

## CHAPTER 198.

## MUNICIPAL POWER DISTRICTS.

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**198.01 Definitions.** In this chapter, unless the context otherwise requires:

(1) "Municipal power district," "power district" or "district" means a municipal power district organized under this chapter, either as originally organized or as the same may be from time to time altered or amended.

(2) "Municipality" means any town, city or incorporated village.

(3) "Governing body," whenever used in relation to any municipality, means in the case of any town or village, the town or village board, and, in the case of any city, the common council or commissioners, as the case may be, of such city, and shall be held to include the mayor or other chief executive officer of such municipality in any case wherein the concurrence or approval of such officer is required by the law governing such municipality for the adoption of any municipal ordinance or resolution or other municipal act provided for in this chapter.

(4) "Board of directors," "directors" or "board" means the board of directors of a municipal power district selected as provided in this chapter, duly constituted and organized and acting as a board.

(5) "Commission" means the public service commission of Wisconsin and any other body, commission or agency of the state which may at any time hereafter succeed to the general powers and jurisdiction of said commission.

(6) "Public utility" or "utility" means the plant, equipment, materials, supplies and any other or different property, including contract rights, used and useful primarily for the production, transmission or furnishing of electric power to or for the public for any purpose by a person, firm, association, corporation or a municipality and whether operated by a person, firm, association, corporation, a municipality or by trustees or by receivers appointed by any court.

(7) "Voters" means vote for governor at the last general election.

(8) "Chief executive" means mayor or city manager, village president, or chairman of the town.

**History:** 1951 c. 33; 1951 c. 247 s. 46.

**198.02 District, creation, powers.** A municipal power district may be created as provided in this chapter and when so created shall be considered a municipal corporation and may exercise the powers herein granted. Any two or more municipalities, whether contiguous or otherwise or in the same or different counties, may organize and incorporate as a municipal power district, but no municipality shall be divided in the formation of such a district, nor shall any municipality be included therein unless approved by a majority of the votes cast thereon at an election on such proposition.

**198.025 Plan for district.** It shall be the duty of the public service commission upon request of the governing body of any city, village or town to work out with such municipality, or with any group of municipalities interested with it in the creation of a municipal power district, a feasible working plan for a proposed district.

**198.03 Procedure for organizing district.** The procedure for organizing, incorporating, and creating a municipal power district under the provisions of this chapter is as follows:

(1) **INITIAL RESOLUTION.** The governing bodies of one-half or more of the municipalities proposed to be included in the district shall first pass resolutions, declaring that public interest or necessity demands the creation and maintenance of a municipal power district to be known as "the (giving the name) municipal power district." Such resolu-

tions shall name the municipalities to be included in the proposed district. Certified copies of such resolutions shall next be presented to the county clerk of the county containing the largest number of voters within the proposed district, requesting said clerk to call an election without delay for determining whether such district shall be created.

(2) **PETITION IN LIEU OF RESOLUTION.** In lieu of the resolutions provided for by subsection (1) of this section, a petition may be presented to the county clerk of said county signed by at least ten per cent of the voters in said proposed district. Such petition shall declare that, in the opinion of the petitioners, public interest or necessity demands the creation and maintenance of a municipal power district. The petition may be on separate sheets of paper, but each sheet shall contain the affidavit of the person who circulated the same, certifying that each name signed thereto is the true signature of the person whose name it purports to be.

**198.04 Second step. (1) NOTICE TO COMMISSION.** Upon receipt of the certified copies of resolutions or the petition mentioned in section 198.03, such county clerk shall forthwith notify the public service commission in writing that the municipalities filing said resolutions or those named in said petition as constituting the proposed power district had petitioned him to call an election without delay for determining whether such district should be created.

(2) **REPORT OF COMMISSION.** Within ninety days after receipt of said notice of the county clerk the public service commission shall file in writing with said clerk its recommendations as to the feasibility or nonfeasibility of the proposed district with reasons therefor. Certified copies of such recommendations shall at the same time be filed by the commission with the clerk of each municipality included within said proposed district.

(3) **ELECTION CALLED.** Upon receipt of such recommendations of the commission, or upon expiration of the ninety day period referred to in subsection (2) of this section, said county clerk shall call without delay an election within the proposed district for the purpose of determining whether the proposed district shall be created.

**198.05 Subdistricts, boundaries.** Every petition or resolution provided for in section 198.03 shall divide the proposed district into five subdistricts, giving each a number, except as provided in subsection (3) of section 198.07. In the event that the boundaries of the district as originally proposed are changed at the election, provided for by section 198.06, and approved by the commission pursuant to subsection (5) of said section 198.06, the commission shall make such adjustments in the boundaries of the subdistricts as may be necessary to comply with section 198.07.

**198.06 Referendum. (1) NOTICE OF ELECTION, PUBLICATION.** Upon the establishment of subdistricts said county clerk shall give notice of an election to be held within the proposed district for the purpose of determining whether the same shall be created. Such notice shall state the name of the proposed district, and describe its boundaries. The same shall be published once a week for at least three consecutive weeks before the day of said election in some newspaper or newspapers having a general circulation within the proposed district.

(2) **BALLOT REQUIREMENTS.** The ballot for said election shall be in such form and shall contain such instructions and shall be of such size and color as are required by paragraphs (a) and (b) of subsection (17) of section 6.23 for the referendum ballot, except that there shall appear thereon the following:

Shall the (giving the name thereof) "municipal power district" be created and established?

YES

NO

(3) **ELECTION PROCEDURE, ELECTORS, CANVASS.** Such election, and all matters pertaining thereto not otherwise provided for herein, shall be held and conducted and the result thereof ascertained, determined and declared in accordance with the election laws governing the conduct of local elections in the several election districts embraced in such proposed municipal power district, as nearly as may be, and no person shall be entitled to vote at such election unless he or she be a qualified elector of the territory included in the proposed district. Such election may be held on the same day as any other state, county or city election and may be consolidated therewith. The ballots shall be transmitted by the local election authorities to the county board of canvassers of said county containing the largest number of voters within the proposed district, within five days after said election.

(4) **COUNTY CANVASS OF VOTES, DECLARE RESULT.** The county board of canvassers of said county shall meet on the Monday next succeeding the day of said election and shall canvass the votes cast thereat, and in so doing shall canvass the returns of each municipality separately, and shall order and declare said district created of the municipalities in

which a majority of those voting on the proposition voted in favor of the creation of the district, provided, that the total number of voters in such approving municipalities shall be not less than two-thirds of the number of voters within the district as first proposed.

(5) ORDER OF CANVASSERS, FILING, EFFECT OF REDUCED AREA, CREATION COMPLETE. Such board of canvassers shall cause a certified copy of the order declaring the result of said election to be filed in the office of the secretary of state. A certified copy of such order shall also be filed with the clerk of each municipality included in such district, with the said county clerk, and with the public service commission. In case said district as finally constituted shall comprise a smaller area than originally proposed, because of the failure of one or more municipalities to approve the district at said election, then within ten days following such filing with the commission such commission shall file its approval or disapproval of said district as created by said election with the secretary of state, the clerk of each municipality included in such district, and with said county clerk. In such case, from and after such filing by the commission the creation and incorporation of such district shall be deemed complete, or the district shall be deemed dissolved, as the approval or disapproval of the commission shall determine. If a district has been approved by all the municipalities within the district as proposed, the creation and incorporation of such district shall be deemed complete from and after the filing of the result of the election with the secretary of state by such board of canvassers.

(6) EXPENSES OF ELECTION, PAYMENT. All amounts properly incurred and actually expended by any municipality or the clerk thereof in publishing notices of any primary or election in employing persons to conduct the same or in performing other duties imposed upon such municipality or upon the clerk thereof by any provision of this chapter shall be paid as other similar expenses of such municipality are paid and shall be and become a charge in favor of such municipality against the district to be repaid, together with interest thereon at the rate of six per cent per annum, upon the presentation of proper vouchers therefor by the clerk of such municipality to such district, when and as such district shall have funds available for that purpose.

