

**CHAPTER 382—S.F.No. 3134**

*An act relating to environment; clarifying individual sewage treatment classification; regulating appliance recycling activities; abolishing the waste tire grant and loan program; requiring a water quality permit progress report; establishing the central iron range sanitary sewer district; amending Minnesota Statutes 2000, sections 115.55, by adding a subdivision; 115A.9561, subdivision 2; Minnesota Statutes 2001 Supplement, section 115A.912, subdivision 1; Laws 2002, chapter 293, by adding a section; repealing Minnesota Statutes 2000, section 115A.913; Minnesota Rules, parts 9220.0130, subpart 2, item H; 9220.0170; 9220.0180; 9220.0800; 9220.0805; 9220.0810; 9220.0815; 9220.0820; 9220.0825; 9220.0830; 9220.0835; 9220.0900; 9220.0905; 9220.0910; 9220.0915; 9220.0920; 9220.0925; 9220.0930; 9220.0935.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

**ARTICLE 1****POLLUTION CONTROL AGENCY**

Section 1. Minnesota Statutes 2000, section 115.55, is amended by adding a subdivision to read:

Subd. 10. SYSTEM CLASSIFICATION. The agency is not required to add, remove, or reclassify individual sewage treatment system technologies, designs, or system components through rulemaking or pursuant to existing rules until July 1, 2003. The agency is not required to review, assess, advise, or make regulatory determinations on an individual sewage treatment system technology, design, or system component during this period. Chambered systems, as defined in Minnesota Rules, part 7080.0020, that are installed before July 1, 2003, with smaller than standard soil sizing, but which otherwise conform with Minnesota Rules, part 7080.0178, are not required to have flow measuring devices installed and monitored unless required by local ordinance.

Sec. 2. Minnesota Statutes 2001 Supplement, section 115A.912, subdivision 1, is amended to read:

Subdivision 1. **PURPOSE.** Money appropriated to the agency for waste tire management may be spent for regulation of permitted waste tire facilities, research and studies to determine the technical and economic feasibility of uses for tire derived products, and public education on waste tire management, and ~~grants and loans under section 115A.913.~~

Sec. 3. Minnesota Statutes 2000, section 115A.9561, subdivision 2, is amended to read:

Subd. 2. **RECYCLING REQUIRED.** (a) Major appliances must be recycled or reused. Each county shall ensure that its households have the opportunity to recycle used major appliances. For the purposes of this section, recycling includes:

- (1) the removal of capacitors that may contain PCBs;

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- (2) the removal of ballasts that may contain PCBs;
- (3) the removal of chlorofluorocarbon refrigerant gas; and
- (4) the recycling or reuse of the metals, including mercury.

(b) To ensure that the materials removed from a major appliance are not introduced into the environment, an activity described in paragraph (a), clauses (1) to (3), must be conducted in a closed facility if the activity is conducted within 500 feet from the ordinary high water level of a waterbasin that is a public water, as those terms are described in section 103G.005, or of a watercourse identified by the public waters inventory under section 103G.201.

Sec. 4. Laws 2002, chapter 293, is amended by adding a section to read:

**Sec. 2. EFFECTIVE DATE.**

Section 1 is effective on the day following final enactment.

**Sec. 5. WATER QUALITY PERMIT PROGRESS REPORT.**

By January 15, 2003, the commissioner of the pollution control agency must submit a report to the chairs of the legislative committees with jurisdiction over environmental policy and finance regarding the agency's water quality permits. The report must address:

(1) the status of the agency's permit backlog, including, but not limited to, the number of facilities operating under expired permits, the number of on-site inspections, and the number of facilities in significant noncompliance;

(2) implementation of improvements in the permitting process and any resulting effects on staff for nonpoint source programs; and

(3) any legislative and administrative changes needed for the phosphorus and mercury components of the permits.

**Sec. 6. REPEALER.**

Minnesota Statutes 2000, section 115A.913; and Minnesota Rules, parts 9220.0130, subpart 2, item H; 9220.0170; 9220.0180; 9220.0800; 9220.0805; 9220.0810; 9220.0815; 9220.0820; 9220.0825; 9220.0830; 9220.0835; 9220.0900; 9220.0905; 9220.0910; 9220.0915; 9220.0920; 9220.0925; 9220.0930; and 9220.0935, are repealed.

**Sec. 7. EFFECTIVE DATE.**

Sections 1, 2, and 6 are effective the day following final enactment. Section 4 is effective retroactively on March 27, 2002.

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**ARTICLE 2**

**CENTRAL IRON RANGE SANITARY SEWER DISTRICT**

**Section 1. CENTRAL IRON RANGE SANITARY SEWER DISTRICT; DEFINITIONS.**

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Subdivision 1. APPLICATION. In sections 1 to 19, the definitions in this section apply.

Subd. 2. DISTRICT. "Central iron range sanitary sewer district" and "district" mean the area over which the central iron range sanitary sewer board has jurisdiction, which includes the area within the cities of Hibbing, Chisholm, and Buhl; the townships of Kinney, Balkan, and Great Scott; and the territory occupied by Ironworld. The district shall precisely describe the area over which it has jurisdiction by a metes and bounds description in the comprehensive plan adopted pursuant to section 5.

