

AMENDED AND RESTATED

AGREEMENT

for the

DES MOINES METROPOLITAN

WASTEWATER RECLAMATION AUTHORITY

Table of Contents

ARTICLE 1. DEFINITIONS

Section 1. Definitions 1

ARTICLE II. PURPOSE AND STATUS AS LEGAL ENTITY

Section 1. Purpose 6
Section 2. Status as Legal Entity 6

ARTICLE III. ORGANIZATION OF BOARD

Section 1. Governing Body 6
Section 2. Composition 6
Section 3. Voting 8
Section 4. Officers 8
Section 5. Meetings 9
Section 6. Bylaws 10

ARTICLE IV. POWERS OF BOARD

Section 1. Grant of Powers 10

ARTICLE V. COMMITTEES

Section 1. Nominating Committee 10
Section 2. Technical Committee 11
Section 3. Appeal Committee 11
Section 4. Other Committees 12

**ARTICLE VI. ACQUISITION OF EXISTING FACILITIES AND
TRANSFER OF ASSETS**

Section 1. Acquisition of Existing Facilities 12
Section 2. Reversionary Interests in Transferred Assets 12
Section 3. Issuance of Bonds 12

ARTICLE VII. CONSTRUCTION OF FUTURE IMPROVEMENTS

Section 1. Construction of Core Improvements 13
Section 2. Construction of Expansion Improvements 14
Section 3. Construction of Southwest Area Diversion Project 16

Section 4. Construction of Other Improvements	17
Section 5. Permitted Adjustments	18
Section 6. Reversionary Interests in New Construction	18
Section 7. Recommended Design Flows	18
Section 8. Contracts for Construction	19

ARTICLE VIII. OPERATION AND MAINTENANCE RESPONSIBILITIES

Section 1. Board Responsibilities for Operation and Maintenance	19
Section 2. Staff and Contracts	19

ARTICLE IX. BUDGET

Section 1. Fiscal Year	21
Section 2. Schedule for Budget Preparation	21
Section 3. Allocation of Annual Budget Shares	21
Section 4. Rate Stabilization	23
Section 5. Budget Hearing	23
Section 6. Arbitration	23
Section 7. Imposition of Rates; Payments to WRA	24
Section 8. Priority of Payment Obligations	25
Section 9. Payment Defaults	26

ARTICLE X. FUNDS AND ACCOUNTS

Section 1. Funds and Investments	26
Section 2. Annual Audit	27

ARTICLE XI. SURCHARGES FOR CERTAIN PARTICIPATING COMMUNITIES

Section 1. Surcharges for Certain Participating Communities	27
--	----

ARTICLE XII. NEWLY CONNECTING COMMUNITIES

Section 1. Admission of Newly Connecting Communities	28
Section 2. Voting Rights	28
Section 3. Budget Share Allocations	28
Section 4. Capital Contribution	28

ARTICLE XIII. ISSUANCE OF BONDS

Section 1. Obligations and Use of Reserves Authorized	29
Section 2. Consent to Issuance	30
Section 3. Not General Obligations	31
Section 4. Allocations of Debt Service	31
Section 5. Cash Payments in lieu of Bonds	31
Section 6. Restriction on Withdrawal	32
Section 7. Future Interpretation	32

ARTICLE XIV. TRANSFERS AND RECORDS OF OWNERSHIP INTERESTS

Section 1. Transfers of Ownership Interests	33
Section 2. Records of Ownership Interests	33

ARTICLE XV. ACQUISITION AND DISPOSITION OF PROPERTY

Section 1. Acquisition	33
Section 2. Disposition	34

ARTICLE XVI. NPDES PERMIT AND INDUSTRIAL PRETREATMENT PROGRAM

Section 1. WRA to Obtain and Hold NPDES Permit	34
Section 2. Administration of Industrial Pretreatment Program ...	34
Section 3. Adoption of Ordinances	35
Section 4. Enforcement	35

ARTICLE XVII. ANNEXATION

Section 1. Not Prohibited	35
--	-----------

ARTICLE XVIII. CONSOLIDATION OR MERGER

Section 1. Not Prohibited	36
--	-----------

ARTICLE XIX. DISCONTINUATION OF SANITARY DISTRICTS

Section 1. Discontinuation	36
Section 2. Board Discretion	37

ARTICLE XX. AMENDMENTS

Section 1. Amendments 37

ARTICLE XXI. BEST EFFORTS/INDEMNIFICATION

Section 1. Disclaimer 37
Section 2. Best Efforts 38
Section 3. No Liability 38
Section 4. Indemnification 38
Section 5. Remedies 38
Section 6. Notices 38

ARTICLE XXII. WITHDRAWAL BY PARTICIPATING COMMUNITIES

Section 1. Restrictions on Withdrawal 38

ARTICLE XXIII. EFFECTIVE DATE AND DURATION OF AGREEMENT

Section 1. Effective Date 39
Section 2. Duration 39
Section 3. Disposal of Property upon Termination 39

ARTICLE XXIV. TRANSITION MATTERS

Section 1. Prior Budget Actions 40
Section 2. Assumption of Contracts 40
Section 3. Approval of Initial Operating Contract 40
Section 4. Officers 40
Section 5. Policies 40

ARTICLE XXV. SEVERABILITY

Section 1. Provisions to be Severable 40

ARTICLE XXVI. EXECUTION OF AGREEMENT

Section 1. Passage of Resolution 41
Section 2. Signature Pages 41

SIGNATURES

Exhibits

- 1. Existing Facilities and Assets**
- 2. Schedule of Reversionary Interests**
- 3. East 20th Street Connector – Phase I**
- 4. Des Moines River Outfall**
- 5. Westside Pump Station Improvements**
- 6. WRF Emissions Control Improvements**
- 7. Ingersoll Run Combined Sewer Improvements**
- 8. WRF Gas Holding Improvements**
- 9. WRF Digester Mixing Improvements**
- 10. Combined Sewer Solids Separation Facility**
- 11. East 20th Street Trunk Connector Phase 2 and 3**
- 12. WRF Nutrient Removal**
- 13. Birdland Pump Station Replacement**
- 14. West Des Moines Outfall Improvements**
- 15. Four Mile Interceptor Extension**
- 16. Little Four Mile Interceptor Extension**
- 17. Middle Creek Trunk Sewer Extension**
- 18. West Des Moines Outfall Extension**
- 19. Four Mile Interceptor Improvements**
- 20. Little Four Mile Interceptor Extension – South Branch**
- 21. Mud Creek Interceptor Improvements**
- 22. Common Trunk Improvements**
- 23. Joint Trunk Sewer Improvements**
- 24. Southern Tier Interceptor – Eastern Phase**
- 25. Southern Tier Pump Station and Force Main**
- 26. Southern Tier Interceptor – Western Phase**
- 27. Southwest Area Diversion Project**
- 28. Schedule of Surcharge Payments – Ankeny**
- 29. Schedule of Surcharge Payments – Bondurant**
- 30. Schedule of Surcharge Payments – Norwalk**
- 31. Preliminary Bond Offering Schedule**

WHEREAS, 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 (the "Constituent Communities") are parties to the Integrated Community Area Agreement dated February 19, 1979 or to one or more of the Supplements thereto (together, the "I.C.A. Agreement"), and consider it desirable to amend and restate the I.C.A. Agreement in order to provide a "two-tier" utility model of governance for the WRA System (as defined herein) currently being operated by the Des Moines Metropolitan Wastewater Reclamation Authority (the "WRA") under the terms of the I.C.A. Agreement; and

WHEREAS, the City of Norwalk and the Greenfield Plaza/Hills of Coventry Sanitary District desire to participate with the Constituent Communities in the joint acquisition, ownership, expansion, upgrading and operation of the WRA System under the terms of this new Agreement; and

WHEREAS, the Constituent Communities, the City of Norwalk and the Greenfield Plaza/Hills of Coventry Sanitary District (hereinafter referred to collectively as the "Participating Communities") have agreed that the I.C.A. Agreement shall terminate on the Effective Date of this Agreement, and that from and after the Effective Date the terms of this Agreement shall be given effect and govern the matters set forth herein.

NOW, THEREFORE, THE PARTICIPATING COMMUNITIES AGREE AS FOLLOWS:

ARTICLE I. DEFINITIONS

Section 1. Definitions. For purposes of this Agreement, the following words and phrases shall have the following meanings:

- (a) "Acquisition Date" shall mean the date that the WRA acquires, through issuance of Bonds by the Board, all rights to the use, operation and maintenance of the existing WRF and WRA conveyance facilities from the Participating Communities, described in Article VI hereof.
- (b) "Agreement" shall mean this Amended and Restated WRA Agreement, as the same may be amended and supplemented from time to time.
- (c) "Appeal Committee" shall mean the committee established under the provisions of Article V, Section 3, of this Agreement.

- (d) "Board" shall mean the board of the WRA, being the successor to the Management Agency created under the I.C.A. Agreement.
- (e) "Bonds" shall mean any and all bonds, notes, loan or lease agreements, interim obligations, or other obligations issued by the WRA as authorized under Chapter 28F of the Code or any other applicable provision of law, to acquire and construct the Improvements to the WRA System.
- (f) "Code" shall mean the Code of Iowa, 2003, as the same may be amended and supplemented from time to time.
- (g) "Core Communities" shall mean the Cities of Altoona, Ankeny, Bondurant, Clive, Des Moines, Johnston, Norwalk, Pleasant Hill and West Des Moines, Polk County, Warren County, Greenfield Plaza/Hills of Coventry Sanitary District, Urbandale Sanitary Sewer District and Urbandale-Windsor Heights Sanitary District.
- (h) "Core Improvements" shall mean those infrastructure improvements undertaken as authorized in this Agreement to the core of the existing WRA System, including treatment plant, existing interceptors, pump stations, key combined sewers and flow equalization facilities. The Core Improvements expected to be undertaken by the Participating Communities under the terms of this Agreement are described in Article VII, Section 1 hereof and in Exhibits 3 through 13 attached hereto and made a part hereof. It is recognized and agreed that the Board may determine, as provided in Article VII, Section 4, to undertake additional Improvements to the existing WRA System and classify the same as being Core Improvements.
- (i) "Debt Service" shall mean the aggregate annual principal (whether at maturity or pursuant to sinking fund redemption requirements), interest and other payments (including liquidity charges, letter of credit fees, auction agent and remarketing fees and broker-dealer fees) to be made by a Participating Community on outstanding Bonds or Refunding Bonds for the period or periods in question; provided however, that payments on Bonds which have been advance refunded and defeased shall be excluded, as shall payments on Bonds which are to be made from capitalized interest or other funds escrowed or deposited with a third party. If the WRA shall issue variable rate Bonds, there shall be taken into account in determining Debt Service the amount of principal and interest payable in the current year, assuming that the interest rate for a whole year on such variable rate Bonds

is the rate the Board determines to be appropriate for that purpose and applying such rate on a consistent basis.

- (j) "Effective Date" shall mean July 1, 2004.
- (k) "Expansion Communities" shall mean the Cities of Altoona, Ankeny, Bondurant, Clive, Norwalk and West Des Moines, Warren County, and Urbandale Sanitary Sewer District, as well as any other newly connecting communities that subsequently become Participating Communities hereunder.
- (l) "Expansion Improvements" shall mean those infrastructure improvements undertaken to provide additional capacity relating to expansion of Participating Communities or extension of sewer service to newly connecting communities. The Expansion Improvements expected to be undertaken by the Participating Communities under the terms of this Agreement are described in Article VII, Section 2 hereof and in Exhibits 14 through 26 attached hereto and made a part hereof. It is recognized and agreed that the Board may determine, as provided in Article VII, Section 4 hereof, to undertake additional Improvements to expand or extend sanitary sewer service and to classify the same as being Expansion Improvements.
- (m) "I.C.A. Agreement" shall mean, collectively, the I.C.A. Agreement dated February 19, 1979, the Addendum thereto, and the First, Second, Third, Fourth, Fifth and Sixth Supplements thereto.
- (n) "IDNR" shall mean the Iowa Department of Natural Resources, or any successor to the same.
- (o) "Improvements" shall mean the Core Improvements, Expansion Improvements, Southwest Area Diversion Project and any other Improvements to the WRA System constructed or acquired under Article VII, Section 4 of this Agreement.
- (p) "Interest Rate Agreement" means an interest rate swap, cap, collar, floor, forward, option, put, call or other agreement, arrangement or security however denominated, entered into by the Board in order to hedge interest rate fluctuations on any of the Bonds or Refunding Bonds or to provide debt management by changing payments to be made by the WRA with respect to any of the Bonds or Refunding Bonds with a goal of achieving lower interest costs or reducing interest risk.

- (q) "Local Obligations" shall mean any sewer revenue bonds or notes issued by a Participating Community for non-WRA projects.
- (r) "Nominating Committee" shall mean the committee established under the provisions of Article V, Section 1 of this Agreement.
- (s) "NPDES Permit" shall mean the permits required to operate the WRF under the federal National Pollutant Discharge Elimination System regulations.
- (t) "Operating Contractor" shall initially mean the City of Des Moines, acting under the contract approved by the Board as described in Article VIII hereof, and thereafter such other public or private agency selected by the Board for the purposes of operating and maintaining the WRA System and providing such other services as the Board shall determine to be appropriate.
- (u) "Outstanding Obligations" shall mean all sewer revenue bonds and SRF loan agreements issued by the City of Des Moines under the I.C.A. Agreement that remain outstanding on the Effective Date of this Agreement.
- (v) "Participating Communities" shall mean the Cities of Altoona, Ankeny, Bondurant, Clive, Des Moines, Johnston, Norwalk, Pleasant Hill and West Des Moines, and Polk County, Warren County, the Urbandale Sanitary Sewer District, the Urbandale-Windsor Heights Sanitary District and the Greenfield Plaza/Hills of Coventry Sanitary District, together with any other cities, counties, or sanitary districts that become Participating Communities under the provisions of this Agreement.
- (w) "Refunding Bonds" shall mean any bonds, notes, loan agreements or other obligations issued by the WRA for the purposes of refunding any of the Bonds under the provisions of Article XIII, Section 2(b) hereof.
- (x) "Renewal and Replacement Fund" shall mean the reserve fund maintained by the Board to pay the costs of extraordinary expenses or repairs, renewals and replacements not included in the annual WRA budget, payments due for any property purchased as part of the WRA System, and for capital improvements to the WRA System, which fund is expected to be funded and maintained in the amount of \$10 million or such other amount as may be determined by the Board.

- (y) "Southwest Area Diversion Project" shall mean those infrastructure improvements described in Article VII, Section 3 hereof and in Exhibit 27 attached hereto and made a part hereof.
- (z) "Technical Committee" shall mean the committee established under the provisions of Article V of this Agreement.
- (aa) "WRA" shall mean the Des Moines Metropolitan Wastewater Reclamation Authority established and operating as described in this Agreement.
- (bb) "WRA Flows" shall mean the total metered flows of the Participating Communities to the WRF and to any other wastewater treatment facility during the immediate prior calendar year, or estimated flows to such facilities where no prior metered flows exist or where insufficient metered flows data is available, as determined by the Technical Committee.
- (cc) "WRA System" shall mean and include the WRF, all WRA sanitary sewer conveyance facilities and all properties of every nature hereinafter owned by the WRA and comprising part of or used as a part of the WRA System, including all wastewater treatment facilities, storage facilities, pumping stations, sanitary sewer extensions, force mains and all related property and improvements and extensions to the same, all real and personal property of the WRA and all appurtenances, contracts, leases, franchises and other intangibles of the WRA. The "WRA System" does not include any of the local sanitary sewer collection system facilities maintained by the Participating Communities.
- (dd) "WRF" shall mean the Wastewater Reclamation Facility located generally at 3000 Vandalia Road, Des Moines, Iowa, as the same may be expanded or improved in the future.
- (ee) "WRF Flows" shall mean the total metered flows of the Participating Communities to the WRF during the immediate prior calendar year, or estimated flows to the WRF where no prior metered flows exist or where insufficient metered flow data is available, as determined by the Technical Committee.

ARTICLE II. PURPOSE AND STATUS AS LEGAL ENTITY

Section 1. Purpose. This Agreement is an amendment and restatement of the I.C.A. Agreement, and is intended to provide for the continuation and expansion of the joint project commenced under the I.C.A. Agreement under a "two-tier" utility model of governance, and to provide for a means of jointly constructing Improvements to expand, upgrade, maintain and extend the WRA System in the future.

Section 2. Status as Legal Entity. Pursuant to Sections 28E.5 and 28F.1 of the Code, the WRA shall be constituted as a separate legal entity, governed by the Board and to be known as the "Des Moines Metropolitan Wastewater Reclamation Authority" or the "WRA". As so constituted, the entity shall be both a corporation and a political subdivision, and it may sue and be sued, contract, acquire and hold real and personal property necessary for its corporate purposes, adopt a corporate seal and alter the seal at its pleasure and execute all the powers conferred in Chapters 28E and 28F of the Code or any successor laws.

ARTICLE III. ORGANIZATION OF BOARD

Section 1. Governing Body. The WRA shall be governed in all matters by the Board established in this Article.

Section 2. Composition. (a) Each representative of a Participating Community on the Board shall be a member of its governing body, or other person appointed by the mayor or chair of the governing body and approved by such governing body. The governing body of a Participating Community may similarly appoint an alternate or alternates on a temporary or permanent basis, as a Participating Community shall determine.

(b) Each Participating Community shall be entitled to one representative on the Board, plus either: (a) one additional representative for each 25,000 population or fraction thereof over the first 25,000 as shown by the most recent U.S. census; or, in the alternative, (b) such additional number of representatives, not to exceed one for each 25,000 population or fraction thereof over the first 25,000, similarly determined, as the governing body thereof shall establish by resolution and certify to the Board. For purposes of the foregoing, the applicable populations will be determined by reference to population data from the most recent U.S. Census, regular or special, for the actual population of a city, sanitary sewer district, or defined service area of a county. Population shall be considered without regard to the sewer status of individual properties, so long as some portion of the service area is connected to a centralized sewer system.

Commercial and industrial users do not affect the determination of the applicable population. In the case of sanitary districts and the defined service areas of counties, the populations thereof shall be determined by reference to population data from the most recent U.S. Census, regular or special, for those census tracts situated wholly or partially within the boundaries of the district or the defined service area of the county.

(c) In January of each year (or upon the admission of a newly connecting community as a Participating Community), the Technical Committee shall review the most recently available census data for each Participating Community and shall report to the Board the population of each city that is a Participating Community and the population of each census tract situated wholly within a sanitary district or defined service area of a county that is a Participating Community. As to census tracts situated partially within a sanitary district or defined service area of a county, the Technical Committee shall estimate the population thereof within the district or defined service area, utilizing a methodology approved by the Board, and shall report such estimate to the Board. The Technical Committee also shall recommend a proportional assignment of the total population of each Participating Community to each of the Board representatives to which the Participating Community is entitled, for purposes of determining the result of a population weighted vote called under Section 3(b) of this Article. Upon Board approval of the population data and proportional assignments to Board representatives, such populations and proportional assignments shall be binding on all Participating Communities in determining Board representation and population weighted votes during that calendar year.

(d) All representatives who are elected officials of Participating Communities shall serve during the time they hold office entitling them to such representative status, unless terminated by resolution of the Participating Community so represented. All representatives who are not elected officials of the Participating Community shall serve at the pleasure of their governing body and until their appointment is terminated by resolution of the Participating Community so represented.

(e) During November of each year, the Secretary of the Board shall contact the governing body of each Participating Community to request the names of each Participating Community's representative(s) and alternate(s) to serve on the Board for the upcoming calendar year, not to exceed the total number of representatives for a Participating Community as determined in subsection (b) above. The appointment of representatives and alternates to the Board shall be approved by the governing bodies of the Participating Communities, which appointments shall be certified to the Board before the annual meeting of the Board in January of each year.

Section 3. Voting. (a) In the ordinary conduct of the Board's business, each representative on the Board will have one vote, and the majority vote of those representatives present and voting shall decide such matters. Notwithstanding the foregoing, however, if the representative of a Participating Community does not represent an underlying service area population, the representative shall not be considered a voting member of the Board on any matter. In such a case, the representative may participate in discussion, but shall not make or second a motion or cast a vote on any matter to come before the Board.

(b) At any time on any question before the Board, any Participating Community represented at that meeting may request a population weighted vote, whereupon the vote on that item will automatically be continued to the next regularly scheduled or specially called meeting of the Board, and notice of the impending population weighted vote will be given in the agenda for that meeting. At such meeting, the decision on the question that is the subject of the population weighted vote shall be determined by the side of the question compiling the highest total population number, utilizing for this purpose the population numbers assigned under Section 2(c) of this Article to the Board representatives of each Participating Community (or, where applicable, their appointed alternates) who are present at such meeting and voting thereon.

(c) The Chair, or in the Chair's absence, the Vice Chair of the Board, may vote and participate in discussion, but shall not make or second a motion.

Section 4. Officers. (a) The officers of the Board shall be the Chair, the Vice Chair and the Secretary, each of whom shall be elected by vote of the Board.

(b) The Chair shall preside at all meetings of the Board. The Chair shall sign any instruments which the Board has authorized to be executed, except in cases where the signing of instruments shall be required by law or protocol to be otherwise signed or executed.

(c) In the absence of the Chair, or in the event of the death, inability to act or refusal to act by the Chair, the Vice Chair shall perform the duties of the Chair, and when so acting, shall have all the powers of and be subject to all the restrictions upon that office.

(d) The Secretary shall have responsibility for (i) the taking and preservation of minutes of the proceedings of the Board, (ii) the giving of all notices in accordance with this Agreement or any bylaws, or as otherwise directed by the Board or required by law, (iii) acting as custodian of the records of the WRA and (iv) keeping a current registry of

the names and addresses of the members of the governing body of each Participating Community, and of each Participating Community's principal officers and Board representatives and alternates. With the approval of the Board, the foregoing secretarial duties may be performed by or with the assistance of the Operating Contractor and its staff.

(e) The officers of the Board shall be elected annually by and from the representatives of the Participating Communities present at the annual meeting of the Board. The Nominating Committee shall select and offer nominations for each office at the annual meeting. Nominations shall also be accepted from the representatives present at the annual meeting. All nominees, including those offered by the Nominating Committee, must receive a second in order to be considered a candidate and voted on for office.

(f) Each officer shall hold office until his or her successor has been duly elected. Alternates shall not be eligible to serve as officers. Each of the officers shall be from different Participating Communities. A vacancy in the office of Chair, Vice-Chair or Secretary shall be filled by the Board for the unexpired portion of the term.

Section 5. Meetings. (a) Regular meetings shall be held at least monthly at the place, day and hour set forth in a schedule of regular meetings for the following year that is approved by the Board by no later than the last meeting in December of each year. The annual meeting shall be the first regular meeting held in January of each year. A copy of the agenda and all materials to be considered at the meeting shall be mailed or delivered to the designated representative(s) of each Participating Community and the elected official and/or administrator designated by each Participating Community, at least four (4) days prior to the meeting, or as may otherwise be set forth in the bylaws.

(b) Special meetings of the Board, for any purpose or purposes not inconsistent with this Agreement, may be called by the Chair and shall be called by the Chair at the request of any two Participating Communities. The notice requirements of subsection (a) shall apply to all special meetings.

(c) All meetings of the Board shall be conducted in compliance with Chapter 21 of the Code or any successor laws, as the same may be amended or supplemented in the future, and in general accordance with Robert's Rules of Order.

(d) The presence of a majority of Board representatives shall constitute a quorum. A quorum is required to be present to convene a meeting of the Board and for the conduct of its business. The Chair shall determine whether a quorum exists, shall cause the names of all representatives present to be entered into the meeting minutes, and shall call the meeting to order if a quorum exists.

Section 6. Bylaws. The Board may adopt bylaws relating to the notice and conduct of its meetings and those of any committees it shall establish. Such bylaws may be adopted, and may be amended or repealed, by a majority vote of the Board taken at any regularly scheduled or specially called meeting as described in Article III, Section 3 hereof, provided that such bylaws or proposed amendment or repeal of such bylaws, was presented in writing at a prior regular meeting of the Board, and provided that notice of the impending vote thereon is contained in the meeting notice and agenda of the meeting at which such vote is to be taken.

ARTICLE IV. POWERS OF BOARD

Section 1. Grant of Powers. The Board shall have and may exercise all of the powers granted by Chapters 28E and 28F of the Code or any successor laws, as the same may be amended and supplemented in the future, for the purpose of jointly acquiring and constructing the Improvements to expand, extend and upgrade the WRA System on behalf of the Participating Communities, to operate and maintain the same for the benefit of all Participating Communities, and to jointly finance the acquisition and construction of said Improvements through the issuance of Bonds or other obligations as may be authorized for such purposes. Without limiting the foregoing, the Board shall have all of the powers set forth in this Agreement, including the power to (i) approve its own budget, (ii) contract for services and/or employ such staff as it deems necessary, (iii) approve its own capital improvement program, (iv) define parameters and benchmarks for all services and (v) enter into agreements, contracts or other arrangements for the financing of all such Improvements, including the issuance of Bonds.

ARTICLE V. COMMITTEES

Section 1. Nominating Committee. A Nominating Committee is hereby established for the purpose of selecting and offering nominations for each office of the Board at the annual meeting in January. Members of the Nominating Committee shall be appointed by the Chair at a regular Board meeting held at least three (3) months prior to the annual meeting in January. The Nominating Committee shall be chaired by a representative elected by the other members of the Nominating Committee.

Section 2. Technical Committee. A Technical Committee is hereby established and shall be chaired by a representative elected by the voting members of the Technical Committee. The Technical Committee shall be comprised of one member appointed by each Participating Community who shall be an individual who is familiar with the WRA and local sewer systems, and who is not an elected official of the Participating Community. If a Participating Community is also the Operating Contractor, such Participating Community's representative shall represent the Participating Community. Each Participating Community may similarly appoint an alternate for its representative.

The Technical Committee shall include one representative appointed by the Operating Contractor to represent the Wastewater Reclamation Facility. Other representatives of the Operating Contractor shall not be considered members of the committee.

The Technical Committee shall meet in accordance with a meeting schedule approved by the Technical Committee, at the call of the chair or at the direction of the Board, to provide technical advice or recommendation to the Board, including (i) service area population estimates and allocations to Board representatives, (ii) annual updating of the reversionary ownership interests of Participating Communities, (iii) design flows for all Improvements to be constructed, (iv) capital contribution and surcharge payment amounts for newly connecting communities, (v) annual determination of community flows, including the accuracy of flow data and (vi) such other duties as may be assigned by the Board.

Section 3. Appeal Committee. An Appeal Committee may be established by the Chair for the purpose of hearing and deciding appeals of industrial permittees from decisions of the Operating Contractor with respect to the suspension or revocation of wastewater discharge permits on account of prohibited discharges. The Appeal Committee shall be comprised of a representative from the Participating Community where the discharge is or will occur, the Chair of the Board, and a Board representative from another Participating Community appointed by the Chair. In the event of the Chair's conflict of interest or unavailability, the Chair may appoint a Board representative from another Participating Community as a member of the Appeal Committee. If the Operating Contractor seeking the suspension or termination is then the City of Des Moines, the Board representative for the City of Des Moines shall not be appointed to serve on the Appeal Committee. Only one Board representative from a particular Participating Community may serve on the Appeal Committee.

The Appeal Committee shall decide all appeals by a majority vote of the members of the Appeal Committee. If the Appeal Committee affirms the action of the Operating

Contractor, thereby continuing the suspension or revocation, the Appeal Committee shall so state and order in its written decision, and a record shall be made of the proceedings of the Appeal Committee.

Section 4. Other Committees. The Board may, by resolution, designate two or more of its representatives to constitute a committee. Such committee shall, if authorized by resolution of the Board, provide advice and recommendations to the Board. The designation of such committee shall not operate to relieve the Board of any responsibility imposed by this Agreement. Meetings of such committees may be held at such time and place as the committee members may fix from time to time.

