

**NOTICE OF MEETING**

**Des Moines Metropolitan Wastewater Reclamation Authority Finance  
Committee Meeting  
Tuesday, March 10, 2021 @ 2:00 PM**

**MEETING LOCATION:  
ADMINISTRATION BUILDING  
WASTEWATER RECLAMATION FACILITY  
3000 VANDALIA ROAD  
DES MOINES, IOWA**

*Iowa Code Section 21.4 requires that each Des Moines Metropolitan Wastewater Reclamation Authority meeting shall be held at a place reasonably accessible to the public and at a time reasonably convenient to the public, unless for good cause such a place or time is impossible or impracticable. Given Section One of the Governor's February 5, 2021 Proclamation strongly encouraging vulnerable Iowans to limit participation in gatherings of any size and any purpose during the COVID19 outbreak and further given Section 108 the Governor's February 5, 2021 Proclamation suspending the regulatory provisions of Iowa Code §§ 21.8, 26.12, and 414.12, or any other statute imposing a requirement to hold a public meeting or hearing, the Des Moines Metropolitan Wastewater Reclamation Authority has determined that a meeting at a physical place is impossible or impracticable and all Finance Committee meetings for the time being will be conducted electronically with the public allowed to attend per the instructions on this agenda. Meeting minutes will continue to be provided per the WRA's normal course of business.*

**MINUTES**

Jody Smith called the March 10, 2021 Finance Committee Meeting to order at 2:01 p.m.

Members in Attendance

Vern Willey, Altoona\*  
Jennifer Sease, Ankeny\*  
Matt McQuillen, Clive\*  
Nick Schaul, Des Moines\*  
Jim Sanders, Johnston\*  
Paul Drey, Urbandale Sanitary Sewer District\*  
Tim Moerman, Waukee\*  
Jody Smith, West Des Moines\*

Others in Attendance

James Beck, Operating Contractor  
Scott Hutchens, Operating Contractor  
Roxane Vaughan, Operating Contractor  
Larry Hare, Operating Contractor\*  
Lindze Pogue, Operating Contractor  
Kathy Vanderpool, Operating Contractor\*  
Jon Burmeister, PFM\*  
Eric Boehlert, Ahlers & Cooney\*  
Matt Stoffel, PFM\*

Sheila Tipton, Brown Winick Law\*

\* Participated in the meeting via telephone due to the fact that it was impractical or impossible to participate in the meeting in person.

**ITEM 1: WRA Renewable Natural Gas Offtake Agreement – Discussion and possible recommendation**

Scott Hutchens explained that Staff has been working on a long-term offtake agreement for a little over nine months. Shell Energy of North America is the company that provided the WRA with the best agreement terms. The agreement with Shell is subject to and conditioned upon certain conditions including approval under the British Columbia Greenhouse Gas Reduction Act (RCLFRA) of the transactions contemplated by the Transaction Confirmation. As part of the negotiation process the WRA completed a Carbon Intensity scoring to determine the carbon intensity of the RNG produced. This scoring could potentially be required to be completed annually but the modeling showed that the RNG produced by the WRA has a very favorable score. The proposed agreement is for a term of 10 years and the fixed price for the RNG produced is \$11.03 per MMBtu. The WRA currently produces an average of roughly 1,400 MMBtus per day and with this agreement the WRA would see roughly \$2,300,000 net revenue annually for the 10-year term. The proposed agreement would begin August 1, 2021.

Matt McQuillen asked about the committee that was formed to determine where the revenue will be spent. It was determined that Matt McQuillen will be the committee chair, with Paul Drey, Jennifer Sease, Nick Schaul, and Tim Moerman as committee members.

Jody Smith asked about any possible legal issues. Kathy Vanderpool and Sheila Tipton both agreed that the agreement has been reviewed and they both stated that there are no outstanding legal issues with the agreement.

Tim Moerman asked how long the debt service is for this project. Roxane Vaughan said there are two loans with a 20-year debt service.

Scott Hutchens also added some information about February's revenue for biogas sales. Prices spiked historically high cross country for the month of February. There were several days which natural gas pricing was roughly \$155 per MMBtu. The past several months pricing has been in the range of \$2.50 per MMBtu. Because of this spike in prices the WRA will gross roughly \$1,150,000 for the month of February 2021 in physical gas sales not including any RIN sales.

**Matt McQuillen made a motion to approve the WRA Renewable Natural Gas Offtake Agreement. Tim Moerman seconded the motion. The motion passes with a 8-0 vote. Members voted yea: Willey, Sease, McQuillen, Schaul, Sanders, Drey, Moerman, and Smith. Members voted nay: none.**

**ITEM 2: Sewer Revenue Refunding Bonds, Series 2021A - Summary of Refunding Results – Discussion and possible recommendation**

Matt Stoffel explained that the WRA held a bid on March 2, 2021 for Sewer Revenue Refunding Bonds, Series 2021A. Overall this bid was very successful. There were 13 very competitive bids on the refunding of the bonds. The apparent

low bid is J.P. Morgan out of New York. With the refunding of these bonds, it will have an impact of roughly \$8,300,000 of cash flow savings over the 13-year term. The WRA had the most bids that PFM has seen on a refunding in the last 20 years. He said that it is very impressive and congratulated the WRA for their hard work.

Scott Hutchens asked if we had any other bonds that were needing refunding in the near future. Matt Stoffel said there is 2015E Bonds that could be refunded in two years.

**ITEM 3: Other Business**

None.

Meeting adjourned at 2:24 p.m.