Subd. 3. BOARD. "Sanitary sewer board" or "board" means the central iron range sanitary sewer board established for the district as provided in subdivision 2.

Subd. 4. PERSON. "Person" means an individual, partnership, corporation, limited liability company, cooperative, or other organization or entity, public or private.

Subd. 5. LOCAL GOVERNMENTAL UNITS. "Local governmental units" or "governmental units" means the iron range resources and rehabilitation board, the cities of Hibbing, Chisholm, and Buhl, and the townships of Kinney, Balkan, and Great Scott.

Subd. 6. ACQUISITION; BETTERMENT. "Acquisition" and "betterment" have the meanings given in Minnesota Statutes, section 475.51.

Subd. 7. AGENCY. "Agency" means the Minnesota pollution control agency created in Minnesota Statutes, section 116.02.

Subd. 8. SEWAGE. "Sewage" means all liquid or water-carried waste products from whatever sources derived, together with any groundwater infiltration and surface water as may be present.

Subd. 9. POLLUTION OF WATER; SEWER SYSTEM. "Pollution of water" and "sewer system" have the meanings given in Minnesota Statutes, section 115.01.

Subd. 10. TREATMENT WORKS; DISPOSAL SYSTEM. "Treatment works" and "disposal system" have the meanings given in Minnesota Statutes, section 115.01.

Subd. 11. INTERCEPTOR. "Interceptor" means a sewer and its necessary appurtenances, including but not limited to mains, pumping stations, and sewage flow-regulating and flow-measuring stations, that is:

(1) designed for or used to conduct sewage originating in more than one local governmental unit;

(2) designed or used to conduct all or substantially all the sewage originating in a single local governmental unit from a point of collection in that unit to an interceptor or treatment works outside that unit; or

(3) determined by the board to be a major collector of sewage used or designed to serve a substantial area in the district.

Subd. 12. DISTRICT DISPOSAL SYSTEM. "District disposal system" means any and all interceptors or treatment works owned, constructed, or operated by the

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board unless designated by the board as local water and sanitary sewer facilities.

Subd. 13. MUNICIPALITY. "Municipality" means any town or home rule charter or statutory city.

Subd. 14. TOTAL COSTS. "Total costs of acquisition and betterment" and "costs of acquisition and betterment" mean all acquisition and betterment expenses permitted to be financed out of stopped bond proceeds issued in accordance with section 13, whether or not the expenses are in fact financed out of the bond proceeds.

Subd. 15. CURRENT COSTS. "Current costs of acquisition, betterment, and debt service" means interest and principal estimated to be due during the budget year on bonds issued to finance costs of acquisition and betterment and all other costs of acquisition and betterment estimated to be paid during the year from funds other than bond proceeds and federal or state grants.

Subd. 16. RESIDENT. "Resident" means the owner of a dwelling located in the district and receiving water or sewer service.

## **Sec. 2. SANITARY SEWER BOARD.**

Subdivision 1. ESTABLISHMENT. A sanitary sewer district is established in the cities of Hibbing, Chisholm, and Buhl; the townships of Kinney, Balkan, and Great Scott; and the territory occupied by Ironworld, to be known as the central iron range sanitary sewer district. The sewer district is under the control and management of the central iron range sanitary sewer board. The board is established as a public corporation and political subdivision of the state with perpetual succession and all the rights, powers, privileges, immunities, and duties granted to or imposed upon a municipal corporation, as provided in sections 1 to 19.

Subd. 2. MEMBERS AND SELECTION. The board is composed of 13 members selected as provided in this subdivision. Each of the town boards of the townships shall meet to appoint one resident to the sewer board. Four members must be selected by the governing body of the city of Hibbing. Three members must be selected by the governing body of the city of Chisholm. Two members must be selected by the governing body of the city of Buhl. One member must be selected by the iron range resources and rehabilitation board on behalf of Ironworld. Each member has one vote. The first terms are as follows: four for one year, four for two years, and five for three years, fixed by lot at the district's first meeting. Thereafter, all terms are for three years.

Subd. 3. TIME LIMITS FOR SELECTION. The board members must be selected as provided in subdivision 2 within 60 days after sections 1 to 19 are effective. The successor to each board member must be selected at any time within 60 days before the expiration of the member's term in the same manner as the predecessor was selected. A vacancy on the board must be filled within 60 days after it occurs.

Subd. 4. VACANCIES. If the office of a board member becomes vacant, the vacancy must be filled for the unexpired term in the manner provided for selection of the member who vacated the office. The office is considered vacant under the

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conditions specified in Minnesota Statutes, section 351.02.

Subd. 5. REMOVAL. A board member may be removed by the unanimous vote of the governing body appointing the member, with or without cause, or for malfeasance or nonfeasance in the performance of official duties as provided by Minnesota Statutes, sections 351.14 to 351.23.

Subd. 6. CERTIFICATES OF SELECTION; OATH OF OFFICE. A certificate of selection of every board member selected under subdivision 2 stating the term for which selected, must be made by the respective town clerks. The certificates, with the approval appended by other authority, if required, must be filed with the secretary of state. Counterparts of the certificates must be furnished to the board member and the secretary of the board. Each member shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, article V, section 6. The oath, duly certified by the official administering the same, must be filed with the secretary of state and the secretary of the board.

