



Agenda Item:

43a

## COUNCIL COMMUNICATION City Manager's Office

### GENERAL INFORMATION

Agenda Date: 6/21/04

No.: 04-308

Agenda Item Type: Resolution

No.:

Communication

Roll Call

Submitted by: Merrill R. Stanley, Finance Director

### SUBJECT—

Approval of Revised Operating Contract with Des Moines Metropolitan Wastewater Reclamation Authority (WRA); Approval of Amendment to City of Des Moines Investment Policy and Approval of Appointment of City Treasurer as WRA Treasurer.

### SYNOPSIS—

Approval of revised Operating Contract with WRA to provide for the investment of WRA funds by the Des Moines City Treasurer as the WRA Treasurer, and to assign city contracts for design and construction of WRA improvements to the WRA.

### FISCAL IMPACT—

None

### 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. The ICA Agreement has been 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 being operated by the Des Moines Metropolitan Wastewater Reclamation Authority. The City of Norwalk and the Greenfield Plaza/Hills of Coventry Sanitary District are also participating in the joint acquisition, ownership, expansion, upgrading and operation of such facilities under the terms of an Amended and Restated Agreement for the Des Moines Metropolitan Wastewater Reclamation Authority (WRA Agreement). Among other things, the new WRA Agreement 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 WRA Agreement further provides that the City of Des Moines will serve as the initial Operating Contractor for the WRA, 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. At its April 16, 2004 meeting, the City Council gave initial approval of the Operating Contract and authorized its execution upon approval and execution of the WRA Agreement by all Participating Communities. Although all of the Participating Communities have approved and executed the WRA Agreement, the Operating Contract has not yet been executed by the City of Des Moines.

As the July 1 implementation date for the WRA Agreement and for the Operating Contract approaches, some issues have been identified which require amendment and updating of the Operating Contract. First of all, although the Operating Contract provides for the investment of WRA funds by the Operating Contractor, a review of Iowa Code makes it clear that an organization created under 28E must officially designate a Treasurer. In order to accommodate this requirement and maintain the efficiencies of co-investing City and WRA funds, the WRA has recommended the appointment of the Des Moines City Treasurer as WRA Treasurer.

The first of the attached roll calls seeks Council approval of the Operating Contract, as amended to provide for the co-investment of City and WRA funds and to provide for the WRA's appointment of the City Treasurer as WRA Treasurer, subject to City Council approval. That roll call also approves an updated Exhibit A to the Operating Contract, assigning various City contracts for design and construction of WRA Improvements to the WRA. The second roll call approves an amendment to the City's Investment Policy to provide for co-investment of City and WRA funds, and approves the appointment of the City Treasurer as WRA Treasurer