

★ Roll Call Number

Agenda Item Number

29

Date February 14, 2011

Communication from Robert G. Riley advising of his resignation from the Des Moines Water Works Board of Trustees, Seat 4, effective immediately.

Moved by _____ to accept his resignation and thank him for his service.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				

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.

MOTION CARRIED

APPROVED

Mayor

City Clerk

February 1, 2011

T. M. Franklin Cownie, Mayor
Halley Griess
Robert Mahaffey
Christine Hensley

Brian Meyer
Christopher Coleman
Skip Moore

Mayor Cownie and members of the City Council:

Over the last 8 years, I have served diligently as a trustee on the Des Moines Water Works, serving the ratepayers of this utility. During this time I have reached these conclusions:

- 1) The sale of drinking water from Des Moines Water Works to the political subdivisions of the metro area has made a positive impact on the quality and economics of this water utility.
- 2) The 40 year contracts to supply water to the suburbs, coupled with the \$40 million purchased capacity payments by the suburbs to the Des Moines Water Works, demonstrate the interdependence between Des Moines ratepayers and suburban ratepayers. This was recognized in the latest Moody's Aa1 rating as part of their rating rationale.
- 3) Because the majority of the water pumped is purchased by the suburbs, this relationship has never been more critical. It is more important now than ever to maintain and strengthen this partnership.
- 4) Most important, lacking a solid partnership, the likelihood the suburbs will seek water security in a different way is imminent. The ramifications of this would be a travesty to all metro ratepayers.

As I stated in my recent op-ed piece published in the Des Moines Register, the best way to maintain the lowest cost and the highest quality of water and distribution systems in Des Moines is to form a regional utility that includes all present water users. The advantages are obvious:

- All water users in the metro area will share in the maintenance and operation of the whole system.
- All users will be vested in a system that seeks economies of scale, optimization, and efficiency, and will share in those benefits proportionally.
- Des Moines ratepayers will benefit from this arrangement, as all water users in the metro will provide a proportionate share of maintenance to all our assets.
- Suburban ratepayers will benefit by eliminating, over time, their duplicative systems, relying on the regional utility to supply all the services needed.
- This would be a win for the ratepayers, a win for the city and suburbs, and a win for our region and our reputation as a forward thinking metro area.

Changes to our present structure can be proposed by the WW board, by the city council, or by a citizen petition. Mayor Cownie and I have discussed this many times over the last few years, including strategies for structural change and the appointment of forward-thinking board members to accomplish these changes. Regretfully, I must conclude that these changes were not seen as sufficiently urgent, or in philosophical alignment, by either the mayor or the board, to prompt any action. Given these circumstances, I tender my resignation from the Des Moines Water Works board of trustees, effective February 1.

Be assured, my interest in water and efficient government remains. These are my suggestions:

- That a blue-ribbon committee be formed to study a proposed regional drinking water utility.
- That it be populated with urban and suburban members.

I urge you and the City Council to pursue this. The climate is right for the economies of scale a regional water utility would bring. I would be pleased to help in any way, and I have identified others who are willing to work on this vision of an economical and efficient regional water supply. Please do not hesitate to contact me.

Sincerely,

Robert G. Riley, Jr.
2910 Cayuga Pt.
Des Moines, Iowa 50321
rgrileyjr@feedenergy.com
515-263-0408 (O)
515-229-9100 (C)

Without faith, we wouldn't drink the water.