments and added to the monthly billings to be paid by DMWW.

				Test Year (kgals)
DMWW System Total Production	A			**19,500,000**
Water Billed to Member Agencies Excluding DMWW	B		**9,600,000**	
DMWW Production Water Usage - Regional Water				
Metered - Water Used in Regional Water Treatment & Regional Facilities			185,000	
Unmetered - Estimated 0.5% of Total Production		A * 0.50%	97,500	
DMWW Total Water Used in Production - Regional Water	C		**282,500**	
Water Metered to DMWW				
Metered - Water Billed to DMWW Retail and Full Service Customers			7,500,000	
Metered - Water Used at DMWW Facilities			1,000	
Metered - Free Water Given to Cities served by DMWW			150,000	
Metered - Free Water Under Contract (e.g., Greater DM Botanical Garden)			5,000	
Total Retail Consumption Billed to DMWW	D		**7,656,000**	
Unmetered Water Attributed to DMWW				
Unmetered - Estimated 1.25% used in Firefighting, Flushing, etc.	E	(A-B-C) * 1.25%	**120,219**	
Total Accounted for Water in DMWW System	F	B + C + D + E		**17,658,719**
Total Unaccounted for Water in DMWW System	G	A - F		**1,841,281**
Allocation of Unaccounted for Water Based on Inch-Feet of Pipe				
Percentage of Loss Assigned to DMWW Distribution Mains	H		72%	
Percentage of Loss Assigned to Core Network Mains	I		28%	
Allocated Lost Water in DMWW Distribution Mains	J	G * H	1,329,085	
Allocated Lost Water in Core Network Mains	K	G * I	512,196	
Total Unaccounted for Water - DMWW System		Check:	**1,841,281**	
Total Unmetered and Unaccounted for Water Attributed to DMWW		E + J	1,449,304	

The annual "Total Unmetered and Unaccounted for Water Attributed to DMWW" shall be divided into twelve (12) equal monthly installments and added to DMWW's metered billings.

SCHEDULE VI-5
CHARGES FOR EXCESS CONSUMPTION

All Member Agencies of CIWW will, at all times, have a defined Allocated Capacity attributed to them. Each Member Agency's Allocated Capacity is the maximum amount of water CIWW is obligated to deliver during a single day. Any water delivered to a Member Agency in excess of its Allocated Capacity on more than three (3) non-consecutive or consecutive days in any given calendar year shall be subject to additional charges referred to as Capacity Lease Charges. For the purposes of this Schedule, a day is the 24-hour period commencing at 12:00 am.

Water delivered to Camp Dodge by Johnston under the emergency supply provision set forth in the first sentence of Section 4 of the Easement Agreement dated February 4, 1996 between Johnston and the Armory Board of the Iowa National Guard shall be excluded from the water delivered to Johnston in calculating Capacity Lease Charges.

1. Determine if Member Agency has Excess Consumption for Year. This is calculated as the total maximum volume of water delivered during any day during the Calendar Year, less the Member Agency's then-current Allocated Capacity. If the Member Agency has three or fewer days with Excess Consumption, additional charges do not apply. Excess Consumption for more than three days results in Capacity Lease Charges as outlined below in Sections A or B.

   Example 1*: Member X's Allocated Capacity is 5 MGD and received the following highest daily gallons of consumption (in ascending order):*
   - *5,100,000 gallons*
   - *5,500,000 gallons*
   - *6,000,000 gallons*

   Because there are no more than three days with Excess Consumption over the Member Agency's Allocated Capacity, additional charges do not apply.

   Example 2*: Member X's Allocated Capacity is 5 MGD and received the following highest daily gallons of consumption (in ascending order):*
   - *5,100,000 gallons*
   - *5,500,000 gallons*
   - *6,000,000 gallons*
   - *6,100,000 gallons*

   There are more than three days over the Member Agency's Allocation Capacity, so Capacity Lease Charges shall apply. Excess Consumption of 1.1 MGD is based on the highest volume of water received in a day during the Calendar Year (6.1 MGD – 5.0 MGD Allocated Capacity).

2. Calculate Capacity Lease Charges. Member Agencies receiving CIWW deliveries of Excess Consumption are subject to a lease of the surplus capacity made available by CIWW from the Allocated Capacity of other Member Agencies.

   A. Prior to the Saylorville Water Treatment Plant 10 MGD expansion being fully constructed and operational (estimated to be in 2027), the lease payment is the sum of two components:

      i. Return on Invested Capital. The return on capital shall be calculated as the then-current net book value (the original cost less accumulated depreciation) of CIWW Water Supply Facilities multiplied by a rate of return of 8%, divided by the total Allocated Capacity of all CIWW Member Agencies, times the Excess Consumption determined in Step 1.

         Example: *The total book value of Water Supply Facilities is $144 million and the total of all Member Agencies' Allocated Capacities is 134.5 MGD; the charge for return on invested capital is: $144M x 8% / 134.5 MGD x 1.1 MGD = $94,216.*

      ii. Depreciation. The annual depreciation expense of the CIWW Water Supply Facilities divided by the total Allocated Capacity of all CIWW Member Agencies.

         Example*: The annual depreciation expense on Water Supply Facilities is $10 million with total Allocated Capacity of 134.5 MGD; the charge for depreciation is: $10M / 134.5 MGD x 1.1 MGD = $81,784.*

         Total Capacity Lease Charge for 1.1 MGD of Excess Consumption = $94,216 + $81,784 = $176,000

   B. Beginning with the first full Calendar Year after the commissioning of the Saylorville Water Treatment Plant 10 MGD expansion, the Capacity Lease Charges shall be calculated as follows:

      i. The Capacity Lease Charges shall be based on the then-current total annual debt service of CIWW related to treatment capacity projects, or if no debt service for treatment capacity projects exist, the average annual debt service of the most recent capacity expansion adjusted for a reasonable cost index, such as the Engineering News Record Construction Cost Index (ENR CCI).

         Example: *The total annual debt service is $10 million for a 10 MGD expansion; the Capacity Lease Charge is: $10M / 10 MGD x 1.1 MGD = $1,100,000*

3. Calculate annually and bill Member Agency(ies). The above calculation shall be completed for each Member Agency for each Calendar Year the Member Agency receives more than

three days of Excess Consumption over its Allocated Capacity. Amounts will be determined retroactively based on meter readings as they are made available to CIWW. All charges computed under this Schedule are a one-time charge and shall be billed to the Member Agencies separately from all other charges for service and shall be due and payable within 25 business days of receipt.

4. Allocate Capacity Lease Charge Receipts. Receipts from the Capacity Lease Charge shall be allocated to the Member Agencies that had no Excess Consumption for the same Calendar Year in proportion to their surplus as follows:

    a. Determine Member Agency Surplus. This is calculated as the difference between the Member Agency's max-day demand during the Calendar Year and its Allocated Capacity.

    ***Example**: The Member Agency has an Allocated Capacity of 6 MGD and the maximum day demand for the Calendar Year was 4 MGD; the surplus is 2 MGD.*

    b. Sum the Surplus for All Applicable Member Agencies. Calculate the surplus capacity for all Member Agencies for the Calendar Year and sum the total. Ignore all negative values.

    ***Example**: The total of all surpluses after repeating Step 4a for all Member Agencies is 10 MGD.*

    c. Distribute the total Capacity Lease Charges for the Calendar Year proportionately. Divide each Member Agency's surplus by the total surplus for the year, and multiply by the total lease payment received.