ARTICLE VI. ACQUISITION OF EXISTING FACILITIES AND TRANSFER OF ASSETS

Section 1. Acquisition of Existing Facilities. On the Acquisition Date, the WRA shall acquire all rights to the use, operation and maintenance of and beneficial interests in the WRF, the existing wastewater conveyance facilities described on Exhibit 1 hereto and all other physical assets, real property, easements, equipment, cash, investment securities and all other financial instruments then held in the name of or by the City of Des Moines or any other Participating Communities under the I.C.A. Agreement, and all such assets, rights and interests shall be deemed transferred to the WRA on the Acquisition Date. Upon request of the Board, legal titles to the same shall be transferred to the WRA by the City of Des Moines or any other Participating Community possessing the same by quit claim deed, bill of sale or other instrument of title as may be requested by the Board.

Section 2. Reversionary Interests in Transferred Assets. Each Participating Community shall retain reversionary interests equal to its current capacity ownership allocations in the assets, properties and interests transferred to the WRA on the Acquisition Date. A schedule of the current reversionary interests and capacity ownership allocations of the Participating Communities in the transferred assets is attached hereto as Exhibit 2 and made a part hereof, which schedule shall be updated annually as set forth in Article XIV, Section 2 hereof.

Section 3. Issuance of Bonds. On the Acquisition Date, Bonds shall be issued by the WRA under Article XIII hereof for the purpose of acquiring the foregoing rights and interests to the transferred assets. The Bonds shall be issued in an amount necessary to fully pay the principal of, premium, if any, and interest on the Outstanding Obligations to their respective dates of maturity or earlier redemption. Proceeds of the Bonds shall be placed in escrow by the City of Des Moines on the Acquisition Date, so as to defease all

of said Outstanding Obligations under the terms of the resolution authorizing their issuance. Payment of Debt Service on the Bonds issued to defease the Outstanding Obligations shall be allocated by the Board in the annual budgets of the WRA to the Participating Communities in the same percentages as the existing allocations of Debt Service under the I.C.A. Agreement, it being the intent of the Participating Communities to preserve the existing repayment allocations on those Bonds issued to effect a defeasance of the Outstanding Obligations. Notwithstanding the foregoing, with the consent of the holders of an Outstanding Obligation, the Board may assume the payment of principal and interest on the Outstanding Obligation in lieu of defeasing the same through the issuance of Bonds.

ARTICLE VII. CONSTRUCTION OF FUTURE IMPROVEMENTS.

Section 1. Construction of Core Improvements. The Board is hereby authorized and directed to undertake the construction of each of the Core Improvements, which shall generally consist of the following:

<u>Project</u>	<u>Description</u>	<u>Reference</u>
East 20th Street Trunk Connector - Phase I	Interceptor from WRF to City of Des Moines East 20th Trunk	Exhibit 3
Des Moines River Outlet	New combined sewer overflow, sewer crossing of Des Moines River and extension northerly along west side of Des Moines River to approximately Grand Avenue	Exhibit 4
Westside Pump Station Improvements	Improvements to increase capacity of Westside Pump Station to approximately 35 mgd"	Exhibit 5
WRF Emissions Control Improvements	Improvements to improve management of gaseous emissions at WRF	Exhibit 6
Ingersoll Run Combined Sewer Improvements	New Ingersoll Run Combined Sewer Overflow	Exhibit 7

WRF Gas Holding Improvements	New gas holding sphere and associated facilities at WRF	Exhibit 8
WRF Digester Mixing Improvements	Replacement of existing digester mixing system and associated improvement	Exhibit 9
Combined Sewer Solids Separation Facility	New treatment facility to provide solids separation for combined sewer flow from Main Outfall	Exhibit 10
East 20th Street Trunk Connector Phase 2 and 3	Extension of East 20th Trunk westerly to east side of Des Moines River	Exhibit 11
WRF Nutrient Removal	Improvements to reduce effluent nutrient levels to meet anticipated regulatory requirements	Exhibit 12
Birdland Pump Station Replacement	New pump station to replace existing Birdland Pump Station	Exhibit 13

Attached to this Agreement as Exhibits 3 through 13 are schedules and maps illustrating the general location of each of the Core Improvements, the current estimated costs of constructing the Core Improvements and the anticipated year of construction. The costs of Debt Service on Bonds issued for the purpose of acquiring and constructing the Core Improvements shall be allocated to the Core Communities, as described in Article IX, Section 3 hereof.

Section 2. Construction of Expansion Improvements. The Board is hereby authorized and directed to undertake the construction of each of the Expansion Improvements, which shall generally consist of the following:

<u>Project</u>	<u>Description</u>	<u>Reference</u>
West Des Moines Outfall Improvements	Parallel outfall from Southwest Equalization Basin to 60th and Grand in West Des Moines	Exhibit 14

Four Mile Interceptor Extension	New interceptor sewer from Broadway Street to City of Ankeny Southeast Water Pollution Control Plant	Exhibit 15
Little Four Mile Interceptor Extension	Interceptor sewer from east side of Highway 65 to Altoona wastewater treatment plant	Exhibit 16
Middle Creek Trunk Sewer Extension	Trunk sewer from east of Highway 28 westerly along Middle Creek	Exhibit 17
West Des Moines Outfall Extension	Outfall sewer from 60th and Grand Avenue in West Des Moines westerly to Sugar Creek and northwesterly along Sugar Creek to approximately Interstate 80	Exhibit 18
Four Mile Interceptor Improvements	Parallel interceptor from WRF to Broadway Street	Exhibit 19
Little Four Mile Interceptor Extension - South Branch	Trunk sewer from east side of Highway 65 easterly along NE 27th Avenue corridor to westerly of NE 88th Street	Exhibit 20
Mud Creek Interceptor Improvements	Lift station on Mud Creek near NE 27th Avenue with force main westerly to NE 88th Street and interceptor northerly to Bondurant wastewater treatment plant	Exhibit 21
Common Trunk Improvements	Parallel interceptor from Southwest Equalization Basin to 73rd Street south of University Avenue	Exhibit 22
Joint Trunk Sewer Improvements	Parallel trunk sewer from 73rd Street south of University Avenue to approximately 142nd Street and Douglas Parkway	Exhibit 23

Southern Tier Interceptor - Eastern Phase	Parallel interceptor along Southern Tier Interceptor east of Highway 69	Exhibit 24
Southern Tier Pump Station and Force Main	Increase capacity of Southern Tier Interceptor Pump Station and construction of parallel force main	Exhibit 25
Southern Tier Interceptor - Western Phase	Parallel interceptor from Southern Tier Pump Station to east side of Highway 28	Exhibit 26

Attached to this Agreement as Exhibits 14 through 26 are schedules and maps illustrating the general location of each of the Expansion Improvements, the current estimated costs of constructing the Expansion Improvements and the anticipated year of construction. The costs of Debt Service on Bonds issued for the purpose of acquiring and constructing the Expansion Improvements shall be borne by the Expansion Communities, as described in Article IX, Section 3 hereof.

Section 3. Construction of Southwest Area Diversion Project. The Board is authorized and directed to undertake the construction of the Southwest Area Diversion Project, which shall generally consist of the following:

New pump station at Southwest Equalization Basin, force main and gravity sewer southerly to North River basin, conversion of Norwalk wastewater treatment plant to equalization basin and new interceptor along North River from equalization basin to Southern Tier Interceptor Pump Station	Exhibit 27
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Attached to this Agreement as Exhibit 27 is a schedule and map illustrating the general location of the Southwest Area Diversion Project, the current estimated costs of constructing the Southwest Area Diversion Project and the anticipated year of construction. The costs of Debt Service on Bonds issued for the purposes of acquiring and constructing the Southwest Area Diversion Project shall be borne by the Core Communities and the Expansion Communities as described in Article IX, Section 3 hereof.

Section 4. Construction of Other Improvements. (a) In addition to the Core Improvements, Expansion Improvements and the Southwest Area Diversion Project, the Board is authorized to acquire and/or construct other necessary or desirable Improvements to the WRA System in order to maximize the capacity and performance of the WRA System facilities or to extend or provide regional sewer service to particular areas. The Board is authorized to classify any such additional Improvements as either a Core Improvement or an Expansion Improvement, and thereby to determine which of the Participating Communities shall pay Debt Service on Bonds issued to finance the acquisition and construction of the same and thereby acquire reversionary interests in the same. In those instances where the Board determines that an Improvement cannot reasonably be classified as either a Core Improvement or an Expansion Improvement, the Board may create a separate classification for the same and determine which of the Participating Communities shall pay Debt Service on Bonds issued to finance the acquisition and construction of the same and thereby acquire reversionary interests in the same.

(b) The Participating Communities recognize and agree that their classification as either a Core Community or an Expansion Community under this Agreement serves to obligate them to finance the acquisition and construction of the Core Improvements and Expansion Improvements, respectively, as well as the Southwest Area Diversion Project and any other Improvements designated by the Board as described in subsection (a) hereof, to the extent of the Bond financing authorized in Article XIII. In connection with a future amendment of this Agreement, the Participating Communities may determine to modify such classifications for purposes of constructing Improvements beyond those contemplated by this Agreement.

(c) Any Participating Community classified as a Core Community for purposes of this Agreement may acquire design flow capacity and a proportionate reversionary interest in any Expansion Improvement undertaken in accordance with this Agreement. In such event, the requesting Core Community shall notify the Board in writing of its intention to participate in an Expansion Improvement, which notice must be received prior to Board approval of the plans and specifications for the Expansion Improvement. The requesting Core Community shall be responsible for a proportionate share of the costs of acquiring and constructing such Expansion Improvement, based on the proportion of its design flow allocation to the total design flow of each project segment of the Expansion Improvement in which the Core Community desires to participate, or such other fixed cost share as the applicable Expansion Communities may determine and be approved by the Board. The requesting Core Community shall pay all such costs at such times and in such amounts as shall be determined by the Board, it being the intention of the Participating Communities not to utilize Bond financing authorized in Article XIII for such purposes.

(d) Notwithstanding anything in this Agreement to the contrary, any one or more Participating Communities may determine to undertake sanitary sewer improvements or extensions on their own, under such terms as they shall agree upon. Any such improvements shall not be financed as provided in Article XIII of this Agreement or considered part of the WRA System unless and until accepted by the Board, in its sole discretion.

Section 5. Permitted Adjustments. Given the necessity for accommodating circumstances relating to particular projects as they arise, the Board shall have discretion to adjust the timing, sequence of construction, scope and location of all Improvements contemplated by this Agreement, and to approve plans and specifications, cost estimates, schedules of construction and cost allocations that differ from those set forth or described in this Agreement or the Exhibits hereto, so long as the level of sanitary sewer service to be provided to those areas is not materially different from that contemplated by the Core Improvements, the Expansion Improvements and the Southwest Area Diversion Project. In conjunction with a request by a Participating Community to advance the schedule for construction of an Improvement from the date set forth on the applicable Exhibit to this Agreement, the Board may require such Participating Community to provide interim funding to the WRA in amounts and at the times deemed necessary by the Board to complete the design and construction of the Improvement without the issuance of Bonds, so long as the WRA agrees to reimburse the Participating Community for the amounts so advanced on terms acceptable to the Board and the Participating Community.

Section 6. Reversionary Interests in New Construction. All rights to the use, operation and maintenance of all Improvements constructed under the terms of this Agreement shall be and hereby are granted to and shall be held by the WRA. Subject to Article XII and the right of newly connecting communities to acquire reversionary interests in Improvements, each Participating Community shall retain a reversionary ownership interest in the Improvements constructed under this Agreement equal to the ownership interests allocated to them for each project segment in the course of establishing the design flows for the Improvements. Reversionary ownership interests to any Improvements made to the WRF shall be identical to the then current ownership shares held by the Participating Communities in the WRF as reflected in Exhibit 2 hereto or any subsequent updating of the same.

Section 7. Recommended Design Flows. The Technical Committee shall meet and determine appropriate design flows for all improvements to be constructed under this Agreement, taking into account the needs of the affected Participating Communities and the desire to optimize the performance of the WRA System. The recommendations of the Technical Committee with respect to the design flows shall be presented to the Board and

shall, upon Board approval, be included in the plans and specifications for the particular Improvements involved.

Section 8. Contracts for Construction. All contracts for construction of Improvements under this Agreement shall be considered and entered into by the Board, on behalf of the WRA and the Participating Communities, in accordance with applicable provisions of Iowa law.

ARTICLE VIII. OPERATION AND MAINTENANCE RESPONSIBILITIES.

Section 1. Board Responsibilities for Operation and Maintenance. The Board shall operate and maintain all WRA System facilities for the benefit of all Participating Communities. It is recognized that there are costs of the workforce, equipment, supplies, repairs, reserves, replacements and additions of equipment, management costs, legal and engineering costs, audit costs, insurance, claims, expenses (including costs and penalties) incurred by reason of Federal and State laws, regulations and requirements and other costs fairly and reasonably attributable to the operation and maintenance of the WRF and the WRA System. All WRA System facilities shall be operated in such a way as to maximize the capacity and performance of the same, and to accommodate the wastewater flows from each Participating Community. It is recognized and agreed that the Board may establish peak flow limitations and surcharges for excess peaking flow or infiltration/inflow, and impose the same on any Participating Community responsible for the same, and also may provide incentives to Participating Communities that reduce their flow levels.

Section 2. Staff and Contracts. In fulfilling its responsibilities, the Board may determine to employ such staff for such purposes and on such terms as it determines to be necessary or appropriate, and may contract with third parties for all necessary or desirable services, including operating services, and may define and enforce applicable parameters and benchmarks for the same. The City of Des Moines shall be the initial Operating Contractor and shall provide for performance of the following services on behalf of the WRA as provided in the Initial Operating Contract dated as of the Effective Date between the WRA and the City of Des Moines:

(a) Operation, maintenance and development of the WRF and the WRA System facilities, including all Improvements; preparation of a capital improvement program for the WRA with assistance of Technical Committee; procurement of consultant proposals for Board approval; procurement of competitive bids for WRA improvement projects for award by Board; management of WRA improvement projects; processing of consultant and contractor pay requests for Board approval.

(b) Operation of a pretreatment program directed at preventing the introduction of pollutants into the WRF by commercial and industrial wastewater contributors located in the Participating Communities, as required by state and federal law and regulation.

(c) Finance services, including preparation of WRA budget for Board approval; administration of approved WRA budget and annual auditing of WRA revenues and expenditures, including reports required by the Board; payment of bills and payroll; making and maintaining WRA investments.

(d) Engineering services, including development of plans and specifications for minor or emergency projects; preparation of bid documents and contracts for WRA capital improvement projects; preparation of request for qualifications/proposals for consultant services; consultant agreement monitoring and administration; provision of project management services by WRF staff personnel; provision of construction management and inspection including pay requests and project close-out by staff personnel or by contract with a third party; preparation of Board proceedings associated with WRA improvement projects including the capital improvement plan; acquisition of property for WRA improvement projects.

(e) Legal services including drafting and/or review of WRA contracts for Board action; legal review of real estate acquisition documents including initiation of eminent domain proceedings; issuance of legal opinions at the request of operating contractor or the Board; provision of legal advice and representation and issuance of legal opinions upon request of the operating contractor and/or the Board regarding WRA operations and activities, including state and federal regulations; defense or initiation of lawsuits involving the WRA and provision of strategic legal advice, as requested by the Board; defense of workers compensation claims.

(f) Human resources services, including administration of pay and benefits and employment (union) contracts for Operating Contractor employees who work in support of WRF and WRA conveyance facilities and for Board employees, if any.

(g) Information Technology services, including procurement, installation and maintenance of computer hardware, peripherals and applications.

(h) Administrative/secretarial services for the Board and for the Board Chair and Secretary, including the keeping of Board meeting minutes; preparing and sending out Board meeting notices, meeting agendas and meeting minutes; maintaining information regarding the Participating Communities and their representatives; preparing and sending out notices concerning the appointment of Participating Community

representatives; and maintenance of a WRA website containing information concerning Board meetings, Participating Community information, WRA activities and status of WRA projects.

(i) Secretarial and staff support services to the Technical Committee, including the keeping of Committee meeting minutes; preparing and sending out Committee meeting notices, meeting agendas and meeting minutes; providing staff support in the annual calculation of reversionary interests of Participating Communities and in determining the appropriate allocation among Participating Communities of surcharges paid by newly connecting communities.

Subsequent operating contracts may include any or all of the above listed services. Services not contracted for in subsequent operating contracts may, at the Board's discretion, be performed by Board staff and/or by other parties under separate contract or contracts.

ARTICLE IX. BUDGET

Section 1. Fiscal Year. The WRA shall operate on the same fiscal year as a city under Iowa law.

Section 2. Schedule for Budget Preparation. Each year the Board shall cause there to be prepared and submitted to the Board and to the Participating Communities a proposed preliminary WRA budget for the next fiscal year. The preliminary WRA budget shall include, among other things, (i) a calculation of the annual operating cost shares (including amounts for all reserves to be funded) and Debt Service allocated to each Participating Community as provided in this Agreement and (ii) a comparison of the budgeted and actual WRA expenditures for the current fiscal year. The Board shall establish the date, time and place for a hearing on the proposed WRA budget before the Board, and each Participating Community shall be notified thereof in writing not less than thirty days prior to the hearing. Upon the request of any Participating Community, the Board shall make available such reasonably accessible information, schedules, comparisons and analysis as may be deemed reasonably necessary by such Participating Community in order to fully analyze the proposed WRA budget.

Section 3. Allocation of Annual Budget Shares. In each annual WRA budget, the annual budgeted costs of operation and maintenance (including but not limited to administrative expense, flow monitoring, industrial pretreatment, and additions to the Renewal and Replacement Fund and the reserves for operating and working capital, and

insurance and claims) and Debt Service shall be allocated to the Participating Communities as follows:

(a) The cost of operation and maintenance of WRA System facilities, including general WRA administration, operation of flow meters, administration of the industrial pretreatment program, and the reserves for insurance and claims, shall be allocated to the Participating Communities on the basis of WRF Flows.

(b) The costs of funding such other reserves as the Board shall determine to be necessary, including the Renewal and Replacement Fund, operating and working capital reserves necessary to maintain cash flow and liquidity, and reserves established for the purpose of paying Debt Service on any series of Bonds or Refunding Bonds or securing the payment thereof, shall be allocated to the Participating Communities on the basis of WRA Flows.

(c) The costs of Debt Service on Bonds issued under Article VI, Section 3 of this Agreement shall be allocated to the Participating Communities in the same percentages as the existing allocations of Debt Service under the I.C.A. Agreement.

(d) The costs of Debt Service on Bonds or Refunding Bonds issued under this Agreement to finance the acquisition or construction of Core Improvements shall be allocated to the Core Communities on the basis of the WRA Flows of the Core Communities.

(e) The costs of Debt Service on Bonds or Refunding Bonds issued under this Agreement to finance the acquisition or construction of Expansion Improvements shall be allocated to the Expansion Communities on the basis of the WRA Flows of the Expansion Communities.

(f) The costs of Debt Service on Bonds or Refunding Bonds issued under this Agreement to finance the acquisition or construction of the Southwest Area Diversion Project shall be allocated as follows: two-thirds of the cost shall be allocated to the Core Communities on the basis of the WRA Flows of such Core Communities and one-third of the cost shall be allocated to the Expansion Communities on the basis of the total WRA Flows of the Expansion Communities, except the portion of the cost normally allocated to the City of Clive as an Expansion Community shall be allocated to the Urbandale-Windsor Heights Sanitary District.

(g) The costs of Debt Service on Bonds or Refunding Bonds issued under this Agreement to finance the acquisition or construction of any other Improvements that are classified separately by the Board as being other than a Core Improvement or an

Expansion Improvement under this Agreement (as authorized in Article VII, Section 4 hereof) shall be allocated to those Participating Communities designated by the Board to pay for and acquire reversionary interests in the same on the basis of the WRA Flows of such Participating Communities.

(h) Any additional costs for major capital improvement projects initiated prior to July 1, 2004 and funded through the budget shall be allocated to the Participating Communities in the same percentages as the existing allocation of major capital improvement projects under the I.C.A. agreement.

(i) If actual expenses for operation and maintenance of the WRA System facilities for any year (based on the audited financial statements) differ from the budgeted amount allocated to the Participating Communities for that year, the difference between the actual and budgeted amount shall be credited or charged to the Participating Communities on the basis of WRF Flows in the next budget year.

Section 4. Rate Stabilization. Notwithstanding Section 3 above, the Board may determine at any time to implement a system of rate stabilization for purposes of determining the annual allocated cost shares that are derived from metered flows as described in Section 3, and utilize a multi-year average of metered flows in lieu of those attributable to the immediate prior calendar year in determining the annual cost shares. Any such system of rate stabilization shall be implemented or discontinued at the beginning of a fiscal year and shall be approved in connection with the approval of a WRA budget for that fiscal year.

Section 5. Budget Hearing. At or before the hearing on the WRA budget, any Participating Community may file with the Secretary of the Board such objections as it deems appropriate and at such hearing may appear and present such information as it desires in support of its objections. The Board shall consider all such objections and upon the termination of the hearing may, but need not, modify the budget, and shall thereafter adopt the budget as submitted or as modified; provided, however, that final action on the budget shall occur each year by no later than May 1st. Absent such final action thereon by the Board on or before such date, the budget, including the allocation of cost shares, shall be deemed adopted as of such date, subject to any modifications previously approved by the Board.

Section 6. Arbitration. (a) Any Participating Community may request arbitration of the budget or any part thereof as adopted or deemed adopted by the Board, so long as such request is filed with the Board within ten days following the date of approval or deemed approval of the budget by the Board. Such request shall also be sent by registered or certified mail to the American Arbitration Association, Chicago, Illinois

("AAA") and to each of the Participating Communities to whom an annual cost share of the budget has been allocated. That part of the budget or allocation so specified in the request for arbitration shall then proceed to arbitration under the rules of the AAA and the decision of the arbitrator shall be final and binding upon all parties. In each instance, the Participating Community objecting to the budget shall have the burden of establishing that each challenged allocation or budgeted expenditure was not calculated in accordance with this Agreement.

(b) The Participating Community requesting arbitration shall bear all the costs thereof unless the arbitrator determines that the item(s) for which arbitration was requested should be reduced or excluded or the allocation was not correctly calculated. In such case, the cost shall be deemed a WRA administration expense and allocated to all Participating Communities on the same basis as other administrative expenses.

(c) If the arbitrator does not make his or her decision by the beginning of the budget year, the Participating Communities shall make their payments to the WRA upon the basis of the adopted budget pending a decision by the arbitrator. If the budget is modified as a result of the arbitration, the Board shall credit or charge to each Participating Community any excess previously paid or additional amount due as a result of the arbitrator's decision, as applicable. If the cost share of a Participating Community is modified as a result of the arbitration, the Board shall credit or charge to that Participating Community any excess previously paid or additional amount due as a result of the arbitrator's decision, as applicable and shall adjust the cost shares of other Participating Communities accordingly. The arbitrator shall have the authority to direct and require the re-allocation or re-adjustment of budget items and/or allocation of cost shares to reflect the arbitrator's decisions.

Section 7. Imposition of Rates; Payments to WRA. Each Participating Community shall pay to the WRA, and for that purpose shall impose by ordinance such sewer rates and charges on contributors in its respective community sufficient in amount, together with other funds or sources of revenues appropriated for that purpose, to contribute on a monthly basis to the WRA during each fiscal year, (i) its allocated share of the operating budget and Debt Service on Bonds and Refunding Bonds as determined in accordance with this Agreement, and (ii) any surcharge payments imposed under Articles XI or XII hereof. The first such payment in each fiscal year shall be due to the WRA and be payable by each Participating Community on July 15, with succeeding payments being due to the WRA and payable by each Participating Community on the 1st day of each month thereafter. Each Participating Community shall establish, maintain and revise such rates and charges from time to time whenever necessary as will always provide each Participating Community with sufficient revenue, together with other funds or sources of revenues as may be appropriated for such purpose, as will produce at least

110% of the amount necessary to pay Debt Service and the principal and interest on all outstanding Local Obligations during the fiscal year. If such rates and charges are not paid by the users of the sanitary sewer facilities as so provided in the ordinance, each Participating Community shall promptly certify the unpaid amounts to the appropriate county for collection.

Section 8. Priority of Payment Obligations. (a) The obligation of each Participating Community to pay its allocated share of the WRA operating budget shall stand on a parity and equality of rank with respect to any prior pledge or covenant to fund operations and maintenance expenses made in connection with any other Local Obligations issued by the Participating Community.

(b) Each Participating Community shall treat its obligation to pay Debt Service under this Agreement as standing as nearly as practicable on a parity and equality of rank with respect to the lien and claim to the net revenues of the sanitary sewer utility of the Participating Community held by the holders of any other Local Obligations issued by the Participating Community, although it is recognized that such parity status may not be set forth in resolutions authorizing Local Obligations in all cases until currently outstanding Local Obligations are paid or discharged. Such parity status shall not extend, however, to any debt service reserve fund maintained by a Participating Community in respect of its Local Obligations. To that end, each Participating Community shall include provisions in any resolutions of its governing body authorizing the issuance of Local Obligations after the Effective Date of this Agreement to the effect that the obligation of the Participating Community to pay Debt Service under this Agreement shall have such parity status to the full extent authorized by the resolutions authorizing the currently outstanding Local Obligations.

(c) The financial officer of each Participating Community or, at the direction of the Board, an independent auditing firm selected by the Board and paid by the WRA, shall annually certify to the WRA, before the beginning of each fiscal year, to the effect that (i) the Participating Community has included the amount of its Debt Service obligation to the WRA for the coming fiscal year as an outstanding obligation for purposes of any applicable rate covenant made by the Participating Community for the benefit of the holders of any outstanding Local Obligations, (ii) the Participating Community has not issued any Local Obligations within the fiscal year then ending except on the basis set forth in subsection (b) above, and (iii) the Participating Community has imposed sufficient rates and charges or appropriated other funds in its budget for the next fiscal year sufficient in amount to timely pay its monthly payment obligations to the WRA during the next fiscal year.

Section 9. Payment Defaults. (a) In the event of a failure by a Participating Community to make any payment due to the WRA as required under this Agreement, which failure continues for a period of ten (10) days, the unpaid amount shall bear interest from the due date until paid at a rate equal to the then-prevailing prime rate in effect at a national banking association with an office in the city of Des Moines designated by the Board.

(b) If any failure by a Participating Community to make a required payment to the WRA continues for a period of thirty (30) days, the Board shall have the right to take any action at law or equity as may appear necessary or appropriate to collect the amounts then due and thereafter to become due under this Agreement, including but not limited to those actions seeking money damages, specific performance or the appointment of a receiver to take control of the operation and management of the sanitary sewer utility system of the Participating Community.

(c) In the event a payment default by a Participating Community results in the expenditure of debt service reserve funds being held as security for any series of Bonds or Refunding Bonds, the Board promptly shall order the imposition of a special charge upon the Participating Communities in the amount necessary to fully replenish the reserve funds so expended, which shall be allocated among the Participating Communities on the basis of WRA Flows. Each Participating Community shall pay its allocated amount of the special charge to the WRA within 90 days of the Board's action to impose the special charge. If, however, the Board determines that the defaulting Participating Community is unlikely to timely pay its allocated share of the amount necessary to fully replenish the reserve fund, the Board shall allocate the share of the defaulting Participating Community to the other Participating Communities that are not in default, on the basis of WRA Flows (excluding for this purpose the flows of the defaulting Participating Community). A defaulting Participating Community shall be obligated to repay the WRA all amounts imposed as special charges under this subsection (together with interest thereon at the rate set forth in subsection (a) above), which the WRA shall in turn credit to the monthly payment obligations of the Participating Communities (on the basis of the original WRA Flows used to impose the special charge) upon the WRA's receipt thereof.

ARTICLE X. FUNDS AND ACCOUNTS

Section 1. Funds and Investments. The Board shall establish and maintain appropriate funds and accounts for the purposes set forth in this Agreement including, but not limited to, separate accounts for operation and maintenance, administrative expenses, flow monitoring, industrial pretreatment, Debt Service on Bonds and Refunding Bonds

and reserves for operating and working capital, insurance and claims and the Renewal and Replacement Fund. All funds held by the Board shall be accounted for, managed and invested in compliance with Iowa law, including but not limited to Chapters 12B and 12C of the Code.

