

CHAPTER 357

WATER DISTRICTS

City annexation; arbitration; see §357A.21

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357.1 Definitions.

As used in [this chapter](#), unless the context otherwise requires, “book”, “list”, “record”, or “schedule” kept by a county auditor, assessor, treasurer, recorder, sheriff, or other county officer means the county system as defined in [section 445.1](#).

2000 Acts, ch 1148, §1

357.1A Petition — limitation.

The board of supervisors of any county shall, on the petition of twenty-five percent or more of the eligible electors residing in any proposed benefited water district, grant a hearing relative to the establishment of the proposed water district. The petition shall set out the following and any other pertinent facts:

1. The need of a public water supply.
2. The approximate district to be served.
3. The approximate number of families in the district.
4. The proposed source of supply.
5. The type of service desired, whether domestic only or for fire protection and other uses.

The board of supervisors may, at its option, require a bond of the petitioners as provided in [section 468.9](#).

A benefited water district located wholly within the corporate limits of a city is not subject to the provisions of [this chapter](#).

Water services, other than water services provided as of April 1, 1987, shall not be provided within two miles of the limits of a city except as provided in [this section](#).

A benefited water district established under [this chapter](#) may give notice of intent to provide water service to a new area within two miles of a city by submitting a water plan to the city. The plan is only required to indicate the area within two miles of the city which the benefited water district intends to serve. If the city fails to respond to the benefited water district’s plan within ninety days of receipt of the plan, the benefited water district may provide service in the area designated in the plan. The city may inform the benefited water district within ninety days of receipt of the plan that the city requires additional time or information to study the question of providing water service outside the limits of the city. If additional time or information is required, the city shall respond to the benefited water district’s plan within one hundred eighty days of receipt of the plan. In responding to the plan, the city may waive its right to provide water service within the areas designated for service by the benefited water

district, or the city may reserve the right to provide water service in some or all of the areas which the benefited water district intends to serve. If the city reserves the right to provide water service within some or all of the areas which the benefited water district intends to serve, the city shall provide service within four years of receipt of the plan. [This section](#) does not preclude a city from providing water service in an area which is annexed by the city.

[C24, 27, 31, 35, §5523; C39, §5526.01; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.1] 87 Acts, ch 109, §1; 92 Acts, ch 1015, §1, 2; 92 Acts, ch 1204, §9

C2001, §357.1A

Referred to in [§357.1B](#), 499.5

357.1B Combined water and sanitary district.

1. Upon receipt of a petition having the required signatories as provided in [section 357.1A](#) or [358.2](#), the board of supervisors shall grant a hearing relative to the establishment of a proposed combined water and sanitary district. The petition shall include the information required in [sections 357.1A](#) and [358.2](#) for proposed water districts and sanitary districts. The board of supervisors of the county in which the proposed combined district or largest part of the proposed combined district is located, shall have jurisdiction of the proceedings on the petition and the decision of a majority of the members of that board of supervisors is necessary for adoption. The orders of the board of supervisors made pursuant to [this chapter](#) and [chapter 358](#) relating to the proposed combined district shall be kept as official records, but the records need not be published under [section 349.16](#). An existing district may petition the board of supervisors to establish a combined water and sanitary district after the approval of a majority of the district electorate.

2. The board of supervisors having jurisdiction to establish the proposed combined water and sanitary district may proceed with its establishment under [this chapter](#) or [chapter 358](#) in the same manner as a benefited water district or a sanitary district is separately established under those chapters. The differences between [this chapter](#) and [chapter 358](#) including, but not limited to, the membership of the board of trustees, per diem, and maximum annual per diem, or a power or duty relating to rents, fees, taxation, or bonded indebtedness shall be resolved as a part of the petition submitted to the board of supervisors. Before becoming effective, a change in the membership, per diem, maximum annual per diem, or a power or duty relating to rents, fees, the levy of a tax, or the issuance of bonds, or other differences specified on the petition shall be submitted for the approval of the district electorate. However, the number of members, per diem, maximum annual per diem, or differences in powers and duties included in a combined district shall not be inconsistent with [this chapter](#) or [chapter 358](#).