(7) INFORMALITIES DISREGARDED, LIMITATION OF ACTION TO TEST VALIDITY OF DISTRICT. No informality in any proceeding or in the conduct of said election, not substantially affecting adversely the legal rights of any citizen, shall be held to invalidate the creation of any district, and any proceedings wherein the validity of such creation is denied shall be commenced within three months from the date of filing the order of the board of canvassers with the secretary of state, otherwise such creation and the legal existence of said district shall be held to be valid and in every respect legal and incontestable.

**198.07 Board of directors, boundaries.** (1) The government of each district shall be vested in a board of five directors.

(2) The boundaries of the subdistricts shall be drawn in such a manner that each shall contain approximately an equal number of voters, except that no municipality shall contain more than two subdistricts, nor shall any municipality be divided unless it shall comprise more than one subdistrict.

(3) Where a district includes a municipality containing voters in excess of fifty per cent of the voters in the entire district there shall be appointed a director at large. The territory in said district other than that contained in said municipality shall be divided into only 2 subdistricts.

**198.08 Directors.** (1) DIRECTOR FOR EACH SUBDISTRICT. There shall be a director for each subdistrict who shall be appointed by the chief executives of the municipalities included within said subdistrict.

(2) APPOINTMENT. Within ten days after the creation and incorporation of such district shall have been completed the chief executives in each subdistrict containing more than one municipality shall meet for the selection of a director for said subdistrict. The time and place of such meeting shall be designated by said county clerk.

(3) APPOINTMENT, CONTINUED. In the selection of a director each chief executive shall have one vote for each one thousand voters within his municipality, or such part thereof as is located in said subdistrict. A three-fourths vote shall be necessary for the selection of a director. The result of said selection shall be certified to by the chairman and clerk of said meeting and forthwith filed with the secretary of state and the clerk of each municipality in said district.

(4) ADJOURNMENT. Such meeting may adjourn from time to time.

(5) APPOINTMENT BY EXECUTIVE. Where a municipality contains two subdistricts or where a subdistrict includes only one municipality, the chief executive of such municipality shall select a director for each such subdistrict, and shall file forthwith a certified copy thereof as provided by subsection (3) of this section.

(6) **DIRECTOR AT LARGE.** Where the selection of a director at large is required such selection shall be made by the governor. A certified copy of such selection shall be filed forthwith by the governor as provided in subsection (3) of this section.

(7) **TERM, OATH.** The regular term of directors of the district after the first term shall be for four years. Each director shall hold office until his successor is selected and qualifies. Each director shall, before entering upon the discharge of his duties, take and subscribe to the constitutional oath of office. Such oath shall be filed in the office of the clerk of the district.

(8) **BIENNIAL ELECTIONS.** The meeting of chief executives for the selection of directors subsequent to the initial selection of directors shall be held within the district on the second Tuesday in April in even numbered years prior to the expiration of the term of any director. The clerk of the district shall designate the time and place of each such meeting. Except as otherwise provided in this subsection and in section 198.09, every selection of a director subsequent to the initial selection of directors shall be made in the manner provided by this chapter for the initial selection of directors.

(9) **CLASSIFICATION.** Directors selected from odd numbered subdistricts shall for the first term serve for a period which shall end two years after the first Monday of May of the next even numbered year. Directors selected from even numbered subdistricts shall for the first term serve for a period which shall end four years after the first Monday of May of the next even numbered year. For the purposes of this section directors at large shall be considered to be from odd numbered subdistricts.

(10) **ELECTION STATISTICS.** The clerk of the district shall seasonably obtain, compile and file in his office, for the information of the public, a statement showing the total number of votes cast for the office of governor in the last preceding general election in each subdistrict of the district. The clerk of every municipality and the secretary of state shall furnish such information so far as obtainable from their records, duly certified, to the clerk of the district upon his request therefor. If the total number of votes cast in any subdistrict for the office of governor in the last preceding election cannot, because of an intervening change of boundaries of election precincts or for any reason, be ascertained from any official record the clerk shall fairly estimate such number for the purposes of such statement to be filed in his office.

**198.09 Vacancies, declared, filled.** The death of a director, his resignation, his disability to continue for any cause to act as director or his change of residence from the subdistrict in which he was selected shall vacate his office as such director. The board shall by resolution declare the office vacant and a certified copy of such resolution shall be filed forthwith by the clerk of the district with the clerk of each municipality included within the district. A successor for the unexpired term shall within twenty days after such filing, be selected by the officer or officers who selected the director whose office has been declared vacant.

**198.10 Taxation. (1) TAXABLE PROPERTY, TAXES.** All real property situated in and all personal property the situs of which for purposes of general property taxation is in the district shall be subject to taxation in and by the district for a direct annual tax sufficient to pay the interest on any indebtedness of said district, and also to pay and discharge the principal thereof within twenty years from the time of contracting the same.

(2) **ANNUAL TAX LEVY, COLLECTION.** On or before the first day of October in each year after any indebtedness shall have been incurred by any municipal power district, the board of directors shall certify in writing to the clerks of the several municipalities having territory in said district, the total amount necessary to pay the interest and debt retirement charges on outstanding indebtedness of said district for the ensuing year, and the share thereof that each such municipality must pay. For failure to pay such taxes the same penalties shall apply as for failure to pay other taxes. If any of such taxes shall remain unpaid and become delinquent the same shall be collected and payment thereof enforced in the same manner and by the same officers as other delinquent taxes are collected and payment thereof enforced and the proceeds of such collection and enforcement shall be paid over by the proper officers to the treasurer of the district. All officers of municipalities charged by this section with any duty or authority with respect to the assessment of property for taxation or the collection of any taxes for the benefit of any district shall have the same duties and liabilities with respect to the assessment of property and collection of taxes for the benefit of such district as are imposed upon them by law with respect to the assessment of property and collection of taxes for state and county purposes, except when inconsistent herewith, and shall be subject to the same penalties for any breach or neglect of duty or violation of law with respect thereto as in other cases.

(3) **APPORTIONMENT OF TAXES.** Said share shall be determined upon the basis of the proportion which the assessed valuation of any municipality as equalized by the depart-

ment of taxation bears to the total assessed valuation in all municipalities within said district as equalized by the department of taxation.

(4) **MUNICIPAL TAX LEVY, CLERKS' DUTIES.** Upon the receipt of the report from the board of directors as provided for in subsection (2) of this section each such clerk shall submit the same to the next regular or special meeting of the governing board of said city, village or town and such board shall, by resolution, levy and assess taxes sufficient to pay the same, against all of the taxable property included within the power district in his said municipality. Following such assessment and levy, the clerk of each such municipality shall place the same upon the tax roll to be collected as other taxes are collected upon all of the taxable property within said municipality, and such moneys when collected shall be paid by the treasurer of each such municipality to the treasurer of such municipal power district.

(5) **UTILITY PROPERTY TAXED.** All utility property of every municipal power district shall be assessed and taxed in the manner provided by law for the assessment and taxation of privately owned public utilities.

**History:** 1943 c. 20.

**198.11 Compensation and expenses of directors.** (1) Each director of the district shall receive compensation from the district for his services as such director at the rate of ten dollars for each day he shall attend meetings of the board or of any committee of the board of which he shall be a member, when the meeting of such committee is authorized by vote or resolution of the board, but such compensation shall not exceed the sum of one thousand dollars in any one year. Each director shall also be entitled to be reimbursed his actual and necessary traveling and hotel expenses by him incurred whenever it shall be necessary for him to travel outside of the municipality in which he resides to attend meetings of the board or a committee of the board of which he is a member or to render any other service or discharge any other duty to the district which may be required of him by law or by vote or resolution of the board.

