

.....  
August 10, 2009

**Date**.....

WHEREAS, Water Works has since prior to 1970 acted as the billing and collection agent for City in the collection of City sewer service and solid waste collection service charges; and

WHEREAS, in order to provide for the establishment of a combined service account billing and collection system for the collection of water service charges, sewer service charges, stormwater management service, and solid waste collection charges, and to permit primary reliance upon water service discontinuance as a means of collecting delinquent charges as authorized by Section 384.84, Code of Iowa, City and Water Works entered into an agreement entitled "Chapter 28E Agreement Between the City of Des Moines, and the Board of Water Works Trustees for the City of Des Moines for the Provision of Billing and Collection Services to the City of Des Moines for Sewer, Solid Waste Collection, and Stormwater Management Charges" dated February 27, 1995 and filed with the Polk County Recorder on March 28, 1995 at Book 7170, Page 048; and

WHEREAS, said Agreement was amended by a "First Addendum" thereto dated August 22, 1995 and filed with the Polk County Recorder on October 6, 1995 at Book 7275, Page 828 ("1995 Billing and Collection 28E Agreement"); and

WHEREAS, City has provided and continues to provide fire and police services to Water Works and in compensation for such services there has been a Letter of Understanding dated January 16, 1998 between City and Water Works ("Letter of Understanding") regarding Payment In Lieu Of Taxes (PILOT) charges by Water Works; and

WHEREAS, Water Works has provided certain water service without charge to City as authorized by Section 384.91, Code of Iowa, subject to certain limitations, under various letters, understandings and agreements, including a provision contained in Section 6 of an agreement between the parties dated January 16, 1987 recorded at Book 5681, Page 299 of the Polk County Recorder regarding the provision of water services to customers both inside and outside the corporate limits of City that also provides for certain free use of water (such agreements as they pertain to free use of water are referred to herein as "Free Water Agreements"); and

WHEREAS, a 28E Agreement between Water Works and City to continue and to extend the previously existing relationships for billing and collection, compensation for police and fire service under a PILOT, and free water service has been negotiated with phased in charges for the golf courses to begin in 2014; and

WHEREAS, the Board of Water Works Trustees, on July 29, 2009, approved this 28E Agreement; and

WHEREAS, staff recommends that the City Council now approve the 28E Agreement.

(Continued on Page 2)

.....  
**Date** August 10, 2009  
 .....

-2-

NOW, THEREFORE, BE IT RESOLVED by the Des Moines City Council that it hereby approves the 28E Agreement between the City of Des Moines and the Board of Water Works Trustees for the City of Des Moines and authorizes and directs the Mayor to execute the Agreement and the City Clerk to attest to his signature.

Moved by \_\_\_\_\_ to adopt.

APPROVED AS TO FORM:

*Kathleen Vanderpool*  
 Kathleen Vanderpool *by GKF*  
 Deputy City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
<b>TOTAL</b>				

MOTION CARRIED

APPROVED

.....  
**Mayor**

**CERTIFICATE**

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

\_\_\_\_\_  
 City Clerk

Return To:

Prepared by: Kathleen Vanderpool, Deputy City Attorney, City Hall, 400 Robert D. Ray Drive,  
Des Moines, Iowa, 50309-1891 (515) 283-4945

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SPACE ABOVE THIS LINE FOR RECORDER

CHAPTER 28E AGREEMENT BETWEEN THE CITY OF DES MOINES, IOWA AND THE  
BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA  
FOR  
THE PROVISION OF BILLING AND COLLECTION SERVICES TO THE CITY OF DES  
MOINES, PAYMENT OF PILOT CHARGES AND USE OF WATER

THIS 28E AGREEMENT made and entered into by and between the City of Des Moines, Iowa (hereinafter "City") and the Board of Water Works Trustees of the City of Des Moines, Iowa (hereinafter "Water Works").

WHEREAS, Water Works is a municipal water utility established and operating in the City of Des Moines, Iowa and elsewhere pursuant to Chapter 388 of the Code of Iowa and other applicable statutes; and

WHEREAS, City is an Iowa municipality; and

WHEREAS, Water Works and City each have powers, capabilities and facilities that can be and have been shared to support their respective needs on a mutually beneficial basis in the public interest; and

WHEREAS, Water Works has since prior to 1970 acted as the billing and collection agent for City in the collection of City sewer service and solid waste collection service charges; and

WHEREAS, in order to provide for the establishment of a combined service account billing and collection system for the collection of water service charges, sewer service charges, stormwater management service, and solid waste collection charges, and to permit primary reliance upon water service discontinuance as a means of collecting delinquent charges as authorized by

Section 384.84, Code of Iowa, City and Water Works entered into an agreement entitled “Chapter 28E Agreement Between the City of Des Moines, and the Board of Water Works Trustees for the City of Des Moines for the Provision of Billing and Collection Services to the City of Des Moines for Sewer, Solid Waste Collection, and Stormwater Management Charges” dated February 27, 1995 and filed with the Polk County Recorder on March 28, 1995 at Book 7170, Page 048 together with the “First Addendum” thereto dated August 22, 1995 and filed with the Polk County Recorder on October 6, 1995 at Book 7275, Page 828 (“1995 Billing and Collection 28E Agreement”); and

WHEREAS, City has provided and continues to provide fire and police services to Water Works and in compensation for such services there has been a Letter of Understanding dated January 16, 1998 between City and Water Works (“Letter of Understanding”) regarding Payment In Lieu Of Taxes (PILOT) charges by Water Works; and

WHEREAS, Water Works has provided certain water service without charge to City as authorized by Section 384.91, Code of Iowa, subject to certain limitations, under various letters, understandings and agreements, including a provision contained in Section 6 of an agreement between the parties dated January 16, 1987 recorded at Book 5681, Page 299 of the Polk County Recorder regarding the provision of water services to customers both inside and outside the corporate limits of City that also provides for certain free use of water (such agreements as they pertain to free use of water are referred to herein as “Free Water Agreements”): and

WHEREAS, Water Works and City desire to continue and to extend the previously existing relationships for billing and collection, compensation for police and fire service under a PILOT, and free water service under the terms of this 28E Agreement as a restatement of and substitution for the 1995 Billing and Collection 28E Agreement, the Letter of Understanding and the Free Water Agreements, each of which shall be considered terminated and replaced by this 28E Agreement upon the Effective Date of this 28E Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

Part I – Joint Exercise of Powers Under chapter 28E of the Code of Iowa

1. Purpose of Agreement. Pursuant to Chapter 28E, Code of Iowa, the Parties state that the purpose of this 28E Agreement is to coordinate the exercise of the respective powers of City and Water Works and: (i) to jointly exercise the respective powers of Water Works to bill and collect charges for water service and related services and of City to bill and collect charges for sewer service, solid waste collection service, stormwater management service (“Subject City Enterprise Services”) together with any other charges subsequently added to this 28E Agreement as provided in Part III, Section 9; (ii) to provide for compensation to City for police and fire service by payment of PILOT charges; and (iii) to provide for certain usage of water by City without charge with other service to be provided at regular rates. This 28E Agreement shall also be deemed a contract for services under Section 28E.12 and Section 384.84(6) (a), Code of Iowa.

2. Scope. During the Term of this 28E Agreement, City shall provide police and fire services (at the same level as provided to Des Moines taxpayers) to Water Works and Water Works shall provide for joint service accounts pursuant to Section 384.84(6) (b), Code of Iowa, and for billing and collection of such accounts as provided in Part III herein, shall pay a PILOT as provided in Part IV herein, and shall provide certain water service without charge as provided in Part V herein.