Subd. 7. BOARD MEMBERS' COMPENSATION. Each board member, except the chair, may be paid a per diem compensation in accordance with the board's bylaws for meetings and for other services as are specifically authorized by the board, not to exceed the per diem amount under Minnesota Statutes, section 15.0575, subdivision 3, and not to exceed \$1,000 in any one year. The chair may be paid a per diem compensation in accordance with the board's bylaws for meetings and for other services specifically authorized by the board, not to exceed the per diem amount under Minnesota Statutes, section 15.0575, subdivision 3, and not to exceed \$1,500 in any one year. All members of the board must be reimbursed for all reasonable and necessary expenses actually incurred in the performance of duties.

### **Sec. 3. GENERAL PROVISIONS FOR ORGANIZATION AND OPERATION OF BOARD.**

Subdivision 1. ORGANIZATION; OFFICERS; MEETINGS; SEAL. After the selection and qualification of all board members, the board must meet to organize the board at the call of any two board members, upon seven days' notice by registered mail to the remaining board members at a time and place within the district specified in the notice. A majority of the members is a quorum at that meeting and all other meetings of the board, but a lesser number may meet and adjourn from time to time and compel the attendance of absent members. At the first meeting the board shall select its officers and conduct other organizational business as may be necessary. Thereafter the board shall meet regularly at the time and place that the board designates by resolution. Special meetings may be held at any time upon call of the chair or any two members, upon written notice sent by mail to each member at least three days before the meeting, or upon other notice as the board by resolution may provide, or without notice if each member is present or files with the secretary a written consent to the meeting either before or after the meeting. Except as otherwise provided in sections 1 to 19, any action within the authority of the board may be taken by the affirmative vote of a majority of the board and may be taken by regular or adjourned regular meeting or at a duly held special meeting, but in any case only if a quorum is present. Meetings of the board

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must be open to the public. The board may adopt a seal, which must be officially and judicially noticed, to authenticate instruments executed by its authority, but omission of the seal does not affect the validity of any instrument.

Subd. 2. CHAIR. The board shall elect a chair from its membership. The term of the first chair of the board expires on January 1, 2004, and the terms of successor chairs expire on January 1 of each succeeding year. The chair shall preside at all meetings of the board, if present, and shall perform all other duties and functions usually incumbent upon such an officer, and all administrative functions assigned to the chair by the board. The board shall elect a vice chair from its membership to act for the chair during temporary absence or disability.

Subd. 3. SECRETARY AND TREASURER. The board shall select persons who may, but need not be, members of the board, to act as its secretary and treasurer. The two offices may be combined. The secretary and treasurer shall hold office at the pleasure of the board, subject to the terms of any contract of employment that the board may enter into with the secretary or treasurer. The secretary shall record the minutes of all meetings of the board, and be the custodian of all books and records of the board except those that the board entrusts to the custody of a designated employee. The treasurer is the custodian of all money received by the board except as the board otherwise entrusts to the custody of a designated employee. The board may appoint a deputy to perform any and all functions of either the secretary or the treasurer. A secretary or treasurer who is not a member of the board or a deputy of either does not have the right to vote.

Subd. 4. PUBLIC EMPLOYEES. The executive director and other persons employed by the district are public employees and have all the rights and duties conferred on public employees under Minnesota Statutes, sections 179A.01 to 179A.25. The board may elect to have employees become members of either the public employees retirement association or the Minnesota state retirement system. The compensation and conditions of employment of the employees must be governed by rules applicable to state employees in the classified service and to the provisions of Minnesota Statutes, chapter 15A.

Subd. 5. PROCEDURES. The board shall adopt resolutions or bylaws establishing procedures for board action, personnel administration, keeping records, approving claims, authorizing or making disbursements, safekeeping funds, and auditing all financial operations of the board.

Subd. 6. SURETY BONDS AND INSURANCE. The board may procure surety bonds for its officers and employees, in amounts deemed necessary to ensure proper performance of their duties and proper accounting for funds in their custody. It may procure insurance against risks to property and liability of the board and its officers, agents, and employees for personal injuries or death and property damage and destruction, in amounts deemed necessary or desirable, with the force and effect stated in Minnesota Statutes, chapter 466.

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**Sec. 4. GENERAL POWERS OF BOARD.**

Subdivision 1. SCOPE. The board has all powers necessary or convenient to discharge the duties imposed upon it by law. The powers include those specified in this section, but the express grant or enumeration of powers does not limit the generality or scope of the grant of powers contained in this subdivision.

Subd. 2. SUIT. The board may sue or be sued.

Subd. 3. CONTRACT. The board may enter into any contract necessary or proper for the exercise of its powers or the accomplishment of its purposes.

Subd. 4. GIFTS, GRANTS, LOANS. The board may accept gifts, apply for and accept grants or loans of money or other property from the United States, the state, or any person for any of its purposes, enter into any agreement required in connection with them, and hold, use, and dispose of the money or property in accordance with the terms of the gift, grant, loan, or agreement relating to it. With respect to loans or grants of funds or real or personal property or other assistance from any state or federal government or its agency or instrumentality, the board may contract to do and perform all acts and things required as a condition or consideration for the gift, grant, or loan pursuant to state or federal law or regulations, whether or not included among the powers expressly granted to the board in sections 1 to 19.