(2) The compensation of directors and amounts due them as reimbursement for expenses shall be paid at the end of each month upon itemized statements duly verified. Such statements shall be in such form as the clerk of the district shall prescribe and shall be audited and, if found true and correct, approved by him. When so audited and approved the amounts so approved shall be paid to the directors entitled thereto by the treasurer of the district out of the general fund of the district.

**198.12 Corporate powers of district.** (1) **SAME AS MUNICIPALITIES.** Any district organized under the provisions of this chapter, shall have the right of perpetual succession, may sue and be sued, may take by eminent domain, grant, purchase, gift, devise, or lease or otherwise acquire and hold real and personal property of every kind within or without the district necessary to the full or convenient exercise of its powers, and may make contracts and do such other acts as shall be necessary and proper in the exercise of the powers and privileges granted and in the performance of the duties charged upon it and exercise such other or different powers as shall be conferred by law.

(2) **SERVICE OF PROCESS ON, PERSONAL INJURY CLAIMS, VENUE.** The district shall sue or be sued in its corporate name and service of process upon the district shall be by service upon the chairman of the board and the clerk of the district, but no action shall be maintained against a district to recover damages for personal injury unless a claim for such damages, duly verified by the claimant or his authorized agent and stating the particulars thereof, shall be served upon the clerk of the district within thirty days of the time when such injury first occurred. All actions by or against the district, except condemnation proceedings and actions to which the state or any officer or commission thereof is a party, shall be brought in the circuit court for the county in which its principal administrative office is located.

(3) **SUBJECT TO WORKMEN'S COMPENSATION ACT.** From the time when any district shall first operate any utility, it shall be held to be an employer, subject to the provisions of sections 102.03 to 102.41, within the meaning of section 102.04, known as the workmen's compensation act.

(4) **MODE OF EXERCISING POWERS.** The district shall act through and by ordinance, resolution or vote of its board of directors, or by its other duly constituted officers or agents acting within the scope of such authority as may be conferred upon them by law, or by lawful ordinance, resolution or vote of the board of directors.

(5) **CHAPTER 196 APPLIES.** Any utility operated by a district shall be held to be a "public utility" within the meaning of that term as used in and subject to the provisions of sections 196.01 to 196.53 and 196.59 to 196.76.

(6) **UTILITIES, ACQUIRE, CONSTRUCT, OPERATE; WATER POWER; SALE OF SERVICE; USE OF STREETS.** The district shall have power and authority to own, acquire and, subject to the restrictions applying to a municipality under subsection (4) of section 196.50, to construct any utility or portion thereof to operate, in whole or in part, in the district,

and to own, acquire and, subject to the above mentioned sections where applicable, to construct any addition to or extension of any such utility, and to own, acquire and construct any water power and hydroelectric power plant, within or without the district, to be operated in connection with any such utility, and to operate, maintain and conduct such utility and water power and hydroelectric power plant and system both within and without the district, and to furnish, deliver and sell to the public and to any municipality and to the state and any state institution heat, light and power service and any other service, commodity or facility which may be produced or furnished thereby, and to charge and collect rates, tolls and charges for the same. For said purposes the district is granted and shall have and exercise the right freely to use and occupy any public highway, street, way or place reasonably necessary to be used or occupied for the maintenance and operation of such utility or any part thereof, subject, however, to such local police regulations as may be imposed by any ordinance adopted by the governing body of the municipality in which such highway, street, way or place is located.

**198.13 Acquisition of private utilities; dissolution of power district.** (1) Upon the completion of the creation and incorporation of any district every right existing by virtue of any law or by virtue of any franchise or indeterminate permit, granted by the state directly or through any municipality, to purchase or acquire, on behalf of the public or of any municipality in such district, in whole or in part any public utility operating in whole or in part in such district, shall henceforth inure to and vest in and be exercised by such district. Every public grant, either by the state directly or through any municipality heretofore or hereafter granted to or held, owned or exercised by the owner or by the lessee or receiver of the owner of any such utility or any permit, privilege, right, or franchise to operate the same is hereby made subject to the express conditions that such district may purchase, acquire and take such utility, in whole or in part, in the manner provided in this chapter, and the continued operation of any such utility from and after the organization of such district by the owner or by the lessee or receiver of the owner shall be held to be an acceptance of and consent by the owner to said condition.

(2) From and after the organization of any district, no permit, privilege, right or franchise shall be granted to construct or operate any utility therein or to construct or operate therein any extension of or addition to any utility for which any permit, privilege, right or franchise may be required, except by the board of such district, except as to local ordinances governing the use of public streets, alleys, ways, and places. Every permit, privilege, right or franchise granted by any power district shall be subject to the condition prescribed in subsection (1) of this section with respect to purchase, acquisition and taking by the proper district and shall be an indeterminate permit subject to the terms and conditions of this chapter and of section 196.50.

(3) Under any of the following circumstances a power district shall be considered dissolved:

(a) Where within two years of its creation a district has not become the owner or operator, or commenced construction, of a public utility. Any time consumed in any proceeding or contest before any commission or court shall not be included as part of said two year period.

(b) Where a district has disposed of all its utility property and for one year thereafter shall not have owned or operated a public utility.

(4) Any district dissolved in accordance with the provisions of subsection (3) of this section shall nevertheless continue to be a body corporate for 3 years thereafter in the manner and for the purposes set forth in section 182.102, and for such additional period as may be necessary for the district to retire all its outstanding bonds.

(5) In the event of dissolution a district shall first retire all outstanding obligations of the district insofar as the proceeds derived from such disposal will permit, and all assets or proceeds remaining, if any, shall be distributed to municipalities within the boundaries of the district in proportion to the taxes levied and collected by them for the district during the existence of the district, up to an amount sufficient to repay all such taxes; and any remaining proceeds shall be distributed to such municipalities in proportion to the shares of the gross operating revenues of the district for its last full five years of operation derived from payments for services furnished within the boundaries of each such municipality.

**198.14 Powers of district board.** The board of directors of any district shall have power and authority:

(1) **SEAL.** To adopt a corporate seal for the district and prescribe the style thereof.

(2) **MODE OF EXERCISE.** To exercise by vote, ordinance or resolution all of the general powers of the district.

(3) **GRANT PERMITS.** To grant by ordinance indeterminate permits, subject to the conditions prescribed in sections 196.50 and 198.12, for the construction or operation of

utilities and extensions and additions thereto in the district but subject to local ordinances governing the use thereby of public streets, alleys, ways and places therein, but such ordinance shall be published in the official paper of the district not more than twenty nor less than ten days before its adoption.

(4) PURCHASES, SALES, CONVEYANCES. To lease, purchase, sell, convey and mortgage the property of the district and to authorize and order all instruments, contracts, deeds or mortgages to be executed on behalf of the district by the chairman of the board and the clerk of the district, except that the sale or lease of any public utility equipment in excess of 10 per cent of the book value of the utility property of the district shall be made as nearly as may be in accordance with the provisions of section 66.07, except that the commission shall have no power to determine whether the interests of the district and the residents thereof will be best served by the sale or lease nor to fix the price and terms thereof other than to furnish the clerk of said district with its written recommendations thereon within 90 days.

(5) EMPLOYEES. To authorize to be appointed and employed and fix the compensation of such employes as may be required for carrying on the business of the district.

(6) DEPOSITORIES. To designate and appoint a suitable and responsible depository or depositories for the deposit and safe-keeping of the funds of the district and to contract with such depository or depositories with respect thereto and the rate of interest to be paid the district on such deposits.

(7) TEMPORARY LOANS. To borrow money for terms not exceeding ninety days, subject to the limitation of total indebtedness of the district contained in subsection (9) of section 198.14. Such temporary loans shall constitute a first lien on the revenue of the district after the payment of interest on, and retirement of, bonds, and after the payment of taxes.

(8) EMINENT DOMAIN. To exercise the power of eminent domain and to condemn lands or any interest in lands including water powers, whether located within or without the district, whenever the same are necessary for the construction, operation, improvement or extension of any utility owned, or to be owned by the district and, in that behalf, to authorize condemnation proceedings to be instituted and prosecuted by the general counsel of the district in the name of the district and at its cost and expense and otherwise in the manner prescribed by law.