3. For the purpose of establishing, operating, or dissolving a combined water and sanitary district under [this chapter](#) and [chapter 358](#), the term “*benefited water district*” includes combined water and sanitary district where applicable.

4. Water services and a water service plan prepared by the combined district are subject to approval by an affected city as provided in [section 357.1A](#).

92 Acts, ch 1204, §10

C93, §357.1A

C2001, §357.1B

Referred to in [§358.1B](#)

357.2 Territory included.

The benefited water district may include part or all of any incorporated city or cities, together with or without contiguous or noncontiguous territory including cemeteries and all publicly owned land. The publicly owned property shall pay and bear its proportionate share of the cost and expense of the water system upon the same basis as privately owned property.

[C39, §5526.02; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.2]

92 Acts, ch 1204, §11

357.3 Scope of assessment.

The special assessment hereinafter provided for may be used to cover the costs of installing all the necessary elements of a water system, for both production and distribution.

[C24, 27, 31, 35, §5522; C39, §5526.03; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.3]

357.4 Public hearing.

When the board of supervisors receives a petition for the establishment of a benefited water district, a public hearing shall be held within thirty days of the presentation of the petition. Notice of the hearing shall be given publication as provided in [section 331.305](#).

[C24, 27, 31, 35, §5523; C39, §5526.04; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.4]

92 Acts, ch 1204, §12

Referred to in [§357.12](#)

357.5 Decision at hearing.

On the day fixed for such hearing, the board of supervisors shall by resolution establish the benefited water district or disallow the petition. For adequate reasons the board of supervisors may defer action on such petition for not to exceed ten days after the day first set for a hearing.

[C24, 27, 31, 35, §5523; C39, §5526.05; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.5]

357.6 Examination by engineer.

When the board of supervisors shall have established the benefited water district, they shall appoint a competent disinterested civil engineer and instruct the engineer to examine the proposed improvement, make preliminary designs in sufficient detail to make an accurate estimate of the cost of the proposed water system. The civil engineer shall also report as to the suitability of the proposed source of water supply.

[C39, §5526.06; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.6]

357.7 Water source without district.

When in any proposed benefited water district, it is anticipated that the source of supply will be without the district, and not under its control, the board of supervisors shall instruct the engineer who is appointed to make the preliminary design and dummy assessment, to also obtain from the corporation or municipality which controls the proposed source of supply, a statement in writing, outlining the terms upon which water will be furnished to the district, or to the individuals within the district and on what terms in either case.

This preliminary proposal from the governing body of the source of supply shall be binding, and shall be in the nature of an option to purchase water by the district, or the individual within the same, if and when the proposed benefited water district shall have completed its construction, and is ready to use water. This proposal shall accompany and be a part of the engineer's preliminary report to the board of supervisors.

[C39, §5526.07; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.7]

357.8 Plat.

The said engineer shall prepare a preliminary plat showing the proper design in general outline, the size and location of the water mains, the general location of hydrants, if such are included in said petition, valves and other appurtenances, and shall show the lots and parcels of land within the proposed district as they appear on the county auditor's plat books, together with the names of the owners and the amount which it is estimated that such lot or parcel will be assessed.

[C39, §5526.08; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.8]

357.9 Compensation of engineer.

The compensation of such engineer on the preliminary investigation shall be determined by the board of supervisors and may be by percentage or per diem.

[C39, §5526.09; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.9]

357.10 Filing of report and plat.

The engineer's report, together with the dummy plat showing the tentative design and assessment, shall be filed with the county auditor within thirty days of such engineer's appointment, unless for adequate reasons it is impossible for the engineer to do so, in which case the board of supervisors may extend the time therefor.

