



Central Iowa Water Association

1351 Iowa Speedway Drive, Newton, IA 50208

www.ciawa.com

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Grundy Office: 205 C Ave., Grundy Center, IA 50638

Phone: 319-824-5920

Waverly Treatment Plant: 1224 230th St., Waverly, IA 50677



2013 Annual Report

“We flow that extra mile!”



President’s Message

By: Ron Dunsbergen

Rural Economic Development - CIWA’s Role

CIWA is always looking for ways to increase revenues by expanding customer base, both residentially and commercially, to help spread our fixed costs and keep rates affordable. But how does CIWA play a role in rural economic development and help keep rural folks living in the rural areas of Iowa? Indeed, CIWA does play a key role in many obvious ways you may have thought about, and perhaps some more subtle ways you have not!

First and foremost, an abundant supply of good quality water is a key factor in keeping families on the farm. More than a convenience, safe rural water is certainly the most important utility you can buy to keep your family healthy and comfortable on the farm. Gone are the days of hauling water, dry wells, hauling salt, and replacing dish washers and hot water heaters every few years.

However, also significant are the investments CIWA makes in providing safe water for business and commercial use across our service territory. These businesses are providing good jobs that again, keep families living in rural Iowa.

CIWA is proud of the way it has stepped forward to become a driver of rural economic development. CIWA is a strong and trusted partner with the other rural utility organizations and rural development groups who care about the success and quality of life in rural Iowa. (Pictured below are a few of the recent projects which CIWA has been a proud partner part of.)



Dows Agro Science by Ames



Bio-Diesel Plant by Newton



Fontana Park by Hazleton



Unverferth Mfg by Shell Rock



Butler Logistics Park

Rural economic development doesn’t just happen, it takes the focused and determined work of local development officials and partners who are willing to help. Jeff Kolb, Executive Director of Butler County Development Corporation, and Butler County found the partners in Central Iowa Water Association, Corn Belt Power Cooperatives, Butler County REC, Butler-Bremer Communications, Iowa Northern Railway, and others to develop and market Butler Logistics Park, a new industrial park located two miles northwest of Shell Rock.

The combined efforts of this partnership resulted in a new industrial spec building, a rail spur, electric, fiber optic, natural gas, paved roads, and the water and wastewater infrastructure needed to have a developed park. The Butler Logistics Park became a success when two companies selected the Park for business expansion in 2013:

- Zinpro Corporation, a company that mixes and bags feed additives based out of the Twin Cities, with 30 new high quality jobs.
- Amcol International, a company based out of Chicago that is a supplier to manufacturing foundries, with 8 new jobs and plans to grow employment.

Central Iowa Water Association is providing the crucial safe water, fire protection, and wastewater services, with the city of Shell Rock agreeing to treat the sanitary sewer discharge. CIWA is constructing over \$1.0 million in improvements that will eventually be paid back by TIF revenues over several years.

The Butler Logistics Park is an example of the cooperation and partnering necessary in rural Iowa. CIWA plays a major role in providing safe, abundant water, and affordable wastewater treatment to rural sites that could not otherwise be developed.

CEO/Engineer's Report

By: Jim LaPlant

Drinking water and wastewater collection and treatment are the most important utility services that enhance the quality of life in rural Iowa. The goal at CIWA is comparable to the rural electric cooperatives a few decades earlier, which is to provide service to as many people as possible. CIWA is constantly looking at opportunities to increase customer base, expand scope of services, and explore partnerships that result in growth.

We continue to embrace the philosophy that for success as a member-owned non-profit company, we must act like a for-profit company! The following are the highlights of 2013 CIWA operations.

- We now serve safe, quality water to 13,691 farms, rural residences, and 57 small communities through over 4,480 miles of pipeline.
- 222 new services were installed in existing service areas.
- The automatic read meter change-out program is substantially complete.
- The new Vernon system water tower near Dubuque is complete.
- The cities of Dike and Ferguson have joined CIWA.
- Hardin/Hamilton Phase II & Buckeye (water) and Attica/Pershing (wastewater) projects are on track for construction later this year.
- The Association's 2014 budget included a 5% rate increase, the first rate adjustment in CIWA rates since 2009.

