

9 3. By striking from line twenty-one (21) the word and figures
 10 "chapter 397" and inserting in lieu thereof the following: "such pro-
 11 visions of law under which said city or town is then operating its
 12 waterworks".

Approved February 13, 1970.

CHAPTER 1176

RURAL WATER DISTRICTS

H. F. 491

AN ACT to authorize the establishment of rural water districts, to prescribe the procedure therefor, and relating to the purpose and manner of operation of such districts.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. As used in this Act, unless the context otherwise re-
 2 quires:

3 1. "District" means a rural water district incorporated and or-
 4 ganized pursuant to the provisions of this Act.

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

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

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

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

17 6. "Auditor" means the county auditor of any county in which a
 18 district has been incorporated and organized or is proposed to be in-
 19 corporated and organized or, in the case of a district or proposed
 20 district lying in two or more counties, the auditor of the county hav-
 21 ing the largest district acreage.

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

1 SEC. 2. A petition may at any time be filed with the auditor re-
 2 questing the supervisors to incorporate and organize a district en-
 3 compassing an area, not then included in any other district, in any
 4 county or any two or more adjacent counties for the purpose of pro-
 5 viding an adequate supply of water for domestic purposes to residents
 6 of the area who are not served by the water mains of any city or town
 7 water system and who cannot feasibly obtain adequate supplies of
 8 water from wells on their own premises. The petition shall be signed
 9 by the owners of at least fifty percent of all land lying within the out-
 10 side perimeter of the area designated for inclusion in the proposed
 11 district, and shall state:

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

14 2. The reasons a district is needed.

1 SEC. 3. When a petition for incorporation and organization of a
2 district is filed with the auditor, he shall so inform the supervisors
3 who shall fix a time for a hearing thereon, not less than fifteen nor
4 more than thirty days after the filing of the petition. The auditor
5 shall prepare a notice as hereinafter required, which shall at least
6 seven days before the date fixed for the hearing on the petition:

7 1. Be published in a newspaper of general circulation in the area
8 to be incorporated.

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

1 SEC. 4. The notice prepared by the auditor pursuant to section
2 three (3) of this Act shall set forth:

3 1. The location of the land designated by the petitioners for in-
4 corporation in the proposed district, as described by the original peti-
5 tion.

6 2. The time and place fixed by the supervisors for the hearing on
7 the petition.

8 3. That all owners or occupants of land within the boundaries de-
9 scribed may appear and be heard.

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

1 SEC. 5. At the hearing on the petition, any owner or occupant of
2 land within the boundaries of the area described in the petition may
3 appear, in person or by his designated representative, and any repre-
4 sentative of the council may also appear, in favor of or in opposition
5 to the incorporation and organization of the proposed district. Such
6 appearances may also be filed in writing prior to the time set for the
7 hearing.

1 SEC. 6. After the hearing, the supervisors may strike off any
2 part of the territory that testimony shows will not be benefited by
3 the creation of the district. If the supervisors do not find that the dis-
4 trict is reasonably necessary, they shall dismiss the petition.

5 If the supervisors find that required notice of the hearing has been
6 given and that such district is reasonably necessary for the public
7 health, convenience, fire protection, and comfort of the residents, they
8 shall make an order establishing the district as a body politic, describ-
9 ing its boundary, and designating it by name or number. The order
10 shall be published in the same newspaper which published the notice
11 of hearing. The supervisors shall prepare and preserve a complete
12 record of the hearing on the petition and their findings and action
13 thereon.

14 SEC. 7. As a part of the order incorporating the district, the
15 supervisors shall fix the time and place at which the members shall
16 meet to select from their number a board of directors. Selection of
17 the initial board shall be not later than thirty days after the hearing.
18 The number of directors on the board, not to exceed nine, shall be
19 determined by a majority vote of those members present. Any mem-

20 ber elected a director who fails to become a participating member,
21 within thirty days after entry in the minutes of the board of a declara-
22 tion of availability of benefit units for subscription, shall forfeit his
23 office.

1 SEC. 8. Within thirty days after election of the original board,
2 proposed bylaws shall be submitted for adoption at a special meeting
3 of members of the district, written notice of which shall be mailed
4 to each member. Members present at the special meeting may adopt
5 or amend any of the proposed bylaws, and may propose and adopt
6 alternative or additional bylaws. The bylaws may subsequently be
7 amended at any annual or special meeting of the participating mem-
8 bers of the district. However, the bylaws of each district shall pro-
9 vide:

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

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

1 SEC. 9. The initial board of each district shall divide its members
2 by lot into three classes of as nearly equal size as possible. The terms
3 of the directors in the first, second, and third classes shall expire on
4 the dates of the annual meetings in the first, second, and third years,
5 respectively, following the year in which the district is incorporated,
6 or as soon thereafter as their respective successors are elected and
7 have qualified. At the annual meeting in each year after the year in
8 which the district is incorporated, a director shall be elected to succeed
9 each director whose term of office expires on that date, and each direc-
10 tor so elected shall hold office for a term of three years and until his
11 successor is elected and has qualified. Vacancies shall be filled by
12 appointment by the remaining directors, for the unexpired term.

