

AMENDMENT NO. 2 TO WRA OPERATING CONTRACT

BETWEEN

**THE DES MOINES METROPOLITAN
WASTEWATER RECLAMATION AUTHORITY (WRA)**

AND

**THE CITY OF DES MOINES, IOWA,
AS OPERATING CONTRACTOR**

EFFECTIVE July 10, 2006

THIS AMENDMENT NO. 2 TO WRA OPERATING CONTRACT is made and entered into as of the 10th day of July, 2006, by and between the Des Moines Metropolitan Wastewater Reclamation Authority and the City of Des Moines, Iowa.

RECITALS

WHEREAS, on July 1, 2004, by Resolution No. 04-017, the WRA ratified and confirmed the Initial Operating Contract with the City of Des Moines; and

WHEREAS, on March 22, 2005, by Resolution No. 05-24, the Des Moines Metropolitan Wastewater Reclamation Authority approved Amendment No. 1 to the WRA Operating Contract between the WRA and the City of Des Moines; and

WHEREAS, staff for the Operating Contractor have indicated that the Financial Services provided pursuant to the Operating Contract are not provided through the "City of Des Moines Finance Department" as stated in Division 5, Section 2.31; and

WHEREAS, staff for the Operating Contractor has indicated the Financial Services are provided by the Senior Budget Analyst who reports to the City of Des Moines Public Works Director (WRA Director) and not to the City of Des Moines Finance Director; and

WHEREAS, the Senior Budget Analyst obtains assistance and guidance from the City of Des Moines Finance Director, it was determined by the Operating Contractor that the position needed to be an advocate for the WRA and not report to the City Finance Director; and

NOW, THEREFORE, the parties do hereby agree that Division 5, Section 2.31 of the Operating Contract be and is hereby amended to provide as follows:

Division 5 Finance Support Services.

Section 2.31 Finance Support Services to be Provided by Operating Contractor. The Operating Contractor shall provide finance support services to the WRA, including the following specific services:

- (a) WRA Accounting Services
 - (1) Establish and maintain a system of WRA operating and capital accounts, for the purpose of recording and accounting for all funds received, and for the purpose of recording and accounting for the expenditure of WRA funds by the Operating Contractor.
 - (2) Prepare quarterly statements for WRA comparing revenue/expense budget to actual revenues/expenses.
 - (3) Calculate, invoice and monitor payments from Participating Communities.
 - (4) Perform year-end accounting, including preparing year-end statements/reports /WRA Annual Financial Report, journal entries, fund reconciliation, work papers, intergovernmental expense transfers, audit functions, etc.

- (5) Evaluate fund balances on a monthly basis for R&R, CIP, O&M, Pump Stations, etc.
- (6) Prepare monthly financial reports for operations staff.
- (7) CIP reconciliation (monthly transfers to projects & community contribution tracking).
- (8) Debt schedule reconciliation (semi-annual).
- (9) SRF billings to DNR.
- (10) Monitor expenditure budget-to-actual on a monthly basis.
- (11) Attend communication meetings with staff and teams.
- (12) Assist in preparation of WRA annual budget and amended WRA budgets, as required .
- (13) Preparation of budget cost allocations to Participating Communities in accordance with WRA Agreement.
- (14) Prepare CIP forecasts.
- (15) Calculate transfers to debt service funds.
- (16) Respond to miscellaneous requests from member communities, outside auditors, financial advisors, operations managers, etc.
- (17) Miscellaneous projects to ensure financial and accounting aspects of the WRA are handled fairly and efficiently.
- (18) Bill waste haulers monthly.
- (19) Allocate pump station expenses between WRA and Des Moines sewers.
- (20) Make periodic financial reports as requested by the Board.

(b) Internal City Accounting Services

- (1) Process weekly vendor payments.
- (2) Bill Participating Communities monthly, including any monthly adjustments.
- (3) Run and print monthly financial reports for operations staff.
- (4) Answer variety of accounting questions from the WRF/WRA staff.
- (5) Make periodic financial reports as requested by the Board.

(c) Treasury Services.

- (1) Establish interest-bearing accounts in the name of the WRA for the deposit of funds collected from all sources.
- (2) Upon appointment by the WRA Board and approval of such appointment by the Des Moines City Council, the Des Moines city treasurer shall act as WRA treasurer, and shall deposit funds collected from Participating Communities into WRA accounts, or invest such funds, as appropriate, pursuant to the investment policies adopted by the Des Moines City Council and the Board, and in accordance with the laws of the State of Iowa.
- (3) Manage funds deposited in WRA accounts, as well as funds invested on behalf of the WRA.
- (4) Act as paying agent for WRA debt.
- (5) Calculate arbitrage rebate for each bond and SRF loan.
- (6) Invest bond reserves and unspent bond proceeds.
- (7) Assist in preparation of debt work papers for the WRA Annual Financial Report.

- (8) Receipt revenue (community payments and customer invoices).
- (9) Make periodic reports as requested by the Board.

(d) Financial Planning Services.

- (1) Procurement of proposals for all necessary consultant and advisory services related to capital financing for Board approval, and provision of information or participation in discussions related to capital financing activities, including planning and preparation for bond issues, ratings presentations and ongoing updates.

It is hereby expressly understood and agreed between the parties that all other terms, provisions, and conditions of said amended Agreement shall continue in full force and effect, and the terms of this Second Amendment are hereby incorporated therein and made a part thereof.

**CITY OF DES MOINES, IOWA,
OPERATING CONTRACTOR**

By T. M. Franklin Cownie
T. M. Franklin Cownie, Mayor

Attest:
Diane Rauh
Diane Rauh
City Clerk

Approved as to Form:
Kathleen Vanderpool
Kathleen Vanderpool
Deputy City Attorney

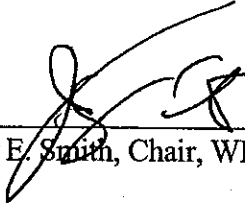
STATE OF IOWA)
) ss:
COUNTY OF POLK)

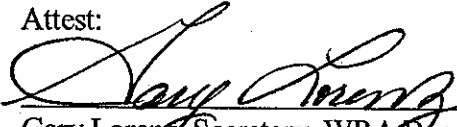
On this 10th day of July, 2006 before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared T. M. Franklin Cownie and Diane Rauh, to me personally known, and, who, being by me duly sworn, did say that they are Mayor and City Clerk, respectively of the CITY OF DES MOINES, IOWA; 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. 06-1353 of the City Council on the 10th day of July, 2006, and that T.M. Franklin Cownie and Diane Rauh 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.



Karen Marie Herzberg
Notary Public in and for the
State of Iowa

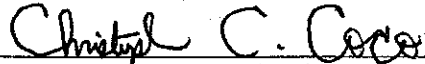
**DES MOINES METROPOLITAN WASTEWATER
RECLAMATION AUTHORITY (WRA)**

By 
Jody E. Smith, Chair, WRA Board

Attest:

Gary Lorenz, Secretary, WRA Board

STATE OF IOWA)
) ss:
COUNTY OF POLK)

On this 20th day of June, 2006 before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Jody Smith and Gary Lorenz, to me personally known, and, who, being by me duly sworn, did say that they are Chairperson and Secretary, respectively of the WRA Board; that the instrument was signed and sealed on behalf of the WRA by authority of its Board, as contained in the Resolution No. 06- 67, adopted by the WRA Board on the 20th day of June, 2006, and that Jody Smith and Gary Lorenz 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

