

Departmental Affairs.

December 4, 1933.

Senate File No. 146.

By ANDERSON AND ROELOFS.\*

Hydro Elec. Power Comm.

## A BILL FOR

An Act to establish and create a hydro electric power commission; to define its duties, powers and obligations; to provide for the appointment and confirmation of the members thereof; to authorize said hydro electric power commission to conserve, control and develop the waters of the state for the use and benefit of the people thereof and to establish, construct and operate electric power plants and distribution systems throughout the state; to authorize said hydro electric power commission to generate, distribute, and sell at wholesale or retail electric energy and current and to anticipate the revenue or revenues of such plant or plants and systems for a period of not to exceed thirty (30) years and to issue anticipatory warrants and to secure the same by first liens on or against the revenue or revenues of such plant, or plants and systems to cover the cost or costs of construction, improvement, extension or operation of such plants and systems and to authorize said hydro electric power commission to do all such other acts and things as may be necessary and requisite to carry out the purposes and intents of this act.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 Section 1. It is hereby declared to be the policy  
2 and purpose of the state to conserve, develop and control  
3 the waters of the state for the use and benefit of the  
4 people.

1 Sec. 2. The Iowa Hydro Electric Power Commission,  
2 hereinafter called the commission, is hereby established,  
3 composed of five members who shall be appointed by the  
4 governor, one of whom he shall designate as chairman and  
5 executive officer, who shall devote all his time to the  
6 duties of the office, provided however, that all such  
7 appointments shall be subject to the approval of the

8 executive council of the state of Iowa.

9 The members shall be qualified electors of the state,  
10 three of whom shall belong to the majority party and two  
11 to the minority parties politically and shall be so  
12 appointed as to be fairly representative of the state  
13 geographically and of its municipal interests.

14 Members shall hold office for five years, except  
15 that of those first appointed, one shall hold office until  
16 January 1, 1935, one until January 1, 1936, one until  
17 January 1, 1937, one until January 1, 1938, and one until  
18 January 1, 1939, and thereafter the member shall be  
19 appointed for a term of five years.

20 The chairman shall receive a salary of not to exceed  
21 six thousand dollars (\$6000.00) per annum as may be fixed  
22 by the executive council of the state of Iowa and the  
23 other members shall receive a per diem of ten dollars  
24 (\$10.00) per day while engaged in performance of duty and  
25 all members shall receive their necessary expenses.

26 Each member shall execute and deliver unto the state  
27 of Iowa such bonds as the governor may require.

28 Any member of the commission may be removed by the  
29 governor with the approval of the executive council  
30 of the state of Iowa for incompetence, corruption or  
31 dereliction of duty.

32 A majority of the commission shall constitute a  
33 quorum for the transaction of business and no vacancy on

34 the commission shall impair the right of the remaining  
35 members to exercise all powers of the commission.

36 The commission shall maintain its office at Des Moines,  
37 Iowa.

1 Sec. 3. The commission shall have power:

2 (a) To acquire by purchase, lease, condemnation,  
3 gift or other legal means or proceedings, land, water,  
4 water rights, easements, hydro electric plants, electric  
5 plants and distribution systems, electric current or  
6 energy and any other property, article or thing necessary  
7 or convenient to carry out the purposes of this act;  
8 and likewise to acquire, and also to construct, complete,  
9 repair, extend, enlarge and operate, works, dams, conduits,  
10 canals, reservoirs, tunnels, flumes, aqueducts pipe-lines,  
11 structures, machinery, roads, equipment, power houses and  
12 transmission lines and to do any all things necessary  
13 and convenient for the conservation, development, storage  
14 and distribution of water and the generation, transmission  
15 and distribution of electric current.

16 No electric current shall be purchased by the  
17 commission at a price to exceed one-half of one cent  
18 (\$.005) per kilowatt hour at the power plant, based upon  
19 a fifty (50) per cent load factor, except for standby service  
20 as hereinafter provided:

21 (b) To purchase, acquire, produce, manufacture  
22 or otherwise provide facilities, materials and supplies,

23 raw or finished, and any property or thing necessary  
24 or convenient to the accomplishment of the purposes  
25 of this act including the right and power to divert the  
26 waters of a river or stream to that of the waters of another  
27 river or stream.

