

**SCHEDULE XIII-1
ASSET TRANSFER TERMS**

Consideration for Transfer

The consideration to be paid to and from Founding Agencies for assets transferred to CIWW shall be computed as of the Operational Commencement Date based on a financial model and calculation as outlined below in Steps 1-6:

Step 1: Determine Financial Investment by Founding Agency in Designated Water Supply Facilities (Transferred Assets)

- (a) Each Founding Agency with purchased capacity in DMWW's Core Network is credited with the book value of its purchased capacity investment, after applying straight line amortization.
- (b) Each Water Producing Member Agency is credited with the book value of its Designated Water Supply Facilities (reduced by the principal amount of any outstanding obligations which financed the Transferred Assets which are assumed by CIWW¹) after applying straight line depreciation, transferring to CIWW as defined in Schedule IV-7. DMWW will also be credited with an amount as set forth in Section 11 of Article IV.
- (c) The combination of a) and b) is each Founding Agency's financial investment in the Designated Water Supply Facilities.

Financial Investment by Founding Agency in Designated Water Supply Facilities

Founding Agency	Amortized Net Book Value in DMWW Assets	Net Book Value of Other Owned Capacity	Financial Investment in Designated Water Supply Facilities
Ankeny	\$7,780,500	\$0	\$7,780,500
Clive	\$6,756,750	\$0	\$6,756,750
DMWW	\$150,679,121	\$0	\$150,679,121
Johnston	\$0	\$0	\$0
Grimes	\$0	\$5,072,040	\$5,072,040
Norwalk	\$1,049,344	\$0	\$1,049,344
Polk City	\$480,375	\$0	\$480,375
UWU	\$11,681,250	\$870,900	\$12,552,150
Warren Water District	\$1,704,360	\$0	\$1,704,360
Waukee	\$3,066,683	\$65,469	\$3,132,152
WDMWW	\$10,111,000	\$23,029,599	\$33,140,599
Xenia	\$1,667,957	\$480,108	\$2,148,064
Totals	\$194,977,339	\$29,518,116	\$224,495,455

¹Anticipated Outstanding Obligations which shall be assumed by CIWW, financing certain Transferred Assets:

Member	Debt Series	Original Principal	Principal Transferring to CIWW
West Des Moines Water Works	2017	\$3,477,000	\$2,413,000
Grimes	2013	\$2,432,000	\$1,051,000
Grimes	2016	\$577,000	\$363,000
Grimes	2019-1	\$3,800,000	\$3,004,000
Grimes	2019-3	\$1,559,000	\$1,203,000
Grimes	2020	\$21,990,000	\$19,607,000
Grimes	2023 (portion)	\$8,543,000	\$2,200,000

Step 2: Determine Total Owned Capacity by Founding Agency

- a) Each Founding Agency with purchased capacity in DMWW’s Core Network is credited with the capacity purchased in MGD.
- b) Each Water Producing Member Agency is credited with the capacity of its Designated Water Supply Facilities transferring to CIWW as defined in Schedule IV-7.
- c) The combination of a) and b) is each Founding Agency’s Total Owned Capacity (MGD) in the Designated Water Supply Facilities.
- d) The aggregate Total Capacity of the Designated Water Supply Facilities is 134.5 MGD.

Total Owned Capacity by Founding Agency

Founding Agency	MGD Capacity in DMWW	Other Owned Capacity	Total Owned Capacity
Ankeny	8.28		8.28
Clive	6.98		6.98
DMWW	67.01		67.01
Johnston	0.00		0.00
Grimes	0.00	5.20	5.20
Norwalk	1.97		1.97
Polk City	0.60	0.30	0.90
UWU	15.30	0.00	15.30
Warren Water District	3.25		3.25
Waukee	3.69		3.69
WDMWW	8.97	10.00	18.97
Xenia	2.95		2.95
Totals	119.00	15.50	134.50

Step 3: Determine Cost of Capacity Used by Founding Agency

- a) Identify each Founding Agency’s Historic Maximum Day Utilization of Capacity, or its five-year average Maximum Day Demand (MDD), as defined in Schedule I-2B.

Note: DMWW’s Five-Year Average MDD from Schedule I-2(B) is adjusted to reflect the Purchase Capacity requirements to serve Bondurant and Altoona as wholesale customers as provided by the Purchased Capacity Master Agreement under Section 15 of Article IV, subject to the terms and limitations of Section 15.