    ***Example**: A Member Agency had a surplus of 2MGD out of 10MGD total, or 20%. The lease payment was $1,100,000; the Member Agency receives 20% of the payment, or $220,000.*

SCHEDULE XII-3
EXCEPTIONS TO PREMIUM PROVISION FOR NEW MEMBER AGENCIES

- The City of Van Meter, Iowa has expressed a desire to join this Agreement but is not included in the DMWW 2017 Long Range Plan and CIWW has no current physical ability to provide service to such entity. Thus its joinder at the time of the execution of the Agreement is not considered practical. For a period of five (5) years from the Operational Commencement Date, the City of Van Meter will not be subject to the premium set forth in Article XII, Section 3 if it is subsequently admitted as Member Agency. All other terms set forth in this Agreement apply.

- The Iowa Regional Utilities Association has expressed a desire to join this Agreement but is not included in the DMWW 2017 Long Range Plan and CIWW has no current physical ability to provide service to such entity. Thus its joinder at the time of the execution of the Agreement is not considered practical. For a period of five (5) years from the Operational Commencement Date, the Iowa Regional Utilities Association will not be subject to the premium set forth in Article XII, Section 3 if it is subsequently admitted as Member Agency. All other terms set forth in this Agreement apply.

SCHEDULE XIII-1
ASSET TRANSFER TERMS

Consideration for Transfer

The consideration to be paid to and from Founding Agencies for assets transferred to CIWW shall be computed as of the Operational Commencement Date based on a financial model and calculation as outlined below in Steps 1-6:

Step 1: Determine Financial Investment by Founding Agency in Designated Water Supply Facilities (Transferred Assets)

(a) Each Founding Agency with purchased capacity in DMWW's Core Network is credited with the book value of its purchased capacity investment, after applying straight line amortization.

(b) Each Water Producing Member Agency is credited with the book value of its Designated Water Supply Facilities (reduced by the principal amount of any outstanding obligations which financed the Transferred Assets which are assumed by CIWW[1]) after applying straight line depreciation, transferring to CIWW as defined in Schedule IV-7. DMWW will also be credited with an amount as set forth in Section 11 of Article IV.

(c) The combination of a) and b) is each Founding Agency's financial investment in the Designated Water Supply Facilities.

Financial Investment by Founding Agency in Designated Water Supply Facilities

Founding Agency	Amortized Net Book Value in DMWW Assets	Net Book Value of Other Owned Capacity	Financial Investment in Designated Water Supply Facilities
Ankeny	$7,780,500	$0	$7,780,500
Clive	$6,756,750	$0	$6,756,750
DMWW	$150,679,121	$0	$150,679,121
Johnston	$0	$0	$0
Grimes	$0	$5,072,040	$5,072,040
Norwalk	$1,049,344	$0	$1,049,344
Polk City	$480,375	$0	$480,375
UWU	$11,681,250	$870,900	$12,552,150
Warren Water District	$1,704,360	$0	$1,704,360
Waukee	$3,066,683	$65,469	$3,132,152
WDMWW	$10,111,000	$23,029,599	$33,140,599
Xenia	$1,667,957	$480,108	$2,148,064
Totals	$194,977,339	$29,518,116	$224,495,455

[1]Anticipated Outstanding Obligations which shall be assumed by CIWW, financing certain Transferred Assets:

Member	Debt Series	Original Principal	Principal Transfering to CIWW
West Des Moines Water Works	2017	$3,477,000	$2,413,000
Grimes	2013	$2,432,000	$1,051,000
Grimes	2016	$577,000	$363,000
Grimes	2019-1	$3,800,000	$3,004,000
Grimes	2019-3	$1,559,000	$1,203,000
Grimes	2020	$21,990,000	$19,607,000
Grimes	2023 (portion)	$8,543,000	$2,200,000

Step 2: Determine Total Owned Capacity by Founding Agency

a) Each Founding Agency with purchased capacity in DMWW's Core Network is credited with the capacity purchased in MGD.
b) Each Water Producing Member Agency is credited with the capacity of its Designated Water Supply Facilities transferring to CIWW as defined in Schedule IV-7.
c) The combination of a) and b) is each Founding Agency's Total Owned Capacity (MGD) in the Designated Water Supply Facilities.
d) The aggregate Total Capacity of the Designated Water Supply Facilities is 134.5 MGD.

Total Owned Capacity by Founding Agency

Founding Agency	MGD Capacity in DMWW	Other Owned Capacity	Total Owned Capacity
Ankeny	8.28		8.28
Clive	6.98		6.98
DMWW	67.01		67.01
Johnston	0.00		0.00
Grimes	0.00	5.20	5.20
Norwalk	1.97		1.97
Polk City	0.60	0.30	0.90
UWU	15.30	0.00	15.30
Warren Water District	3.25		3.25
Waukee	3.69		3.69
WDMWW	8.97	10.00	18.97
Xenia	2.95		2.95
Totals	119.00	15.50	134.50

Step 3: Determine Cost of Capacity Used by Founding Agency

a) Identify each Founding Agency's Historic Maximum Day Utilization of Capacity, or its five-year average Maximum Day Demand (MDD), as defined in Schedule I-2B.

Note: DMWW's Five-Year Average MDD from Schedule I-2(B) is adjusted to reflect the Purchase Capacity requirements to serve Bondurant and Altoona as wholesale customers as provided by the Purchased Capacity Master Agreement under Section 15 of Article IV, subject to the terms and limitations of Section 15.

b) Calculate the weighted average cost of used capacity per MGD by Founding Agency

i. Determine the Book Value per MGD for each Water Producing Member Agency. Wholesale customers of DMWW who purchase 100% of their water supply from DMWW are assigned DMWW's Book Value per MGD. Book value per MGD is summarized below:

Detail of Book Values

	Net Book Value	MGD	NBV/MGD
DMWW/Others	$194,977,339	119.00	$1,638,465
Grimes	$5,072,040	5.20	$975,392
Polk City	$0	0.30	$0
Urbandale Water	$870,900	0.00	$0
WDMWW	$23,029,599	10.00	$2,302,960
Waukee	$65,469	0.00	$0
Xenia	$480,108	0.00	$0
Total & (NBV/MGD)	$224,495,455	134.50	$1,658,580

ii. Determine the percentage of capacity by source for each Water Producing Member Agency and Founding Agency.

iii. Multiply the Book Value per MGD in step i. by the percentage of capacity source in step ii).

c) Multiply the Five-Year Average Maximum Day Demand in step a) by the weighted average cost of capacity to determine the Total Cost of Used Capacity.

Cost of Capacity Used by Founding Agency

Founding Agency	Weighted DMM	Weighted Other	NBV/MGD	Other Owned Capacity	Weighted Average Cost per MGD	Capacity Used Adjusted 5 year Avg MDD	Cost of Used Capacity
Ankeny	100%	0%	$1,638,465	-	$1,638,465	8.589	($14,072,776)
Clive	100%	0%	$1,638,465	-	$1,638,465	3.941	($6,457,191)
DMWW	100%	0%	$1,638,465	-	$1,638,465	45.127	($73,939,010)
Johnston	100%	0%	$1,638,465	-	$1,638,465	5.009	($8,207,071)
Grimes	0%	100%	$1,638,465	$975,392	$975,392	3.365	($3,282,194)
Norwalk	100%	0%	$1,638,465	-	$1,638,465	2.283	($3,740,616)
Polk City	67%	33%	$1,638,465	-	$1,092,310	1.216	($1,328,249)
UWU	100%	0%	$1,638,465	-	$1,638,465	9.997	($16,379,735)
Warren Water District	100%	0%	$1,638,465	-	$1,638,465	2.782	($4,558,210)
Waukee	100%	0%	$1,638,465	-	$1,638,465	3.910	($6,406,398)
WDMWW	47%	53%	$1,638,465	$2,302,960	$1,988,752	13.986	($27,814,685)
Xenia	100%	0%	$1,638,465	-	$1,638,465	2.862	($4,689,287)
Totals						103.067	($170,875,422)

Step 4: Determine the Book Value of Reserve Capacity by Founding Agency

a) Net the Financial Investment in Designated Water Supply Facilities in Step 1 with the Cost of Capacity Used in Step 3(c) to calculate the Book Value of Reserve Capacity.

