CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Resolution – Approving Senior Bond Issuance Certificate for $94,250,000 Des Moines Metropolitan Wastewater Reclamation Authority (WRA) Senior Bonds

DATE: April 17, 2023

FINANCIAL IMPACT: No direct impact to the City

BACKGROUND: The City of West Des Moines is a member of the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) and carries certain responsibilities within that underlying membership agreement.

At this time the WRA has identified capital projects anticipated to be funded in 2023, 2024, and 2025. To finance these projects, it requires that participating communities approve the attached Senior Bond Issuance Certificate, which will be issued in conjunction with anticipated additional senior bonds of the WRA in the amount of $94,250,000.

There is no change to the previously planned WRA projects; they were included in the WRA's Capital Improvement Budgets, but this action assists the WRA in moving its debt from "future" to "pending" as it relates to the next phase of projects. The requirement for the WDM Council to approve a resolution authorizing staff to sign the certificate was new for the first time in 2022, and Council approved a similar resolution on August 15, 2022.

Staff has determined that the City has adequate cash reserves in the Sewer Fund to comply with the requirements of the Certificate.

RECOMMENDATION: Council approves the attached Senior Bond Issuance Certificate of WRA Participating Community for the anticipated additional senior bonds of the WRA and authorizes the Finance Director to execute and return the Certificate to the WRA.

Lead Staff Member: Tim Stiles, Finance Director

STAFF REVIEWS

Department Director	
Appropriations/Finance	
Legal	
Agenda Acceptance	

PUBLICATION(S) (if applicable)

Published In	
Dates(s) Published	

SUBCOMMITTEE REVIEW (if applicable)

Committee			
Dates Reviewed			
Recommendation	Yes	No	Split

RESOLUTION NO. _____

A RESOLUTION APPROVING SENIOR BOND ISSUANCE CERTIFICATE OF DES MOINES METROPOLITAN WASTEWATER RECLAMATION AUTHORITY PARTICIPATING COMMUNITY

WHEREAS, the City of West Des Moines is a member of the Des Moines Metropolitan Wastewater Reclamation Authority (WRA) and is in compliance with the provisions of the WRA Agreement; and

WHEREAS, the WRA has identified projects that are anticipated to be issued in calendar years 2023, 2024 and 2025; and

WHEREAS, the WRA requires the assistance of participating communities to approve the attached Senior Bond Issuance Certificate for the anticipated additional senior bonds of the WRA in the amount of $94,250,000; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of West Des Moines, Iowa, that it hereby approves the attached Senior Bond Issuance Certificate of WRA Participating Community for the anticipated additional senior bonds of the WRA in the amount of $94,250,000 and authorizes the Finance Director to execute and return the Certificate to the WRA.

PASSED AND APPROVED this 17th day of April, 2023

_____
Russ Trimble, Mayor

Attest:

_____
Ryan Jacobson, City Clerk

SENIOR BOND ISSUANCE CERTIFICATE
OF WRA PARTICIPATING COMMUNITY

Name of Participating Community: City of West Des Moines, Iowa

Anticipated Amount of Additional Senior Bonds: $ 94,250,000

Estimated Date of Issuance: $70,100,000 after May 1st in calendar 2023;
Remaining amounts will be issued after January 1, 2024

This Senior Bond Issuance Certificate is being executed by the undersigned financial officer of the Participating Community indicated above (the "Participating Community") pursuant to Section 8.3 of Resolution No. 04-070 approved on October 28, 2004 (the "Master Resolution") by the Board of the Des Moines Metropolitan Wastewater Reclamation Authority ("WRA"), and supplementing Section 2 of Article XIII of the Second Amended and Restated Agreement for the WRA, filed with the Secretary of State on June 11, 2014 (the WRA Agreement). All capitalized terms used in this Certificate which are not otherwise defined herein shall have the meanings given to them in the Master Resolution.