3. Authorization to Exercise Powers. City authorizes Water Works to exercise all of City's powers to bill and collect for Subject City Enterprise Services; to impose fees, liens and charges for nonpayment of Subject City Enterprise Services and to discontinue water service in the event of nonpayment or other delinquency, with respect to any joint service accounts to the extent authorized as provided herein. City further authorizes Water Works to submit joint bills for water service and the Subject City Enterprise Services, to the extent as provided in this 28E Agreement.

4. Effective Date. This 28E Agreement shall become effective upon its approval and execution by all Parties and its recording with the Secretary of State and the Recorder's Offices in Polk County (the "Effective Date").

5. Administration. No separate entity or joint board is created hereby. The Chief Executive Officer and General Manager of Water Works shall be designated as the administrator for purposes of this 28E Agreement as provided by Section 28E.6 of the Code of Iowa, and shall administer the services as herein provided. The Administrator shall consult with, or meet with the City Manager or other City officials when, and as, needed in order to review the administration of this 28E Agreement, and to take actions necessary or appropriate in accordance with this 28E Agreement.

6. Property. No joint property shall be acquired, held or disposed of hereunder. Each party shall at all times hold and own its respective properties, before and after termination. Each party shall be solely authorized to supervise, direct, and manage its own activities and the activities of its respective employees and agents hereunder. Each party shall retain sole responsibility and liability for its own acts and omissions hereunder and for the acts and omissions of its respective employees and agents hereunder.

## Part II – Term, Termination and Replacement of Existing Agreements

7. Term. This 28E Agreement shall become effective on the Effective Date and shall remain in effect until June 30, 2029 unless sooner terminated as provided herein ("Term").

8. Existing Agreements. This 28E Agreement terminates and replaces the 1995 Billing and Collection 28E Agreement, the Letter of Understanding, and the Free Water Agreements as of the Effective Date.

## Part III – Billing and Collection of Combined Service Accounts

9. Scope of City Enterprise Services. The initial scope of billing and collection of combined service accounts under this 28E Agreement shall be for Subject City Enterprise Services as defined and enumerated in Section 1, that is for sewer service, solid waste collection service, stormwater management service. In addition if City so elects, such joint billing may also include joint billing of other enterprise services charges of City as City might from time to time request. If City desires to exercise the option to obtain joint billing services for City enterprise services in addition to those provided herein, City shall give written notice of exercise to Water Works specifying the services to be included in the joint service bill and the first joint service billing date. Such notice shall be given not less than one hundred eighty (180) days in advance of the first such joint service billing date. Within thirty (30) days of receipt of such notice, Water Works shall provide an initial cost quotation for cost to City for such service. If such quotation is acceptable to City, then the parties shall execute an Addendum to this 28E Agreement specifying the additional City enterprise services to be billed and the initial compensation to Water Works, which shall be filed and recorded as provided by law, and such services shall thereupon be included within the term Subject City Enterprise Services and combined service account billing for such City enterprise services shall commence on the date specified. If City desires to terminate billing of any or all of the Subject City Enterprise Services by Water Works, it may do so upon written notice to Water Works as provided in Section 40 of this 28E Agreement. Thereafter billing of any such terminated City Enterprise Services by Water Works, may be resumed in accordance with the process specified herein.

10. Water Works Agent for City. City hereby authorizes Water Works to act as its agent, and Water Works hereby accepts such authorization and agrees to act as the agent of City, in the billing and collection of charges for the Subject City Enterprise Services from all persons, firms, corporations or other entities or organizations who obtain any Subject City Enterprise Services from City.

11. Combined Service Account. Water Works shall bill and collect on behalf of City, for each property within City served by Water Works for charges for Subject City Enterprise Services, along with its water service charges as a combined service account pursuant to Section 384.84(6) (b), Code of Iowa. Water Works shall collect the amount established by City ordinance, from time to time, for each property served by Subject City Enterprise Services. City may adjust (increase or decrease) the overall rates and charges for the provision of Subject City Enterprise Services as provided in Section 24 of this 28E Agreement.

12. Credit and Collection Policies. Water Works may, by and through its Board of Trustees, develop such credit and collection policies as it deems necessary and prudent and shall apply such policies to the collection of the combined service accounts hereunder. All such practices shall comply with federal and state laws and regulations.

13. Termination of Water Service. The parties intend that the termination of water service shall be the primary method used by the Water Works to collect delinquent combined service accounts as allowed by law. If such termination is not allowed or is not effective, then other lawful methods will be utilized including filing and enforcement of liens on the property, if allowed by law, and ultimately through the use of a collection agency.

14. Collection of State, Local Sales or Use Taxes. Water Works agrees to bill and collect, as part of its billing and collection procedures, all state and local sales or use taxes as may now be, or hereafter become, applicable to the provision of Subject City Enterprise Services. Water Works agrees to collect, account for, report and remit such tax as required by applicable state or local law or regulation. If any additional city enterprise service is added to the Subject City Enterprise Services as provided in Section 9, City will be responsible for determining if such service is subject to sales tax.

15. List of Users. City shall provide to Water Works, and shall update periodically as needed, a list of the names and addresses of all persons, firms, corporations, or other entities or organizations that derive Subject City Enterprise Services from City.

16. Application of Payments. Payments made by an account holder shall be applied according to the payment application rules established by Water Works from time to time. If the account payment is insufficient in amount to pay in full all outstanding charges for water service and the Subject City Enterprise Services, then Water Works shall apply such partial payment to pay the oldest charges first and any remaining payment based on payment application rules by category of service in order of priority to be established by Water Works in consultation with City.

17. Account Collection Services. In the event that payment of any charges for Subject City Enterprise Services becomes delinquent, as defined in the applicable City ordinances or City Code provisions, Water Works shall provide the following account collections services.

(a) Discontinuance of Water Service. If the delinquent account is a combined service account which also includes water service, the Water Works agrees to utilize water service discontinuance (shut-off) to obtain collection for those accounts that are so allowed by law. Prior to discontinuing water service to a delinquent account, Water Works agrees to cause a notice to be sent to the delinquent account holder. If the delinquent account holder is a tenant, and the owner or landlord of the property has also requested notice of water service discontinuance, Water Works agrees to also give notice to the owner or landlord. The notice shall inform the delinquent account holder that he or she may request a hearing if the delinquent account holder has any dispute as to the delinquency. City hereby appoints and designates Water Works to give the required notice of opportunity for a hearing prior to discontinuing water service, to hold such hearings as to delinquencies in the payment of charges for Subject City Enterprise Services, to determine and decide the status of delinquent accounts pursuant to such hearings, and to make such adjustments therein and such further arrangements for payment of the delinquent account as it shall deem prudent and in conformance with its collection practices. Water Works accepts such appointment and designation and agrees to provide notice as the opportunity for such hearings and to hold such hearings upon request by delinquent account holders, all in conformance with Section 384.84 of the Code of Iowa and applicable City ordinances and City Code provisions.

(b) Lien on the Property. If discontinuance of water service does not result in payment of a delinquent account, or if discontinuance is not allowed by law, or if the delinquent

account has been “finalled” by the delinquent account holder without payment in full, or if the delinquent account holder does not have water services, and if placing a lien on the property is permitted by 384.84 of the Code of Iowa, statutory lien procedures will be applied in the following manner. Water Works will prepare a schedule from time to time on a routine basis, but not less than monthly, that shows such delinquencies for which liens are to be filed, including the amount thereof, the name of the delinquent account holder, the name of the property owner if different, and the property tax identification number for the property. City hereby designates and appoints Water Works to act as City’s agent in the giving of such customer notices as are required so that a lien may be imposed and certified for collection by the Polk County Treasurer by City. If Water Works’ computer database file for a delinquent account indicates that the account holder is a tenant, and includes the name and address of the owner or landlord of the property, Water Works shall also send notice of pending lien to the owner or landlord. Water Works shall give such notices in conformance with the requirements of Section 384.84 of the Code of Iowa and applicable City ordinances and City Code provisions. After all required notices have been given, Water Works shall transmit such schedule to City for certification by City pursuant to its ordinance.