The general funding for rural water systems was born in the Consolidated Farmers Home Administration Act of 1961. The goal of Congress was to provide safe, affordable water for rural families, improve public health, and become a driver of economic development for rural Iowa. CIWA constantly strives to fulfill this mission through the improvement and expansion of water and wastewater services in rural Iowa.

Thanks to our member-customers for their support of CIWA over the past year.



Ferguson Franchise Successful

The City of Ferguson, Iowa has decided to franchise its water and wastewater utilities with Central Iowa Water Association. At the election on Tuesday, November 5, 2013, Ferguson voters overwhelmingly passed the franchise agreement. The transition period began immediately, and CIWA has been placing meter pits on customer service lines through December and into January 2014. In mid-December, Ferguson's pneumatic pressure tank sprung a leak. Because an emergency connection had been previously constructed, CIWA was able to open the valve, and on December 17, Ferguson residents began to receive CIWA water prior to the January 1, 2014 transfer date. CIWA expects to continue to identify and construct improvements to the Ferguson water and wastewater systems throughout 2014. The Ferguson franchise included approximately 60 new customers.

Dike Joins CIWA!

The City of Dike decided to join CIWA after several months of evaluating alternatives to upgrade and improve water services for its citizens. In 2012, CIWA provided the city three trial months of water service from our new, state-of-the-art, 3.0 mgd reverse osmosis treatment plant near Waverly. The city evaluated water quality over the 3-month trial period and compared costs to upgrade existing city facilities before selecting CIWA in August, 2013.

In order to provide full service to Dike, CIWA is constructing a new 300,000-gallon water tower near the east corporate city limits of Dike, along with a new 10" supply main constructed from the existing CIWA distribution system to the east city limits.

The new connection with Dike is expected to be complete late in 2014, and will provide the city with softened water that will eliminate the need for the city to operate and maintain wells and a treatment plant.

JUST A REMINDER ...

No rural water service line shall in any manner be connected with any other water line or system in order to prevent contamination of the public water supply. Back-flow prevention devices must be in place as defined by the State Plumbing Code and must be maintained by the member, including all costs involved. NOTE: A valve is not an adequate back-flow prevention method.

City Merger Planned

Central Iowa Water Association has recently negotiated a merger agreement with Pershing Utilities Corporation (PUC). Currently, PUC operates a water system for the communities of Attica and Pershing in Marion County, Iowa. The request for merger was made when local PUC officials and members of the community recognized a need for assistance with their water utility services.

A definitive plan of merger has been developed and a Letter of Intent has been signed by the PUC Board of Directors. It is anticipated the merger will occur later this year following approval by the CIWA membership at the March Annual Meeting. CIWA and PUC are both organized as Iowa Code Chapter 504 corporations, making the merger much easier to complete.

The proposed merger is an excellent opportunity for PUC members to receive higher quality water service. It will also assist CIWA in coordinating the Attica/Pershing wastewater project scheduled to start construction later this year. The wastewater project includes a new joint treatment lagoon and sewage collection systems for Attica and Pershing. Information available from the operation of the water system will result in many sewer system operation efficiencies, such as billing system and flow analysis.

The enclosed Annual Meeting Notice contains additional information regarding the merger. If you would like to review the merger documents, or have any questions concerning mergers, please contact Central Iowa Water Association's office at 1-800-400-6066.

Project Updates

WATER PROJECTS

Northwest Bremer County

The Northwest Bremer County project covering the territory north and east of Waverly has seen incremental progress during this past year. While funding for the entire project remains on application with USDA-Rural Development, CIWA staff began working on a smaller project within the much larger project to provide much needed water assistance to Bremer Station.

Residents in and around Bremer Station have been struggling with poor water quality for some time and were in search of a new water source. CIWA staff evaluated the most prudent way of providing service and began installation in 2013. Residents now receiving the rural water are very pleased. With completion of this initial phase of the Northwest Bremer County project, CIWA will determine what additional area will be targeted in a second phase.