Subd. 5. COOPERATIVE ACTION. The board may act under Minnesota Statutes, section 471.59, or any other appropriate law providing for joint or cooperative action between governmental units.

Subd. 6. STUDIES AND INVESTIGATIONS. The board may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with the design, construction, and operation of the district disposal system.

Subd. 7. EMPLOYEES, TERMS. The board may employ on terms it deems advisable, persons or firms performing engineering, legal, or other services of a professional nature; require any employee to obtain and file with it an individual bond or fidelity insurance policy; and procure insurance in amounts it deems necessary against liability of the board or its officers or both, for personal injury or death and property damage or destruction, with the force and effect stated in Minnesota Statutes, chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property as it deems necessary.

Subd. 8. PROPERTY RIGHTS, POWERS. The board may acquire by purchase, lease, condemnation, gift, or grant, any real or personal property including positive and negative easements and water and air rights, and it may construct, enlarge, improve, replace, repair, maintain, and operate any interceptor, treatment works, or water facility determined to be necessary or convenient for the collection and disposal of sewage in the district. Any local governmental unit and the commissioners of transportation and natural resources are authorized to convey to or permit the use of any of the above-mentioned facilities owned or controlled by it, by the board, subject to the rights of the holders of any bonds issued with respect to those facilities, with or without compensation, without an election or approval by any other governmental unit

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or agency. All powers conferred by this subdivision may be exercised both within or without the district as may be necessary for the exercise by the board of its powers or the accomplishment of its purposes. The board may hold, lease, convey, or otherwise dispose of the above-mentioned property for its purposes upon the terms and in the manner it deems advisable. Unless otherwise provided, the right to acquire lands and property rights by condemnation may be exercised only in accordance with Minnesota Statutes, sections 117.011 to 117.232, and applies to any property or interest in the property owned by any local governmental unit. Property devoted to an actual public use at the time, or held to be devoted to such a use within a reasonable time, must not be so acquired unless a court of competent jurisdiction determines that the use proposed by the board is paramount to the existing use. Except in the case of property in actual public use, the board may take possession of any property on which condemnation proceedings have been commenced at any time after the issuance of a court order appointing commissioners for its condemnation.

**Subd. 9. RELATIONSHIP TO OTHER PROPERTIES.** The board may construct or maintain its systems or facilities in, along, on, under, over, or through public waters, streets, bridges, viaducts, and other public rights-of-way without first obtaining a franchise from a county or municipality having jurisdiction over them. However, the facilities must be constructed and maintained in accordance with the ordinances and resolutions of the county or municipality relating to constructing, installing, and maintaining similar facilities on public properties and must not unnecessarily obstruct the public use of those rights-of-way.

**Subd. 10. DISPOSAL OF PROPERTY.** The board may sell, lease, or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. The property may be sold in the manner provided by Minnesota Statutes, section 469.065, insofar as practical. The board may give notice of sale as it deems appropriate. When the board determines that any property or any part of the district disposal system acquired from a local governmental unit without compensation is no longer required but is required as a local facility by the governmental unit from which it was acquired, the board may by resolution transfer it to that governmental unit.

**Subd. 11. AGREEMENTS WITH OTHER GOVERNMENTAL UNITS.** The board may contract with the United States or any agency thereof, any state or agency thereof, or any regional public planning body in the state with jurisdiction over any part of the district, or any other municipal or public corporation, or governmental subdivision or agency or political subdivision in any state, for the joint use of any facility owned by the board or such entity, for the operation by that entity of any system or facility of the board, or for the performance on the board's behalf of any service, including but not limited to planning, on terms as may be agreed upon by the contracting parties. Unless designated by the board as a local water and sanitary sewer facility, any treatment works or interceptor jointly used, or operated on behalf of the board, as provided in this subdivision, is deemed to be operated by the board for purposes of including those facilities in the district disposal system.

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**Sec. 5. COMPREHENSIVE PLAN.**

Subdivision 1. BOARD PLAN AND PROGRAM. The board shall adopt a comprehensive plan for the collection, treatment, and disposal of sewage in the district for a designated period the board deems proper and reasonable. The board shall prepare and adopt subsequent comprehensive plans for the collection, treatment, and disposal of sewage in the district for each succeeding designated period as the board deems proper and reasonable. All comprehensive plans of the district shall be subject to the planning and zoning authority of St. Louis county and in conformance with all planning and zoning ordinances of St. Louis county. The first plan, as modified by the board, and any subsequent plan shall take into account the preservation and best and most economic use of water and other natural resources in the area; the preservation, use, and potential for use of lands adjoining waters of the state to be used for the disposal of sewage; and the impact the disposal system will have on present and future land use in the area affected. In no case shall the comprehensive plan provide for more than 325 connections to the disposal system. All connections must be charged a full assessment. Connections made after the initial assessment period ends must be charged an amount equal to the initial assessment plus an adjustment for inflation and plus any other charges determined to be reasonable and necessary by the board. Deferred assessments may be permitted, as provided for in Minnesota Statutes, chapter 429. The plans shall include the general location of needed interceptors and treatment works, a description of the area that is to be served by the various interceptors and treatment works, a long-range capital improvements program, and any other details as the board deems appropriate. In developing the plans, the board shall consult with persons designated for the purpose by governing bodies of any governmental unit within the district to represent the entities and shall consider the data, resources, and input offered to the board by the entities and any planning agency acting on behalf of one or more of the entities. Each plan, when adopted, must be followed in the district and may be revised as often as the board deems necessary.