(9) BOND ISSUES, DEBT LIMIT. To provide by ordinance for the issuance and sale of bonds of the district to finance the purchase, acquisition or construction of any utility or parts thereof or additions, extensions or betterments thereto, when and as the same may be authorized, and to authorize and require the execution of such bonds by the chairman of the board and the clerk of the district under the corporate seal of the district, to approve the form of such bonds and prescribe the duties of the clerk and treasurer of the district with respect to the sale thereof and the application of the proceeds to the purposes for which the same were issued; provided, that the total amount of all indebtedness of the district shall not exceed five per centum on the assessed value of the taxable property in the district, to be ascertained by the last preceding assessment for the state and county taxes, and provided, that by the ordinance authorizing such indebtedness there shall be levied a direct, annual, district tax sufficient to pay the interest on such debt as it falls due and also to pay the principal thereof within twenty years from the time of contracting the same. All bonds shall mature in annual instalments, and the first instalment of principal shall fall due and be payable not later than two years after the date of issue; and the sum of the principal and interest due in any year after the first year shall not exceed the sum of the principal and interest due in any previous year by more than a denomination of a single bond issued. All such bonds shall contain a provision requiring redemption thereof, in whole or in part, at the option of the district on any interest payment date after three years from the date of the bonds. The authorization by the board of any such bonds shall be approved by a majority vote of the electors of the district voting at a referendum election noticed, held, conducted, canvassed and the returns thereof made as nearly as may be in the manner provided for a referendum vote on the issuance of county bonds under the provisions of chapter 67. The income of a district from any source other than taxation may be applied for the payment of part or all of the instalments of interest on and principal of such bonds due in any year, and any surplus remaining over may be redistributed at any time to municipalities within the boundaries of such district in proportion to, and in a total amount not more than, the taxes levied and collected by them for the district during the existence of the district, or such surplus may be held by the district for the payment of its expenses, including the payment of subsequent instalments of interest and principal as they fall due. Any sums collected by taxation to be used for the payment of interest on and principal of such bonds, and not required in any year for that purpose, shall be held by the district to be used for that purpose in any

and to own, acquire and, subject to the above mentioned sections where applicable, to construct any addition to or extension of any such utility, and to own, acquire and construct any water power and hydroelectric power plant, within or without the district, to be operated in connection with any such utility, and to operate, maintain and conduct such utility and water power and hydroelectric power plant and system both within and without the district, and to furnish, deliver and sell to the public and to any municipality and to the state and any state institution heat, light and power service and any other service, commodity or facility which may be produced or furnished thereby, and to charge and collect rates, tolls and charges for the same. For said purposes the district is granted and shall have and exercise the right freely to use and occupy any public highway, street, way or place reasonably necessary to be used or occupied for the maintenance and operation of such utility or any part thereof, subject, however, to such local police regulations as may be imposed by any ordinance adopted by the governing body of the municipality in which such highway, street, way or place is located.

**198.13 Acquisition of private utilities; dissolution of power district.** (1) Upon the completion of the creation and incorporation of any district every right existing by virtue of any law or by virtue of any franchise or indeterminate permit, granted by the state directly or through any municipality, to purchase or acquire, on behalf of the public or of any municipality in such district, in whole or in part any public utility operating in whole or in part in such district, shall henceforth inure to and vest in and be exercised by such district. Every public grant, either by the state directly or through any municipality heretofore or hereafter granted to or held, owned or exercised by the owner or by the lessee or receiver of the owner of any such utility or any permit, privilege, right, or franchise to operate the same is hereby made subject to the express conditions that such district may purchase, acquire and take such utility, in whole or in part, in the manner provided in this chapter, and the continued operation of any such utility from and after the organization of such district by the owner or by the lessee or receiver of the owner shall be held to be an acceptance of and consent by the owner to said condition.

(2) From and after the organization of any district, no permit, privilege, right or franchise shall be granted to construct or operate any utility therein or to construct or operate therein any extension of or addition to any utility for which any permit, privilege, right or franchise may be required, except by the board of such district, except as to local ordinances governing the use of public streets, alleys, ways, and places. Every permit, privilege, right or franchise granted by any power district shall be subject to the condition prescribed in subsection (1) of this section with respect to purchase, acquisition and taking by the proper district and shall be an indeterminate permit subject to the terms and conditions of this chapter and of section 196.50.

(3) Under any of the following circumstances a power district shall be considered dissolved:

(a) Where within two years of its creation a district has not become the owner or operator, or commenced construction, of a public utility. Any time consumed in any proceeding or contest before any commission or court shall not be included as part of said two year period.

(b) Where a district has disposed of all its utility property and for one year thereafter shall not have owned or operated a public utility.

(4) Any district dissolved in accordance with the provisions of subsection (3) of this section shall nevertheless continue to be a body corporate for 3 years thereafter in the manner and for the purposes set forth in section 182.102, and for such additional period as may be necessary for the district to retire all its outstanding bonds.

(5) In the event of dissolution a district shall first retire all outstanding obligations of the district insofar as the proceeds derived from such disposal will permit, and all assets or proceeds remaining, if any, shall be distributed to municipalities within the boundaries of the district in proportion to the taxes levied and collected by them for the district during the existence of the district, up to an amount sufficient to repay all such taxes; and any remaining proceeds shall be distributed to such municipalities in proportion to the shares of the gross operating revenues of the district for its last full five years of operation derived from payments for services furnished within the boundaries of each such municipality.

**198.14 Powers of district board.** The board of directors of any district shall have power and authority:

(1) **SEAL.** To adopt a corporate seal for the district and prescribe the style thereof.

(2) **MODE OF EXERCISE.** To exercise by vote, ordinance or resolution all of the general powers of the district.

(3) **GRANT PERMITS.** To grant by ordinance indeterminate permits, subject to the conditions prescribed in sections 196.50 and 198.12, for the construction or operation of



utilities and extensions and additions thereto in the district but subject to local ordinances governing the use thereby of public streets, alleys, ways and places therein, but such ordinance shall be published in the official paper of the district not more than twenty nor less than ten days before its adoption.

(4) PURCHASES, SALES, CONVEYANCES. To lease, purchase, sell, convey and mortgage the property of the district and to authorize and order all instruments, contracts, deeds or mortgages to be executed on behalf of the district by the chairman of the board and the clerk of the district, except that the sale or lease of any public utility equipment in excess of 10 per cent of the book value of the utility property of the district shall be made as nearly as may be in accordance with the provisions of section 66.07, except that the commission shall have no power to determine whether the interests of the district and the residents thereof will be best served by the sale or lease nor to fix the price and terms thereof other than to furnish the clerk of said district with its written recommendations thereon within 90 days.

(5) EMPLOYEES. To authorize to be appointed and employed and fix the compensation of such employees as may be required for carrying on the business of the district.

(6) DEPOSITORIES. To designate and appoint a suitable and responsible depository or depositories for the deposit and safe-keeping of the funds of the district and to contract with such depository or depositories with respect thereto and the rate of interest to be paid the district on such deposits.

(7) TEMPORARY LOANS. To borrow money for terms not exceeding ninety days, subject to the limitation of total indebtedness of the district contained in subsection (9) of section 198.14. Such temporary loans shall constitute a first lien on the revenue of the district after the payment of interest on, and retirement of, bonds, and after the payment of taxes.

(8) EMINENT DOMAIN. To exercise the power of eminent domain and to condemn lands or any interest in lands including water powers, whether located within or without the district, whenever the same are necessary for the construction, operation, improvement or extension of any utility owned, or to be owned by the district and, in that behalf, to authorize condemnation proceedings to be instituted and prosecuted by the general counsel of the district in the name of the district and at its cost and expense and otherwise in the manner prescribed by law.

