

Iowa Regional Utilities Association (IRUA)

d/b/a Central Iowa Water Association

1351 Iowa Speedway Drive, Newton, IA 50208

www.ciawa.com

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



2016 Annual Report

“We flow that extra mile!”



President's Message

By: Ron Dunsbergen

IRUA Resolves Legal Dispute with Dubuque

I am pleased to announce that IRUA has resolved a lengthy legal dispute with the City of Dubuque.

IRUA purchased the Vernon Water System near Dubuque in 2012 for \$30,000 and the Barrington Lakes Water System in 2014 for \$50,000, built a water tower at a cost of approximately \$1,000,000, installed new meters, and extended service to new member-customers who needed quality water along Highway 20. IRUA was also undertaking construction of a new water treatment facility when Dubuque sued IRUA, stopping IRUA's efforts to meet the needs of its Dubuque County member-customers.

In its 40-year history, IRUA has never before been sued for its efforts to help people receive safe water. Usually cities like Dubuque would partner with IRUA to share and efficiently use their respective resources with the goals of [a] providing the general public with a safe water supply and [b] keeping taxes and user fees low while strategically (and jointly) laying the foundation for economic development. For example, we have beneficial partnerships with the cities of Newton, Marshalltown and Pella, where we're able to partner with the cities to purchase water and provide water services to residential and commercial properties in the fringe areas.

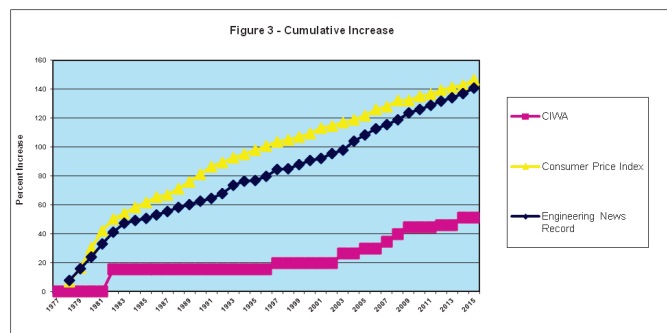
Although IRUA had won each round of the litigation, it became abundantly clear Dubuque did not see the benefits of collaboration, wanted exclusive control, and would use whatever resources at its disposal it deemed necessary to achieve its goal. Thus, even if IRUA prevailed, legal battles would likely continue with little regard for the costs or the interests of the general public.

Ultimately IRUA made a strategic decision - it was simply not in the overall best interest of its thousands of other member-customers to continue to devote staff time and to use resources on legal fees and expenses, particularly in light of the final settlement agreement. The recent agreement will provide IRUA with reasonable compensation for its infrastructure investments in Dubuque County and provide safe water to IRUA's Dubuque County member-customers [a] at reasonable rates, [b] at no additional cost to them and [c] without requiring them to sign agreements to annex to Dubuque.

40th Anniversary Gift - The Real Price of IRUA Water Has Gone Down!

This year is the 40th Anniversary of the incorporation of Iowa Regional Utilities Association (IRUA) d/b/a Central Iowa Water Association (originally Jasper County Water Association). IRUA's Anniversary gift to member-customers is a water rate that has actually fallen since the inception of the original IRUA system in 1977.

Since December 1977, the national CPI for all goods and services has increased 3.89 times to December 2016. During the same time frame, the cost of IRUA water service has increased only 1.61 times, meaning the real cost of IRUA water service has gone down significantly compared to all other consumer goods and services!



In the above graph, using the Engineering News Record cost data for the past forty years, the cost of construction has increased by an average of 3.65% per year. Similarly, the CPI has increased an average of 3.81% per year since 1977. However, the cost of IRUA water has only increased an average of 1.30% per year over the same time frame!

HAPPY 40TH ANNIVERSARY!

PAYMENT REMINDER - PLEASE USE ONLY BLUE OR BLACK INK

When remitting payments via check or money order, please make sure to use only blue or black ink as our bank will no longer accept checks written in different colored ink. Any payments received that are not in blue or black ink will be returned to the customer and payment will need to be resubmitted.

CEO/Engineer's Report

By: Jim LaPlant

Iowa's water quality has been making a lot of headlines lately, with the on-going Des Moines Water Works lawsuit along with the Flint, Michigan lead contamination issue contributing to the debate. So where does IRUA stand on these important issues?

