## Senate Study Bill 1236

| Passed   | Senate, | Date | Passed | House, | Date |      |  |
|----------|---------|------|--------|--------|------|------|--|
| Vote:    | Ayes    | Nays | Vote:  | Ayes _ |      | Nays |  |
| Approved |         |      |        |        |      |      |  |

## A BILL FOR

- 1 An Act modifying water service requirements for rural water
  2 providers.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4 TLSB 1992SC 82
- 5 eg/gg/14

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1 1 Section 1. <u>NEW SECTION</u>. 357A.2A WATER SERVICE WITHIN TWO 1 2 MILES OF A CITY == NOTICE.
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- 3 1. A district or a rural water association incorporated 4 under this chapter or chapter 504 shall not provide water 5 service, other than water service provided as of April 1, 6 1987, within two miles of the limits of a city, except as 7 provided in this section.
- 8 2. A district or a rural water association incorporated 9 under this chapter or chapter 504 may give notice of intent to 8 1 10 provide water service to a new area within two miles of a city 1 11 by submitting a water plan to the city council, or if the city 1 12 has a municipal water utility that is governed by a board of 1 13 trustees to the city's utility board. The plan is only 1 14 required to indicate the area within two miles of the city 15 which the district or rural water association intends to If the city fails to respond to the plan within ninety 1 16 serve. 1 17 days of the city's receipt of the plan, the district or rural 1 18 water association may provide service in the area designated 1 19 in the plan. The city may inform the district or the rural 1 20 water association within ninety days of the city's receipt of 1 21 the plan that the city requires additional time or information 1 22 to study the question of providing water service outside the 1 23 limits of the city. If additional time or information is 1 24 required, the city shall respond to the plan within one 25 hundred eighty days of the city's receipt of the plan. In 26 responding to the plan, the city may waive its right to 1 27 provide water service within the areas designated for service 28 by the district or rural water association, or the city may 29 reserve the right to provide water service in some or all of 1 30 the areas which the district or association intends to serve. 1 31 If the city reserves the right to provide water service within 1 32 some or all of the areas which the district or rural water 1 33 association intends to serve, the city shall provide service 1 34 within four years of the city's receipt of the plan. This 35 section does not preclude a city from providing water service 1 in an area which is annexed by the city.

2 Sec. 2. Section 357A.2, unnumbered paragraphs 4 and 5, 3 Code 2007, are amended by striking the unnumbered paragraphs. 4 EXPLANATION

5 This bill creates new Code section 357A.2A that is 6 substantially similar to current Code section 357A.2 that 7 restricts a rural water district or a rural water association 8 from providing water service within two miles of a city. A 9 rural water district or a rural water association that intends 10 to provide such water service is required to notify the city 11 council or the city's utility board.

2 12 The bill makes the distinction between a rural water 2 13 district and a rural water association. A rural water 2 14 association is not a "district", i.e., organized under Code 2 15 chapter 357A. See Rural Water System #1 v. City of Sioux 2 16 Center, Iowa, 202 F.3d 1035 (8th Cir. 2000). 2 17 LSB 1992SC 82