Attached hereto are the following:

- WRA Certificate Memo & Instructions,
- City of West Des Moines WRA Debt Service Allocation, 2023 Certificates: PFM's proposed allocation of Debt Service to the Participating Community for the Additional Senior Bonds (subject to change based on actual timing of issuance by WRA), receipt of which is acknowledged by execution of this Certificate.
- WRA Cash Contribution Process

The Participating Community hereby consents to and certifies, in connection with the anticipated issuance of the above-referenced Senior Bonds, that it is currently in compliance with the provisions of the WRA Agreement requiring the establishment of rates and charges or appropriation of other funds sufficient in amount as will produce at least 110% of the amount necessary to pay the Participating Community's share of the principal and interest coming due on all Outstanding Bonds and all outstanding Local Obligations during the fiscal year 2024, and acknowledges it has factored its estimated allocations from future WRA issuances of Additional Senior Bonds into rate and coverage planning to ensure maintenance of said coverage in future fiscal years.

Attach to this Certificate for return the following:

1. A copy of the resolution passed by your governing body approving the Senior Bond Issuance Certificate of WRA Participating Community,
2. Schedule of principal and interest requirements of all outstanding Local Obligations of the Participating Community,
3. Details of other funds appropriated to meet the coverage requirements.

Approved by the Governing Body of the Participating Community on the ___ day of _____, 2023.

Dated this ____ day of _____ 2023.

By: _____

Print Name: _____

Title: _____

Participating Community Impact

The table below outlines the City of West Des Moines' current allocations for the projects.

Project	WRA Amount	West Des Moines Flow %	West Des Moines Allocation	Est. Annual Debt Service	BQ Impact
WRF Phosphorus Recovery	$42,100,000	12.317%	$5,185,457	$398,950	No
WRA Sewer Lining – Loan #3	10,000,000	12.317%	1,231,700	82,730	Yes
WRA Southern Tier Improvements	8,000,000	12.317%	985,360	66,100	Yes
Bid Contingency	10,000,000	12.317%	1,231,700	90,300	TBD
Ingersoll Run CSO	10,000,000	12.317%	1,231,700	70,745	Yes
Effluent Pumping – Loan #1	13,150,000	12.317%	1,619,683	0	Yes
Planning & Design – Building 05	500,000	12.317%	61,585	0	No
Planning & Design – Disinfection	500,000	12.317%	61,585	0	No
Total	**$94,250,000**		**$11,608,773**	**$708,825**	

WRA reallocates all costs annually according to the terms in the 28E based on the change to the three-year average flows. Flow year is October 1st to September 30th. Community allocations are subject to change based on the terms of the Agreement.

Supporting Documents

1. Senior Bond Issuance Certificate of WRA Participating Community.
2. City of West Des Moines WRA Debt Service Allocations – 2023 Certificates. This document includes the City of West Des Moines' debt service allocation of all existing, previously certified but not yet issued, and proposed WRA loans.
3. WRA Cash Contribution Process. This document provides the steps a community can take to pay cash in lieu of the WRA issuing debt on their behalf. The Senior Bond Certificates still need to be complete by each Participating Community regardless of a Participating Community's election to fund their portion of a project with cash.

Next Steps

1. Confirm rates and charges or appropriated funds are sufficient to produce at least 110% of the amount necessary to pay principal and interest on all Outstanding Bonds and all outstanding Local Obligations during fiscal year 2024. Confirm other bond covenants are compliant with respect to Local Obligations.
2. Approve by resolution of your governing body the Senior Bond Issuance Certificate of WRA Participating Community.
3. Return supporting documentation to WRA staff.

Please return electronic copies of documents to Roxane Vaughan by April 30, 2023.

Questions can be directed to Roxane Vaughan and/or Matthew Stoffel

Roxane Vaughan 515-323-8008 rjvaughan@dmgov.org
Matthew Stoffel 515-724-5737 stoffelm@pfm.com