

Mr. Chair and members of the committee.

I am Jim Bollard a resident of Des Moines ... I am here today to speak in favor of HF484.

Section 1.5 of 388.12 clearly identifies the Des Moines metro without ever mentioning the name Des Moines.

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

The "federally designated standard metropolitan statistical area that has a population greater than five hundred thousand" has been attempting to regionalize ^{our} their water utilities for over a decade without success. The passage of HF484 would be an important first step in a creation of a regional utility. In returning authority to the elected officials who represent the citizens and rate payers of the affected communities, we could see a path forward being created to benefit the citizens.

To the issue regarding an impact to economic development, and most immediately, any impact to MicroSoft's ability to come into the region. It is clear that water distribution can be expanded under this amendment, thus not hindering economic development and alleviating this as a concern.

Important in the language of HF484, is the recognition of the need for a moratorium on development of new water plants or other water-producing facilities. Since there are cities today that lie within a "federally designated standard metropolitan statistical area that has a population greater than five hundred thousand" looking to build their own water production facilities, it is important no development occurs until a regional utility can be formed to ensure appropriate economic and efficient delivery to all the citizens and rate payers.

Also critical is the ownership of assets. HF484 allows that all assets of the Cities' Water Works remain titled in the respective City, just as the statute currently requires and nothing is forcibly transferred to an independent entity.



Cedar Falls Utilities
THE POWER OF SERVICE

Opposed to HF 484:

Good morning. My name is Jerald Lukensmeyer. I am the Manager of Gas and Water Operations at the Cedar Falls Utilities. Cedar Falls Utilities is currently composed of four separate municipal utilities operating under a 5-member Board of Trustees.

In 1959 an election was held and the citizens of Cedar Falls voted to place the existing water, electric and gas municipal utilities under the control of separate Board of Trustees per Code of Iowa Section 388. The public vote placed these three municipal utilities under joint management of a Board of Trustees. In 1994 the citizens once again voted to begin the operation of a Municipal Communications Utility under the direction of same Board of Trustees.

Des Moines Water Works, West Des Moines Water Works and Urbandale Water Utility all are formed under Code of Iowa Section 388 with a public vote determining their operation under a Board of Trustees.

Cedar Falls Utilities is **opposed to HF 484** as it removes control by local voters. It in fact goes completely opposite of the wishes of the local voters, by doing away with the voter selected Board of Trustee control and replacing it with City Council control.

Also, The Iowa Constitution was amended in 1968 with Amendment 2, Article three (III). It states "Constitution of the State of Iowa is hereby amended by adding the following new section:

Municipal home rule. SECTION 38A. Municipal corporations are granted home rule power and authority, not inconsistent with the laws of the General Assembly, to determine their local affairs and government, except that they shall not have power to levy any tax unless expressly authorized by the General Assembly."

HF 484 is in direct opposition to Home Rule and to the Code of Iowa Section 388. By the will and public vote of the citizens of these three communities, Des Moines, West Des Moines, and Urbandale, Board of Trustees were determined to be the operational choice for their public water systems.

If the will of the local citizens has changed they can request a local vote to remove the Board and return the control of the Water Utility to the City Councils of their communities. If the local citizens of these three communities want their local Water Utility Boards to consider the regionalization of their local water utilities, they can contact their local Board members or they can appear at the public meetings of their local Board of Trustees and make their desires know in the public forum. HF 484 removes the local control of the citizens of these communities by simply abolishing the Boards that the citizens legally voted to put in place. This HF goes against the constitutional established principle of Home Rule.

This bill, in any form, is not in the best interest of the citizens of Des Moines, West Des Moines, and Urbandale and **it is not in the best interest** of the citizens of the State of Iowa.

