

Central Iowa Water Works Regionalization Plan

Questions & Answers

Metro Regionalization Explanation: Who & What Prompted a New Discussion

What does regionalization mean?

The term regionalization is used in this case to describe cooperation among communities, utilities, and rural water districts. While regionalization can mean anything from complete centralization to shared governance responsibility, the Central Iowa Water Works would be an entity owned by several communities and utilities looking for the best way to ensure ample drinking water supply and quality to the Des Moines Metro Area.

Why regionalize now?

Quality drinking water is essential to the health and growth of every community. Many of the communities and utilities in the metro already have a purchasing relationship with Des Moines Water Works. As we project the growth of the metro area, it is clear that source water will need to be identified and additional treatment facilities will need to be constructed to keep pace with future demand. West Des Moines Water Works performed a thorough study of potential source and received permits from the Iowa Department of Natural Resources to build a new treatment facility near Van Meter. Comprehensive financial analysis, however, shows that investing in shared source water and treatment with the full metro region would save WDMWW ratepayers as much as 30 percent in capital and operating costs over the next 40 years. To be clear, this doesn't mean that water rates will decrease, rather that the rate of increase will be lower.

Who and what entity is driving this?

Discussions about developing a regional drinking water authority have been ongoing in the metro for over a decade, becoming more serious and productive among the three board-governed water utilities in 2020, which led to a report that was shared with water departments, cities and rural water providers. The trustees of the three board-governed utilities voted independently to draft an agreement allowing water utilities, city water departments and rural water providers to form a regional water production entity—Central Iowa Water Works.

What entities comprise the “prospective founding members”?

The three board-governed water utilities—WDMWW, Des Moines Water Works and the Urbandale Water Utility—have been at the forefront at this process providing leadership as well as sharing information with other prospective members. The other entities interested in establishing CIWW are: Altoona, Ankeny, Clive, Des Moines Water Works, Grimes, Johnston, Norwalk, Polk City, Urbandale Water Utility, Waukee and Xenia Rural Water.

The CIWW model, based on mutual investment from each founding member, would provide resiliency and redundancy in the metro area water system as well as financial transparency and collaborative management of water resources. ~~The new structure provides a compelling 30-percent cost savings in water treatment and production for WDMWW ratepayers over the next four decades.~~

Isn't this just Des Moines Water Works snapping up all of the assets and power from the suburbs? The goal of forming the Central Iowa Water Works is that no utility or community has complete or centralized control. DMWW will not have a majority on its own in this shared-governance structure.

Is this happening because Des Moines Water Works needs money for infrastructure and a new nitrates removal plant?

Providing an ample supply of quality drinking water to meet today's demands as well as future growth are shared priorities among all of the prospective founding members. Regionalization of water production is compelling now because of the growth of the metro area and the shared vision among communities, utilities and rural districts to work together and collaborate on water production and source water expansion. The financial modeling shows that together we can achieve economies of scale and cost-savings that ultimately benefit all of our ratepayers and customers.

As a customer of Des Moines Water Works, WDMWW has long been sensitive to surface water quality issues such as nitrates that may present in the water we purchase, especially since our treated deep-well water is not affected by nitrates. CIWW would be the entity responsible for treatment and production and WDMWW would have voice in how these problems are addressed and at what cost.

CIWW Details: Organizational Comparison

How is this different than the current model of the suburbs buying water from Des Moines Water Works?

The existing model does not allow those who buy water from Des Moines Works to have any say in the management of water treatment and production or in the expansion of source water. Moreover, the entities that own and direct the new utility will have for the first time complete transparency concerning costs, pricing and production. We expect this to enhance understanding of and confidence in cost allocation.

Do we lose our current water utility autonomy?

CIWW is a shared-governance production utility. Each utility, city or rural water district continues to maintain its own distribution systems and operations such as rate-setting, billing, maintenance, engineering (as relates to storage, pumping and distribution). The WDMWW board of trustees will continue to set our policies and the professional management staff will also remain in place. Together, the trustees and management will have essentially the same responsibilities and duties to WDMWW ratepayers.

What happens to West Des Moines's permits?

WDMWW continues to hold the permits, though the utility has no immediate plans to build the Van Meter treatment facility. In comparing the cost of joining the metro utility with the costs of building a new treatment plant in Van Meter, the committee found that belonging to CIWW will save WDMWW customers over the long term.

Who is participating in CIWW?

Prospective CIWW founding entities are:

- Altoona
- Ankeny
- Bondurant
- Clive
- Des Moines Water Works
- Grimes
- Johnston
- Norwalk
- Polk City
- Urbandale Water Utility
- Warren Rural Water
- Waukee
- West Des Moines Water Works
- Xenia Rural Water

Board and Staff

What is the composition of the CIWW board?

The Central Iowa Water Works Board will be made up of representatives from the founding entities with each having one vote. The exception is Des Moines Water Works, which will have two board positions.

Why does Des Moines Water Works get two board seats on CIWW?

The configuration of the CIWW board is based on the population of the community. All communities with more than 100,000 people get an additional seat. At this time, Des Moines Water Works is the only utility that qualifies. However, the board and ownership structure makes it impossible for DMWW to have a majority by itself.

Who selects the board members for the new water works board?

Each CIWW board member will be selected by the participating entity's water utility board or city council. For example, the representative for West Des Moines Water Works will be selected by the utility's trustees.

To whom is the new board accountable?

The CIWW board is accountable to its founding entities, which are accountable ultimately to their respective ratepayers.