28 (c) To supply water or electric energy, or current  
29 or both to the state, political subdivisions thereof and  
30 to any person, firm or corporation within the state of  
31 Iowa, and subject to the provisions of this act to  
32 prescribe the terms of contracts and fix the price therefor  
33 and collect the same.

34 (d) To use the waters and the lands of the state,  
35 or any material therein or thereon, and to require the  
36 reservation from sale or other disposition of such  
37 lands and materials as, in the judgment and opinion of the  
38 commission, will be required for the purposes of this act.

39 (e) To require the reservation of water from appro-  
40 priation for such periods as it may provide.

41 (f) In the name of the state to apply for and accept  
42 under the provisions of the laws of the United States or  
43 of any state, grants, permits, licenses and privileges  
44 in the opinion of the commission necessary and requisite  
45 to the accomplishment of the purposes of this act.

46 (g) To cooperate and contract with political  
47 subdivisions of this state including all cities and towns,  
48 cities under city manager, cities under commission form

49 of government and cities under special charter, and with  
50 the approval of the executive council of the state of Iowa  
51 with the United States of America and other states  
52 concerning the conservation and use of interstate and other  
53 waters and the generation, use, distribution and sale  
54 of electric energy and current and the acquisition,  
55 construction, completion, maintenance and operation of  
56 plants and works and distribution systems necessary and  
57 convenient for the accomplishment of the purposes of this  
58 act.

59 (h) To acquire or construct for political  
60 subdivisions of this state including cities and towns,  
61 cities under commission form of government, cities  
62 under manager form of government and cities under special  
63 charter distributing systems for water or electric energy  
64 or current bought from the state, upon terms that in the  
65 opinion of the commission, will repay to the state within  
66 twenty-five (25) years the cost thereof with interest.  
67 The title to or interest of the state in such systems  
68 shall vest in such political subdivisions, cities and towns  
69 as above related when fully paid for.

70 (i) To sue and be sued, and to exercise in the  
71 name of the state the right and power of eminent domain  
72 for the purpose of acquiring any property, or the use  
73 or joint use of any property, deemed by the commission  
74 necessary and requisite to carry out the purposes of

75 this act.

76 (j) To provide itself with suitable office and  
77 field facilities, and to appoint, define the duties and  
78 fix the compensation of such expert and technical officers  
79 and employees, legal, clerical and other employees and  
80 assistants as it may require, subject to such civil service  
81 regulations as the commission may adopt and provide.

82 (k) To borrow money in the name of the state and  
83 to issue warrants for the payment thereof pledging the  
84 revenue or revenues of the plants and systems for which  
85 such money is borrowed for a sufficient period of years  
86 to liquidate and pay the moneys so borrowed and  
87 represented by said warrants with all accrued and accruing  
88 interest thereon.

89 (l) To define projects and to adopt rules and  
90 regulations to govern its activities.

91 (m) To exercise all powers needful for the  
92 accomplishment of the purposes of this act and such  
93 additional powers as may be hereinafter granted by the  
94 legislature.

1 Sec. 4. The commission shall establish such rates  
2 for service as in its judgment will provide, in addition  
3 to its expenses of operation, maintenance, depreciation,  
4 insurance and reserve for losses, funds to pay the principal  
5 and interest of all warrants and claims incurred or issued  
6 under this act, as the same fall due, together with all

7 sums which may be advanced from the general fund and  
8 interest thereon of the state.

9 All proceeds and revenues of the commission shall  
10 be paid into the state treasury and shall be applied  
11 first to the payment of the expenses of the commission,  
12 costs of operation, maintenance, depreciation, insurance  
13 and losses, and second to the payment of interest and  
14 principal of outstanding warrants issued by said  
15 commission.