- b) Calculate the weighted average cost of used capacity per MGD by Founding Agency
- i. Determine the Book Value per MGD for each Water Producing Member Agency. Wholesale customers of DMWW who purchase 100% of their water supply from DMWW are assigned DMWW’s Book Value per MGD. Book value per MGD is summarized below:

Detail of Book Values

	Net Book Value	MGD	NBV/MGD
DMWW/Others	\$194,977,339	119.00	\$1,638,465
Grimes	\$5,072,040	5.20	\$975,392
Polk City	\$0	0.30	\$0
Urbandale Water	\$870,900	0.00	\$0
WDMWW	\$23,029,599	10.00	\$2,302,960
Waukee	\$65,469	0.00	\$0
Xenia	\$480,108	0.00	\$0
Total & (NBV/MGD)	\$224,495,455	134.50	\$1,658,580

- ii. Determine the percentage of capacity by source for each Water Producing Member Agency and Founding Agency.

iii. Multiply the Book Value per MGD in step i. by the percentage of capacity source in step ii).

c) Multiply the Five-Year Average Maximum Day Demand in step a) by the weighted average cost of capacity to determine the Total Cost of Used Capacity.

Cost of Capacity Used by Founding Agency

Founding Agency	Weighted DMM	Weighted Other	NBV/MGD	Other Owned Capacity	Weighted Average Cost per MGD	Capacity Used Adjusted 5 year Avg MDD	Cost of Used Capacity
Ankeny	100%	0%	\$1,638,465	-	\$1,638,465	8.589	(\$14,072,776)
Clive	100%	0%	\$1,638,465	-	\$1,638,465	3.941	(\$6,457,191)
DMWW	100%	0%	\$1,638,465	-	\$1,638,465	45.127	(\$73,939,010)
Johnston	100%	0%	\$1,638,465	-	\$1,638,465	5.009	(\$8,207,071)
Grimes	0%	100%	\$1,638,465	\$975,392	\$975,392	3.365	(\$3,282,194)
Norwalk	100%	0%	\$1,638,465	-	\$1,638,465	2.283	(\$3,740,616)
Polk City	67%	33%	\$1,638,465	-	\$1,092,310	1.216	(\$1,328,249)
UWU	100%	0%	\$1,638,465	-	\$1,638,465	9.997	(\$16,379,735)
Warren Water District	100%	0%	\$1,638,465	-	\$1,638,465	2.782	(\$4,558,210)
Waukee	100%	0%	\$1,638,465	-	\$1,638,465	3.910	(\$6,406,398)
WDMWW	47%	53%	\$1,638,465	\$2,302,960	\$1,988,752	13.986	(\$27,814,685)
Xenia	100%	0%	\$1,638,465	-	\$1,638,465	2.862	(\$4,689,287)
Totals						103.067	(\$170,875,422)

Step 4: Determine the Book Value of Reserve Capacity by Founding Agency

a) Net the Financial Investment in Designated Water Supply Facilities in Step 1 with the Cost of Capacity Used in Step 3(c) to calculate the Book Value of Reserve Capacity.

Book Value of Reserve Capacity by Founding Agency

Founding Agency	Financial Investment in Designated Water Supply Facilities	Cost of Used Capacity	Book Value of Reserve Capacity
Ankeny	\$7,780,500	(\$14,072,776)	(\$6,292,276)
Clive	\$6,756,750	(\$6,457,191)	\$299,559
DMWW	\$150,679,121	(\$73,939,010)	\$76,740,111
Johnston	\$0	(\$8,207,071)	(\$8,207,071)
Grimes	\$5,072,040	(\$3,282,194)	\$1,789,846
Norwalk	\$1,049,344	(\$3,740,616)	(\$2,691,272)
Polk City	\$480,375	(\$1,328,249)	(\$847,874)
UWU	\$12,552,150	(\$16,379,735)	(\$3,827,585)
Warren Water District	\$1,704,360	(\$4,558,210)	(\$2,853,850)
Waukee	\$3,132,152	(\$6,406,398)	(\$3,274,247)
WDMWW	\$33,140,599	(\$27,814,685)	\$5,325,914
Xenia	\$2,148,064	(\$4,689,287)	(\$2,541,223)
Totals	\$224,495,455	(\$170,875,422)	\$53,620,033

Step 5. Assign Remaining Reserve Capacity

- a) After capacities have been assigned to Founding Agencies, there remains 31.433 MGD in system capacity that needs to be assigned to the Founding Agencies (134.5 MGD less 103.067 MGD assigned to Founding Agencies in Step 3).
- b) Proportionately allocate the remaining Reserve Capacity of 31.433 MGD to the Founding Agencies based on each Founding Agency's pro rata share of projected regional growth through the year 2034 as outlined in the DMWW 2017 Long Range Plan.
- c) Calculate the cost per MGD of reserve capacity (\$53,620,033) in Step 4 divided by 31.433 MGD = \$1,705,852 per MGD, and multiply this by each Founding Agency's MGD allocation of Reserve Capacity to determine each Founding Agency's Value of Additional Reserve Capacity.

