

## CHAPTER 158

## PUBLIC UTILITIES

AN ACT to amend section sixty-one hundred thirty-four (6134) of chapter three hundred twelve (312) of the code of Iowa, 1927, relating to public utility plants, and to provide additional methods of paying for said plants, improvements, or extensions thereof, and to provide for publication of notice of intention to enter into such contracts for the purchase of plants, extensions thereof or equipment; to provide for the submission and consideration of bids, plans, specifications and contracts for plants, extensions thereof, and/or equipment and the furnishing of electrical energy, heat, water and/or gas; to provide for fixing the terms, rates, and interest in said contracts; to provide for limiting of liability of municipalities thereon in such contracts; to provide for a record of the proceedings in connections with hearing thereon; to provide that this act does not affect pending litigation and to provide that this act be made applicable to special charter cities.

*Be it enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. Section six thousand one hundred thirty-four (6134)  
 2 of the code, 1927, is hereby amended by inserting at the end of sub-  
 3 division two (2) the following:  
 4 "2-a. To pay for any such plant, improvement or extension there-  
 5 of out of the past earnings of the plant and/or out of the future earn-  
 6 ings and/or may contract for the payment of all or part of the cost  
 7 of such plant, improvement or extension out of the future earnings  
 8 from such plant, and may secure such contract by the pledge of the  
 9 property purchased and the net earnings of the plant."  
 10 "2-b. Such contract shall not constitute a general obligation or  
 11 be payable in any manner by taxation. Such contract shall specify  
 12 the maximum rate that may be charged the consumers, including the  
 13 municipality, and the city shall not increase or fix any rate beyond  
 14 such maximum. Under no circumstances shall the city be in any  
 15 manner liable by reason of the failure of the net earnings being suffi-  
 16 cient for the payments provided in the contract. Such contract shall  
 17 also specify the rate of interest to be charged."  
 18 "2-c. Nothing contained in the last two (2) preceding subdivisions  
 19 shall be construed as authorizing an establishment of a plant without  
 20 an election as required by section six thousand one hundred thirty-one  
 21 (6131) of this chapter. And such proposition when submitted to an  
 22 election shall state the maximum amount which may be expended  
 23 for the establishment, construction, or acquisition of such plant."  
 24 "2-d. Before any municipality shall enter into any such contract  
 25 as provided in subdivision two-a (2-a) hereof, for the establishment  
 26 of a plant, or for the extension or improvement of an existing plant,  
 27 to cost five thousand dollars (\$5,000.00) or more, the governing body  
 28 proposing to make such contract shall give thirty (30) days' notice  
 29 of its intention to adopt proposed plans and specifications and pro-  
 30 posed form of contract therefor, by publication once each week for  
 31 two (2) consecutive weeks in some newspaper of general circulation  
 32 in the municipality and also in some newspaper of general circulation  
 33 in the state of Iowa, the first publication of which shall be at least  
 34 thirty (30) days prior to the time of hearing fixed in said notice,  
 35 such notice shall state as nearly as practicable the extent of the work;  
 36 the kind of materials for which bids will be received; when the work  
 37 shall be done; the time when the proposals will be acted upon; and  
 38 shall also provide for competitive bids for the furnishing of electrical

39 energy, gas, water or heat. Pursuant to said notice and at such time  
 40 and place as is fixed therein the governing body shall consider the  
 41 said plans and specifications, form of contract, and offers and proposi-  
 42 tions submitted in connection therewith, also any bids for the furnish-  
 43 ing of electrical energy, gas, water, or heat, together with any  
 44 objections thereto by an interested party, and at such hearing or any  
 45 adjournment thereof, shall have the power to adopt such offer or  
 46 offers, propositions, or bids, and enter into such contract or contracts,  
 47 as they shall deem to be to the best interest of the municipality."

48 "2-e. The clerk or recorder of said municipality shall keep a writ-  
 49 ten record of the proceedings which shall contain a record of the bids  
 50 or propositions offered, the names of the persons submitting the same,  
 51 the names of any person or persons appearing as objectors thereto,  
 52 with a brief statement of such objections, and a record of all actions  
 53 of the governing body with relation to such proceedings."

54 "2-f. This act shall not affect any pending litigation."

1 SEC. 2. This act shall also apply to cities acting under special  
 2 charter.

1 SEC. 3. This act being deemed of immediate importance, shall be  
 2 in full force and effect from and after its passage and publication in  
 3 the Wapello Republican, a newspaper published at Wapello, Iowa,  
 4 and the Blakesburg Excelsior, a newspaper published at Blakesburg,  
 5 Iowa.

House File No. 151. Approved March 19, 1931.

I hereby certify that the foregoing act was published in the Wapello Republican  
 March 26, 1931, and the Blakesburg Excelsior March 26, 1931.

G. C. GREENWALT, *Secretary of State.*

## CHAPTER 159

### CITIES AND TOWNS. POWERS OF TRUSTEES

AN ACT to amend chapter three hundred twelve (312) of the code, 1927, by adding thereto as section sixty-one hundred forty-nine-d one (6149-d1) relating to bonding powers of trustees of city heating plants, water or gas works and electric plants in cities having a population in excess of twenty-five thousand (25,000) and less than seventy-five thousand (75,000).

*Be it enacted by the General Assembly of the State of Iowa:*

1 SECTION 1. That chapter three hundred twelve (312) of the code,  
 2 1927, be amended by inserting immediately following section sixty-  
 3 one hundred forty-nine (6149) thereof, the following:

4 "6149-d1. In cities having a population in excess of twenty-five  
 5 thousand (25,000) and less than seventy-five thousand (75,000) and  
 6 which have no outstanding general city bonds issued for the purpose  
 7 of purchasing or constructing heating plants, water or gas works and  
 8 electric plants or which have a sinking fund sufficient to retire such  
 9 general bonds as may be outstanding, and having a board of trustees  
 10 as provided by this chapter, such board of trustees may, upon resolu-  
 11 tion, issue bonds at a rate of interest not to exceed five per cent  
 12 (5%) per annum for the purpose of extending or improving such