Section 2. Annual Audit. Annually the audit of the financial statements of the WRA shall be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and Chapter 11 of the Code. The annual audit shall be conducted by an independent auditing firm engaged by the Operating Contractor for that year, unless the Board determines and notifies the Operating Contractor, prior to June 30th of any year, that the WRA audit shall be conducted by another independent auditing firm selected by the Board. Following the receipt of the audit report, the Board shall deliver a copy of the same to the Participating Communities and may appoint an audit committee or schedule a meeting of the Board for the purpose of having representatives of the independent auditing firm submit an oral presentation of the audit and answer questions as may be posed to them.

ARTICLE XI. SURCHARGES FOR CERTAIN PARTICIPATING COMMUNITIES.

Section 1. Surcharges for Certain Participating Communities. It is recognized and agreed that the Cities of Ankeny, Bondurant and Norwalk have not previously utilized the WRF or other WRA System facilities to collect or treat their wastewater flows. As such, in lieu of any allocation of Debt Service for the Bonds issued under Article VI, Section 3 hereof, the Cities of Ankeny, Bondurant and Norwalk shall make capital contributions or surcharge payments to the WRA for their use of the WRF, in such amounts and on such dates as are set forth in the schedules attached to this Agreement as Exhibits 28 through 30. As the capital contribution or surcharge payments are paid, the Cities of Ankeny, Bondurant and Norwalk will acquire reversionary interests in the flow capacity and capital investment basis of the WRF, with such reversionary interests being equal to the applicable percentage set forth in Exhibits 28 through 30. Upon receipt by the WRA, the capital contributions or surcharge payments made by the Cities of Ankeny, Bondurant and Norwalk shall be credited to the monthly payment obligations of those Participating Communities having reversionary interests as of the Effective Date in the WRF in amounts equal to their capital contributions to such facilities (set forth in Exhibit 2).

ARTICLE XII. NEWLY CONNECTING COMMUNITIES

Section 1. Admission of Newly Connecting Communities. During the term of this Agreement, additional cities, counties or sanitary districts organized under Chapter 358 of the Code may be admitted to membership as a Participating Community, and thereby become entitled and subject to all of the benefits and obligations of this Agreement. Any newly connecting community may commence full participation in this Agreement as a Participating Community at the beginning of any fiscal year, upon Board approval and execution of a supplement to this Agreement prior to November 15th of the year preceding the fiscal year in which the newly connecting community would become a Participating Community. Any such supplement shall be signed by the Chair and the Secretary on behalf of the WRA and by authorized officers of the newly connecting community. Any such supplement shall (i) designate the newly connecting community as an Expansion Community for purposes of this Agreement, (ii) obligate the newly connecting community to comply with all of the provisions of this Agreement applicable to Participating Communities and (iii) contain such other terms and conditions as the Board shall determine to be appropriate in light of the service to be provided to the newly connecting community.

Section 2. Voting Rights. A newly connecting community shall be entitled to representation on the Board and the voting rights as provided in this Agreement, with such representation and voting rights to commence on the first day of the fiscal year in which the newly connecting community becomes a Participating Community under this Agreement.

Section 3. Budget Share Allocations. Upon becoming a Participating Community, a newly connecting community shall commence payments of the annual budget shares allocated to it in the WRA budget for that fiscal year and thereafter, as set forth in Article IX hereof. The Debt Service allocation for a newly connecting community, however, shall be based upon only those Bonds issued after the first day of the fiscal year in which the newly connecting community becomes a Participating Community, and the newly connecting community shall have no liability with respect to Debt Service on Bonds issued prior to said date. As set forth in Article IX, Section 3, Debt Service on Bonds issued under this Agreement after the date the newly connecting community becomes a Participating Community shall be allocated to said Participating Community on the basis of (i) its classification as an Expansion Community under this Agreement and (ii) the WRA Flows of the Expansion Communities.

Section 4. Capital Contribution. (a) Each newly connecting community shall make a capital contribution or surcharge payments to the WRA for its use of (i) the WRF, (ii) that portion of the WRA System constructed under the I.C.A. Agreement and (iii)

Improvements constructed under this Agreement, with such capital contribution or surcharge payments being paid in lieu of any liability for Debt Service on Bonds and Refunding Bonds issued prior to the date that the newly connecting community becomes a Participating Community. Upon receipt by the Board of a recommendation from the Technical Committee, the amount of the capital contribution or surcharge payments and the extent of the interests to be acquired shall be determined by the Board, and detailed in the supplement to this Agreement referred to in Section 1 of this Article. The Board may determine to accept a cash payment from the newly connecting community in respect of all or any portion of the required capital contribution, or may agree to a schedule of surcharge payments to be made by the newly connecting community over a period of years. As the capital contribution or surcharge payments are paid, the newly connecting community will acquire a reversionary interest in (i) the WRF and the WRA System facilities constructed under the I.C.A. Agreement for which a contribution or surcharge is required, in accordance with its capital investment basis, and (ii) Improvements constructed under this Agreement, except to the WRF, on the basis of the design flow shares assigned to the newly connecting community.

(b) All contributions or surcharge payments received by the WRA from a newly connecting community for a project constructed under the provisions of the I.C.A. Agreement shall be credited to the monthly payment obligations of the Participating Communities on the basis of their reversionary interests in each respective component of the WRA System facilities for which the contributions or surcharges were applicable based on the reversionary interest of each Participating Community at the time of admission of the newly connecting community. All contributions or surcharge payments received by the WRA from a newly connecting community for Improvements constructed under the provisions of this Agreement shall be credited to the monthly payment obligations of the Participating Communities based on the percentage of the project cost paid by each Participating Community in each respective component of the WRA System facilities at the time of admission. In each case, the Board shall determine the specific amounts to be so credited under this subsection upon receipt by the Board of a recommendation from the Technical Committee.

ARTICLE XIII. ISSUANCE OF BONDS

Section 1. Obligations and Use of Reserves Authorized. (a) As a means of financing the acquisition and construction of Improvements to expand, extend and upgrade the WRA System facilities described in this Agreement, the Board is authorized to issue its Bonds and Refunding Bonds under the authority of Chapter 28F of the Code, or as otherwise may be authorized by law from time to time for the purposes set forth in this Agreement.

(b) The Board also is authorized, in its sole discretion, to utilize existing WRA reserves or other available funds, not otherwise obligated or previously appropriated for another purpose, (i) to pay all or any portion of the costs associated with the acquisition or construction of any Core Improvements, in lieu of issuing Bonds for the same under this Agreement, and (ii) for the purpose of advancing, on a temporary basis, all or any portion of the costs associated with the acquisition or construction of any Improvements, with the intent of reimbursing such advanced funds with a subsequent issuance of Bonds.

Section 2. Consent to Issuance. (a) By their approval and execution of this Agreement, the Participating Communities hereby consent to and authorize the Board, pursuant to Section 28F.3 of the Code, to issue Bonds in the aggregate principal amount of not to exceed \$475,000,000 for the purposes of acquiring and constructing the Improvements contemplated by this Agreement. The Participating Communities further consent to and agree that such Bonds may be issued and sold by the Board in multiple series, at such times and from time to time over a period of years, in such amounts, to such purchasers and for such purposes, by either public or private sale, at fixed or variable rates of interest as shall be prevailing at the time of issuance of the Bonds, but which shall not exceed 15% in any event, with such covenants and terms and in such form and manner as the Board shall determine to be appropriate, in its sole discretion, and in accordance with the preliminary offering schedule set forth on Exhibit 31 to this Agreement. The Participating Communities further consent to and authorize the Board to adjust the principal amount or time of offering of any of the Bonds from the amounts and times set forth on said Exhibit 31 at the time of the sale and issuance of any series of the Bonds in order to respond to changes in the costs, schedule or sequence of construction of the Improvements contemplated by this Agreement, or to market conditions then prevailing, or to otherwise complete the sale on terms deemed advantageous by the Board under the circumstances then and there existing, so long as such modified terms are approved by the Board at the time of sale of the Bonds.

(b) In addition to the Bonds authorized in subsection (a) hereof, the Participating Communities hereby consent to and authorize the Board, pursuant to Section 28F.10 of the Code, to issue Refunding Bonds for the purpose of refunding or refinancing any of the Bonds during the term of this Agreement. Such Refunding Bonds may be issued and sold by the Board in multiple series, at such times and from time to time over a period of years, in such amounts, to such purchasers by either public or private sale, at such rates of interest as shall be prevailing at the time of issuance of the Refunding Bonds, but which shall not exceed 15% in any event, with such covenants and terms and for the purpose of refunding or refinancing such series of Bonds as the Board shall determine to be appropriate.

(c) To the extent permitted by law, the Board is authorized to and may enter into, amend or terminate, as it determines to be necessary or appropriate, Interest Rate Agreements or other contracts entered into for the benefit of the WRA or for the benefit of any of the holders of the Bonds or Refunding Bonds to facilitate the issuance, sale, resale, purchase, repurchase or payment of any of the Bonds or Refunding Bonds, including bond insurance, letters of credit and liquidity facilities.

(d) Any unspent Bond proceeds may be reallocated by the Board and applied to pay the costs of other Improvements that are of the same classification (e.g., Core, Expansion or Southwest Area Diversion) as those Improvements for which the Bonds were initially issued.

Section 3. Not General Obligations. The principal of and interest on all Bonds and Refunding Bonds issued under this Agreement shall be payable solely from and secured by the net revenues of the WRA System facilities and from other funds of the WRA lawfully available therefore as provided in Section 28F.5 of the Code, or other applicable provisions of law, and the Bonds and Refunding Bonds shall not in any respect be general obligations of the Participating Communities, nor shall the Participating Communities be in any manner liable by reason of such net revenues or other funds being insufficient to pay the Bonds and Refunding Bonds.

Section 4. Allocations of Debt Service. Following the issuance of the Bonds and Refunding Bonds and for so long as any of the Bonds and Refunding Bonds remain outstanding, the Debt Service thereon shall be allocated to the Participating Communities in accordance with Articles IX, XI and XII of this Agreement, and each Participating Community agrees to pay its allocated share of such Debt Service to the WRA at the times set forth in this Agreement.

Section 5. Cash Payments in lieu of Bonds. Prior to each issuance of Bonds, the Board shall notify each Participating Community of the anticipated schedule for the proposed Bond issuance, the Improvements to be financed with the Bonds, the anticipated Debt Service repayment schedule, and an estimate of each Participating Community's share of Debt Service on the proposed Bonds (using the most recent WRA Flows available). Each Participating Community shall have the right, during the period of time established by the Board and set forth in the notice of the proposed issuance, to make a cash payment to the WRA equal in amount to the present value of the Participating Community's estimated share of Debt Service on the proposed Bonds (using the most recent WRA Flows available and a discount rate equal to the estimated true interest cost of the proposed Bonds, as determined by the Board). Upon receipt of such payment, the Board shall reduce the principal amount of the proposed Bonds to be issued accordingly (the amount of such reduction being determined by the Board), and shall

hold the funds paid by the Participating Community in a separate account and invest the same as the Participating Community shall direct. The Board thereafter shall be authorized to draw upon such funds from time to time, on a proportionate basis with the proceeds of the Bonds, to pay for the costs of the particular Improvements in respect of which the cash payment was received, and thereafter shall credit the same on behalf of the Participating Community to the costs of the Improvements being acquired. At the end of every third fiscal year following such cash payment, and at the final maturity of the Bonds in respect of which the cash payment was made, the Technical Committee shall reconcile the cash payment made by the Participating Community for the period under review to an updated Debt Service schedule for the principal amount of the Bonds initially proposed to be issued (prior to the cash payment being made), reflecting the actual interest rates on the Bonds as issued, actual WRA Flows during the period under review and the actual true interest cost of the Bonds as issued (for purposes of the present value calculation). If the reconciliation by the Technical Committee demonstrates that the cash payment made by the Participating Community for the period under review was less than the amount that would have been required under the updated Debt Service schedule, the Participating Community shall promptly pay the shortfall to the WRA upon notice thereof. If the reconciliation demonstrates that the cash payment made by the Participating Community was in excess of the amount that would have been required under the updated Debt Service schedule, the WRA shall credit the excess amount to the monthly payment obligation of the Participating Community under Article IX, Section 7 of this Agreement. The Board shall have discretion to adjust the methodology set forth in this section as it may determine to be necessary to ensure equity among the Participating Communities in the cost allocations used to determine the appropriate cash payment amount.

Section 6. Restriction on Withdrawal. The Participating Communities further agree that no Participating Community may withdraw or in any way terminate, amend or modify in any way its obligations under this Agreement to the detriment of the holders of the Bonds and Refunding Bonds while any of the Bonds and Refunding Bonds are outstanding and unpaid, and the provisions of Section 28F.3 of the Code with respect thereto are hereby approved and accepted.

Section 7. Future Interpretation. The provisions of this Article are intended and shall be construed as to fully invoke the provisions of Chapter 28F of the Code with respect to the issuance of the Bonds and Refunding Bonds by the Board as described herein, and to reflect the full authorization, consent and agreement of the Participating Communities to the issuance of the Bonds and Refunding Bonds on the terms, at the times, in the amounts and for the purposes set forth in this Article.

ARTICLE XIV. TRANSFERS AND RECORDS OF OWNERSHIP INTERESTS

Section 1. Transfers of Ownership Interests. During the term of this Agreement, no Participating Community shall permit any connections to be made to any of the WRA System facilities or the non-WRA sanitary sewer improvements maintained by the Participating Community, or enter into any operating agreements or other arrangements providing for a transfer or conveyance of any rights or interests in or to said facilities, by or with any municipality or political subdivision that is not itself a Participating Community under the terms of this Agreement. In addition, all such proposed connections, operating agreements or arrangements with respect to the transfer of rights or interests in WRA System facilities between or among two or more Participating Communities shall be reported to the Board and must be approved by the Board before becoming effective.

Section 2. Records of Ownership Interests. The Technical Committee shall annually prepare an updated version of Exhibit 2, reflecting the reversionary ownership interests held by each of the Participating Communities in the WRA System facilities and all Improvements constructed under this Agreement, and the current capital contributions of each Participating Community to the WRF, as of the end of each fiscal year. The updated record shall be presented to the Board as soon as practicable after the close of the prior fiscal year, and upon approval by the Board, shall be binding on all Participating Communities until a further updated record is approved by the Board.

ARTICLE XV. ACQUISITION AND DISPOSITION OF PROPERTY

Section 1. Acquisition. The WRA may acquire such property as it needs to accomplish its public purposes by purchase, gift, exchange, transfer, conveyance or otherwise, and shall hold all real, personal and intangible property which it acquires in its own name. To the extent authorized by law, the WRA also may acquire real property or an interest therein for a public use or purpose related to its function by use of the power of eminent domain, and is authorized to bring an action in eminent domain in its own name or may request a Participating Community to bring such action, which the Participating Community shall then do so long as the WRA shall fully reimburse the Participating Community for all costs of acquisition, including the damages to be paid to the owner of the property being so acquired and all related administrative and legal expenses incurred by the Participating Community to complete the acquisition. In the event the Board determines not to pay the award made by the compensation commissioners and take possession of the property at the conclusion of the eminent domain proceedings or any appeal thereof, the WRA shall reimburse the Participating

Community for the costs and expenses as aforesaid and any attorney fees or damages awarded to the property owner.

Section 2. Disposition. The WRA may dispose of any of its property and shall do so in the same manner as a city. All proceeds from the sale or disposition of property, no matter the origin of such property, shall be the property of the WRA.

ARTICLE XVI. NPDES PERMIT AND INDUSTRIAL PRETREATMENT PROGRAM

Section 1. WRA to Obtain and Hold NPDES Permit. The WRA shall apply for, obtain and hold all State of Iowa and federal permits necessary for the operation of the WRA System, including the NPDES Permit for the WRF issued by the IDNR. In January of 2001, the IDNR issued an NPDES Permit for the WRF to the City of Des Moines as Operating Agency for the WRA, which permit expired on December 26, 2003. Until the NPDES Permit issued by IDNR in January of 2001 is replaced by a new NPDES Permit, the Operating Contractor is authorized to continue the operation, maintenance and management of the WRF as required by the permit issued in January of 2001. The Operating Contractor is further authorized to negotiate on behalf of the WRA the issuance of a replacement NPDES Permit, such permit to be issued to and held in the name of the WRA, and such permit to be effective on July 1, 2004 or as soon thereafter as the IDNR shall issue such permit.

Section 2. Administration of Industrial Pretreatment Program. Under the NPDES Permit issued by the IDNR for the WRF, the permit holder is required to establish, maintain in effect and continuously administer and enforce an Industrial Pretreatment Program consistent with federal regulations and as approved by the IDNR. Pursuant to said federal regulations and the NPDES Permit issued by the IDNR, the holder of the NPDES Permit is required to report in writing to the IDNR regarding a variety of matters, including but not limited to (a) the identity and location of all possible industrial users which might be subject to the Industrial Pretreatment Program, (b) the identity and location of a "major contributing industry" (as defined in the NPDES Permit), (c) the identity and location of a major contributing industry proposing an expansion, production increase or process modification that may result in the discharge of a new pollutant or a discharge in excess of limitation stated in an existing pretreatment agreement, and (d) the identity and location of a new major contributing industry from whom a Participating Community has committed to accept wastewater. The Participating Communities hereby agree to assist the WRA in meeting all such reporting requirements, as required by current or future federal regulations or NPDES Permits, by notifying the Board, or the Operating Contractor or Board staff if so directed by the Board, of the

proposed connection of any new commercial or industrial facilities to their sanitary sewer systems, of any increase in size or increase in wastewater discharge of existing commercial or industrial facilities, or of any other matters related thereto, such notification to occur far enough in advance of such new connection, expansion, or introduction of wastewater to permit the WRA to comply with the above referenced reporting requirements. A newly connecting community shall, as a condition of its admission to the WRA, conduct a census of all commercial or industrial facilities within its corporate boundaries or sanitary sewer service area, utilizing census criteria provided by the WRA, and shall report the results of such census to the Board, or to the Operating Contractor or Board staff if so directed by the Board, prior to its admission to the WRA.

Section 3. Adoption of Ordinances. The Participating Communities hereby agree to enact industrial pretreatment ordinances in a form consistent in all respects with those approved by the Board. In the case of a sanitary district which is a Participating Community, the district shall either enact such an industrial pretreatment ordinance or cause the underlying city within which the district lies, to enact an industrial pretreatment ordinance. Thereafter, all Participating Communities shall maintain those ordinances in continuous effect and update and amend the ordinances as may be requested in writing by the Board.

Section 4. Enforcement. The Participating Communities hereby assign authority for enforcement of the industrial pretreatment ordinances enacted within their respective jurisdictions to the Board, which shall be authorized to further assign specific duties and responsibilities with respect to the industrial pretreatment program and enforcement of industrial pretreatment ordinances to the Operating Contractor. The Appeal Committee shall hear and decide appeals of industrial permittees from decisions of the Operating Contractor with respect to the suspension or revocation of wastewater discharge permits due to prohibited discharges.

ARTICLE XVII. ANNEXATION

Section 1. Not Prohibited. This Agreement shall not be construed or interpreted to prohibit the annexation by a Participating Community that is a city of a portion of the unincorporated area of a county, including a county that is a Participating Community, so long as the same is undertaken in accordance with all applicable provisions of the Code. Upon the effective date of any such annexation, the Participating Community that is carrying out the annexation shall be deemed to have acquired the service area flows and population of the annexed area for all purposes of this Agreement, and the county in which the annexed area is located, if it is a Participating Community, shall be deemed to have released the service area flows and population of the annexed

area for purposes of this Agreement. In the case of a sanitary district which is a Participating Community, the district shall not annex any incorporated area of a city (with the exception of annexations by the Urbandale Sanitary Sewer District of any portion of the City of Urbandale) which is not a Participating Community unless approved by the Board. Any reversionary interests in the WRA System facilities serving the annexed area shall be deemed to remain with the affected county, unless separately acquired by the Participating Community that undertakes the annexation.

ARTICLE XVIII. CONSOLIDATION OR MERGER

Section 1. Not Prohibited. This Agreement shall not be construed or interpreted to prohibit the consolidation or merger of two or more Participating Communities so long as the same is undertaken in accordance with all applicable provisions of the Code. Upon the effective date of any such consolidation or merger, the surviving entity shall be deemed to be a Participating Community under this Agreement and shall be deemed to have the service area flows and population of the consolidated or merged area for all purposes of this Agreement. The consolidated or merged entity that results from the consolidation or merger shall be deemed to be a Participating Community for all purposes of this Agreement, and shall provide details of the completed consolidation or merger to the Board promptly upon the same becoming effective. The Board shall adjust the locations of any flow meters that may be affected by the consolidation or merger, and shall reflect any such adjustments in flow levels in the following year's annual budget. Adjustments in the population of a Participating Community as a result of the consolidation or merger shall be given effect under this Agreement from and after the date that the consolidation or merger becomes effective. The reversionary interests in the WRA System facilities serving the consolidated or merged area shall be deemed to be held by the Participating Community that results from the consolidation or merger from and after the effective date of the same.

ARTICLE XIX. DISCONTINUATION OF SANITARY DISTRICTS

Section 1. Discontinuation. It is recognized and agreed that the Code currently permits a sanitary district to convey its interest to a city within which part or all of its boundaries lie and discontinue itself, so long as the city agrees to assume the duties, responsibilities, obligations and functions of the sanitary district. The Participating Communities therefore agree that if a Participating Community that is a sanitary district is so terminated, the Board shall be deemed to have approved the conveyance if the city assuming the sanitary district's responsibilities is itself a Participating Community and if the city has accepted and assumed all responsibilities of the sanitary district as they

pertain to the WRA. In such event, the Participating Community assuming and accepting such responsibilities shall be deemed to have acquired the population and service area flows of the former sanitary district without additional approvals or requirements.

Section 2. Board Discretion. If in connection with the discontinuance of any sanitary district that is a Participating Community the duties, responsibilities, obligations and functions of the sanitary district are assumed by more than one city or other public agency, or are not fully assumed and accepted by another Participating Community to the satisfaction of the Board, the Board may determine, in its sole discretion, whether and to what extent the assumed interest shall entitle a particular city or other public agency to representation on the Board and status as a Participating Community under this Agreement.

ARTICLE XX. AMENDMENTS

Section 1. Amendments. This Agreement may be amended for any purpose upon approval by a 90% population weighted vote, determined in accordance with Article III, Section 3 hereof, of the representatives of the Participating Communities on the Board, taken at a Board meeting called for that purpose, and shall become effective upon execution of a written supplement to this Agreement incorporating such amendment(s) by the governing bodies of those Participating Communities whose representatives voted in favor of such amendment(s). All amendments adopted pursuant to the provisions of this Article shall be binding upon all Participating Communities.

ARTICLE XXI. BEST EFFORTS/INDEMNIFICATION

Section 1. Disclaimer. The Participating Communities agree that the WRA facilities heretofore and hereafter designed and constructed for or by the WRA are special purpose structures. Neither the Board as successor to the Management Agency, nor the initial Operating Contractor hereunder and as successor to the Operating Agency, warrant or guarantee that WRA System facilities existing as of the date of this Agreement were appropriately designed or constructed, or that they will function efficiently or accomplish the purpose for which they were designed, nor does the Board or the initial Operating Contractor warrant or guarantee that the Improvements will be built within any time frame or that, once designed and constructed, they will function efficiently or accomplish the purpose for which they were designed. The Board and the initial Operating Contractor will exercise the judgment that a public body generally exercises in the selection of the design engineer or engineers, letting the construction contracts, and in monitoring the actual construction of such special purpose facilities.

Section 2. Best Efforts. Each Participating Community agrees to cooperate in good faith with the Board and the other Participating Communities, exercise diligence in performing its obligations hereunder and use its best efforts to carry out the provisions of this Agreement.

Section 3. No Liability. No Participating Community shall be liable to any other Participating Community by reason of any failure to finance or construct any of the Improvements, or to provide any sanitary sewer services contemplated by the Improvements, or for any negligence or error of judgment on the part of the Board, except for any bad faith or wilful disregard for the terms of this Agreement.

Section 4. Indemnification. Each Participating Community agrees to indemnify the WRA, the Board and the other Participating Communities, including the initial Operating Contractor hereunder, and hold them harmless for any fine or penalty imposed on the WRA due to an identifiable violation of law, regulation, permit or standard which is attributable to action or inaction by the Participating Community.

Section 5. Remedies. In addition to any other remedies available under applicable law, each Participating Community and the Board shall have the right to the equitable remedy of specific performance to enforce compliance with any provision of this Agreement.

Section 6. Notices. All notices which the Participating Communities and the Board are authorized or required to give one another under this Agreement shall be in writing and may be personally delivered or sent by ordinary mail (i) in the case of the Board of the WRA, to Chair, WRA Board, c/o Des Moines Wastewater Reclamation Facility, 3000 Vandalia Road, Des Moines, Iowa 50317, and (ii) in the case of any Participating Community, to the presiding officer of the governing body of the Participating Community at the address then on file with the Secretary of the Board. Mailed notices shall be deemed to be received by the party to whom they are directed one business day after the date they are postmarked. Any Participating Community may designate another address or specific person to whom the notice should be directed upon written notice thereof to the Secretary of the Board

ARTICLE XXII. WITHDRAWAL BY PARTICIPATING COMMUNITIES

Section 1. Restrictions on Withdrawal. It is recognized that under current law no Participating Community may withdraw or in any way terminate, amend or modify in any way its obligations under this Agreement to the detriment of the holders of the Bonds

while any of the Bonds are outstanding and unpaid. If a Participating Community desires to withdraw or in any way terminate, amend or modify its obligations under this Agreement, therefore, it shall provide one year's written notice to the Board of the proposed withdrawal or modification, and the same shall not become effective unless and until approved by the Board. The Board, in its sole discretion, may require the Participating Community seeking withdrawal from this Agreement to pay over to the Board an amount determined by the Board to be necessary to fully fund (i) the future payment obligations of the Participating Community with respect to Debt Service on all Bonds that is to be allocated to the Participating Community under the provisions of Article IX, Section 3, hereof, and (ii) any unpaid surcharges imposed under Articles XI or XII hereof. If so approved by the Board, the Participating Community may withdraw from membership and participation in this Agreement, but shall, in all events, forfeit its reversionary interests in any and all of the WRA System facilities and shall be entitled to no compensation in respect of the interests being forfeited. Withdrawal by a Participating Community shall not constitute termination of this Agreement.

ARTICLE XXIII. EFFECTIVE DATE AND DURATION OF AGREEMENT

Section 1. Effective Date. This Agreement shall become effective at 12:01 a.m. on July 1, 2004.

Section 2. Duration. This Agreement shall extend for a term of fifty (50) years from the Effective Date, and shall terminate and be of no further force or effect as of midnight on June 30, 2054, unless terminated earlier by the unanimous consent of all Participating Communities.

Section 3. Disposal of Property upon Termination. Upon termination of this Agreement, the Participating Communities shall be deemed to acquire and thereafter to possess ownership interests in all WRA System facilities and assets in which they had reversionary interests on the date of termination, with such ownership interests being held as tenants in common with other Participating Communities possessing similar interests. In each case, the ownership interest of a Participating Community in a particular WRA System facility or asset shall be equal to the percentage indicated by the reversionary interest held by the Participating Communities on that date in the specific WRA System facility or asset, according to the record of reversionary interests maintained by the Board. To the extent there shall be any WRA System facilities or assets that are not the subject of a reversionary interest recorded with the Board on the date of termination, the Participating Communities shall be deemed to acquire and thereafter to possess ownership interests in those facilities or assets in percentages equal to the reversionary interests then held by the Participating Communities in the WRF.

ARTICLE XXIV. TRANSITION MATTERS

Section 1. Prior Budget Actions. All prior actions of the Management Agency and the Operating Agency undertaken pursuant to the terms of the I.C.A. Agreement prior to the Effective Date with respect to the consideration and approval of a WRA budget for the fiscal year beginning July 1, 2004 are hereby accepted and approved.

