

March 10, 1969  
Agriculture, Pass 4-11, Pass 2-3-70

HOUSE FILE 491

By BERGMAN and VARLEY  
(Smith and Flatt)

Passed House, Date 2-13-70 Passed Senate, Date.....

Vote: Ayes 105 Nays 0 Vote: Ayes ..... Nays .....

Approved .....

## A BILL FOR

- 1 An Act to authorize the establishment of rural water districts,
- 2 to prescribe the procedure therefor, and relating to the
- 3 purpose and manner of operation of such districts.
- 4 *Be It Enacted by the General Assembly of the State of Iowa:*
- 5 Section 1. As used in this Act, unless the context other-
- 6 wise requires:
  - 7 1. "District" means a rural water district incorporated
  - 8 and organized pursuant to the provisions of this Act.
  - 9 2. "Board" means the board of directors of a district,
  - 10 and "director" means a member of such board of directors.
  - 11 3. "Member" means any owner of land which is located
  - 12 within a district, or the occupant thereof or other person
  - 13 acting for the owner with the owner's written consent.
  - 14 4. "Participating member" means a member who has sub-
  - 15 scribed to and paid the established fee for at least one
  - 16 benefit unit in a district, in the manner provided by this
  - 17 Act.
  - 18 5. "Supervisors" means the board of supervisors of any
  - 19 county, or the joint boards of supervisors of any two or
  - 20 more counties, in which a district has been incorporated and
  - 22 6. "Auditor" means the county auditor of any county in
  - 21 organized or is proposed to be incorporated and organized.
  - 23 which a district has been incorporated and organized or is
  - 24 proposed to be incorporated and organized or, in the case of
  - 25 a district or proposed district lying in two or more counties,

1 the auditor of the county having the largest district  
2 acreage.

3 7. "Council" means the Iowa natural resources council.

4 Sec. 2. A petition may at any time be filed with the  
5 auditor requesting the supervisors to incorporate and organize  
6 a district encompassing all or any portion of the unincorporated  
7 area, not then included in any other district, in any  
8 county or any two or more adjacent counties, for the purpose  
9 of providing an adequate supply of water for domestic purposes  
10 to residents of the area who are not served by the water mains  
11 of any city or town water system and who cannot feasibly  
12 obtain adequate supplies of water from wells on their own  
13 premises. The petition shall be signed by the owners of at  
14 least fifty percent of all privately-owned agricultural land  
15 lying within the outside perimeter of the area designated for  
16 inclusion in the proposed district, and shall state:

17 1. The exact location of the area so designated, describ-  
18 ing such area by section, or fraction thereof, and by township  
19 and range.

20 2. That the area so designated, or a substantial portion  
21 thereof, is without an adequate water supply and that the con-  
22 struction of one or more dams or wells, a water-distribution  
23 system, and such other works as may be required in connection  
24 therewith, is necessary in order to provide said area an  
25 adequate water supply.

26 3. That the proposed improvements will be conducive to  
27 and will promote the public health, convenience, and welfare.

28 Sec. 3. When a petition for incorporation and organization  
29 of a district is filed with the auditor, he shall so inform  
30 the supervisors who shall fix a time for a hearing thereon,  
31 not less than fifteen nor more than thirty days after the  
32 filing of the petition. The auditor shall prepare a notice  
33 as hereinafter required, which shall at least seven days be-  
34 fore the date fixed for the hearing on the petition:

35 1. Be sent by certified mail to the owner of each tract

1 of unincorporated land within the area designated for incor-  
2 poration of the proposed district, as shown by the transfer  
3 books in the auditor's office of each county in which any  
4 part of the proposed district is located.

5 2. Be sent by ordinary mail to all actual occupants of  
6 land within the proposed district, without naming individuals.

7 3. Be published in a newspaper of general circulation in  
8 the county.

9 4. Be transmitted, together with a copy of the original  
10 petition, to the council.

11 Sec. 4. The notice prepared by the auditor pursuant to  
12 section three (3) of this Act shall set forth:

13 1. The location of the land designated by the petitioners  
14 for incorporation of the proposed district, as described by  
15 the original petition.

16 2. The time and place fixed by the supervisors for the  
17 hearing on the petition.

18 3. That all owners or occupants of land within the  
19 boundaries described may appear and be heard.

20 4. That the proposed district, if incorporated, shall  
21 have no power or authority to levy any taxes whatsoever.

22 Sec. 5. At the time and place set for the hearing on the  
23 petition, any owner or occupant of land within the boundaries  
24 of the area described in the petition for incorporation of the  
25 proposed district may appear, in person or by his designated  
26 representative, and any representative of the council may also  
27 appear, in favor of or in opposition to the incorporation and  
28 organization of the proposed district. Such appearances may  
29 also be filed in writing prior to the time set for the hear-  
30 ing.

31 Sec. 6. At the conclusion of the hearing, it shall be the  
32 duty of the supervisors to ascertain whether:

33 1. Proper notice of the hearing has been given, as re-  
34 quired by this Act.

35 2. All or a substantial part of the land within the area

1 described within the petition for incorporation of the pro-  
2 posed district is in fact without an adequate water supply.

3 3. The construction and maintenance of one or more dams  
4 or wells, a water distribution system, and such other works  
5 as may be required in connection therewith, is necessary in  
6 order to provide said lands an adequate water supply.

7 4. The proposed improvements will in fact be conducive  
8 to and tend to promote the public health, convenience, and  
9 welfare.

10 If the supervisors' findings on each of the foregoing  
11 points are positive, they shall thereupon declare the area  
12 within the boundaries described within the petition to con-  
13 stitute a quasi-municipal corporation and to be incorporated  
14 as a body politic under the name "rural water district  
15 no. \_\_\_\_\_, \_\_\_\_\_ county (counties), Iowa," (inserting  
16 number in order of incorporation and name of county or  
17 counties), with perpetual succession unless dissolved as  
18 provided by this Act. The supervisors shall prepare and  
19 preserve a full record of their hearing on the petition,  
20 their findings, and their action thereon.

21 Sec. 7. Immediately after the granting of incorporation  
22 by the supervisors, or at such time not more than thirty days  
23 later as may be agreed upon by a majority of the members of  
24 the district present at the supervisors' hearing on the peti-  
25 tion, the members shall meet to select from their number  
26 a board of directors. The number of directors on the board,  
27 not to exceed nine, shall be determined by a majority vote  
28 of those members present. Any member elected a director who  
29 shall fail to become a participating member, within thirty  
30 days after entry in the minutes of the board of a declaration  
31 of availability of benefit units for subscription, shall  
32 forfeit his office.

33 Sec. 8. Within thirty days after election of the original  
34 board, proposed bylaws shall be submitted for adoption at a  
35 special meeting of members of the district, written notice

1 of which shall be mailed to each member. Members present at  
2 the special meeting may adopt or amend any of the proposed  
3 bylaws, and may propose and adopt alternative or additional  
4 bylaws. The bylaws may subsequently be amended at any annual  
5 or special meeting of the participating members of the dis-  
6 trict. However, the bylaws of each district shall provide:

7 1. For an annual meeting of participating members between  
8 January first and March first of each year following the year  
9 of incorporation of the district, and for the mailing of  
10 written notice of the time and place of each annual meeting  
11 to each participating member and publication of such notice  
12 in a newspaper of general circulation in the district not  
13 less than ten nor more than thirty days prior to each such  
14 meeting.