Book Value of Reserve Capacity by Founding Agency

Founding Agency	Financial Investment in Designated Water Supply Facilities	Cost of Used Capacity	Book Value of Reserve Capacity
Ankeny	$7,780,500	($14,072,776)	($6,292,276)
Clive	$6,756,750	($6,457,191)	$299,559
DMWW	$150,679,121	($73,939,010)	$76,740,111
Johnston	$0	($8,207,071)	($8,207,071)
Grimes	$5,072,040	($3,282,194)	$1,789,846
Norwalk	$1,049,344	($3,740,616)	($2,691,272)
Polk City	$480,375	($1,328,249)	($847,874)
UWU	$12,552,150	($16,379,735)	($3,827,585)
Warren Water District	$1,704,360	($4,558,210)	($2,853,850)
Waukee	$3,132,152	($6,406,398)	($3,274,247)
WDMWW	$33,140,599	($27,814,685)	$5,325,914
Xenia	$2,148,064	($4,689,287)	($2,541,223)
Totals	$224,495,455	($170,875,422)	$53,620,033

Step 5. Assign Remaining Reserve Capacity

a) After capacities have been assigned to Founding Agencies, there remains 31.433 MGD in system capacity that needs to be assigned to the Founding Agencies (134.5 MGD less 103.067 MGD assigned to Founding Agencies in Step 3).

b) Proportionately allocate the remaining Reserve Capacity of 31.433 MGD to the Founding Agencies based on each Founding Agency's pro rata share of projected regional growth through the year 2034 as outlined in the DMWW 2017 Long Range Plan.

c) Calculate the cost per MGD of reserve capacity ($53,620,033) in Step 4 divided by 31.433 MGD = $1,705,852 per MGD, and multiply this by each Founding Agency's MGD allocation of Reserve Capacity to determine each Founding Agency's Value of Additional Reserve Capacity.

Assign Remaining Reserve Capacity

Founding Agency	Allocated Growth %	Allocation of Reserve Capacity	Average Cost per MGD	Value of Additional Allocated Reserve Capacity
Ankeny	20.478%	6.437	$1,705,852	($10,980,310)
Clive	1.365%	0.429	$1,705,852	($731,913)
DMWW	10.239%	3.218	$1,705,852	($5,490,155)
Johnston	5.347%	1.681	$1,705,852	($2,867,063)
Grimes	12.059%	3.791	$1,705,852	($6,466,040)
Norwalk	5.802%	1.824	$1,705,852	($3,111,034)
Polk City	1.479%	0.465	$1,705,852	($793,040)
UWU	11.832%	3.719	$1,705,852	($6,344,322)
Warren Water District	1.365%	0.429	$1,705,852	($731,913)
Waukee	10.239%	3.218	$1,705,852	($5,490,155)
WDMWW	10.580%	3.326	$1,705,852	($5,672,999)
Xenia	9.215%	2.897	$1,705,852	($4,941,086)
Totals	100.000%	31.433		($53,620,033)

Step 6: Determine Net Position by Founding Agency

Add the Book Value of Reserve Capacity in Step 4 with the dollar value of additional allocated reserve capacity in Step 5 to determine the Net Position by Founding Agency. The Net Position is the amount each Founding Agency pays or receives for the transfer of assets. A positive Net Position reflects amounts owed to the Founding Agencies and a negative Net Position reflects amounts owed from the Founding Agency.

Net Position by Founding Agency

Founding Agency	Book Value of Reserve Capacity	Value of Additional Allocated Reserve Capacity	Net Position
Ankeny	($6,292,276)	($10,980,310)	($17,272,586)
Clive	$299,559	($731,913)	($432,354)
DMWW	$76,740,111	($5,490,155)	$71,249,956
Johnston	($8,207,071)	($2,867,063)	($11,074,134)
Grimes	$1,789,846	($6,466,040)	($4,676,194)
Norwalk	($2,691,272)	($3,111,034)	($5,802,307)
Polk City	($847,874)	($793,040)	($1,640,914)
UWU	($3,827,585)	($6,344,322)	($10,171,907)
Warren Water District	($2,853,850)	($731,913)	($3,585,763)
Waukee	($3,274,247)	($5,490,155)	($8,764,402)
WDMWW	$5,325,914	($5,672,999)	($347,085)
Xenia	($2,541,223)	($4,941,086)	($7,482,309)
Totals	$53,620,033	($53,620,033)	($0)

Sources of Funding

Each Founding Agency in a net deficit position shall be responsible to pay the amount owed to CIWW using its own cash or financing. CIWW shall act as the disbursing agent for payments to the Founding Agencies in net positive positions.

Timing of Funding

The above tables represent actual asset book values as of December 31, 2022 and projects book values for calendar years 2023 and 2024. As such, this Schedule reflects only an estimate of the net position of each Founding Agency. Asset book values and other components of the true-up formula, including Maximum Day Demand, will be updated as of the Operational Commencement Date within 4 months after the Operational Commencement date. The net deficit position from any Founding Agency shall be paid in a lump sum within 12 months after the Operational Commencement Date, or a Founding Agency may elect to pay according to a payment plan with terms mutually acceptable to the Founding Agency(ies) that are owed amounts.

Construction in Progress

To the extent a Water Producing Member Agency has Construction In Progress at the Operational Commencement Date, the partially constructed asset(s) and any indebtedness associated with the Construction In Progress, shall be considered in the asset transfer true-up calculation as outlined above.

Transfer Terms

Assets shall be transferred "as is" and in place pursuant to documents as described in Schedule IV-7. Each Member Agency transferring Designated Water Supply Facilities shall retain risk of loss until the Operational Commencement Date or Asset Transfer is completed, whichever is later.

Title to Be Transferred

The assets to be transferred and any related interest in each asset shall be as set forth in Schedule IV-7 pursuant to documents as described therein.

Condition Precedent

The transfer by each Water Producing Member Agency shall be subject to the condition precedent that CIWW shall have previously entered into an Operating Contract as provided by Article V, Section 1.

Other Terms

The transfer shall become effective on the Operational Commencement Date by exchange of deeds, leases, assignment, easements or other transfer documents in form and substance acceptable to counsel for CIWW and each of the transferring parties and approved as part of this Agreement. No title insurance or title guaranty shall be required.

CIWW shall assume the SRF indebtedness as set forth in Footnote [1] to Step 1 above as of the Operational Commencement Date.

SCHEDULE XIV-2
INITIAL ADMINISTRATIVE SUPPORT SERVICES AND COMPENSATION

In lieu of hiring full- or part-time staff to provide administrative functions to CIWW, the CIWW Board may at any time, in its sole discretion, contract with an independent third party contractor or one or more Member Agencies to provide administrative support services including but not limited to: meter reading and meter reading administration; preparing monthly wholesale billing statements for Member Agencies; facilitating meetings and providing administrative support, including scheduling meetings, preparing and compiling agendas, minutes, and other materials for the CIWW Board and other meetings; creating presentations; processing payroll and administering employee benefits for CIWW employees; performing accounts payable functions, including maintaining vendor files, processing vendor invoices, interacting with vendors as necessary, and other related functions; purchasing functions, including sourcing vendors and negotiating competitive quotes and sealed bids for materials and services, and providing inventory and warehousing functions; maintaining accounting records and preparing monthly financial statements and management reports as requested by the Board; other administrative services as requested and agreed upon by the parties.