[C39, §5526.10; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.10]

357.11 Hearing on report.

On receipt of the engineer's report, the board of supervisors shall give notice in the same manner as before, of a hearing on the engineer's tentative design and dummy plat. On the day set, or within ten days thereafter, the board of supervisors shall approve or disapprove the engineer's plan and proposed assessment. If it shall appear advisable, the board of supervisors may make changes in the design and assessment, as they appear on the dummy plat.

[C39, §5526.11; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.11]

357.12 Election.

When the preliminary design and assessment have been approved by the board of supervisors, a date not more than thirty days after the approval shall be set for an election within the district to determine whether or not the proposed improvement shall be constructed and to choose candidates for the offices of trustee within the district. The proposal to approve or disapprove the improvement and the selection of candidates for trustees shall be presented at the same election. Notice of the election, including the time and place of holding the election, shall be given in the same manner as for the public hearing provided for in [section 357.4](#). The vote shall be by ballot which shall state clearly the proposition to be voted upon, and any registered voter residing within the district at the time of the election may vote. The county commissioner of elections shall conduct elections held pursuant to [this chapter](#), and the elections shall be conducted in accordance with [chapter 49](#) where those procedures are not in conflict with [this chapter](#). Precinct election officials shall be appointed to serve without pay, by the commissioner of elections, from among the registered voters of the district. The proposition shall be deemed to have carried if a majority of those voting on the proposition votes in favor of it.

[C24, 27, 31, 35, §5524; C39, §5526.12; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.12]
92 Acts, ch 1204, §13; 94 Acts, ch 1169, §64

Referred to in [§357.13](#)

357.13 Trustees — qualification and terms.

1. At the initial election provided for in [section 357.12](#), the names of the trustees shall be written by the voter on blank ballots without formal nomination and the board of supervisors shall appoint three from among the five receiving the highest number of votes as trustees for the district, one to serve for one year, one for two years, and one for three years. The trustees and their successors shall give bond in the amount the board of supervisors may require, the premium of which shall be paid by the district which the trustees represent. Vacancies during a term may be filled by election, or by appointment by the board of supervisors, at the option of the remaining trustees. The trustees must be residents of the district. The term of succeeding trustees shall be for three years.

2. After the initial board of trustees is selected, a candidate for trustee shall be nominated by a personal affidavit of the candidate or by petition of at least ten eligible electors of the district and the candidate's affidavit, which shall be filed with the county commissioner of elections at least twenty-five days before the date of the election. The form of the candidate's affidavit shall be substantially the same as provided in [section 45.3](#).

[C24, 27, 31, 35, §5524; C39, §5526.13; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.13]
91 Acts, ch 111, §1; 92 Acts, ch 1204, §14

357.14 Bids for construction.

If the result of said election be in favor of said improvement, the board of supervisors shall instruct the engineer to complete the plans and specifications, ready for receiving bids for construction of the project, which the engineer shall do within thirty days of receiving notice to do so, unless for adequate reason the board shall extend the time.

When the completed plans and specifications are on file with the county auditor, and the estimated total cost of the project exceeds the competitive bid threshold in [section 26.3](#), or as established in [section 314.1B](#), the board of supervisors shall comply with the competitive bid procedures in [chapter 26](#) for the construction of the project.

[C24, 27, 31, 35, §5524; C39, §5526.14; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.14] 84 Acts, ch 1055, §6; 2006 Acts, ch 1017, §33, 42, 43

357.15 Inadequate assessment.

When bids have been received, if it is apparent that the final assessment will need to be increased more than ten percent over the preliminary assessment, the board of supervisors shall, at its option, reject bids and readvertise for bids as provided herein, or reject bids and revise the dummy assessment. If the dummy assessment is revised, another election shall be held within the district in the same manner and with the same notices as the first, except that the candidates for trustees shall not be voted for.

[C39, §5526.15; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.15]

357.16 Second election.

If the majority of the votes cast at said second election be in favor of said improvement, the board of supervisors shall again advertise for bids in the same manner as before. If the bids at the second letting will not necessitate raising the second preliminary assessment more than ten percent, the board may let the contract to the lowest responsible bidder.

