


COUNCIL COMMUNICATION

	Number:	19-412	Meeting:	September 23, 2019
	Agenda Item:	48	Roll Call:	19-1523
	Submitted by:	Scott E. Sanders, City Manager		

AGENDA HEADING:

Approving amendment to Chapter 28E Agreement and new 28E between the City of Des Moines, Iowa and the Board of Water Works Trustees (Water Works) of the City of Des Moines.

SYNOPSIS:

Agreement between the City and Water Works, in which the City will:

- Exempt Water Works from paying sanitary sewer costs for their office use, including those located in the plant.
- City will dedicate to Water Works a plot of land along George Flagg Parkway for their use.
- Water Works will not charge the City for water tap on fees associated with City projects.
- Provisions regarding water charges to Blank Park Zoo Foundation, Inc.

FISCAL IMPACT:

Amount: Includes the following:

- Estimated \$100,000 annual reduction in sanitary sewer revenue.
- Granting Water Works land along George Flagg Parkway for vehicle maintenance and storage use.

Funding Source: N/A

ADDITIONAL INFORMATION:

The agreement between the City of Des Moines and Water Works will provide for the following:

- Water Works to not pay for sanitary sewer fees for their office uses including those located in the water treatment plant. Water Works will only be billed sanitary fees for what they send as byproduct (such as nitrates) to the Wastewater Reclamation Authority (WRA). The payments the City received in 2016, 2017, and 2018 from Water Works are as follows:

Year	Treatment Plant	Main Office	Park Shelter	Total
2016	\$80,972.89	\$1,205.84	\$300.05	\$82,478.78
2017	\$95,422.42	\$1,434.25	\$318.05	\$97,174.72
2018	\$102,345.90	\$1,465.59	\$330.89	\$104,142.38

- Per the amendment to the A. H. Blank Park Zoo Lease, Operation, Management and Maintenance Agreement with the Blank Park Zoo Foundation, Inc., approved by the City Council on June 3, 2019, the Blank Park Zoo Foundation, Inc. will pay Water Works according to the following schedule:
 - Pay 5% of water bill to Water Works beginning July 1, 2019, fiscal year (FY) 2020
 - Pay 10% of water bill to Water Works for FY 2021
 - Pay 15% of water bill to Water Works for FY 2022
 - Pay 20% of water bill to Water Works for FY 2023 and thereafter

After the installation of new meters for the Blank Park Zoo that ensure accurate readings are being provided, billings will be determined using the monthly charges at that time projected back to July 1, 2019. Water Works will forgive water billings for the Blank Park Zoo Foundation, Inc. prior to the start date of their reduced payments beginning July 1, 2019.

- The City will dedicate a 93,373-square-foot parcel of land located in the 2400-2500 block of George Flagg Parkway to Water Works to allow the construction of a proposed park grounds maintenance shop. This facility is intended to replace a portion of their existing facility located within Water Works Park that is routinely susceptible to flooding. Based on a recent appraisal, the fair market value of the land is \$2.25 per square feet with a total property value of \$210,090.

2400-2500 George Flagg Parkway Parcel



- Water Works will not charge the City for new water tap fees associated with City projects. Tap fees range from \$9,275 for a water playground to \$20,000 for a new building. Prior to 2018, tap fees were previously waived by Water Works for City projects.

PREVIOUS COUNCIL ACTION(S):

Date: June 3, 2019

Roll Call Number: [19-0900](#)

Action: [Amendment](#) to A. H. Blank Park Zoo Lease, Operation, Management and Maintenance Agreement with the Blank Park Zoo Foundation, Inc. ([Council Communication No. 19-267](#)) Moved by Coleman to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Park and Recreation Board

Date: January 25, 2011

Resolution Number: 11-007

Action: Approval of proposed development and long-term lease amendment, guiding principles.

Board: Park and Recreation Board

Date: November 23, 2010

Resolution Number: 10-097

Action: Received and filed proposed development and long-term lease amendment, guiding principles.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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