Section 2. Assumption of Contracts. All contracts, including engineering consultant and construction contracts, entered into by the City of Des Moines, in its capacity as Operating Agency under the I.C.A. Agreement, and being performed on the Effective Date of this Agreement shall be and hereby are approved and accepted by the WRA. The Board henceforth shall assume responsibility for administration of such existing contracts, and the City of Des Moines, as Operating Agency under the I.C.A. Agreement, shall assign such contracts to the WRA upon request of the Board.

Section 3. Approval of Initial Operating Contract. The Initial Operating Contract, as approved by the Management Agency on behalf of the Participating Communities prior to the Effective Date of this Agreement, shall become effective as of the Effective Date, and the Board shall thereafter be bound by said contract and assume responsibility for its administration. The City of Des Moines shall not by reason of its role as initial Operating Contractor be deemed disqualified from voting for approval of said contract by reason of conflict of interest.

Section 4. Officers. The Chair and Vice-Chair elected by the Management Agency in January 2004 shall serve as the Chair and Vice-Chair of the Board under this Agreement until their successors are elected. Following the Effective Date, the Board may appoint a member to serve as Secretary until a successor is elected.

Section 5. Policies. All policies previously approved by the Management Agency under the I.C.A. Agreement and in effect on the Effective Date of this Agreement shall continue in force as approved policies of the Board until modified or rescinded by the Board.

ARTICLE XXV. SEVERABILITY

Section 1. Provisions to be Severable. If any provision of this Agreement is held to be invalid by a court of competent jurisdiction, the invalidity of any such provision shall not affect the other provisions of this Agreement which can be given effect without the provision determined to be invalid, and to that end the provisions of this Agreement are severable.

ARTICLE XXVI. EXECUTION OF AGREEMENT

Section 1. Passage of Resolution. A Participating Community shall become a party hereto by the passage of a resolution approving this Agreement and authorizing execution of the same by its statutory officers. This Agreement shall become effective only upon approval and execution by all of the Participating Communities.

Section 2. Signature Pages. Each Participating Community approving this Agreement shall execute the separate signature page provided for it, and the parties hereto authorize the City Clerk of the City Des Moines to assemble the signature pages and append same to copies of this Agreement, to file the Agreement with the Secretary of State and to record with the Records of Polk, Dallas and Warren Counties.

CITY OF ALTOONA, IOWA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this _____ day of _____, 2004, before a Notary Public in and for the City, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the City of Altoona, Iowa, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

CITY OF ANKENY, IOWA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this _____ day of _____, 2004, before a Notary Public in and for the City, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the City of Ankeny, Iowa, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

CITY OF BONDURANT, IOWA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this _____ day of _____, 2004, before a Notary Public in and for the City, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the City of Bondurant, Iowa, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

CITY OF CLIVE, IOWA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this _____ day of _____, 2004, before a Notary Public in and for the City, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the City of Clive, Iowa, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

CITY OF DES MOINES, IOWA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this _____ day of _____, 2004, before a Notary Public in and for the City, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the City of Des Moines, Iowa, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

CITY OF JOHNSTON, IOWA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this _____ day of _____, 2004, before a Notary Public in and for the City, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the City of Johnston, Iowa, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

CITY OF NORWALK, IOWA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

STATE OF IOWA)
) SS
COUNTY OF WARREN)

On this _____ day of _____, 2004, before a Notary Public in and for the City, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the City of Norwalk, Iowa, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

CITY OF PLEASANT HILL, IOWA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this _____ day of _____, 2004, before a Notary Public in and for the City, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the City of Pleasant Hill, Iowa, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

CITY OF WEST DES MOINES, IOWA

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this _____ day of _____, 2004, before a Notary Public in and for the City, personally appeared _____ and _____, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the City of West Des Moines, Iowa, a Municipality, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipality, and that said instrument was signed and sealed on behalf of said Municipality by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipality by it voluntarily executed.

Notary Public in and for the State of Iowa

POLK COUNTY, IOWA

(SEAL)

By: _____
Chair, Board of Supervisors

ATTEST:

By: _____
County Auditor

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this ____ day of _____, 2004, before me a Notary Public in and for said State, personally appeared _____ and _____ to me personally known, who being duly sworn, did say that they are the Chair of the Board of Supervisors and County Auditor, respectively, of Polk County, Iowa, a political subdivision, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said County, and that said instrument was signed and sealed on behalf of said County by authority and resolution of its Board of Supervisors and said Chair of the Board of Supervisors and County Auditor acknowledged said instrument to be the free act and deed of said County by it voluntarily executed.

Notary Public in and for the State of Iowa

WARREN COUNTY, IOWA

(SEAL)

By: _____
Chair, Board of Supervisors

ATTEST:

By: _____
County Auditor

STATE OF IOWA)
) SS
COUNTY OF WARREN)

On this ____ day of _____, 2004, before me a Notary Public in and for said State, personally appeared _____ and _____ to me personally known, who being duly sworn, did say that they are the Chair of the Board of Supervisors and County Auditor, respectively, of Warren County, Iowa, a political subdivision, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said County, and that said instrument was signed and sealed on behalf of said County by authority and resolution of its Board of Supervisors and said Chair of the Board of Supervisors and County Auditor acknowledged said instrument to be the free act and deed of said County by it voluntarily executed.

Notary Public in and for the State of Iowa

GREENFIELD PLAZA/HILLS OF
COVENTRY SANITARY DISTRICT

(SEAL)

By: _____
President of the Board of Trustees

ATTEST:

By: _____
Clerk of the Board of Trustees

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this ____ day of _____, 2004, before me a Notary Public in and for said State, personally appeared _____ and _____ to me personally known, who being duly sworn, did say that they are the President of the Board of Trustees and Clerk, respectively, of the Greenfield Plaza/Hills of Coventry Sanitary District, State of Iowa, a political subdivision, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said District, and that said instrument was signed and sealed on behalf of said District by authority and resolution of its Board of Trustees and said President of the Board of Trustees and Clerk acknowledged said instrument to be the free act and deed of said District by it voluntarily executed.

Notary Public in and for the State of Iowa

URBANDALE SANITARY SEWER
DISTRICT

(SEAL)

By: _____
President of the Board of Trustees

ATTEST:

By: _____
Clerk of the Board of Trustees

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this ____ day of _____, 2004, before me a Notary Public in and for said State, personally appeared _____ and _____ to me personally known, who being duly sworn, did say that they are the President of the Board of Trustees and Clerk, respectively, of the Urbandale Sanitary Sewer District, State of Iowa, a political subdivision, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said District, and that said instrument was signed and sealed on behalf of said District by authority and resolution of its Board of Trustees and said President of the Board of Trustees and Clerk acknowledged said instrument to be the free act and deed of said District by it voluntarily executed.

Notary Public in and for the State of Iowa

URBANDALE-WINDSOR HEIGHTS
SANITARY DISTRICT

(SEAL)

By: _____
President of the Board of Trustees

ATTEST:

By: _____
Clerk of the Board of Trustees

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this ____ day of _____, 2004, before me a Notary Public in and for said State, personally appeared _____ and _____ to me personally known, who being duly sworn, did say that they are the President of the Board of Trustees and Clerk, respectively, of the Urbandale-Windsor Heights Sanitary District, State of Iowa, a political subdivision, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said District, and that said instrument was signed and sealed on behalf of said District by authority and resolution of its Board of Trustees and said President of the Board of Trustees and Clerk acknowledged said instrument to be the free act and deed of said District by it voluntarily executed.

Notary Public in and for the State of Iowa

WRA4

EXHIBIT 1

Existing WRA Facilities

The WRA facilities identified in ARTICLE VI Section 1 include the following:

A. WRA Facilities Identified in Fourth Supplement to ICA Agreement.

1. Wastewater Reclamation Facility (Phase 1).
2. Southwest Equalization Basin (Phase 2).
3. Southside Des Moines River Interceptor (Phase 3).
4. Westside Pump Station and Equalization Basin (Phase 4).
5. Westside Interceptor (Phase 5).
6. Beaver Creek Interceptor (Phase 6).
7. Saylor Creek Interceptor (Phase 7).
8. Four Mile Interceptor (Phase 8).
9. Pleasant Hill Interceptor (Phase 9).
10. Southern Tier Interceptor (Phase 10).
11. Common Trunk (Phase 11).
12. Southwest Outfall (Phase 12).

B. WRA Facilities Not Identified in Fourth Supplement to ICA Agreement

1. West Des Moines Outfall (Phase 13).
2. Joint Trunk Sewer (Phase 14).
3. Little Four Mile Interceptor (Phase 15).

C. Facilities Under Construction.

1. West Des Moines Outfall Improvements, Phase 1 - 1st Street to 4th Street (Phase 13, Segment 2).
2. West Des Moines Outfall Extension, South 60th Street to South 74th Street (Phase 13, Segment 3).
3. East 20th Street Trunk Connector Sewer - Phase 1 (Phase 16, Segment 1 and Segment 2).
4. Des Moines River Outfall, Phase 1 (Phase 17, Segment 1).
5. Southwest Area Diversion Facility.

D. Other WRA Facilities.

1. Flow Meters.
2. Rolling Stock.

EXHIBIT 2

March 16, 2004

WRA Participating Communities
Reversionary Interest and Capacity Allocation

I. Percentage Allocation of WRA Facilities - Reversionary Interest under Agreement

Facility	Altoona (%)	Ankeny (%)	Bondurant (%)	Clive (%)	Des Moines (%)	GP/HOC (%)	Johnston (%)	Norwalk (%)	Pleasant Hill (%)	Polk County (%)	USSD (%)	U-WH (%)	Warren County (%)	West Des Moines (%)
Phase 1 - WRF	2.82			4.09	56.31	0.64	1.14	0.86	2.60	3.69	8.55	2.32		16.98
Phase 2 - Southwest Basin														
P2S1				8.06	17.32						27.82	16.49		30.31
P2S2					100.00									
Phase 3 - Southside Des Moines River Interceptor														
P3S1				6.05	37.18		2.06			10.26	16.36	6.88		21.21
P3S2				5.56	42.27		1.89			9.43	15.03	6.32		19.50
P3S3				5.16	46.43		1.76			8.75	13.94	5.87		18.09
P3S4				4.38	51.85	1.00	1.49	1.66		7.46	11.83	4.98		15.35
Phase 5 - Westside Interceptor														
P5S1					49.03		6.57			17.68	26.72			
P5S2					74.26		3.32			8.93	13.49			
P5S3					80.63		2.50			6.72	10.15			
P5S4					80.63		2.50			6.72	10.15			
Phase 4 - Westside Pump Station and Equalization														
P4S1					80.63		2.50			6.72	10.15			
Phase 6 - Beaver Creek Interceptor														
P6S1											100.00			
P6S2											100.00			
P6S3							44.87				55.13			
P6S4					38.60		25.84				35.56			
P6S5					36.69		24.56			4.95	33.40			
Phase 7 - Saylor Creek Interceptor														
P7S1										100.00				
P7S2					4.53					95.47				
P7S3					15.09					84.91				
P7S4										100.00				
P7S5					31.18					68.82				
Phase 8 - Four Mile Interceptor														
P8S1										100.00				
P8S2					74.50					25.50				
P8S3					87.89					12.11				
P8S4					72.09				17.97	9.94				
P8S5					68.69				21.84	9.47				
P8S6					58.00				35.61	6.39				
P8S7					62.39				31.89	5.72				

Facility	Altoona (%)	Ankeny (%)	Bondurant (%)	Clive (%)	Des Moines (%)	GP/HOC (%)	Johnston (%)	Norwalk (%)	Pleasant Hill (%)	Polk County (%)	USSD (%)	U-WH (%)	Warren County (%)	West Des Moines (%)
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* Up to 7.69% of the reversionary interest is held by the City of Altoona as a reserved reversionary interest for the City of Pleasant Hill under the provisions of the 28E agreement between the City of Altoona and the City of Pleasant Hill for the construction of the Little Four Mile Interceptor. The 28E agreement provides the City of Pleasant Hill may obtain a reversionary interest in up to 7.69% of the sewer based on payment of a proportionate share of the capital cost of the project to the City of Altoona. At such time as the City of Pleasant Hill makes payment under the 28E agreement, the City of Pleasant Hill will obtain a reversionary interest in proportion to its capital contribution and such reversionary interest will be reflected in the reversionary interests for the Little Four Mile Interceptor.

II. Design Capacity Allocation - The allocation is for illustration purposes only

Facility	Altoona (mgd)	Ankeny (mgd)	Bondurant (mgd)	Clive (mgd)	Des Moines (mgd)	GP/HOC (mgd)	Johnston (mgd)	Norwalk (mgd)	Pleasant Hill (mgd)	Polk County (mgd)	USSD (mgd)	U-WH (mgd)	Warren County (mgd)	West Des Moines (mgd)
Phase 1 - WRF*	3.78			5.48	75.46	0.86	1.53	1.15	3.48	4.94	11.46	3.11		22.75
Phase 2 - Southwest Basin														
P2S1				0.81	1.73						2.78	1.65		3.03
P2S2														15.00
Phase 3 - Southside Des Moines River Interceptor														
P3S1				6.05	37.18		2.06			10.26	16.36	6.88		21.21
P3S2				7.23	54.95		2.46			12.26	19.54	8.22		25.35
P3S3				6.71	60.36		2.29			11.38	18.12	7.63		23.52
P3S4				5.69	67.40	1.30	1.94	2.17		9.70	15.38	6.47		19.96
Phase 5 - Westside Interceptor														
P5S1					13.73		1.84			4.95	7.48			
P5S2					45.30		2.03			5.45	8.23			
P5S3					56.44		1.75			4.70	7.11			
P5S4					28.22		0.88			2.35	3.55			
Phase 4 - Westside Pump Station and Equalization														
P4S1					16.13		0.50			1.34	2.03			
Phase 6 - Beaver Creek Interceptor														
P6S1											1.50			
P6S2											7.60			
P6S3							5.61				6.89			
P6S4					4.83		3.23				4.45			
P6S5					4.59		3.07			0.62	4.18			
Phase 7 - Saylor Creek Interceptor														
P7S1										8.00				
P7S2					0.36					7.64				
P7S3					2.57					14.43				
P7S4										9.50				
P7S5					2.49					5.51				
Phase 8 - Four Mile Interceptor														
P8S1										1.70				
P8S2					4.47					1.53				
P8S3					16.70					2.30				
P8S4					12.40				3.09	1.71				
P8S5					13.05				4.15	1.80				
P8S6					20.88				12.82	2.30				
P8S7					22.46				11.48	2.06				

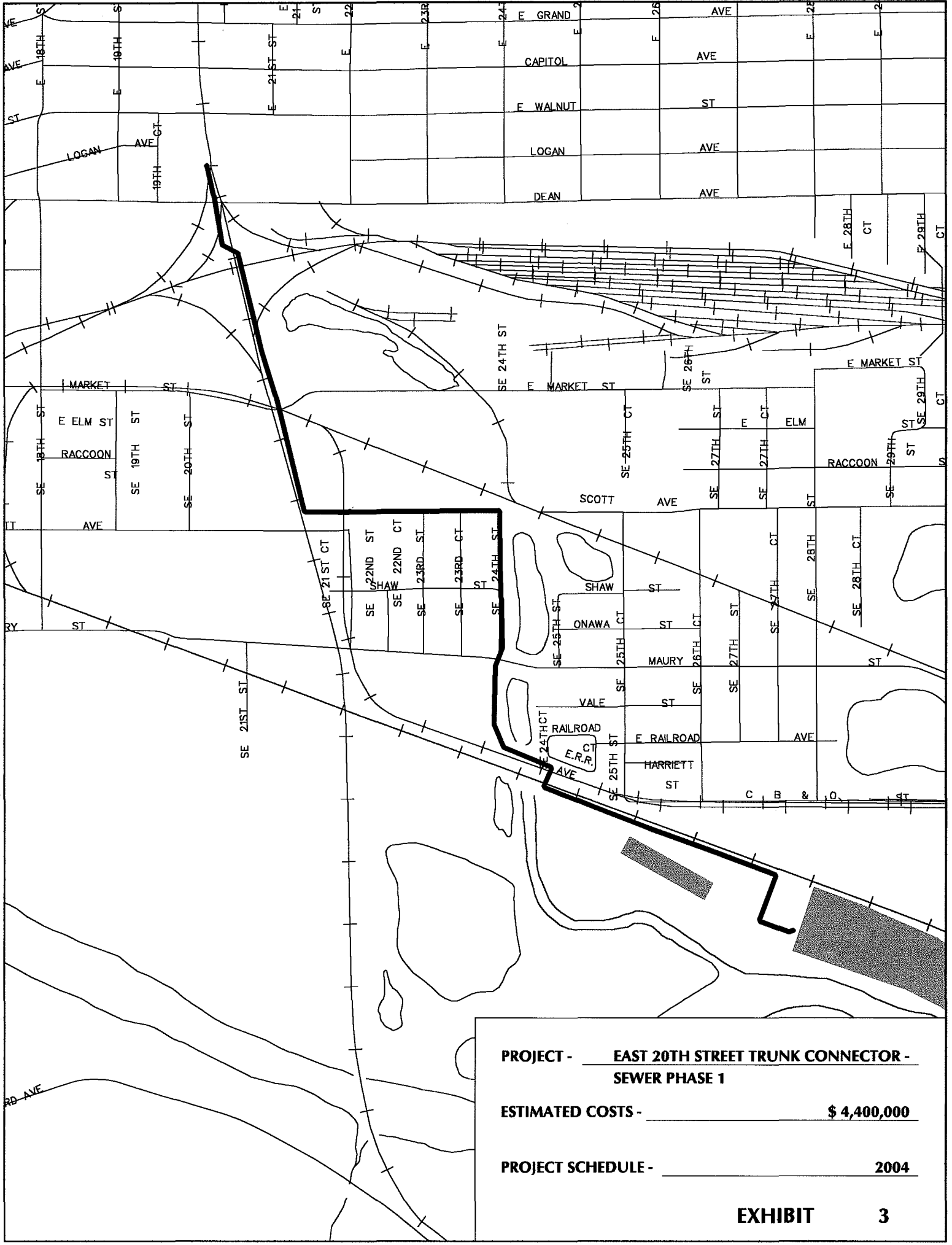
III. Derivation of Reversionary Interest

- A. Fourth Supplement to ICA Agreement
- B. Conditioned sale of capacity from Urbandale-Windsor Heights Sanitary District to Urbandale Sanitary Sewer District.
- C. Western Area Facility Plan sale of capacity by Des Moines to West Des Moines, Clive, Urbandale Sanitary Sewer District and Johnston.
- D. Western Area Facility Plan sale of capacity by Urbandale-Windsor Heights Sanitary District to Urbandale Sanitary Sewer District.
- E. Warren County allocation of capacity to Norwalk and Greenfield Plaza/Hills of Coventry Sanitary District.
- F. Warren County allocation of additional capacity from Western Area Facility Plan to Norwalk and Greenfield Plaza/Hills of Coventry Sanitary District.
- G. City of Norwalk acquisition of capacity from Greenfield Plaza/Hills of Coventry Sanitary District.
- H. City of Johnston acquisition of 0.4 mgd of WRF capacity from City of Pleasant Hill.
- I. City of Norwalk acquisition of Southern Tier Interceptor capacity from City of Des Moines.
- J. City of Altoona acquisition of WRF capacity from Polk County.
- K. City of Des Moines acquisition of capacity from City of Altoona in Little Four Mile Interceptor
- L. 28E Agreement between City of Altoona and City of Pleasant Hill on acquisition of capacity in Little Four Mile Interceptor. City of Pleasant Hill can acquire up to 2 mgd of interest in Little Four Mile Interceptor from City of Altoona at time City of Pleasant Hill connects flow to Little Four Mile Interceptor. The City of Pleasant Hill is required to acquire a capacity interest before using Little Four Mile Interceptor. If the City of Pleasant Hill acquires an interest, the interest will be reflected in reversionary interest and capacity allocation.

IV. WASTEWATER RECLAMATION FACILITY CAPITAL CONTRIBUTION DISTRIBUTION AS OF JULY 1, 2004⁽¹⁾

Clive	2.31%
Des Moines	71.08%
Johnston	0.79%
Pleasant Hill	2.15%
Polk County	5.44%
Urbandale Sanitary Sewer District	6.25%
Urbandale-Windsor Heights Sanitary District	2.63%
Greenfield Plaza/Hills of Coventry Sanitary District	0.53%
Norwalk	0.72%
West Des Moines	8.10%

⁽¹⁾ Capital contribution basis for distribution of capital contribution and surcharge payments made by the Cities of Ankeny, Bondurant and Norwalk.



PROJECT - EAST 20TH STREET TRUNK CONNECTOR - SEWER PHASE 1

ESTIMATED COSTS - \$ 4,400,000

PROJECT SCHEDULE - 2004

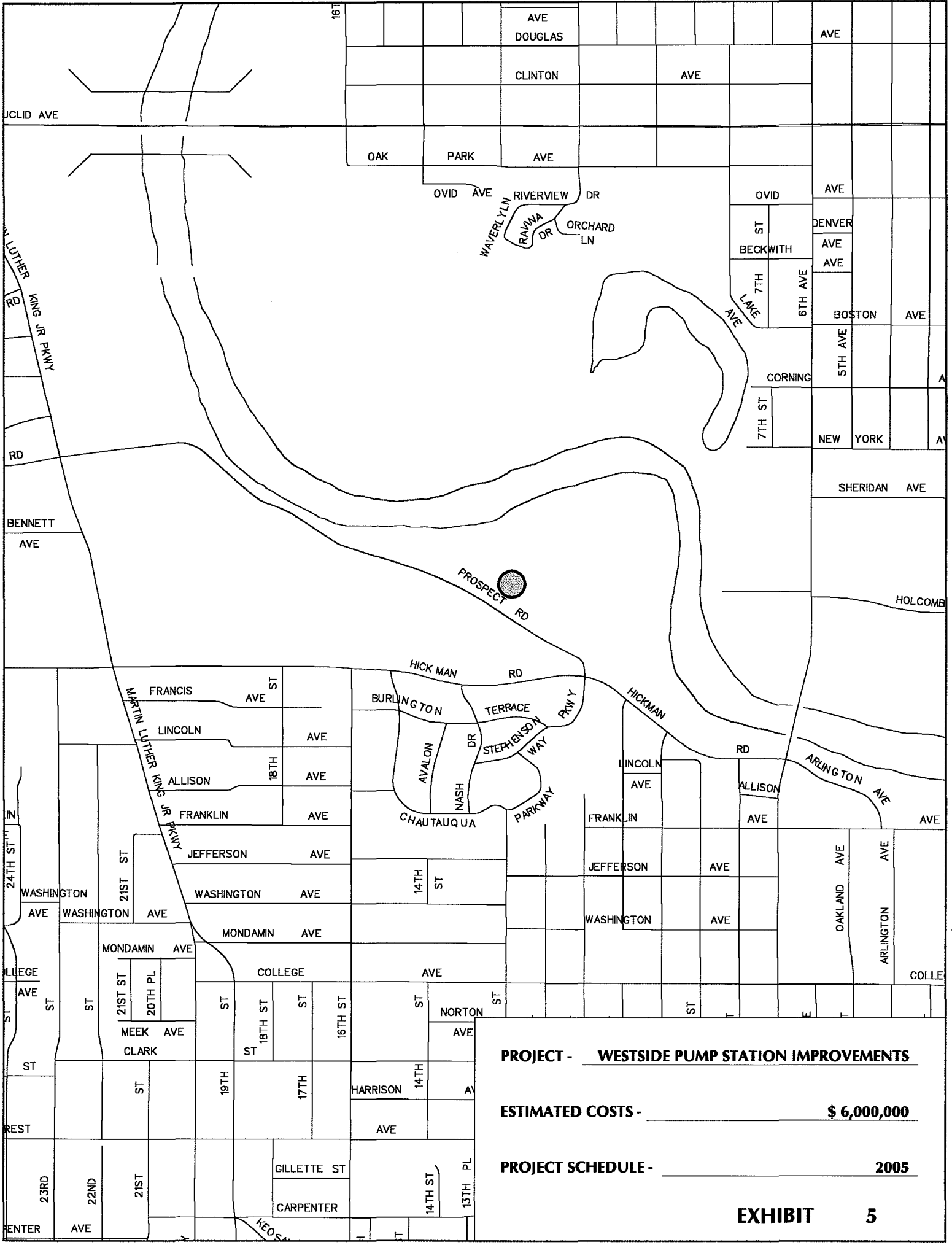
EXHIBIT 3



PROJECT - _____ **DES MOINES RIVER OUTFALL**

ESTIMATED COSTS - _____ **\$ 36,500,000**

PROJECT SCHEDULE - _____ **2004 (P1) 2006 - 2007 (P2)**
2010 (P3) 2020 (P4)