**Comments by Larry Anderson at the Public Hearing by the
House Agriculture Committee on HF 484
March 6, 2017**

I'm Larry Anderson from West Des Moines. For 27 years, I had the honor of being General Manager of West Des Moines Water Works. I am unequivocally opposed to House File 484, for these reasons:

1. The bill is an end run around the voters of West Des Moines. In November, 2003, the City Council called an election to take over West Des Moines Water Works. The matter was soundly defeated, with 90 per cent voting in favor of keeping the Board of Trustees! The existence of utility Boards of Trustees should be decided by elections of the affected people, as provided in Chapter 388, not by the State of Iowa through heavy-handed politics.
2. There are two elephants in this room. First, the lawsuit brought by Des Moines Water Works. Second, the desire of the Cities of Des Moines and West Des Moines to get their hands on their water utilities' revenue and have direct control of the utilities.
3. **The lawsuit.** HF 484 is purely revenge resulting from the lawsuit. This is a prime example of State government being asked to meddle in local affairs. The action was organized in anger by groups opposed to the lawsuit. If these groups are concerned about the lawsuit's outcome, then work with Des Moines Water Works to come to an agreeable solution, out of court. Further, people in West Des Moines and Urbandale are being dragged into this mess, but have played no part whatsoever in developing it.
4. **City control.** City Council governance of water utilities will blindly rob the water customers. As you have seen today, the only people who spoke in favor of the bill are Money Grabbers. Politics and Water do not mix well. City Councils will use the water revenue as slush funds to pay for Corporate Welfare and ignore the water system improvements. Soon, the water

systems will look like the potholes in the streets. After the damage is done, the Mayors and Council Members will not run for office again and try to hide from the public.

5. Here are two choices: My request: Vote down HF 484. Or second, if you must pass this heinous legislation, then change the population figure in Section 1 of the bill to 100,000.

Thank you.

Legislators;

My name is Mike Delaney. I live in Des Moines. Almost 30 years ago I bought a small farm and built a cabin on the North Raccoon River. The river runs through my property. As a citizen and drinking water consumer at my home in Des Moines I am concerned about this bill which attempts to reorganize the ownership of the Des Moines Water Works. I wonder why a representative from rural Iowa feels a need to meddle in the affairs of my city and my water utility. I am unaware of any citizen concerns about the management of the Des Moines Water Works. If the communities in the area wish to form a different arrangement I believe they can do so without the Iowa legislature getting involved. Why is this happening?

The only answer that makes sense to me is that some powerful people wish to stop the lawsuit that is intended to reduce nitrate levels in our drinking water sources, the Raccoon River and Des Moines Rivers.

If there are any questions about the extremely high nitrate levels in the Raccoon and Des Moines Rivers one can get data from the USGS, DNR, DMWW, Iowa State University, University of Iowa, Drake University, Soy Bean Association, and volunteer water monitors up and down the Raccoon. It is one of the most monitored rivers in the United States.

I drove up to Sac, Calhoun and Buena Vista Counties to listen to what Secretary of Agriculture, Bill Northey had to say in public gatherings. To the farmers who asked how to get rid of or get control of the director of the Des Moines Water Works he said, "the nitrate problem in Iowa waters is bigger than Bill Stowe." Indeed it is. It is a statewide surface water and well water problem.

Throughout the unusual spike or "whiplash" in nitrate levels in the Des Moines and Raccoon River watersheds due to the drought of 2012 and heavy early spring rain of 2013 the Des Moines waterworks under the leadership of Bill Stowe managed to keep nitrate at a safe

level by mixing reservoir and gallery water with surface water and running the nitrification equipment.

I know this problem first hand by observation and testing.

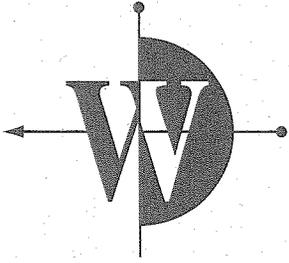
After observing the Raccoon River on its way through my farm I have seen the much degradation in just 29 years. I have fished the Raccoon and paddled 180 miles from above Sac to Des Moines. I have seen changes in the aquatic life of the river and have watched nitrate and phosphorous levels rise. There have been increases in flow, surging, bank erosion, sediment and algae.