Hardin/Hamilton Phase II/Buckeye

This project includes a new water tower near Radcliffe, a new Booster Pump Station southeast of Garden City to pump to the water tower, 14 miles of 8" transmission main, and a water distribution system to be constructed in Buckeye, Iowa. CIWA is completing the final design and sign-up, and it is expected to be under construction in 2014. The new tower will not only serve the residents of Buckeye, but will also greatly improve the storage and pressure demands of the existing Hardin/Hamilton/NW Marshall system.

Save time and money with CIWA

Member-customers who now receive monthly water/wastewater bills from CIWA are able to enroll in ACH/direct withdrawal. Member-customers can select to have payment withdrawn on the 10th or the 30th of each month. Paper bills are still sent around the 25th of each month letting the member-customer know the amount to be withdrawn. ACH/direct withdrawal has many advantages, such as:

- No more late fees
- No checks to write
- Eliminate lost or stolen check inconveniences
- No stamps or money order fees
- Going on vacation? No worries, bill will be paid

If you are currently receiving bills and are interested in signing up for ACH/direct withdrawal, please contact our office to have an enrollment form sent to you or print the form from our web-site by clicking the 'Pay Bill' tab and clicking the link in the 1st paragraph.

WASTEWATER PROJECTS

Green Mountain

The Green Mountain wastewater project design is now complete and provides for wastewater services to all Green Mountain residents. The plan has been submitted to USDA-Rural Development for their concurrence. In addition, both USDA and CDBG funds have been requested to assist in financial support of this project. CDBG awards will be announced in March.

Additional work in preparation for construction of this project will be conducted this summer including acquisition of the lagoon site, easement acquisition, and customer sign-up. When the project is funded, construction of the collection system and lagoon will begin.

Attica/Pershing

The Attica/Pershing wastewater project has been fully funded by USDA-Rural Development and the Community Development Block Grant (CDBG) programs. With funding in place, this project is advancing toward construction. A wastewater lagoon site is being purchased, and final plans developed, based on that location. These plans will be reviewed by the Marion County Engineer as well as USDA-Rural Development in an effort to reach concurrence on construction plans. Once concurrence is granted, the final steps toward construction of this project can be completed including easement acquisition, pipe acquisition, bid letting and customer notification. It is anticipated this project may see initial construction later this year with the balance of construction to occur in 2015.

Wolfe Lake and Timber Valley

The Marshall County communities of Wolfe Lake and Timber Valley continue to be evaluated for wastewater service and treatment facilities. While both communities have significant challenges in wastewater disposal due to limited lot size and the time of transfer law, developing a cost effective wastewater disposal system that could be shared by both communities has been targeted as the most cost effective means available to address these concerns. During the coming year project development will continue with community meetings, additional wastewater design work, and establishing a funding package suitable for completion of this project.



Little Leak - Big Money

Did you know that even a silent leak in your toilet will waste anywhere from 30 to 500 gallons of water per day? That is 900 to 15,000 gallons a month! Leaks you can hear will waste much more. CIWA recommends conducting a "dye test" in each of your toilets periodically to determine if you are losing water. If you are unsure of how to do a "dye test", please contact our office for assistance.

Central Iowa Water Association System Facts

CORPORATION - Jasper County Water Association was organized in 1977 as a corporation not-for-profit under the provisions of Iowa Code Chapter 504. Due to expanding service areas across many county boundaries, the Association changed its corporate name to Central Iowa Water Association in 1988. In 2000, due to the addition of rural sewer services, the Association changed its name to Iowa Regional Utilities Association (doing business as Central Iowa Water Association). The Association is member-owned and headed by a nine-member Board of Directors.

TOTAL MILES OF PIPELINE - 4,480 miles in the ground, with sizes from 2" - 20" in diameter, 1" and 1 1/2" service lines.