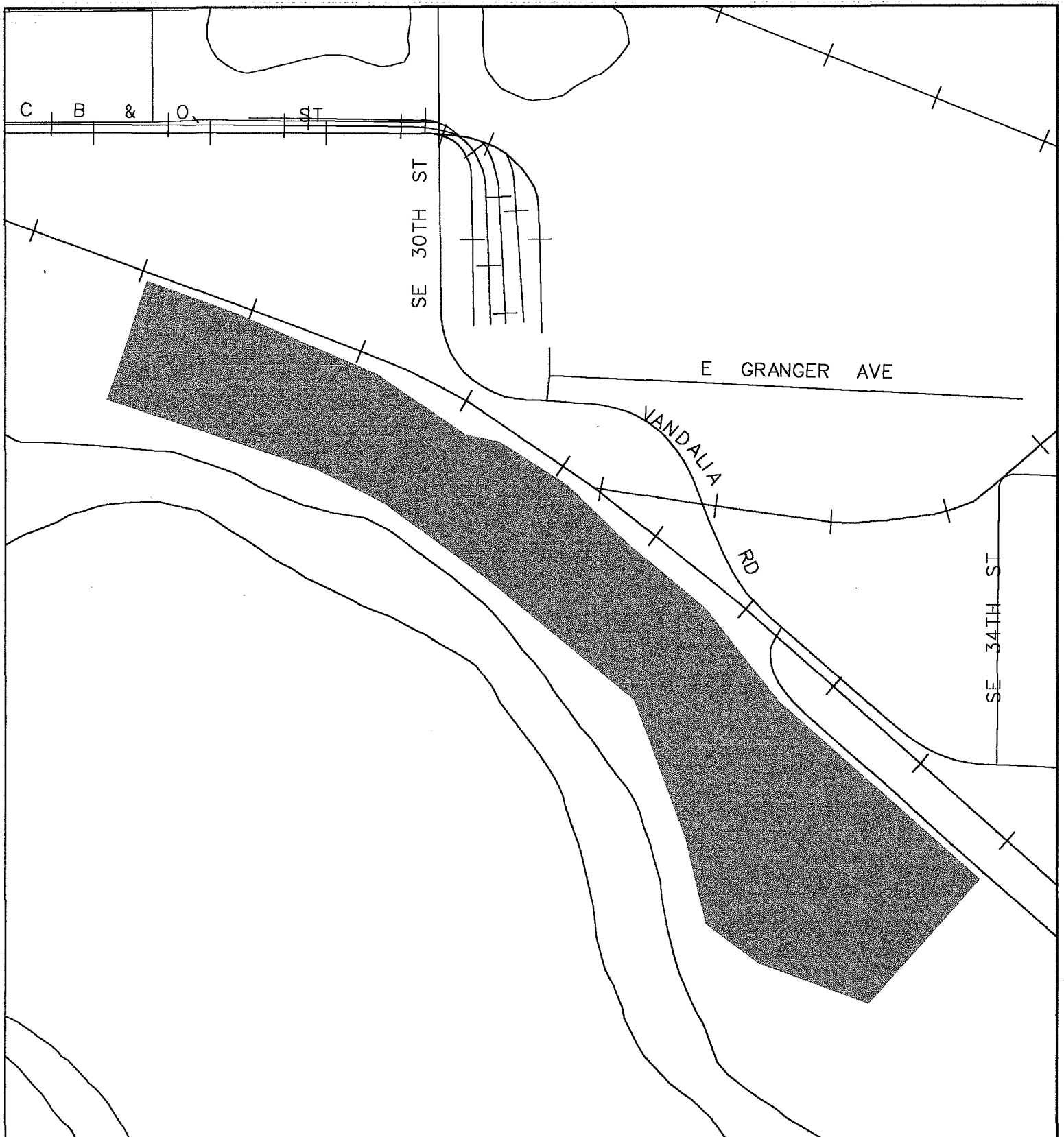


PROJECT - WESTSIDE PUMP STATION IMPROVEMENTS

ESTIMATED COSTS - \$ 6,000,000

PROJECT SCHEDULE - 2005

EXHIBIT 5

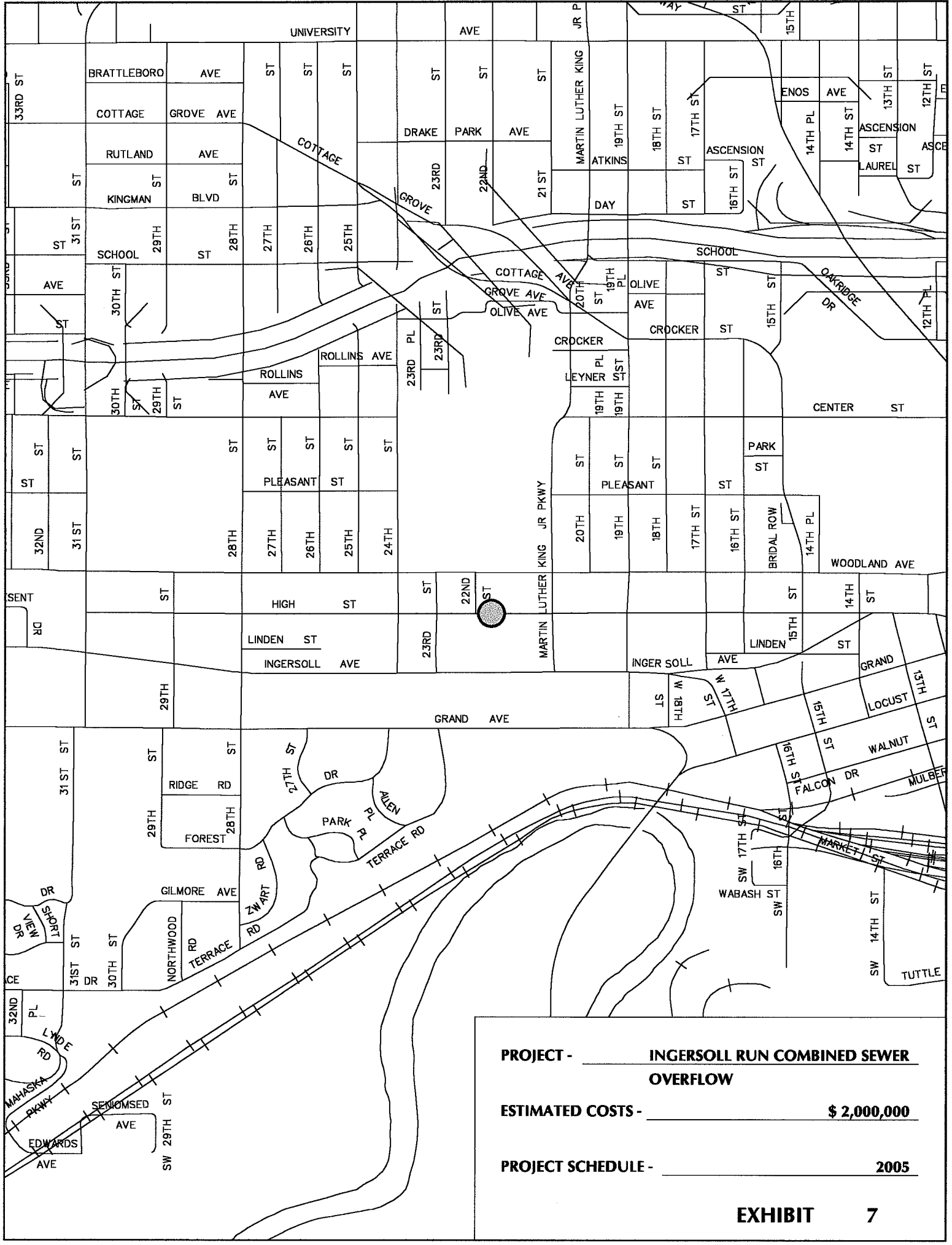


PROJECT - WRF EMISSIONS CONTROL IMPROVEMENTS

ESTIMATED COSTS - _____ \$ 6,000,000

PROJECT SCHEDULE - _____ 2005

EXHIBIT 6

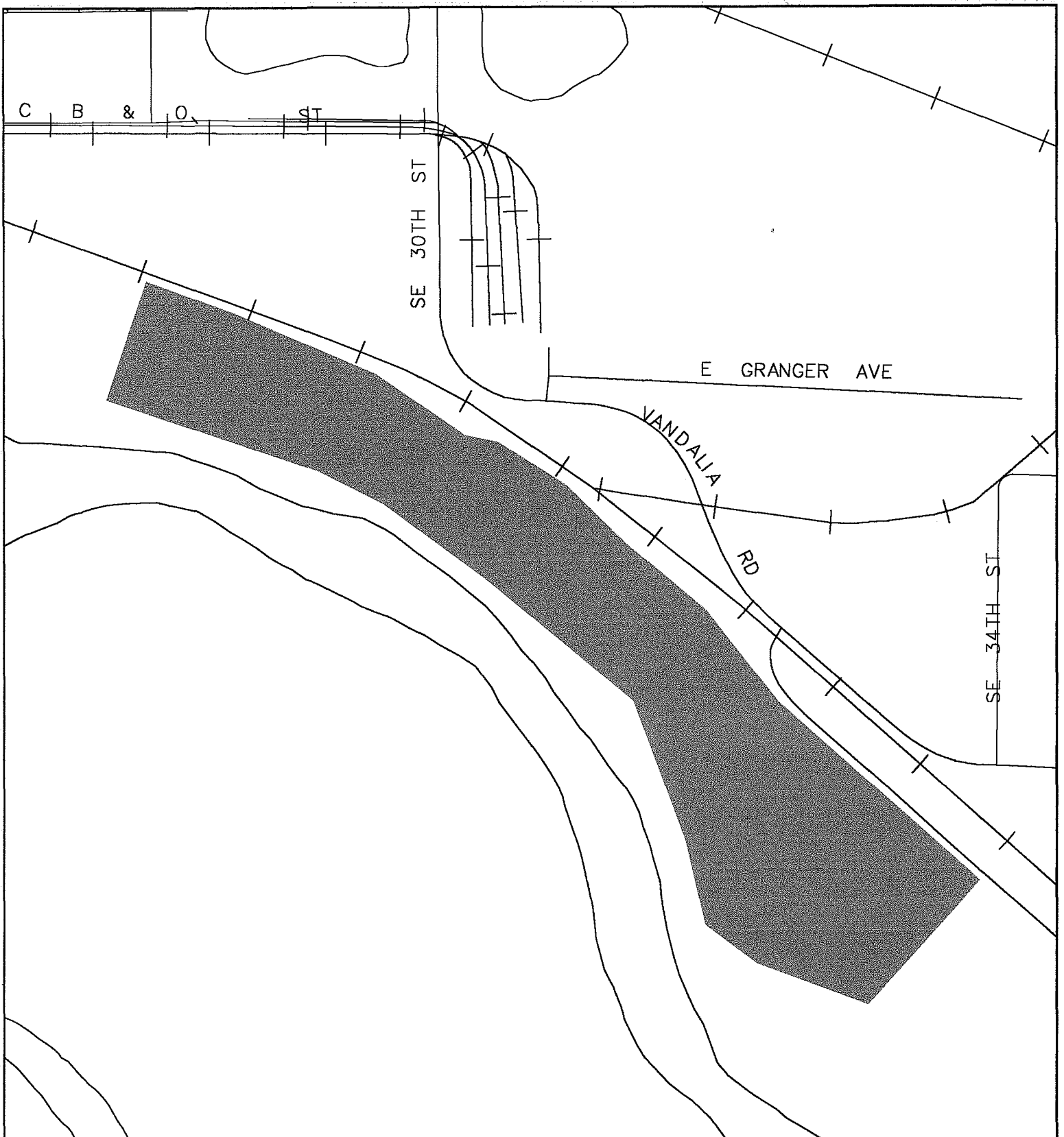


PROJECT - INGERSOLL RUN COMBINED SEWER

OVERFLOW

ESTIMATED COSTS - \$ 2,000,000

PROJECT SCHEDULE - 2005

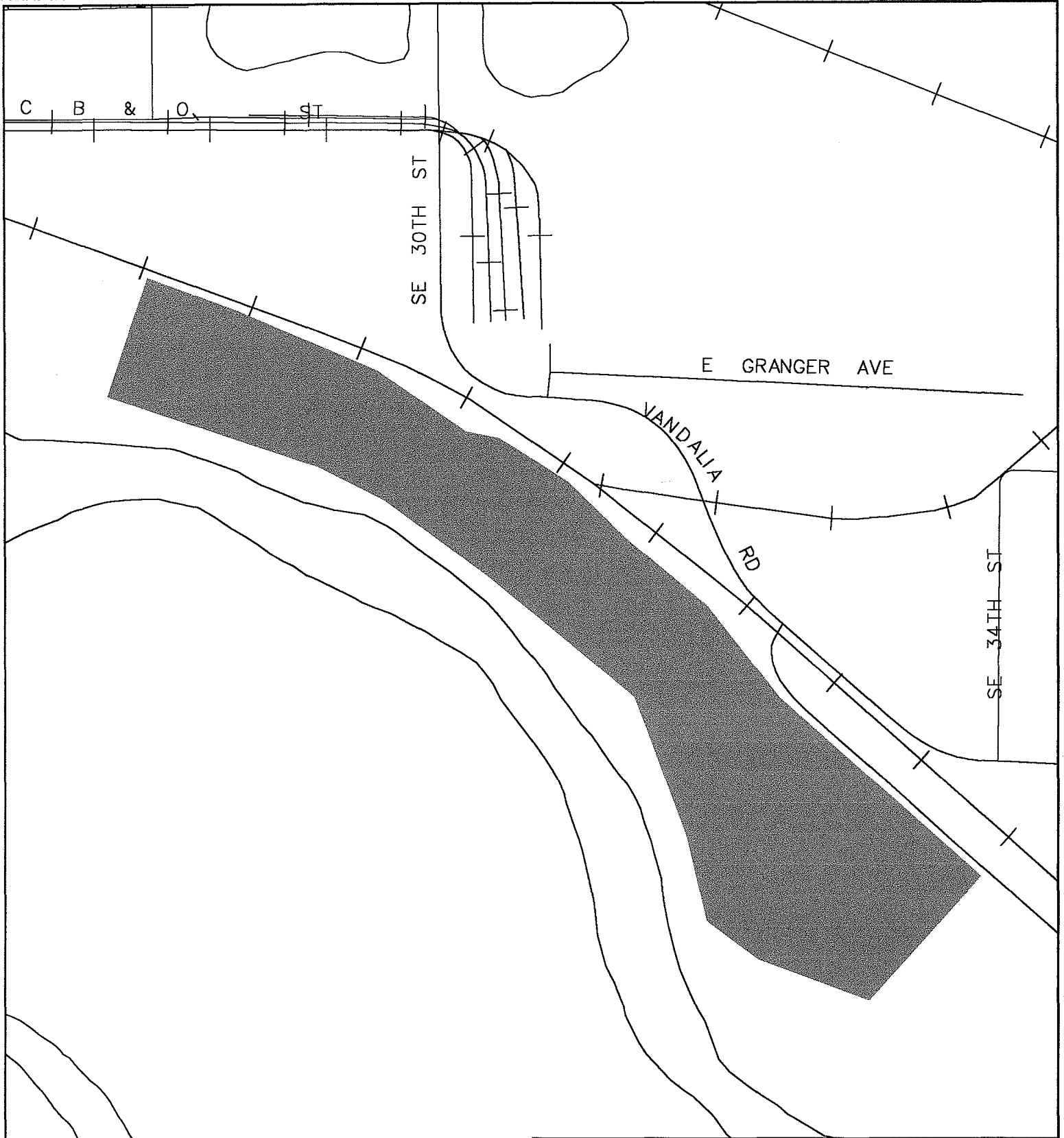


PROJECT - WRF GAS HOLDING IMPROVEMENTS

ESTIMATED COSTS - \$ 3,000,000

PROJECT SCHEDULE - 2007

EXHIBIT 8

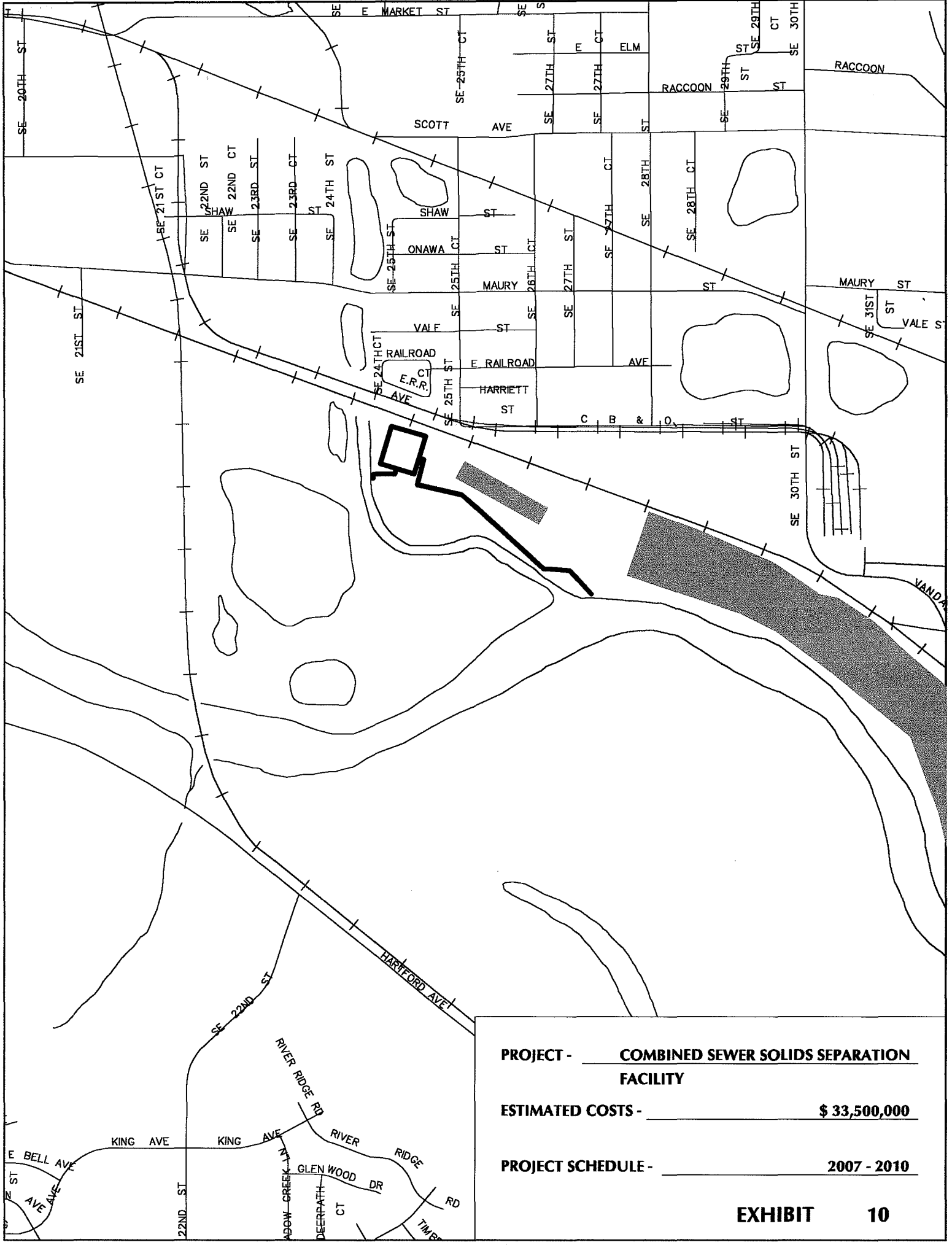


PROJECT - WRF DIGESTER MIXING IMPROVEMENTS

ESTIMATED COSTS - \$ 7,500,000

PROJECT SCHEDULE - 2007

EXHIBIT 9

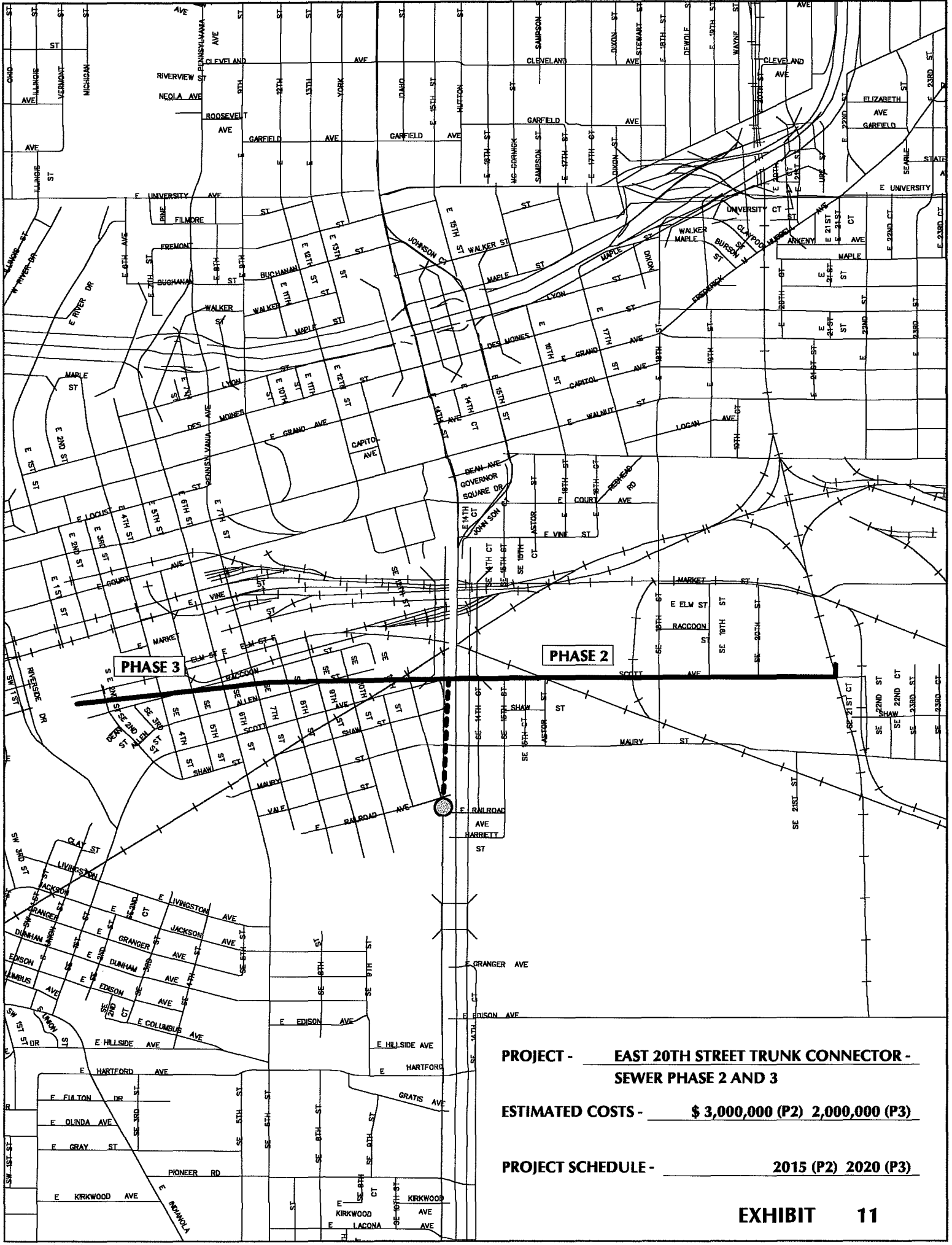


PROJECT - COMBINED SEWER SOLIDS SEPARATION FACILITY

ESTIMATED COSTS - \$ 33,500,000

PROJECT SCHEDULE - 2007 - 2010

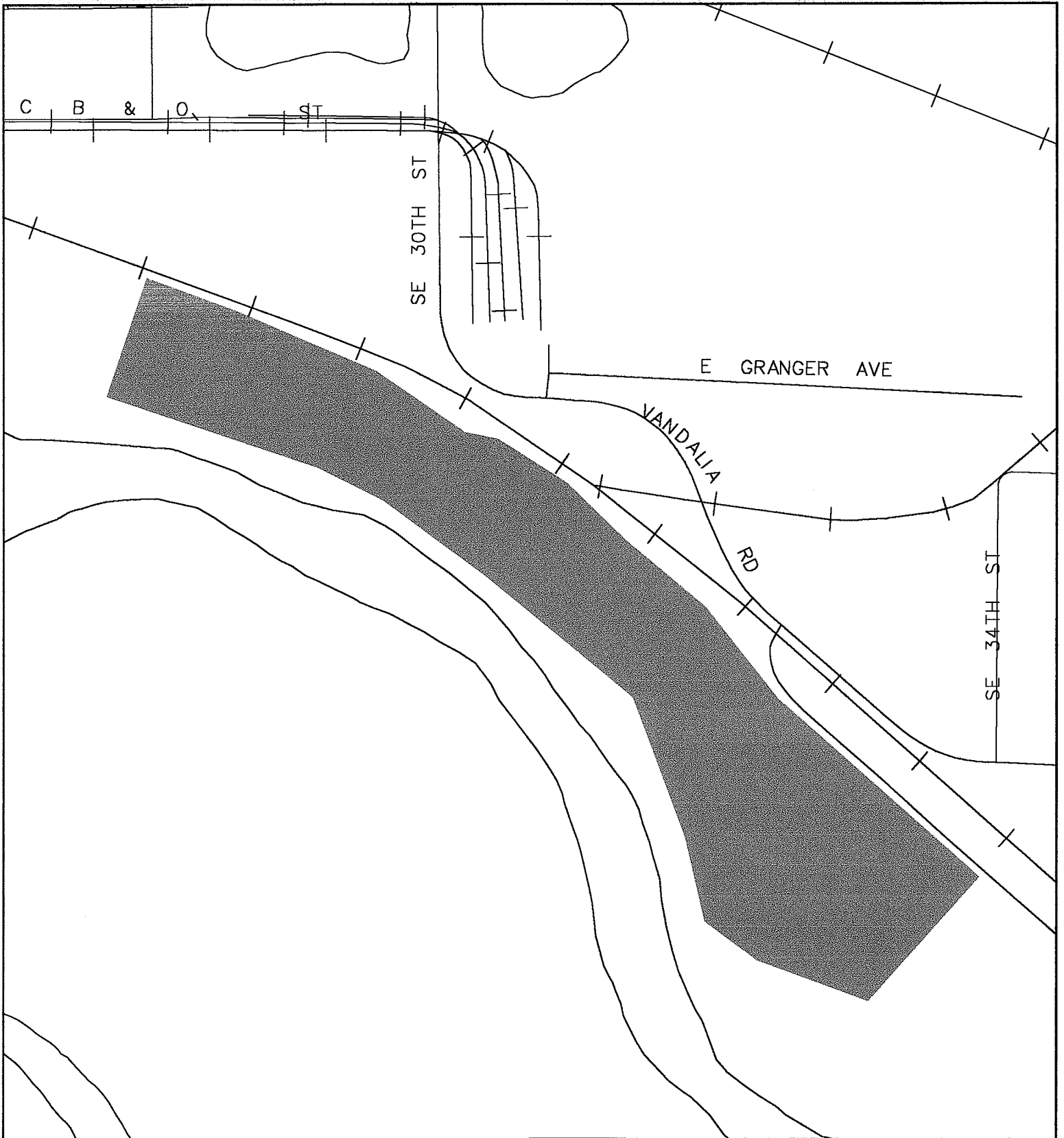
EXHIBIT 10



PROJECT - EAST 20TH STREET TRUNK CONNECTOR - SEWER PHASE 2 AND 3

ESTIMATED COSTS - \$ 3,000,000 (P2) 2,000,000 (P3)

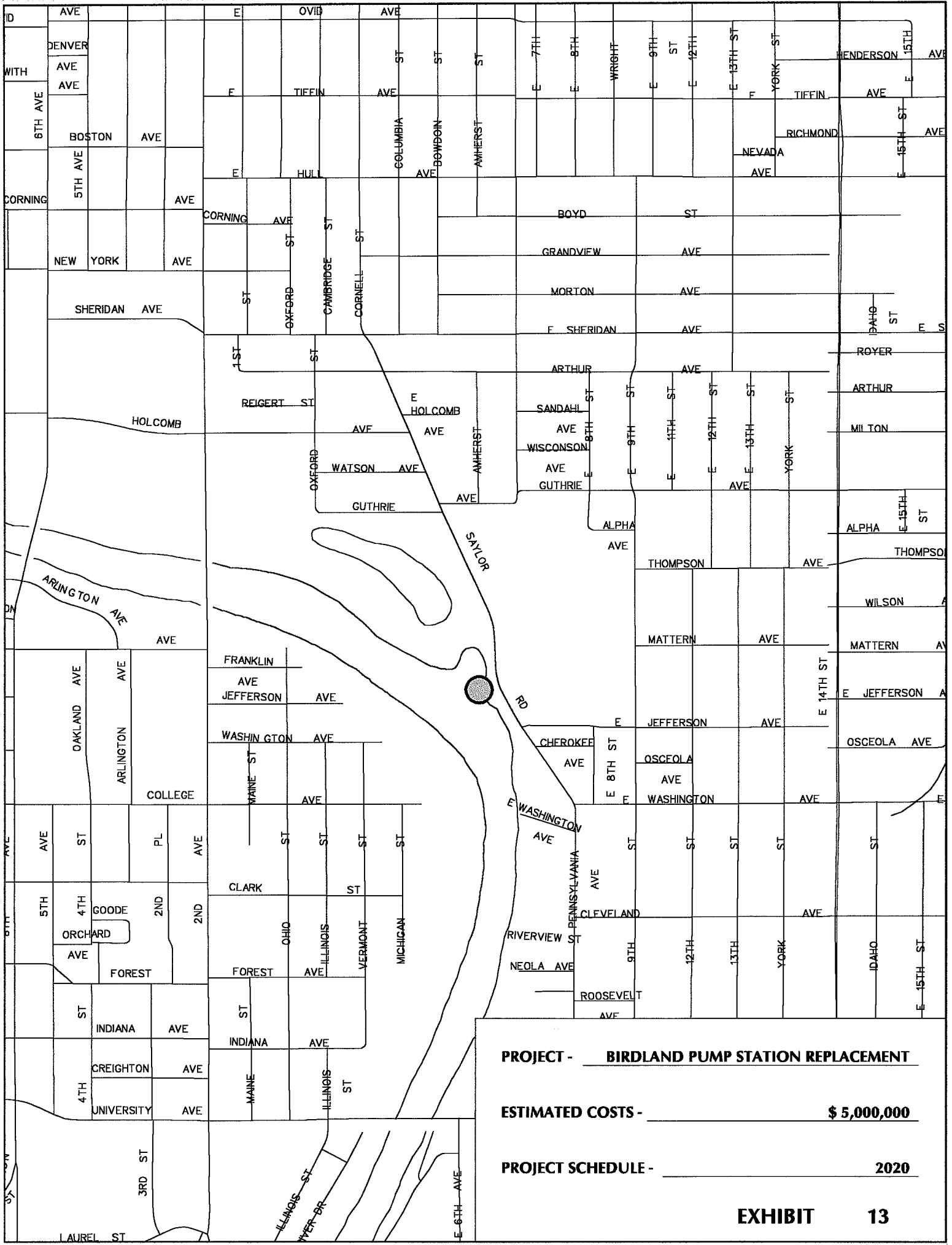
PROJECT SCHEDULE - 2015 (P2) 2020 (P3)