So, to sharpen my point I want to ask, "How does this bill help the customers of the DMWW? And, how does it help with the nitrate, phosphorus and bacteria problems in the Raccoon and Des Moines Rivers and across the state? Answer--It does nothing about the problem.

I hear opponents of clean water talking about two non-solutions: getting rid of Bill Stowe and reducing the drinking water standard to allow higher levels of nitrate in our drinking water.

It makes more sense for farmers to reduce nitrate loss from their soil as was done the past few years in the Black Hawk Lake watershed as reported by Iowa State University's Michelle Soupir on Saturday at the Raccoon River Watershed Association Conference in Perry. It can be done!

Mike Delaney, Des Moines



THE CITY OF
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Mayor and City Council

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March 6, 2017

The City of West Des Moines is supportive of HF484 and has greatly appreciated the opportunity to offer suggested amendment language, making the bill workable for metro suburban communities. Pending approval by the Legislature, HF 484 provides for the first step toward regionalizing water in Central Iowa.

With this regionalism, the decision-making authority would be moved to elected officials rather than an appointed water works board. This change in structure increases accountability for suburban communities and in turn gives them the opportunity to coordinate the strategic placement of water production facilities. This type of coordination will work to ensure stable rates and reliable and safe drinking water for citizens. West Des Moines has been hoping for this type of regional effort for years.

Since our residents live in four counties and attend six school districts, West Des Moines has extensive experience with regionalization and has served as a cooperative and dependable partner in the metro. We currently operate a successful sewer and stormwater utility, as well as participate in numerous 28E agreements that provide excellent services for residents. I see no reason why the same wouldn't be true under the advisory leadership of our existing water works board members and the West Des Moines City Council.

West Des Moines Water Works currently is housed in City Hall and has received significant financial support from the City for major capital improvements. The personnel working for this operation would perform the same jobs as part of a City department tomorrow if this legislation is enacted.

Thank you again for the opportunity to provide input on this important piece of legislation.

Sincerely,

Mayor



KEOKUK MUNICIPAL WATERWORKS

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GENERAL MANAGER:
ANDREA J. ROGERS

KMWW Statement of Opposition to Bill HR 484

Greetings,

My name is Andrea Rogers and serve as General Manager of the Keokuk Municipal Waterworks. Mike Hausch, the Keokuk Municipal Waterworks Board President, is also here with me today to voice our concerns.

In 1938, the City of Keokuk formed the Keokuk Municipal Waterworks and granted the powers, functions and duties of a Municipality. The proposed regulation is to remove these duties from the individual utility boards shifting the control to the city government. The proposed bill does not currently impact Keokuk due to the population requirements of 500,000 residents. Our concern is with a revision to the language that could be altered to include smaller communities.

With the responsibility of providing clean safe drinking water, we are a business that runs 24/7. It is through consistency and reliability we are able to provide high quality water to our communities. The treatment of drinking water is of high priority and touches every person in the community every day. It is important to not disrupt the balance of our utilities with abrupt changes to utility structure. Without the ability to manage the finances and capital budgets the ability to serve our respective communities is constrained. This constraint could in turn limit the ability for economic growth. Without water, new development would be stifled.

The Keokuk Municipal Water Works strongly oppose this bill. Communication with the water industry, water utilities and water professionals was not sought. My recommendation would be to keep the individual water utilities and their respective boards. Create a regional water authority with representation from a member of each existing boards. Each utility would carry one seat at the table. The regional board would have authority to approve legal matters and large capital projects over \$10 million dollars that impact the region. Ultimately we are asking that you allow communities and water utilities to cooperate and partner locally to determine the best plan for regionalization for their customers.

Thank you for your time and consideration. In closing I have a few questions and request a formal response to all five.