Subd. 2. COMPREHENSIVE PLANS; HEARING. Before adopting any subsequent comprehensive plan, the board shall hold a public hearing on the proposed plan at a time and place in the district that it selects. The hearing may be continued from time to time. Not less than 45 days before the hearing, the board shall publish notice of the hearing in a newspaper having general circulation in the district, stating the date, time, and place of the hearing, and the place where the proposed plan may be examined by any interested person. At the hearing, all interested persons must be permitted to present their views on the plan.

**Sec. 6. POWERS TO ISSUE OBLIGATIONS AND IMPOSE SPECIAL ASSESSMENTS.**

The central iron range sanitary sewer board, in order to implement the powers granted under sections 1 to 19 to establish, maintain, and administer the central iron range sanitary sewer district, may issue obligations and impose special assessments against benefited property within the limits of the district benefited by facilities constructed under sections 1 to 19 in the manner provided for local governments by Minnesota Statutes, chapter 429.

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**Sec. 7. SYSTEM EXPANSION; APPLICATION TO CITIES.**

The authority of the sanitary sewer board to establish a sewer system under this section extends to areas within the central iron range sanitary sewer district organized into cities when requested by resolution of the governing body of the affected city or when ordered by the Minnesota pollution control agency after notice and hearing. For the purpose of any petition filed or special assessment levied with respect to any system, the entire area to be served within a city must be treated as if it were owned by a single person, and the governing body shall exercise all the rights and be subject to all the duties of an owner of the area, and shall have power to provide for the payment of all special assessments and other charges imposed upon the area with respect to the system by the appropriation of money, the collection of service charges, or the levy of taxes, which shall be subject to no limitation of rate or amount.

**Sec. 8. SEWAGE COLLECTION AND DISPOSAL; POWERS.**

Subdivision 1. POWERS. In addition to all other powers conferred upon the board in sections 1 to 19, it has the powers specified in this section.

Subd. 2. DISCHARGE OF TREATED SEWAGE. The board may discharge the effluent from any treatment works operated by it into any waters of the state, subject to approval of the agency if required and in accordance with any effluent or water quality standards lawfully adopted by the agency, any interstate agency, or any federal agency having jurisdiction.

Subd. 3. UTILIZATION OF DISTRICT SYSTEM. The board may require any person or local governmental unit to provide for the discharge of any sewage, directly or indirectly, into the district disposal system, or to connect any disposal system or a part of it with the district disposal system wherever reasonable opportunity for connection is provided; may regulate the manner in which the connections are made; may require any person or local governmental unit discharging sewage into the disposal system to provide preliminary treatment for it; may prohibit the discharge into the district disposal system of any substance that it determines will or may be harmful to the system or any persons operating it; and may require any local governmental unit to discontinue the acquisition, betterment, or operation of any facility for the unit's disposal system wherever and so far as adequate service is or will be provided by the district disposal system.

Subd. 4. SYSTEM OF COST RECOVERY TO COMPLY WITH APPLICABLE REGULATIONS. Any charges, connection fees, or other cost-recovery techniques imposed on persons discharging sewage directly or indirectly into the district disposal system must comply with applicable state and federal law, including state and federal regulations governing grant applications.

**Sec. 9. BUDGET.**

(a) The board shall prepare and adopt, on or before October 1, 2002, and each year thereafter, a budget showing for the following calendar year or other fiscal year determined by the board, sometimes referred to in sections 1 to 19 as the budget year, estimated receipts of money from all sources, including but not limited to payments by each local governmental unit, federal or state grants, taxes on property, and funds on

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hand at the beginning of the year, and estimated expenditures for:

(1) costs of operation, administration, and maintenance of the district disposal system;

(2) cost of acquisition and betterment of the district disposal system; and

(3) debt service, including principal and interest, on general obligation bonds and certificates issued pursuant to section 13, and any money judgments entered by a court of competent jurisdiction.

(b) Expenditures within these general categories, and any other categories as the board may from time to time determine, must be itemized in detail as the board prescribes. The board and its officers, agents, and employees must not spend money for any purpose other than debt service without having set forth the expense in the budget nor in excess of the amount set forth in the budget for it. No obligation to make an expenditure of the above-mentioned type is enforceable except as the obligation of the person or persons incurring it. The board may amend the budget at any time by transferring from one purpose to another any sums except money for debt service and bond proceeds or by increasing expenditures in any amount by which actual cash receipts during the budget year exceed the total amounts designated in the original budget. The creation of any obligation under section 13, or the receipt of any federal or state grant is a sufficient budget designation of the proceeds for the purpose for which it is authorized, and of the tax or other revenue pledged to pay the obligation and interest on it, whether or not specifically included in any annual budget.