First and foremost, IRUA complies with US Environmental Protection Agency (EPA) regulations and makes sure we provide the highest quality water to our member-customers. The most common contaminants contributing to poor quality water in Iowa include nitrates, ammonia, fecal bacteria, phosphorus, and sediment. It only makes sense to support dealing with contaminants at the source to reduce the challenge and cost of keeping our drinking water clean.

Most of IRUA's member-customers are closely tied to agriculture, and understand the importance of quality water on the farm to raise their family, produce crops, and raise livestock. They understand the need to preserve and protect our invaluable land and water resources.

IRUA seeks to work collaboratively with our member-customers, communities, and agriculture in improving technology and resource conservation to ensure a safe and affordable treated water supply, now and into the future.

In 2016, IRUA focused on resolving the Dubuque lawsuit, along with continued upgrades and expansion of services in existing system territories. The following are highlights of the past year:

- We now serve safe, quality water to 14,642 farms, rural residences, and small communities through over 4,575 miles of pipe.
- 229 new services were installed in existing service areas.
- The City of Frederika supply main was completed in Bremer County.
- Water and sewer services were extended to the new Red Rock Marina.
- Territory dispute was resolved with City of Dubuque.
- IRUA acquired South Shore Heights development in Marion County.

In 2017, IRUA will continue to look for ways to improve our services and keep rates affordable.

JUST A REMINDER ...

Member-customers are reminded that you may only serve one household or dwelling unit per water meter. If you are in violation of this rule, your membership may be terminated. Those with combined households on one water meter should contact the office immediately for assistance in separating service connections.

IRUA Charter Member of New National Organization

IRUA is a charter member of a new non-profit national regional water service organization, the Association of Regional Water Organizations (ARWO). ARWO's mission is to represent the interests of regional systems before Congress, USDA-Rural Development, and other federal agencies, and to provide expert resources to improve member water system governance, management, and operations.

IRUA is optimistic that a new USDA-Rural Development funding demonstration program that was developed and promoted by ARWO will be established by Congress. This new program could be utilized by IRUA to assist unserved and underserved rural areas of Iowa that lack safe and affordable water and wastewater service.

Jim LaPlant, IRUA CEO/Engineer, is the treasurer of the new organization. ARWO offices are located in Washington, D.C.



Association of
REGIONAL WATER
Organizations

IRUA Payment Options

Iowa Regional Utilities Association offers the following payment options: 1) ACH/direct withdrawal for those member-customers receiving a bill 2) Credit card payment or E-Check available for all member-customers 3) Mail or bring payment to our office.

With ACH/direct withdrawal, member-customers can choose to have their payment automatically taken out of a bank account of their choosing. Member-customers can select to have payment withdrawn on or about 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. If you are currently receiving bills and are interested in signing up for ACH/direct withdrawal, please contact our office so an enrollment form may be sent to you or print the form from our web-site by clicking the 'Customer Information/Payments' tab and clicking the link below the first paragraph.

Credit card and E-Check payments are handled through our business partner - Official Payments. To use Official Payments, simply visit our website (www.ciawa.com) and click on the "Official Payments" button along the right hand side. You must have your account number and amount due in order to use this option. A confirmation number will be generated and if you are paying a past due bill, please make sure to call our office with your confirmation number. Official Payments does charge a \$3.95 fee for use of this service; however, any member-customer may utilize this feature.

As always, you are still welcome to mail or bring your payment to our office.

*In Memory of
Gordon L Enyart
1929 - 2016*



The IRUA family lost a great friend, founding member, and leader with the passing of Gordon Enyart of Prairie City in June 2016 at the age of 86.

Gordon was a member of the original rural water steering committee in Jasper County and was involved in every major policy decision that has created the framework of IRUA operations. Gordon played an important role in the application for and approval of Farmers Home Administration funds for the construction of the original Jasper County Water Association project in 1978-1980. Gordon's 39 years of service to IRUA included Board President from 1980 to 1988 and Board Treasurer from 1997-1999. He was also active in numerous other civic and farm-related organizations over the years.



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. Toilet leaks can be hard to find. They are normally caused by a bad flapper valve, flapper valve seal, a bad ball cock valve, an improperly positioned float arm, or defective overflow tube. IRUA recommends conducting a "dye test" in each of your toilets periodically to determine if you are losing water.

Test the toilet by dropping a couple drops of food coloring into the tank. DO NOT FLUSH. Leave for at least 45-60 minutes but as long as possible is best. If color appears in the bowl or disappears from the tank, then you have a leak and repairs should be made. You may have to do this test several times at different times of the day. It may be an intermittent leak that only shows up occasionally.

