



## ***BILL SUMMARY***

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# **Des Moines Water Works Dissolution HF 484**

Status of Bill: House Calendar  
Committee: Agriculture (13-9)  
Lead Democrats: Rep. Hall  
Floor Manager: Rep. Klein  
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### **Summary**

HF 484 mandates that Des Moines Waterworks board be dissolved, and that city councils operate local water utilities, creating an extra layer of local government to administer the utilities. City councils would become the governing bodies of each local utility.

City managers will designate a manager of the water supply system for each city, subject to approval of each city council. Further, no water utility will be permitted to make expenditures related to planning, designing or constructing of any new water plant or other water producing facility from the effective date of the bill until January 1, 2018 unless said construction or design is currently under contract.

The legislation also dissolves West Des Moines Water Works, and the Urbandale Water Utility boards, which were voter approved. This dissolution means that these utilities will be under their respective city councils rather than operating independently. Power to dissolve these utilities already exists in code in chapter 388.2, which puts the dissolution of the utility to a vote of the people. In fact, in 2003, voters in West Des Moines overwhelmingly rejected a proposal to make the West Des Moines Waterworks a city utility under control of the city council, with 89 percent of voters voting to keep West Des Moines Waterworks independent. This bill takes away that power. Once again, legislative Republicans know best.

This independence removes politics from the utility. Because the focus is solely on water quality and keeping rates low, these communities enjoy the lowest rates in the Des Moines metro area. This legislation needlessly injects politics into the operations of a utility.

While the bill mandates the dissolution of Des Moines Waterworks, West Des Moines Waterworks and the Urbandale Water Utility with the stated goal of regionalization, regionalization is neither mandated nor spoken to in the legislation. Regionalization can be done under current law. Iowa Code Chapter 389.1 lays out the process to regionalize a water utility. Under the law, a joint water utility can be established by two or more cities by submitting the question to the voters of each impacted city.

While the bill states that city councils will have the power to acquire assets of the utility and that property must be retitled in the name of the appropriate city, the complicated matter of how the assets and debt would be valued and distributed is not spoken to in the legislation beyond a simple declarative paragraph.

The legislation also includes a severability provision stating that if any part of the legislation is struck down in court the rest of the legislation stands.

Gilde, Joseph [LEGIS]G:\Caucus Staff\jgilde\2017\Ag\HF 484-DSM Water Works.docx\March 16, 2017\9:03 AM