- (c) Collection Agency Services. The parties understand that there may be charges for Subject City Enterprise Services that cannot be collected by a lien on the property or by water service discontinuance. For those charges, Water Works will send delinquent balances together with the water service charges of Water Works that cannot be collected by water service discontinuance or by a lien, to its collection agency. Such delinquent accounts shall remain with Water Works’ collection agency until such time that they are collected by the collection agency or until the collection agency recommends to Water Works that the account is not collectable. Water Works will include the accounting for these delinquent accounts in the monthly and annual reports prepared and submitted under this 28E Agreement. All funds for delinquent accounts that are collected by the collection agency shall be remitted by the collection agency to Water Works. Water Works shall apply the full amount collected by the collection agency to the customer’s unpaid balances for water services and Subject City Enterprise Services in the same manner as is provided for all other customer payments under Section 16 of this 28E Agreement and such funds shall be remitted to City as provided in Section 18 of this 28E Agreement. Water Works shall pay all fees due to the collection agency for each collection and City shall reimburse Water Works for its share of collection agency fees paid by Water Works. The City’s share of collection agency fees shall be determined for each collection amount on a pro rata basis based upon the total amount collected and the respective portions of such collected amount that are applied to the customer’s balance for Water Works charges and to charges for City Enterprise Services. The City’s share of collection agency fees shall be added to the Account Servicing Charge and reimbursed monthly as provided in Section 19 and Section 20 of this 28E Agreement.
- (d) City Collections. If City collects any payment from a customer for charges previously billed by Water Works for a Subject City Enterprise Services, City will forward such payment to Water Works, so that such collection may be applied to the customer’s balance due under the records of the Water Works.



18. Deposit of Funds Collected by Water Works on Behalf of City. All funds collected by Water Works on behalf of City pursuant to this 28E Agreement shall be deposited by electronic funds transfer within two business days following collection in one or more City accounts maintained for the deposit of charges for Subject City Enterprise Services as directed by City from time to time. All costs associated with the establishment and maintenance of such deposit accounts, and electronic transfers thereto, by Water Works, shall be borne by City. Not later than two weeks after the end of each billing cycle, Water Works shall prepare a report as provided in section 23 of this 28E Agreement.

19. Account Servicing Charge. City shall compensate Water Works for billing and collection services on the basis of a per account per Subject City Enterprise plus City's share of collection agency fees as provided in Section 17 of this 28E Agreement ("Account Servicing Charge"). The Account Servicing Charge shall initially be \$0.45 per account per service plus City's share of collection agency fees, with such rate to apply for billings issued in July, 2009 and each month thereafter until modified as provided in Section 21.

20. Payment of Account Servicing Charge. The Account Servicing Charge due for all bills remitted for a month together with City's unpaid share of collection agency fees shall be deducted from the funds otherwise to be deposited in City accounts by Water Works as provided in Section 18 of this 28E Agreement. Such deduction shall be made once a month on a day selected by Water Works after the amount of the fee is known.

21. Annual Adjustment of Account Servicing Charge. The Account Servicing Charge shall be subject to annual adjustment based on the incremental cost of billing, collecting and accounting for charges for the Subject City Enterprise Services and sales tax thereon, as a combined service account with the water service charges of Water Works, under a unified billing and collection system. The incremental cost calculation shall be based upon the overhead, salary and operational expenses incurred in the due course of its operations by Water Works, but shall not include any costs for or associated with collection agency fees or the management or administration of the collection agency agreement by Water Works. Such incremental costs shall be calculated annually by Water Works on a calendar year basis as a per month per service charge for the Subject City Enterprise Services, and based on Water Works' cost accounting system. Incremental costs shall include those cost items identified in Exhibit A hereto, and shall be calculated for the calendar year 2009 and each subsequent year as provided in Exhibit A hereto. Water Works shall issue and deliver a report to City of the incremental costs as stated above for each calendar year together with a statement of any extraordinary anticipated costs to be incurred by Water Works during City's next fiscal year ("Annual Cost Report"). The Annual Cost Report shall be issued on or before April 1 of each year. After the Annual Cost Report is issued, either party may request an adjustment to the Account Servicing Charge for the following City fiscal year (July 1-June 30) by giving notice that an adjustment is sought on or before the preceding May 1. If agreed, the adjustment shall be documented by written addendum to this 28E Agreement approved and executed by City Manager and the Water Works General Manager. If not agreed, then Section 22 of this 28E Agreement shall apply.

22. Unable to Agree to Annual Adjustment. If City and Water Works are unable to agree upon any annual adjustment of the Account Servicing Charge, the question shall be submitted to arbitration as provided in Section 37 of this 28E Agreement at the request of either party. While the arbitration is pending, the Annual Servicing Charge as last agreed by the parties shall be provisionally applied, with the actual amount payable to be determined in the arbitration and settlement made for the finally determined amount between the parties after any award is final. If either party decides to terminate the Part III services under this 28E Agreement as a result of the outcome of such arbitration, then, during the 12-month period between notice of termination and termination of the Part III services under this 28E Agreement, the adjusted Account Servicing Charge as determined in the Arbitration shall apply.

23. Monthly and Annual Reports. Water Works shall provide access to City to all billing data and reports setting forth the number of combined service accounts and charges billed during the preceding year or month as the case may be; the net amount of charges collected and remitted for each of the Subject City Enterprise Services during the preceding year or month; and the Account Servicing Charges and collection agency fees deducted during the preceding year or month. Water Works' costs of billing, collecting and accounting for Subject City Enterprise Services and the collection agency fees incurred during any fiscal year and its billing, collection, and accounting records for combined service accounts, shall be subject to audit at City's request. City shall select the firm to conduct such audit, and shall be solely responsible for the cost of such audit. Water Works agrees to cooperate in the conduct of such audit and shall be compensated as part of the account servicing charge for its labor and overhead in facilitating such audit, unless such audit determines that Water Works has overcharged City for the incremental charge or incorrectly determined such incremental charge.

24. Adjustment of Rates and Charges. City may adjust the overall rates and charges for the provision of Subject City Enterprise Services by amending its City Code and giving Water Works written notice of such amendments. Water Works shall implement such adjustments in rates and charges as of the first of the month that is at least 30 days after the receipt of such written notice by Water Works.

25. City Ordinances. Water Works will follow all City ordinances and Municipal Code provisions governing the billing and collection of charges for the Subject City Enterprise Services. Water Works acknowledges and agrees that the billing and collection procedures described in the City of Des Moines Municipal Code section 118-158 through section 118-159 are in conformance with current Water Works billing and collection practices. Water Works agrees that it will consult with City prior to making any changes in its billing and collection practices which would necessitate the amendment of such City ordinances or City Code provisions.

26. Laws and Regulations. Water Works agrees to comply with all applicable federal, state and local laws and regulations in performance of this 28E Agreement, including, without limitation, protection of customer information from identity theft in compliance with the Federal Trade Commission "Identity Theft Red Flags" rule and all implementing regulations.

Part IV – PILOT Charge

27. PILOT. Water Works shall make an a PILOT payment, without setoff, to City computed as provided in this 28E Agreement on or before January 30, 2010, January 30, 2011, January 30, 2012, January 30, 2013, and January 30, 2014.