15 2. That each participating member of the district shall  
16 be entitled to a single vote at all annual and special meet-  
17 ings of the district, regardless of the number of benefit  
18 units to which he has subscribed.

19 Sec. 9. The initial board of each district shall divide  
20 its members by lot into three classes of as nearly equal size  
21 as possible. The terms of the directors in the first, second,  
22 and third classes shall expire on the dates of the annual  
23 meetings in the first, second, and third years, respectively,  
24 following the year in which the district is incorporated, or  
25 as soon thereafter as their respective successors are elected  
26 and have qualified. At the annual meeting in each year after the  
27 year in which the district is incorporated, a director shall  
28 be elected to succeed each director whose term of office  
29 expires on that date, and each director so elected shall  
30 hold office for a term of three years and until his successor  
31 is elected and has qualified. Vacancies shall be filled by  
32 appointment by the remaining directors, for the unexpired  
33 term.

34 Sec. 10. The board shall meet annually on the same day  
35 as, and immediately following, the annual meeting of partici-

1 pating members, and may meet at such other times as it may  
2 determine, or upon the call of the chairman or any two di-  
3 rectors. At the first meeting of the initial board following  
4 its election, and at each succeeding annual board meeting,  
5 the board shall elect a chairman, vice chairman, secretary,  
6 and treasurer for the ensuing year.

7 Sec. 11. The board shall be the governing body of the  
8 district, and shall:

9 1. Adopt such rules and regulations in conformity with  
10 the provisions of this Act and the bylaws of the district as  
11 are deemed necessary for the conduct of the business of the  
12 district.

13 2. Maintain at its office a record of the district's pro-  
14 ceedings, rules and regulations, and any decisions and orders  
15 made pursuant to the provisions of this Act, and furnish  
16 copies thereof to the supervisors or the council upon request.

17 3. Employ, appoint, or retain attorneys, engineers, other  
18 professional and technical employees, and such other personnel  
19 as are deemed necessary, and approve bonds of district em-  
20 ployees.

21 4. Prior to each annual meeting of participating members:

22 a. Prepare an estimated budget for the coming year, and  
23 adjust water rates if necessary in order to produce the  
24 revenue required to fund the estimated budget, and make a  
25 report thereon at the annual meeting.

26 b. Have an audit made of the district's records and  
27 accounts, and make copies of the audit report available to  
28 all participating members attending the annual meeting and to  
29 any other participating member who so requests.

30 5. Have authority to acquire by gift, lease, purchase,  
31 grant, inheritance, or by eminent domain proceedings, any  
32 property, real or personal, in fee or a lesser interest needed  
33 to achieve the purposes for which the district was incorpo-  
34 rated and to sell and convey property owned, but no longer  
35 needed, by the district.

1 6. Have authority to construct, operate, maintain, repair,  
2 and when necessary to enlarge or extend, such ponds, reser-  
3 voirs, pipelines, wells, check dams, pumping installations,  
4 or other facilities for the storage, transportation, or utili-  
5 zation of water, and such appurtenant structures and equip-  
6 ment, as may be necessary to carry out the purposes for which  
7 the district was incorporated.

8 7. Have power to cooperate with and enter into such agree-  
9 ments as deemed necessary with any agency of the federal  
10 government, and to accept such financial or other aid as  
11 any agency of the federal government may be empowered to  
12 provide to the district.

13 8. Have power to finance up to ninety percent of the cost  
14 of the construction or purchase of any project or projects  
15 necessary to carry out the purposes for which the district  
16 is incorporated, provided the balance of the cost of construc-  
17 tion or purchase is acquired by subscription, donation, gift,  
18 or otherwise than through the medium of loans, or to refinance  
19 up to ninety percent of the original cost of any such project  
20 or projects, by either of the following methods:

21 a. Execution of notes and mortgages in evidence thereof  
22 with interest, or combined interest and mortgage insurance  
23 charges, not to exceed six percent per annum.

24 b. Issuance of revenue bonds which shall mature in a  
25 period not to exceed forty years from date of issuance, shall  
26 bear interest at a rate not to exceed six percent per annum,  
27 shall be payable only from revenue derived from sale of water  
28 by the district, and shall never become or be construed to be  
29 a debt against the state of Iowa or any of its political sub-  
30 divisions other than the district issuing the bonds.

31 Sec. 12. As soon as reasonably possible after incorpora-  
32 tion of a district, the board shall file with the supervisors  
33 and the council copies of the plans and specifications for,  
34 and estimates of the cost of, any improvements authorized by  
35 this Act which the board proposes to construct or acquire.

1 The total cost of the proposed improvements shall be divided  
2 by the board into a suitable number of benefit units, and a  
3 unit fee shall be established. The board shall enter upon  
4 its minutes a declaration that the prescribed number of bene-  
5 fit units are available for subscription, stating the fee  
6 established therefor, and shall mail a copy of the declara-  
7 tion to each member.

8 Sec. 13. Each member of a district may subscribe to a  
9 number of benefit units of such district in proportion to the  
10 extent he desires to participate in the benefits of the dis-  
11 trict's improvements. So long as the capacity of the dis-  
12 trict's facilities permits, participating members of the the dis-  
13 trict may at any time subscribe to additional benefit units  
14 upon payment of the established unit fee for each such unit.  
15 Members who do not become participating members withing thirty  
16 days after entry in the board's minutes of the declaration of  
17 availability of benefit units may at any later date sub-  
18 scribe to such units as the board in its discretion may per-  
19 mit and, upon payment of the established unit fee for each  
20 such unit, shall be entitled to the same rights as original  
21 participating members. If the capacity of the district's  
22 facilities permits, the district may sell water to persons  
23 engaged in hauling water and to any incorporated city or  
24 town.

25 Sec. 14. Owners of land outside any district which can  
26 economically be served by the facilities of the district may  
27 petition to be attached to the district. The petition there-  
28 for shall be filed with the auditor, and the auditor and  
29 supervisors shall proceed thereon, in substantially the same  
30 manner as is provided by this Act for filing of a petition  
31 for incorporation and organization of a district, except that  
32 the required notice shall be sent by registered mail to all  
33 participating members of the district, as shown on the dis-  
34 trict's record, as well as to owner of all unincorporated  
35 tracts of land in the area proposed to be attached to the

1 district.

2 Sec. 15. At the conclusion of the hearing on the petition  
3 for attachment of additional land to the district, the super-  
4 visors shall, in addition to making the findings required by  
5 section six (6) of this Act, ascertain whether:

6 1. The additional land which it is proposed to attach to  
7 the district can in fact economically be served by the facili-  
8 ties of the district, either as such facilities then exist  
9 or as they may feasibly be enlarged or extended.

10 2. It appears from all information available to the super-  
11 visors that neither the board nor a majority of the participat-  
12 ing members of the district object to the proposed attachment  
13 of additional land to the district.