[C24, 27, 31, 35, §5524; C39, §5526.16; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.16]

357.17 Bond of contractor.

The successful bidder, when awarded a contract, shall be required to give an approved surety bond for one hundred percent of the contract price, guaranteeing completion of the work in accordance with the plans and specifications, and for maintenance, including backfilling, for one year after the final acceptance of the work.

If the contractor shall fail to complete the work as provided in the contract, or shall abandon the same, or fail to proceed in a reasonable manner toward its final completion, the board may proceed against the contractor and surety as provided in [sections 468.104](#) and [468.105](#).

[C39, §5526.17; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.17]

357.18 Acceptance of work.

When in the opinion of the engineer in charge, the construction in any benefited water district has been completed in accordance with the plans, specifications, and contract, the engineer shall certify this fact to the board of supervisors, and recommend the acceptance of the work by the said board. The board of supervisors shall proceed in accordance with [sections 468.101](#) and [468.102](#).

[C39, §5526.18; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.18]

357.19 Completing assessment.

After the final acceptance of the work by the board of supervisors, the engineer shall complete the final assessment, which shall be made on all the property within the district, whether abutting or not, for an amount approximately ten percent greater than the total cost of the project. The assessment shall not exceed benefits conferred and shall take into consideration the location and value of the property assessed. Where a pipe in excess of six inches in diameter is used, the assessment against the abutting property shall be limited to the cost of a six-inch pipe, and the difference between the cost of the pipe used and a six-inch pipe shall be paid by a uniform assessment against all benefited property within the water district. The final assessment on any lot or parcel of land shall not exceed the final

preliminary assessment by more than ten percent, and shall in no case exceed twenty-five percent of the actual value of the property. The board of supervisors may alter an assessment to increase or decrease it within the limits outlined above, and must approve by resolution the final assessment as made.

[C24, 27, 31, 35, §5522; C39, **§5526.19**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.19]

357.20 Due date — bonds.

Assessments of less than one hundred dollars will come due at the first taxpaying date after the approval of the final assessment, and assessments of one hundred dollars or more may be paid in ten annual installments with interest on the unpaid balance at a rate not exceeding that permitted by [chapter 74A](#). The board of supervisors shall issue bonds against the completed assessment in an amount equal to the total cost of the project, so that the amount of the assessment will be approximately ten percent greater than the amount of the bonds.

[C24, 27, 31, 35, §5522; C39, **§5526.20**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.20]

99 Acts, ch 83, §5

Referred to in [§357.35](#)

357.21 Substance of bonds.

Each of such bonds shall be numbered, and have printed upon its face that it is a benefited water district bond, stating the county and the number of the district for which it is issued, and the date of maturity; that it is in pursuance of a resolution of the board of supervisors, and that it is to be paid for only from special assessment theretofore levied and taxes levied as hereinafter provided for that purpose within the said district for which the bond is issued. The provisions of [sections 468.76](#) and [468.78](#) shall govern the issuance of these bonds except that the contractor will not be paid anything on the work until its completion and final acceptance.

[C39, **§5526.21**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.21]

Referred to in [§357.35](#)

357.22 Lien of assessments — tax.

When the assessment has been completed and the bonds sold and the schedule of assessment shall be turned over to the county auditor, the installments due thereon shall be collected in the same manner as ordinary taxes and shall constitute a lien on the property against which they are made. If the treasurer does not receive sufficient funds to enable the treasurer to pay the interest and retire the bonds as they become due, the auditor shall levy an annual tax of eighty-one cents per thousand dollars of assessed value of all taxable property within the district to pay such deficiency, and the county treasurer shall apply the proceeds of such levy to the payment of the bonds and the interest on the same so long as the bonds are in arrears on either interest or principal.

[C24, 27, 31, 35, §5525; C39, **§5526.22**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.22]

Referred to in [§331.559](#), [§357.35](#)

357.23 Surplus.

The board of supervisors shall be required to levy the annual tax of eighty-one cents per thousand dollars of assessed value of taxable property so long as the bonds are in arrears.