ELEVATED WATER TOWERS - 26 towers which are located near Prairie City (200,000 gallons), Baxter (200,000 gallons), Laurel (200,000 gallons), Sully (300,000 gallons), State Center (150,000 and 300,000 gallons), Marshalltown (100,000 gallons), Gladbrook (150,000 gallons), McCallsburg (400,000 gallons), Collins (500,000 gallons), Wellsburg (2,000,000 gallons), Colo (300,000 gallons), Lincoln (300,000 gallons), Otley (500,000 gallons), Marshall County Jail (300,000 gallons), Newton (2,000,000 and two 500,000 gallons), LeGrand (300,000 gallons), Aurora (300,000 gallons), Waverly (1,000,000 gallons), Greeley (300,000 gallons), Quasqueton (300,000 gallons), Rowley (300,000 gallons), Oakland Acres (300,000 gallons) and Vernon (300,000 gallons) with a total storage capacity of 12,000,000 gallons.

WATER SUPPLY CAPACITY - 90 million gallons per month provided by CIWA Waverly Treatment Plant. Also, 90 million gallons per month provided by the City of Newton, 90 million gallons per month available from the City of Marshalltown, 3 million gallons per month available from the City of Pella, and 7.5 million gallons per month available from the City of Nevada. Current average demand is approximately 130 million gallons per month.

HIGH SERVICE PUMPING - Water purchased from the City of Newton is stored in an 86,000 gallon reinforced concrete surface reservoir under the high service pumping station and pumped by three 500 gpm pumps to elevated towers. There are also twenty-six booster pump stations capable of pumping a total of 16,520 gpm.

TOTAL CONSTRUCTION COST - Including the main office, pump stations, towers, water lines, etc. was approximately \$179,728,565. To finance the construction, CIWA received numerous USDA-RD/CoBank loans and \$24,739,718 in RD/CDBG grants. Customer contributions accounted for \$20,962,721 with interest and other income providing the balance of funds.

TOTAL METERS IN SERVICE - 13,691 including larger meters which monitor water served to city customers.

CITY INDIVIDUAL CUSTOMER METERS (36) - Aurora, Austinville, Bangor, Clyde, Dillon, Dunbar, Dundee, Farrar, Ferguson, Fernald, Galesburg, Garden City, Green Mountain, Greeley, Haverhill, Iowa Center, Kesley, Killduff, Lamoille, Lincoln, Marietta, Metz, Morrison, Newburg, Oakland Acres, Otley, Park Hills, Quarry, Quasqueton, Reasnor, St. Anthony, Valeria, Van Cleve, Vandalia, Voorhies, and Whitten.

CITY BULK PURCHASE METERS (21) - Beaman, Clemons, Collins, Colo, Conrad, Garwin, Gilman, Grundy Center, Holland, Laurel, LeGrand, Liscomb, Lynnville, McCallsburg, Melbourne, Mingo, Monroe, Rhodes, Sully, Wellsburg and Zearing.

EMERGENCY CONNECTIONS (17) - Communities of Albion, Baxter, Cambridge, Dike, Eldora, Gladbrook, Hazleton, Janesville, Lamont, Maxwell, New Hartford, Prairie City, Roland, State Center, Stout, and Union. An interconnection was also established with Poweshiek Water Association.

WASTEWATER SERVICES - Provided to Whitten (1998), Hunter's Ridge near Pella (1999), The Harvester (2000), Pine Lake near Eldora (2001), Rustic Ridges near Grinnell (2001), IDOT-Grinnell rest area (2001), IDNR-Rock Creek State Park (2001), Lakeview Heights, Diehl's Acres and Homesites Subdivisions near Rock Creek (2003-2004), Colo Business Park (2003), Haverhill (2003), Lincoln (2004), Pollard Development near Grinnell (2004), St. Anthony (2005), Morrison (2006), Grundy County Industrial Park (2006), Oakland Acres (2007), Park Hills (2009), I-35 Dows Interchange (2009), Stout and Camp Wallashuck (2011).

