

FIRST REGULAR SESSION

SENATE BILL NO. 415

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR CAUTHORN.

Read 1st time February 24, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

1689L.01I

AN ACT

To repeal section 393.015, RSMo, and to enact in lieu thereof two new sections relating to water and sewer companies.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Section 393.015, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 393.015 and 393.016, to read as follows:

393.015. 1. Notwithstanding any other provision of law to the contrary, any sewer corporation, municipality or sewer district established under the provisions of chapter 249 or 250, RSMo, or sections 204.250 to 204.470, RSMo, or any sewer district created and organized pursuant to constitutional authority, may contract with any water corporation[, municipality, or public water supply district established under chapter 247, RSMo,] to terminate water services to any customer premises for nonpayment of a sewer bill. No such termination of water service may occur until thirty days after the sewer corporation, municipality or statutory sewer district or sewer district created and organized pursuant to constitutional authority sends a written notice to the customer by certified mail, except that if the water corporation[, municipality or public water supply district] is performing a combined water and sewer billing service for the sewer corporation, municipality or sewer district, no additional notice or any additional waiting period shall be required other than the notice and waiting period already used by the water corporation[, municipality or public water supply district] to disconnect water service for nonpayment of the water bill. Acting pursuant to a contract, the water corporation[, municipality or public water supply district] shall discontinue water service until such time as the sewer charges and all related costs of termination and reestablishment of sewer and water services are paid by the customer.

2. A water corporation[, municipality, or public water supply district] acting pursuant to a contract with a sewer corporation, municipality or sewer district as provided in

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

subsection 1 of this section shall not be liable for damages related to termination of water services unless such damage is caused by the negligence of such water corporation[, municipality, or public water supply district], in which case the water corporation[, municipality, or public water supply district] shall be indemnified by the sewer corporation, municipality or sewer district. Unless otherwise specified in the contract, all costs related to the termination and reestablishment of services by the water corporation[, municipality or public water supply district] shall be reimbursed by the sewer corporation, municipality, sewer district or sewer district created and organized pursuant to constitutional authority.

393.016. 1. Notwithstanding any other provision of law, any municipality providing water, or any water district established under chapter 247, RSMo, which in this section shall sometimes be designated as a water provider, shall upon request of any municipality providing sewer service or public sewer district established under chapter 249 or 250, RSMo, or sections 204.250 to 204.470, RSMo, or any sewer district created and organized under constitutional authority, which in this section shall sometimes be designated as a water provider, contract with such sewer provider to terminate water services to any water user of such water provider for nonpayment of a delinquent sewer bill owed to such sewer provider.

2. Any water provider, or independent contractor acting for a water provider, acting under a contract with a sewer provider under subsection 1 of this section, shall not be liable for damages related to termination of water services unless such damage is caused by the negligence of such water provider or independent contractor, in which case the water provider or independent contractor shall be indemnified and held harmless by the sewer provider.

3. In the event that any water provider and any sewer provider are unable to reach an agreement as provided in this section within six months of the receipt of such request by the water provider, then the sewer provider making the written request may file with the circuit court in which such water provider was incorporated, or if such water provider was not incorporated by a circuit court, then with a circuit court having jurisdiction of the water provider, a petition requesting that three commissioners be selected to draft such an agreement.

4. Any agreement drafted by the commissioners or entered into under this section shall contain the following provisions:

(1) The rules and regulations or ordinances of the sewer provider shall provide that the number of days of delinquency required before water service is discontinued for failure to pay for sewage service shall be equal to the number of days of delinquency required before water service is discontinued for failure to pay for water service under the rules and regulations of the water provider;

(2) The water provider shall not be required to discontinue water service

to the sewer user for failure to pay the charges or rental due therefor unless the sewer provider shall first give a written notice to the water provider to do so. Such notice shall include the due date, amount of the delinquent bill, and all penalties and interest thereon. When payment of such amount is received by the water provider the provider shall restore water service to the water and sewer user, provided the water bill of such user owed to the water provider is not delinquent;

(3) All expense and cost incurred by the water provider in performing or carrying out the agreement shall be reimbursed to the water provider by the sewer provider. The reimbursement shall be made monthly, bi-monthly, or quarterly;