1 SEC. 10. The board shall meet annually on the same day as, and
2 immediately following, the annual meeting of participating members,
3 and may meet at such other times as it may determine, or upon the
4 call of the chairman or any two directors. At the first meeting of the
5 initial board following its election, and at each succeeding annual
6 board meeting, the board shall elect a chairman, vice chairman, sec-
7 retary, and treasurer for the ensuing year.

1 SEC. 11. The board shall be the governing body of the district,
2 and shall:

3 1. Adopt rules, regulations, and rate schedules in conformity with
4 the provisions of this Act and the bylaws of the district as necessary
5 for the conduct of the business of the district.

6 2. Maintain at its office a record of the district's proceedings, rules
7 and regulations, and any decisions and orders made pursuant to the
8 provisions of this Act, and furnish copies thereof to the supervisors
9 or the council upon request.

10 3. Employ, appoint, or retain attorneys, engineers, other profes-
11 sional and technical employees, and such other personnel as necessary,
12 and require and approve bonds of district employees.

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

14 a. Prepare an estimated budget for the coming year, and adjust
15 water rates if necessary in order to produce the revenue required to
16 fund the estimated budget, and make a report thereon at the annual
17 meeting.

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

22 5. Have authority to acquire by gift, lease, purchase, or grant any
23 property, real or personal, in fee or a lesser interest needed to achieve
24 the purposes for which the district was incorporated, to acquire ease-
25 ments for water lines and reservoirs by condemnation proceedings,
26 and to sell and convey property owned, but no longer needed, by the
27 district. Condemnation proceedings shall not apply to existing wells,
28 ponds or reservoirs.

29 6. Have authority to construct, operate, maintain, repair, and when
30 necessary to enlarge or extend, such ponds, reservoirs, pipelines, wells,
31 check dams, pumping installations, or other facilities for the storage,
32 transportation, or utilization of water, and such appurtenant struc-
33 tures and equipment, as may be necessary or convenient to carry out
34 the purposes for which the district was incorporated. A district may
35 purchase its water supply from any source.

36 7. Have power to borrow from, cooperate with and enter into such
37 agreements as deemed necessary with any agency of the federal gov-
38 ernment, and to accept financial or other aid from any agency of the
39 federal government. To evidence any indebtedness the obligations may
40 be one or more bonds or notes and the obligations may be sold at pri-
41 vate sale.

42 8. Have power to finance up to ninety-five percent of the cost of
43 the construction or purchase of any project necessary to carry out
44 the purposes for which the district is incorporated, provided the
45 balance of the cost of construction or purchase is acquired by sub-
46 scription, donation, gift, or otherwise than through the medium of
47 loans, or to refinance up to ninety-five percent of the original cost
48 of any such project, and to evidence such financing by issuance of
49 revenue bonds or notes which shall mature in a period not to exceed
50 forty years from date of issuance, shall bear interest, or combined
51 interest and insurance charges, at a rate not to exceed six percent per
52 annum, shall be payable only from revenue derived from sale of water
53 by the district, and shall never become or be construed to be a debt
54 against the state of Iowa or any of its political subdivisions other
55 than the district issuing the bonds. A statutory mortgage lien shall
56 exist upon the water system and appurtenances and extensions so
57 acquired in favor of the holders of the bonds and notes.

1 SEC. 12. As soon as reasonably possible after incorporation of a
2 district, the board shall file with the supervisors and the council copies
3 of the plans and specifications for, and estimates of the cost of, any
4 improvements authorized by this Act which the board proposes to

5 construct or acquire. The board shall determine a reasonable fee
6 which each member shall pay for the privilege of utilizing the dis-
7 trict's facilities which shall be known as a benefit unit. Benefit units
8 may be classified. The board, by publication in a newspaper of general
9 circulation in the district, shall generally describe the planned im-
10 provements, the area to be served and the fee members will be re-
11 quired to pay for each service connected to the water system.

1 SEC. 13. If the capacity of the district's facilities permits, the dis-
2 trict may sell water by contract to any city or town, other district, or
3 other person, public or private, not within the boundaries of a district.

1 SEC. 14.

2 1. Owners of land outside any district which can economically be
3 served by the facilities of the district may petition to be attached to
4 the district. The petition therefor shall be filed with the auditor, and
5 the auditor and supervisors shall proceed thereon, in substantially the
6 same manner as is provided by this Act for filing of a petition for
7 incorporation and organization of a district.

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

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

1 SEC. 15. No district shall have any power to levy any taxes.
2 Neither the facilities constructed or otherwise acquired by any dis-
3 trict, including but not limited to ponds, reservoirs, pipelines, wells,
4 check dams, and pumping installations, the revenues obtained by the
5 district from the sale of water, nor the revenue bonds or interest
6 therefrom issued by any district shall be taxable in any manner by
7 the state of Iowa or any of its political subdivisions.