(9) BOND ISSUES, DEBT LIMIT. To provide by ordinance for the issuance and sale of bonds of the district to finance the purchase, acquisition or construction of any utility or parts thereof or additions, extensions or betterments thereto, when and as the same may be authorized, and to authorize and require the execution of such bonds by the chairman of the board and the clerk of the district under the corporate seal of the district, to approve the form of such bonds and prescribe the duties of the clerk and treasurer of the district with respect to the sale thereof and the application of the proceeds to the purposes for which the same were issued; provided, that the total amount of all indebtedness of the district shall not exceed five per centum on the assessed value of the taxable property in the district, to be ascertained by the last preceding assessment for the state and county taxes, and provided, that by the ordinance authorizing such indebtedness there shall be levied a direct, annual, district tax sufficient to pay the interest on such debt as it falls due and also to pay the principal thereof within twenty years from the time of contracting the same. All bonds shall mature in annual instalments, and the first instalment of principal shall fall due and be payable not later than two years after the date of issue; and the sum of the principal and interest due in any year after the first year shall not exceed the sum of the principal and interest due in any previous year by more than a denomination of a single bond issued. All such bonds shall contain a provision requiring redemption thereof, in whole or in part, at the option of the district on any interest payment date after three years from the date of the bonds. The authorization by the board of any such bonds shall be approved by a majority vote of the electors of the district voting at a referendum election noticed, held, conducted, canvassed and the returns thereof made as nearly as may be in the manner provided for a referendum vote on the issuance of county bonds under the provisions of chapter 67. The income of a district from any source other than taxation may be applied for the payment of part or all of the instalments of interest on and principal of such bonds due in any year, and any surplus remaining over may be redistributed at any time to municipalities within the boundaries of such district in proportion to, and in a total amount not more than, the taxes levied and collected by the district during the existence of the district, or such surplus may be held by the district for the payment of its expenses, including the payment of subsequent instalments of interest and principal as they fall due. Any sums collected by taxation to be used for the payment of interest on and principal of such bonds, and not required in any year for that purpose, shall be held by the district to be used for that purpose in any

succeeding year; and the tax provided for in this section shall be collected in such succeeding year only in an amount sufficient, together with any balance remaining over from the proceeds of taxation in previous years, to pay the instalments of interest on and principal of such bonds due in that year. Except as otherwise provided by this chapter such bonds shall be issued as nearly as may be in the manner provided by chapter 67 for county bonds.

(10) **MORTGAGE BONDS.** To provide by ordinance for the issuance, upon the purchase, acquisition or construction by the district of any utility, or parts thereof, or additions, extensions or betterments thereto, of mortgage bonds or mortgage certificates secured by mortgage or deed of trust upon the acquired property in the form and character prescribed by section 66.066, to provide for payment of any part of the cost of such property and to authorize the execution of such mortgage certificates and mortgage or deed of trust by the chairman of the board and the clerk of the district on behalf of the district.

(11) **ACQUISITION OF UTILITIES, FINANCING SAME.** To acquire for the district any property which it has authority to acquire, subject to any funded or mortgage indebtedness outstanding against and secured by any bond, note, mortgage or deed of trust upon such property, without assuming any obligations with respect to such indebtedness, or to acquire such property and assume, or assume and promise to pay any such indebtedness, or to enter into any contract with any parties concerned, for the creation and substitution of such new obligations of the district as it is authorized to create, for any such indebtedness, and to pay and provide for the payment by the district of any sums due on account of any such indebtedness, and to provide by ordinance or resolution for and authorize the execution of any contract or other instrument required to enter into or carry out any such transactions on behalf of the district, subject to the limitation of total indebtedness of the district contained in subsection (9) of section 198.14.

(12) **CONTRACT TO FURNISH SERVICE.** To enter into and authorize to be executed on behalf of the district with the governing body of any municipality contracts, leases and conveyances for the furnishing, delivery, production, leasing, sale or operation of any public utility property, facility or service either by such municipality to or for the district or by the district to or for such municipality, and to enter into and authorize to be executed any like contract, lease or conveyance with the owner or owners of any privately owned utility or public corporation.

(13) **ACT ON CLAIMS, REPORTS, BUDGET.** To examine and act upon all claims against the district, to require, examine and approve or disapprove monthly reports of operation and recommendations by the general manager, to require, examine and approve or disapprove periodical reports by the clerk, to adopt a budget of district general and operating expense and expenses for interest charges and for capital account and make appropriations.

(14) **ADVICE FROM COMMISSION.** To apply for and obtain the counsel, advice or opinion in writing of the commission upon any proposed action of the board and to be entitled to the same upon reasonable request therefor accompanied by an offer to reimburse the commission the amount of its necessary expense in obtaining, preparing and furnishing the same, to approve and order paid by the district the amount of the commission's charges therefor.

(15) **OMNIBUS PROVISION.** To do or authorize to be done all things necessary to be done or authorized for the proper execution of any power conferred upon the district and not vested in any other officer thereof and of any power conferred upon the board by the provisions of this chapter.

(16) **CHANGE BOUNDARIES.** To change from time to time by a two-thirds vote the boundaries of the subdistricts to meet with the requirements of subsection (2) of section 198.07.

**198.145 District legislature, ordinances, officers.** (1) The board of directors shall constitute the legislative body of such district and determine all questions of policy.

(2) The enacting clause of all ordinances shall be as follows: "The board of directors of . . . municipal power district do ordain as follows:" All ordinances shall be signed by the chairman, or vice chairman, and be attested by the clerk.

(3) The board shall appoint a general manager and may appoint and fix the duties of an attorney, a clerk, a treasurer and such other officers as they deem necessary, which appointees shall hold office during the pleasure of the board, and which appointees shall give such bonds and in such amounts as the board may require.

**198.15 Board procedure.** (1) **CHAIRMAN, DUTIES.** The board shall elect one of their number chairman for a term of one year, and a vice chairman for a like term to act during the absence or disability of the chairman. The principal duties of the chairman of the board of directors of the district other than his duties as a director, shall be to pre-

side at all meetings of the board, to sign all resolutions and ordinances adopted by the board and to sign, execute or acknowledge, as the case may require, all contracts, deeds, leases or other instruments authorized by the board to be executed by or on behalf of the district.

(2) **BY-LAWS, MEETINGS.** The board shall adopt by-laws to govern its proceedings, and shall fix the time and place of holding its meetings, which shall be held once each month. A special meeting may be held after three days' written notice to each member by the clerk at the call of the chairman or any two members of the board.

(3) **QUORUM.** A majority of the directors-elect shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at any meeting, if a quorum be present, shall be sufficient to adopt any motion, resolution or ordinance, except that for the exercise of any power enumerated in subsections (9), (10), (11), and (12) of section 198.14 the affirmative vote of two-thirds of the directors-elect shall be required. The votes of directors on any action authorized in subsections (3), (4), (6), (8), (9), (10), (11), (12), and (13) of section 198.14 shall be taken by ayes and noes and recorded in the minutes and shall likewise be taken and recorded on any other matter whenever requested by one-third of the directors present.

(4) **OFFICIAL PAPER.** The board shall designate and appoint some newspaper published in the district and having a general circulation substantially throughout the district as the official paper of the district and, if no paper published therein has such circulation, shall designate and appoint two such newspapers published in different parts of the district which together shall have as nearly as may be a general circulation throughout the district as the official papers of the district, and the board shall cause to be published in the official paper or papers all public notices of the district and all resolutions or ordinances adopted by the board.

(5) **FINANCIAL INTEREST VOIDS CONTRACTS.** No contract or transaction shall be made, entered into or authorized by the board with any director or with any firm, corporation or association in which any director is financially interested, as a member or stockholder or otherwise adversely to the district, and any such contract or transaction if made, entered into or authorized shall be void and any director voting in favor thereof with knowledge of such interest shall be personally liable to the district for any loss sustained by the district by reason thereof.

