

Minutes

Finance and Audit Committee
Central Iowa Water Works
June 13, 2025
West Des Moines Water Works Plant Conference Room
8:00 a.m.

Present:

Scott Brennan (WDMWW), Susan Huppert (DMWW), John McCune (Urbandale Water Utility), George Meinecke (Norwalk), Carol Butler Freeman (Warren Water District), Tom Cope (Johnston)

Tami Madsen (CIWW), Dustin Delvaux (CIWW), Matt Stoffel (PFM), Amy Kahler (DMWW), Christina Murphy (WDMWW), Matt Probasco (WDMWW)

Item 1: Call to Order

Chair Scott Brennan called the meeting to order at 8:00 a.m.

Item 2: Roll Call

Item 3: Approve Minutes for May 22, 2025 – Approval

The minutes of the May 22, 2025, meeting were not included in the packet, so they were deferred to the next meeting.

Item 4: Asset Transfer Schedule XIII-1 – Discussion

Tami Madsen advised that agencies have until June 18, 2025, to provide feedback on the asset transfer schedule. The board of trustees will receive the memo in June, so no action is required from Finance and Audit. Amy Kahler organized all the accounting information.

Scott Brennan asked about the \$1 million difference. Amy Kahler provided that the variances are primarily attributed to a combination of minor differences in book values of capital assets contributed by Water Producing Agencies and \$2.6M more cash contributed to CIWW by Des Moines Water Works than was projected in the original calculations.

Tom Cope entered 8:03 a.m.

Item 5: Annual Audit Services – Recommendation

Tami Madsen requested a recommendation for Eide Bailly to provide a scope of services to continue as auditors for 2 years, creating a three-year contractual relationship. At the end of three years, an RFQ would be issued for auditing services.

John McCune recommended that Tami Madsen obtain a scope from Eide Bailly for two additional years, plus an option for two more; Tom Cope seconded. Unanimously approved by voice vote.

Item 6: Preliminary Budget - Discussion

Matt Stoffel presented the preliminary budget with a reminder that the budget needs to be ready for the October Board of Trustees meeting. The preliminary total budget for 2026 is around \$160 million with revenue requirements are around \$84 million.

Year over Year Budget Comparison: Matt provided a lot of flexibility for one year out. The percentage change from 2025 to 2026 for variable and fixed costs of operating contracts is 7.5%. The organizational costs have decreased almost a million dollars because outstanding obligations to communities related to CIWW reimbursements were required to be paid in 2025.

Organizational costs will continue to decrease as CIWW builds liquidity by planning for 25% cash reserves over four years. Joint capital cash funding is currently projected at \$26.7 million, but the cash obligation could be reduced by debt funding certain projects. The budget has not been calculated to include any available loan forgiveness due to its uncertainty.

Tami Madsen requested a recommendation to consider debt funding \$10M worth of projects. The committee agreed by consensus.

Item 7: May Revenue and Usage Summary – Information

Tam Madsen provided the usage summary to the committee.

Item 8: Other Business

Susan Huppert thanked both Amy Kahler and Tami Madsen for the work they have done on all the water quality concerns.

Adjournment

Chair Brennan adjourned the meeting at 8:57 a.m.