1 SEC. 16. If it becomes apparent that certain lands included within
2 a district cannot economically or adequately be served by the facilities
3 of the district, the owners of such lands may file with the auditor a
4 petition to the supervisors requesting that those lands be detached
5 from the district. The petition shall:

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

8 2. State that such lands cannot economically or adequately be served
9 by the facilities of the district, and that it is not feasible for the dis-
10 trict to enlarge or extend its facilities so as to economically and
11 adequately serve such lands.

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

1 SEC. 17. A petition may be filed with the auditor requesting the
2 supervisors to dissolve an inactive district. The petition shall:

3 1. State that the district owns no property of any kind exclusive
4 of records, maps, plans, and files, and that all of its debts and obliga-
5 tions have been fully paid.

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

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

1 SEC. 18. Upon the filing with the auditor of a petition under either
2 section sixteen (16) or section seventeen (17) of this Act, the auditor
3 shall so inform the supervisors who shall fix a time for consideration
4 of the petition. The supervisors may, but shall not be required to,
5 hold a hearing thereon. After consideration of the petition, and after
6 the hearing if one is held, the supervisors shall ascertain whether:

7 1. The petition meets all of the requirements prescribed by this Act
8 for such petition.

9 2. It appears from all information available to the supervisors that
10 each allegation included in the petition is factual.

11 If the supervisors' finding on each of the foregoing points is posi-
12 tive, it shall declare the lands described in the petition detached from
13 the district, or declare the district dissolved, as the case may be. The
14 supervisors shall notify the secretary of the district of its action, and
15 the secretary shall amend the records of the district to show that the
16 land described in the petition has been detached from the district, or
17 shall within thirty days deliver to the auditor all records, maps, plans,
18 and files of the district dissolved, as the case may be.

1 SEC. 19. Nothing in this Act shall be construed to exempt any
2 district from the requirements of any other statute, whether enacted
3 prior to or subsequent to the effective date of this Act, under which
4 the district is required to obtain the permission or approval of, or
5 to notify, the council, the Iowa commerce commission, or any other
6 agency of this state or of any of its political subdivisions prior to pro-
7 ceeding with construction, acquisition, operation, enlargement, exten-
8 sion, or alteration of any works or facilities which the district is
9 authorized to undertake pursuant to this Act.

1 SEC. 20. A nonprofit corporation incorporated under the laws of
2 the state of Iowa for the specific purpose of operating a rural water
3 system may petition the supervisors for incorporation of a district,
4 in the manner provided by section two (2) of this Act. The signatures
5 of the corporation's officers on the petition shall suffice in lieu of
6 signatures of owners of fifty percent of the land in the proposed dis-
7 trict, provided the corporation presents evidence satisfactory to the
8 supervisors that a sufficient number of members of the proposed dis-
9 trict will subscribe to benefit units to make its operation feasible. The
10 procedure for hearing and determination of disposition of the petition
11 shall be as provided by this Act. In any district incorporated upon
12 the petition of a nonprofit corporation, the officers and board of direc-

13 tors of the corporation shall be the officers and board of the district.
 14 The applicable laws of the state and the articles of incorporation and
 15 bylaws of the corporation shall control the initial size and initial term
 16 of office of such officers and board, in lieu of sections seven (7), nine
 17 (9), and ten (10) of this Act. At the first annual meeting of the
 18 participating members and board of directors, the district shall bring
 19 its operation and structure in compliance with section seven (7)
 20 through section ten (10) of this Act.

Approved March 26, 1970.

CHAPTER 1177

STREET LIGHTING DISTRICTS

S. F. 568

AN ACT to provide for establishment of benefited street lighting districts in unincorporated areas.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. The board of supervisors of any county shall, on the
 2 petition of twenty-five percent of the resident property owners in any
 3 proposed benefited street lighting district if the assessed valuation of
 4 the property owned by the petitioners represents at least twenty-five
 5 percent of the total assessed value of the proposed district, hold a
 6 public hearing concerning the establishment of such proposed street
 7 lighting district. Such a petition shall include a statement containing
 8 the following:

- 9 1. The need for street lighting service.
- 10 2. The district to be served.
- 11 3. The approximate number of families in the district.
- 12 4. The proposed utility to provide the street lighting service.

13 The board of supervisors may require a bond of the petitioners con-
 14 ditioned for the payment of all costs and expenses incurred in the
 15 proceedings in case the street lighting district is not established.

1 SEC. 2. A benefited street lighting district may include all or por-
 2 tions of the unincorporated areas of one township and any unincor-
 3 porated areas of adjoining townships or portions thereof. However,
 4 such district shall contain only such area wherein the benefits derived
 5 from such street lighting shall be ratably spread between those people
 6 and families to be served.

1 SEC. 3. Such public hearing shall be held within thirty days of the
 2 presentation of the petition. Notice of hearing shall be given by
 3 publication in two successive issues of any paper of general circula-
 4 tion within the district. The last publication shall be not less than
 5 one week before the proposed hearing.

1 SEC. 4. After the hearing, the board of supervisors may by reso-
 2 lution establish the benefited street lighting district or disallow the
 3 petition. The board of supervisors may defer action on such petition