[C39, **§5526.23**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.23]

Referred to in [§357.35](#)

357.24 Fee of engineer.

The fee for engineering services shall be fixed by the board of supervisors and the engineer may be paid either a percentage or a per diem, from proceeds of the bond sale or by cash from the contractor, if the contractor takes bonds in settlement for the contractor's work under the contract.

[C39, **§5526.24**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.24]

357.25 Management by trustees.

After the final acceptance of the work by the board of supervisors, the management of the utility shall automatically go to the three trustees previously appointed by the board of

supervisors. The trustees of a benefited water district located in a county with a population of two hundred fifty thousand or less shall have power to levy an annual tax not to exceed thirteen and one-half cents per thousand dollars of assessed value of all taxable property in the district, for the maintenance of the system. However, the trustees of a benefited water district located in a county with a population of more than two hundred fifty thousand may levy an annual tax on the taxable value of all taxable property in the district in an amount as may be necessary for the maintenance of the system, with the approval of the board of supervisors. This levy shall be optional with the trustees. The trustees may purchase material and employ labor to properly maintain and operate the utility. The trustees shall be allowed necessary expenses in the discharge of their duties, but shall not receive any salary.

[C24, 27, 31, 35, §5526; C39, **§5526.25**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, S81, §357.25; 81 Acts, ch 123, §1]

357.26 Duties of trustees.

It is anticipated that this law will usually be utilized to finance a distribution system where the source of supply is without the district, and not under its control, and that individuals within the district will pay water rent to a municipality or corporation without the district. It is intended that the trustees may so operate the utility as will best serve the users, and they are expressly authorized to buy and sell water, to fix the rates to consumers and make all contracts reasonable or necessary to accomplish the purpose of [this chapter](#) and to carry on all the operations incident to maintaining and operating said utility and to the procuring and furnishing of water to the consumers therein. If the development of a source of supply is within the means of the district, the trustees may install wells, tanks, meters and any other equipment properly pertaining to operate it.

[C39, **§5526.26**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.26]

Referred to in [§357.35](#)

357.27 Public property in district.

Whenever property of the state of Iowa, or any political subdivision thereof, shall be included either wholly or in part within such water district and shall own facilities which may be used as a part of such water system, the executive council, board of supervisors or city council, as the case may be, may permit such use of said facilities for such consideration and on such terms as may be agreed upon with the board of trustees.

[C39, **§5526.27**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.27]

357.28 Private mains — additional assessments.

Any person or persons within any water district, who may, after the initial installation of the improvement in any such district, desire to construct additional mains, and who have been assessed on the original assessment, may with the consent of the trustees, connect such lateral mains as they desire with the original system to serve property within the district which has been assessed, provided that the entire cost thereof shall be borne by the parties so interested.

The trustees shall have power to make additional assessments on unimproved lots or parcels of land within the district when said unimproved lots or parcels are improved and ready to receive the full benefits of the district. This additional assessment shall be determined and fixed by the trustees and shall not exceed the average assessment for improved property in said districts less the original assessment on said unimproved lots or parcels. Said assessments shall be paid to the county treasurer before service pipes are laid into said improvement. The assessment shall be put in the benefited water district fund of the district of which said lots or parcels are a part and shall be used by the county treasurer for the retirement of bonds and interest. When the bonds are all retired, the trustees shall be authorized to use said fund for maintenance purposes, changing size of mains, eliminating dead ends, or extending mains for the benefit of the district.

[C39, **§5526.28**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.28]

357.29 Subdistricts.

If the cost of the desired extensions will be as much as five thousand dollars, the interested parties may petition the board of supervisors to organize a subdistrict, and in such case the board shall proceed in the same manner as for a new district, and may take in territory not originally assessed.

The board of supervisors shall have power at any time to alter the boundaries of any district prior to the time of posting or publishing notice of the election within the district.