If a Member Agency provides such services, the compensation for services shall be based on actual labor rates loaded with a reasonable factor for employee benefits and overhead costs to capture reasonable and appropriate ancillary costs such as occupancy, depreciation, corporate insurance, and other similar costs that would be incurred by an independent third party contractor and included in pricing of services; plus any out-of-pocket expenses including, materials and supplies, travel, mileage and other similar costs. A service contract shall be executed to document the agreement between the parties.

SCHEDULE XIV-3
THIRD PARTY FINANCIAL ADVISOR SCOPE

CIWW intends to hire one or more qualified professionals as third party financial advisor(s) to provide strategic financial planning and advisory services including but not limited to: facilitate CIWW long-range financing strategy, particularly with respect to its capital improvement program; facilitate an annual budget; complete an annual Cost of Service study and make rate recommendations to the CIWW board; evaluate bond markets, make recommendations, and oversee all aspects of debt management policy and bond issuances or alternative financing, including analyses of financing alternatives, evaluations of underwriter and bond counsel proposals, and oversee financing structure including pricing, maturity schedules, bond covenants, ratings and rating agency presentations; oversee investments of bond reserve and operating reserve funds; oversee a corporate insurance program; maintain accounting records and prepare monthly financial statements and management reports as requested by the Board; facilitate the annual audit; work with Member Agency subject matter experts to prepare demand and population projections as needed for capital projections; confer, consult, and coordinate with financial staff of Water Producing Member Agencies and other contractors of CIWW to obtain and compile necessary financial information to conduct business for CIWW or communicate information to Member Agencies and other stakeholders; make presentations to and attend CIWW or Member Agency Board meetings as needed; provide other financial services as requested.

SCHEDULE XV-2
TIMELINE FOR CAPITAL PLANS AND BUDGET

		January	February	March	April	May	June
CIP	Members	5 Yr CIP Plan Drafted by Water Producers	Water Producers finalize 5 Yr CIP & Communicate CIP to CIWW			5 YR CIP Plan Approved/Rec'd & Filed by Water Producers	
	CIWW			CIWW drafts 5-Year CIP	CIWW 5-YR CIP presented to Long Range Planning and CIP CIWW Committee	CIWW- 5-YR CIP approved by CIWW Board	
BUDGET	Members		Water Producers provide final prior year costs to CIWW			Water Producers DRAFT Operational Budgets	Water Producers REVIEW Operational Budgets
	CIWW	Calculate CIWW Flows for Jan - Dec of prior year; Finalize Max Day and calculate excess consumption reconciliation (Max Day and excess consumption analysis can generally be started in prior Oct - Nov)	CIWW Technical Committee Approves Capacity Calculations/Flows; CIWW calculates Producer True Up Reconciliation				

		July	August	September	October	November	December
CIP	Members						
	CIWW						

BUDGET	Members	Water Producers BALANCE Operational Budgets; Water Producers COMMUNICATE Operational Budgets to CIWW		Water Producer Operational & Capital Budgets Adjusted for CIWW Information and finalize retail rates	Water Producer Finance Committees REVIEWS Operational & Capital Budgets and Rates	DMWW Budget Public Hearing & Board Approval	WDMWW Budget Public Hearing & Board Approval; Budget Received and Filed by WDM/DSM City council
	CIWW	CIWW DRAFT Operational Budget	CIWW Operational & Capital DRAFT Budgets; CIWW Communicates Operating and Capital Budgets, and Rates to Members		CIWW Budget presented to CIWW Board w/justification	CIWW Budget Hearing & Board Approval; Identify current year Max Day; Begin current year excess consumption reconciliation calculated	

SCHEDULE XVII
INITIAL ANTICIPATED CAPITAL PROJECTS

GROWTH CAPITAL PROJECTS

Water Producer	Project Name	Project OPC (2023 Dollars)
DMWW	Saylorville WTP Raw Water Supply for 10 MGD MF/RO Expansion	$52,400,000
DMWW	Saylorville WTP 10 MGD MF/RO Expansion	$74,700,000
DMWW	Saylorville to Johnston-Tenny Feeder Main Connection	$10,500,000
DMWW	Tenny to LP Moon Feeder Main Connection	$3,500,000
DMWW	Fleur WTP Alluvial Water Supply Expansion	$37,800,000
DMWW	McMullen WTP Well Field Expansion for 12.5 MGD Conventional	$15,800,000
DMWW	McMullen WTP 12.5 MGD Expansion	$36,300,000
DMWW	Saylorville to LP Moon Feeder Connection	$74,000,000
DMWW	Urbandale and Grimes Feeder Main	$10,100,000
DMWW	4th WTP Surface Water Intake for 25 MGD Conventional Treatment	$49,300,000
DMWW	4th WTP 25 MGD Conventional Treatment	$354,300,000
DMWW	4th WTP Transmission Feeder Main to West	$9,800,000
DMWW	4th WTP Transmission Feeder Main to East	$3,600,000
DMWW	Southwest Ground Storage Reservoir	$14,700,000
DMWW	Western Transmission Feeder Main to Supply Wholesale Customers	$31,400,000
DMWW	CIWW ASR #4 (Joint Eastside Booster Pump Station)	$8,700,000
DMWW	CIWW ASR #5 (Army Post Road and SE 14th Street)	$8,700,000
Grimes	High Service Pumping Expansion	$471,000
Grimes	Water Treatment Plant RO Expansion	$1,660,000
Grimes	High Service Pumping Expansion	$471,000
Grimes	Water Treatment Plant RO Expansion	$1,660,000
Grimes	Supplemental Feed	$9,063,000
Grimes	Supplemental Feed Expansion	$771,000
Grimes	WTP Ground Storage Reservoir	$2,657,000
	Subtotal Growth Capital Projects	$812,353,000