CONSTRUCTION DATES - Construction began on the original Jasper County System in April 1980 and completed in December 1981. Major expansions to the system have occurred each year, beginning with Marshall-Story Counties (1983-1985), Northeast Marshall System (1986-1987), Northeast Polk County (1987-1988), Northwest Tama County (1989-1990), Story County (1991-1994), Grundy County (1994-1997), Southwest Black Hawk County (1997-1998), Northern Grundy County (1998-2001), Northwest Black Hawk County (2000-2002), Hamilton and Hardin Counties (1999-2002), Southern Butler County (2001-2004), Southeast Butler County, Newton to Marshalltown transmission main, and Garden City (2005), Bremer, Black Hawk, Buchanan County projects, cities of Aurora and Dundee (2007-2008). Delaware County projects and cities of Greeley and Quasqueton, I-35 Dows Interchange (2009), City of Rowley (2010) Stout sewer, Vernon Water Company and Camp Wallashuck sewer (2011) and City of Littleton (2013).



CIWA has contracted with Emergency Communications Network for the use of CodeRED. The CodeRED system provides CIWA with the ability to quickly deliver voice, text or e-mail messages to our member-customers about planned and unplanned water outages and other important information.

All individuals or businesses are encouraged to log on to www.ciawa.com website, click on the "Customer Service" tab, then click on the "CodeRED Enrollment" tab. This will direct you to the CodeRED website for enrollment. Those without internet access may call CIWA's office during regular business hours to provide their information.



Central Iowa Water Association

This Institution is an
Equal Opportunity Employer
and Provider

Board of Directors

Ron Dunsbergen, President
Dan Brandt, Vice President
Delwin Van Zante, Secretary
Janice Jontz, Treasurer
Gordon Enyart, Director
Don Struthers, Director
Virtus Brockman, Director
Gene Wiemers, Director
Curt Mackie, Director

James R. LaPlant, P.E.
CEO/Engineer

Frank Smith
Attorney

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Waverly Treatment Plant
1224 230th Street
Waverly, IA 50677



Central Iowa Water Association Annual Meeting Notice

Dear Member:

You are cordially invited to attend the Annual Meeting of Central Iowa Water Association on Monday, March 17, 2014 at 7:00 P.M. This meeting will be held at the Grundy Center Community Center located at 703 F Avenue, Grundy Center.

If you cannot attend, please exercise your right to vote by signing the enclosed proxy card and returning it to the Association no later than Friday, March 14, 2014. Should you wish your tenant or another person to vote on your behalf, you must visit the Association office at 1351 Iowa Speedway Drive, Newton at least five (5) days prior to the Annual Meeting and execute a General Proxy form.

This year's Annual Meeting will include a report on the Association's 2013 business activities. Central Iowa Water Association has engaged the firm Timmins, Kroll & Jacobsen, LLP, to audit the financial statements of CIWA which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and cash flows. The audited financial statements will be presented at the Annual Meeting.

Please join us for refreshments after the meeting.

In case of inclement weather, please tune in to KCOB (FM 98.5), KFJB (AM 1230), KOEL (FM 98.5 & AM 950), or KCRR (FM 97.7) radio for rescheduling information.

NOTICE OF PROPOSED ARTICLES OF MERGER OF PERSHING UTILITIES CORPORATION INTO CENTRAL IOWA WATER ASSOCIATION

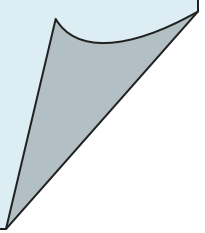
Pershing Utilities Corporation (PUC) has requested the opportunity to merge with Central Iowa Water Association. The CIWA Board of Directors and the PUC Board of Directors have approved such merger. Complete copies of the Articles of Merger are available for your review and copying at the offices of Central Iowa Water Association in Newton during normal business hours. Upon completion of the merger, PUC will cease to exist and CIWA will gain new members. The first step in the process is for CIWA membership to approve such merger.