14 If each of the findings made by the supervisors pursuant  
15 to section six (6) of this Act and to subsections one (1)  
16 and two (2) of this section are positive, the supervisors  
17 shall order the additional land described in the petition  
18 attached to the district. Owners of land within the area so  
19 attached shall thereupon become members of the district, and  
20 shall be entitled to subscribe to such benefit units upon  
21 such terms and conditions as the board in its discretion may  
22 provide. Any such member who shall subscribe to one or more  
23 benefit units, and comply with such terms and conditions as  
24 may be prescribed by the board, shall be entitled to the same  
25 rights as other participating members.

26 Sec. 16. No district shall have any power to levy any  
27 taxes. Neither the facilities constructed or otherwise  
28 acquired by any district, including but not limited to ponds,  
29 reservoirs, pipelines, wells, check dams, and pumping installa-  
30 tions, the revenues obtained by the district from the sale of  
31 water, nor the revenue bonds or interest therefrom issued by  
32 any district shall be taxable in any manner by the state of  
33 Iowa or any of its political subdivisions.

34 Sec. 17. No incorporated city or town shall become or be  
35 construed to be a part of any district, regardless of whether

1 or not the description of the area to be incorporated con-  
2 tained in the petition for establishment of the district speci-  
3 fically excluded the territory of any incorporated city or  
4 town lying wholly or partially within the district. However,  
5 this section shall not be construed to prevent any incorporated  
6 city or town from contracting with a district to supply the  
7 city or town with water under such conditions as may be  
8 mutually agreeable and not otherwise prohibited by law.

9 Sec. 18. If it becomes apparent that certain lands in-  
10 cluded within a district cannot economically or adequately  
11 be served by the facilities of the district, the owners of  
12 such lands may file with the auditor a petition to the super-  
13 visors requesting that those lands be detached from the dis-  
14 trict. The petition shall:

15 1. Describe by section, or fraction thereof, and by town-  
16 ship and range, the lands which it is proposed to detach from  
17 the district.

18 2. State that such lands cannot economically or adequately  
19 be served by the facilities of the district, and that it is  
20 not feasible for the district to enlarge or extend its facili-  
21 ties so as to economically and adequately serve such lands.

22 3. Be signed by the owners of all of the lands which it is  
23 desired to detach from the district.

24 4. Be endorsed by the district board.

25 Sec. 19. A petition may be filed with the auditor request-  
26 ing the supervisors to dissolve an inactive district. The  
27 petition shall:

28 1. State that the district owns no property of any kind  
29 exclusive of records, maps, plans, and files, and that all  
30 of its debts and obligations have been fully paid.

31 2. State that the board has not held a meeting for more  
32 than one year prior to the date of filing of the petition,  
33 that the district is not functioning, and will probably con-  
34 tinue to be inoperative.

35 3. Be signed by three-fourths of the members of the dis-

1 trict.

2 Sec. 20. Upon the filing with the auditor of a petition  
3 under either section eighteen (18) or section nineteen (19)  
4 of this Act, the auditor shall so inform the supervisors who  
5 shall fix a time for consideration of the petition. The super-  
6 visors may, but shall not be required to, hold a hearing  
7 thereon. After consideration of the petition, and after the  
8 hearing if one is held, the supervisors shall ascertain  
9 whether:

10 1. The petition meets all of the requirements prescribed  
11 by this Act for such petition.

12 2. It appears from all information available to the super-  
13 visors that each allegation included in the petition is  
14 factual.

15 If the supervisors' finding on each of the foregoing points  
16 is positive, it shall declare the lands described in the peti-  
17 tion detached from the district, or declare the district dis-  
18 solved, as the case may be. The supervisors shall notify the  
19 secretary of the district of its action, and the secretary  
20 shall amend the records of the district to show that the land  
21 described in the petition has been detached from the district,  
22 or shall within thirty days deliver to the auditor all records,  
23 maps, plans, and files of the district dissolved, as the case  
24 may be.

25 Sec. 21. Nothing in this Act shall be construed to exempt  
26 any district from the requirements of any other statute,  
27 whether enacted prior to or subsequent to the effective date  
28 of this Act, under which the district is required to obtain  
29 the permission or approval of, or to notify, the council, the  
30 Iowa commerce commission, or any other agency of this state or  
31 of any of its political subdivisions prior to proceeding with  
32 construction, acquisition, operation, enlargement, extension,  
33 or alteration of any works or facilities which the district  
34 is authorized to undertake pursuant to this Act.

35 Sec. 22. A nonprofit corporation incorporated under the

1 laws of the state of Iowa for the specific purpose of operating  
2 a rural water district may petition the supervisors for incor-  
3 poration of a district, in the manner provided by section two  
4 (2) of this Act. The signatures of the corporation's officers  
5 on the petition shall suffice in lieu of signatures of owners  
6 of fifty percent of the privately-owned agricultural land in  
7 the proposed district, provided the corporation presents  
8 evidence satisfactory to the supervisors that a sufficient  
9 number of members of the proposed district will subscribe to  
10 benefit units thereof to make its operation feasible. The  
11 procedure for hearing and determination of disposition of the  
12 petition shall be as provided by this Act. In any district  
13 incorporated upon the petition of a nonprofit corporation,  
14 the officers and board of directors of the corporation shall  
15 be the officers and board of the district. The applicable  
16 laws of the state and the articles of incorporation and by-  
17 laws fo the corporation shall control the size, term of of-  
18 fice, and time of election of such officers and board, in  
19 lieu of sections seven (7), nine (9), and ten (10) of this  
20 Act.

#### EXPLANATION OF HOUSE FILE 491

This bill allows farmers and others living outside incorporated areas to jointly provide for themselves adequate supplies of water for drinking and other domestice purposes, by setting up special districts which could develop the necessary sources of water either by drilling deep wells or by damming streams, and laying the necessary mains, etc., to take the water to the users. These districts would have no taxing power whatever, and would support themselves entirely by sale of water.

In some areas of the state, farmers have been forced to drill wells hundreds of feet in depth in order to find a water supply. In other areas, it has been necessary for rural residents to haul water considerable distances for extended periods of time. In these circumstances, the alternative of helping to finance the establishment and operation of a rural water district may be quite feasible from an economic point of view, as well as assuring a much more reliable and convenient supply of water.

# HOUSE CLIP SHEET

Thursday, April 24, 1969

## HOUSE FILE 491

1 Amend House File 491 by striking everything after the en-  
2 acting clause and inserting in lieu thereof the following:

3 Section 1. As used in this Act, unless the context otherwise  
4 requires:

5 1. "District" means a rural water district incorporated and  
6 organized pursuant to the provisions of this Act.

7 2. "Board" means the board of directors of a district, and  
8 "director" means a member of such board of directors.

9 3. "Member" means any owner of land which is located within  
10 a district, or the occupant thereof or other person acting for  
11 the owner with the owner's written consent.

12 4. "Participating member" means a member who has subscribed  
13 to and paid the established fee for at least one benefit unit  
14 in a district, in the manner provided by this Act.

15 5. "Supervisors" means the board of supervisors of any  
16 county, or the joint boards of supervisors of any two or more  
17 counties, in which a district has been incorporated and organ-  
18 ized or is proposed to be incorporated and organized.

