

## Fox Creek Benefited Water District Trustee Statement Regarding Annexation and District Planning April 2025

To the Residents and Clients of the Fox Creek Benefited Water District:

The Fox Creek Benefited Water District (FCBWD) Board of Trustees would like to address the recent communication distributed by the City of West Des Moines to residents of Fox Creek Acres and possibly other communities and provide clarity on the current state of discussions regarding annexation and the future of our water district.

We understand that the letter from WDM raised concerns for many homeowners, and we want to assure you that the FCBWD Trustees are actively engaged in reviewing all legal, financial, and operational implications. In consultation with legal counsel, we are exploring all options and remain committed to protecting the long-term interests of our community.

It's also important to clarify that, at no point, have representatives from the City of West Des Moines or West Des Moines Water Works reached out directly to the FCBWD Trustees to meet or negotiate. All communications to date have come in the form of annexation proposals sent to residents or broad mailed efforts—such as the letter recently received. Direct engagement with the governing body of this district has not occurred.

Among the options we are exploring are the following three:

## 1. Remain Independent as a Utility Provider

The District retains full legal authority to continue operating as an independent utility provider, regardless of annexation. We are under no obligation to dissolve or hand over control to West Des Moines. Our system remains safe and stable, and while portions of the infrastructure are aging, we are well-positioned to implement necessary upgrades, including the potential development of a new water tower and related improvements.

We reject the suggestion that our system is failing or unsafe. That characterization does not reflect the facts. Any messaging suggesting otherwise is misleading and unnecessarily alarmist.

## 2. Full Transfer of Control to West Des Moines Water Works (Unfavorable Option)

This scenario would involve transferring all district assets, including significant cash reserves, to West Des Moines Water Works (WDMWW) without any contractual requirement that those funds

be reinvested in our local infrastructure. As Trustees, we are not comfortable with this option relative to current annexation proposals. In fact, it seemingly goes against our fiduciary responsibility to the residents we serve to relinquish both our cash on hand and infrastructure without requiring in-kind upgrades or equivalent value in return for the district.

Furthermore, West Des Moines has made it clear that they do not intend to proactively replace aging infrastructure but would instead address issues only as they arise. This reactive approach is concerning—especially given that the condition of our infrastructure is central to their argument for dissolving the district. We see this as a fundamental contradiction: if aging infrastructure is their concern, refusing to commit to upgrades undermines the very basis of their proposal.

In addition, should the district be dissolved and service transferred to WDMWW, each resident would be required to pay connection fees to hook up to the WDMWW system and would then be billed at their standard, higher rates. At the same time, there has been no indication of how our existing cash reserves would be used—meaning there would be no guaranteed return or benefit for residents in exchange for giving up local control. From our perspective, that implies zero value for the community under such a scenario.

## 3. Conditional Partnership with Contractual Protections

We are open to a negotiated arrangement in which WDMWW would provide infrastructure improvements or services—but only under a binding agreement that ensures FCBWD financial reserves are used directly to benefit district residents. This could include funding infrastructure upgrades within the district or helping offset individual connection fees as residents transition to WDMWW service. Under this model, the FCBWD Trustees would retain control of existing funds and oversee all proposed expenditures throughout a transitionary period.

If WDMWW's stated concerns about water quality and infrastructure are genuine, we believe they should have no objection to this approach. However, we are deeply concerned that WDMWW's current valuation of the district looks only at our cash on hand—completely ignoring the value of our existing infrastructure. Even more troubling, WDMWW has intimated that they would only fix issues as they arise and have no plans to proactively replace or upgrade our aging infrastructure. This stands in direct conflict with what appears to be the core rationale behind their proposal to absorb the district. If infrastructure is the concern, then a refusal to address it head-on raises serious questions about the true intent and benefit of such a transfer.

The Trustees will continue to evaluate all legal and strategic options in the best interest of the district's residents. We are not rushing to any decision. We believe strongly in local oversight, transparent decision-making, and responsible management of the resources entrusted to us.

We appreciate your engagement, your questions, and your continued support as we move forward.

Sincerely,

**Fox Creek Benefited Water District Trustees** Scott Sandberg Randy Leventhal Brian Van Heuverswyn