28. Calculation of Water Works PILOT charge. The PILOT amount to be paid shall be based on an annual calculation to be performed as follows:

- (a) On or before the June 1 preceding each PILOT payment date, Water Works will provide to City a statement of the total of the insured value of all Water Works' buildings in City plus the book value of all Water Works' land in City based on the insurance policy in place at that time for buildings and as of the audited financial statements from the most recently ended calendar year for land ("Water Works Land & Building Value").
- (b) On or before the July 1 preceding each PILOT payment date, the City Finance Department will calculate the City police and fire tax rate, pursuant to the formula shown Exhibit B, that shall also be the police and fire tax rate used to determine the PILOT charge for all City utilities and the Des Moines Metropolitan Area Waste Water Reclamation Authority ("City Police and Fire Tax Rate") The calculation of the City Police and Fire Tax Rate will use budgeted amounts from the City budget adopted in the previous February or March. The source documentation and computer spreadsheets used to perform these calculations will be provided to Water Works for verification.
- (c) City will determine the PILOT charge by multiplying the Water Works' Land & Building Value by 73% and further multiplying the result by the City Police and Fire Tax Rate.
- (d) City shall notify Water Works of the PILOT charge as determined pursuant to the above on or before the July 31 preceding each PILOT payment date, except for calculations to be made in 2009 for the January 30, 2010 payment, for which Water Works values will be presented to City by August 14, 2009 and City will notify Water Works of PILOT charge amount by August 31, 2009.

29. Subsequent Years. The Parties shall discuss continuance of PILOT payments after January 2014, but the payment of PILOT, if any, after January 30, 2014 shall be only as the parties may subsequently agree.

## Part V – Use of Water

30. Charge for Water. City shall pay for water used at City enterprise fund operations that are totally supported by user fees, including, the Des Moines International Airport and city owned golf courses in accordance with the provisions of paragraph 31 herein. 31. City Golf Courses. Beginning in January 2014, all water usage by City golf courses, other than that used for irrigation, shall be paid by City, or City's contractor, to Water Works. Water used for irrigation of the golf courses shall be separately metered. City agrees that it will use reasonable efforts to limit irrigation of the golf courses to between the hours of 9:00 p.m. and 6:00 a.m., and to avoid irrigation during the daytime peak water use times of Water Works. City shall phase-in payment for irrigation of City golf courses as follows:

- (a) Beginning in January 2014, City, or City's contractor, shall pay for 20% of the water used for irrigation and all other water irrigation usage by the golf courses shall be free of charge to City.
- (b) Beginning in January 2015, City, or City's contractor, shall pay for 40% of irrigation use and all other water irrigation usage by the golf courses shall be free of charge to City.
- (c) Beginning in January 2016, City, or City's contractor, shall pay 60% of all irrigation use by the three golf courses and all other water irrigation usage by the golf courses shall be free of charge to City.
- (d) Beginning in January 2017, City, or City's contractor, shall pay 80% of all irrigation use by the three golf courses and all other water irrigation usage by the golf courses shall be free of charge to City.
- (e) Beginning in January 2018, City, or City's contractor, shall pay 100% of all irrigation use by the golf courses.

32. Water Without Charge. Except as set forth in Section 30 and Section 31 of this 28E Agreement, Water Works shall provide water to City without charge during the Term of this 28E Agreement.

## Part VII – Payment of Other Charges by Water Works

33. Payment of Fees by Water Works. Water Works agrees to pay the City the following charges:

- (a) Payment of Ice Breaking and Removal Fees. Water Works shall pay the City for any and all charges for personnel, equipment use and materials used in the treatment and removal of ice from City streets or right of way and for the sanding, salting and/or chemical treatment of ice needed to treat City streets and right of way arising out of or in any way connected or associated with the break of any water main or water pipe. The City shall invoice Water Works for such charges and Water Works shall pay such invoice to City within 30 days of said invoice.
- (b) Payment of Sewer and Stormwater Management Fees. Water Works shall pay the City sewage charges and stormwater management charges for all Water Works owned facilities in the City of Des Moines. Water Works shall pay these charges monthly to the City and shall pay such fees based upon and in accordance with the City of Des Moines ordinances and schedules.

#### Part VIII – Insurance and Indemnification

34. Insurance. During the Term of this 28E Agreement, Water Works shall procure and maintain Crime Insurance covering Employee Dishonesty. Those employees of Water Works who have access to or are responsible for the funds generated under this 28E Agreement shall be covered by this insurance in an amount not less than \$1,000,000 per loss. The Crime Insurance policy shall insure the faithful collection, accounting and remittance of all monies due to City collected as set forth in this 28E Agreement and shall cover losses of the City caused by theft or forgery. Theft shall mean the unlawful taking of money, securities or other property to the deprivation of the City. The City's third-party interest shall be covered through the inclusion of a "joint loss payable" endorsement or other equivalent third-party endorsement. Water Works shall be responsible for any losses attributable to its employees that are covered by this insurance.

35. Indemnification. For purposes of this section, City shall mean City of Des Moines, Iowa, its elected and appointed officials, employees, volunteers and others working on behalf of the City of Des Moines. To the fullest extent permitted by law, Water Works agrees to defend, pay on behalf of, indemnify, and hold harmless City against any and all claims, demands, suits, damages or losses, together with any and all outlay and expense connected therewith, including but not limited to attorneys' fees and court costs, that may be asserted or claimed against, recovered from or suffered by City by reason of any injury or loss, including, but not limited to personal injury, including bodily injury or death, property damage, including loss of use thereof, and economic damages arising out of or in any way connected or associated with Water Works' work or services. Water Works' obligation to indemnify City contained in this 28E Agreement is not limited by the amount or type of damages.

City shall not be liable or in any way responsible for any injury, damage, liability, claim, loss or expense incurred by Water Works, its officers, employees, subcontractors, and others affiliated with Water Works, arising out of or in any way connected or associated with Water Works' work or services, except for and only to the extent caused by the negligence of City of Des Moines, Iowa.

36. Mutual Waiver of Subrogation. To the fullest extent permitted by law, Water Works and City hereby mutually releases each other and their respective elected and appointed officials, agents, employees and volunteers and others working on their behalf from and against any and all liability or responsibility to the other party or anyone claiming through or under the other party for any claim by way of subrogation by their respective insurance carriers, for any loss without regard to the fault of the other party or the type of loss involved, including loss due to occupational injury. This provision shall be applicable and in full force and effect only with respect to loss or damage occurring during the Term of this 28E Agreement. The policies of insurance of Water Works and City shall contain a clause or endorsement to the effect that such releases shall not adversely affect or impair such policies or prejudice the right to recover thereunder.

#### Part IX – General Provisions

37. Dispute Resolution. Except as provided in Section 38 of this 28E Agreement, any disputes arising between City and Water Works with regard to the interpretation or application of this 28E Agreement or sections 118-158 and 118-159 of the City of Des Moines code in effect now or as amended, or with regard to the appropriate annual adjustment of the Account Servicing Charge shall be submitted to arbitration at the request of either party as follows:

(a) Any request for arbitration must be in the form of a written notice requesting arbitration. Such notice shall identify each disputed matter requested to be arbitrated, the amount involved if any, and the remedy sought. In the absence of agreement by the parties to the contrary, the questions to be arbitrated shall be those specified in the notice requesting arbitration.

