

Central Iowa Regional Water Workgroup



Progress Report – Workshop #1

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Workshop No. 1 Agenda

- ◆ **The Obligation of Service –**

The promise between the entity and its members. It is the mission for the regional entity and defines what it provides, how, when, where, and to whom.

- ◆ **The Right to Serve -**

The promise between the members and the entity that grants the entity exclusive rights to provide water production in the region in exchange for its obligation to serve.



Workshop Format

THE RIGHT TO SERVE (VER 1.0)

THE OBLIGATION TO SERVE (VER 1.0)

What is it? The obligation to serve describes what the regional entity will provide, how it will be provided, to whom, and when. The definition of the obligation to serve will impact other important regional issues. The obligation to serve works together with the right to serve (i.e. exclusivity within a given area) and regulated price of service (i.e. rate making) to form what is often called a "regulatory compact". That "compact" is a fundamental condition that allows municipal and public utilities to operate in the public interest.

How is it in the Regional Plan? Think of the obligation to serve as the mission of the regional entity. A promise to the members that they can rely on.

A PROPOSED STARTING POINT FOR DISCUSSIONS:

Element of the Obligation to Serve	Specific Provisions
Services Provided by the Regional Entity	<ul style="list-style-type: none"> For the purpose of delivering drinking water to its members: Withdrawal of source waters from any surface or groundwater resources Storage of source waters Treatment of source waters Transmission and pumping of drinking water Storage of drinking water
Services <u>not</u> Provided by Regional Entity	<ul style="list-style-type: none"> Distribution of drinking water beyond defined points of delivery to the members
The Area Served by the Regional Entity	<ul style="list-style-type: none"> Within the current and future political boundaries of its members
Level of Service Provided	<ul style="list-style-type: none"> Sufficient to meet all current and future demands up to the maximum-day demand (member distribution systems to meet any max-hour and fire flow demands) At sufficient pressures

to serve will provide the regional entity with protection from competition for service and within the geography defined by its obligation of service. The right to serve is a condition that, with the obligation to serve, and regulated price of service (i.e. rate making) is often called a "regulatory compact". That "compact" is a fundamental condition that allows municipal and public utilities to operate in the public interest.

Regional Plan? Think of the right to serve as the promise that the members are entitled to in exchange for the entity's promise to guarantee service to its members (i.e. at board-regulated prices/rates).

STARTING POINT FOR DISCUSSIONS:

Right to Serve	Specific Provisions
Right to Serve	<ul style="list-style-type: none"> For all services described in the Obligation to Serve Within the service area described in the Obligation to Serve For all current and future drinking water demands
Right to Exclude	<ul style="list-style-type: none"> Apply for new Water Use Allocation Permits from the State of Iowa, or expand existing permits Construct new drinking water treatment facilities, or expand existing drinking water facilities Alter the flow or quality of source water to the intake points managed by the regional entity including all surface and groundwater resources Alter the flow of drinking water into or through the transmission and storage facilities owned or managed by the regional entity Acquire, contract for, or otherwise procure any portion of their drinking water supplies any party other than the regional entity. See exceptions below. Members who currently own and operate water production facilities may continue to operate those facilities under the following conditions:

GROUP

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- Schedule topics based on priority
- Provide participants with background "issue papers"
- Conduct facilitated discussion on topics
- Record consensus, disagreement, new issues, action items



Obligation of Service – Consensus Achieved

- ◆ **The regional entity will meet member demands on request**
- ◆ **For the purposes of providing members' drinking water demands, will provide the following services**
 - Source water withdrawals and storage
 - Treatment
 - Transmission, pumping, and storage of treated water
- ◆ **Water will be provided at the following levels of service**
 - At maximum-day demand
 - Agreed upon pressures
 - Without denial of service to members
 - Proportional curtailments if/when necessary
 - At adequate and reasonable costs



Obligation to Serve – Follow Up Items

- ◆ **Meeting State and Federal regulatory requirements**
 - Need more clarity on the authority of the regional board and relationship with the current permit holders



Right to Serve – Consensus Achieved

- ◆ **Within the current and future political boundaries of its members**
- ◆ **Existing members with production facilities can continue to operate them within their own distribution systems**
 - May rehabilitate facilities to maintain existing capacity levels
 - May not expand facilities to create additional capacity
- ◆ **Members will not:**
 - Contract for our acquire water production from any other entity



Right to Serve – Follow Up Items

- ◆ **Other “members will not” provisions**
- ◆ **Demand management / conservation goals regionally and locally**
- ◆ **How to accommodate new members**



Next Workshops (Week of Oct. 23)

◆ Workshop #2

- Capitalization of Regional Entity & 28E/28F
- Accounting for Regional Water Production Costs

◆ Workshop #3

- Operational Authority of Regional Entity
- Planning and Specification Authority of Regional Entity