1. What input was sought from the impacted water utilities and their respective boards? What are their recommendations and level of cooperation?
2. Why was it required to remove the power of the existing boards? Are there known issues with the operations of the existing boards?

3. Why is this a state bill? If local city councils wished to take over the water utilities should it not have been from the individual cities? Is the intention to remove utility control?
4. What is the input from the affected city councils and mayors regarding this change? Are they prepared to manage a water department? What assurances are there that water revenues would be spent on water infrastructure operations and capital projects?
5. What studies of regional water authorities have been investigated? What are their successes and efficiencies gained? Are there any studies been completed on a regional water authority in Des Moines area?

Andrea Rogers, PE
General Manager Keokuk Municipal Waterworks

WATERLOO WATER WORKS

Page 1

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TRUSTEES: **TERRY M. KUNTZ**, Chair
MARY H. POTTER, Vice-Chair
SCOTT WIENANDS

March 6, 2017

Agriculture Committee
Iowa House of Representatives
Des Moines, IA.

Dear Iowa State Representatives:

I am Dennis Clark, General Manager of the Waterloo Water Works. I am a certified water operator, a licensed professional engineer, and have been the General Manager of the Waterloo Water Works for approximately 12.5 years. I am also the current president of the Iowa Association of Water Agencies, an organization comprised of member utilities that serve populations of 10,000 or more.

The Waterloo Water Works was established by a vote of the citizens of Waterloo in 1910, and since that time, our utility has been governed by a Board of Trustees. Our Trustees are appointed by the Mayor and City Council of Waterloo.

Prior to the 1910 formation of the Water Works, the utility was run by a private organization, and suffered through a number of financial and water quality issues. Since our utility was formed by public vote, the model of management by a Board of Trustees has worked very well for over 100 years, and should continue for the foreseeable future. Our volunteer Board of Trustees' only focus is the betterment of the utility, the safety of our residents, and the quality of our drinking water. Converting any Board governed utility to a city department would disrupt and dilute the focus of a Board and a utility that has consistently provided high quality, safe drinking water to our residents at some of the most competitive water rates in the United States.

In my time at a public utility, after working in the private sector for most of my life, I have been very impressed with the level of technological competence, information sharing, and assistance that is common throughout the industry, and particularly by Board governed utilities. In Waterloo, and we are by no means alone, we regularly work with and assist our neighboring utilities. We support each other when needed, share technical advice and information, assist each

other with challenging issues, and generally partner whenever possible, making each of us a better utility and caretaker of the public trust.

All of the aforementioned Waterloo comments would apply to any Iowa utility governed by a Board of Trustees, including Des Moines, West Des Moines, and Urbandale. The Board governance model is an excellent organizational structure for a drinking water utility, and should remain in place for the betterment of all Iowans.

I encourage you to oppose SSB1146 / HF484, and thank you for your consideration of my comments and position.

Sincerely,

WATERLOO WATER WORKS



Dennis D. Clark, P.E.
General Manager

DDC/cm

My name is Mary Ann Koch and I am a member of Iowa Citizens for Community Improvement. I want to thank you for your willingness to serve in the state legislator and to represent the best interests of the people of Iowa. I am opposed to HF484. Water is life. We all know that we cannot live without clean water. Many other things are important also but water is one of the first and last requirements we have throughout our lives.

I had a very wise teacher many years ago. Often she reminded us that we should not strive for present popularity but work for future solidarity. We sometimes have to make difficult decisions but it is paramount that we think further than the next year or so.

I am afraid that this bill is meant to serve corporate ag over the citizens of Iowa and all those who live downstream from us all the way to the Gulf of Mexico.

Des Moines Water Works is doing all they can to remove nitrates from our water. However it is extremely difficult, if not impossible, for them to do so when the big agricultural corporations up stream are not held accountable for their actions. If you are truly interested in providing good water quality for Iowans, I think your energy would be better used if you push for enforcement of regulations that now exist to prevent nitrates and bacteria from getting into our water in the first place.