(b) If the Water Works and City agree, there may be one arbitrator. If they fail to agree on a single arbitrator, there shall be three arbitrators, one named in writing by the party requesting arbitration, one named in writing by the other party to the arbitration, and the third chosen by agreement of the Water Works and City, or if they fail to agree by the two arbitrators first chosen. Prior to the commencement of hearings, each of the arbitrators appointed shall provide an oath or undertaking of impartiality. Each party shall bear the costs and expenses and costs associated with its chosen arbitrator. The costs of the third arbitrator will be split equally between the Parties.

(c) The party requesting arbitration shall choose an arbitrator within ten days following its demand. Its failure to do so shall be deemed a waiver of its request for arbitration. The other party shall name its arbitrator within ten days following the receipt of notice of the naming of the requesting party's arbitrator. Should either party refuse or neglect to supply the arbitrators with any papers or information demanded in writing by the arbitrators, the arbitrators are empowered to proceed ex parte.

(d) The arbitrators shall not have been a regular employee or an individual retained by either party at the time the claim arose, or at the time of arbitration. No one shall be qualified to act as an arbitrator if service in such role would create a conflict of interest.

(e) The board of arbitrators shall make its own rules of procedure and shall have authority to examine records by Water Works and City. Notification of arbitration proceedings shall be made by the arbitration board to both Water Works and City and each shall have the opportunity to attend all sessions of the arbitration board. Copies of the findings, signed by the arbitrators, shall be filed with Water Works and City.

(f) If there be one arbitrator, the award shall be binding; if three, the award of any two shall be binding. The arbitration award may include any legal or equitable remedy otherwise available to the parties. The award may be impeached only for fraud or mistake.

(g) The award of the arbitrators shall be in writing and it shall not be open to objection on account of the form of the proceeding or the award. The award of the arbitrators shall be final and not subject to appeal except as provided in the Iowa Arbitration Act.

(h) The place of arbitration shall be Des Moines, Iowa.

38. Declaration of Default and Notice. In the event that either party determines that the other has defaulted in the performance of its obligations hereunder, the aggrieved party may declare that default has occurred and give notice thereof to the defaulting party. Notice of default shall be given in writing, shall specify the nature of the default and the provision of this 28E Agreement involved, and shall specify what action is required of the defaulting party to correct the default. The defaulting party shall have thirty (30) days from the date of its receipt of the notice of default to correct the default. If at the end of said thirty-day period the default has not, in the opinion of the aggrieved party, been corrected, that party may thereupon pursue its remedies as provided in section 39 hereof.

39. Remedies Upon Default. In the event of default by one party in the performance of any material provision of this 28E Agreement, the other party may, at its option, after declaring default and giving notice thereof, seek specific performance of its provisions. The provisions of Paragraph 36 hereof to the contrary notwithstanding, a claim of default in the performance of a material provision of this 28E Agreement made in a notice of default shall not be subject to arbitration, and the party making the declaration of default may pursue its remedies without resort to arbitration.

40. Termination of Water Works Collection Agency Duties. The parties agree that either party may terminate the responsibilities of Water Works acting as City's billing and collection agent as set forth in Part III herein, by giving written notice of termination of those responsibilities at least twelve (12) months in advance to the other party. If either party terminates the Part III services and responsibilities, all other provisions of this 28E Agreement shall remain in effect, including but not limited to, the obligations under Parts IV and V herein.

Upon termination of the responsibilities of Water Works acting as City's billing and collection agent, as set forth in Part III herein, all obligations of City under Part III shall also be terminated and Water Works shall remit to City all charges for Subject City Enterprise Services collected on City's behalf and not previously remitted to City by Water Works, and all sales tax theretofore collected on behalf of City on account of Subject City Enterprise Services and not previously remitted to the state of Iowa, less the applicable Account Servicing Charge. Upon termination of the responsibilities of Water Works acting as City's billing and collection agent, Water Works shall also provide to City all billing and collection data reasonably available for combined service accounts pertaining to Subject City Enterprise Services charges then residing in its computer database and collection programs. Such data shall be provided to City in an electronic medium which shall permit City to load such data into its computer system. Water Works shall continue to store such data for a period not to exceed one year after City's computerized billing and collection system becomes functional. Water Works shall be compensated for its costs of complying with its obligations under this provision.

41. Force Majeure. Neither party shall be liable for any failure to perform any or all of the provisions of this Agreement if and to the extent that performance has been delayed or prevented by reason of any cause beyond the reasonable control of such party. The expression "cause beyond the reasonable control" shall be deemed to include, but not be limited to: acts, regulations, laws, or restraints imposed by any governmental body (other than the Parties to this 28E Agreement); wars, hostilities, sabotage, riots, or commotions; acts of God; or fires, frost, storms, or lightning.

42. Notices. All notices which the parties are authorized or required to give one another pursuant to this 28E Agreement shall be in writing and may be personally delivered or sent by ordinary mail to the addresses hereinafter provided. Mailed notices shall be deemed to be received by the party to whom directed when they are postmarked. All other notices shall be effective upon receipt. Such notices and invoices shall be delivered or mailed to the following persons at the address listed:

Notices to City:  
City Manager  
City of Des Moines, Iowa  
City Hall  
400 Robert D. Ray Drive  
Des Moines, Iowa 50309

Notices to Water Works:  
CEO and General Manager  
Des Moines Water Works  
2201 George Flagg Parkway  
Des Moines, Iowa 50321-1190

42. Interpretations of Law. This 28E Agreement shall be governed by, interpreted and enforced in accordance with the laws of the State of Iowa.



43. Entire Agreement. This 28E Agreement represents the entire agreement between the Parties. Any subsequent change or modification to the terms of this 28E Agreement shall be in the form of a written duly executed addendum to this 28E Agreement signed by all parties to this 28E Agreement.

44. Severability. If any provisions of this 28E Agreement shall be declared illegal, void or unenforceable, the other provisions shall not be affected but shall remain in full force and effect.

Dated as of \_\_\_\_\_, 2009

**CITY OF DES MOINES, IOWA**

By \_\_\_\_\_

Attest:

\_\_\_\_\_

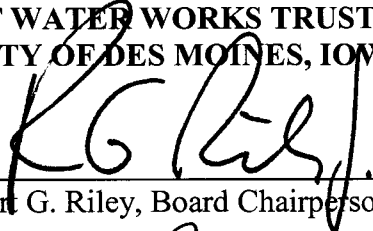
STATE OF IOWA            )  
  ) ss:  
COUNTY OF POLK        )


On this \_\_\_\_\_ day of \_\_\_\_\_, 2009, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared \_\_\_\_\_ and \_\_\_\_\_, to me personally known, and who, being by me duly sworn, did say that they are Mayor and City Clerk, respectively of the \_\_\_\_\_; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in (Ordinance No. \_\_\_\_\_ passed) (the Resolution adopted) by the City Council, under Roll Call No. \_\_\_\_\_ of the City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2009, and that \_\_\_\_\_ and \_\_\_\_\_

Acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation by it voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

**BOARD OF WATER WORKS TRUSTEES  
OF THE CITY OF DES MOINES, IOWA**

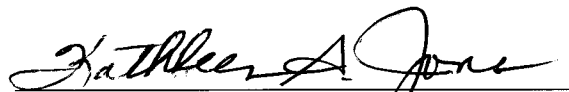
By:   
Robert G. Riley, Board Chairperson

Attest:   
Randy Beavers, CEO and General Manager

STATE OF IOWA    )  
                                  )  
COUNTY OF POLK )

SS:

On this 29<sup>th</sup> day of July, 2009, before me, a Notary Public in and for the State of Iowa, personally appeared Robert G. Riley and Randy Beavers, to me personally known, and, who being by me duly sworn, did say that they are the Board Chairperson and the Chief Executive Officer and General Manager of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA, that no seal has been procured by the entity; that the instrument was signed on behalf of the entity by authority of its Board as contained in the resolution adopted by the Board on the 28<sup>th</sup> day of July, 2009, and that Robert G. Riley and Randy Beavers acknowledged the execution of the instrument to be the voluntary act and deed of the BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA, by it and by them voluntarily executed.