(4) Such expense and cost shall include, but not be limited to, the following:

(a) All personnel expense including, but not limited to, wages and salaries, employment taxes, retirement benefits, employment benefits, health insurance, and workers' compensation insurance;

(b) All expense incurred by payments to independent contractors who perform or carry out the agreement under contract with the water provider;

(c) Equipment expenses;

(d) Computer and computer program expense;

(e) Office space expense;

(f) Insurance expense attributable to the agreement between the water provider and the sewer provider, including the expense of any independent contractor who performs or carries out the agreement under contract with such water provider;

(g) Any loss of revenue incurred by the water provider as a result of discontinuing water service because of the failure of any sewage user to pay the charges or rental therefor;

(h) All other expense attributable to the agreement between the water and sewer provider;

(5) The agreement shall provide that the sewer provider shall hold the water provider, and any independent contractor who performs or carries out such agreement under contract with the water provider, harmless as a result of the agreement between the sewer provider and water provider, including, but not limited to, all damages, expenses, attorney's fees, and costs paid by the water provider and independent contractor arising from the agreement or from the water provider's and independent contractor's actions or performance under the provisions of the agreement, without exception, or as a result of any claim, litigation, or threatened litigation against the water provider or independent contractor arising in any way from such agreement;

(6) The agreement shall contain a provision providing that the expense and cost of the water provider shall be recalculated annually and that the amount due it during the subsequent year shall be increased or decreased according to any change occurring in the costs and expenses; alternatively, upon agreement of the parties to the agreement, the agreement may provide for annual increases or decreases based upon the percentage of increase or decrease in the National Consumers Price Index for All Urban Consumers, unadjusted for seasonal variation, as published by the United States Department of Labor for the most recent date prior to the annual anniversary date of the execution of the agreement;

(7) When a water provider is collecting delinquent amounts for both the water and sewer service, all delinquent payments due to both the water and sewer provider shall be received by the water provider before water service is restored. If for any reason water service is never restored, any amount collected for delinquent accounts due both water and sewer provider shall be divided between the water provider and the sewer provider so that each receives the percentage of the amount owed to it.

5. Upon the filing of such petition, the sewer provider shall appoint one commissioner. The water provider shall appoint a commissioner within thirty days of the service of the petition upon it. If the water provider fails to appoint a commissioner within such time period, the court shall appoint a commissioner on behalf of the water provider within forty-five days of service of the petition on the water provider. The two named commissioners shall agree to appoint a third commissioner within thirty days after the appointment of the second commissioner, but in the event that they fail to do so, the court shall appoint a third commissioner within sixty days after the appointment of the second commissioner.

6. The commissioners shall draft an agreement between the water provider and sewer provider meeting the requirements established in this section. Before drafting such agreement, the water provider and sewer provider shall be given an opportunity to present evidence and information pertaining to such agreement at a hearing to be held by the commissioners, of which each party shall receive fifteen days written notice. The hearing may be continued from time to time by the commissioners. The commissioners shall consider all evidence and information submitted to them and prepare such agreement as provided under this section. The agreement shall be submitted to the court within ninety days of the selection or appointment of the last commissioner as provided under this section.

7. If the court finds that the agreement meets the requirements of this section, then the court shall enter its judgment approving the agreement and order

it to become effective sixty days after the date of such judgment. If such agreement does not meet the requirements of this section, the court shall return it to the commissioners with its reasons for rejecting the agreement. The commissioners shall make the required changes and resubmit the agreement to the court. Upon approval of the agreement by the court, judgment shall be entered approving the agreement and ordering it to become effective sixty days after the date of such judgment. Thereafter, the parties shall abide by such agreement. If either party fails to do so, the other party may file an action to compel compliance. Venue shall be in the court issuing such judgment.

8. The judgment and order of the court shall be subject to appeal as provided by law. All costs, including commissioners' compensation, shall be taxed to and paid by the sewer provider requesting an agreement. The court shall also order payment of a reasonable attorney fee and fees of expert witnesses of the water provider by the sewer provider to the water provider.

Unofficial

Bill

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