

FILED FEB 05 1992

SENATE FILE 2101

BY KIBBIE and VANDE HOEF

(COMPANION TO LSB 5769HH BY SCHRADE

Substituted for H.F. 2313

Passed Senate, Date 2/25/92 (p. ⁴⁵⁴) Passed House, Date 3/16/92 (p. 613)
Vote: Ayes 45 Nays 0 Vote: Ayes 93 Nays 0

Approved March 26, 1992 (p. 1013)

*Motion to reconsider 2/26 (p. 493)
" w/2 3/9*

A BILL FOR

1 An Act relating to procedures for the provision of water services
2 within two miles of a city.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2101

1 Section 1. Section 357.1, unnumbered paragraph 4, Code
2 1991, is amended to read as follows:

3 Water services, other than water services provided as of
4 April 1, 1987, shall not be provided within two miles of the
5 limits of a city ~~unless the city has approved a new water~~
6 ~~service plan submitted by the benefited district. If the new~~
7 ~~water service plan is not approved by the city, the plan may~~
8 ~~be subject to arbitration~~ except as provided in this section.

9 Sec. 2. Section 357.1, Code 1991, is amended by adding the
10 following new unnumbered paragraph:

11 NEW UNNUMBERED PARAGRAPH. A benefited water district
12 established under this chapter may give notice of intent to
13 provide water service to a new area within two miles of a city
14 by submitting a water plan to the city. The plan is only
15 required to indicate the area within two miles of the city
16 which the benefited water district intends to serve. If the
17 city fails to respond to the benefited water district's plan
18 within ninety days of receipt of the plan, the benefited water
19 district may provide service in the area designated in the
20 plan. The city may inform the benefited water district within
21 ninety days of receipt of the plan that the city requires
22 additional time or information to study the question of
23 providing water service outside the limits of the city. If
24 additional time or information is required, the city shall
25 respond to the benefited water district's plan within one
26 hundred eighty days of receipt of the plan. In responding to
27 the plan, the city may waive its right to provide water
28 service within the areas designated for service by the
29 benefited water district, or the city may reserve the right to
30 provide water service in some or all of the areas which the
31 benefited water district intends to serve. If the city
32 reserves the right to provide water service within some or all
33 of the areas which the benefited water district intends to
34 serve, the city shall provide service within four years of
35 receipt of the plan. This section does not preclude a city

1 from providing water service in an area which is annexed by
2 the city.

3 Sec. 3. Section 357A.2, unnumbered paragraph 4, Code
4 Supplement 1991, is amended to read as follows:

5 Water services, other than water services provided as of
6 April 1, 1987, shall not be provided within two miles of the
7 limits of a city by a rural water district incorporated under
8 this chapter or chapter 504A ~~unless the city has approved a~~
9 ~~new water service plan submitted by the district. -- If the new~~
10 ~~water service plan is not approved by the city, the plan may~~
11 ~~be subject to arbitration~~ except as provided in this section.

12 Sec. 4. Section 357A.2, Code Supplement 1991, is amended
13 by adding the following new unnumbered paragraph:

14 NEW UNNUMBERED PARAGRAPH. A rural water district
15 incorporated under this chapter or chapter 504A may give
16 notice of intent to provide water service to a new area within
17 two miles of a city by submitting a water plan to the city.
18 The plan is only required to indicate the area within two
19 miles of the city which the rural water district intends to
20 serve. If the city fails to respond to the rural water
21 district's plan within ninety days of receipt of the plan, the
22 rural water district may provide service in the area
23 designated in the plan. The city may inform the rural water
24 district within ninety days of receipt of the plan that the
25 city requires additional time or information to study the
26 question of providing water service outside the limits of the
27 city. If additional time or information is required, the city
28 shall respond to the rural water district's plan within one
29 hundred eighty days of receipt of the plan. In responding to
30 the plan, the city may waive its right to provide water
31 service within the areas designated for service by the rural
32 water district, or the city may reserve the right to provide
33 water service in some or all of the areas which the rural
34 water district intends to serve. If the city reserves the
35 right to provide water service within some or all of the areas

1 which the rural water district intends to serve, the city
2 shall provide service within four years of receipt of the
3 plan. This section does not preclude a city from providing
4 water service in an area which is annexed by the city.

5 Sec. 5. Section 357A.21, Code 1991, is amended to read as
6 follows:

7 357A.21 ANNEXATION OF LAND BY A CITY -- ARBITRATION.

8 A water district organized under chapter 357, 357A, 499, or
9 504A shall be fairly compensated for losses resulting from
10 annexation. The governing body of a city or water utility and
11 the board of directors or trustees of the water district may
12 agree to terms which provide that the facilities owned by the
13 water district and located within the city shall be retained
14 by the water district for the purpose of transporting water to
15 customers outside the city. If an agreement is not reached
16 within ninety days, the issues shall may be submitted to
17 arbitration. An If submitted, an arbitrator shall be selected
18 by a committee which includes one member of the governing body
19 of the city or its designee, one member of the water
20 district's board of directors or trustees or its designee, and
21 a disinterested party selected by the other two members of the
22 committee. A list of qualified arbitrators may be obtained
23 from the American arbitration association or other recognized
24 arbitration organization or association.