  
Notary Public in and for the State of Iowa



DES MOINES WATER WORKS  
**Billing and Collection Costs**  
**for City of Des Moines Services**  
 YE 2008

	Total Costs	Incremental Cost
<b>IS Services</b>		
Customer service <i>(50% of 60%)</i>	\$ 599,921	\$ 179,976
Hardware depreciation <i>(50% of 60%)</i>	29,414	8,824
Equipment maintenance <i>(50% of 60%)</i>	18,634	5,590
<b>Subtotal</b>	<b>\$ 647,968</b>	<b>\$ 194,390</b>
<b>Lien Process</b>		
Personnel costs <i>(75% of lien personnel costs)</i>	\$ 21,294	\$ 15,971
Benefits associated with personnel costs <i>(40.53%)</i>	8,631	6,473
Supplies and services <i>(75% of lien supplies/services)</i>	5,828	4,371
<b>Subtotal</b>	<b>\$ 35,753</b>	<b>\$ 26,815</b>
<b>Customer support/billings/collections</b>		
Salaries for call center <i>(6 FTEs for CSR)</i>	\$ 375,232	\$ 225,139
Benefits <i>(40.53% of salary)</i>	152,082	91,249
Supervision OH <i>(one supervisor w/benefits, occupancy space for 7 FTEs)</i>	102,729	102,729
Salaries for payment & mail processing <i>(.5 FTE payment &amp; mail processing clerk)</i>	67,226	16,806
Benefits <i>(40.53%)</i>	27,247	6,812
Supervision OH <i>(10% salary &amp; benefits)</i>	132,033	13,203
Furniture depreciation <i>(for 7 FTEs)</i>	2,250	1,313
Office supplies <i>(for 7 FTEs)</i>	6,600	3,850
Field service <i>(50% of cut-offs @ \$30/cut-off)</i>	464,550	232,275
<b>Subtotal</b>	<b>\$ 1,329,948</b>	<b>\$ 693,376</b>
<b>General Administrative</b>		
General Administrative OH <i>(5% GM &amp; CFO)</i>	443,247	22,162
Audit requirements	39,500	5,250
Bank charges	205,804	131,200
<b>Subtotal</b>	<b>\$ 688,551</b>	<b>\$ 158,612</b>
<b>Total yearly cost</b>	<b>\$ 2,702,220</b>	<b>\$ 1,073,193</b>
<b>Yearly cost per each city utility (3 in total)</b>		<b>\$ 357,731</b>
<b>Cost/account/month:</b>		<b>\$ 0.45</b>
<b>Current rate</b>		<b>\$ 0.29</b>

Source data for cost figures is DMWW's cost accounting system in accordance with rules outlined in Exhibit E from January 1, 1995.

**Des Moines Water Works**

**Billing and Collection Costs for City of Des Moines Services**

Below is an explanation of the line items shown on the exhibit of billing and collection costs. This information is taken from Exhibit E from the previous 1995 Billing Services agreement.

IT Services

Customer Service, Hardware depreciation and Equipment maintenance- (50% of 60%)

Previous Exhibit E, Item 1 - MIS. The following incremental costs shall be chargeable to the City under IT Services with general items (ones not specific to modifications for City Services) marked with an asterisk indicating the City share of IT costs allocated to Customer Service is 50% as set forth in the Water Works most recent Cost of Service Study which allocates 60% of total Utility IT costs to Customer Service.

- a. Modifications to software related to accounting for individual customer service
- b. Modifications to individual accounts to adjust ERU's for storm water management utility, etc.
- c. Hardware maintenance\*
- d. Supplies and services \*
- e. Reporting for audit purposes/collections
- f. Programming (customer service screens, etc.) related to the three city charges of sewer, solid waste, and storm water management.
- g. Printer maintenance \*
- h. Additional disk capacity required for city utilities, prorated on a five year depreciation schedule.

Lien Process

Personnel costs and Supplies and services – (75%)

Benefits – (40.53%)

Direct charges applicable to City shall be so allocated. When completing the required procedures for lien processing, each service (water, sewer, solid waste and storm water) are on separate schedules. Since the City's services are three of the four services, 75% is allocated to the City.

Benefits are calculated at DMWW's current rate for benefit costs.

Customer support

City's share will be calculated as the salary and benefits for six (6) full time equivalent customer service representatives and one-half (1/2) customer service clerk, plus ten percent of the salary and benefits for the clerk's supervisor. For Customer terminations, the City's costs shall include a fee payable to the Water Works of \$20 per service termination related to failure to pay the City's combined utility accounts. This fee shall be adjusted yearly based upon actual volumes during the previous year.

General Administrative OH – (5% of GM & CFO).

Audit requirements – Auditing requirements based on \$1,650 per city enterprise, plus \$100 per enterprise for Water Works staff time.

Bank charges - Incremental banking charges related to the City's combined utilities.

Calculation: Inside City accounts represent 76% of total customers, 85% of credit card usage is by City of DM customers. General banking fees are allocated 75% (3 of 4 services) of 76% and credit card fees are allocated 75% (3 of 4 services) of 85%.

The following costs will be excluded from the incremental cost calculation:

- a. Customer service expenses related to meter reading, including exceptions processing; meter repair, maintenance and related charges; leak detection.
- b. General plant and equipment and administrative building overhead.
- c. Special charges related to water disconnection, which charges are payable before distribution of other funds to the City on a monthly basis.
- d. Any and all costs related to water production and distribution.
- e. All costs related to the Water Works Board of Trustees.
- f. Lobbying expenses and professional training and education costs related to the production, distribution, and supply of drinking water.

## **Exhibit B**

### **Des Moines Water Works PILOT (Police and Fire) Tax Rate Calculation**

#### ***General Description:***

This calculation establishes the tax rate to be used to calculate a PILOT charge based on the most recently adopted City budget by determining the portion of Des Moines' general, emergency, and trust and agency levies attributable to the support of the police and fire departments. The calculation uses as its baseline the gross operating budgets of all activities in the general fund adjusted downward by projected revenue collected by each department and non-departmental non-property tax revenue collected by the City in the general fund. The resulting "net budget" reflects the property tax support for the police and fire departments. Based on final valuations, the "net budgets" are expressed in tax rates, which are then applied to the insured value of buildings and land of Des Moines Water Works located within the Des Moines city limits.

#### ***Source Documentation:***

The Pilot Tax Rate Calculation uses as source documentation State Certification Forms, the City of Des Moines Operating Budget Document, and supporting work papers to the City of Des Moines operating budget document.

#### **631.A WORKSHEET**

##### **Step 1**

List general fund expenditures as indicated in State Certification Form 631.A-Column (a).

##### **Step 2**

Detail any required adjustments to State Certification Form 631.A when a Police or Fire Department activity has been listed in a box other than #2(a) or #7(a).

##### **Step 3**

Add/subtract adjustments to/from the state certification amounts and input the results into the COMBINED FORM WORKSHEET in the section titled "Property and Non-Property Tax Allocation" in the column titled "WORKSHEET 631.A" for Fire, Police, and All Other Departments & Fund Balance.

#### **631.B WORKSHEET**

##### **Step 1**

List general fund resources as indicated in State Certification Form 631.B-Column (a).

