

Central Iowa Water Works

Regional Drinking Water Production for the Des Moines
Metro Area

History of Regional Cooperation

- Urbandale 1934
- Clive 1958
- Pleasant Hill 1958
- Windsor Heights 1962
- Norwalk 1969
- Johnston 1973
- Ankeny 1974
- West Des Moines 1977
- Waukee 1988



Urbandale city officials watched Tuesday as water flowed from one of the town's new hydrants. Left to right are Robert R. Dixon, mayor; Mrs. J. A. Eby, clerk; C. L. Nauman, councilman, and M. K. Tenny,

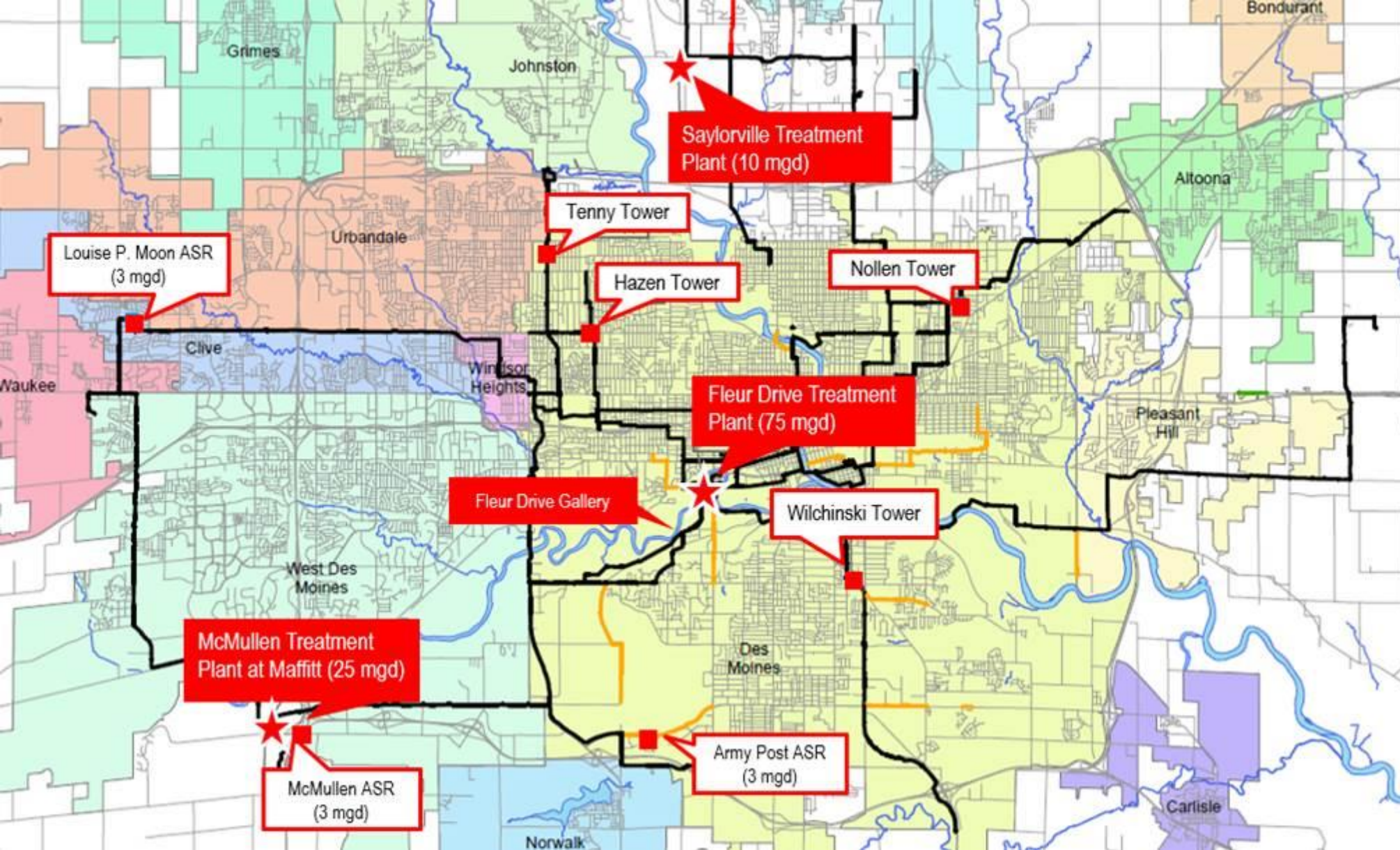
**Municipal Mains Supply
Urbandale for First Time**

Des Moines Tribune, October 1934

After the Flood of 1993



- Need for Resiliency
- Contributed Capital
- \$70-\$80 million
- New facilities constructed
 - McMullen water treatment plant (25MGD)
 - Saylorville water treatment plant (10 MGD)
 - Aquifer storage and recovery wells
 - Transmission lines



Regional System

Increasing Suburban Demand and Interest in Regional Governance

- Historic regional governance initiatives
- Focused on the value of the regional system
- Hundreds of millions of dollars
- Finances were always the hurdle



Lawsuit filed in 2015

Sac County, Iowa

Renewed Interest

- Board managed utilities began to meet
- National consultant skilled in consolidation and regional governance was hired
- More than a dozen open meeting to gather input
- Numerous starts and stops
- Ultimately board managed utilities jointly published a framework November 2021

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A new overarching entity with representation from all participating agencies

- Narrow Scope of Responsibilities
- Governed by a Representative Board
- Each Founding Agency will have one representative on the Board
- Communities over 100,000 population will have two representatives

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Ownership of drinking water produced will give CIWW standing:

- By agreement CIWW will own all water produced by member agencies
- Member agencies will purchase water exclusively from CIWW
- CIWW will charge a unified wholesale rate to all member agencies which includes costs allocated to production as well as capital for repair, replacement, and upgrade of existing facilities.

Central Iowa Water Works

Narrow scope of responsibilities including:

- Management of raw water resource in Central Iowa
- Oversight of operational contracts with water producers for treatment and wholesale delivery
- Planning and funding for source, treatment, and transmission expansions
- Wholesale rate setting

Central Iowa Water Works

CIWW will not:

- Replace any of the local water systems
- Operate or maintain local water distribution systems
- Provide direct customer service to retail customers
- Set local retail water rates

Financial Model

Water Production Facilities

- Ownership of source, treatment, and transmission assets will transfer to CIWW
- Asset owners will be compensated for excess capacity in those assets
- Compensation based on remaining book value of the assets

Contributed Capital (Purchased Capacity)

- Recognition for historic investment in the regional system
- Investment amortized over 40 years
- Financial true-up at inception

Cost Coverage and Rates

- Costs allocated to production of drinking water will be the responsibility of the region and will be included in the wholesale rate
- Paid to Producers based on actual cost
- Capital costs for source, treatment, and transmission replacement, upgrade, and expansion will also be collected in the wholesale rate

Benefits of Regional Water



- Best management of the available water resources – cooperative rather than competitive



- Financial equity
 - Lowest total cost for water – equitable shared across the metro
 - Return on historic investment
 - Shared risk and shared reward



- System resiliency – all production facilities support the region and its customers



- Representative governance – all have a seat at the table



- Region-wide cooperative planning for growth and economic development



Resolution of Participation – Q1



Public education Q2 – Q3



Draft 28E/28F Agreement



Vote – Q4

Next Steps

Questions?