Assign Remaining Reserve Capacity

Founding Agency	Allocated Growth %	Allocation of Reserve Capacity	Average Cost per MGD	Value of Additional Allocated Reserve Capacity
Ankeny	20.478%	6.437	\$1,705,852	(\$10,980,310)
Clive	1.365%	0.429	\$1,705,852	(\$731,913)
DMWW	10.239%	3.218	\$1,705,852	(\$5,490,155)
Johnston	5.347%	1.681	\$1,705,852	(\$2,867,063)
Grimes	12.059%	3.791	\$1,705,852	(\$6,466,040)
Norwalk	5.802%	1.824	\$1,705,852	(\$3,111,034)
Polk City	1.479%	0.465	\$1,705,852	(\$793,040)
UWU	11.832%	3.719	\$1,705,852	(\$6,344,322)
Warren Water District	1.365%	0.429	\$1,705,852	(\$731,913)
Waukee	10.239%	3.218	\$1,705,852	(\$5,490,155)
WDMWW	10.580%	3.326	\$1,705,852	(\$5,672,999)
Xenia	9.215%	2.897	\$1,705,852	(\$4,941,086)
Totals	100.000%	31.433		(\$53,620,033)

Step 6: Determine Net Position by Founding Agency

Add the Book Value of Reserve Capacity in Step 4 with the dollar value of additional allocated reserve capacity in Step 5 to determine the Net Position by Founding Agency. The Net Position is the amount each Founding Agency pays or receives for the transfer of assets. A positive Net Position reflects amounts owed to the Founding Agencies and a negative Net Position reflects amounts owed from the Founding Agency.

Net Position by Founding Agency

Founding Agency	Book Value of Reserve Capacity	Value of Additional Allocated Reserve Capacity	Net Position
Ankeny	(\$6,292,276)	(\$10,980,310)	(\$17,272,586)
Clive	\$299,559	(\$731,913)	(\$432,354)
DMWW	\$76,740,111	(\$5,490,155)	\$71,249,956
Johnston	(\$8,207,071)	(\$2,867,063)	(\$11,074,134)
Grimes	\$1,789,846	(\$6,466,040)	(\$4,676,194)
Norwalk	(\$2,691,272)	(\$3,111,034)	(\$5,802,307)
Polk City	(\$847,874)	(\$793,040)	(\$1,640,914)
UWU	(\$3,827,585)	(\$6,344,322)	(\$10,171,907)
Warren Water District	(\$2,853,850)	(\$731,913)	(\$3,585,763)
Waukee	(\$3,274,247)	(\$5,490,155)	(\$8,764,402)
WDMWW	\$5,325,914	(\$5,672,999)	(\$347,085)
Xenia	(\$2,541,223)	(\$4,941,086)	(\$7,482,309)
Totals	\$53,620,033	(\$53,620,033)	(\$0)

Sources of Funding

Each Founding Agency in a net deficit position shall be responsible to pay the amount owed to CIWW using its own cash or financing. CIWW shall act as the disbursing agent for payments to the Founding Agencies in net positive positions.

Timing of Funding

The above tables represent actual asset book values as of December 31, 2022 and projects book values for calendar years 2023 and 2024. As such, this Schedule reflects only an estimate of the net position of each Founding Agency. Asset book values and other components of the true-up formula, including Maximum Day Demand, will be updated as of the Operational Commencement Date within 4 months after the Operational Commencement date. The net deficit position from any Founding Agency shall be paid in a lump sum within 12 months after the Operational Commencement Date, or a Founding Agency may elect to pay according to a payment plan with terms mutually acceptable to the Founding Agency(ies) that are owed amounts.

Construction in Progress

To the extent a Water Producing Member Agency has Construction In Progress at the Operational Commencement Date, the partially constructed asset(s) and any indebtedness associated with the Construction In Progress, shall be considered in the asset transfer true-up calculation as outlined above.

Transfer Terms

Assets shall be transferred “as is” and in place pursuant to documents as described in Schedule IV-7. Each Member Agency transferring Designated Water Supply Facilities shall retain risk of loss until the Operational Commencement Date or Asset Transfer is completed, whichever is later.

Title to Be Transferred

The assets to be transferred and any related interest in each asset shall be as set forth in Schedule IV-7 pursuant to documents as described therein.

Condition Precedent

The transfer by each Water Producing Member Agency shall be subject to the condition precedent that CIWW shall have previously entered into an Operating Contract as provided by Article V, Section 1.

Other Terms

The transfer shall become effective on the Operational Commencement Date by exchange of deeds, leases, assignment, easements or other transfer documents in form and substance acceptable to counsel for CIWW and each of the transferring parties and approved as part of this Agreement. No title insurance or title guaranty shall be required.

CIWW shall assume the SRF indebtedness as set forth in Footnote ¹ to Step 1 above as of the Operational Commencement Date.