JOINT CAPITAL PROJECTS

Water Producer	Project Name	Project OPC (2023 Dollars)
DMWW	McMullen WTP Crystal Lake Improvements and Nitrate Management	$7,600,000
DMWW	McMullen WTP Raw Water Metering Improvements	$300,000
DMWW	Saylorville WTP Raw Water Metering Improvements	$100,000
DMWW	Fleur WTP Raw Water Metering Improvements	$800,000
DMWW	Fleur WTP Filter Rehabilitation	$40,000,000
DMWW	Early Contaminant Warning Systems	$700,000
DMWW	Fleur WTP Chemical Feed and Storage	$12,000,000
DMWW	Fleur WTP Filter Press Rehabilitation	$9,200,000
DMWW	Fleur WTP Clearwell Improvements	$8,900,000
DMWW	Fleur WTP Lime Softening Mixing Improvements	$7,100,000
DMWW	Saylorville WTP Flood Improvements	$1,500,000
DMWW	Fleur WTP Electrical Supply Improvements	$6,200,000
DMWW	Fleur WTP I&C Improvements	$4,200,000
DMWW	McMullen WTP DBP Improvements	$3,200,000
DMWW	McMullen WTP I&C Improvements	$2,900,000
DMWW	Fleur WTP Lime Softening Improvements	$9,000,000
DMWW	Fleur WTP Pre-Sedimentation Improvements	$6,400,000
DMWW	Fleur WTP Lime Silo Replacement or Rehabilitation	$11,300,000
DMWW	Fleur WTP Flood Improvements Study	$300,000
DMWW	Transmission Feeder Main Improvement From Fleur WTP West	$6,900,000
DMWW	Southern Transmission Feeder Main Connection	$5,900,000
DMWW	LP Moon Ground Storage Reservoir 2	$13,800,000
DMWW	Water Storage Aeration for Disinfection Byproduct Removal	$9,400,000
DMWW	Wilchinski Elevated Water Tower Replacement	$9,200,000
DMWW	LP Moon Pumping Expansion with VFDs and Backup Power	$4,400,000
DMWW	Xenia Booster Station Purchase and Upgrade	$10,400,000
DMWW	Southwest Pump Station	$9,000,000
WDMWW	Replace Air Backwash Blower	$129,000
WDMWW	Filter Improvements (Repainting and Valve Stem Replacements)	$121,000
WDMWW	Replace HSP No. 2 and No. 3	$302,000
WDMWW	Replace Process Valves	$490,000
WDMWW	Install VFDs	$324,000
WDMWW	Repaint Piping & Pumps	$29,000
WDMWW	Ferric Chloride Feed System Improvements	$89,000
WDMWW	Building 5 Structural-Architectural Demolition	$120,000
WDMWW	Building No. 1 – Mechanical Repairs - Filter Room Dehumidifier	$316,000
WDMWW	Building No. 1 – All Other Mechanical Improvements	$276,000
WDMWW	Building No. 3 - Mechanical Repairs	$316,000
WDMWW	Building No. 4 - Mechanical Repairs	$39,000
WDMWW	Building No. 6 - Mechanical Repairs	$184,000
WDMWW	Replace MCC Buckets	$389,000
WDMWW	Install Covers on SCUs	$1,362,000
WDMWW	Install Overflows on SCUs	$140,000
WDMWW	Existing Recarbonation Tank Improvements	$26,000
WDMWW	New Pressure Solution Feed System	$383,000
WDMWW	Replace 14 Ton CO2 with 30 Ton	$579,000
WDMWW	Lime and Soda Ash Level Sensor Replacement	$43,000
WDMWW	Lime and Soda Ash Bin Cleaning and Repainting	$85,000
WDMWW	Repair and Repaint SCU #3	$310,000
WDMWW	New Recarbonation Tank and Feed Building	$2,581,000
WDMWW	SCU Influent Metering	$163,000
WDMWW	Filter Air Backwash Metering	$31,000
WDMWW	Filter Effluent Metering	$1,432,000
WDMWW	Install Turbidimeters	$211,000
WDMWW	Install Filter-to-Waste Piping, Valves, and Controls	$838,000
WDMWW	Filter-to-Waste Tank	$296,000
	Subtotal Joint Capital Projects	$212,304,000
	TOTAL GROWTH AND JOINT CAPITAL PROJECTS	**$1,024,657,000**

SCHEDULE XIX-1
WATER SHORTAGE PLAN

The Water Shortage Plan below is adopted by CIWW effective as of the Operational Commencement Date. Such Water Shortage Plan may be amended by Board action at any time

A. INTRODUCTION

This plan will apply to all CIWW Member Agencies and shall be implemented by each Member Agency with its customers.

The intent of the CIWW Water Shortage Plan is to manage system demand so customers do not experience pressure, quality, or availability issues during periods of extreme water demand or during other times when water availability may be limited due to other events, such as raw water shortage, water quality events, or mechanical failures.

The goal at each stage in the plan is to reduce CIWW system demands to 85% or less of the "Current Capacity" of CIWW to produce safe drinking water, as defined in this plan.

The premise of Stage I is that reducing lawn watering is the most effective way to reduce demand without undue hardship during periods when lawn watering is a significant source of demand. Stage I may be skipped if a water shortage occurs during a time of year when lawn watering demand is not significant.

The premise of Stage II is that particularly high demand may occur when heavy lawn watering events occur. Stage II may be skipped if a water shortage occurs during a time of year when lawn watering is not significant.

The premise of Stage III is that lawn watering comprises the most readily curtailed use during water shortage events. Stage III may be skipped if a water shortage occurs during a time of year when lawn watering demand is not significant.

Limiting consumption to a representative average of off-peak months, plus or minus a small allowance, will result in a significant demand reduction compared to peak consumption. This is the premise of Stage IV.

The stages of this plan are not necessarily consecutive. When a water shortage occurs the stage deemed most appropriate for the conditions will be implemented.

B. CURRENT CAPACITY TO PRODUCT SAFE DRINKING WATER AND EXPECTED PEAK DEMAND

1. Current Capacity. The current capacity to produce safe drinking water on any day is referred to "Current Capacity" or C_{Total}. Current Capacity is defined as the amount of water CIWW can deliver on any day taking into consideration raw water availability and quality, seasonal treatment efficacy, and any mechanical or operational issues on that given day. The number will vary seasonally and may vary day to day depending on specific water quality and operational conditions. Current Capacity is computed as the sum of the daily

capacities of the individual CIWW source treatment plants and may be expressed in the following formula:

$$C_{Total} = C_{Fleur} + C_{McMullen} + C_{Saylorville +} C_{WDMWW} + C_{Polk\ City} + C_{Grimes} + \text{any new plant capacity}$$

Current Capacity will be evaluated on a daily basis when there is potential for a water shortage. Producers responsible for CIWW water production will perform the daily evaluation and report the Current Capacity in Million Gallons per Day.

2. Expected Peak Demand. "Expected Peak Demand" is defined as the peak daily demand that is expected by CIWW without implementation of water shortage measures under this plan.

C. PLAN STAGE I: VOLUNTARY 25% REDUCTION IN LAWN WATERING

1. Trigger. During a period of substantial lawn watering demand, when Expected Peak Demand reaches 90% of Current Capacity or system demand is generating a high number of areas with low pressure, or there are other indications that without wise usage of water, a shortage could occur.

2. Anticipated Impact. It is anticipated that Stage I will most likely be triggered during peak lawn watering season. In a typical year lawn watering can account for as much as 40% of demand on a peak day. If this is the case, a 25% reduction in lawn watering will result in a 10% reduction in total demand.

3. Goal. A 10% reduction in CIWW system demands as compared to Expected Peak Demand.

4. Actions.
   (a) Request a **metro wide** 25% reduction in lawn watering.
   (b) Encourage customers to optimize their lawn watering systems so water is not directed onto impervious surfaces and lawns are not overwatered.
   (c) Continued reinforcement that customers water on alternate days and excluding Mondays (historically a peak demand day), by a system under which even numbered addresses water only on Wednesday, Friday and Sunday, and odd-numbered addresses water only on Tuesday, Thursday, and Saturday.
   (d) Suspend all hydrant flushing programs except for water quality purposes.
   (e) Request that City officials minimize high water use activities such as street sweeping and watering golf course fairways.
   (f) Coordinate with Member Agencies to ensure they are relaying the same message.

5. Enforcement. There will be no enforcement at this stage.

D. STAGE II: VOLUNTARY 50% REDUCTION IN LAWN WATERING

1. Trigger. During a period of substantial lawn watering demand, after Stage I has been implemented and failed to achieve an adequate reduction in consumption, when Expected Peak Demand exceeds 90% of Current Capacity, or system demand continues to generate areas of low pressure, or there are other indications that without further reductions in demand, a shortage could occur.

2. Anticipated Impact. It is anticipated that Stage II will most likely be triggered during the peak outdoor water use season. In a typical year, lawn watering can account for as much as 40% of demand on a peak day. If this is the case, a 50% reduction in lawn watering will result in 20% reduction in total demand.