#### **Sec. 10. ALLOCATION OF COSTS.**

Subdivision 1. DEFINITION OF CURRENT COSTS. The estimated cost of administration, operation, maintenance, and debt service of the district disposal system to be paid by the board in each fiscal year and the estimated costs of acquisition and betterment of the system that are to be paid during the year from funds other than state or federal grants and bond proceeds and all other previously unallocated payments made by the board pursuant to sections 1 to 19 to be allocated in the fiscal year are referred to as current costs and must be allocated by the board as provided in subdivision 2 in the budget for that year.

Subd. 2. METHOD OF ALLOCATION OF CURRENT COSTS. Current costs must be allocated in the district on an equitable basis as the board may determine by resolution to be in the best interests of the district. The adoption or revision of any method of allocation used by the board must be by the affirmative vote of at least two-thirds of the members of the board.

#### **Sec. 11. TAX LEVIES.**

To accomplish any duty imposed on it the board may, in addition to the powers granted in sections 1 to 19 and in any other law or charter, exercise the powers granted any municipality by Minnesota Statutes, chapters 117, 412, 429, 475, sections 115.46, 444.075, and 471.59, with respect to the area in the district. The board may levy taxes upon all taxable property in the district for all or a part of the amount payable to the

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board, pursuant to section 10, to be assessed and extended as a tax upon that taxable property by the county auditor for the next calendar year, free from any limit of rate or amount imposed by law or charter. The tax must be collected and remitted in the same manner as other general taxes.

## Sec. 12. PUBLIC HEARING AND SPECIAL ASSESSMENTS.

**Subdivision 1. PUBLIC HEARING REQUIREMENT ON SPECIFIC PROJECT.** Before the board orders any project involving the acquisition or betterment of any interceptor or treatment works, all or a part of the cost of which will be allocated pursuant to section 10 as current costs, the board must hold a public hearing on the proposed project. The hearing must be held following two publications in a newspaper having general circulation in the district, stating the time and place of the hearing, the general nature and location of the project, the estimated total cost of acquisition and betterment, that portion of costs estimated to be paid out of federal and state grants, and that portion of costs estimated to be allocated. The estimates must be the best available at the time of the meeting and if costs exceed the estimate, the project cannot proceed until an additional public hearing is held, with notice as required at the initial meeting. The two publications must be a week apart and the hearing at least three days after the last publication. Not less than 45 days before the hearing, notice of the hearing must also be mailed to each clerk of all local governmental units in the district, but failure to give mailed notice or any defects in the notice does not invalidate the proceedings. The project may include all or part of one or more interceptors or treatment works. A hearing must not be held on a project unless the project is within the area covered by the comprehensive plan adopted by the board under section 5, except that the hearing may be held simultaneously with a hearing on a comprehensive plan. A hearing is not required with respect to a project, no part of the costs of which are to be allocated as the current costs of acquisition, betterment, and debt service.

**Subd. 2. NOTICE TO BENEFITED PROPERTY OWNERS.** If the board proposes to assess against benefited property within the district all or any part of the allocable costs of the project as provided in subdivision 5, the board shall, not less than two weeks before the hearing provided for in subdivision 1, cause mailed notice of the hearing to be given to the owner of each parcel within the area proposed to be specially assessed and shall also give two weeks' published notice of the hearing. The notice of hearing must contain the same information provided in the notice published by the board pursuant to subdivision 1, and a description of the area proposed to be assessed. For the purpose of giving mailed notice, owners are those shown to be on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. For properties that are tax exempt or subject to taxation on a gross earnings basis and not listed on the records of the county auditor or the county treasurer, the owners must be ascertained by any practicable means and mailed notice given them as herein provided. Failure to give mailed notice or any defects in the notice does not invalidate the proceedings of the board.

**Subd. 3. BOARD PROCEEDINGS PERTAINING TO HEARING.** Before adoption of the resolution calling for a hearing under this section, the board shall

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secure from the district engineer or some other competent person of the board's selection a report advising it in a preliminary way as to whether the proposed project is feasible and whether it should be made as proposed or in connection with some other project and the estimated costs of the project as recommended. No error or omission in the report invalidates the proceeding. The board may also take other steps before the hearing, as will in its judgment provide helpful information in determining the desirability and feasibility of the project, including but not limited to preparation of plans and specifications and advertisement for bids on them. The hearing may be adjourned from time to time and a resolution ordering the project may be adopted at any time within six months after the date of hearing. In ordering the project the board may reduce but not increase the extent of the project as stated in the notice of hearing and shall find that the project as ordered is in accordance with the comprehensive plan and program adopted by the board pursuant to section 5.

Subd. 4. EMERGENCY ACTION. If the board by resolution adopted by the affirmative vote of not less than two-thirds of its members determines that an emergency exists requiring the immediate purchase of materials or supplies or the making of emergency repairs, it may order the purchase of those supplies and materials and the making of the repairs before any hearing required under this section. The board must set as early a date as practicable for the hearing at the time it declares the emergency. All other provisions of this section must be followed in giving notice of and conducting the hearing. Nothing in this subdivision prevents the board or its agents from purchasing maintenance supplies or incurring maintenance costs without regard to the requirements of this section.