19 6. "Auditor" means the county auditor of any county in which  
20 a district has been incorporated and organized or is proposed  
21 to be incorporated and organized or, in the case of a district  
22 or proposed district lying in two or more counties, the auditor  
23 of the county having the largest district acreage.

24 7. "Council" means the Iowa natural resources council.

25 Sec. 2. A petition may at any time be filed with the audi-  
26 tor requesting the supervisors to incorporate and organize a  
27 district encompassing an area, not then included in any other  
28 district, in any county or any two or more adjacent counties  
29 for the purpose of providing an adequate supply of water for  
30 domestic purposes to residents of the area who are not served  
31 by the water mains of any city or town water system and who  
32 cannot feasibly obtain adequate supplies of water from wells  
33 on their own premises. The petition shall be signed by the  
34 owners of at least fifty percent of all land lying within the  
35 outside perimeter of the area designated for inclusion in the  
36 proposed district, and shall state:

37 1. The location of the area so designated, describing such  
38 area by section, or fraction thereof, and by township and  
39 range.

40 2. The reasons a district is needed.

41 Sec. 3. When a petition for incorporation and organiza-  
42 tion of a district is filed with the auditor, he shall so  
43 inform the supervisors who shall fix a time for a hearing  
44 thereon, not less than fifteen nor more than thirty days  
45 after the filing of the petition. The auditor shall prepare  
46 a notice as hereinafter required, which shall at least seven  
47 days before the date fixed for the hearing on the petition:

48 1. Be published in a newspaper of general circulation in  
49 the area to be incorporated.

50 2. Be transmitted, together with a copy of the original  
51 petition, to the council.

52 Sec. 4. The notice prepared by the auditor pursuant to  
53 section three (3) of this Act shall set forth:

54 1. The location of the land designated by the petitioners  
55 for incorporation in the proposed district, as described by  
56 the original petition.

57 2. The time and place fixed by the supervisors for the  
58 hearing on the petition.

59 3. That all owners or occupants of land within the bound-  
60 aries described may appear and be heard.

61 4. That the proposed district, if incorporated, shall have  
62 no power or authority to levy any taxes whatsoever.

63 Sec. 5. At the hearing on the petition, any owner or occupant  
64 of land within the boundaries of the area described in the peti-  
65 tion may appear, in person or by his designated representative,  
66 and any representative of the council may also appear, in favor  
67 of or in opposition to the incorporation and organization of  
68 the proposed district. Such appearances may also be filed in  
69 writing prior to the time set for the hearing.

70 Sec. 6. After the hearing, the supervisors may strike off  
71 any part of the territory that testimony shows will not be bene-  
72 fitted by the creation of the district. If the supervisors do  
73 not find that the district is necessary, they shall dismiss the  
74 petition.

75 If the supervisors find that required notice of the hearing  
76 has been given and that such district is reasonably necessary  
77 for the public health, convenience, fire protection, and com-  
78 fort of the residents, they shall make an order establishing  
79 the district as a body politic, describing its boundary, and  
80 designating it by name or number. The order shall be published  
81 in the same newspaper which published the notice of hearing.  
82 The supervisors shall prepare and preserve a complete record  
83 of the hearing on the petition and their findings and action  
84 thereon.

85 Sec. 7. As a part of the order incorporating the district,  
86 the supervisors shall fix the time and place at which the mem-  
87 bers shall meet to select from their number a board of directors.  
88 Selection of the initial board shall be not later than thirty  
89 days after the hearing. The number of directors on the board,  
90 not to exceed nine, shall be determined by a majority vote of  
91 those members present. Any member elected a director who fails  
92 to become a participating member, within thirty days after entry  
93 in the minutes of the board of a declaration of availability of  
94 benefit units for subscription, shall forfeit his office.

95 Sec. 8. Within thirty days after election of the original  
96 board, proposed bylaws shall be submitted for adoption at a  
97 special meeting of members of the district, written notice of  
98 which shall be mailed to each member. Members present at the  
99 special meeting may adopt or amend any of the proposed bylaws,  
100 and may propose and adopt alternative or additional bylaws.

101 The bylaws may subsequently be amended at any annual or special  
102 meeting of the participating members of the district. However,  
103 the bylaws of each district shall provide:

104 1. For an annual meeting of participating members between  
105 January first and March first of each year following the year  
106 of incorporation of the district, and for the mailing of writ-  
107 ten notice of the time and place of each annual meeting to  
108 each participating member and publication of such notice in a  
109 newspaper of general circulation in the district not less than  
110 ten nor more than thirty days prior to each meeting.

111 2. That each participating member of the district shall  
112 be entitled to a single vote at all annual and special meetings  
113 of the district, regardless of the number of benefit units to  
114 which he has subscribed.

115 Sec. 9. The initial board of each district shall divide its  
116 members by lot into three classes of as nearly equal size as  
117 possible. The terms of the directors in the first, second, and  
118 third classes shall expire on the dates of the annual meetings  
119 in the first, second, and third years, respectively, following  
120 the year in which the district is incorporated, or as soon  
121 thereafter as their respective successors are elected and have  
122 qualified. At the annual meeting in each year after the year  
123 in which the district is incorporated, a director shall be  
124 elected to succeed each director whose term of office expires  
125 on that date, and each director so elected shall hold office  
126 for a term of three years and until his successor is elected  
127 and has qualified. Vacancies shall be filled by appointment  
128 by the remaining directors, for the unexpired term.

129 Sec. 10. The board shall meet annually on the same day as,  
130 and immediately following, the annual meeting of participating  
131 members, and may meet at such other times as it may determine,  
132 or upon the call of the chairman or any two directors. At the  
133 first meeting of the initial board following its election, and  
134 at each succeeding annual board meeting, the board shall elect  
135 a chairman, vice chairman, secretary, and treasurer for the  
136 ensuing year.

137 Sec. 11. The board shall be the governing body of the dis-  
138 trict, and shall:

139 1. Adopt rules, regulations, and rate schedules in conform-  
140 ity with the provisions of this Act and the bylaws of the dis-  
141 trict as necessary for the conduct of the business of the  
142 district.

143 2. Maintain at its office a record of the district's pro-  
144 ceedings, rules and regulations, and any decisions and orders  
145 made pursuant to the provisions of this Act, and furnish copies  
146 thereof to the supervisors or the council upon request.

147 3. Employ, appoint, or retain attorneys, engineers, other  
148 professional and technical employees, and such other personnel  
149 as necessary, and require and approve bonds of district employees.

150 4. Prior to each annual meeting of participating members:

151 a. Prepare an estimated budget for the coming year, and

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152 adjust water rates if necessary in order to produce the revenue  
153 required to fund the estimated budget, and make a report thereon  
154 at the annual meeting.

155 b. Have an audit made of the district's records and accounts,  
156 and make copies of the audit report available to all participat-  
157 ing members attending the annual meeting and to any other par-  
158 ticipating member who so requests.

159 5. Have authority to acquire by gift, lease, purchase, grant,  
160 or by eminent domain proceedings, any property, real or personal,  
161 in fee or a lesser interest needed to achieve the purposes for  
162 which the district was incorporated and to sell and convey  
163 property owned, but no longer needed, by the district.

