

APR 19 1973

HOUSE FILE 679 (366)

Place On Calendar

6 - Judiciary 5/2, Pass 5/31

By COMMITTEE ON JUDICIARY AND
LAW ENFORCEMENT

Passed House, Date 4-30-73 (1075) Passed Senate, Date 6-11-73 (1643)
Vote: Ayes 77 Nays 11 Vote: Ayes 37 Nays 0
Approved 6-19-73

A BILL FOR

1 An Act to legalize and validate the proceedings of the Board
2 of Trustees of the Stuart Municipal Utilities of the Town
3 of Stuart, Iowa, in the Counties of Adair and Guthrie,
4 State of Iowa, in amending certain Resolutions for the
5 authorization and issuance of Water Revenue Bonds, dated
6 March 15, 1963, and March 1, 1967, to increase the maxi-
7 mum rates which may be charged to consumers of water.

8 WHEREAS, it appears from the records of the Board of
9 Trustees of the Stuart Municipal Utilities, that on March
10 18, 1963, the Board of Trustees adopted a resolution entitled
11 "A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF
12 \$55,000 WATER REVENUE BONDS, OF THE TOWN OF STUART, IOWA,
13 FOR THE PURPOSE OF REFUNDING A LIKE AMOUNT OF PRESENTLY OUT-
14 STANDING REVENUE OBLIGATION OF SAID TOWN, PRESCRIBING THE
15 FORM OF SAID PROPOSED BONDS AND PROVIDING FOR SAFEGUARDING,
16 PROTECTING AND PAYING SAID BONDS"; and

17 WHEREAS, it also appears from the records of the Board
18 of Trustees of the Stuart Municipal Utilities, that on April
19 3, 1967, the Board of Trustees adopted a resolution entitled
20 "A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF
21 \$48,000 WATER REVENUE BONDS OF THE TOWN OF STUART, IOWA,
22 FOR THE PURPOSE OF REFUNDING A LIKE AMOUNT OF PRESENTLY OUT-
23 STANDING REVENUE OBLIGATIONS OF SAID TOWN, PRESCRIBING THE
24 FORM OF SAID PROPOSED BONDS AND PROVIDING FOR SAFEGUARDING,
25 PROTECTING AND PAYING SAID BONDS"; and

1 WHEREAS, it further appears that pursuant to the afore-
2 said Resolution adopted on March 18, 1963, Water Revenue
3 Bonds, dated March 15, 1963, were issued and remain outstanding
4 in the amount of \$10,000.00, maturing at the rate of \$5,000.00,
5 annually on December 1, 1973, and at December 1, 1974, and
6 further pursuant to the aforesaid Resolution adopted on April
7 3, 1967, Water Revenue Bonds, dated March 1, 1967, were is-
8 sued and remain outstanding in the amount of \$48,000.00, ma-
9 turing at the rate of \$5,000.00 annually on December 1, 1975
10 to 1983, inclusive, and \$3,000.00 on December 1, 1984; and

11 WHEREAS, it appears that the maximum rates chargeable to
12 consumers of water, as fixed in the aforesaid Resolutions,
13 were insufficient to permit the continued operation of an
14 adequate Municipal Water Utility, and unduly restricts the
15 financing of the cost of additional proposed improvements
16 and extensions to said Utility, and that the Board of Trustees
17 by a Resolution adopted on February 6th, 1973, amended the
18 provisions of said Resolutions adopted on March 18, 1963,
19 and April 3, 1967, to provide for increased maximum water
20 rates to consumers; and

21 WHEREAS, doubts have arisen concerning the validity and
22 legal sufficiency of said Resolution adopted February 6th,
23 1973, and the increased maximum water rates as provided there-
24 in; and, it is deemed advisable to put such doubts and all
25 others that might arise concerning the same, forever at rest,
26 NOW, THEREFORE:

27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

28 Section 1. The proceedings of the Board of Trustees of
29 the Stuart Municipal Utilities of the Town of Stuart, in the
30 Counties of Adair and Guthrie, State of Iowa, taken on Feb-
31 ruary 6th, 1973, in adopting a Resolution entitled "A RESOLU-
32 TION AMENDING THE RESOLUTION OF MARCH 18, 1963, ENTITLED 'A
33 RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF
34 \$55,000 WATER REVENUE BONDS, OF THE TOWN OF STUART, IOWA FOR
35 THE PURPOSE OF REFUNDING A LIKE AMOUNT OF PRESENTLY OUTSTAND-

1 ING REVENUE OBLIGATIONS OF SAID TOWN, PRESCRIBING THE FORM
2 OF SAID PROPOSED BONDS AND PROVIDING FOR SAFEGUARDING, PRO-
3 TECTING AND PAYING SAID BONDS', AND AMENDING THE RESOLUTION
4 OF APRIL 3, 1967, ENTITLED 'A RESOLUTION AUTHORIZING AND PRO-
5 VIDING FOR THE ISSUANCE OF \$48,000 WATER REVENUE BONDS OF
6 THE TOWN OF STUART, IOWA, FOR THE PURPOSE OF REFUNDING A LIKE
7 AMOUNT OF PRESENTLY OUTSTANDING REVENUE OBLIGATIONS OF SAID
8 TOWN, PRESCRIBING THE FORM OF SAID PROPOSED BONDS AND PROVIDING
9 FOR SAFEGUARDING, PROTECTING AND PAYING SAID BONDS'", and
10 the said Resolution and its provisions are hereby legalized,
11 validated and confirmed, and the maximum water rates fixed
12 in said Resolution adopted February 6th, 1973, as chargeable
13 to consumers of water are declared to be legal; and the Town,
14 during the term of the aforesaid Water Revenue Bonds, dated
15 March 15, 1963, and March 1, 1967, or bonds issued hereafter
16 to refund a like amount thereof, shall be obligated to charge
17 such rates as are sufficient at least to pay for the operation
18 and maintenance of the Municipal Water Utility of the Town
19 and the interest on and principal of any Water Revenue Bonds
20 which may be issued or outstanding, provided that such charges
21 do not exceed the maximum water rates fixed in the afore-
22 said Resolution adopted February 6th, 1973.

23 Sec. 2. This Act, being deemed of immediate importance,
24 shall be in full force and effect from and after its passage,
25 approval and publication in The Stuart Herald, a newspaper
26 published at Stuart, Iowa, and The Guthrie County Vedette,
27 a newspaper published at Panora, Iowa, without expense to
28 the State.

29 EXPLANATION

30 This bill legalizes the action of the Board of Trustees
31 of the Stuart municipal utilities wherein a resolution was
32 approved which changed a previous resolution in order to pro-
33 vide water subscription rates sufficient to pay off outstand-
34 ing bonds.

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