- If the colored water leaks into the bowl, that would indicate a leaky gasket or bad flapper valve.
- If the colored water disappears, that would indicate a defective overflow tube.

Additionally, did you know that a dripping faucet can waste 20 gallons a day? Other things that can cause extra usage that you may want to check out – water softeners, hot water heater dripping, ice makers, water filters, washing machines or dishwashers leaking, lines to hydrants, automatic waterers for livestock, service lines to house or other buildings.

These leaks waste water and your money. Please take a few moments to check for leaks around your property periodically. In the long run, it will save you money. If you find a leak with your plumbing fixtures, you can generally find replacement or repair parts at your local hardware store. You can make the repairs yourself or consult a plumber.

Water Project Updates

Northern Bremer County/Frederika

IRUA was successful in completing water service to Bremer Station and adjacent areas in 2014. In November 2015, the franchise agreement election was held and passed by the majority of Frederika residents, approving IRUA infrastructure and water service in the community.

In 2016, twelve miles of water transmission main construction was completed, taking water to the Frederika city limits. We are in the process of requesting funding to complete the water distribution system and water tower in the city of Frederika, which will allow us to connect all members who have signed up for water service.

Hardin/Hamilton Phase II/Buckeye

Member-customer sign-up has been completed, the issues with water tower and booster station site acquisition have been resolved, and the project is now moving forward with construction expected in 2017.

The project includes a new water tower near Radcliffe, a new booster pump station southeast of Garden City, 14 miles of transmission main, and a water distribution system to be constructed in Buckeye.

The new 250,000-gallon water tower will greatly improve the water storage and pressure demands of existing Hardin/Hamilton and NW Marshall County member-customers, in addition to serving the residents of Buckeye.

Wastewater Project Updates

Green Mountain

Efforts to fund the Green Mountain wastewater project were stalled when acquisition of a proposed lagoon site was denied. The Marshall County Board of Supervisors and Board of Health are now working to assist in efforts to secure the required lagoon site.

Upon confirmation of the lagoon site acquisition, applications will be submitted for funding of the project. In anticipation of this funding, CIWA staff will continue project development in preparation for construction. The final project design will be completed and submitted for final USDA-Rural Development approval. Once approval has been granted, CIWA staff will begin construction.

Attica/Pershing

The Attica/Pershing wastewater project will serve the residents of Attica and Pershing with a wastewater collection and treatment system, eliminating a significant health hazard. IRUA withdrew from the project in December 2014 after three years of effort due to difficulty in securing a wastewater lagoon site. Since then, Marion County has secured a site and IRUA is in the process of completing an agreement that would have IRUA construct, operate and maintain this wastewater system.

Iowa Regional Utilities 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 - 4,575 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 Dike (300,000 gallons) with a total storage capacity of 12,000,000 gallons.

WATER SUPPLY CAPACITY - 90 million gallons per month provided by IRUA 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 \$194,020,800. To finance the construction, IRUA received numerous USDA-RD/CoBank loans and \$24,902,462 in RD/CDBG grants. Customer contributions accounted for \$22,982,683 with interest and other income providing the balance of funds.

TOTAL METERS IN SERVICE - 14,642 including larger meters which monitor water served to city customers.

CITY INDIVIDUAL CUSTOMER METERS (39) - Attica, Aurora, Austinville, Bangor, Clyde, Dillon, Dunbar, Dundee, Farrar, Ferguson, Fernald, Galesburg, Garden City, Green Mountain, Greeley, Haverhill, Iowa Center, Kesley, Killduff, Lamoille, Lincoln, Littleton, Marietta, Metz, Morrison, Newburg, Oakland Acres, Otley, Park Hills, Pershing, Quarry, Quasqueton, Reasnor, St. Anthony, Valeria, Van Cleve, Vandalia, Voorhies, and Whitten.

CITY BULK PURCHASE METERS (23) - Beaman, Clemons, Collins, Colo, Conrad, Dike, Garwin, Gilman, Grundy Center, Holland, Janesville, Laurel, LeGrand, Liscomb, Lynnville, McCallsburg, Melbourne, Mingo, Monroe, Rhodes, Sully, Wellsburg and Zearing.

EMERGENCY CONNECTIONS (16) - Communities of Albion, Baxter, Cambridge, Eldora, Gladbrook, Hazleton, Lamont, Maxwell, New Hartford, Prairie City, Reinbeck, 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, Camp Wallashuck (2011), North Overlook Lake Red Rock (2015) and Red Rock Marina (2016).