PROJECT - WRF NUTRIENT REMOVAL

ESTIMATED COSTS - \$ 20,000,000

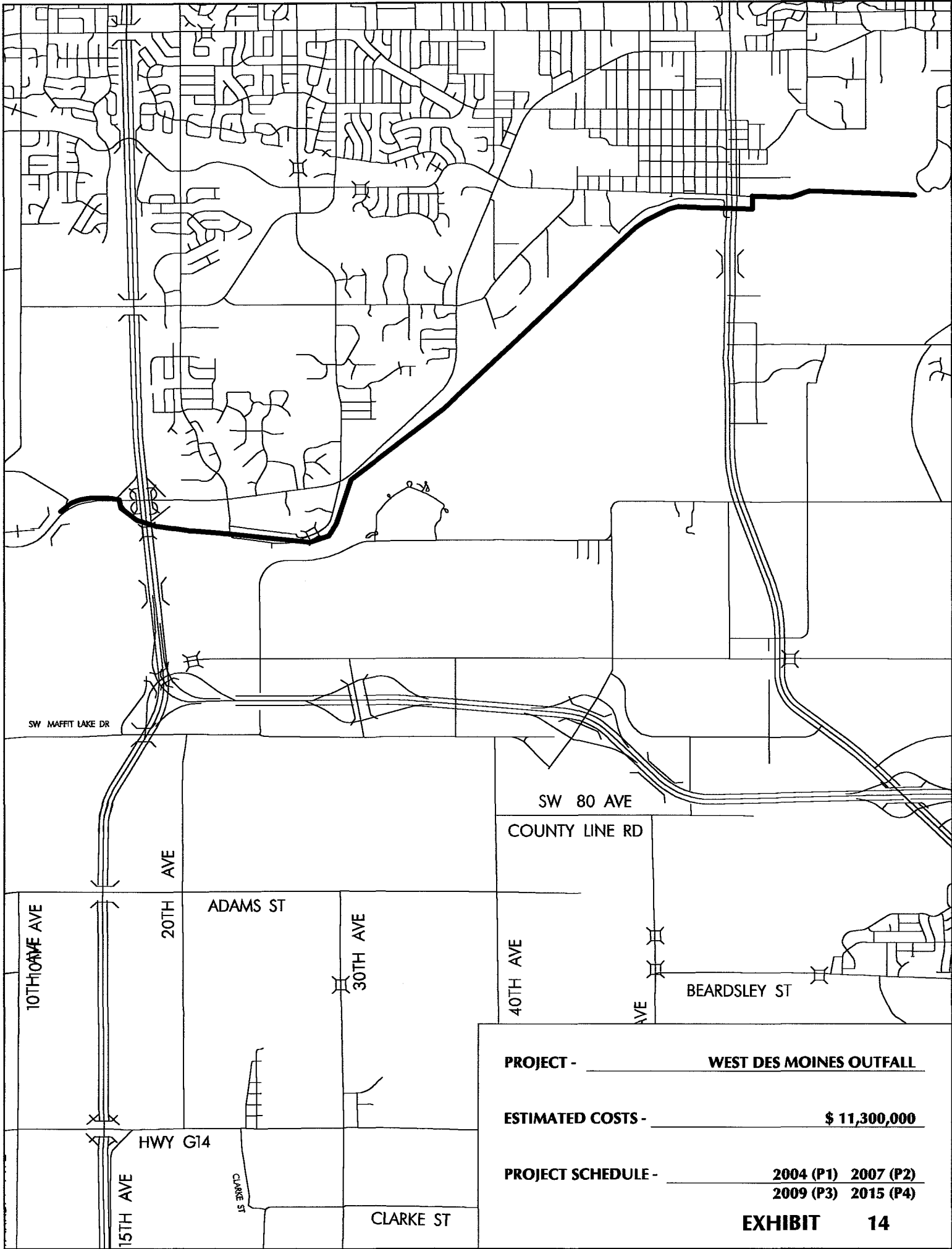
PROJECT SCHEDULE - 2012 - 2013



PROJECT - BIRDLAND PUMP STATION REPLACEMENT

ESTIMATED COSTS - \$ 5,000,000

PROJECT SCHEDULE - 2020

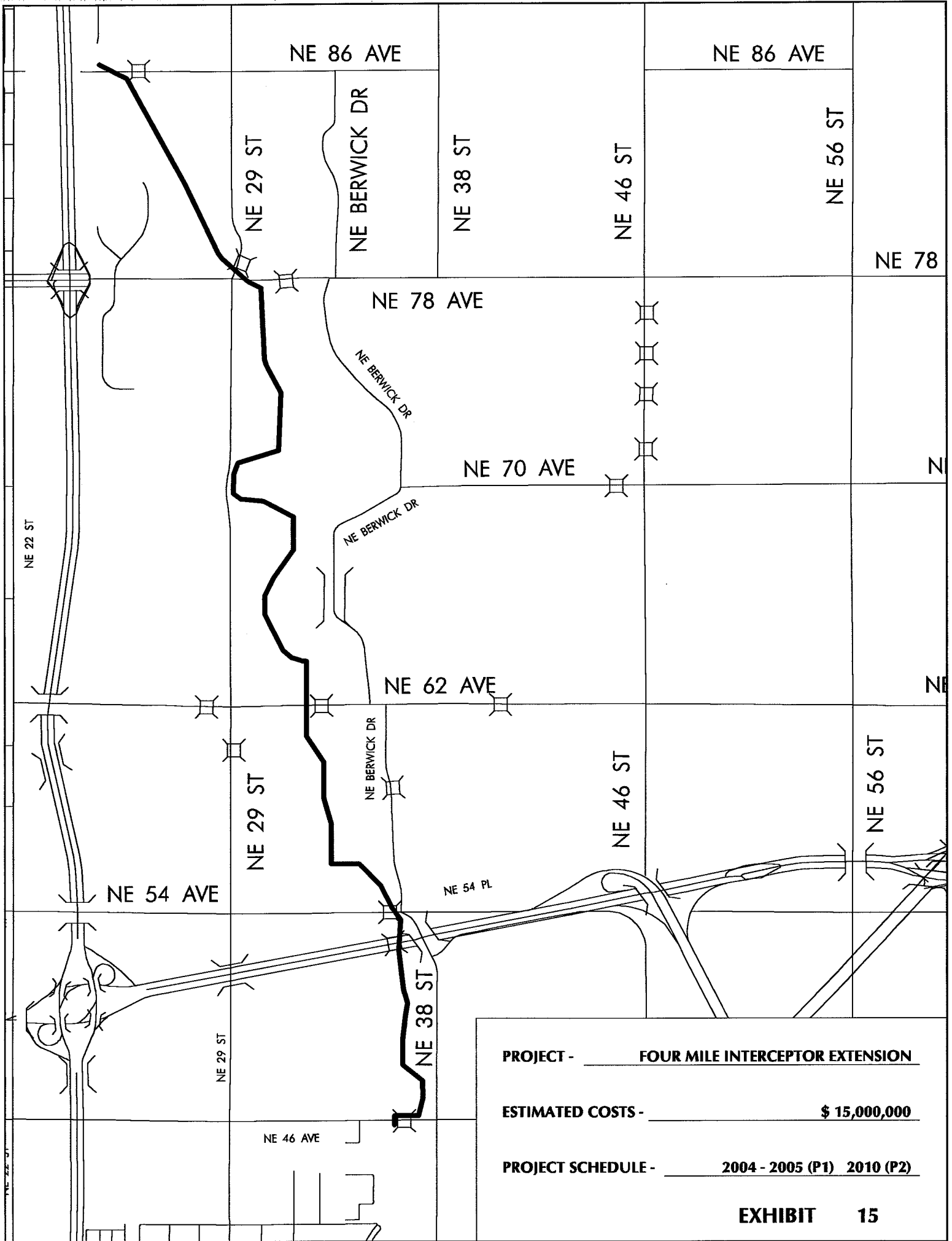


PROJECT - WEST DES MOINES OUTFALL

ESTIMATED COSTS - \$ 11,300,000

PROJECT SCHEDULE - 2004 (P1) 2007 (P2)
2009 (P3) 2015 (P4)

EXHIBIT 14

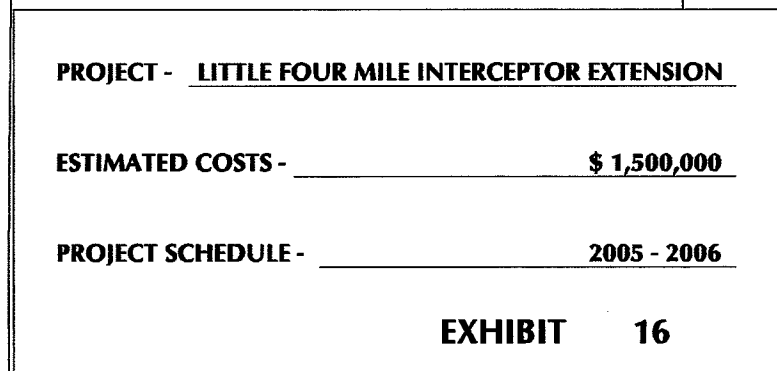
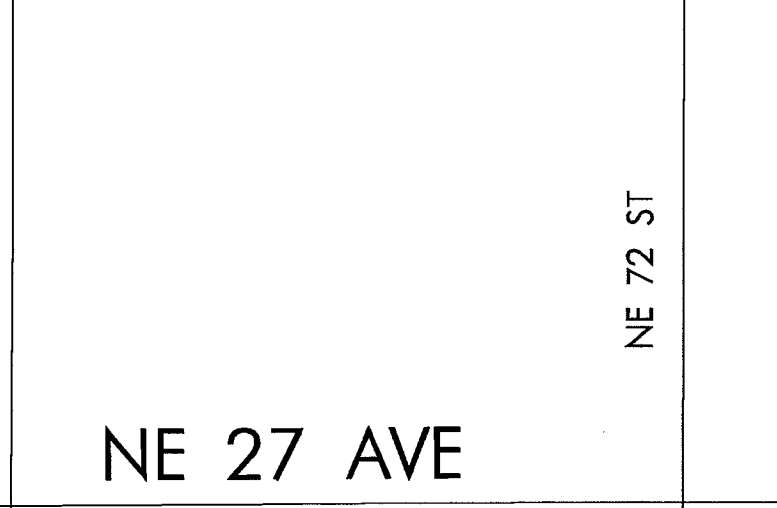
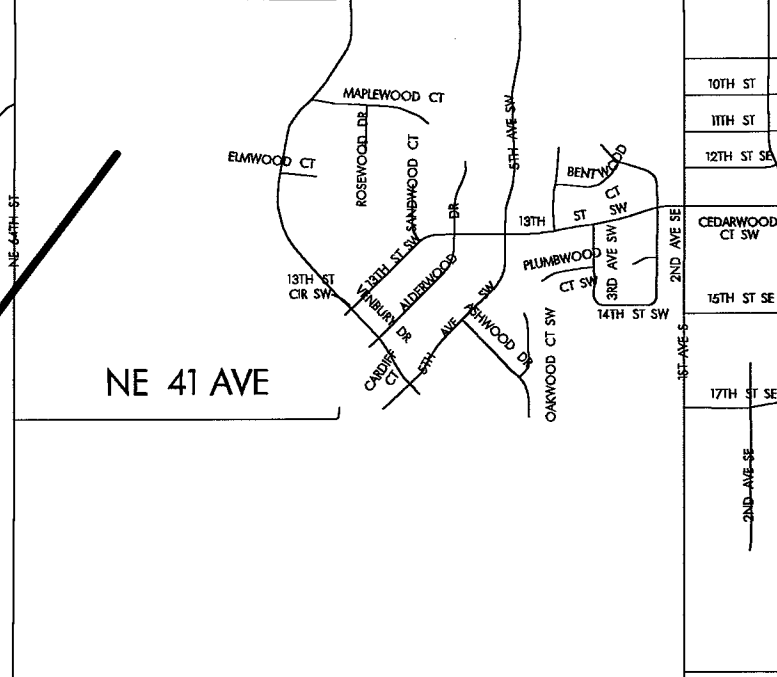
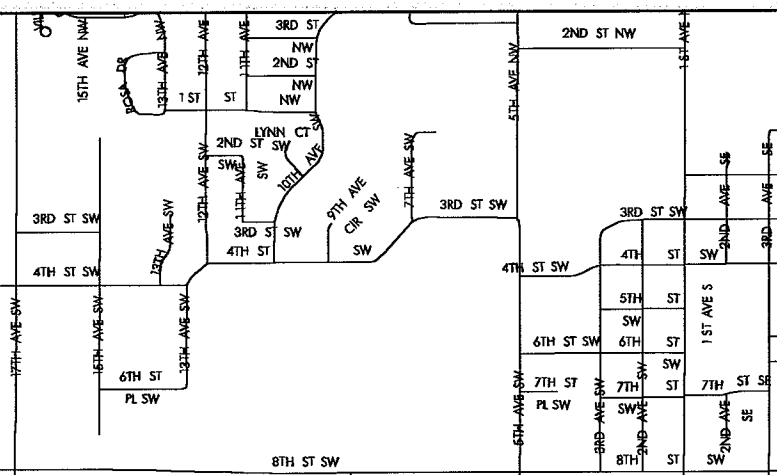
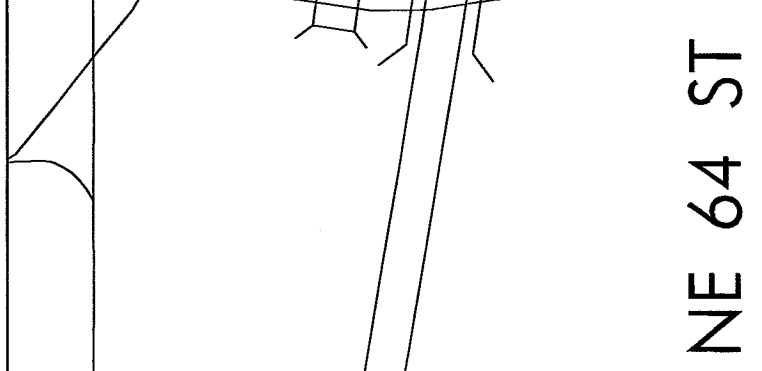
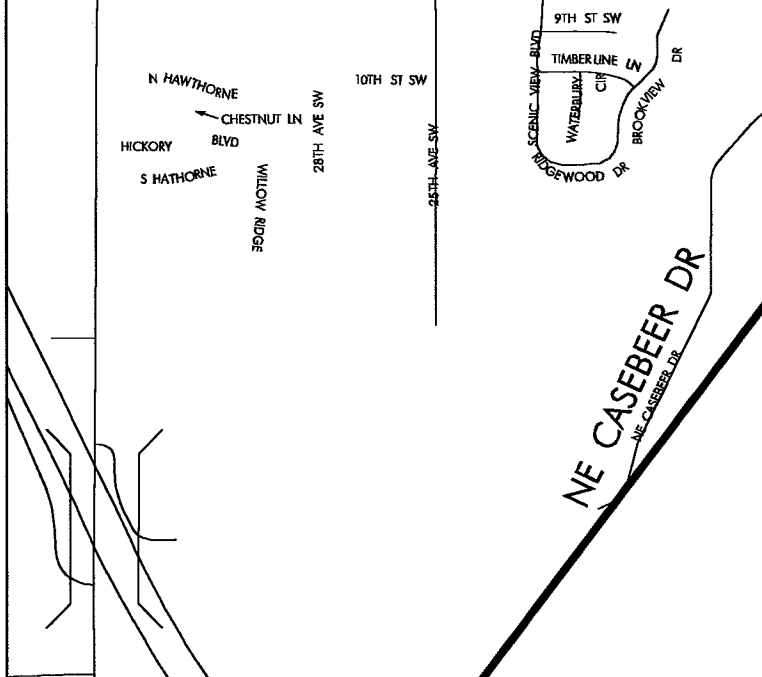
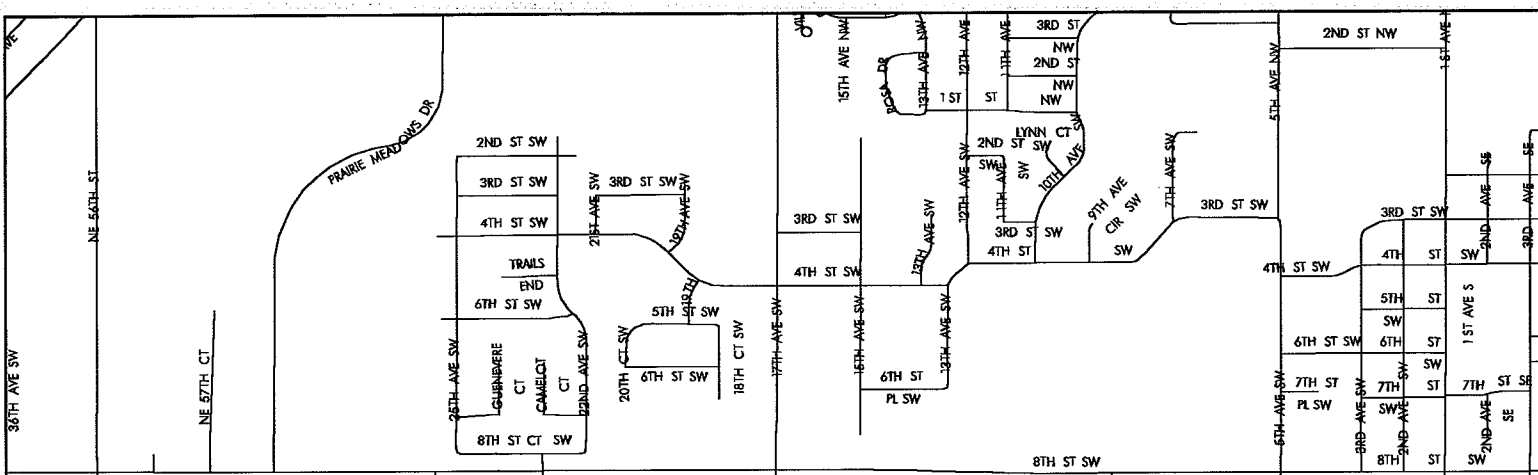


PROJECT - FOUR MILE INTERCEPTOR EXTENSION

ESTIMATED COSTS - \$ 15,000,000

PROJECT SCHEDULE - 2004 - 2005 (P1) 2010 (P2)

NE 56 ST



NE CASEBEER DR

NE 41 AVE

NE 27 AVE

NE 72 ST

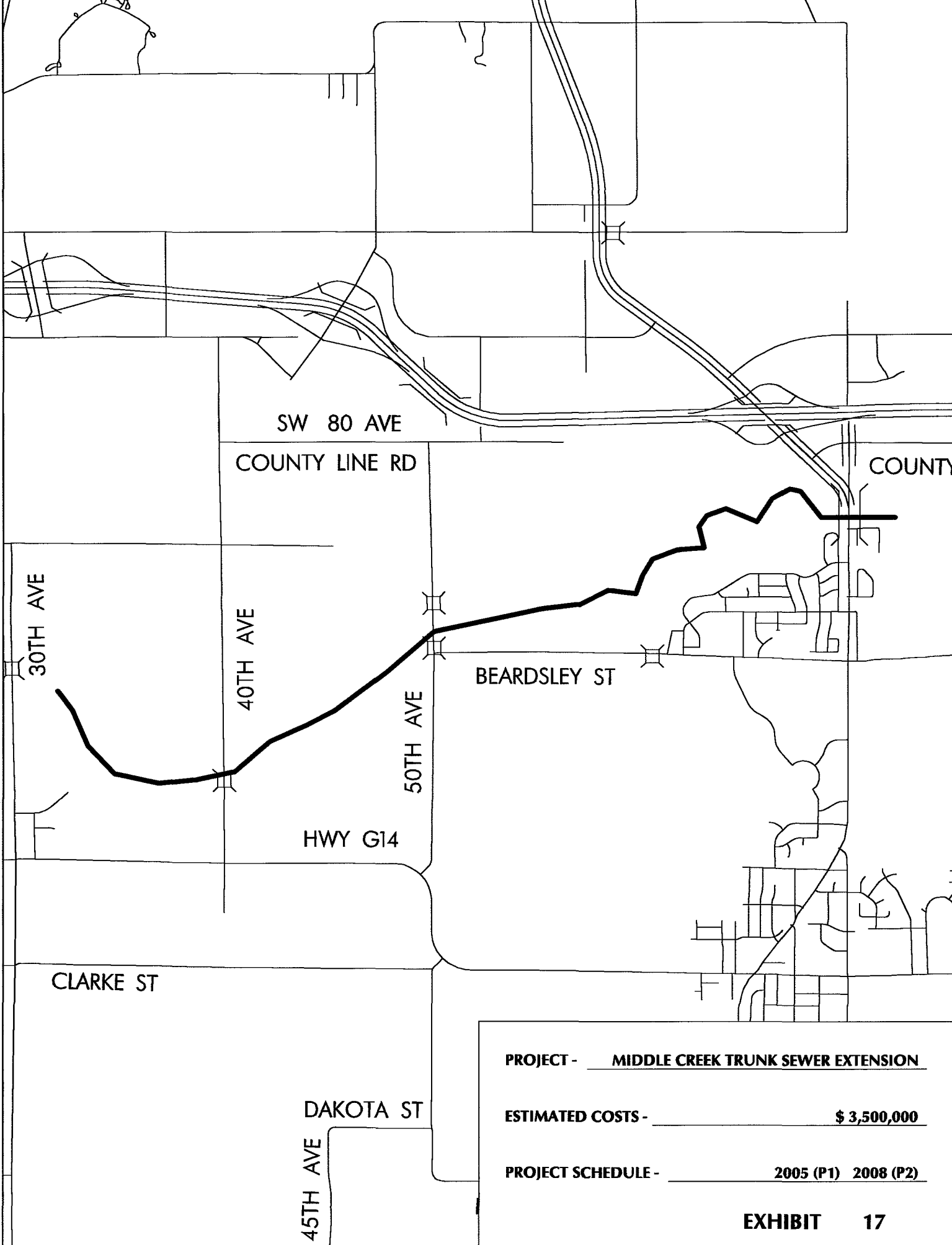
NE 64 ST

PROJECT - LITTLE FOUR MILE INTERCEPTOR EXTENSION

ESTIMATED COSTS - \$ 1,500,000

PROJECT SCHEDULE - 2005 - 2006

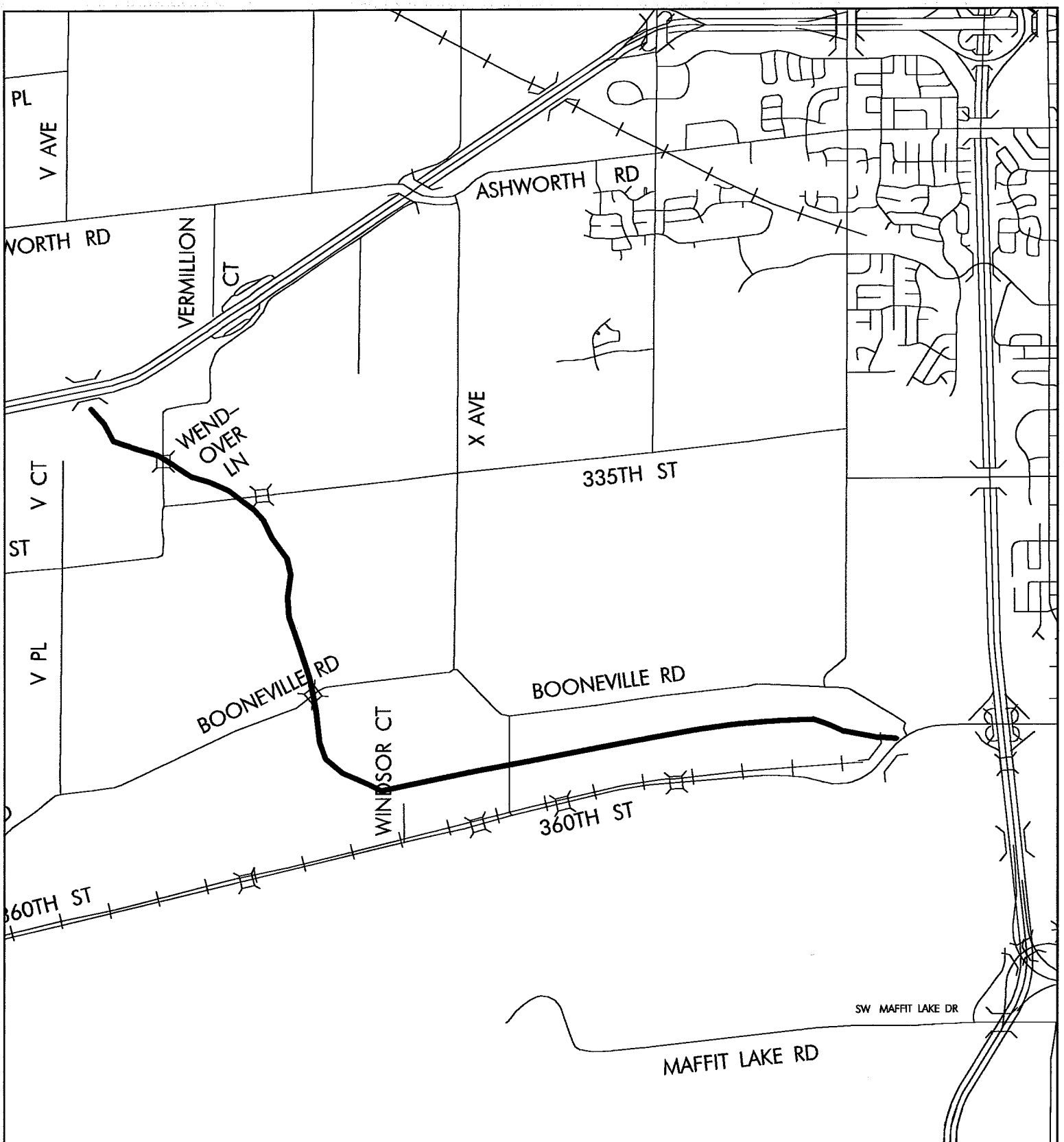
EXHIBIT 16



PROJECT - MIDDLE CREEK TRUNK SEWER EXTENSION

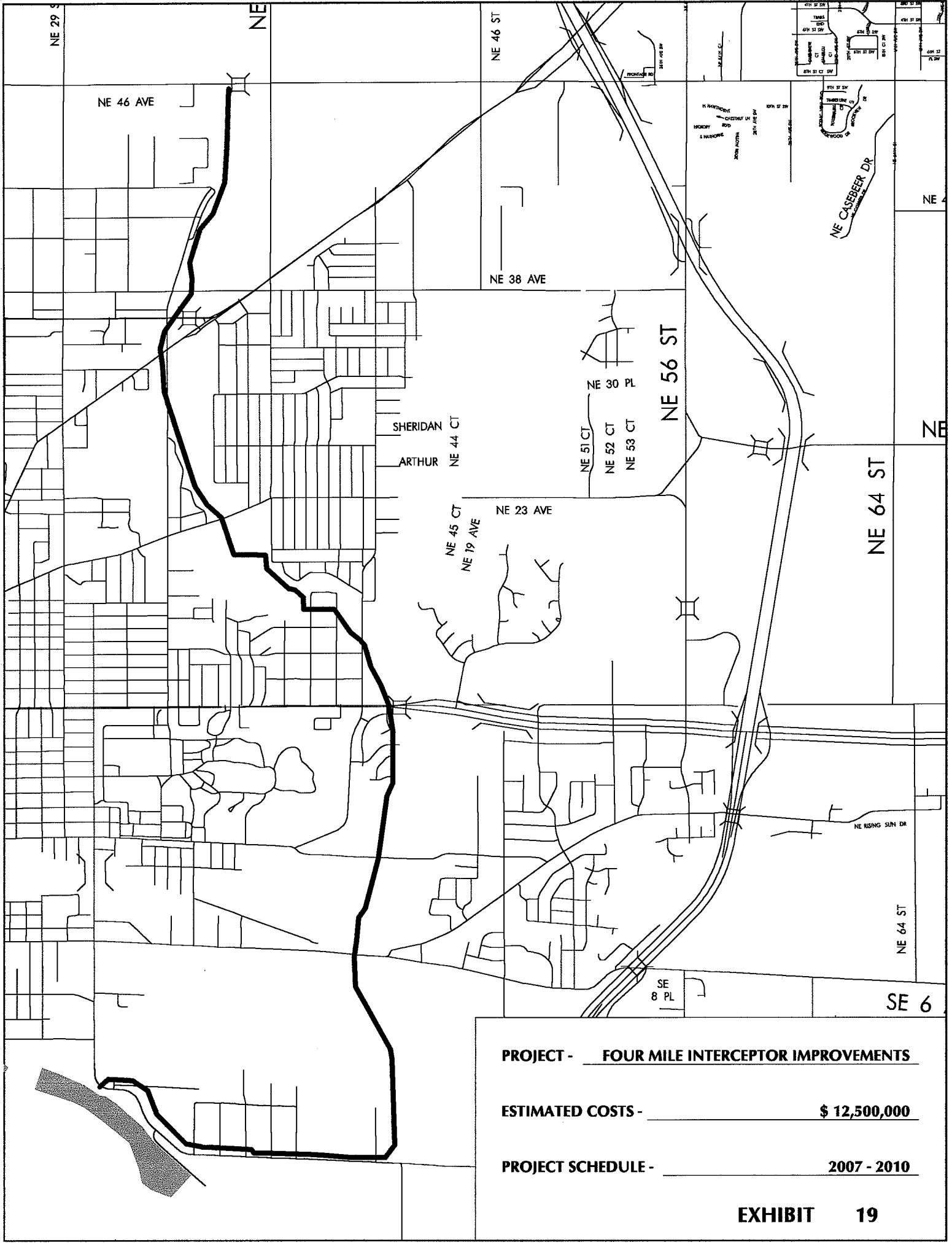
ESTIMATED COSTS - \$ 3,500,000

PROJECT SCHEDULE - 2005 (P1) 2008 (P2)