25 EXPLANATION

26 This bill provides procedural methods for initiating and
27 establishing water services to new areas within two miles of a
28 city which have neither city nor rural water services. It
29 amends both the benefited water district law and rural water
30 district law and includes water districts incorporated under
31 chapter 504A.

32 The water service proposition is initiated by a benefited
33 water district or rural water district by submitting a plan to
34 a city. The city has 90 days to respond to the water district
35 and may request more information, waive its right to provide

1 the service itself, or reserve its right to provide comparable
2 service to that in the plan to all or part of the new areas
3 specified in the plan. If the city does not respond, the
4 water district may provide the services. If the city reserves
5 its right to provide the service, it must do so in four years.

6 The bill also makes the arbitration process optional as to
7 whether a water district and a city submit questions relating
8 to facilities in an area affected by annexation.

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SENATE FILE 2101

AN ACT
RELATING TO PROCEDURES FOR THE PROVISION OF WATER SERVICES
WITHIN TWO MILES OF A CITY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 357.1, unnumbered paragraph 4, Code 1991, is amended to read as follows:

Water services, other than water services provided as of April 1, 1987, shall not be provided within two miles of the limits of a city ~~unless the city has approved a new water service plan submitted by the benefited district;--if the new water service plan is not approved by the city, the plan may be subject to arbitration~~ except as provided in this section.

Sec. 2. Section 357.1, Code 1991, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. A benefited water district established under this chapter may give notice of intent to provide water service to a new area within two miles of a city by submitting a water plan to the city. The plan is only required to indicate the area within two miles of the city which the benefited water district intends to serve. If the city fails to respond to the benefited water district's plan within ninety days of receipt of the plan, the benefited water district may provide service in the area designated in the plan. The city may inform the benefited water district within ninety days of receipt of the plan that the city requires

additional time or information to study the question of providing water service outside the limits of the city. If additional time or information is required, the city shall respond to the benefited water district's plan within one hundred eighty days of receipt of the plan. In responding to the plan, the city may waive its right to provide water service within the areas designated for service by the benefited water district, or the city may reserve the right to provide water service in some or all of the areas which the benefited water district intends to serve. If the city reserves the right to provide water service within some or all of the areas which the benefited water district intends to serve, the city shall provide service within four years of receipt of the plan. This section does not preclude a city from providing water service in an area which is annexed by the city.

Sec. 3. Section 357A.2, unnumbered paragraph 4, Code Supplement 1991, is amended to read as follows:

Water services, other than water services provided as of April 1, 1987, shall not be provided within two miles of the limits of a city by a rural water district incorporated under this chapter or chapter 504A ~~unless the city has approved a new water service plan submitted by the district;--if the new water service plan is not approved by the city, the plan may be subject to arbitration~~ except as provided in this section.

Sec. 4. Section 357A.2, Code Supplement 1991, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. A rural water district incorporated under this chapter or chapter 504A may give notice of intent to provide water service to a new area within two miles of a city by submitting a water plan to the city. The plan is only required to indicate the area within two miles of the city which the rural water district intends to serve. If the city fails to respond to the rural water district's plan within ninety days of receipt of the plan, the

rural water district may provide service in the area designated in the plan. The city may inform the rural water district within ninety days of receipt of the plan that the city requires additional time or information to study the question of providing water service outside the limits of the city. If additional time or information is required, the city shall respond to the rural water district's plan within one hundred eighty days of receipt of the plan. In responding to the plan, the city may waive its right to provide water service within the areas designated for service by the rural water district, or the city may reserve the right to provide water service in some or all of the areas which the rural water district intends to serve. If the city reserves the right to provide water service within some or all of the areas which the rural water district intends to serve, the city shall provide service within four years of receipt of the plan. This section does not preclude a city from providing water service in an area which is annexed by the city.

Sec. 5. Section 357A.21, Code 1991, is amended to read as follows:

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A water district organized under chapter 357, 357A, 499, or 504A shall be fairly compensated for losses resulting from annexation. The governing body of a city or water utility and the board of directors or trustees of the water district may agree to terms which provide that the facilities owned by the water district and located within the city shall be retained by the water district for the purpose of transporting water to customers outside the city. If an agreement is not reached within ninety days, the issues shall ~~may~~ be submitted to arbitration. An if submitted, an arbitrator shall be selected by a committee which includes one member of the governing body of the city or its designee, one member of the water district's board of directors or trustees or its designee, and a disinterested party selected by the other two members of the

committee. A list of qualified arbitrators may be obtained from the American arbitration association or other recognized arbitration organization or association.

MICHAEL E. GRONSTAL
President of the Senate

ROBERT C. ARNOULD
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2101, Seventy-fourth General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved March 26, 1992

TERRY E. BRANSTAD
Governor