

Details Regarding Iowa American Water Proposal for Purchase and Operation of the Water System and Facilities of the City of Low Moor

- Purchase Price Offer of Water System: \$450,000
- Purchase would not include purchasing the city hall/pump-house building or the existing water wells. Purchase would also not include the purchase of the Waste Water system. The City of Low Moor would continue to own and operate the Waste Water system. Iowa American Water would work with the City of Low Moor to disclose usage at least quarterly. Rate payers would still receive a quarterly bill from the City of Low Moor that would include Waste Water and Garbage charges. Iowa American water will shut off water for non-payment of Waste Water charges to the City of Low Moor.
- Rates would be reviewed and approved by Iowa Utilities Board. Rates would be included in regional tariff with other communities that Iowa American Water owns and operates their water system.

The city of Low Moor's water system includes approximately 10,000 Linear Feet of 4" Cast Iron pipe, much of which is nearing the end of its anticipated useful life, and one 30,000 gallon elevated storage tank which has exceeded its useful life. Both would be connected to Iowa American Water's Clinton, IA distribution system. The connection will be made via an 8" ductile iron pipe extension along 44th Ave. South from the Clinton Rail Park, approximately one mile to the east. This new 8" water main extension will connect to the eastern end of the City of Low Moor's pipe network in 3rd Ave./44th Ave. South. Low Moor's existing two wells, chemical feed treatment system, and generator will not be needed by Iowa American Water and will remain the property of the City of Low Moor.

Potential System Improvements:

The following is a high-level analysis of capital investments that would be evaluated under an Iowa American Water owned service area. A detailed evaluation of the system will be performed in conjunction with the City staff at a future date to provide detailed project scope, schedule and costs to ensure future compliance with changing permit conditions.

Immediate Needs:

- WATER METER REPLACEMENT – New water meters will be installed on all customer services. The new meters will allow remote reading which allows for leak detection and abnormally high usage to be detected in real time.
- ELEVATED STORAGE TANK CONDITION ASSESSMENT – A detailed structural evaluation will be performed on the water tower to determine its existing condition and estimate the remaining useful life. This will include the generation of a list of age-related repairs and OSHA-required upgrades.

- GIS DATA ACQUISITION – The GPS coordinates on existing above-ground assets such as valves and hydrants will be collected. This information will be used for asset management, capital planning, and operational maintenance.
- HYDRAULIC MODEL – Utilizing the GIS information gathered, a hydraulic model can be developed. This model will be used as a beneficial tool for understanding the capacity of the system and planning for potential future users.

Long- Term Needs:

- WATER MAIN REPLACEMENT/REHABILITATION - With much of the existing distribution system nearing the end of its anticipated useful life, a 5-year capital plan will be developed which includes replacement of pipe in poor condition and non-operating valves and hydrants.
- ELEVATED STORAGE TANK REPLACEMENT - The Elevated Tank condition assessment will identify repairs and upgrades that may extend the life of the tank in the short term; however, the age is already beyond its expected life. As such, funds for full replacement must be budgeted and a replacement schedule identified.