##### **Step 2**

Allocate all department collected revenue estimates or non-department revenues that have been earmarked as funding for a specific activity. The allocation shall differentiate between Police, Fire, and all other City Departments. Since the state form does not distinguish revenues by department or activity the source documentation for this allocation comes from City of Des Moines work papers.

##### **Step 3**

Any remaining revenue estimates revert to a column designated "To Be Allocated". Line 1 reflects the property tax generated from the 8.10 levy and Line 30 includes the property tax generated from the 0.27Emergency Levy, if in use. At the bottom of this worksheet is a breakdown of the transfers which includes the Emergency Levy as submitted to the State of Iowa.

#### Step 4

Input the results of this worksheet into the COMBINED FORM WORKSHEET in sections entitled “Property and Non-Property Tax Allocation” and “Emergency Levy and State of Iowa Adjustment” in the columns entitled “WORKSHEET 631.B”.

### **TRUST AND AGENCY WORKSHEET**

This worksheet computes the portion of the trust and agency levy attributable to the operating departments of Des Moines. The worksheet allocates non-property tax revenue and fund balance based on each department’s eligible trust and agency appropriations. The worksheet is to tie to the final city property tax rate notification from the state.

#### Step 1

List trust and agency funded budgets by type and total (pension related & health related) delineated by Fire, Police, and All Other Departments.

#### Step 2

Allocate beginning fund balances of pension and health related accounts on a pro-rata basis from Step 1.

#### Step 3

Allocate non-property tax revenue that is not department specific on the same basis as in Step 2.

#### Step 4

Allocate any non-property tax revenue that is department specific.

#### Step 5

Subtract/add fund balance and non-property tax revenues from trust and agency budgets listed in Step 1.

#### Step 6

Combine Pensions Related and Health Related Tables into a Summary Table

#### Step 7

Allocate on a pro-rata basis the uncollectable levy revenue based on the net trust and agency budgets calculated in the Summary Table.

#### Step 8

Add allocated uncollectable levy revenue to the Net Trust and Agency allocation to determine the tax levy allocation.

#### Step 9

Calculate an imputed trust and agency levy based on the Taxable Valuation as reflected in the final certification form.

## **FORMS COMBINED Worksheet**

### **Step 1**

Input Taxable Valuation as reported on Final State Certification of Tax Levies

### **Step 2 (required if Emergency Levy is in use)**

All revenue generated by the use of an Emergency Levy is detailed out at the bottom of Form 631.B as part of "Operating Transfers In" on form 631.B in column (A) line 30. From time to time there are slight adjustments made by the state in the final state tax certification. Any adjustment made in the final levy is assumed to be offset by a like amount from non-levy revenue and are made in the column "State Of Iowa Adjustment". This adjustment provides for the Emergency Levy to tie to the Final Tax Levy Certification form the Department of Management.

### **Step 3**

Calculate the Fire, Police, and All Other Departments budgets that are being funded from non-departmental and property tax revenue in the column entitled "WORKSHEET 631.A – 631.B".

### **Step 4**

Allocate the remaining non-departmental revenue on a pro-rata basis of the "WORKSHEET 631.A – 631.B" column.

### **Step 5**

Subtract the Step 4 revenue allocation from the Fire, Police, and All Other Departments remaining budgets determining the property tax revenue needed to support each of the three. This amount equals the total tax asking from the general and emergency levies listed on Final Tax Levy Certification from the Department of Management – Local Budget Division.

### **Step 6**

Calculate the imputed tax rate required for each line based on the property tax allocation and the taxable valuation. The total imputed tax rate should equal the Final State Certified Tax Rate for the general and emergency levies.

### **Step 7**

Insert amounts from the "Summary" from the Trust and Agency Worksheet (Steps 6 – 9).

### **Step 8**

Add Property and Non-Property Tax Rate Imputed Rate (Step 6) to Trust and Agency Imputed Rate (Step 7) thereby yielding the Total Police and Fire Tax Rate.



Exhibit B	FORM 631A WORKSHEET				
		(Step 1)	(Step 2)	(Step 3)	
		General		Adjusted	
		(a)	Adjustments	(a)	
<b>PUBLIC SAFETY</b>					
Police Department/Crime Prevention	1	46,657,098	-	46,657,098	Police Dept.
Jail	2	-	-	-	Other Dept.
Emergency Management	3	-	-	-	Other Dept.
Flood Control	4	-	-	-	Other Dept.
Fire Department	5	28,804,021	-	28,804,021	Fire Dept.
Ambulance	6	-	-	-	Finance-Collection
Building Inspections	7	3,288,038	-	3,288,038	Other Dept.
Miscellaneous Protective Services	8	-	-	-	Other Dept.
Animal Control	9	-	-	-	Other Dept.
Other Public Safety	10	-	-	-	Other Dept.
<b>PUBLIC WORKS</b>					
Roads, Bridges, & Sidewalks	12	8,903,348	-	8,903,348	Other Dept.
Parking - Meter and Off-Street	13	-	-	-	Other Dept.
Street Lighting	14	-	-	-	Other Dept.
Traffic Control and Safety	15	-	-	-	Other Dept.
Snow Removal	16	-	-	-	Other Dept.
Highway Engineering	17	197,852	-	197,852	Other Dept.
Street Cleaning	18	-	-	-	Other Dept.
Airport (if not Enterprise)	19	-	-	-	Other Dept.
Garbage (if not Enterprise)	20	91,000	-	91,000	Other Dept.
Other Public Works	21	335,835	-	335,835	Other Dept.
<b>HEALTH AND SOCIAL SERVICES</b>					
Welfare Assistance	23	297,500	-	297,500	Other Dept.
City Hospital	24	-	-	-	Other Dept.
Payments to Private Hospitals	25	-	-	-	Other Dept.
Health Regulation and Inspection	26	-	-	-	Other Dept.
Water, Air and Mosquito Control	27	-	-	-	Other Dept.
Community Mental Health	28	-	-	-	Other Dept.
Other Health and Social Services	29	293,940	-	293,940	Other Dept.
<b>CULTURE AND RECREATION</b>					
Library Services	31	6,571,740	-	6,571,740	Other Dept.
Museum, Band and Theater	32	-	-	-	Other Dept.
Parks	33	10,437,894	-	10,437,894	Other Dept.
Recreation	34	1,529,515	-	1,529,515	Other Dept.
Cemetery	35	1,533,442	-	1,533,442	Other Dept.
Community Center, Zoo, & Marina	36	1,348,096	-	1,348,096	Other Dept.
Other Culture and Recreation	37	151,084	-	151,084	Other Dept.
<b>COMMUNITY AND ECONOMIC DEVELOPMENT</b>					
Community Beautification	39	-	-	-	Other Dept.
Economic Development	40	2,290,835	-	2,290,835	Other Dept.
Housing and Urban Renewal	41	-	-	-	Other Dept.
Planning & Zoning	42	1,546,601	-	1,546,601	Other Dept.
Other Com & Econ Development	43	-	-	-	Other Dept.
<b>GENERAL GOVERNMENT</b>					
Mayor, Council, & City Manager	45	1,528,223	-	1,528,223	Other Dept.
Clerk, Treasurer, & Finance Adm.	46	3,118,696	-	3,118,696	Other Dept.
Elections	47	-	-	-	Other Dept.
Legal Services & City Attorney	48	1,983,349	-	1,983,349	Other Dept.
City Hall & General Buildings	49	1,026,540	-	1,026,540	Other Dept.
Tort Liability	50	1,355,722	-	1,355,722	Other Dept.
Other General Government	51	6,585,081	-	6,585,081	Other Dept.
<b>DEBT SERVICE</b>	53	37,691	-	37,691	Other Dept.
<b>CAPITAL PROJECTS</b>	54	-	-	-	Other Dept.
<b>BUSINESS TYPE ACTIVITIES</b>					
Water Utility	56	-	-	-	Other Dept.
Sewer and Sewage Disposal Utility	57	-	-	-	Other Dept.
Electric Utility	58	-	-	-	Other Dept.
Gas Utility	59	-	-	-	Other Dept.
Airport	60	-	-	-	Other Dept.
Landfill/Garbage	61	-	-	-	Other Dept.
Transit	62	-	-	-	Other Dept.
Cable TV, Internet & Telephone	63	-	-	-	Other Dept.
Housing Authority	64	-	-	-	Other Dept.
Storm Water Utility	65	-	-	-	Other Dept.
Other Business Type (city hospital, parking, etc.)	66	-	-	-	Other Dept.
Enterprise DEBT SERVICE	67	-	-	-	Other Dept.
Enterprise CAPITAL PROJECTS	68	-	-	-	Other Dept.
Total Expenditures	71	129,913,141	-	129,913,141	
Transfers Out	72	1,612,706	-	1,612,706	Other Dept.
Ending Fund Balance	74	14,643,972	-	14,643,972	Other Dept.
<b>TOTAL REQUIREMENTS</b>	75	146,169,819	-	146,169,819	

