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**IOWA UTILITIES BOARD**  
**Customer Service Section**

Docket No.: RMU-2014-0004  
Utility: Disconnection of Public Utility  
Water Service for Failure to  
Pay Sewer, Wastewater, or  
Storm Drainage Bill  
[199 IAC chapter 21]

File Date/Due Date: N/A-N/A

Memo Date: July 30, 2014

**TO:** The Board

**FROM:** Don Tormey, Cecil Wright

**SUBJECT:** Appointment of Stakeholder Group Members

**I. Background/Recommendation**

The General Assembly passed HF2183 "An Act Related To Customers With Delinquent Accounts For The Provision of Wastewater, Sewer System, Storm Water Drainage System, or Sewage Treatment Services By A City Or City Enterprise" this past legislative session and the Governor has signed the bill. The legislation amends Iowa Code § 476.20(1) by adding a new paragraph 476.20(1)(b) that allows a public water utility to enter into an agreement with a city utility, city enterprise, combined city utility, or combined city enterprise to disconnect water service if a debt is owed for sewer, wastewater, or drainage service. The new legislation requires the Utilities Board (Board) to adopt rules to implement the new provisions. The Governor's Office has requested that the Board utilize the procedures established in Executive Order 80 in developing proposed rules to implement the new statute.

In a June 17, 2014, memorandum, staff described the procedures required by Executive Order 80 for establishing a Stakeholder Group to provide recommendations to the Board regarding rules to implement Iowa Code § 476.20(1)(b). Under those procedures, the Board had published in the July 9, 2014, Iowa Administrative Bulletin a notice of the creation of a Stakeholder Group. (IAB Vol. XXXVII, No. 1 (7/9/14) p. 25). The notice gave interested persons until July 29, 2014, to inform the Board of an interest in being a member of the Stakeholder Group. The notice of the creation of a Stakeholder Group has also been published on the Board's Web site.

Iowa-American Water Company (Iowa-American) and the cities of Clinton, Bettendorf, and Davenport had earlier expressed an interest in being members of the Group. The Consumer Advocate Division of the Department of Justice (Consumer Advocate) has also expressed an interest. Julie Smith of the Iowa Association of Municipal Utilities has asked to become a member of the Stakeholder Group. The Board received no other requests for membership in the Stakeholder Group.

At this point in the Executive Order 80 procedures, the Board is to appoint members of the Stakeholder Group, schedule a meeting, and give the Stakeholder Group some indication of the issues to be addressed and a time-frame for making a recommendation to the Board. In accordance with the Executive Order 80 procedures, staff recommends the Board issue an order that:

1. Appoints the following persons as members of the Stakeholder Group:

Julie Smith, Iowa Association of Municipal Utilities  
Jeffrey K. Rosencrants, Iowa-American Water Company  
John Long, Consumer Advocate Division of the Department of Justice  
Jim Odean, city of Davenport, Iowa  
Jessica Kinser, city of Clinton, Iowa  
Kristine Stone, city of Bettendorf, Iowa  
Don Tormey, Iowa Utilities Board

2. Directs that a list of the members of the Stakeholder Group be posted on the Board's Web site and that Don Tormey be designated as the contact person for the Stakeholder Group.

3. Schedules a meeting for the Stakeholder Group. Staff believes a teleconference should be acceptable since most of the members of the Group reside on the east side of the state. The Stakeholder Group is to elect a chairperson and adopt rules of procedure. The Stakeholder Group is required to receive public comment concerning proposed rules and on any recommendations the Group makes to the Board. The Stakeholder Group will need to decide how to give notice of its discussions and how to receive public comment. Publication on the Board's Web site and issuance of an order may be necessary.

4. Indicates the purpose of the Stakeholder Group and includes the following issues to be addressed by the Group:

- a. Should a written agreement be required between Iowa-American Water Company and a city utility, city combined utility, city enterprise, or city combined enterprise that sets out the specific responsibilities for each party to the agreement? Should the written agreement include provisions that are consistent with the rules adopted by the Board to implement Iowa Code § 476.20(1)(b)?
  - b. Should 199 IAC 21.4(7) be amended to include the disconnection of service pursuant to Iowa Code § 476.20(1)(b) in the list of reasons that water service may be disconnected?
  - c. Should disconnection of water service pursuant to Iowa Code § 476.20(1)(b) follow the same 12-day notice provisions of 199 IAC 21.4(7)"e"(2)?
  - d. If the customer disputes that a debt is owed for sewer or wastewater service, should the customer be allowed to pay any undisputed amounts to avoid disconnection for up to 45 days as provided in 199 IAC 21.4(7)"e"?
  - e. Does Iowa Code § 476.20(1)(b) provide the Board with jurisdiction over complaints filed regarding disconnections made pursuant to Iowa Code § 476.20(1)"b"?
  - f. How will the city utility, combined city utility, city enterprise, or combined city enterprise ensure that reconnection of water service is promptly restored as required in 199 IAC 21.4(8)?
  - g. Will a customer be required to pay a reconnection charge when water service is reconnected after payment of the debt to the city utility, combined city utility, city enterprise, or combined city enterprise?
  - h. Should 199 IAC 21.4(9)"c" be amended to create an exception for disconnections made pursuant to Iowa Code § 476.20(1)(b)?
5. Sets a date for the Stakeholder Group to complete its consideration and send the Group's recommendations to the Board.

## II. Recommendation

Direct General Counsel to prepare for Board review an order that includes the appointment of members of the Stakeholder Group and that includes the issues to be addressed by the Stakeholder Group described in this memorandum.

### RECOMMENDATION APPROVED

### IOWA UTILITIES BOARD

<i>/s/ Elizabeth S. Jacobs</i>	<i>8-4-14</i>
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	Date
<i>/s/ Nick Wagner</i>	<i>8/4/14</i>
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	Date
<i>/s/ Sheila K. Tipton</i>	<i>8/5/2014</i>
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