

Senate File 2235 - Introduced

SENATE FILE 2235
BY WESTRICH

A BILL FOR

1 An Act relating to sewer services provided by a city utility,
2 including establishing procedures for water that does not
3 enter the sewer system.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **384.84B Sewer charges — unearned**
2 **fees.**

3 1. The general assembly finds that municipal sewer charges
4 are intended to recover costs associated with actual wastewater
5 collection, treatment, and disposal. In cases of water leaks,
6 pipe failures, or similar conditions, water may be released into
7 soil, ground, or the environment without entering the sanitary
8 sewer system. Charging sewer service fees for water that
9 did not utilize sewer services constitutes a fee for services
10 not rendered. The retention of such charges is inequitable,
11 unearned, and contrary to principles of fairness and public
12 trust. It is therefore the intent of the general assembly to
13 ensure that sewer fees are based on actual sewer usage, and
14 municipalities do not collect or retain sewer charges for water
15 that did not enter the sewer system.

16 2. A city utility shall not charge, assess, or retain sewer
17 service fees for water that is demonstrated to have not entered
18 the sewer system due to any of the following:

- 19 a. Water line leak.
- 20 b. Service line failure.
- 21 c. Metered water loss to ground or environment.
- 22 d. Any other condition in which sewer services were not
23 utilized.

24 3. Upon reasonable verification of a qualifying water loss,
25 the city or municipal utility shall take the following actions:

- 26 a. Adjust the sewer service charges for the affected billing
27 period.
- 28 b. Refund any sewer service fees improperly collected.

29 4. a. A city may require reasonable documentation to verify
30 water loss, including the following:

- 31 (1) Repair invoices.
- 32 (2) Plumber certification.
- 33 (3) Utility inspection reports.
- 34 (4) Other evidence of leakage or loss.

35 b. A city shall not impose unreasonable evidentiary burdens

1 or arbitrary denial standards.

2 5. Requests for adjustment or refund shall be accepted for a
3 period of not less than twelve months following the billing date
4 in which the water loss occurred.

5 6. A city shall not adopt an ordinance or policy or
6 otherwise regulate a utility in a manner that limits, waives, or
7 circumvents the requirements of this section.

8 7. Any customer believed to have been affected by a violation
9 of this section may take any of the following actions:

10 a. File a complaint with the office of ombudsman.

11 b. Seek recovery through civil action for improperly
12 collected fees, including court costs.

13 8. This section applies to all city utilities, and customers
14 of the city utility, operating sewer systems in Iowa.

15 EXPLANATION

16 The inclusion of this explanation does not constitute agreement with
17 the explanation's substance by the members of the general assembly.

18 This bill relates to sewer services provided by a city
19 utility, including establishing procedures for water that does
20 not enter the sewer system.

21 The bill provides findings of the general assembly that
22 municipal sewer charges are intended to recover costs associated
23 with actual wastewater collection, treatment, and disposal. When
24 water is lost due to leaks, pipe failures, or similar conditions,
25 and does not enter the sewer system, charging sewer service fees
26 for that water constitutes a fee for services not rendered and
27 is inequitable. The bill declares the intent of the general
28 assembly that sewer fees should be based on actual sewer usage.

29 The bill prohibits a city utility from charging, assessing,
30 or retaining sewer service fees for water that is demonstrated
31 to have not entered the sewer system due to a water line
32 leak, service line failure, metered water loss to the ground or
33 environment, or any other condition in which sewer services were
34 not utilized. The bill requires, upon reasonable verification of
35 a qualifying water loss, the city or municipal utility to adjust

1 the sewer service charges for the affected billing period and
2 refund any sewer service fees that were improperly collected.

3 The bill authorizes a city to require reasonable documentation
4 to verify water loss, including repair invoices, plumber
5 certifications, utility inspection reports, or other evidence
6 of leakage or loss. The bill provides that a city may not
7 impose unreasonable evidentiary requirements or apply arbitrary
8 standards to deny adjustments or refunds.

9 The bill requires requests for sewer charge adjustments or
10 refunds to be accepted for a period of not less than 12 months
11 following the billing date in which the water loss occurred.

12 The bill prohibits a city from adopting an ordinance or
13 policy or otherwise regulating a utility in a manner that limits,
14 waives, or circumvents the requirements of the bill.

15 The bill provides that a customer believed to have been
16 affected by a violation of the bill may file a complaint with the
17 office of ombudsman or seek recovery of improperly collected fees
18 through a civil action, including court costs.

19 The bill applies to all city utilities operating sewer systems
20 in Iowa and to customers of those city utilities.