2 Sec. 5. If at any time the moneys in the state  
2 treasury to the account of said commission shall be  
3 insufficient to pay any outstanding warrants as the same  
4 falls due, moneys shall be temporarily advanced from the  
5 general fund for that purpose and there is hereby  
6 appropriated from the general fund in the state treasury  
7 such sum annually as will be necessary to pay such  
8 interest and principal, and there shall be collected  
9 each year in the same manner and at the same time  
10 as other state revenues and taxes are collected such sum  
11 in addition to the other revenues of the state as shall  
12 be required to pay the sums appropriated for payment of  
13 principal and interest as herein provided and it is hereby  
14 made the duty of all officers charged by law with any  
15 duty with regard to the levy and collection of said tax  
16 revenue to do and perform each and every act which shall  
17 be necessary to collect this additional revenue,

18 provided always, that all moneys paid from the general  
19 fund in the state treasury for principal or interest on  
20 such outstanding warrants shall be repaid and returned  
21 into said general fund of the state treasury out of the  
22 general revenues of the commission as soon as the same  
23 become available together with interest thereon from  
24 the several dates of such advances until so returned  
25 at the rate of six percent per annum compounded semi-  
26 annually.

1 Sec. 6. Out of any money in the state treasury  
2 not otherwise appropriated the sum of two hundred  
3 fifty thousand dollars (\$250,000.00) is hereby  
4 appropriated to be credited to the commission, and an  
5 equivalent amount shall be returned into the general  
6 fund in the state treasury out of the first moneys  
7 available from revenues coming into the state .  
8 treasury from said commission.

1 Sec. 7. Moneys herein provided for and which  
2 shall hereafter be deposited with the state treasury  
3 to the account of said commission, shall be drawn from  
4 the treasury upon warrants duly drawn by the commission  
5 and executed on its behalf by its chairman and  
6 secretary.

1 Sec. 8. The state and political subdivisions  
2 including cities and towns, cities under the commission  
3 form of government, cities under city manager form and

4 cities acting under special charters shall have a  
5 preferred right to water and electric energy controlled  
6 by the commission as against privately owned public  
7 utilities selling water or electric energy to the public  
8 and no contract or act of the commission shall interfere  
9 with said preferred right. As between those equally  
10 entitled the commission shall supply water or electric  
11 energy to political subdivisions, cities and towns as  
12 above mentioned near the source of supply, to the extent  
13 of their reasonable needs in preference to those more  
14 remote.

1 Sec. 9. The commission shall in no event sell water  
2 to any privately owned public utility firm or corporation,  
3 or to any other person for the production of electric  
4 energy or current and shall not supply directly or  
5 indirectly to privately owned electric utilities more  
6 than fifty percent of the total amount of electric energy  
7 under its control and contracts therefor shall not extend  
8 over a period of five years, or be renewed prior to one  
9 year prior to their expiration.

1 Sec. 10. Privately owned public utilities applying  
2 for and accepting contracts to supply them with  
3 electrical energy shall as a condition precedent be  
4 required to enter into a contract to provide the  
5 commission with standby electric service at the same  
6 rate at their plant or plants as given them by said

7 commission.

1     Sec. 11. Nothing herein contained shall prevent  
2 any political subdivision of the state including cities  
3 acting under the commission form of government cities  
4 under the city manager plan and cities acting under  
5 special charters, or in cooperation with other political  
6 subdivisions from developing any water or electric  
7 energy plants owned or controlled by it but plans for  
8 any such development hereafter proposed shall first be  
9 submitted to the commission for suggestions and criticism  
10 so that the cooperation of the commission may be secured  
11 if practicable for the fullest development of the project  
12 proposed.

13     The commission may acquire and develop any such  
14 project unless the political subdivision claiming the  
15 same shall have adopted plans and estimates for the  
16 development and authorized bonds to cover the cost  
17 thereof, or shall do so, within one year after the  
18 commission shall have notified such political subdivision  
19 of its readiness to proceed with such development.

1     Sec. 12. The term political subdivision as used  
2 in this act is hereby declared to mean and include any  
3 public board, public quasi-corporation, public corporation,  
4 water district, drainage district, lighting district,  
5 school districts, municipal corporations, cities, towns,  
6 cities under commission form of government, cities

7 under city manager plan of government, cities under  
8 special charter, but shall not be construed to mean or  
9 include any privately owned public utility.

1 Sec. 13. All acts or parts of acts in conflict  
2 with this act are hereby repealed.

1 Sec. 14. This act being deemed of immediate  
2 importance shall be in full force and effect from and  
3 after its publication in the.....,  
4 a newspaper published at....., Iowa, and  
5 in the....., a newspaper  
6 published at....., Iowa.