Source Documentation: State Certification Form 631.A and City of Des Moines Operating Budget

Exhibit B	FORM 631.B WORKSHEET					Step 3 To Be Allocated
	Step 1	Step 2				
	General (A)	Police Department	Fire Department	Other Departments		
Taxes Levied on Property	1	45,466,225	-	-	1,705,683	43,760,542
Less:Uncollected Property Taxes-Levy Year	2	-	-	-	-	-
Delinquent Property Taxes	4	-	-	-	-	-
TIF Revenues	5	-	-	-	-	-
Other City Taxes:		-	-	-	-	-
Utility Tax Replacement Excise Taxes	6	1,853,823	-	-	69,158	1,784,665
Parimutuel wager tax	7	-	-	-	-	-
Gaming wager tax	8	-	-	-	-	-
Mobile Home Taxes	9	62,402	-	-	2,776	59,626
Hotel/Motel Taxes	10	3,659,000	-	-	3,009,093	649,907
Other Local Option Taxes	11	-	-	-	-	-
Licenses & Permits	13	3,416,200	38,800	95,000	3,282,400	-
Use of Money and Property	14	3,397,530	701,200	-	496,330	2,200,000
Intergovernmental:		-	-	-	-	-
Federal Grants & Reimbursements	15	55,000	15,000	-	40,000	-
State Shared Revenues	16	240,000	-	-	221,000	19,000
Other State Grants & Reimbursements	17	-	-	-	-	-
Local Grants & Reimbursements	18	-	-	-	-	-
Charges for Services-Water	20	-	-	-	-	-
Charges for Services-Sewer	21	-	-	-	-	-
Charges for Services-Electric	22	7,475,000	688,000	1,374,000	328,335	5,084,665
Charges for Services-Gas	23	5,136,000	469,000	940,000	425,000	3,302,000
Charges for Services-Parking	24	-	-	-	-	-
Charges for Services-Airport	25	-	-	-	-	-
Charges for Services-Landfill/Garbage	26	-	-	-	-	-
Charges for Services-Hospital	27	-	-	-	-	-
Charges for Services-Transit	28	-	-	-	-	-
Charges for Services-Cable TV, Internet & Telephone	29	3,151,756	-	-	-	3,151,756
Charges for Services-Housing Authority	30	-	-	-	-	-
Charges for Services-Storm Water Utility	31	-	-	-	-	-
Charges for Services-Other	32	14,492,917	932,266	3,793,000	9,767,651	-
Special Assessments	34	85,000	-	-	-	85,000
Miscellaneous	35	17,982,236	3,384,432	79,800	8,036,260	6,481,744
Operating Transfers In	36	25,023,252	10,602,006	6,868,836	7,552,410	-
Proceeds of Long Term Debt	37	-	-	-	-	-
Proceeds of Fixed Assets	38	185,500	-	-	175,000	10,500
Beginning Fund Balance	41	14,487,978	-	-	14,643,972	(155,994)
<b>TOTAL ALL REVENUE</b>	<b>42</b>	<b>146,169,819</b>	<b>16,830,704</b>	<b>13,150,636</b>	<b>49,755,068</b>	<b>66,433,411</b>
Detail of Operating Transfers In (Line 36)						
Operating Transfers In		25,023,252	10,602,006	6,868,836	7,552,410	-
Road Use Tax		1,178,400	1,178,400	-	-	-
Emergency Levy-Property Taxes		-	-	-	-	-
Emergency Levy-Mobile Home Taxes		-	-	-	-	-
Emergency Levy-Machinery & Equipment		-	-	-	-	-
Pensions/Benefits		23,370,852	9,423,606	6,868,836	7,078,410	-
Tax Increment		-	-	-	-	-
Special Revenue		474,000	-	-	474,000	-
Source Documentation: State Certification Form 631.B and City of Des Moines Operating Budget/Work papers						



<b>Exhibit B</b>		<b>COMBINED FORM WORKSHEET</b>						
<b>Taxable Valuation</b>	(Step 1)							
	<b>5,622,864,162</b>							
<b>Emergency Levy and State of Iowa Adjustment</b>		(Step 2)						
	WORKSHEET	State Of Iowa	Final Certification					
	631.B	Adjustment	631.B FORM					
Revenue To Be Allocated: Non-Property Tax	20,888,204	-	20,888,204					
Revenue To Be Allocated: Property Tax	45,545,207	-	45,545,207	(ties to State of Iowa Final Certification)				
<b>TOTAL</b>	<b>66,433,411</b>	-	<b>66,433,411</b>					
<b>Property and Non-Property Tax Allocation</b>								
	WORKSHEET	(Step 3)						
	631.A	WORKSHEET	WORKSHEET	(Step 4)	(Step 5)	(Step 6)		
Fire Department	28,804,021	631.B	631.A - 631.B	Non-Property	Property Tax	Imputed		
Police Department	46,657,098	13,150,636	15,653,385	Tax Allocation	Allocation	Rate		
All Other Departments & Fund Balance	70,708,700	16,830,704	29,826,394	4,921,787	10,731,598	1,90856		
<b>TOTAL</b>	<b>146,169,819</b>	<b>49,755,068</b>	<b>20,953,632</b>	<b>6,588,307</b>	<b>14,365,325</b>	<b>2,55481</b>		
		79,736,408		20,888,204	45,545,207	8,10000		
<b>Trust and Agency Summary</b>								
	Budget	Fund Balance	Non-Property	Net Budget	Uncollectable	Tax Levy		
	Requirements	Offset	Tax Revenue	Requirements	Tax Levy	Allocation		
Fire	6,868,836	(177,362)	(8,993)	6,682,481	-	6,682,481	1,18845	
Police	9,423,606	(243,712)	(12,372)	9,167,522	-	9,167,522	1,63040	
All Other Departments	7,615,411	(193,836)	(9,717)	7,411,858	-	7,411,858	1,31816	
<b>TOTAL</b>	<b>23,907,853</b>	<b>(614,910)</b>	<b>(31,082)</b>	<b>23,261,861</b>	<b>-</b>	<b>23,261,861</b>	<b>4.13701</b>	
<b>Total Police and Fire Tax Rate</b>	(Step 8)							
Fire	3.09701							
Police	5.26703							
<b>Total rate per \$1,000 of asset value</b>	<b>8.36404</b>							