



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 04/19/04

Communication

No.: 04-194

Agenda Item Type: Resolution

Roll Call

No.:

Submitted by: William G. Stowe, Public Works Director

SUBJECT—

Amended and Restated Agreement for the Des Moines Metropolitan Wastewater Reclamation Authority and the WRA Facilities Plan Update dated March 2004 and the Initial Operating Contract with the City of Des Moines.

SYNOPSIS—

Resolution approving the form and content of the Amended and Restated Agreement for the Des Moines Metropolitan Wastewater Reclamation Authority and recommending its approval and execution and approving the WRA Facilities Plan Update dated March 2004 and resolution approving the form and content of the Initial Operating Contract with the city of Des Moines.

FISCAL IMPACT—

City of Des Moines capital projects of approximately \$51,900,000 have become WRA projects and will be constructed over the next ten years. As a result of the Amended and Restated Agreement, Des Moines will contribute approximately 70 percent of the cost rather than 100 percent of the cost. The differential is approximately \$15,570,000. In addition, core projects (those projects benefiting the entire system) will see a Des Moines contribution of approximately 62 percent rather than 70 percent, a differential of approximately \$6,240,000. Bonds currently issued by the City of Des Moines will be refunded resulting in a savings that will be determined at the time of refunding.

Anticipated revenues to the City of Des Moines from communities connecting to the system in the future will be approximately \$20,400,000.

RECOMMENDATION—

Approval

BACKGROUND—

The Cities of Altoona, Ankeny, Bondurant, Clive, Des Moines, Johnston, Pleasant Hill and West Des Moines, and Polk County, Warren County, the Urbandale Sanitary Sewer District and the Urbandale-Windsor Heights Sanitary District are parties to the Integrated Community Area (ICA) Agreement dated February 19, 1979 or to one or more of the Supplements thereto. It has been proposed that the ICA Agreement be amended and restated in order to provide a "two-tier" utility model of governance for the Wastewater Reclamation Facility and the regional sanitary sewer conveyance facilities currently being operated by the Des Moines Metropolitan Wastewater Reclamation Authority. It has been further proposed that the City of Norwalk and the Greenfield Plaza/Hills of Coventry Sanitary District participate in the joint acquisition, ownership, expansion, upgrading and operation of such facilities under the terms of this new agreement. The agreement, among other things, establishes the WRA as a separate legal entity, describes the Improvements to be constructed and the Bonds proposed to be issued by the Board of the WRA for the purpose of acquiring and constructing the same, and provides a means of allocating the budgeted costs of the WRA to each of the Participating Communities. The agreement further provides that the City of Des Moines will serve as the initial Operating Contractor for the WRA System, under the terms of an Initial Operating Contract between the WRA and the City of Des Moines to be effective as of July 1, 2004.

The WRA Facility Plan Update identifies improvements that are essential to the overall operation of the WRA. These improvements are referred to as "core" improvements. These improvements include improvements to the Wastewater Reclamation Facility and improvements to address deficiencies in the existing interceptor system. The core improvements include the integration of the combined sewer system with the overall WRA system. The WRA Facility Plan Update identified improvements that are designed to serve several of the communities in the WRA, but not all of the communities. These improvements are designed to provide additional sewer capacity or to extend sewer service to newly connecting communities, such as the City of Altoona, the City of Bondurant, the City of Ankeny or the City of Norwalk. The improvements that benefit specific communities were identified as "expansion" projects. Although each community will benefit differently from expansion projects, it was determined all of these communities experience some benefit from the expansion projects. The communities that receive benefits from the expansion projects will be allocated the capital cost of all of the expansion projects on the basis of the community flow to the total flow of the expansion communities.

Pursuant to the Amended and Restated WRA Agreement, the WRA owns, operates and maintains a wastewater system for the collection, transportation and treatment of wastewater, and for the associated treatment, transport and disposal of biosolids, and for the administration and

enforcement of an industrial pretreatment program. The WRA has determined to engage the City of Des Moines, Iowa, as Operating Contractor, to provide certain operation, maintenance and management services. The management services include administration, financial, legal, IT, human resources, and engineering services.