[C24, 27, 31, 35, §5522; C39, §5526.29; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.29]

357.30 Additional territory.

When the district is under the control of trustees, they are empowered to deal with parties without the district who desire to be taken into the district or to obtain water from the district and determine the amount to be assessed against said district to be taken in or connected with. The trustees shall have power in such cases to make agreements for the district, and may, with the consent of the board of supervisors, alter the district boundaries to take in additional territory. No lot or parcel of land shall be put out of a district without the consent of the owner, after it has paid any assessment to the district.

[C24, 27, 31, 35, §5522; C39, §5526.30; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.30]

357.31 Right-of-way.

The board of supervisors shall have power to condemn, in the same manner as provided for the condemnation of land, right-of-way through private property, sufficient for the construction and maintenance of water mains. The cost of such right-of-way shall constitute a part of the expense of the improvement and shall be covered by the special assessment.

[C39, §5526.31; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.31]

357.32 Record book.

The board of supervisors shall provide a record book which shall be in the custody of the auditor, in which shall be kept a full and complete record of the proceedings relative to water districts, so arranged and indexed, as to enable any proceedings relative to any district to be readily examined.

[C24, 27, 31, 35, §5524; C39, §5526.32; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.32]

Referred to in [§331.508](#)

357.33 Appeal procedure.

Any person aggrieved, may appeal from any final action of the board of supervisors in relation to any matter involving the person's rights, to the district court of the county in which the district is located. The procedure in such appeals shall be governed by the provisions of [sections 468.84 to 468.99](#) provided that whenever in the above sections the words "drainage district" occur, the words "benefited water district" shall be substituted.

[C39, §5526.33; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.33]

357.34 Conveyance of district to city.

Where a city is situated wholly or partly within a benefited water district or the source of supply for such benefited water district is a municipal water system, the board of supervisors having jurisdiction of said benefited water district, at the request of the trustees of said benefited water district, may, by proper resolution, convey unto said city any and all rights which said board of supervisors may have in and to said benefited water district. Said conveyance, however, shall not become effective until all existing obligations against said district have been completely and fully discharged and such conveyance accepted and confirmed by a resolution of the council of said city or of the board of waterworks trustees of said city if there be one, specially passed for such purpose.

Upon acceptance, the district, including the plant and distribution system, as well as all funds and credits shall become the property of said city and be operated and used by it to the same extent as if acquired under such provisions of law under which said city is then

operating its waterworks. Also, the offices of the trustees as provided in [this chapter](#) shall be abolished upon acceptance by the city and their duties as such shall immediately cease.

[C54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §357.34]

357.35 Merging existing districts.

When the source of supply for a benefited district is obtained wholly or partly through another benefited district or if districts are supplied with their water from a common source, the board of supervisors having jurisdiction of those benefited districts, shall, upon ten days' written notice to the trustees, hold a hearing relative to the establishment of a single benefited water district with a boundary encompassing all the area within the subject districts. If the board finds the residents and property owners in the proposed district would be benefited, it may establish the single district by resolution. In the case of districts with outstanding warrants in excess of the anticipated revenues and cash balance within the district fund, an assessment shall be drawn up by the auditor for an amount approximately fifty-five percent of the total indebtedness of the district and the board of supervisors must approve by resolution the final assessment as made and cause bonds to be issued at approximately ten percent greater than the total indebtedness of the district in accordance with [sections 357.20](#) and [357.21](#) except that the bonds shall be paid, approximately equally, from user charges and the assessment. In the case of districts with bonded indebtedness, a subarea of the new single district with a boundary identical to each indebted district shall be designated and taxed in accordance with [sections 357.22](#) and [357.23](#). When all bonds have been retired, the subarea shall cease to exist. In the case of districts with a surplus cash balance, all funds and credits shall become the property of the single district and used by it to the same extent as if acquired under the provisions of [section 357.26](#). Upon establishment of the single district by the board of supervisors, a resolution shall be passed either appointing three trustees or designating the board of supervisors as the trustees for the single district. The operation of the single district constitutes a county enterprise under [section 331.461, subsection 2](#).

[82 Acts, ch 1219, §1]

Referred to in [§331.461](#)