CONSTRUCTION DATES - Construction began on the original Jasper County System in April 1980 and was 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, Camp Wallashuck sewer (2011), City of Littleton (2013) Bremer Station (2014), and North Overlook Sewer (2015), Red Rock Marina (2016) and Frederika supply main (start 2016).



"Reach Thousands in Seconds"

Planned or Emergency Notification System Update

Iowa Regional Utilities Association has contracted with Swiftreach Networks for the use of Swift911. The Swift911 system provides IRUA with the ability to quickly deliver voice, text or e-mail messages to our member-customers about planned or unplanned water outages and other important information.

We encourage you to log on to our website – www.ciawa.com – and register with Swiftreach – Swift 911 if you would like to receive notifications in the future or update your information. Please note: This will only be used for IRUA notification purposes.

Those without internet access may call IRUA's office during regular office hours to provide their information. Please do not hesitate to contact our office if you have any questions regarding the SwiftReach system.

Iowa Regional Utilities Association

This Institution is an
Equal Opportunity Employer
and Provider

Board of Directors

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Dan Brandt, Vice President
Delwin Van Zante, Secretary
Virtus Brockman, Treasurer
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Gene Wiemers, Director
Curt Mackie, Director
Doug Enyart, Director
Kevin Nessa, Director

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Waverly Treatment Plant
1224 230th Street
Waverly, IA 50677



Iowa Regional Utilities Association Annual Meeting Notice

Dear Member:

You are cordially invited to attend the Annual Meeting of Iowa Regional Utilities Association on Monday, March 20, 2017 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 18, 2017. 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 2016 business activities. The audited financial statements, which are comprised of the statement of financial position as of December 31, 2016, and the related statements of activities and cash flows, will be presented at the Annual Meeting.

Please join us for the Annual Meeting, musical entertainment provided by Pastors Phil Dicks and Luther Thoresen and refreshments.

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.

Please mark your calendars now and plan to attend the 2017 Annual Meeting of your Association on March 20th.

Delwin G. Van Zante, Secretary
February 27, 2017

Nominees For Board of Directors—2017

The nominating committee has selected three nominees for the Board of Directors of Iowa Regional Utilities 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 IRUA was instrumental in establishing rural water in Marshall County. Virtus is a member of the Farm Bureau, American Legion, 40 & 8, V.F.W., President of the Maple Grove Cemetery Association, serves on the Board of Directors as Treasurer for Members 1st Credit Union and attends Redeemer Lutheran Church in Marshalltown. Virtus enjoys watching sporting events. Virtus has four children: Holly, Michael, Cheryl and Jon and twelve grandchildren.



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 32 years. The past 20 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 22 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 adult children: Alicia, Christine, Nick and Michelle and six grandchildren.



Douglas J. Enyart, Monroe - Doug and his wife, Kathy, live northwest of Monroe. They have two children: Scott, who teaches fourth grade in Newton and Andrea who is employed at Pella Corporation as a Senior HR Business Partner Manager. Doug graduated from Monroe High School and attended Ellsworth Community College in Iowa Falls. He served six years in the Air National Guard and farmed with his father, Gordon, full time for twenty-five years on a diversified livestock and row crop farm. Doug previously worked as a Farm Bureau Insurance Agent in Jasper County and then worked with easement acquisitions for IRUA. Doug has been employed with Pella Corporation for the past twelve years as a Scheduler in the Distribution Value Add Department. He enjoys part-time farming, assisting Kathy with her dance team activities and in his spare time he enjoys fishing, woodworking, traveling and spending time with his children and grandchildren.



Annual Meeting Entertainment

**2 PASTORS, 2 OR 3 INSTRUMENTS,
1 VOICE**

Pastors Phil Dicks and Luther Thoresen will share a variety of music for your evening's entertainment. Phil Dicks has played upright bass and sung much of his life; Luther Thoresen has sung and played guitar most of the years he has walked this earth, and recently added a banjo to his collection. During their time at different churches in Grundy Center, they have provided entertainment together on a few occasions. They are happy to share this evening with you. Pastor Dicks has served Grundy Center United Methodist Church since 2011; and Pastor Thoresen has served American Lutheran Church since 2011 as well.

Annual Meeting Door Prize Drawing

To be eligible for the Annual Meeting door prize drawing, please bring the enclosed green 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 Iowa Regional Utilities 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
Municipal Supply

Key Cooperative
Titan Machinery
Scot's Supply

Napa Auto Parts
Barney's Wrecker
Bauer Built Tire

If you are unable to attend, please return the green 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.