164 6. Have authority to construct, operate, maintain, repair,  
165 and when necessary to enlarge or extend, such ponds, reservoirs,  
166 pipelines, wells, check dams, pumping installations, or other  
167 facilities for the storage, transportation, or utilization of  
168 water, and such appurtenant structures and equipment, as may  
169 be necessary or convenient to carry out the purposes for which  
170 the district was incorporated. A district may purchase its  
171 water supply from any source.

172 7. Have power to borrow from, cooperate with and enter  
173 into such agreements as deemed necessary with any agency of  
174 the federal government, and to accept financial or other aid  
175 from any agency of the federal government. To evidence any  
176 indebtedness the obligations may be one or more bonds or notes  
177 and the obligations may be sold at private sale.

178 8. Have power to finance up to ninety percent of the cost  
179 of the construction or purchase of any project necessary to  
180 carry out the purposes for which the district is incorporated,  
181 provided the balance of the cost of construction or purchase  
182 is acquired by subscription, donation, gift, or otherwise than  
183 through the medium of loans, or to refinance up to ninety per-  
184 cent of the original cost of any such project, and to evidence  
185 such financing by issuance of revenue bonds or notes which  
186 shall mature in a period not to exceed forty years from date  
187 of issuance, shall bear interest, or combined interest and  
188 insurance charges, at a rate not to exceed six percent per  
189 annum, shall be payable only from revenue derived from sale  
190 of water by the district, and shall never become or be con-  
191 strued to be a debt against the state of Iowa or any of its  
192 political subdivisions other than the district issuing the  
193 bonds. A statutory mortgage lien shall exist upon the water  
194 system and appurtenances and extensions so acquired in favor  
195 of the holders of the bonds and notes.

196 Sec. 12. As soon as reasonably possible after incorpora-  
197 tion of a district, the board shall file with the supervisors  
198 and the council copies of the plans and specifications for,  
199 and estimates of the cost of, any improvements authorized by  
200 this Act which the board proposes to construct or acquire.  
201 The board shall determine a reasonable fee which each member  
202 shall pay for the privilege of utilizing the district's

203 facilities which shall be known as a benefit unit. Benefit  
204 units may be classified. The board, by publication in a news-  
205 paper of general circulation in the district, shall generally  
206 describe the planned improvements, the area to be served and  
207 the fee members will be required to pay for each service con-  
208 nected to the water system.

209 Sec. 13. If the capacity of the district's facilities per-  
210 mits, the district may sell water by contract to any city or  
211 town, other district, or other person, public or private, not  
212 within the boundaries of a district.

213 Sec. 14.

214 1. Owners of land outside any district which can economi-  
215 cally be served by the facilities of the district may petition  
216 to be attached to the district. The petition therefor shall  
217 be filed with the auditor, and the auditor and supervisors  
218 shall proceed thereon, in substantially the same manner as is  
219 provided by this Act for filing of a petition for incorpora-  
220 tion and organization of a district.

221 2. All or any part of an incorporated city or town may  
222 be included in the boundaries of any existing water district  
223 or water district being newly organized, provided the govern-  
224 ing body of such city or town by resolution or ordinance gives,  
225 or has given, its consent.

226 3. Boards of any two or more districts may by concurrent  
227 action and by approval of the supervisors merge their districts  
228 into one. In case of merger the members of the boards of the  
229 merged districts may serve out the terms for which they were  
230 elected. The resulting district shall take over all the as-  
231 sets and legal liabilities of the water districts joining in  
232 the merger. Obligations of any district secured by the revenue  
233 of the systems operated by the district shall continue to be  
234 retired, or a sinking fund for such purpose created from revenue  
235 from the system operated over the same area by the resulting  
236 district in accordance with the laws under which the obliga-  
237 tions were issued, until all obligations of the old district  
238 have been retired.

239 Sec. 15. No district shall have any power to levy any taxes.  
240 Neither the facilities constructed or otherwise acquired by any  
241 district, including but not limited to ponds, reservoirs, pipe-  
242 lines, wells, check dams, and pumping installations, the revenues  
243 obtained by the district from the sale of water, nor the revenue  
244 bonds or interest therefrom issued by any district shall be tax-  
245 able in any manner by the state of Iowa or any of its political  
246 subdivisions.

247 Sec. 16. If it becomes apparent that certain lands included  
248 within a district cannot economically or adequately be served  
249 by the facilities of the district, the owners of such lands  
250 may file with the auditor a petition to the supervisors re-  
251 questing that those lands be detached from the district. The  
252 petition shall:

253 1. Describe by section, or fraction thereof, and by town-

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254 ship and range, the lands which it is proposed to detach from  
255 the district.

256 2. State that such lands cannot economically or adequately  
257 be served by the facilities of the district, and that it is  
258 not feasible for the district to enlarge or extend its facili-  
259 ties so as to economically and adequately serve such lands.

260 3. Be signed by the owners of all lands which it is  
261 desired to detach from the district.

262 Sec. 17. A petition may be filed with the auditor request-  
263 ing the supervisors to dissolve an inactive district. The  
264 petition shall:

265 1. State that the district owns no property of any kind  
266 exclusive of records, maps, plans, and files, and that all of  
267 its debts and obligations have been fully paid.

268 2. State that the board has not held a meeting for more  
269 than one year prior to the date of filing of the petition,  
270 that the district is not functioning, and will probably  
271 continue to be inoperative.

272 3. Be signed by three-fourths of the members of the dis-  
273 trict.

274 Sec. 18. Upon the filing with the auditor of a petition  
275 under either section sixteen (16) or section seventeen (17)  
276 of this Act, the auditor shall so inform the supervisors who  
277 shall fix a time for consideration of the petition. The supervi-  
278 sors may, but shall not be required to, hold a hearing thereon.  
279 After consideration of the petition, and after the hearing if  
280 one is held, the supervisors shall ascertain whether:

281 1. The petition meets all of the requirements prescribed  
282 by this Act for such petition.

283 2. It appears from all information available to the super-  
284 visors that each allegation included in the petition is factual.  
285 If the supervisors' finding on each of the foregoing points  
286 is positive, it shall declare the lands described in the peti-  
287 tion detached from the district, or declare the district dis-  
288 solved, as the case may be. The supervisors shall notify the  
289 secretary of the district of its action, and the secretary shall  
290 amend the records of the district to show that the land described  
291 in the petition has been detached from the district, or shall  
292 within thirty days deliver to the auditor all records, maps,  
293 plans, and files of the district dissolved, as the case may be.

294 Sec. 19. Nothing in this Act shall be construed to exempt  
295 any district from the requirements of any other statute, whether  
296 enacted prior to or subsequent to the effective date of this Act,  
297 under which the district is required to obtain the permission or  
298 approval of, or to notify, the council, the Iowa commerce com-  
299 mission, or any other agency of this state or of any of its  
300 political subdivisions prior to proceeding with construction,  
301 acquisition, operation, enlargement, extension, or alteration  
302 of any works or facilities which the district is authorized to  
303 undertake pursuant to this Act.