**198.16 General manager.** (1) **ELECTION, ELIGIBILITY.** The general manager shall be the chief executive officer of the district. He shall be chosen by the board of directors solely on the basis of his executive and administrative qualifications and need not, when appointed, be a resident of the state. All other things being equal, the board of directors shall appoint as general manager a person with experience in the construction, operation or management of public utilities. No member of the board shall, during the time for which appointed, be chosen as general manager. In case of the absence or disability of the manager, the board may designate some qualified person to perform the duties of the office during such absence or disability.

(2) **POWERS.** The general manager shall have full charge and control of the construction of the works of said district and of their maintenance and operation, also of the administration of the business affairs of said district. The powers of the general manager shall be:

(a) To see that all ordinances of the district are enforced;

(b) To appoint or hire, except as otherwise provided herein, all heads of departments, subordinate officials and employes necessary for the administration of the affairs of said district, and to remove the same;

(c) To attend all meetings of the board of directors and submit a general report of the affairs of the district, and to participate in the discussion of all matters coming before the board;

(d) To keep the directors advised as to the financial condition and future needs of the district, and to prepare and submit an annual budget;

(e) To prepare or cause to be prepared, all plans and specifications for the construction of the works of said district;

(f) To devote his entire time to the business of the district;

(g) To perform such other and additional duties as the board of directors may require.

(3) **FINANCIAL REPORT, PUBLICATION.** The general manager shall within sixty days from the end of each fiscal year cause to be published a financial report showing the result of operations for the preceding fiscal year and the financial status of the district on the last day thereof. Said publication shall be made at least ten times in newspapers of general circulation printed and published in the district, or, if there be no such newspaper in the district, then in some newspaper of general circulation within the district.

So far as practicable said publications shall be in different newspapers except that five publications shall be in newspapers appearing at least 6 times weekly.

**198.165 District clerk, treasurer, attorney, duties.** (1) The principal duties of the clerk of the district shall be to act as clerk of the board of directors and to record and sign all minutes of meetings of the board, including all resolutions and ordinances adopted by the board, to safely and systematically keep all records, files and papers of the board, to safely keep the corporate seal of the district and to affix the same on behalf of the board and to all certificates by him made as clerk of the district, to sign, execute or acknowledge with the chairman of the board all contracts, deeds, leases or other instruments authorized by the board to be executed by or on behalf of the district and, if authorized, to deliver the same, and to perform such other duties as may be imposed upon him by law or by vote, resolution or ordinance adopted by the board.

(2) The principal duties of the treasurer of the district shall be to demand, receive, keep and account for all moneys and credits of the district and to pay to the persons entitled thereto the amounts called for in the orders or warrants drawn upon him by the clerk of the district and to take and keep receipts, vouchers or other suitable evidences of payment therefor, to keep accurate account of all moneys received and disbursed by him and to render such accounts, statements and inventories of moneys and credits received and disbursed and on hand and generally of all matters pertaining to his office as the board of directors may require and to perform such other duties as may be imposed upon him by law or by vote, resolution or ordinance adopted by the board.

(3) The principal duties of the general counsel of the district shall be to appear for the district and prosecute or defend all actions or proceedings in which the district is interested or a party, to prepare and draft resolutions, ordinances, contracts and other instruments when and as required by the board and to render to the board and to any officer of the district counsel, advice and opinions on all legal matters and to perform such other duties as may be imposed upon him by law or by vote, resolution or ordinance adopted by the board of directors.

**198.167 Certified accountant; annual report.** The directors of the district shall employ annually the commission or a certified public accountant approved by said commission who shall be qualified to, and who shall with all due diligence, examine and report upon the system of accounts kept by the district, all the contracts of whatsoever kind made and entered into by the board of directors within the year immediately preceding, and the properties and investments of the district. Said accountant shall in his report make such recommendations and suggestions as to him shall seem proper and required for the good of the district, and the efficient and economical or advantageous management and operation of the public utility or utilities of the district; and he shall in his said report make such recommendations and suggestions as to the system of accounts kept, or in his judgment to be kept, by the district, in connection with each public utility, the classification of the public utilities of the district and the establishment of a system of accounts for each class, the manner in which such accounts shall be kept, the form of accounts, records, and memoranda kept or to be kept, including accounts, records, and memoranda of receipts and expenditures of money, and depreciation and sinking fund accounts, as in his judgment may be proper and necessary, and shall not conflict with the requirements of the commission.

**198.17 Eminent domain procedure.** (1) **DECLARATION OF INTENTION, NOTICE, OFFER TO SELL.** Whenever the board of directors shall make and by resolution or ordinance, adopted by the affirmative votes of two-thirds of the directors-elect, declare the determination of the district to acquire any existing utility or portion thereof, including any water power and hydroelectric power plant owned and operated therewith, which utility or portion thereof is operated in whole or in part in the district, the clerk shall forthwith serve on the commission and on the owner of such utility or on the agent or representative of the owner in possession or charge thereof, a true copy, duly certified by him under the seal of the district, of such resolution or ordinance. If, within thirty days after the service of such resolution or ordinance upon the owner, or the agent or representative of the owner, such owner shall propose voluntarily to sell and transfer such utility to the district upon terms and conditions to be mutually agreed upon between such owner and the directors of the district and approved by the commission, and serve a copy of such proposal upon the district and upon the commission, the commission shall fix a time and place for a public hearing and consideration of such proposal and notify the owner and the district thereof. If terms and conditions of purchase and sale shall be agreed upon by and between the directors and the owner and approved by the commission, the commission shall announce its approval thereof in writing and the board shall by resolution authorize and direct the execution on the part of the district of such contract in writing and other

instrument and take any and every other action with reference thereto necessary or appropriate to consummate such purchase and sale and the transfer to the district of possession of such acquired property and payment therefor in accordance with the terms of such agreement.

(2) DETERMINATION OF COMPENSATION. If the owner shall fail to serve on the district and upon the commission within the time limited therefor in the preceding subsection a proposal voluntarily to sell and transfer to the district the property determined, as therein provided, to be acquired, or, if the owner and the board shall fail to agree upon terms and conditions of purchases and sales and of the transfer thereof to the district, or if the commission shall fail to approve the same if agreed upon, and if the owner shall have consented in any manner provided by law to the purchase of such utility by the public or any municipality, the commission and the parties shall proceed to determine the just compensation to be paid by the district to the owner of such property therefor and to accomplish the transfer of the possession and ownership thereof to the district in the manner provided by sections 197.05 to 197.09, and the commission shall certify to the district and to the owner or owners the amount of such compensation to be so paid, and the directors shall provide for and authorize payment of the same to the parties entitled thereto.

(2a) ALTERNATIVE MODE OF ACQUIRING. Upon the initiation of steps for the formation of a district, or later, any municipality within a district or a proposed district may, in lieu of the other procedure provided by this section, determine, as provided by section 197.02, upon the acquisition of any utility operating within such municipality under the terms of an indeterminate permit as defined in section 196.01, on behalf of and for the benefit of such district, subject to the conditions and by the procedure set forth and described in chapter 197, and any two or more municipalities within such a district or proposed district may determine in the same manner upon the joint acquisition in the same manner of such utilities operating within such municipalities, on behalf of and for the benefit of such district. Such municipalities and districts shall have power to enter into contracts for the transfer and conveyance of such utilities to such districts immediately upon the acquisition thereof by such municipalities, and for the simultaneous payment of the purchase price therefor by such districts; and to join in such conveyances, and do all such acts as are necessary to execute such contracts; subject to the provisions of this act governing the powers of districts to enter into transactions, and incur indebtedness, generally.