3. Goal. A 20% reduction in system demands as compared to Expected Peak Demand.

4. Actions. Request customers further reduce water consumption by taking the following measures in addition to those implemented in Stage I:
   (i) Request a **metro wide** 50% reduction in outdoor water use.
   (ii) Remind customers to optimize their lawn watering systems so water is not directed onto impervious surfaces and turf is not overwatered.
   (iii) Reinforce the recommendation for customers to irrigate on alternate days and excluding Mondays.
   (iv) Encourage wise use of water during outdoor activities including washing cars, playing in the sprinkler, playing with water toys, and filling swimming pools.
   (v) Encourage wise use of water indoors including identifying and repairing leaking fixtures, washing only full loads in dishwashers and washing machines, shorter showers, etc.
   (vi) Coordinate with Member Agencies to ensure they are relaying the same message.
   (vii) Request that public agencies (City, County, or State) set an example by: Closing recreational facilities with known water inefficiencies and suspend the operation of decorative fountains.

5. Enforcement. There will be no enforcement at this stage.

E. STAGE III: LAWN WATERING PROHIBITED AND NO USE OF AUTOMATIC LAWN WATERING SYSTEMS

1. Trigger. During a period of substantial lawn watering demand, after Stage I and Stage II have been implemented and failed to achieve an adequate reduction in consumption, when Expected Peak Demand exceeds 90% of Current Capacity, or system demand continues to generate areas of low pressure, or there are other indications that without further reductions in demand, a shortage could occur.

2. Anticipated Impact. It is anticipated that Stage III will most likely be triggered during peak lawn watering season. In a typical year, lawn watering can account for as much as 40% of

demand on a peak day. If this is the case, prohibiting lawn watering will result in 40% reduction in total demand.

3. Goal. A 40% reduction in system demands as compared to Expected Peak Demand.

4. Actions. Require members to further reduce water consumption by suspending **all** lawn watering and the use of **all** automatic lawn watering systems of their customers. This reduction is in addition to all steps implemented in Stage I and Stage II. The requirement for placing new sod should be suspended until Stage III is lifted.

5. Enforcement. Customers observed by CIWW or Member Agencies watering their lawn in violation of this policy will be notified. If lawn watering is not suspended within 48 hours, water service will be terminated by the Member Agency and any published fees will apply. Water service will be restored only upon receipt of an undertaking by the customer that the customer understands and will comply with the mandatory conservation measures. Any subsequent violation will result in further termination of service. In addition, the use of water for lawn watering in violation of this plan shall be deemed an unauthorized use of water and Charges for the Unauthorized Use of Water/Metering Tampering shall apply and must be paid before water service will be restored.

F. STAGE IV: WATER RATIONING

1. Trigger. During periods of substantial lawn watering demand, or other potential shortage after Stage I, Stage II, and Stage III have been implemented and failed to achieve an adequate reduction in consumption, when Expected Peak Demand exceeds 90% of Current Capacity, or system demand is generating a high number of areas with low pressure, limited source water supply, or there are other indications that without wise usage of water, a shortage could occur. Stage IV may also be invoked, without resort to Stages I through III, if Expected Peak Demand for any reason and/or limited source water supply cannot be addressed by the measures contemplated by Stages I through III.

2. Anticipated Impact. It is anticipated that Stage IV will only be triggered in the event of a significant and severe water shortage, or other event, which severely reduces capacity relative to demand. In this case a reduction in demand to the lowest level which will meet public health and safety standards and, when reasonably possible, animal health and safety standards for livestock producers will be sought.

   The definition of a "livestock producer" is the same as stated in 7 U.S.C. § 1471(1) to be "(A) a person that is actively engaged in farming and that receives a substantial amount of total income from the production of grain or livestock, as determined by the Secretary, that is:
   (i) an established producer or husbander of livestock or a dairy producer who is a citizen of, or legal resident alien in, the United States; or

(ii) a farm cooperative, private domestic corporation, partnership, or joint operation in which a majority interest is held by members, stockholders, or partners who are citizens of, or legal resident aliens."

3. Goal. A reduction in system demands as compared to Expected Peak Demand sufficient to allow the CIWW to meet public health and safety standards, and when reasonably possible, animal health and safety standards.

4. Actions. Water rationing measures will be required to be implemented by all Member Agencies and enforced by application of an Emergency Water Shortage Rate. In order to implement such a demand, Member Agencies in consultation with the CIWW Technical Committee shall set a target level for demand consistent with its Current Capacity and shall use such target to establish a "Rationed Demand" as defined in this Plan. All Member Agencies will be responsible for asking their customers to reduce their consumption to a level to meet the "Stage IV Rationed Demand". Member Agencies will be expected to initiate efforts to reduce consumption above such level and will be charged at the Emergency Water Shortage Rate intended to strongly discourage consumption above such level.

   a. Water rationing shall consider livestock health and safety needs. The expected decrease for members supplying such needs shall be set by the Technical Committee taking into consideration livestock health and safety needs.

   b. At Stage IV, Member Agencies with alternative available sources of water meeting state drinking water stands shall supplement and/or replace CIWW water from those sources.

5. Enforcement. "Stage IV Rationed Demand" means for each Member Agency will be responsible for implementing measures to ensure this Rationed Demand is not exceeded. Should the "Stage IV Rationed Demand" be exceeded, the Member Agency will be subject to an Emergency Water Shortage Rate which will be equal to 10 times the established variable rate for any amount in excess of the Rationed Demand.

SCHEDULE XXII-3

MANDATORY EXIT PAYMENTS FOR VOLUNTARY TERMINATION OF AGREEMENT

Termination of membership pursuant to Article XXII introduces a situation where CIWW costs previously paid by the departing Member Agency must then be absorbed by all remaining members. All else being equal, the termination causes the average cost per unit of service to increase for all remaining members, resulting in higher rates. While some CIWW costs may be avoidable – such as variable operating costs – many other costs are either unavoidable in the short term – such as many fixed operating costs – or totally unavoidable as in the case of the capital costs of assets placed into service to meet, in part, the demand requirements of the departing Member Agency. The unavoidable costs left behind by departing Member Agencies are commonly referred to as "stranded costs."

Member Agencies shall pay the Mandatory Exit Payment as means of reducing but not eliminating the burden of stranded costs on the remaining Member Agencies. The Mandatory Exit Payment includes three components to be determined by the Board based on the following procedures, and is due and payable within 30 days of termination:

Step 1: Determine Stranded Base Costs
Departing Member Agencies will pay for five (5) years' worth of their estimated fixed Base Costs. The eligible costs shall be the Base Costs calculated pursuant to Schedule VI-2 less the variable operating and maintenance costs for the fiscal year preceding the termination date.

Divide the resulting eligible Base Costs by the total water deliveries made by CIWW in the fiscal year preceding the termination to determine the cost per unit of volume. Multiply the unit cost by the departing Member Agency's annual water delivery for the same fiscal year and multiply the result by five (5) to arrive at the Stranded Base Costs.

Step 2: Determine the Member Agency's Stranded Extra-Capacity Costs
Departing Member Agencies will pay ten years' worth of their estimated Extra-Capacity Costs.

Total eligible Extra-Capacity Costs shall be calculated pursuant to Schedule VI-2 for the fiscal year preceding the termination date. Divide the eligible Extra-Capacity Costs by the Max Day Demand for the CIWW system for the same fiscal year, multiply the result by the Max Day Demand of the departing Member Agency, and then multiply by ten (10) to arrive at the Stranded Extra-Capacity Cost.

Step 3: Determine the Member Agency's Stranded Member Agency Specific Expansion Costs.