304 Sec. 20. A nonprofit corporation incorporated under the

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305 laws of the state of Iowa for the specific purpose of operat-  
306 ing a rural water system may petition the supervisors for  
307 incorporation of a district, in the manner provided by sec-  
308 tion two (2) of this Act. The signatures of the corporation's  
309 officers on the petition shall suffice in lieu of signatures  
310 of owners of fifty percent of the land in the proposed district,  
311 provided the corporation presents evidence satisfactory to the  
312 supervisors that a sufficient number of members of the proposed  
313 district will subscribe to benefit units to make its operation  
314 feasible. The procedure for hearing and determination of dis-  
315 position of the petition shall be as provided by this Act. In  
316 any district incorporated upon the petition of a nonprofit cor-  
317 poration, the officers and board of directors of the corporation  
318 shall be the officers and board of the district. The applicable  
319 laws of the state and the articles of incorporation and bylaws of  
320 the corporation shall control the initial size and initial term  
321 of office of such officers and board, in lieu of sections seven  
322 (7), nine (9), and ten (10) of this Act. At the first annual  
323 meeting of the participating members and board of directors,  
324 the district shall bring its operation and structure in com-  
325 pliance with section seven (7) through section ten (10) of this  
326 Act.

Filed - *adopted 2-13*  
April 23, 1969

BERGMAN of Lyon-Osceola  
VARLEY of Adair  
DEN HERDER of Sioux

- 
- 1 Amend the Bergman, Varley, Den Herder amendment to
  - 2 House File 491, filed April 23, 1969, as follows:
  - 3 1. Line 178 by striking the word "ninety" and
  - 4 inserting in lieu thereof the word "ninety-five".
  - 5 2. Line 183 by striking the word "ninety" and
  - 6 inserting in lieu thereof the word "ninety-five".

Filed - *adopted 2-13*  
February 6, 1970  
In: Agriculture

BERGMAN of Lyon-Osceola

- 1 Amend House File 491, as amended, passed and reprinted by the  
2 House, as follows:  
3 1. Page 3, line 20, by inserting after the word "is" the  
4 word "reasonably".  
5 2. Page 6, line 7, by inserting at the end of line 7 the  
6 word "or".  
7 3. Page 6, line 8, by striking the following ", or by  
8 eminent domain proceedings,".  
9 4. Page 6, by inserting at the end of line 10 the  
10 following: ", to acquire easements for water lines and  
11 reservoirs by condemnation proceedings,".  
12 5. Page 6, by inserting after the period in line 12 the  
13 following sentence: "Condemnation proceedings shall not  
14 apply to existing wells, ponds or reservoirs."

*House  
concurred  
3/18*

Received from the Senate  
March 17, 1970

*Senate*

- 1 Amend House File 491, as amended and passed by the House,  
2 page 3, line 20, by inserting after the word "is", the  
3 word "reasonably".

Filed  
February 19, 1970

By LUCKEN

- Sen 1* { 1 Amend House File 491, as amended and passed by the House, as  
2 follows:  
3 1. Page 6, by inserting at the end of line 7 the word "or".  
4 2. Page 6, by striking from line 8 the words ", or by eminent  
5 domain proceedings,".  
*Sen 2* { 6 3. Page 6, by inserting at the end of line 10 the words ", to  
7 acquire easements for water lines by condemnation proceedings,".

Filed - *adopted as amended 3/13*  
February 26, 1970

By KEITH

- 1 Amend the Keith amendment, filed February 26, 1970 to  
2 House File 4991, by adding in line 7 after the word "lines"  
3 the following: "and reservoirs".

Filed and adopted  
March 13, 1970

By BORTELL

- 1 Amend House File 491, as amended and passed  
2 by the House, by adding on page 6 after the period  
3 in line 12 the following sentence: "Condemnation  
4 proceedings shall not apply to existing wells,  
5 ponds or reservoirs."

Filed and adopted  
March 13, 1970

By COLEMAN

*Amended copy*

February 18, 1970  
*Sen. Agriculture 2-18, Pass 2-25*

HOUSE FILE 494

By BERGMAN and VARLEY  
(Smith and Flatt)

(AS AMENDED AND PASSED BY THE HOUSE)

Passed House, Date *2-13-70* Passed Senate, Date *3-13-70*  
Vote: Ayes *105* Nays *0* Vote: Ayes *32* Nays *14*

Approved *March 26, 1970*  
*Passed per Senate amendment*  
*3-18-70*  
*ayes 94, nays 0*

# A BILL FOR

- 1 An Act to authorize the establishment of rural water districts,
- 2 to prescribe the procedure therefor, and relating to the
- 3 purpose and manner of operation of such districts.
- 4 *Be It Enacted by the General Assembly of the State of Iowa:*
- 5 Section 1. As used in this Act, unless the context
- 6 otherwise requires:
  - 7 1. "District" means a rural water district incorporated
  - 8 and organized pursuant to the provisions of this Act.
  - 9 2. "Board" means the board of directors of a district,
  - 10 and "director" means a member of such board of directors.
  - 11 3. "Member" means any owner of land which is located
  - 12 within a district, or the occupant thereof or other person
  - 13 acting for the owner with the owner's written consent.
  - 14 4. "Participating member" means a member who has sub-
  - 15 scribed to and paid the established fee for at least one
  - 16 benefit unit in a district, in the manner provided by this
  - 17 Act.
  - 18 5. "Supervisors" means the board of supervisors of any
  - 19 county, or the joint boards of supervisors of any two or
  - 20 more counties, in which a district has been incorporated and
  - 21 organized or is proposed to be incorporated and organized.
  - 22 6. "Auditor" means the county auditor of any county in
  - 23 which a district has been incorporated and organized or is
  - 24 proposed to be incorporated and organized or, in the case
  - 25 of a district or proposed district lying in two or more

1 counties, the auditor of the county having the largest  
2 district acreage.

3 7. "Council" means the Iowa natural resources council.

4 Sec. 2. A petition may at any time be filed with the  
5 auditor requesting the supervisors to incorporate and  
6 organize a district encompassing an area, not then included  
7 in any other district, in any county or any two or more  
8 adjacent counties for the purpose of providing an adequate  
9 supply of water for domestic purposes to residents of the  
10 area who are not served by the water mains of any city or  
11 town water system and who cannot feasibly obtain adequate  
12 supplies of water from wells on their own premises. The  
13 petition shall be signed by the owners of at least fifty  
14 percent of all land lying within the outside perimeter of  
15 the area designated for inclusion in the proposed district,  
16 and shall state:

17 1. The location of the area so designated, describing  
18 such area by section, or fraction thereof, and by township  
19 and range.

20 2. The reasons a district is needed.

21 Sec. 3. When a petition for incorporation and  
22 organization of a district is filed with the auditor, he  
23 shall so inform the supervisors who shall fix a time for a  
24 hearing thereon, not less than fifteen nor more than thirty  
25 days after the filing of the petition. The auditor shall  
26 prepare a notice as hereinafter required, which shall at  
27 least seven days before the date fixed for the hearing  
28 on the petition:

29 1. Be published in a newspaper of general circulation  
30 in the area to be incorporated.

31 2. Be transmitted, together with a copy of the original  
32 petition, to the council.