(3) ACTION TO DETERMINE NECESSITY OF TAKING. If the owner of such utility shall not have consented in any manner provided by law and shall not have become legally bound to consent to the purchase by the public or any municipality of such utility or any part thereof so determined to be acquired by the district, the general counsel of the district shall, before proceedings are had under subsection (2) of this section, cause to be instituted and prosecuted, in the name and behalf of the district in the circuit court for the county in which the principal administrative office of the district is located, an action against the owner or owners of such public utility as defendant or defendants, praying the court for an adjudication as to the necessity of such taking by the district, in which action the complaint shall be served with the summons. The defendant or defendants shall answer in said action within ten days after such service and the action shall be at issue and stand ready for trial upon ten days' notice by either party. Unless the parties thereto waive a jury, the question as to the necessity of the taking of such property by the district shall be as speedily as possible submitted to a jury. If the jury or the court, in case a jury is waived, shall find that a necessity exists for the taking by the district of such property, or for the taking thereby of that part thereof to the public or municipal purchase of which the owner shall not have consented, the directors shall cause speedy notice of such finding to be certified to the commission and to the owner or owners of such property, and the commission and the parties shall proceed to the ascertainment of the just compensation to be paid by the district to the owners of such property therefor, and the consummation of the transfer of the same to the district and the payment of such compensation, in the manner provided in subsection (2) of this section.

(4) MUNICIPAL UTILITY EXEMPTION. No utility owned by any municipality within the district shall be acquired by the district, except by mutual agreement pursuant to subsection (1) of this section, until the district shall have first obtained, from the commission, after notice and hearing accorded to the municipality, a certificate that public necessity and convenience require that such utility be owned and operated by the district. If such certificate is granted the consummation of the acquisition shall be in the manner provided in subsection (2) of this section.

(5) ACQUISITION OF PART OF UTILITY. If the board of directors of the district shall be of the opinion that the district should acquire any part less than the whole of the physical property of any utility which is or may be owned and operated as an entirety, the board

shall, before adopting any resolution or ordinance declaring the determination of the district to acquire such property, apply to the commission for and obtain the commission's certificate of authority so to do. The application of the district for such certificate shall state with reasonable certainty the part or parts of such utility proposed to be acquired and the part or parts thereof not proposed to be acquired and the facts with respect to such properties and the considerations on which the board of directors rely to show that such part or parts, rather than the whole of such utility should be acquired by the district. A copy of such application shall be served upon the owner or owners of the utility affected and upon any municipality, whether within or without the district, in which such utility operates or furnishes any service. The commission shall fix a time and place for hearing on such application and shall give ten days' notice thereof to all parties interested and shall conduct a public hearing and investigation concerning the matters therein alleged and shall make and file written findings and conclusions with respect thereto. Before approving such application and granting the certificate of authority herein applied for, the commission shall ascertain and find:

(a) That the acquisition by the district of the part or parts of such utility, as in such application proposed, will be of greater financial, economic and industrial advantage to the district than the acquisition of the whole of such utility as an entirety as operated.

(b) That the acquisition by the district of the part or parts of such utility, as in such application proposed, will not result in any substantial injury to public interests or impairment of public service that would not result if such utility was acquired as an entirety and continued to be operated as such.

(c) That the acquisition by the district of the part or parts of such utility, as in such application proposed, will not render the part or parts thereof not acquired incapable of continuing to render any substantial public service being rendered thereby adequately and at reasonable rates, tolls or charges for such service.

(6) TECHNICALITIES. No error or omission of a technical nature not affecting a substantial right shall be held to invalidate or impair any proceeding under this section or affect the legal result thereof.

(7) COMMISSION'S EXPENSES. The necessary expenses of the commission incurred by it in performing, at the instance of the district, any duty imposed by this section shall be itemized and charged by the commission to the district and shall be audited and paid as other charges against the district are audited and paid.

(8) MUNICIPAL LOANS TO DISTRICTS. Any municipality situated within the boundaries of such a district may provide for a loan to such district to pay the preliminary organization and administration expenses thereof, on such terms as the governing bodies of such municipality and such district may agree upon; provided, that any such municipality shall have the right, at its option, to receive bonds or other obligations of any such district of any issue, providing for the payment of an amount of principal equal to that of the loan hereby authorized, in place of the obligations created by such loan; and provided further that the terms of such a loan shall in every case provide that such a municipality shall receive interest from the date of the loan at not less than the rate of interest provided for in the first bonds or other securities issued by such district, to become due at the date of issue of such securities, or at some specified date theretofore, or at some specified date not more than one year thereafter, subject to the limitation of total indebtedness of the district contained in subsection (9) of section 198.14.

**198.18 District bonds.** (1) **ISSUE, GENERAL LIABILITY.** Bonds of the district may be issued to raise funds with which to purchase any permanent property for the district, to refund any valid, subsisting bonded debt of the district and for the purpose of paying and discharging any plant mortgage certificates or purchasing and retiring any bonds, notes or other evidences of indebtedness secured by any mortgage or deed of trust upon property acquired by the district, subject to the limitation of total indebtedness of the district contained in subsection (9) of section 198.14. Except as otherwise provided by this chapter all bonds of the district shall be and constitute a general liability of the district and the holders thereof shall have the benefit of all legal remedies to compel the payment of the interest thereon as the same shall fall due and the principal thereof at maturity, and, in the event of any default in the payment of interest or principal when due, to compel the levy and collection of taxes by the district on all property subject to taxation therein to pay the same.

(2) **TAXABILITY.** The bonds, plant mortgage certificates, notes or other evidence of indebtedness which may be issued, made or negotiated by the district and the income thereof shall be subject to taxation upon the same basis as the obligations of private utilities.

(3) **THIRTY DAY LIMITATION OF ACTION.** Bonds of the district shall be incontestable, except upon constitutional grounds, from and after thirty days from the date of their issuance, and the substance of this provision shall be stated upon the face of each bond.

(4) **INVESTMENTS BY DISTRICTS.** Reserve funds carried by the district may be invested in any bonds or plant mortgage certificates issued by the district, provided that before purchasing any of its own issues the district shall advertise for offers and purchase first those issues which, interest accrued and maturities considered, are offered at the best net price to the district. Reserve funds of the district may also be invested in the bonds or plant mortgage certificates of any other district and in any of the kinds of securities or forms of investments enumerated in section 201.25.

(5) **TRUST FUND INVESTMENTS.** Bonds and plant mortgage certificates issued by any district shall be lawful investments for any trust funds held by the state or any state institution, for any reserve or sinking funds of any municipality, for the assets of any insurance or mutual insurance corporation, fraternal benefit association, bank, trust company, or of any trust estate, and the same shall be accepted as deposits for any purpose for which deposit of securities may be required or authorized by law.

**198.19 Annexation of territory.** (1) Any territory, constituting one or more municipalities contiguous to a district may be annexed to and become a part of such district to all intents and purposes and with like effect as though originally included therein upon such terms and conditions as the board of directors of the district shall fix by ordinance adopted by the affirmative vote of two-thirds of the directors-elect, provided that before such ordinance becomes effective the same shall be accepted and ratified by the affirmative vote of a majority of the qualified electors entitled to vote and voting in a special election called and held for that purpose in each municipality proposed in such ordinance to be annexed to the district. Such ordinance shall be published and such election shall be noticed, held and conducted, as nearly as may be, in the manner provided by this chapter for the noticing, holding and conduct of elections upon the organization of a municipal power district, except that the returns of such election and the ballots therein shall be delivered to the clerk of the district. The results of said election shall be canvassed publicly by the directors of the district.

(2) Upon the annexation of any territory to any district, each municipality so annexed shall be attached to and become a part of the subdistrict to which it may be contiguous or proximate, as shall be determined and declared by ordinance or resolution adopted by the board of directors of the district, and shall so remain until such time as the board shall form and establish new boundaries for subdistricts.

**198.20 Consolidation of districts.** Any two power districts may be consolidated by ordinance, passed by a two-thirds vote of all the members of the board of each power district, fixing the terms of the consolidation and ratified by the electors at a referendum held in each district. The ballots shall bear the words, "For Consolidation," and "Against Consolidation," and if a majority of the votes cast thereon in each district shall be for consolidation, the ordinance shall be in effect and have the force of a contract. Such election and all matters pertaining thereto not otherwise provided for in this section, shall be held and conducted and the result thereof ascertained, determined and declared in accordance with subsections (3) and (4) of section 198.06. The ordinance and the result of the referendum shall be certified to the secretary of state. From and after such certification said consolidation shall be deemed complete. Consolidation shall not affect the pre-existing rights or liabilities of any power districts and actions thereon may be commenced or completed as though no consolidation had been effected.

