



February 23, 2017

Dear CIRDWC Members:

As you may be aware, House File 316 (HF316) was introduced by Representative Jarad Klein (Keota) through the Agriculture Committee last week. This proposed legislation, along with its companion Senate Study Bill 1146, dissolves the Board of Trustees for Urbandale Water Utility, West Des Moines Water Works, and Des Moines Water Works on or before January 1, 2018, transfers each utility's net assets and powers to their respective cities, and provides that a regional water authority shall be established by January 1, 2020. This legislation, proposed by a state lawmaker from southeast Iowa, has serious and far-reaching implications to all Des Moines metro water providers and our customers.

Regionalization, in and of itself, could be positive for water systems in the Des Moines region, and that is why CIRDWC commissioned Black & Veatch to study the formation of a regional production utility in 2014. This pending legislation, however, is merely disguised as a regionalization bill; in actuality, the bill strips assets from local water utilities to the financial benefit of city governments, particularly Des Moines who stands to control the regional water utility once formed. Just as concerning, the bill places a moratorium on capital spending and prohibits capital expenditures in excess of \$100,000, except in emergency situations affecting public safety, at which time the expenditure must be approved by a super-majority vote of the respective city council. This freeze on capital spending is debilitating to economic growth and threatens public health and safety.

Delivering safe drinking water to the metro region should not be a partisan issue, debated over the course of a few weeks by state lawmakers with no vested interest in the Des Moines metro. There are numerous unintended consequences that can and will have ramifications for years into the future if this proposed legislation passes.

The CIRDWC Executive Committee has developed the attached set of talking points addressing the impacts of HF316 to metro area utilities. **Please consider these talking points as you speak with your mayors, city councils, and legislators.**

A legislative roundtable with metro legislators has been scheduled for Monday, February 27th at 10:30 a.m. in Capitol Room 304. Please attend and encourage others in your city or utility to attend. Together, we must share with local legislators why this bill is irresponsible—and why our water utilities and customers deserve better.

Respectfully,

Jim McKenna, CIRDWC Chair (City of Ankeny Council Member)

Karen Novak-Swalwell, CIRDWC Vice Chair (West Des Moines Water Works Board of Trustees)

Vern Willey, CIRDWC Secretary/Treasurer (City of Altoona Council Member)