Subd. 5. POWER OF THE BOARD TO SPECIALLY ASSESS. The board may specially assess all or any part of the costs of acquisition and betterment as provided in this subdivision, of any project ordered under this section. The special assessments must be levied in accordance with Minnesota Statutes, sections 429.051 to 429.081, except as otherwise provided in this subdivision. No other provisions of Minnesota Statutes, chapter 429, apply. For purposes of levying the special assessments, the hearing on the project required in subdivision 1 serves as the hearing on the making of the original improvement provided for by Minnesota Statutes, section 429.051. The area assessed may be less than but may not exceed the area proposed to be assessed as stated in the notice of hearing on the project provided for in subdivision 2.

### **Sec. 13. BONDS, CERTIFICATES, AND OTHER OBLIGATIONS.**

Subdivision 1. BUDGET ANTICIPATION CERTIFICATES OF INDEBTEDNESS. At any time after adoption of its annual budget and in anticipation of the collection of tax and other revenues estimated and set forth by the board in the budget, except in the case of deficiency taxes levied under this subdivision and taxes levied for the payment of certificates issued under subdivision 2, the board may, by resolution, authorize the issuance, negotiation, and sale, in accordance with subdivision 4 in the form and manner and upon terms it determines, of its negotiable general obligation certificates of indebtedness in aggregate principal amounts not exceeding 50 percent of the total amount of tax collections and other revenues, and maturing not later than three months after the close of the budget year in which issued. The proceeds of the sale of

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the certificates must be used solely for the purposes for which the tax collections and other revenues are to be expended under the budget.

All the tax collections and other revenues included in the budget for the budget year, after the expenditure of the tax collections and other revenues in accordance with the budget, must be irrevocably pledged and appropriated to a special fund to pay the principal and interest on the certificates when due. If for any reason the tax collections and other revenues are insufficient to pay the certificates and interest when due, the board shall levy a tax in the amount of the deficiency on all taxable property in the district and shall appropriate this amount when received to the special fund.

**Subd. 2. EMERGENCY CERTIFICATES OF INDEBTEDNESS.** If in any budget year the receipts of tax and other revenues should for some unforeseen cause become insufficient to pay the board's current expenses, or if any public emergency should subject it to the necessity of making extraordinary expenditures, the board may by resolution authorize the issuance, negotiation, and sale, in accordance with subdivision 4 in the form and manner and upon the terms and conditions it determines, of its negotiable general obligation certificates of indebtedness in an amount sufficient to meet the deficiency. The board shall levy on all taxable property in the district a tax sufficient to pay the certificates and interest on the certificates and shall appropriate all collections of the tax to a special fund created for the payment of the certificates and the interest on them. Certificates issued under this subdivision mature not later than April 1 in the year following the year in which the tax is collectible.

**Subd. 3. GENERAL OBLIGATION BONDS.** The board may by resolution authorize the issuance of general obligation bonds for the acquisition or betterment of any part of the district disposal system, including but without limitation the payment of interest during construction and for a reasonable period thereafter, or for the refunding of outstanding bonds, certificates of indebtedness, or judgments. The board shall pledge its full faith and credit and taxing power for the payment of the bonds and shall provide for the issuance and sale and for the security of the bonds in the manner provided in Minnesota Statutes, chapter 475. The board has the same powers and duties as a municipality issuing bonds under that law, except that no election is required and the debt limitations of Minnesota Statutes, chapter 475, do not apply to the bonds. The board may also pledge for the payment of the bonds and deduct from the amount of any tax levy required under Minnesota Statutes, section 475.61, subdivision 1, and any revenues receivable under any state and federal grants anticipated by the board and may covenant to refund the bonds if and when and to the extent that for any reason the revenues, together with other funds available and appropriated for that purpose, are not sufficient to pay all principal and interest due or about to become due, provided that the revenues have not been anticipated by the issuance of certificates under subdivision 1.

**Subd. 4. MANNER OF SALE AND ISSUANCE OF CERTIFICATES.** Certificates issued under subdivisions 1 and 2 may be issued and sold by negotiation, without public sale, and may be sold at a price equal to the percentage of the par value of the certificates, plus accrued interest, and bearing interest at the rate determined by the board. An election is not required to authorize the issuance of the certificates. The certificates must bear the same rate of interest after maturity as before and the full faith

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and credit and taxing power of the board must be pledged to the payment of the certificates.

**Sec. 14. DEPOSITORIES.**

The board shall designate one or more national or state banks, or trust companies authorized to do a banking business, as official depositories for money of the board, and shall require the treasurer to deposit all or a part of the money in those institutions. The designation must be in writing and set forth all the terms and conditions upon which the deposits are made, and must be signed by the chair and treasurer and made a part of the minutes of the board.

**Sec. 15. MONEY, ACCOUNTS, AND INVESTMENTS.**

**Subdivision 1. RECEIPT AND APPLICATION.** Money received by the board must be deposited or invested by the treasurer and disposed of as the board may direct in accordance with its budget; provided that any money that has been pledged or dedicated by the board to the payment of obligations or interest on the obligations or expenses incident thereto, or for any other specific purpose authorized by law, must be paid by the treasurer into the fund to which it has been pledged.

**Subd. 2. FUNDS AND ACCOUNTS.** (a) The board's treasurer shall establish funds and accounts as may be necessary or convenient to handle the receipts and disbursements of the board in an orderly fashion.