**198.21 District obligations inviolate.** Any provision of this chapter may be altered, amended or repealed at any time by the legislature, but no amendment or alteration thereof shall ever be enacted which shall release any district organized thereunder from any liability which it shall incur for the acquisition of property or for obtaining funds for the purposes of the district. The guarantees of this section shall be deemed and held to inhere in and become part of every contract authorized by this chapter and entered into by any district thereunder.

**History:** 1951 c. 247 s. 47; 1951 c. 261 s. 10; 1953 c. 61.

**198.22 Municipal water districts.** (1) **CREATION.** Municipal water districts may be created as provided for in this section and when created shall be considered municipal corporations and may exercise the powers herein granted.

(2) **DEFINITIONS.** The provisions of sections 198.01 to 198.04 (3), 198.06 (2) to (7), 198.10 (1) to (5), 198.12 (1) to (5), 198.13 (3) to (5), 198.14 (1), (2) and (5) to (15), 198.145, 198.15, 198.165, 198.17 (6) to (8), 198.18 (1) to (5), and 198.21 as now in effect or as subsequently amended shall apply to municipal water districts, except that in this section and in the above mentioned statutory provisions, adopted herein by reference.

(a) "Municipal power district," "power district" and "district" mean a municipal water district organized pursuant to this section.

(b) "Public utility" or "utility" means the plant, equipment, material, supplies and any other or different property including contract rights, used and useful primarily for the production, transmission, purification, delivery or furnishing of water to or for the public for any purpose, or to a municipality, county or other governmental unit of this state.

(3) ELECTION NOTICE. The county clerk shall give notice of the election called pursuant to section 198.04 (3) for the purpose of determining whether the proposed district shall be created, which notice shall state the name of the proposed district and describe its boundaries by metes and bounds, by cities, villages, towns or otherwise. The notice shall be published once a week for at least 3 successive weeks before the day of said election in some newspaper or newspapers having general circulation within the proposed district.

(4) DIRECTORS. (a) The government of each district shall be vested in a board of directors. If the district consists of an odd number of municipalities, the board of directors shall consist of one director from each municipality, but if the district consists of an even number of municipalities, the board of directors shall consist of one more than the number of municipalities in the district.

(b) The chief executive of each municipality within the district shall appoint a director of the district who is not an officer or employe of such municipality and shall issue a certificate of such appointment to be filed with the clerk of the district. Such appointees shall meet at the time and place designated by the county clerk, and in case there is an even number of directors, they shall immediately elect, by a majority vote by ballot, an additional director who is a resident of the district but not an officer or employe of any such municipality, and issue a certificate of such election to be filed with the clerk of the district. In case such election is not made within 10 days after the first meeting of the appointees, such fact shall be at once certified by such appointees to the governor of Wisconsin who shall forthwith appoint a resident of the district who is not an officer or employe of any such municipality as such director and shall issue a certificate of such appointment to be filed with the clerk of the district.

(c) The regular term of directors after the first term shall be for 4 years. The first term of half or, in case of an even number of directors, a majority of the directors shall be for 2 years and for the remaining director or directors, for 4 years, determined by lot. Each director shall hold office until his successor is appointed or elected and qualifies. Each director shall, before entering upon the discharge of his duties, take and subscribe to the constitutional oath of office which shall be filed with the clerk of the district.

(d) The death of a director, his resignation or removal from the district, his becoming an officer or employe of any such municipality, or his disability shall vacate his office as such director. The board shall by resolution declare the office vacant and a certified copy of such resolution shall be filed forthwith by the clerk of the district with the clerk of each municipality included within the district. A successor for an expired or an unexpired term shall be elected or appointed by the officer or officers who elected or appointed the director whose term has terminated or whose office has been declared vacant, except in the case of the termination or vacancy of the term of a director appointed by the governor of Wisconsin. In such case the remaining directors shall elect the successor, and, if unable to do so, the governor shall appoint such successor as provided in subsection (4) (b).

(5) EXPENSES OF DIRECTORS. A director shall be entitled to no compensation for his services but shall be entitled to be reimbursed for his actual and necessary traveling and hotel expenses incurred by him whenever it shall be necessary for him to travel outside of the district, and such reimbursement shall be paid at the end of each month upon an itemized statement therefor filed with the clerk and approved by the board.

(6) ACQUISITION; CONSTRUCTION; OPERATION; SALE OF SERVICE; USE OF STREETS. The district shall have power and authority to own, acquire, and, subject to the restrictions applying to a municipality under section 196.50 (4), to construct any water utility or portion thereof, to operate, in whole or in part, in the district and to construct any addition or extension to any such utility. For such purpose the district is granted and shall have and exercise the right freely to use and occupy any public highway, street, way or place reasonably necessary to be used or occupied for the construction, operation or maintenance of such utility or any part thereof, subject, however, to the obligation of the district to replace said grounds in the same condition as they previously were in.

(7) BOUNDARIES. Immediately upon the organization of the board of directors the clerk shall cause to be recorded in the office of the register of deeds of each county in which any part of said district is located, and shall file with the secretary of state, the state board of health, the governor and the clerk of each town, city or village, wholly or partly within the district, a certified copy of the boundaries of the district as set forth in the notice of



election pursuant to subsection (3) or as thereafter amended. Thereafter, in any proceeding wherein the boundaries of the district are concerned, it shall be sufficient in describing said boundaries to refer to such record of such description.

(8) **PURCHASES; SALE; CONVEYANCES.** In addition to all other powers the board of directors shall have the power and authority to purchase, lease, sell, convey and mortgage property of the district and to authorize and order all instruments, contracts, deeds or mortgages to be executed on behalf of the district by the chairman of the board and the clerk of the district.

(9) **GENERAL MANAGER; POWERS.** The general manager shall be the chief executive officer of the district. He shall be chosen by the board of directors solely on the basis of his executive and administrative qualifications and need not, when appointed, be a resident of the state. No member of the board shall, during the time for which he is appointed or for 2 years thereafter, be chosen as a general manager. In case of the absence or disability of the manager, the board may designate some qualified person to perform the duties of the office during such absence or disability. The general manager shall have all the powers provided for in section 198.16 (2) and such other power as the board may from time to time delegate to him, but shall not be required to devote all of his time to the business of the district unless required to do so by the board. He shall perform such other duties as the board may require of him from time to time, and within 60 days after the end of each fiscal year cause to be published a financial report in the manner provided by the board showing the results of the operation for the preceding fiscal year and the financial status of the district on the last day thereof pursuant to an audit made by a certified public accountant employed by the board.

(10) **CLERK, TREASURER.** The office of district clerk and district treasurer may be held by the same person.

(11) **EXAMINATION AND REPORT OF STATE DEPARTMENT.** The directors shall annually employ the department of state audit pursuant to section 15.22 (12) or a certified public accountant to make an annual examination and report of the accounts and transactions of the district and of all contracts entered into by the district and make such recommendations and suggestions as to it or him seem proper and required for the efficient, economical and advantageous management and operation of the district.

(12) **USE OF INCOME.** In addition to other methods herein provided, the income of the district may be used as provided in section 66.069 (1) (c).

(13) **ANNEXING AND DETACHING TERRITORY.** Upon the annexation of any municipality or part thereof within any such district to a municipality outside of such district, then the territory so annexed shall be detached from such district subject to the adjustment of assets and liabilities as provided in section 66.03. When any such district shall be established in any county containing a city of the first class, no municipality in such district shall construct any part of its distribution system except according to the standard of sizes and grades of materials as used by such city of the first class.

**History:** 1951 c. 261 s. 10.