What kind of powers does this new board have? For example, could it sue rural counties that pollute the rivers upstream?

The board of Central Iowa Water Works has the same responsibilities as any water board. It provides policies and directions and ratifies the decisions of management. Again, no one entity will be able to set policy and direction; rather it will take the majority of those communities who participate.

Who will be the CEO or general manager of Central Iowa Water Works?

The new executive director will be an individual who is not currently employed by any of the participating entities. The new board may also choose a third-party firm to serve in this capacity. The

board members, representatives of each of the participants in CIWW, will be actively involved in the selection of the executive director.

How will CIWW be staffed?

Depending on if the new Board chooses a firm or an executive director, support services such as administrative assistance may be utilized within the firm or completed by contract. The new board will also contract legal services, financial services and any other services it might need to function.

What happens to our WDMWW employees?

At this time nothing will change for WDMWW employees. The CIWW proposal includes a 20-year contract for WDMWW to continue operating the A.C. Ward facility.

Creation and Timing

When will CIWW be established, up and running?

All participating entities will need to approve the necessary 28E/F agreements for the new Central Iowa Water Works to become operational. The process is expected to be completed by the end of 2023. Asset transfer to CIWW would begin in early 2024 and take up to five years from those entities contributing their treatment and production facilities and core mains.

Why is this process taking so long?

Finalizing an agreement of this scope is complicated and requires give and take from a dozen entities. The parties have made good progress and continue to work with legal and financial advisors to achieve a final draft for consideration.

As a reminder, the WDMWW board of trustees voted on Jan. 26, 2022, to negotiate with other entities on the enabling 28E/F agreements necessary for water entities to create a regional water production entity. Since that time, talks and negotiations have been progressing among 12 prospective founding entities. On March 30, 2023, a second draft of the agreement was released to all of the entities and the public.

In order for CIWW to become a reality, the boards of trustees of WDMWW, DMWW and UWU as well as the other founders must vote to approve the final 28E/F agreements.

Why haven't there been any public meetings on this topic?

Christina Murphy, general manager, and Jody Smith, chair of the Planning and Regionalization Committee, provide an update on the process at the monthly WDMWW Board of Trustees meetings. These are public meetings with time allotted for public comment. [Meeting schedules](#) are on the WDMWW website.

Why don't we the people get to vote on this?

The Board of Trustees are appointed by the mayor and approved by the city council to act with all authority to carry out policy and decision making for the water utility. This is also outlined in Iowa Code Section 388.4 (2). The Board of Trustees is committed to acting in the best interest of WDMWW's rate payers and making sound financial decisions to keep rates affordable. While the ratepayers will not vote on this, public comments and input are welcomed and desired on this important decision regarding our future for water supply.

Community Cost

Does WDMWW have to pay to join CIWW? If so, what will that cost? WDMWW will invest in CIWW by contributing its treatment and water production facilities. However, when the cost of joining the metro utility is compared with the costs of building a new treatment plant in Van Meter, belonging to CIWW will save WDMWW customers over the long term.

Why do some communities have to pay to get into this regional structure?

The new utility requires a certain level of equity to be operational and initial upfront contributions based on consumption will help fund the new utility. The communities that have been customers of DMWW that do not own any treatment and production facilities are contributing funding, which provides them a seat on the board of CIWW. The benefit of investing in CIWW is structural transparency with respect to costs, production, source water expansion and other components essential to providing quality water services. West Des Moines Water Works owns the A.C. Ward Municipal Treatment Plant as well as 21 deep and shallow wells. Those assets will be transferred to CIWW over the next five years. WDMWW would buy in its proportionate share of the system. For some that will own significantly more than they use, there will be a credit. Others that do not contribute production assets may need to pay more to join CIWW.

CIWW Customer Impact

West Des Moines Water Works has one of the lowest water rates in the metro how does this new structure affect my rates?

In 2023, WDMWW rates are second-lowest among xx communities. By joining CIWW, West Des Moines Water Works will save 30 percent in projected capital and operating over the next 40 years. As always, the WDMWW Trustees are committed to affordable rates and quality drinking water and they will continue to set rates based on the costs associated with procuring and delivering quality drinking water.

How will a regional utility affect my taxes?

Any and all funds contributed by West Des Moines Water Works to help establish CIWW will come from its existing water revenues, not from new or existing taxes.

Who is responsible for drinking water safety?

Every entity that provides drinking water to its customer is responsible for quality and safety. By sharing in the governance of metro water production, all of the participants in CIWW will work together to ensure the source water treated and produced meets all state and federal laws for safety and quality.

How does Saylorville's algae and microcystins affect my water going forward?

WDMWW purchases about 30 percent of its water from DMWW, and we are sensitive to the struggles for quality source water. If the regional utility is approved and adopted, WDMWW will have a seat at the table to determine the best course of action to provide safe drinking water to not only our customers but the entire metro. DMWW is actively pursuing multiple solutions to improve source water quality including expanding alluvial sources along the Des Moines River and working closely with partners in the watershed to support best management practices in agricultural fields to help improve the source water quality before it enters the river.

Where do I pay my bill?

As a customer of West Des Moines Water Works, you will continue to pay your bill as you have. The methods include electronic AutoPay/FlexPay, electronic check, credit card, regular mail and in person at the WDMWW Administrative Office at 1505 Railroad Ave. in West Des Moines.

Who do I call if a main breaks or I have trouble with my water?

You continue to call West Des Moines Water Works at 515-222-3510. All customer service for West Des Moines ratepayers will continue to be provided by the WDMWW.