(b) The funds and accounts must be audited annually by a certified public accountant at the expense of the district.

**Subd. 3. DEPOSIT AND INVESTMENT.** The money on hand in those funds and accounts may be deposited in the official depositories of the board or invested as provided in this subdivision. Any amount not currently needed or required by law to be kept in cash on deposit may be invested in obligations authorized for the investment of municipal sinking funds by Minnesota Statutes, chapter 118A. The money may also be held under certificates of deposit issued by any official depository of the board.

**Subd. 4. BOND PROCEEDS.** The use of proceeds of all bonds issued by the board for the acquisition and betterment of the district disposal system, and the use, other than investment, of all money on hand in any sinking fund or funds of the board, is governed by the provisions of Minnesota Statutes, chapter 475, the provisions of sections 1 to 19, and the provisions of resolutions authorizing the issuance of the bonds. When received, the bond proceeds must be transferred to the treasurer of the board for safekeeping, investment, and payment of the costs for which they were issued.

**Subd. 5. AUDIT.** The board shall provide for and pay the cost of an independent annual audit of its official books and records by the state auditor or a public accountant authorized to perform that function under Minnesota Statutes, chapter 6.

**Sec. 16. SERVICE CONTRACTS WITH GOVERNMENTAL ENTITIES OUTSIDE THE JURISDICTION OF THE BOARD.**

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(a) The board may contract with the United States or any agency of the federal government, any state or its agency, or any municipal or public corporation, governmental subdivision or agency or political subdivision in any state, outside the jurisdiction of the board, for furnishing services to those entities, including but not limited to planning for and the acquisition, betterment, operation, administration, and maintenance of any or all interceptors, treatment works, and local water and sanitary sewer facilities. The board may include as one of the terms of the contract that the entity must pay to the board an amount agreed upon as a reasonable estimate of the proportionate share properly allocable to the entity of costs of acquisition, betterment, and debt service previously allocated in the district. When payments are made by entities to the board, they must be applied in reduction of the total amount of costs thereafter allocated in the district, on an equitable basis as the board deems to be in the best interests of the district, applying so far as practicable and appropriate the criteria set forth in section 10, subdivision 2. A municipality in the state of Minnesota may enter into a contract and perform all acts and things required as a condition or consideration therefor consistent with the purposes of sections 1 to 19, whether or not included among the powers otherwise granted to the municipality by law or charter.

(b) The board shall contract with a qualified entity to make necessary inspections of the district facilities, and to otherwise process or assist in processing any of the work of the district.

#### **Sec. 17. CONTRACTS FOR CONSTRUCTION, MATERIALS, SUPPLIES, AND EQUIPMENT.**

When the board orders a project involving the acquisition or betterment of a part of the district disposal system, it shall cause plans and specifications of the project to be made, or if previously made, to be modified, if necessary, and to be approved by the agency if required, and after any required approval by the agency, one or more contracts for work and materials called for by the plans and specifications may be awarded as provided in Minnesota Statutes, section 471.345.

#### **Sec. 18. PROPERTY EXEMPT FROM TAXATION.**

Any properties, real or personal, owned, leased, controlled, used, or occupied by the sanitary sewer board for any purpose under sections 1 to 19 are declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and are exempt from taxation by the state or any political subdivision of the state. The properties are subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement.

#### **Sec. 19. RELATION TO EXISTING LAWS.**

Sections 1 to 19 must be given full effect notwithstanding the provisions of any law or charter inconsistent with sections 1 to 19. The powers conferred on the board under sections 1 to 19 do not in any way diminish or supersede the powers conferred on the agency by Minnesota Statutes, chapters 115 to 116.

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**Sec. 20. LOCAL APPROVAL.**

This article takes effect the day after each of the governing bodies of each of the local governmental units has complied with Minnesota Statutes, section 645.021, subdivision 3.

Presented to the governor May 17, 2002

Signed by the governor May 20, 2002, 10:15 a.m.

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**CHAPTER 383—S.F.No. 3256**

*An act relating to agriculture; modifying limits on the sale of prepared foods at community events or farmers' markets; amending Minnesota Statutes 2000, section 28A.15, subdivision 9.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2000, section 28A.15, subdivision 9, is amended to read:

Subd. 9. An individual who prepares and sells food that is not potentially hazardous food, as defined in rules adopted under section 31.11, at a community event or ~~farmer's~~ farmers' market ~~on ten or fewer days in a calendar year and with gross receipts of \$1,000~~ \$5,000 or less in a calendar year from the prepared food items. If the food is not prepared in a kitchen that is licensed or inspected, the seller must post a visible sign or placard stating that: "These products are homemade and not ~~inspected subject to state inspection.~~" Prepared foods sold under this subdivision must be labeled to accurately reflect the name and address of the person preparing and selling the foods.

**Sec. 2. EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

Presented to the governor May 17, 2002

Signed by the governor May 20, 2002, 10:16 a.m.

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**CHAPTER 384—S.F.No. 2486**

*An act relating to health; providing requirements for certain major spending commitments; requiring a report.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

**Section 1. RADIATION THERAPY FACILITIES.**

If a major spending commitment, as defined under Minnesota Statutes, section 62J.17, subdivision 2, would result in the construction of a new radiation therapy

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