Departing Member Agencies will pay 100% of the remaining debt together with any cash-funding obligations related to their Member Agency Specific Expansion Costs as determined pursuant to Schedule VI-2.

The CIWW Board will determine the remaining debt obligation for the departing Member Agency based on that Member Agency's total allocation of Growth Capital as of the end of the fiscal year prior to the termination. To the extent the Member Agency was also required to make periodic cash contributions to fund the Growth Capital, then the sum of those remaining commitments will be added to the remaining debt obligation.

SCHEDULE XXV-14
LIST OF EXISTING SERVICE TERRITORY AGREEMENTS BETWEEN MEMBER AGENCIES

- Warren Water District with the City of Norwalk (executed May 2015)
- Warren Water District with the West Des Moines Water Works (executed November 2012)
- Warren Water District with Des Moines Water Works (anticipated 2023)
- Xenia Rural Water District with the City of Grimes (executed May 1993)
- Xenia Rural Water District with the City of Waukee (executed July 1992)
- Xenia Rural Water District with the City of Johnston (legal settlement dated December 2022)
- Xenia Rural Water District with West Des Moines Water Works (executed November 2023)
- Xenia Rural Water District with Urbandale Water Utility (anticipated 2023)

Iowa Secretary of State
321 East 12th Street
Des Moines, IA 50319
sos.iowa.gov

FILED
Filing Date: **08/15/2026 06:15 PM**
Filing Number: **M519481**

28E Agreement

	Full Legal Name	Organization Type	County
Party 1	Board of Water Works Trustees of the City of Des Moines, Iowa	Other	Polk
Party 2	Board of Water Works Trustees of the City of West Des Moines, Iowa	Other	Polk
Party 3	Water Utility Board of Trustees of the City of Urbandale, Iowa	Other	Polk
Party 4	City of Ankeny, Iowa	City	Polk
Party 5	City of Clive, Iowa	City	Polk
Party 6	City of Johnston, Iowa	City	Polk
Party 7	City of Grimes, Iowa	City	Polk
Party 8	City of Polk City, Iowa	City	Polk
Party 9	City of Waukee, Iowa	City	Dallas
Party 10	City of Norwalk, Iowa	City	Warren
Party 11	Warren Water District	Other	Warren
Party 12	Xenia Rural Water District	Other	Polk

Participants

310 - Water System

Service Type

The purpose of this document is to amend the 28E/28F Agreement filed with the Iowa Secretary of State on April 11, 2024, Filing Number M516883, that was filed for the purpose of creating Central Iowa Water Works.

Purpose

04/11/2064

Duration

M519481

28E Agreement File Number is

Contact Person: (Optional)

Tami

Contact First Name

Madsen

Contact Last Name

Executive Director

Job Title

Central Iowa Water Works

Department

515-412-9124

Phone Number

FIRST AMENDMENT
TO
CENTRAL IOWA WATER WORKS 28E/28F AGREEMENT

THIS FIRST AMENDMENT (this "Amendment") to Central Iowa Water Works 28E/28F Agreement dated November 28, 2023, as filed with the Iowa Secretary of State on April 11, 2024, Filing Number M516883 (the "Agreement") is entered into this 22nd day of July, 2026 (the "Effective Date") by the Board of Water Works Trustees of the City of Des Moines, Iowa, the Board of Water Works Trustees of the City of West Des Moines, Iowa, the Water Utility Board of Trustees of the City of Urbandale, Iowa, and the Cities of Ankeny, Clive, Johnston, Grimes, Norwalk, Polk City, and Waukee, Iowa, and Warren Water District and Xenia Rural Water District (collectively, the "Member Agencies").

RECITALS

WHEREAS, the Member Agencies entered into the Agreement to establish Central Iowa Water Works ("CIWW") as a regional water wholesale production and supply provider under Chapter 28E and Chapter 28F of the Iowa Code;

WHEREAS, pursuant to Article XX, Section 1 of the Agreement, the Agreement may be amended by action of the Board of Trustees of Central Iowa Water Works (the "Board of Trustees") that is confirmed by Member Agency vote under Article XI;

WHEREAS, the Board of Trustees approved the amendments to the Agreement set forth herein by written action at its meeting on July 22, 2026;

WHEREAS, all twelve Member Agencies have unanimously confirmed, consented to, and adopted the amendments set forth herein by vote of their respective governing bodies, and the ballots evidencing such assent are attached hereto as Exhibit A; and

WHEREAS, Iowa Code Section 28E.8 requires that any amendment to an agreement made pursuant to Chapter 28E shall be filed with the Iowa Secretary of State within thirty days of the effective date of the amendment.

NOW, THEREFORE, it is hereby agreed that:

1. **Amendment to Article VIII, Section 11(c) (Weighted Voting by Board).** Article VIII, Section 11(c) of the Agreement is hereby amended to read in its entirety as follows:

   (c) A request for a weighted vote must be made by the requisite number of Trustees at any time before the vote on the matter that is the subject of such request. Upon any timely request, any Board action on such matter shall be suspended, and the Board will hold a weighted vote on the matter subject to such request at its next meeting. Notwithstanding the foregoing, action on any Emergency Member Agency Assessments may be taken immediately at the meeting when proposed provided any required notice thereof is given in writing to each Member Agency.

2. **Amendment to Article VIII, Section 11(d) (Weighted Voting by Board).** Article VIII, Section 11(d) of the Agreement is hereby amended to read in its entirety as follows:

   (d) For purposes of weighted voting, the full voting power of the Board shall be proportionately allocated and assigned among the Trustees representing the Member Agencies, excluding any Additional Trustees, on the basis of the average of the Annual Demand as set forth in Schedule I-2, but excluding demand attributable to wholesale customers that continue to be served by DMWW under the Purchased Capacity

Master Agreement, as updated for the immediately preceding five (5) full calendar years preceding the date of the vote. The allocation shall be recomputed when New Member Agencies are admitted, and shall be recomputed each year based upon the total Annual Demand of each Member Agency for the five (5) full calendar years preceding the vote. Votes representing a majority of the "weighted vote allocation" hereunder plus the votes of Trustees representing at least three (3) Member Agencies shall be required to approve Board actions subject to weighted voting under Subsection (b) of this Section.

3. **Amendment to Article VIII, Section 12(b) (Meetings of Board).** Article VIII, Section 12(b) of the Agreement is hereby amended to read in its entirety as follows:

   (b) Special meetings of the Board, for any purpose or purposes consistent with this Agreement may be called by the Chair and shall be called by the Chair at the request of any two Member Agencies, consistent with the requirements of Section 21.4, Iowa Code.

4. **Amendment to Article IX, Section 1 (Number and Term).** Article IX, Section 1 of the Agreement is hereby amended to read in its entirety as follows:

   The officers of the Board shall be the Chair, the Vice-Chair and the Secretary, each of whom shall be elected from among the members of the Board by vote of the Board at an Annual Meeting of the Board to serve for the following two calendar years. The Board may, at its option, designate a Third Party Financial Advisor as Treasurer, according to the terms of Section 7, Article IX. Each of the officers, except for the Treasurer, shall be a representative of a different Member Agency. Officers, except for the Treasurer, shall be elected for a two-year term, with a possible second term available. Except for the Treasurer, in no event shall a person hold one specific officer position for more than two (2) consecutive terms. Provided, however, that an officer chosen to fill a vacancy shall be entitled to serve two (2) full consecutive terms after completion of the term filling the vacancy.

5. **Amendment to Article IX, Section 5 (Election).** The following sentence is hereby added to the end of Article IX, Section 5 of the Agreement:

   The requirements of this Section do not apply to the Treasurer.