PROJECT -	WEST DES MOINES OUTFALL EXTENSION
ESTIMATED COSTS -	\$ 6,000,000
PROJECT SCHEDULE -	2004 (P1) 2006 (P2) 2011 (P3)

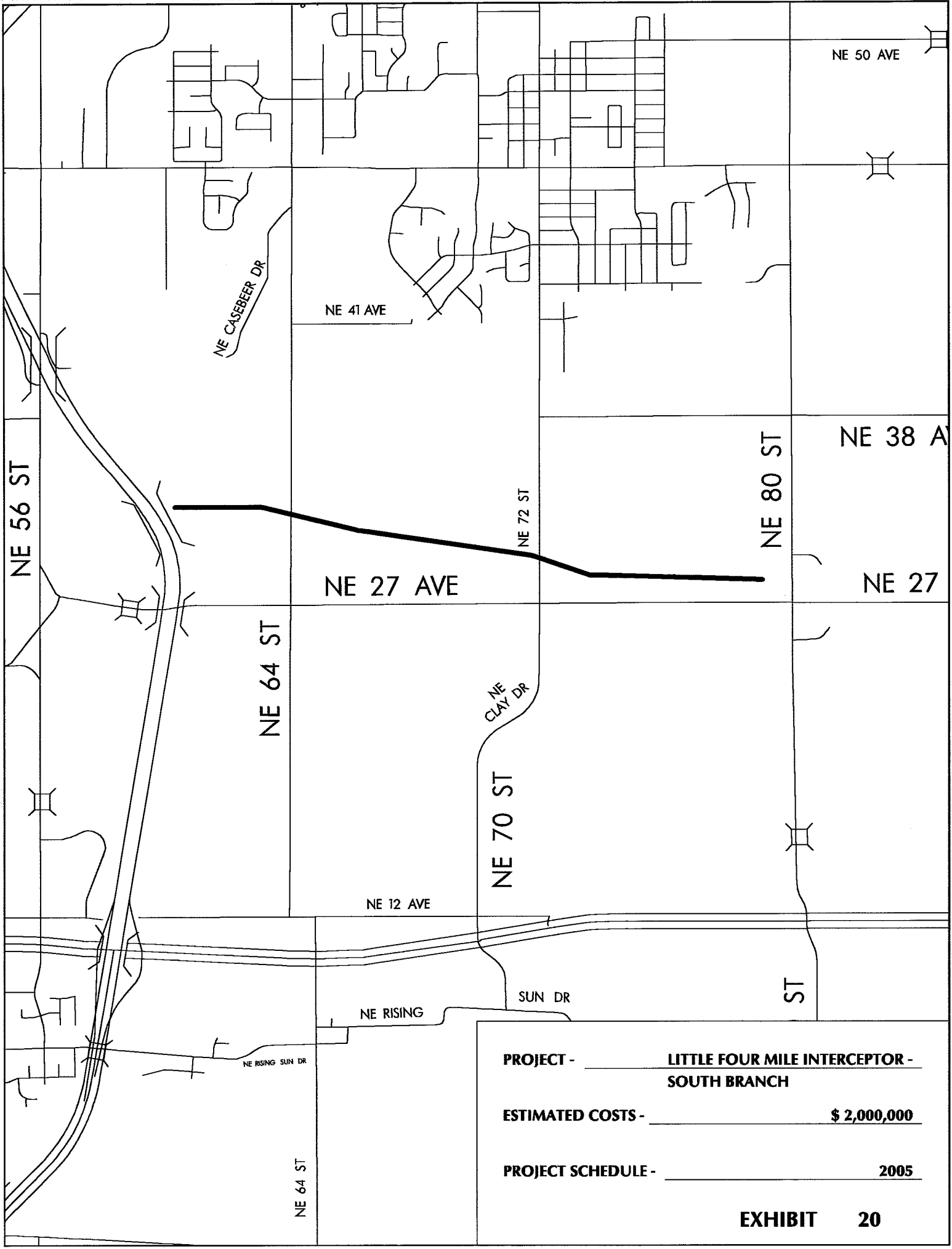
EXHIBIT 18



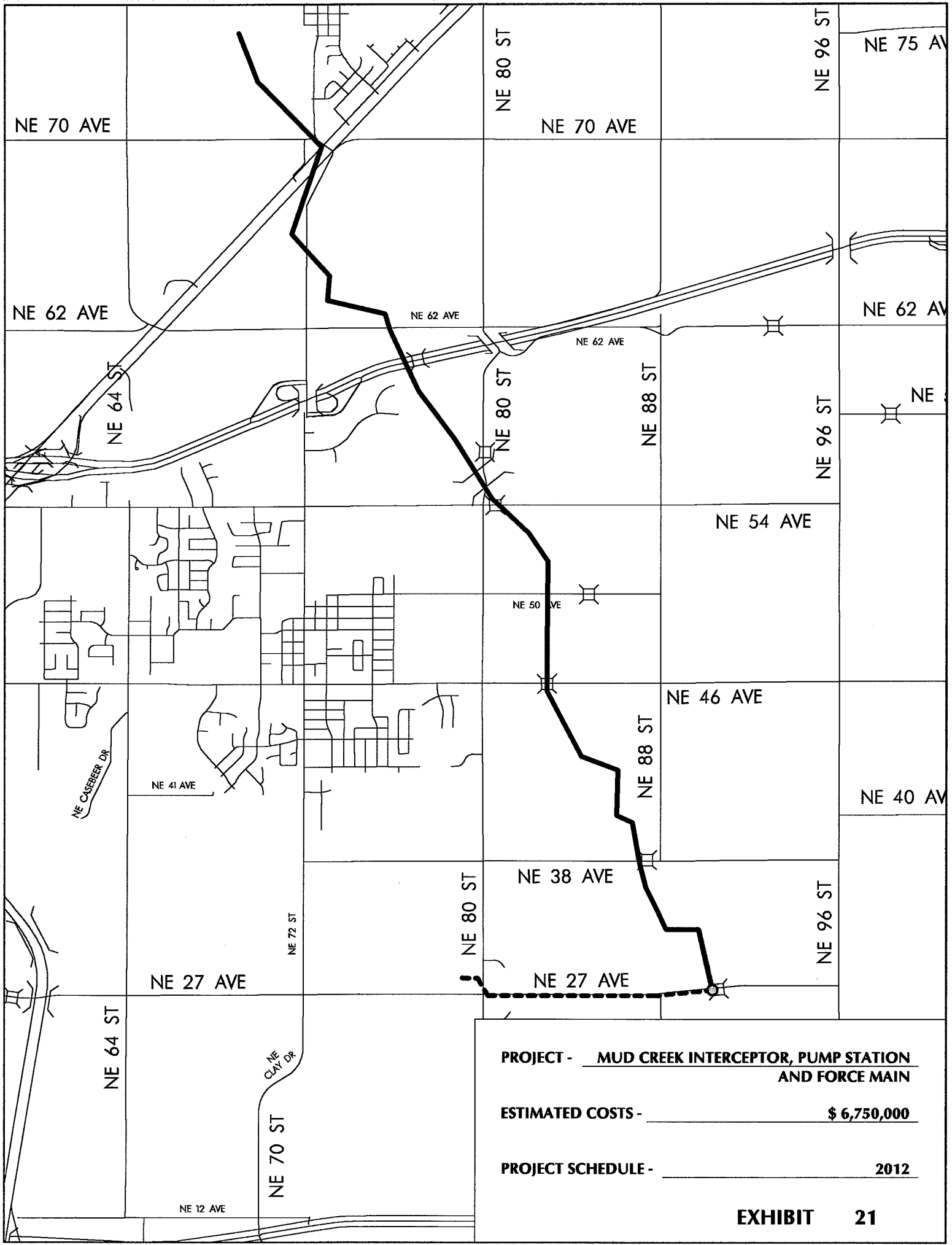
PROJECT - FOUR MILE INTERCEPTOR IMPROVEMENTS

ESTIMATED COSTS - \$ 12,500,000

PROJECT SCHEDULE - 2007 - 2010



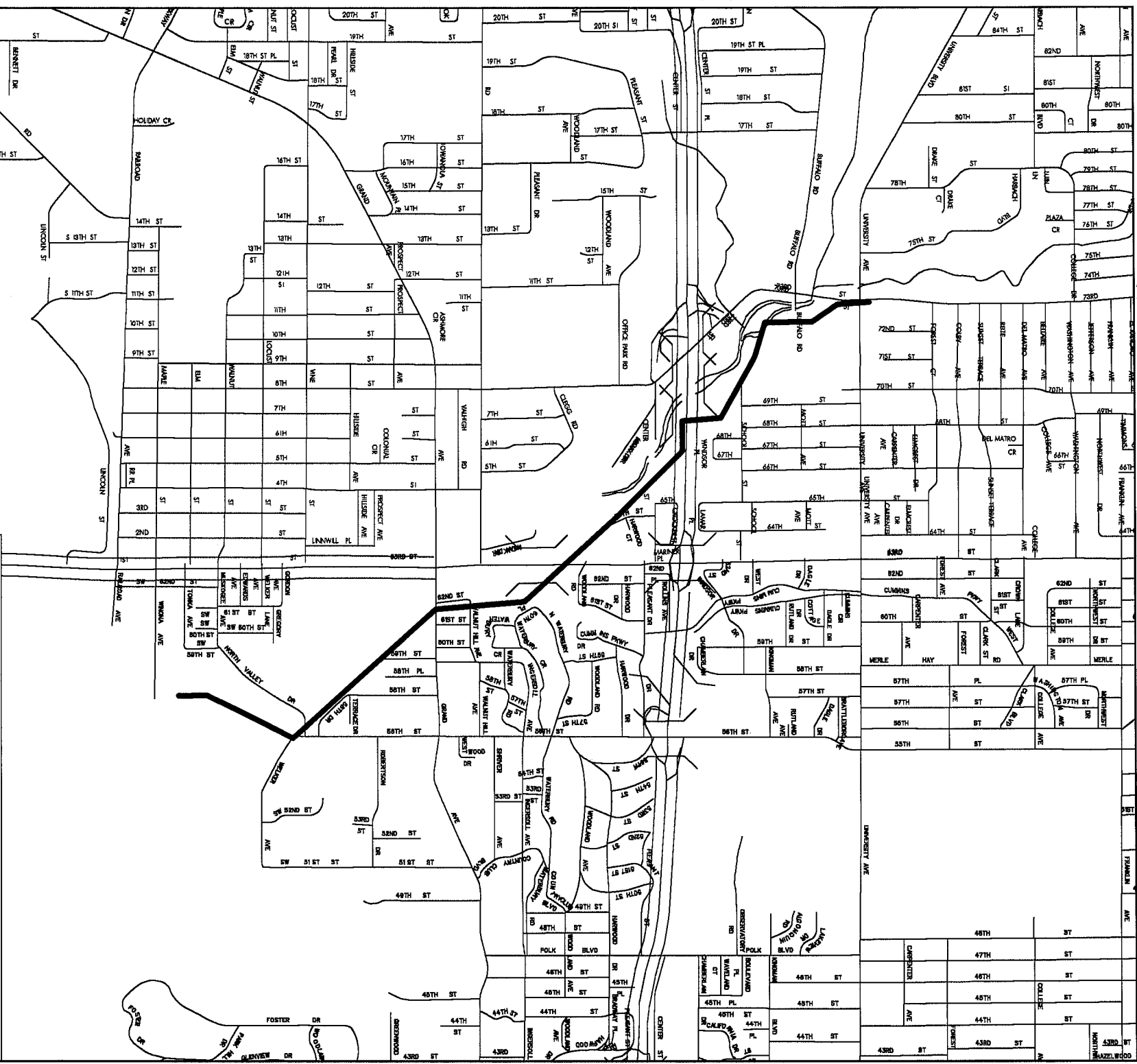
PROJECT -	LITTLE FOUR MILE INTERCEPTOR - SOUTH BRANCH
ESTIMATED COSTS -	\$ 2,000,000
PROJECT SCHEDULE -	2005
EXHIBIT 20	



