



WEST DES MOINES WATER WORK BOARD OF TRUSTEES MEETING COMMUNICATION

ITEM:**DATE:** February 20, 2018**5. Recommendations from Committees****b. Finance and Audit****1. Resolution –**

Approving a Joint Administrative Policy Between the West Des Moines Water Works and City of West Des Moines for Construction Cost Reimbursement for West Des Moines Water Works Infrastructure on City Projects

FINANCIAL IMPACT:

Unknown. Annual financial impact will be based upon the number and type of project work completed by the City of West Des Moines (City).

SUMMARY:

Approval of the attached Joint Administrative Policy between the West Des Moines Water Works (WDMWW) and City will provide the procedure for reimbursement of water related infrastructure costs completed as part of City construction projects. The policy lays out various definitions and degrees of work with allocated responsibility for payment. The details of this policy were discussed by the Finance and Audit Committees of WDMWW and the City in a joint workshop held on July 26, 2017.

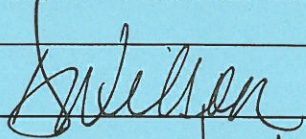
BACKGROUND:

Historically, the City has invoiced WDMWW for modifications to the water system necessary to facilitate city project work. Typical work items include valve and hydrant adjustment and realignment of water main outside of roadway widening or to avoid conflict with sewer. Prior to development of this policy, WDMWW declined to pay the City for work as it was generally not requested nor included within our budget. Approval of the policy will eliminate the conflicts experienced over infrastructure reimbursement.

The West Des Moines City Council will be considering this policy at this evening's City Council meeting.

RECOMMENDED ACTION BY THE BOARD OF TRUSTEES:

To concur with recommendation of the Finance and Audit Committee and adopt the resolution entitled, "Approving Joint Administrative Policy Between the West Des Moines Water Works and City of West Des Moines for Construction Cost Reimbursement for West Des Moines Water Works Infrastructure on City Projects".

Prepared by: 

Approved for Content by: 

RESOLUTION

A RESOLUTION APPROVING A JOINT ADMINISTRATIVE POLICY BETWEEN WEST DES MOINES WATER WORKS AND CITY OF WEST DES MOINES FOR CONSTRUCTION COST REIMBURSEMENT FOR WEST DES MOINES WATER WORKS INFRASTRUCTURE ON CITY PROJECTS

WHEREAS, management of West Des Moines Water Works (Water Works) is vested in The Board of Trustees, and;

WHEREAS, the City of West Des Moines (City) routinely initiates public improvement projects within right-of-way, property and easements held by the City, and

WHEREAS, the City's public improvement projects may require adjustment, modification, relocation, replacement or extension of water infrastructure, and

WHEREAS, the Finance and Audit Committees of the City and Water Works met in a joint session on July 26, 2017 to discuss the development of a policy on reimbursement for water infrastructure on City projects, and

WHEREAS, the staffs of the City and Water Works developed the Joint Administrative Policy based on direction received at the joint session from the Committees.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE WEST DES MOINES WATER WORKS, AS FOLLOWS:

That said Joint Administrative Policy between the West Des Moines Water Works and the City of West Des Moines for construction cost reimbursement for West Des Moines Water Works infrastructure on City projects is hereby approved.

PASSED AND APPROVED this 20th day of February, 2018

BOARD OF TRUSTEES, WEST DES MOINES WATER WORKS

Brian Rickert
Chair

Attest:

Diana Wilson
Secretary

CITY OF WEST DES MOINES AND WEST DES MOINES WATER WORKS

JOINT ADMINISTRATIVE POLICY

Construction Cost Reimbursement for West Des Moines Water Works Infrastructure on City Projects

1.0 Purpose

- 1.1 This policy documents the procedure the City uses to recover costs from West Des Moines Water Works (WDMWW) for modification and/or extension of water infrastructure related to City construction projects.

2.0 Scope

- 2.1 This policy applies to all City initiated public improvement projects including, but not limited to, road, sanitary sewer, storm sewer, park, trail, sidewalk, and public building construction within right-of-way, property, and easements held by the City.
- 2.2 This policy does not alter or supersede any rights granted by easement to the City or WDMWW.

3.0 Policy

- 3.1 The City and WDMWW mutually benefit from coordination in planning, design, and construction of City public improvement projects.
- 3.2 City public improvement projects may include adjustment, modification, relocation, replacement, or extension of water infrastructure.
- 3.3 The costs associated with construction of water infrastructure are allocated as follows:

3.3.1 Requested Work

- 3.3.1.1 WDMWW may request modification or construction of water infrastructure be included as part of a City project to realize efficiency in design and construction costs.
- 3.3.1.2 WDMWW will reimburse the City for 100% of as constructed item costs for Requested Work including, but not limited to, the pro rata share of design, construction staking, and traffic control costs.

3.3.2 Minor/Incidental Water Work

3.3.2.1 Minor water infrastructure work includes valve box adjustment, valve box replacement, vertical adjustment of fire hydrants, and relocation of fire hydrants to facilitate the City public improvement project.

3.3.2.2 The City will be responsible for 100% of costs associated with Minor Water Work.

3.3.3 Major Water Work

3.3.3.1 Major Water Work includes horizontal or vertical relocation of water mains, installation of new water mains, and abandonment of water mains. Valves and fire hydrants associated with a relocated water main will be considered Major Water Work.

3.3.3.2 WDMWW will reimburse the City for 50% of as constructed item costs for Major Water Work including, but not limited to, the pro rata share of design, construction staking, and traffic control costs. The City will be responsible for 50% of costs for Major Water Work.

3.3.4 Design Change Conflicts

3.3.4.1 City and WDMWW staff plan the location of water infrastructure expansion based on the best available information for road, sewer, and other alignments at the time. The final design may change from the planned location putting water infrastructure in conflict with a public improvement. Design Change Conflicts include adjustment, relocation, installation, and abandonment of all water infrastructure installed at a location determined by the City in advance of a public improvement.

3.3.4.2 The City will be responsible for 100% of costs associated with Design Change Conflicts.

3.3.5 Special Projects

3.3.5.1 From time to time the City may request a significant increase of water infrastructure in an effort to secure large industry or other development. These projects costs could exceed capital improvement funds available to WDMWW. In these cases, the City and WDMWW may enter into project specific agreements outlining the funding for this infrastructure.

3.3.5.2 It is anticipated these agreements would be negotiated between the City and WDMWW at the time of the project

3.4 Payment

3.4.1 During project closeout the City will prepare an itemized invoice for the design and construction costs associated with water infrastructure for WDMWW review.

3.4.2 The City will invoice WDMWW for its share of the total cost of water infrastructure work as outlined in Section 3.3 of this policy.

3.4.3 Payment is due in full within 30 days of date of receipt, unless alternative arrangements are agreed-to by both parties.

3.4.4 Sales Tax

3.4.4.1 The City will issue sales tax exemption certificates for public improvement projects involving water infrastructure.

3.4.4.2 If sales tax is required to be paid by the contractor as part of the contract documents any sales tax reimbursement from the State of Iowa shall be prorated based on percentage of total contract cost for water infrastructure items.

Distributed to City Manager, WDMWW General Manager, and all Department Directors. Posted to the West Des Moines Intranet _____.

Authorized by the City Council effective February 20, 2018.

Approved by WDMWW Board of Trustees effective _____.