6. **Amendment to Article IX, Section 6 (Vacancy).** Article IX, Section 6 of the Agreement is hereby amended to read in its entirety as follows:

   Vacancy. Each officer shall hold office until his or her successor has been elected. A vacancy in the office of Chair, Vice-Chair, or Secretary shall be filled by the Board for the unexpired portion of the term. The requirements of this Section do not apply to the Treasurer.

7. **New Article IX, Section 7 (Treasurer).** A new Section 7 is hereby added to Article IX of the Agreement to read as follows:

   Section 7. Treasurer. A Third Party Financial Advisor may, at the discretion of the Board, be designated as Treasurer, with duties and term length determined by the Board. The Treasurer need not be a Trustee or representative of a Member Agency.

8. **Amendment to Article X, Section 1(d) (Executive Committee).** Article X, Section 1(d) of the Agreement is hereby amended to read in its entirety as follows:

(d) The Executive Committee shall meet at the call of the Board Chair or at the request of the Executive Director to fulfill its purposes as set forth herein and such other duties as may be assigned to the Executive Committee by resolution of the Board.

9. **Amendment to Article X, Section 2(c) (Long Range Planning and Capital Improvements Committee).** Article X, Section 2(c) of the Agreement is hereby amended to read in its entirety as follows:

(c) The Long Range Planning and Capital Improvements Committee shall be chaired by a member of the Committee elected, for a two (2) year term, by the voting Members of the Committee. The Long Range Planning and Capital Improvements Committee shall meet in accordance with a meeting schedule approved by the Committee, at the call of the Chair of the Committee, or at the direction of the Board.

10. **Amendment to Article X, Section 3(b) (Finance & Audit Committee).** Article X, Section 3(b) of the Agreement is hereby amended to read in its entirety as follows:

(b) Members of the Finance & Audit Committee shall be appointed annually by the Board Chair at the Annual Meeting. The Membership of the Committee shall not equal or exceed the number constituting a quorum for the full Board. The Finance & Audit Committee shall include the Executive Director or his or her designee, the Treasurer, and other advisors as determined by the Committee, none of which will be a voting member of the Committee. The Finance & Audit Committee shall be chaired by a voting member of the Committee elected, for a two (2) year term, by vote of the voting members of the Committee.

11. **Amendment to Article X, Section 5(c) (Technical Committee).** Article X, Section 5(c) of the Agreement is hereby amended to read in its entirety as follows:

(c) The voting members of the Technical Committee shall elect a chair for a two (2) year term. The Technical Committee shall meet in accordance with a meeting schedule approved by the committee, at the call of the chair of the Committee, or at the direction of the Board.

12. **New Article XVII, Section 8 (Allocation of CIWW Tax-Exempt Bonds).** A new Section 8 is hereby added to Article XVII of the Agreement to read as follows:

Section 8. Allocation of CIWW Tax-Exempt Bonds. When CIWW issues tax-exempt Bonds, the federal regulations regarding the designation of tax-exempt obligations as qualified tax-exempt obligations, also known as "bank qualified" obligations (the "BQ Regulations"), contain an allocation rule (the "BQ Allocation Rule") under which CIWW's Bonds may be allocated to the Member Agencies for purposes of each Member Agency's eligibility to designate its own tax-exempt obligations issued in the same calendar year as qualified tax-exempt obligations, or "bank qualified" obligations. The Member Agencies agree that, for the foregoing purposes, when CIWW issues tax-exempt Bonds, the amount of the issuance shall be allocated to Member Agencies in each of the following circumstances as follows:

(a) Joint Capital Projects: Joint Capital Projects benefit all Member Agencies. The amount of CIWW tax-exempt Bonds issued for a Joint Capital Project shall be allocated to the Member Agencies proportionally based on each Member Agency's Allocated Capacity under Article V, Section 3, and Schedule V-3 (Capacity Allocations), at the time of issuance.

(b) Capacity Expansion Projects: Capacity Expansion Projects may benefit some or all Member Agencies. The amount of CIWW tax-exempt Bonds issued for a Capacity Expansion Project shall be allocated to the Member Agencies which participate in the issuance based on an adjusted Schedule IV-10, adjusted for those Member Agencies participating in the financing.

(c) Special Allocations: For any projects which are not a Joint Capital Project or a Capacity Expansion Project, the amount of CIWW tax-exempt Bonds issued for the project shall be allocated to the Member Agencies which participate in the issuance, based on the allocation of debt service to the participating Member Agencies under the applicable principles in Schedule IV-12.

(d) Specific Allocation Schedules: Anytime a specific allocation of project costs or debt service is determined by CIWW and the participating Member Agencies in a manner not inconsistent with this Agreement, the amount of CIWW tax-exempt Bonds issued for the project shall be allocated to the Member Agencies which participate in the issuance, based on the specific allocation agreed upon prior to the issuance.

To the extent allowed under this Agreement, if a Member Agency contributes its own funds, whether cash on hand or self-financed by the Member Agency, to satisfy in full its economic obligation in connection with the financing of a CIWW project, such that the Member Agency does not benefit from the CIWW Bonds issued for such project, no allocation of the applicable CIWW Bonds shall be made to the Member Agency, and the CIWW Bonds shall be allocated proportionately to the applicable Member Agencies under the applicable allocation methodology.

The Member Agencies agree that, for each issuance of tax-exempt obligations by CIWW, as of the day before the date of issuance, the foregoing allocation method applicable to such issuance and the resulting allocation is irrevocable for purposes of the allocation of the amount of CIWW's tax-exempt Bonds to Member Agencies under the BQ Regulations and the Allocation Rule. Notwithstanding the foregoing, errors in the allocation calculations, and errors in the choice of allocation method, may be remedied within a reasonable period of time after discovery of any such error.

CIWW shall provide Member Agencies with preliminary allocations as soon as reasonably practicable, prior to the issuance of tax-exempt CIWW Bonds, and CIWW shall provide Member Agencies with final allocations as soon as possible after the final issue price of the Bonds is known. Member Agencies are responsible for their own determinations regarding the designation of their own tax-exempt obligations as bank qualified.

13. **Effect of Amendment**. Except as specifically amended by this Amendment, the Agreement remains in full force and effect. In the event of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall control.

(Signature page follows)

IN WITNESS WHEREOF, Central Iowa Water Works has caused this Amendment to be executed on behalf of and pursuant to the approval of the Member Agencies as evidenced by the ballots attached hereto as Exhibit A.

CENTRAL IOWA WATER WORKS

By: Tami Madsen
Tami Madsen, Executive Director

ATTEST:

By: Diane Munns
Diane Munns, Secretary

STATE OF IOWA)
) SS:
COUNTY OF POLK)

On this 11 day of August, 2026, before me, a Notary Public in and for the State of Iowa, personally appeared Tami Madsen and Diane Munns, to me personally known, and, who being by me duly sworn, did say that they are the Executive Director and the Secretary of CENTRAL IOWA WATER WORKS, that no seal has been procured by the entity; that the attached instrument was signed on behalf of the said entity by authority of its Board as contained in the resolution adopted by the Board on the 22nd day of July, 2026, and that Tami Madsen and Diane Munns acknowledged the execution of the instrument to be the voluntary act and deed of CENTRAL IOWA WATER WORKS, by it and by them voluntarily executed.

NOTARIAL SEAL IOWA
DUSTIN DELVAUX
Commission Number 863709
My Commission Expires
April 01, 2028

Notary Public in and for the State of Iowa

(Signature page to First Amendment to 28E Agreement)