33 Sec. 4. The notice prepared by the auditor pursuant to  
34 section three (3) of this Act shall set forth:

35 1. The location of the land designated by the petitioners

1 for incorporation in the proposed district, as described by  
2 the original petition.

3 2. The time and place fixed by the supervisors for the  
4 hearing on the petition.

5 3. That all owners or occupants of land within the  
6 boundaries described may appear and be heard.

7 4. That the proposed district, if incorporated, shall  
8 have no power or authority to levy any taxes whatsoever.

9 Sec. 5. At the hearing on the petition, any owner or  
10 occupant of land within the boundaries of the area described  
11 in the petition may appear, in person or by his designated  
12 representative, and any representative of the council may  
13 also appear, in favor of or in opposition to the incorporation  
14 and organization of the proposed district. Such appearances  
15 may also be filed in writing prior to the time set for  
16 the hearing.

17 Sec. 6. After the hearing, the supervisors may strike  
18 off any part of the territory that testimony shows will not  
19 be benefited by the creation of the district. If the  
20 supervisors do not find that the district is necessary, they  
21 shall dismiss the petition.

22 If the supervisors find that required notice of the  
23 hearing has been given and that such district is reasonably  
24 necessary for the public health, convenience, fire  
25 protection, and comfort of the residents, they shall make  
26 an order establishing the district as a body politic,  
27 describing its boundary, and designating it by name or number.  
28 The order shall be published in the same newspaper which  
29 published the notice of hearing. The supervisors shall  
30 prepare and preserve a complete record of the hearing on  
31 the petition and their findings and action thereon.

32 Sec. 7. As a part of the order incorporating the  
33 district, the supervisors shall fix the time and place at  
34 which the members shall meet to select from their number a  
35 board of directors. Selection of the initial board shall be

1 not later than thirty days after the hearing. The number  
2 of directors on the board, not to exceed nine, shall be  
3 determined by a majority vote of those members present.  
4 Any member elected a director who fails to become a  
5 participating member, within thirty days after entry in  
6 the minutes of the board of a declaration of availability  
7 of benefit units for subscription, shall forfeit his office.

8 Sec. 8. Within thirty days after election of the  
9 original board, proposed bylaws shall be submitted for  
10 adoption at a special meeting of members of the district,  
11 written notice of which shall be mailed to each member.  
12 Members present at the special meeting may adopt or amend  
13 any of the proposed bylaws, and may propose and adopt  
14 alternative or additional bylaws. The bylaws may subsequently  
15 be amended at any annual or special meeting of the  
16 participating members of the district. However, the bylaws  
17 of each district shall provide:

18 1. For an annual meeting of participating members between  
19 January first and March first of each year following the  
20 year of incorporation of the district, and for the mailing  
21 of written notice of the time and place of each annual  
22 meeting to each participating member and publication of such  
23 notice in a newspaper of general circulation in the district  
24 not less than ten nor more than thirty days prior to each  
25 meeting.

26 2. That each participating member of the district shall  
27 be entitled to a single vote at all annual and special  
28 meetings of the district, regardless of the number of  
29 benefit units to which he has subscribed.

30 Sec. 9. The initial board of each district shall divide  
31 its members by lot into three classes of as nearly equal  
32 size as possible. The terms of the directors in the first,  
33 second, and third classes shall expire on the dates of the  
34 annual meetings in the first, second, and third years,  
35 respectively, following the year in which the district is

1 incorporated, or as soon thereafter as their respective  
2 successors are elected and have qualified. At the annual  
3 meeting in each year after the year in which the district  
4 is incorporated, a director shall be elected to succeed each  
5 director whose term of office expires on that date, and each  
6 director so elected shall hold office for a term of three  
7 years and until his successor is elected and has qualified.  
8 Vacancies shall be filled by appointment by the remaining  
9 directors, for the unexpired term.

10 Sec. 10. The board shall meet annually on the same day  
11 as, and immediately following, the annual meeting of  
12 participating members, and may meet at such other times as  
13 it may determine, or upon the call of the chairman or any  
14 two directors. At the first meeting of the initial board  
15 following its election, and at each succeeding annual board  
16 meeting, the board shall elect a chairman, vice chairman,  
17 secretary, and treasurer for the ensuing year.

18 Sec. 11. The board shall be the governing body of the  
19 district, and shall:

20 1. Adopt rules, regulations, and rate schedules in  
21 conformity with the provisions of this Act and the bylaws  
22 of the district as necessary for the conduct of the business  
23 of the district.

24 2. Maintain at its office a record of the district's  
25 proceedings, rules and regulations, and any decisions and  
26 orders made pursuant to the provisions of this Act, and  
27 furnish copies thereof to the supervisors or the council  
28 upon request.

29 3. Employ, appoint, or retain attorneys, engineers,  
30 other professional and technical employees, and such other  
31 personnel as necessary, and require and approve bonds of  
32 district employees.

33 4. Prior to each annual meeting of participating members:

34 a. Prepare an estimated budget for the coming year, and  
35 adjust water rates if necessary in order to produce the

1 revenue required to fund the estimated budget, and make a  
2 report thereon at the annual meeting.

3 b. Have an audit made of the district's records and  
4 accounts, and make copies of the audit report available  
5 to all participating members attending the annual meeting  
6 and to any other participating member who so requests.

7 5. Have authority to acquire by gift, lease, purchase,  
8 grant, or by eminent domain proceedings, any property,  
9 real or personal, in fee or a lesser interest needed to  
10 achieve the purposes for which the district was incorporated  
11 and to sell and convey property owned, but no longer needed,  
12 by the district.

13 6. Have authority to construct, operate, maintain, repair,  
14 and when necessary to enlarge or extend, such ponds,  
15 reservoirs, pipelines, wells, check dams, pumping installations,  
16 or other facilities for the storage, transportation, or  
17 utilization of water, and such appurtenant structures and  
18 equipment, as may be necessary or convenient to carry out  
19 the purposes for which the district was incorporated. A  
20 district may purchase its water supply from any source.

21 7. Have power to borrow from, cooperate with and enter  
22 into such agreements as deemed necessary with any agency of  
23 the federal government, and to accept financial or other aid  
24 from any agency of the federal government. To evidence any  
25 indebtedness the obligations may be one or more bonds or  
26 notes and the obligations may be sold at private sale.

27 8. Have power to finance up to ninety-five percent  
28 of the cost of the construction or purchase of any project  
29 necessary to carry out the purposes for which the district  
30 is incorporated, provided the balance of the cost of  
31 construction or purchase is acquired by subscription,  
32 donation, gift, or otherwise than through the medium of loans,  
33 or to finance up to ninety-five percent of the original  
34 cost of any such project, and to evidence such financing  
35 by issuance of revenue bonds or notes which shall mature in

1 a period not to exceed forty years from date of issuance,  
2 shall bear interest, or combined interest and insurance  
3 charges, at a rate not to exceed six percent per annum,  
4 shall be payable only from revenue derived from sale of  
5 water by the district, and shall never become or be construed  
6 to be a debt against the state of Iowa or any of its political  
7 subdivisions other than the district issuing the bonds. A  
8 statutory mortgage lien shall exist upon the water system and  
9 appurtenances and extensions so acquired in favor of the  
10 holders of the bonds and notes.