PROJECT - MUD CREEK INTERCEPTOR, PUMP STATION AND FORCE MAIN

ESTIMATED COSTS - _____ \$ 6,750,000

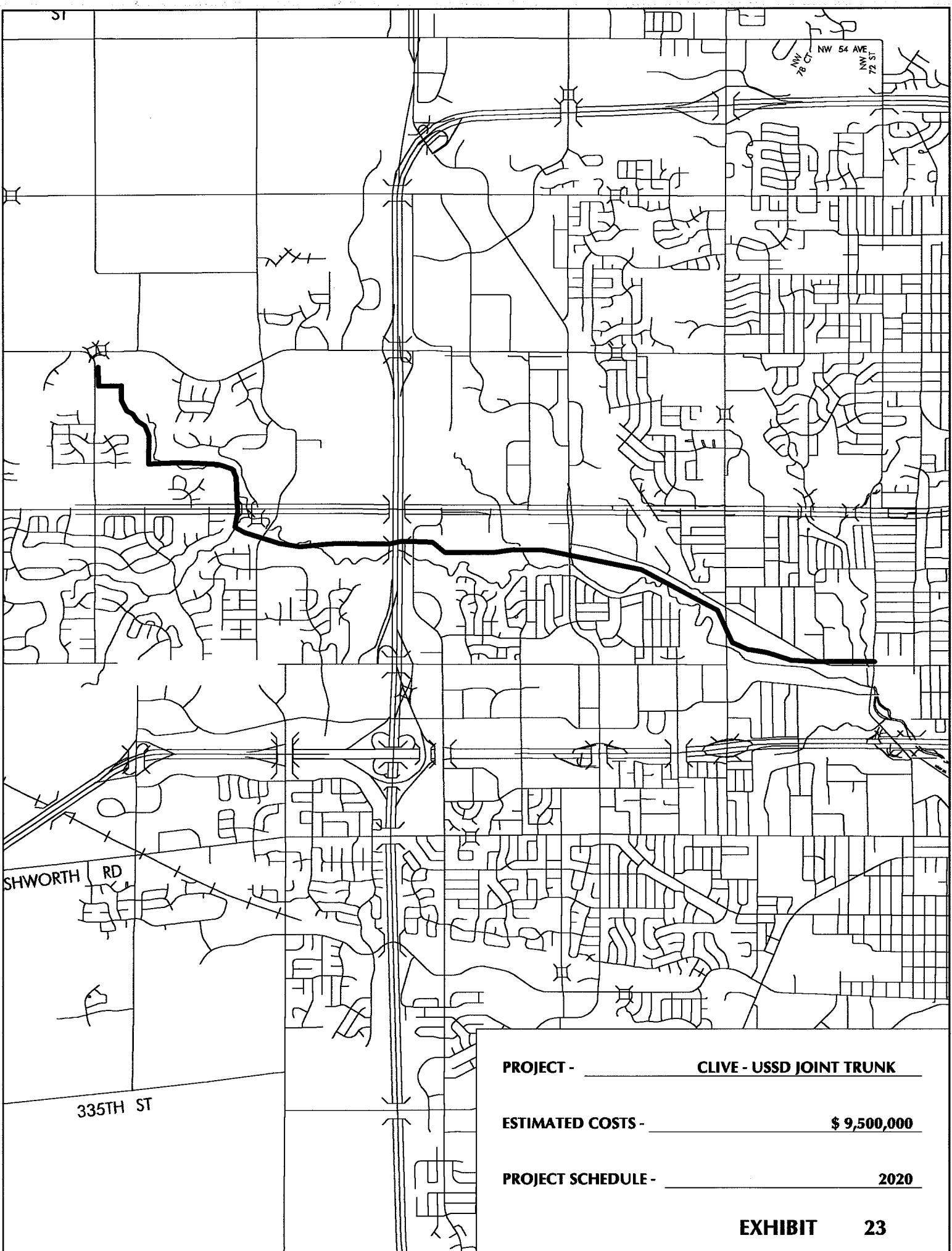
PROJECT SCHEDULE - _____ 2012



PROJECT - COMMON TRUNK IMPROVEMENTS

ESTIMATED COSTS - \$ 6,000,000

PROJECT SCHEDULE - 2018 - 2019

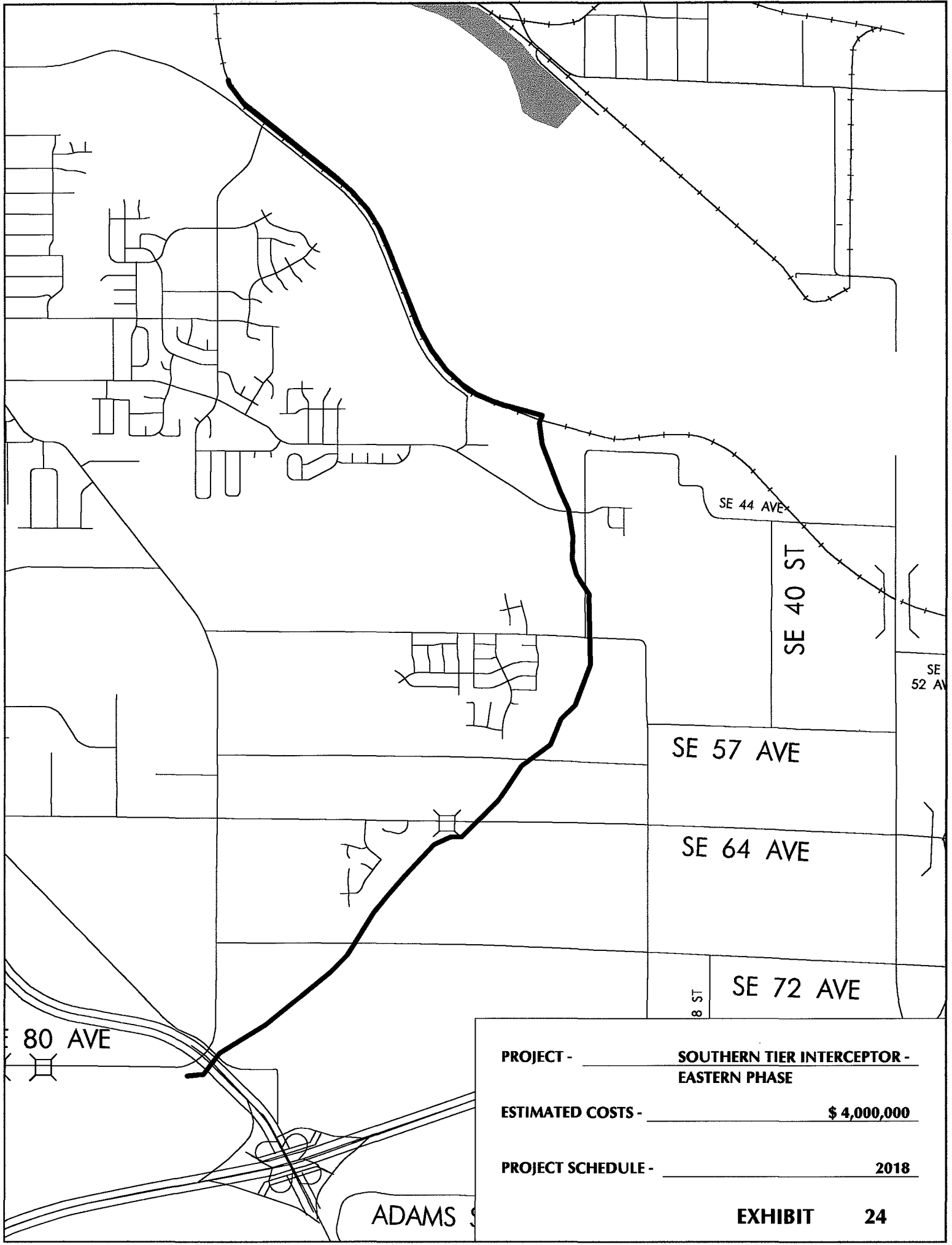


PROJECT - CLIVE - USSD JOINT TRUNK

ESTIMATED COSTS - \$ 9,500,000

PROJECT SCHEDULE - 2020

EXHIBIT 23



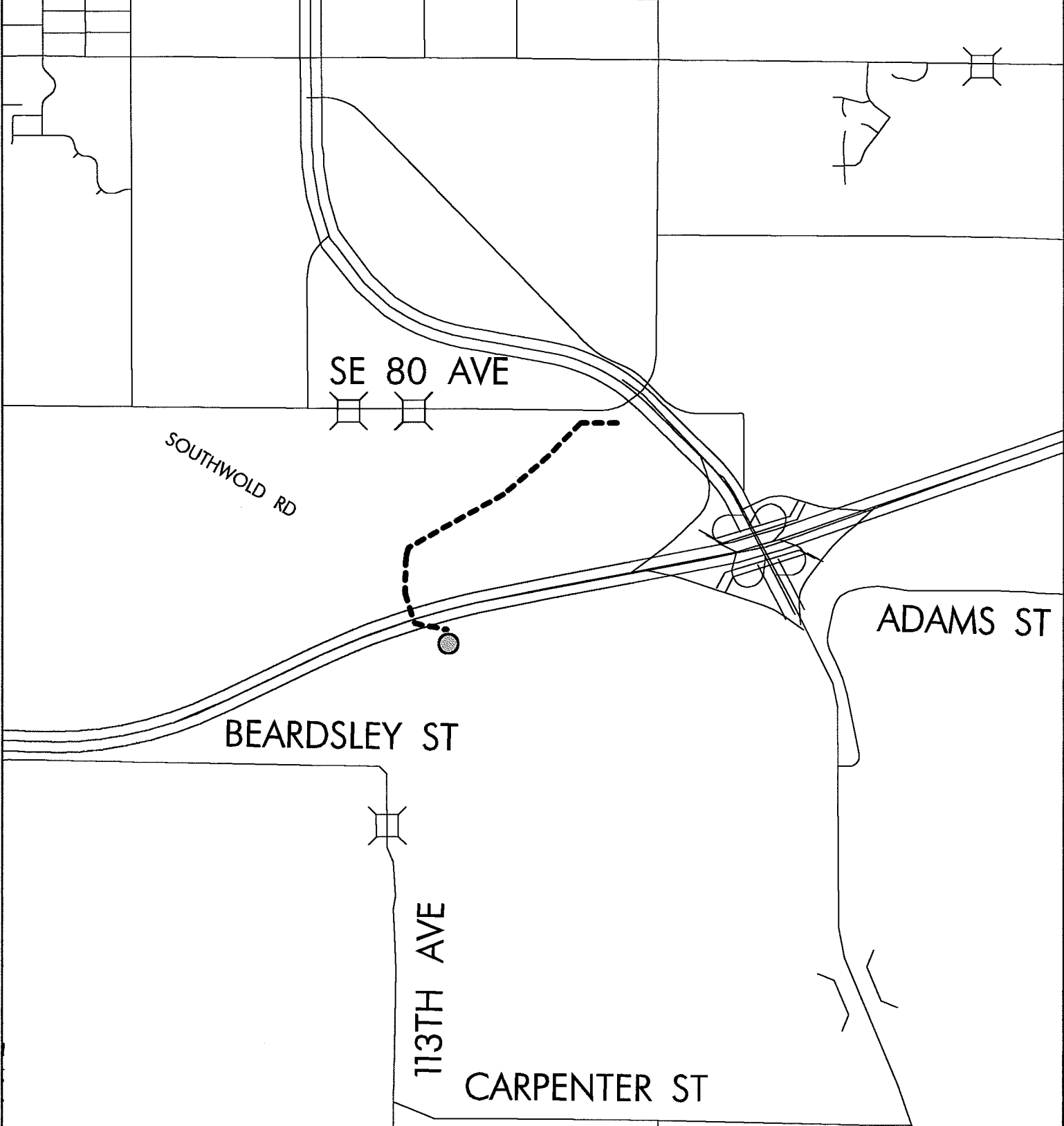
PROJECT - SOUTHERN TIER INTERCEPTOR - EASTERN PHASE

ESTIMATED COSTS - \$ 4,000,000

PROJECT SCHEDULE - 2018

ADAMS S

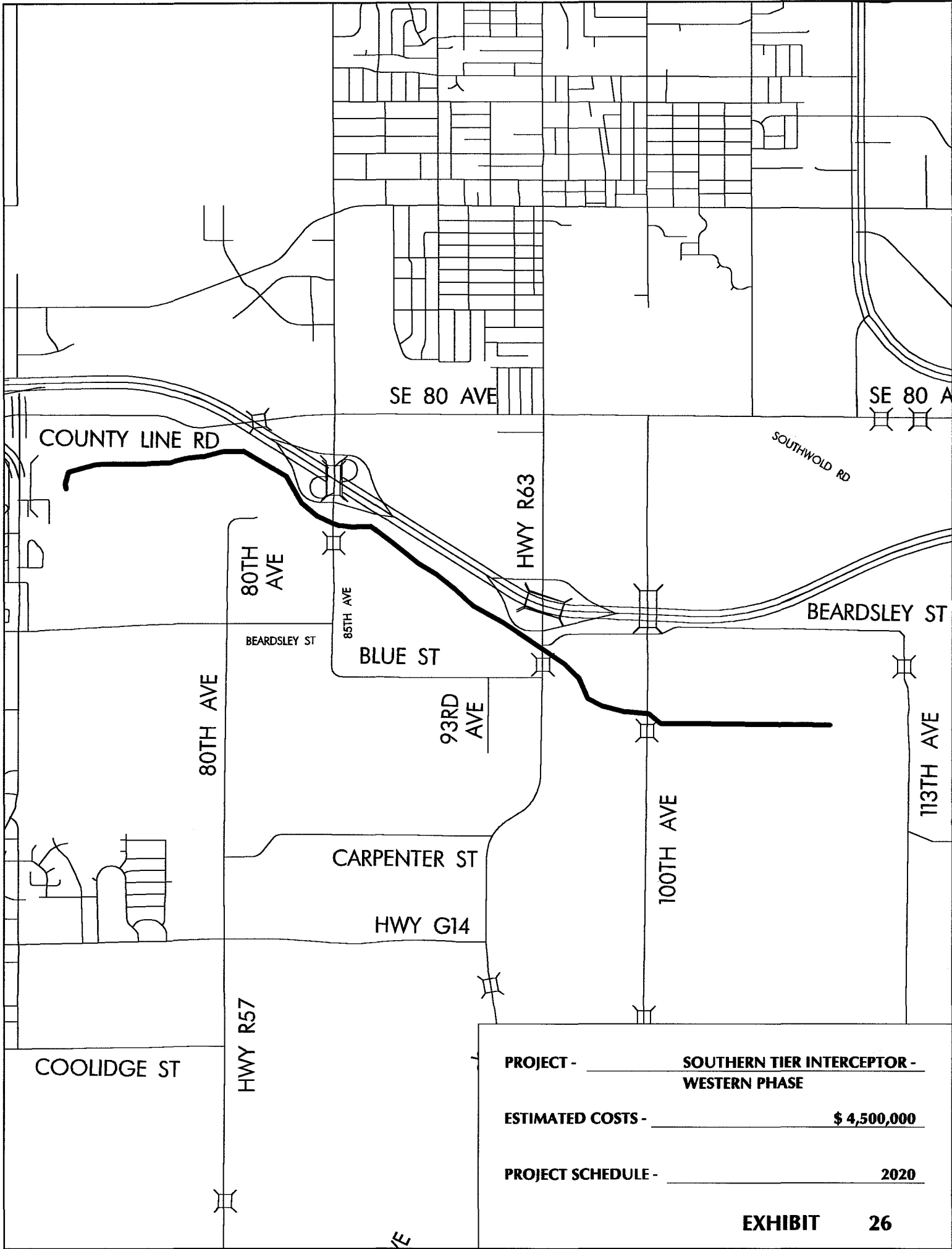
EXHIBIT 24



PROJECT - SOUTHERN TIER INTERCEPTOR -
PUMP STATION AND FORCE MAIN

ESTIMATED COSTS - \$ 6,000,000

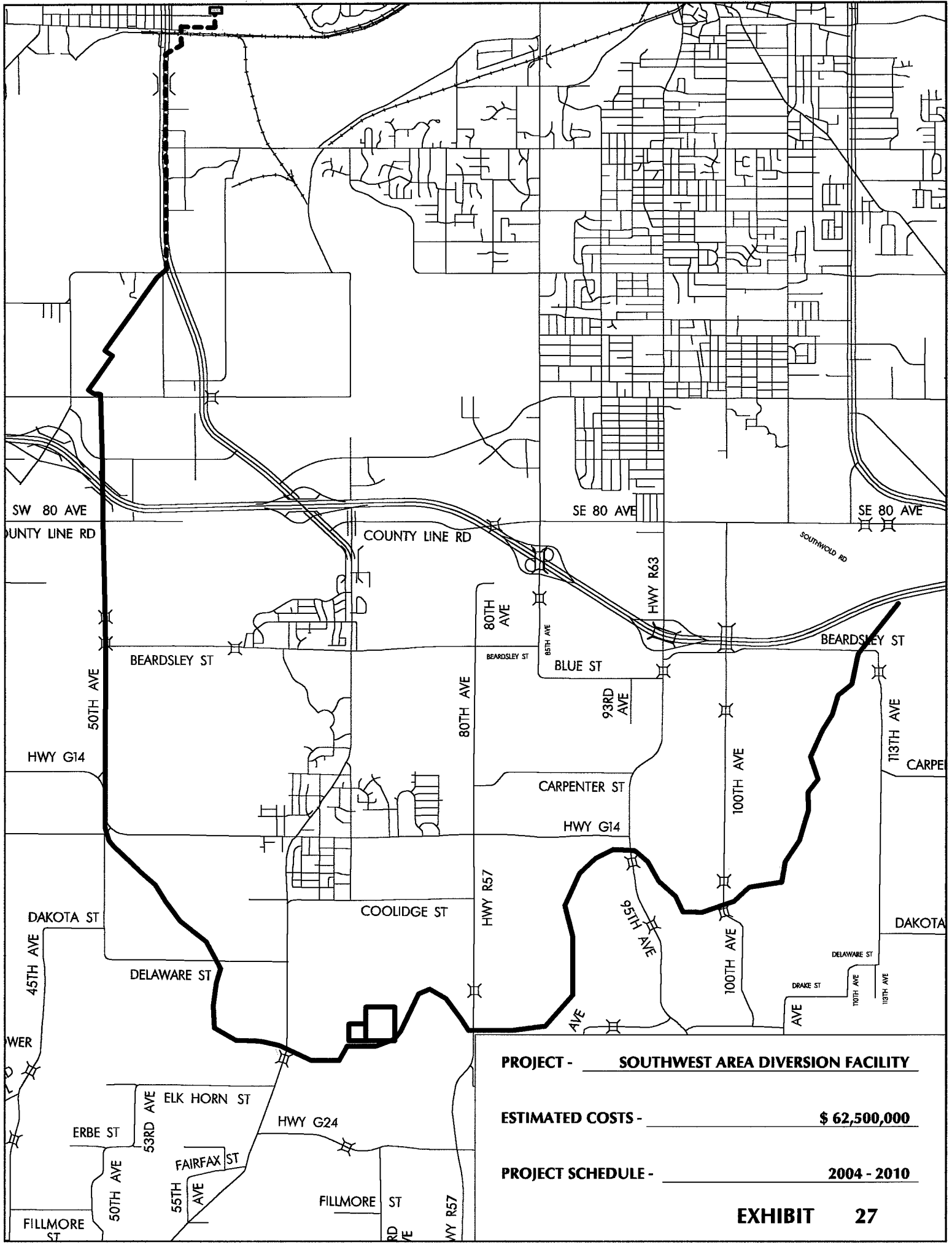
PROJECT SCHEDULE - 2018



PROJECT - SOUTHERN TIER INTERCEPTOR - WESTERN PHASE

ESTIMATED COSTS - \$ 4,500,000

PROJECT SCHEDULE - 2020



PROJECT - SOUTHWEST AREA DIVERSION FACILITY

ESTIMATED COSTS - \$ 62,500,000

PROJECT SCHEDULE - 2004 - 2010

EXHIBIT 27

EXHIBIT 28

SCHEDULE OF SURCHARGE PAYMENTS CITY OF ANKENY, IOWA

PART 1 - CAPACITY COST ALLOCATION

Description	Value
Population ¹⁾	27,117
WRF Valuation ²⁾	\$224,694,784
Maximum 30 Day WRF Capacity, mgd ³⁾	134.0
Cost per mgd of Maximum 30 Day Capacity ⁴⁾	\$1,676,827
Daily Per Capita Flow, gpd ⁵⁾	226
Growth Allocation Factor ⁶⁾	140%
Capacity Requirement, mgd ⁷⁾	8.580
Required Capital Contribution ⁸⁾	\$14,386,869

Assumptions

- ¹⁾ 2000 Census Population of City of Ankeny
- ²⁾ Valuation of Wastewater Reclamation Facility as of July 1, 2004
(\$197,794,784 + estimated value of hauled waste facility) (\$4,400,000)
+ estimated value of renewal and replacement funded projects currently
in progress (\$12,500,000) + renewal and replacement fund balance
\$10,000,000 = \$224,694,784
- ³⁾ Maximum 30 day capacity of Wastewater Reclamation Facility as
determined by WRA Facility Plan Update
- ⁴⁾ Valuation of Wastewater Reclamation Facility divided by maximum 30
day capacity
- ⁵⁾ Daily per capita flow as determined from ICA Facility Plan
- ⁶⁾ Growth allocation factor based on average growth of original ICA
communities
- ⁷⁾ Population x per capita daily flow x growth allocation factor, stated in
mgd
- ⁸⁾ Required capacity x cost per mgd of maximum 30 day capacity.

PART 2 - SURCHARGE CALCULATION

Fiscal Year	Payment Rate⁽¹⁾²⁾	Annual Winter Average Flow⁽³⁾⁴⁾	Annual Surcharge Payment	Present Value of Reversionary Purchase⁽⁵⁾	Maximum 30 Day WRF Reversionary Interest Acquired⁽⁶⁾ (mgd)
2005	\$0.6000	968,000	\$ 580,800	\$ 557,122	0.33
2006	0.6240	997,040	622,153	572,460	0.67
2007	0.6480	1,026,951	665,464	587,350	1.02
2008	0.6730	1,057,760	711,872	602,695	1.38
2009	0.6990	1,089,493	761,555	618,474	1.75
2010	0.7260	1,122,177	814,701	634,661	2.13
2011	0.7550	1,155,843	872,661	652,099	2.52
2012	0.7850	1,190,518	934,557	669,880	2.92
2013	0.8160	1,226,233	1,000,606	687,985	3.33
2014	0.8480	1,263,020	1,071,041	706,392	3.75
2015	0.8810	1,300,911	1,146,103	725,081	4.18
2016	0.9160	1,339,938	1,227,384	744,848	4.63
2017	0.9520	1,380,137	1,313,890	764,839	5.08
2018	0.9900	1,421,541	1,407,325	785,832	5.55
2019	1.0290	1,464,187	1,506,648	806,995	6.03
2020	1.0700	1,508,112	1,613,680	829,088	6.53
2021	1.1120	1,553,356	1,727,332	851,300	7.04
2022	1.1560	1,599,957	1,849,550	874,373	7.56
2023	1.2020	1,647,955	1,980,842	898,265	8.09
2024	1.2500	1,697,394	1,878,507	<u>817,131</u>	8.58
Total				14,386,869	

Assumptions

- 1) Initial payment rate \$0.60 per 1,000 gallons.
- 2) Annual rate of increase of payment rate 4.3%
- 3) Winter average flow for three prior year average for December, January and February annualized from 3 month flow.
- 4) Annual rate of flow growth 3%.
- 5) Present value discount rate 4.25%, present value date June 30, 2004
- 6) Capacity acquired determined by the present value reversionary purchase rate based on cost per mgd of maximum 30 day capacity

Other Parameters

- A. Annual winter average flow amount will be adjusted for each fiscal year based on actual annualized winter flow for the prior calendar year (or such other period being used to measure WRA Flows) and paid in equal monthly installments at the specified payment rate during the following fiscal year.
- B. Regardless of actual flows, the annual payment amount shall not be less than 90% of the value set forth in the above surcharge calculations.
- C. If payments are made in excess of the amounts set forth in above calculations, the obligation of the City of Ankeny to make surcharge payments will terminate when it has paid the full amount of its required capital contribution.
- D. If on June 30, 2024, the City of Ankeny has not paid the full amount of its required capital contribution, the City of Ankeny shall make payments of the remaining balance on or before June 30, 2025.

EXHIBIT 29

SCHEDULE OF SURCHARGE PAYMENTS
CITY OF NORWALK, IOWA

PART 1 - CAPACITY COST ALLOCATION

Description	Value
Population ¹⁾	6,884
WRF Valuation ²⁾	\$224,694,784
Maximum 30 Day WRF Capacity, mgd ³⁾	134.0
Cost per mgd of Maximum 30 Day Capacity ⁴⁾	\$1,676,827
Daily Per Capita Flow, gpd ⁵⁾	226
Growth Allocation Factor ⁶⁾	140%
Capacity Requirement, mgd ⁷⁾	1.178
Required Capital Contribution ⁸⁾	\$1,975,465

Assumptions

- ¹⁾ 2000 Census Population of City of Norwalk
- ²⁾ Valuation of Wastewater Reclamation Facility as of July 1, 2004
(\$197,794,784 + estimated value of hauled waste facility) (\$4,400,000)
+ estimated value of renewal and replacement funded projects currently
in progress (\$12,500,000) + renewal and replacement fund balance
\$10,000,000 = \$224,694,784
- ³⁾ Maximum 30 day capacity of Wastewater Reclamation Facility as
determined by WRA Facility Plan Update
- ⁴⁾ Valuation of Wastewater Reclamation Facility divided by maximum 30
day capacity
- ⁵⁾ Daily per capita flow as determined from ICA Facility Plan
- ⁶⁾ Growth allocation factor based on average growth of original ICA
communities
- ⁷⁾ Population x per capita daily flow x growth allocation factor stated in
mgd (2.178) less 1.000 mgd of existing capacity = 1.178 mgd
- ⁸⁾ Required capacity x cost per mgd of maximum 30 day capacity.

PART 2 - SURCHARGE CALCULATION

Fiscal Year	Payment Rate ¹⁾²⁾	Annual Winter Average Flow ³⁾⁴⁾	Annual Surcharge Payment	Present Value of Reversionary Purchase ⁵⁾	Maximum 30 Day WRF Reversionary Interest Acquired ⁶⁾ (mgd)
2005	\$0.6000	110,900	\$ 66,540	\$ 63,827	0.04
2006	0.6340	114,337	72,490	66,700	0.08
2007	0.6700	117,882	78,981	69,710	0.12
2008	0.7080	121,537	86,048	72,851	0.16
2009	0.7480	125,304	93,728	76,118	0.21
2010	0.7900	129,189	102,059	79,505	0.26
2011	0.8530	133,194	111,217	83,107	0.31
2012	0.8820	137,323	121,119	86,817	0.36
2013	0.9320	141,580	131,952	90,726	0.41
2014	0.9850	145,969	143,779	94,828	0.47
2015	1.0410	150,494	156,664	99,113	0.53
2016	1.1000	155,159	170,675	103,575	0.59
2017	1.1620	159,969	185,884	108,206	0.65
2018	1.2280	164,928	202,531	113,091	0.72
2019	1.2970	170,041	220,543	118,128	0.79
2020	1.3700	175,312	240,177	123,400	0.86
2021	1.4480	180,747	261,721	128,987	0.94
2022	1.5300	186,350	285,115	134,788	1.02
2023	1.6170	192,127	310,669	140,881	1.11
2024	1.7090	198,083	278,411	<u>121,106</u>	1.18
Total				1,975,465	

Assumptions

- 1) Initial payment rate \$0.60 per 1,000 gallons.
- 2) Annual rate of increase of payment rate 5.7%
- 3) Winter average flow for three prior year average for December, January and February annualized from 3 month flow.
- 4) Annual rate of flow growth 3.1%.
- 5) Present value discount rate 4.25%, present value date June 30, 2004.
- 6) Capacity acquired determined by the present value reversionary purchase rate based on cost per mgd of maximum 30 day capacity

Other Parameters

- A. Annual winter average flow amount will be adjusted for each fiscal year based on actual annualized winter flow for the prior calendar year (or such other period being used to measure WRA Flows) and paid in equal monthly installments at the specified payment rate during the following fiscal year.
- B. Regardless of actual flows, the annual payment amount shall not be less than 90% of the value set forth in the above surcharge calculations.
- C. If payments are made in excess of the amounts set forth in above calculations, the obligation of the City of Norwalk to make surcharge payments will terminate when it has paid the full amount of its required capital contribution.
- D. If on June 30, 2024, the City of Norwalk has not paid the full amount of its required capital contribution, the City of Norwalk shall make payments of the remaining balance on or before June 30, 2025.

EXHIBIT 30

SCHEDULE OF SURCHARGE PAYMENTS CITY OF BONDURANT, IOWA

PART 1 - CAPACITY COST ALLOCATION

Description	Value
Population ¹⁾	1,846
WRF Valuation ²⁾	\$224,694,784
Maximum 30 Day WRF Capacity, mgd ³⁾	134.0
Cost per mgd of Maximum 30 Day Capacity ⁴⁾	\$1,676,827
Daily Per Capita Flow, gpd ⁵⁾	226
Growth Allocation Factor ⁶⁾	140%
Capacity Requirement, mgd ⁷⁾	0.584
Required Capital Contribution ⁸⁾	\$979,391

Assumptions

- ¹⁾ 2000 Census Population of City of Bondurant
- ²⁾ Valuation of Wastewater Reclamation Facility as of July 1, 2004
(\$197,794,784 + estimated value of hauled waste facility) (\$4,400,000)
+ estimated value of renewal and replacement funded projects currently
in progress (\$12,500,000) + renewal and replacement fund balance
\$10,000,000 = \$224,694,784
- ³⁾ Maximum 30 day capacity of Wastewater Reclamation Facility as
determined by WRA Facility Plan Update
- ⁴⁾ Valuation of Wastewater Reclamation Facility divided by maximum 30
day capacity
- ⁵⁾ Daily per capita flow as determined from ICA Facility Plan
- ⁶⁾ Growth allocation factor based on average growth of original ICA
communities
- ⁷⁾ Population x per capita daily flow x growth allocation factor, stated in
mgd
- ⁸⁾ Required capacity x cost per mgd of maximum 30 day capacity.

PART 2 - SURCHARGE CALCULATION

Fiscal Year	Payment Rate¹⁾²⁾	Annual Winter Average Flow³⁾⁴⁾	Annual Surcharge Payment	Present Value of Reversionary Purchase⁵⁾	Maximum 30 Day WRF Reversionary Interest Acquired⁶⁾ (mgd)
2005	\$0.9000	34,700			
2006	0.9360	35,741			
2007	1.0310	36,813			
2008	1.1040	37,918	\$ 41,861	\$ 35,441	0.02
2009	1.1820	39,055	46,163	37,490	0.04
2010	1.2650	40,227	50,887	39,641	0.07
2011	1.3540	41,434	56,101	41,992	0.09
2012	1.4500	42,677	61,881	44,356	0.12
2013	1.5520	43,957	68,221	46,907	0.15
2014	1.6620	45,276	75,248	49,629	0.18
2015	1.7800	46,634	83,008	52,515	0.21
2016	1.9060	48,033	91,551	55,558	0.24
2017	2.0410	49,474	100,976	58,780	0.28
2018	2.1850	50,958	111,343	62,173	0.31
2019	2.3400	52,487	122,819	65,785	0.35
2020	2.5060	54,061	135,478	69,607	0.39
2021	2.6830	55,683	149,398	73,630	0.44
2022	2.8730	57,354	164,778	77,898	0.48
2023	3.0760	59,074	181,713	82,403	0.53
2024	3.2940	60,847	196,917	<u>85,657</u>	0.58
Total				979,391	

Assumptions

- 1) Initial payment rate \$0.90 per 1,000 gallons.
- 2) Annual rate of increase of payment rate 7.1%
- 3) Winter average flow for three prior year average for December, January and February annualized from 3 month flow.
- 4) Annual rate of flow growth 3.1%.
- 5) Present value discount rate 4.25%, present value date June 30, 2004.
- 6) Capacity acquired determined by the present value reversionary purchase rate based on cost per mgd of maximum 30 day capacity

Other Parameters

- A. Annual winter average flow amount will be adjusted for each fiscal year based on actual annualized winter flow for the prior calendar year (or such other period being used to measure WRA Flows) and paid in equal monthly installments at the specified payment rate during the following fiscal year.
- B. Regardless of actual flows, the annual payment amount shall not be less than 90% of the value set forth in the above surcharge calculations.
- C. If payments are made in excess of the amounts set forth in above calculations, the obligation of the City of Bondurant to make surcharge payments will terminate when it has paid the full amount of its required capital contribution.
- D. If on June 30, 2024, the City of Bondurant has not paid the full amount of its required capital contribution, the City of Bondurant shall make payments of the remaining balance on or before June 30, 2025.

Exhibit 31
Preliminary Bond Offering Schedule

<u>Bond Series</u>	<u>Bond Purpose</u>	<u>Dated Date</u>	<u>Par Amount</u>	<u>Project Costs</u>
2004	Refunding	August 1, 2004	45,385,000	46,824,693 ¹
2004	New Money	August 1, 2004	67,245,000	59,188,782
2006	New Money	March 1, 2006	31,575,000	26,891,017
2007	New Money	March 1, 2007	30,705,000	26,146,155
2008	New Money	March 1, 2008	28,950,000	24,643,961
2009	New Money	March 1, 2009	38,790,000	33,064,516
2010	New Money	March 1, 2010	80,475,000	68,736,066
2012	New Money	March 1, 2012	40,515,000	34,540,147
2015	New Money	March 1, 2015	11,040,000	9,318,384
2018	New Money	March 1, 2018	29,015,000	24,700,906
2020	New Money	March 1, 2020	<u>51,850,000</u>	<u>44,240,582</u>
Total Par			455,545,000	398,295,209

Notes:

¹ A portion of these project costs are funded with a cash contribution used to reduce the bond size.

Exhibit 31
Preliminary Bond Offering Schedule

Projects Funded with August 1, 2004 New Money Bonds

	Est. Project Date	Est. PV Cost	Est. FV Cost
<u>Core Improvements</u>			
East 20th Trunk Connector	07/01/04	4,400,000	4,477,096
Des Moines River Outfall-Phase 1	07/01/04	8,000,000	8,140,174
WRF Power Generation	01/02/05	1,700,000	1,755,879
WRF Emissions Control	07/01/05	6,000,000	6,289,658
Westside Pump Station	07/01/05	6,000,000	6,289,658
Ingersoll Run Combined Sewer	07/01/05	2,000,000	2,096,553
Total-Core		28,100,000	29,049,019
<u>Expansion Improvements</u>			
West Des Moines Outfall--Phase 1	07/01/04	700,000	712,265
Four Mile Interceptor Extension--Phase 1	01/02/05	9,500,000	9,812,265
Little Four Mile Interceptor--South Branch	07/01/05	2,000,000	2,096,553
Little Four Mile Interceptor Extension	01/02/06	1,500,000	1,596,133
West Des Moines Outfall Extension--Phase 1	07/01/04	1,000,000	1,017,522
Middle Creek Trunk Extension	07/01/05	2,000,000	2,096,553
Total-Expansion		16,700,000	17,331,291
<u>Southwest Area Diversion Expansion</u>			
Southwest Area Diversion - Phase 1	07/01/04	12,633,255	12,808,472
Total-SW Expansion		12,633,255	12,808,472
Total Project Costs		57,433,255	59,188,782

Exhibit 31
Preliminary Bond Offering Schedule

Projects Funded with March 1, 2006 New Money Bonds

	Est. Project Date	Est. PV Cost	Est. FV Cost
<u>Core Improvements</u>			
Flow Monitoring	07/01/06	6,400,000	6,911,747
Des Moines River Outfall--Phase 2A	07/01/06	6,000,000	6,479,763

<u>Total-Core</u>		12,400,000	13,391,511
<u>Expansion Improvements</u>			
West Des Moines Outfall Extension --Phase 2	07/01/06	2,500,000	2,699,901

<u>Total-Expansion</u>		2,500,000	2,699,901
<u>Southwest Area Diversion Expansion</u>			
Southwest Area Diversion	07/01/06	10,000,000	10,799,605
<u>Total-SW Expansion</u>		10,000,000	10,799,605
<u>Total Project Costs</u>		24,900,000	26,891,017

Exhibit 31
Preliminary Bond Offering Schedule

Projects Funded with March 1, 2007 New Money Bonds

	Est. Project Date	Est. PV Cost	Est. FV Cost
<u>Core Improvements</u>			
WRF Gas Holding	07/01/07	3,000,000	3,337,807
WRF Digester Mixing	07/01/07	7,500,000	8,344,518
Combined Sewer Solids Separation--Design	07/01/07	3,500,000	3,894,108
Des Moines River Outfall--Phase 2B	07/01/07	5,000,000	5,563,012

<u>Total-Core</u>		19,000,000	21,139,444
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Expansion Improvements

Four Mile Interceptor	7/1/2007	1,500,000	1,668,904
West Des Moines Outfall--Phase 2	7/1/2007	3,000,000	3,337,807

<u>Total-Expansion</u>		4,500,000	5,006,711
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Southwest Area Diversion Expansion

Total-SW Expansion

<u>Total Project Costs</u>		23,500,000	26,146,155
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Exhibit 31
Preliminary Bond Offering Schedule

Projects Funded with March 1, 2008 New Money Bonds

<u>Core Improvements</u>	Est. Project Date	Est. PV Cost	Est. FV Cost
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<u>Total Core</u>			
<u>Expansion Improvements</u>			
Middle Creek Trunk Sewer--Phase 2	07/01/08	1,500,000	1,719,346

<u>Total Expansion</u>		1,500,000	1,719,346
<u>Southwest Area Diversion Expansion</u>			
Southwest Area Diversion	07/01/08	20,000,000	22,924,615
<u>Total SW Expansion</u>		20,000,000	22,924,615
<u>Total Project Costs</u>		21,500,000	24,643,961

Exhibit 31
Preliminary Bond Offering Schedule

Projects Funded with March 1, 2009 New Money Bonds

	Est. Project Date	Est. PV Cost	Est. FV Cost
<u>Core Improvements</u>			
Combined Sewer Solids Separation	07/01/09	15,000,000	17,713,134
Des Moines River Outfall--Phase 3	07/01/09	3,000,000	3,542,627

Total-Core		18,000,000	21,255,760
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Expansion Improvements

Four Mile Interceptor--A	07/01/09	6,000,000	7,085,253
West Des Moines Outfall Extension--Phase 3	07/01/09	4,000,000	4,723,502

Total-Expansion		10,000,000	11,808,756
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Total Project Costs		28,000,000	33,064,516
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Exhibit 31
Preliminary Bond Offering Schedule

Projects Funded with March 1, 2010 New Money Bonds

<u>Core Improvements</u>	Est. Project Date	Est. PV Cost	Est. FV Cost
Combined Sewer Separation	07/01/10	15,000,000	18,248,513
Des Moines Rover Outfall--Phase 3	07/01/10	8,500,000	10,340,824

Total-Core		23,500,000	28,589,337
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Expansion Improvements

Four Mile Interceptor--B	07/01/10	5,000,000	6,082,838
Four Mile Interceptor Extension--Phase 2	07/01/10	5,500,000	6,691,121
West Des Moines Outfall--Phase 3	07/01/10	2,500,000	3,041,419

Total-Expansion		13,000,000	15,815,378
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Southwest Area Diversion Expansion

Southwest Area Diversion	07/01/10	20,000,000	24,331,351
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Total-SW Expansion		20,000,000	24,331,351
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Total Project Costs		56,500,000	68,736,066
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Exhibit 31
Preliminary Bond Offering Schedule

Projects Funded with March 1, 2012 New Money Bonds

	Est. Project Date	Est. PV Cost	Est. FV Cost
<u>Core Improvements</u>			
WRF Nutrient Removal	07/01/12	20,000,000	25,824,409

<u>Total-Core</u>		20,000,000	25,824,409
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Expansion Improvements

Mud Creek Interceptor	07/01/12	6,750,000	8,715,738
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<u>Total-Expansion</u>		6,750,000	8,715,738
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<u>Total Project Costs</u>		26,750,000	34,540,147
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Exhibit 31
Preliminary Bond Offering Schedule

Projects Funded with March 1, 2015 New Money Bonds

	Est. Project Date	Est. PV Cost	Est. FV Cost
<u>Core Improvements</u>			
East 20th Street Connector--Phase 3	07/01/15	3,000,000	4,235,629

<u>Total-Core</u>		3,000,000	4,235,629
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Expansion Improvements

West Des Moines Outfall--Phase 4	07/01/15	3,600,000	5,082,755
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<u>Total-Expansion</u>		3,600,000	5,082,755
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<u>Total Project Costs</u>		6,600,000	9,318,384
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Exhibit 31
Preliminary Bond Offering Schedule

Projects Funded with March 1, 2018 New Money Bonds

<u>Core Improvements</u>	Est. Project Date	Est. PV Cost	Est. FV Cost
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Total-Core			
<u>Expansion Improvements</u>			
Common Trunk	07/01/18	6,000,000	9,262,840
Southern Tier Interceptor--Eastern	07/01/18	4,000,000	6,175,226
Southern Tier Pump Station	07/01/18	6,000,000	9,262,840

Total-Expansion		16,000,000	24,700,906
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Total Project Costs		16,000,000	24,700,906
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Exhibit 31
Preliminary Bond Offering Schedule

Projects Funded with March 1, 2020 New Money Bonds

	Est. Project	Est.	Est.
<u>Core Improvements</u>	Date	PV Cost	FV Cost
East 20th Street Trunk Connector--Phase 3	07/01/20	2,000,000	3,277,080
Birdland Pump Station	07/01/20	5,000,000	8,192,700
Des Moines River Outfall	07/01/20	6,000,000	9,831,240

Total-Core		13,000,000	21,301,021
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Expansion Improvements

Southern Tier Interceptor--Western	07/01/20	4,500,000	7,373,430
Clive USSD Joint Trunk	07/01/20	9,500,000	15,566,131

Total-Expansion		14,000,000	22,939,561
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Total Project Costs		27,000,000	44,240,582
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