In order to complete the merger, the following Resolution will be presented by the Board of Directors for approval of the Members at the Year 2014 Annual Meeting:

“RESOLVED, that the Members of Central Iowa Water Association hereby approve the Articles of Merger as presented at the 2014 Annual Meeting of the Members and hereby authorize the President and the Secretary of the Association to do all things reasonable and necessary to effectuate such matters.”

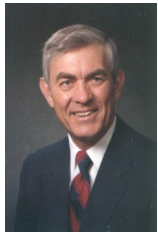
Please mark your calendars now and plan to attend the 2014 Annual Meeting of your Association on March 17th.

Delwin G. Van Zante, Secretary
February 20, 2014



Nominees For Board of Directors—2014

The nominating committee has selected three nominees for the Board of Directors of Central Iowa Water Association with a term of three years each.



Virtus Brockman, Melbourne - Virtus lives on the family farm three miles northeast of Melbourne in Marshall County. Virtus graduated from Melbourne High School, American Institute of Business, and attended Valparaiso University. He served his country with the 25th Infantry Division during the Korean War. Virtus served on the Marshall County Board of Supervisors for twelve years and helped establish the Marshall County 911 system. His support of CIWA was instrumental in establishing rural water in Marshall County. Virtus is a member of the Farm Bureau, American Legion, 40 & 8, V.F.W., Maple Grove Cemetery Association, serves on the Board of Directors for Members 1st Credit Union and attends Redeemer Lutheran Church in Marshalltown. Virtus enjoys umpiring and watching other sporting events. Virtus has four children: Holly, Michael, Cheryl and Jon.



Janice Jontz, Newton - Janice resides on a farm four miles northwest of Newton. She has been a part-time employee at Maytag Dairy Farm for the past 42 years. Janice has also played an active role in the community as a member of the Oakridge Homemakers, a member of the Jasper County Zoning Commission and a board member of the Wittenberg Church for over 30 years. Janice and her late husband, Larry, have always been proponents of rural water. Janice assumed her CIWA board position in June 1991 and is currently serving as treasurer. She and her late husband have one daughter, Linda Gehling, who resides in Ankeny with her husband, Steve.



Curt Mackie, Grundy Center - Curt and his wife, Deb, live on an acreage south of Grundy Center. Curt graduated from Grundy Center High School in 1979 and Iowa State University in 1983 with a B.S. in Ag-Business. Curt has been in the seed and chemical business the past 28 years. The past 17 years he has been with Monsanto as a Territory Manager. He is currently an account manager for the DEKALB/Asgrow seed division. Curt has been a member of the Grundy County Fair Board for the past 18 years, past President of the Grundy County Pork Producers, and is director of the Grundy County Heritage Center LLC. Curt is also a Farm Bureau member and a member of the Grundy Center High School Advisory Committee. Curt also raises cattle specializing in selling beef through the local locker. Curt and Deb have four children: Alicia, Christine, Nick and Michelle and two grandsons, Jayce and Bretton.

Annual Meeting Program CIWA SCADA System

The Annual Meeting program this year will be presented by Bruce Yeager, CIWA Facilities Manager. Bruce will present an interesting and informative program on the extensive CIWA supervisory control and data acquisition (SCADA) system. Bruce will explain how information from throughout the CIWA system is gathered, analyzed, and displayed in real time so operators can, at a glance, monitor control commands, flows, pressures, valve positions, water tower levels, and much more! Please come to the 2014 Annual Meeting to see how innovation and technology helps assure you have water for your morning shower!

Annual Meeting Door Prize Drawing

To be eligible for the Annual Meeting door prize drawing, please bring the enclosed pink card to the Annual Meeting. You could win a \$25.00 credit on your water and/or wastewater bill or another door prize donated by several of Central Iowa Water Association's business partners. We would like to thank the following business partners for their door prize contributions for the Annual Meeting:

Vermeer Sales and Service
Two Rivers Co-op
Kane Salvage and Welding

Key Cooperative
Titan Machinery
Municipal Supply

Napa Auto Parts
Barney's Wrecker

If you are unable to attend, please return the pink card by mail with your proxy to be eligible for the \$25 credit drawings. You will be notified by mail if you are a winner.