

**Senate File 456 - Introduced**

SENATE FILE 456  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO SSB 1146)

(COMPANION TO HF 484 BY  
COMMITTEE ON AGRICULTURE)

**A BILL FOR**

1 An Act relating to the governing of certain water utilities and  
2 including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 388.12 Water utility board  
2 discontinuance and dissolution — governing body provisions.

3 1. Notwithstanding the provisions of section 388.2 to  
4 the contrary, upon the effective date of this Act, the board  
5 of water works trustees of a water utility in cities in a  
6 statistical area described in subsection 5, with a population  
7 greater than thirty-nine thousand as determined by the most  
8 recent federal decennial census, shall be discontinued,  
9 dissolved, and shall cease to be the governing body of the  
10 water utility and the city councils of the cities described  
11 in this subsection shall thereafter be the governing bodies  
12 of the water utilities and the city councils of the cities  
13 shall have all the powers and authorities of the city with  
14 respect to the acquisition by purchase, condemnation, or  
15 otherwise lease, sale, or other disposition of the property and  
16 facilities of the water utility, and the management, control,  
17 and operation of all facets of the water utility, subject to  
18 the requirements, terms, covenants, conditions, and provisions  
19 of any resolutions authorizing the issuance of revenue bonds,  
20 pledge orders, or other obligations which are payable from the  
21 revenues of the water utility which are then outstanding. Any  
22 property not held in the name of the city as required under  
23 section 388.4, subsection 2, shall be retitled in the name of  
24 the appropriate city as soon as legally practicable.

25 2. The city managers employed by the city councils that  
26 set the compensation of the members of a board of a water  
27 utility under this section shall designate the administrator  
28 of a department or administrative division of that city to be  
29 the manager of the water supply system in that city subject  
30 to the approval of the city council. The administrator  
31 designated under this subsection shall not be considered a  
32 civil service employee under section 400.17 and shall serve  
33 under the control and direction of the city manager of that  
34 city. The administrator may be terminated at will, subject to  
35 any contract in place on the effective date of this Act.

1 3. On and after the effective date of this Act and  
2 continuing until January 1, 2018, a water utility of any city  
3 subject to this section is prohibited from expending any moneys  
4 or staff time to plan, design, or construct any new water  
5 plant or other water-producing facility other than a facility  
6 currently under contract for construction or a distribution  
7 facility that will transport water but not produce water.

8 4. Notwithstanding any provision of this section to the  
9 contrary, no provision or application of this section shall  
10 in any manner restrict or otherwise impair a water utility  
11 from performing its obligations and complying with the terms,  
12 conditions, covenants, requirements, restrictions of federal  
13 or state laws, regulations, or rules, bond resolutions,  
14 obligations, or agreements relating to outstanding indebtedness  
15 of the water utility, existing chapter 28E agreements and  
16 contracts, including without limitation contracts related to  
17 the operations, maintenance, repair, or improvements of the  
18 water utility.

19 5. For the purposes of this section, "*water utility*" means  
20 a city utility that provides water services, that is located in  
21 a federally designated standard metropolitan statistical area  
22 that has a population greater than five hundred thousand, as  
23 shown by the most recent federal decennial census, and that is  
24 located entirely within the state.

25 Sec. 2. SEVERABILITY. If any word, phrase, clause,  
26 sentence, paragraph, or provision of this Act or the  
27 application of such to any person or circumstance is declared  
28 invalid, illegal, or unenforceable, or unconstitutional for any  
29 reason, the remaining provisions or applications of this Act  
30 shall not be affected by such declaration and to this end, the  
31 provisions of this Act are severable.

32 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
33 immediate importance, takes effect upon enactment.

34

EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1           the explanation's substance by the members of the general assembly.

2       This bill relates to the governing of certain water  
3 utilities by requiring the discontinuance and dissolution  
4 of the board of trustees for certain water works upon the  
5 effective date of the bill. The bill provides that such boards  
6 of trustees shall cease to be the governing body of the water  
7 utility and provides that the city councils of certain cities  
8 described in the bill shall be the governing bodies of such  
9 water utilities.

10       The bill provides that the city councils of such cities  
11 shall have all the powers and authorities of the city with  
12 respect to the acquisition by purchase, condemnation, or  
13 otherwise lease, sale, or other disposition of the property and  
14 facilities of the water utility, and the management, control,  
15 and operation of all facets of the water utility, subject to  
16 the requirements, terms, covenants, conditions, and provisions  
17 of any resolutions authorizing the issuance of revenue bonds,  
18 pledge orders, or other obligations which are payable from the  
19 revenues of the water utility which are then outstanding. The  
20 bill also requires the retitling of certain real property.

21       The bill requires that city managers of such cities  
22 designate a manager of the water supply system for each city,  
23 subject to the approval of the relevant city council. A water  
24 utility, under the bill, is prohibited from making certain  
25 expenditures from the effective date of the bill until January  
26 1, 2018.

27       The bill specifies that no provision or application of the  
28 bill shall in any manner restrict or otherwise impair a water  
29 utility from performing its obligations and complying with the  
30 terms, conditions, covenants, requirements, restrictions of  
31 federal or state laws, regulations, or rules, bond resolutions,  
32 obligations or agreements relating to outstanding indebtedness  
33 of the water utility, existing Code chapter 28E agreements and  
34 contracts, including without limitation contracts related to  
35 the operations, maintenance, repair, or improvements of such a

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1 water utility. The bill also specifies that the provisions of  
2 the bill are severable.

3 The bill takes effect upon enactment.