What you decide to do with HF 484 affects all of us served by DMWW now but also affects our children and grandchildren for decades to come. Yes, agriculture is important to our economy but water is absolutely essential for our very lives and health.

I urge you to vote NO to HF 484.



Iowa Association of Water Agencies

**Legislation for Dissolution of Central Iowa Drinking Water Utility Boards
And Moving Governance Authority to the Cities
Currently – SSB1146 and HF484 (formerly HF316)**

The Iowa Association of Water Agencies (IAWA) was established in 1996 to provide its membership the opportunities to meet, learn, and network. IAWA works through advocacy, education and communication to provide solutions that will improve and protect public health, the environment, strengthen the economy and enhance the quality of life of Iowans by delivering safe drinking water to more than 1.5 million people.

The House and Senate proposed legislation (HF316 and SSB1146) that was offered as an effort to regionalize drinking water utilities in Central Iowa. Both pieces of legislation were amended last week and all reference to regionalization was removed. Today, the only purpose the legislation serves, as amended, is to circumvent the ability of the citizens of Des Moines, West Des Moines and Urbandale to vote, to retain their water utility under the governance of a water board or dissolve the board to become a department within the city.

Iowa Code Chapter 388, states that a city may establish or dispose of a city utility, but it is subject to the approval of the voters of the city. The amended legislation takes the right to vote out of the hands of the citizens of Des Moines, West Des Moines, and Urbandale. These cities tried for years to take over their water utility. Approximately fifteen years ago, West Des Moines asked the citizens of West Des Moines to vote on dissolving their water board. More than 90% of the voters said no. This legislation will allow them to take over the utility without it going to the voters.

Legislators have indicated they have talked with these three communities and this is what they want. However, the Des Moines Water Works Board, West Des Moines Water Works Board, the City of Urbandale, and the Urbandale Water Works Board are opposed to this legislation. Legislators have not engaged with the water utility boards or the citizens in these communities. These three utilities are not the only drinking water utilities in Iowa governed by a water board. IAWA members are concerned that this legislation will set a precedent for all Iowa utilities governed by a water board.

A more than a 100-year history of disinfection and treatment of safe drinking water in the United States is considered one of the "Ten Greatest Public Health Achievements of the 20th Century."¹ Safe drinking water ensures healthy people and prosperous economies. Political agendas can put the provision of safe drinking water and the prevention of waterborne diseases at risk, such as the current political atmosphere in Iowa that is moving us away from cooperating and partnering at the local level. We appreciate the opportunity to speak, but this is a local issue and should be addressed at the local level. Legislator's primary objective should be the protection of the voting rights of the citizens of Iowa and specifically in the communities named in the legislation. IAWA members ask that you vote against this legislation.

Linda Kinman, Executive Director-Public Policy

¹ Centers for Disease Control and Prevention (CDC) <https://www.cdc.gov/healthywater/drinking/history.html>

CENTRAL IOWA REGIONAL DRINKING WATER COMMISSION MEMBERS

The following communities are members of CIRDDWC. Each community appoints a representative to serve on CIRDDWC. Representatives may be elected officials, such as council persons, or a member of the community who has an interest in water issues.

Altoona - Vern Willey
Ankeny - Jim McKenna
Bondurant - Open
Carlisle - Ruth Randleman
Clive - Susan Judkins
Cumming - Open
Des Moines - Leslie Gearhart
Indianola Municipal Utilities - Brad Butler
Johnston - David Lindeman
Mitchellville - Open
New Virginia - Norville Huston
Norwalk - Tim Hoskins
Pleasant Hill - Len Murray
Polk City - Open
Polk County - E.J. Giovannetti
St. Charles - Open
Urbandale Water Utility - John McCune
Warren Water District - Merrill Heemstra
Waukee - Larry Lyon
West Des Moines Water Works - Karen Novak Swalwell
Windsor Heights - Open
Xenia Rural Water District - Dan Lovett