11 Sec. 12. Also soon as reasonably possible after incorporation  
12 of a district, the board shall file with the supervisors and  
13 the council copies of the plans and specifications for, and  
14 estimates of the cost of, any improvements authorized by this  
15 Act which the board proposes to construct or acquire. The  
16 board shall determine a reasonable fee which each member  
17 shall pay for the privilege of utilizing the district's  
18 facilities which shall be known as a benefit unit. Benefit  
19 units may be classified. The board, by publication in a  
20 newspaper of general circulation in the district, shall  
21 generally describe the planned improvements, the area to  
22 be served and the fee members will be required to pay for each  
23 service connected to the water system.

24 Sec. 13. If the capacity of the district's facilities  
25 permits, the district may sell water by contract to any  
26 city or town, other district, or other person, public or  
27 private, not within the boundaries of a district.

28 Sec. 14.

29 1. Owners of land outside any district which can  
30 economically be served by the facilities of the district  
31 may petition to be attached to the district. The petition  
32 therefor shall be filed with the auditor, and the auditor and  
33 supervisors shall proceed thereon, in substantially the same  
34 manner as is provided by this Act for filing of a petition  
35 for incorporation and organization of a district.

1     2. All or any part of an incorporated city or town may  
2 be included in the boundaries of any existing water district  
3 or water district being newly organized, provided the  
4 governing body of such city or town by resolution or  
5 ordinance gives, or has given, its consent.

6     3. Boards of any two or more districts may be concurrent  
7 action and by approval of the supervisors merge their districts  
8 into one. In case of merger the members of the boards of the  
9 merged districts may serve out the terms for which they were  
10 elected. The resulting district shall take over all the  
11 assets and legal liabilities of the water districts joining  
12 in the merger. Obligations of any district accrued by the  
13 revenue of the systems operated by the district shall continue  
14 to be retired, or a sinking fund for such purpose created from  
15 revenue from the system operated over the same area by the  
16 resulting district in accordance with the laws under which  
17 the obligations were issued, until all obligations of the  
18 old district have been retired.

19     Sec. 15. No district shall have any power to levy any taxes.  
20 Neither the facilities constructed or otherwise acquired by  
21 any district, including but not limited to ponds, reservoirs,  
22 pipelines, wells, check dams, and pumping installations, the  
23 revenues obtained by the district from the sale of water, nor  
24 the revenue bonds or interest therefrom issued by any district  
25 shall be taxable in any manner by the state of Iowa or any of  
26 its political subdivisions.

27     Sec. 16. If it becomes apparent that certain lands  
28 included within a district cannot economically or adequately  
29 be served by the facilities of the district, the owners of  
30 such lands may file with the auditor a petition to the  
31 supervisors requesting that those lands be detached from  
32 the district. The petition shall:

33     1. Describe by section, or fraction thereof, and by  
34 township and range, the lands which it is proposed to detach  
35 from the district.

1 2. State that such lands cannot economically or adequately  
2 be served by the facilities of the district, and that it is  
3 not feasible for the district to enlarge or extend its  
4 facilities so as to economically and adequately serve such  
5 lands.

6 3. Be signed by the owners of all the lands which it is  
7 desired to detach from the district.

8 Sec. 17. A petition may be filed with the auditor requesting  
9 the supervisors to dissolve an inactive district. The petition  
10 shall:

11 1. State that the district owns no property of any kind  
12 exclusive of records, maps, plans, and files, and that all of  
13 its debts and obligations have been fully paid.

14 2. State that the board has not held a meeting for  
15 more than one year prior to the date of filing of the  
16 petition, that the district is not functioning, and will  
17 probably continue to be inoperative.

18 3. Be signed by three-fourths of the members of the  
19 district.

20 Sec. 18. Upon the filing with the auditor of a petition  
21 under either section sixteen (16) or section seventeen (17)  
22 of this Act, the auditor shall so inform the supervisors who  
23 shall fix a time for consideration of the petition. The  
24 supervisors may, but shall not be required to, hold a hearing  
25 thereon. After consideration of the petition, and after the  
26 hearing if one is held, the supervisors shall ascertain  
27 whether:

28 1. The petition meets all of the requirements prescribed  
29 by this Act for such petition.

30 2. It appears from all information available to the  
31 supervisors that each allegation included in the petition is  
32 factual.

33 If the supervisors' finding on each of the foregoing  
34 points is positive, it shall declare the lands described in  
35 the petition detached from the district, or declare the

1 district dissolved, as the case may be. The supervisors shall  
2 notify the secretary of the district of its action, and the  
3 secretary shall amend the records of the district to show  
4 that the land described in the petition has been detached  
5 from the district, or shall within thirty days deliver to the  
6 auditor all records, maps, plans, and files of the district  
7 dissolved, as the case may be.

8 Sec. 19. Nothing in this Act shall be construed to  
9 exempt any district from the requirements of any other  
10 statute, whether enacted prior to or subsequent to the  
11 effective date of this Act, under which the district is required  
12 to obtain the permission or approval of, or to notify, the  
13 council, the Iowa commerce commission, or any other agency  
14 of this state or of any of its political subdivisions prior  
15 to proceeding with construction, acquisition, operation,  
16 enlargement, extension, or alteration of any works or facilities  
17 which the district is authorized to undertake pursuant to  
18 this Act.

19 Sec. 20. A nonprofit corporation incorporated under the  
20 laws of the state of Iowa for the specific purpose of operating  
21 a rural water system may petition the supervisors for  
22 incorporation of a district, in the manner provided by section  
23 two (2) of this Act. The signatures of the corporation's  
24 officers on the petition shall suffice in lieu of signatures  
25 of owners of fifty percent of the land in the proposed  
26 district, provided the corporation presents evidence  
27 satisfactory to the supervisors that a sufficient number of  
28 members of the proposed district will subscribe to benefit  
29 units to make its operation feasible. The procedure for  
30 hearing and determination of disposition of the petition  
31 shall be as provided by this Act. In any district incorporated  
32 upon the petition of a nonprofit corporation, the officers  
33 and board of directors of the corporation shall be the  
34 officers and board of the district. The applicable laws  
35 of the state and the articles of incorporation and bylaws of

1 the corporation shall control the initial size and initial  
2 term of office of such officers and board, in lieu of  
3 sections seven (7), nine (9), and ten (10) of this Act. At  
4 the first annual meeting of the participating members and  
5 board of directors, the district shall bring its operation  
6 and structure in compliance with section seven (7) through  
7 section ten (10) of this Act.

#### EXPLANATION

This bill allows farmers and others living outside incorporated areas to jointly provide for themselves adequate supplies of water for drinking and other domestic purposes, by setting up special districts which could develop the necessary sources of water either by drilling deep wells or by damming streams, and laying the necessary mains, etc. to take the water to the users. These districts would have no taxing power whatever, and would support themselves entirely by sale of water.

In some areas of the state, farmers have been forced to drill wells hundreds of feet in depth in order to find a water supply. In other areas, it has been necessary for rural residents to haul water considerable distances for extended periods of time. In these circumstances, the alternative of helping to finance the establishment and operation of a rural water district may be quite feasible from an economic point of view, as well as assuring a much more reliable and convenient supply of water.