

CHAPTER 456

WATER-WORKS

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456.01 WATER-WORKS IN CITIES ORGANIZED UNDER SPECIAL LAWS, HAVING NOT OVER 5,000. When any charter, general, or special election, held in any city in the class hereinafter mentioned, the electors thereof by an affirmative vote of three-fifths of the electors voting thereat so determine, any city in the state having 5,000 population, or less, organized and existing under a special law, is hereby authorized and empowered, in addition to all powers to issue bonds conferred upon it by its city charter, or by virtue of any general or special law, and in addition to all other bonds that it is by the law authorized to issue, to issue its bond in the aggregate amount mentioned in sections 456.02 to 456.07 to be determined as set forth therein, and to dispose of the same as provided therein, and to use the proceeds thereof for the purpose of acquiring, constructing, extending, enlarging, improving, or purchasing municipal water-works, light and power plants, or of acquiring or purchasing lands or rights for the erection, establishment and maintenance of dams and reservoirs for the purpose of furnishing water, light or power to the public, or for either or all of such purposes, but in each such case the city may either acquire such plant or property at such price, not exceeding its fair value, and on such terms as may be agreed upon between such city and the owner thereof; or, if such arrangement as to price and terms cannot be agreed upon, may acquire such property by condemnation thereof. The procedure, in event of condemnation, shall be that prescribed by chapter 117 and the purchase price of the property, as so fixed by agreement or condemnation, may be paid out of the proceeds of the bonds by sections 456.01 to 456.07 authorized to be issued and the balance of the proceeds, if any, may be used for the extension, enlargement, or improvement of such plant or property so acquired.

[1909 c 323 s 1] (1334)

456.02 SUBMISSION TO VOTERS. When the council of any such city, at any regular or special meeting thereof, determine by resolution duly adopted by two-thirds vote of all members thereof, entered upon the minutes of the proceedings, that it is necessary to acquire by purchase or condemnation, or both, water-works, light or power plants already in existence, or to construct, enlarge, extend, establish, or improve a municipal water, light or power plant, or to acquire, as aforesaid, lands or shore or flowage rights along, by, or near any lake or river for the purpose of erecting or establishing or maintaining reservoirs or dams for water or power purposes, or either or all thereof, as the case may be, and that the funds in the treasury of such city are not sufficient for such purposes, and that it is necessary to issue the bonds of such city in an amount to be determined by such council in such resolution, not exceeding in the aggregate ten percent of the assessed valuation of the taxable property of such city according to the last preceding assessment thereof, such council may cause the proposition of issuing such bonds, in such an amount, to be submitted to the electors of the city at any charter, general, or special election to be held therein. Such resolution shall fix the time of the voting, if the same be submitted at special election, which shall be not less than ten days after

the date of the adoption of the resolution, and the special election shall be conducted as provided by law for charter elections. The notice of such election, at which the proposition is to be submitted, whether general, charter, or special, shall contain a statement of the total amount of the principal of the bonds and the purposes to which it is proposed to put the same.

[1909 c 323 s 2] (1335)

456.03 BALLOTS; ELECTION. In voting upon the proposition the ballots used shall have written or printed, or partly written and partly printed thereon, the words "Issue of Bonds," "Yes," "No" — and each elector voting on such proposition shall make a cross mark thus (X) in one of the two spaces left for that purpose, upon the margin of the ballot used. The elector desiring to vote in favor of issuing bonds shall make a cross mark thus (X) in the place left opposite the word "Yes," and the elector desiring to vote against the issuing of bonds shall make a cross mark thus (X) in the place left opposite the word "No," and no ballot shall be counted on the proposition except those having the cross mark (X) opposite one only of the words, "Yes," "No." The voting shall be conducted in the same manner as provided by law for the election of city officers, and shall be counted, returned, and canvassed in the same manner as provided by law for the election of city officers, and, if upon such canvass it appears that a majority of all the votes cast upon the proposition shall be in favor of the issuing of such bonds, the same may thereafter be issued in accordance with the provisions of sections 456.01 to 456.07, but not otherwise.

[1909 c 323 s 3] (1336)

456.04 BONDS, HOW ISSUED. When three-fifths of the electors of any such city at any such election shall declare in favor of issuing the bonds of such city, such city, and the council thereof, is hereby authorized and empowered, by an affirmative vote of two-thirds of the members of such council, to issue the bonds of the city in an amount to be determined by the council, not exceeding in the aggregate the amount contained in the proposition adopted by the electors at the election, and such council may dispose of the same as provided in sections 456.05 to 456.07, and may use the same and the proceeds thereof for any of the purposes which the resolution provided for in section 456.02 shall specify, but not otherwise.

[1909 c 323 s 4] (1337)

456.05 TERMS OF BONDS. Such bonds shall be of such denomination as the council shall determine, shall be payable at such place as the council may designate; at such times, not less than 10, nor more than 30, years from date of issue; shall be made payable to bearer, or to the order of the person or corporation to whom they may be delivered, as such city may deem best, and shall draw interest, payable semiannually, at such place as the council may determine at a rate not exceeding five percent per annum, to be represented by coupons attached to the bonds. These bonds and coupons shall be signed by the mayor and attested by the clerk or similar officer of such city, and the corporate seal of the city shall be impressed upon the bonds.

[1909 c 323 s 5] (1338)

456.06 DISPOSAL OF BONDS; USE OF PROCEEDS. The council of any such city shall have authority, by a majority vote of all members, to dispose of such bonds in such manner as, in the judgment of the council, shall best subserve the interests of the city, but it shall not negotiate the sale, nor dispose of, nor sell these bonds, nor any of them, at less than their par value and accrued interest, either for cash or for property at its fair value, and neither the bonds nor the proceeds of the sale thereof shall be used for any other purpose than specified in the resolution contemplated by section 456.02, and such purpose shall be again distinctly stated in the resolution of the council authorizing the issuance thereof.

[1909 c 323 s 6] (1339)

456.07 LIEN OF BONDS. The principal and interest of any such bonds so issued is hereby declared to be a first lien upon the municipal water-works, light or power plants, dams or reservoirs, respectively, constructed or required by means of the bonds or the proceeds of the sale thereof, and the faith and credit of such city issuing the bonds is hereby irrevocably pledged to the payment thereof, any provisions of the law of this state, whether general or special, to the contrary notwithstanding.

[1909 c 323 s 7] (1340)

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456.08 WATER-WORKS; POWER TO ACQUIRE. Each city of the third class in the state is hereby authorized and empowered, as provided in sections 456.09 to 456.15, to construct, erect, purchase, or otherwise pursuant to authority of law, acquire a system of water-works to be operated and governed by such city, in such manner and to be managed and regulated by such boards or commission, or otherwise, as from time to time, may be prescribed by lawful authority, and each city is authorized to issue bonds in payment therefor, as provided in sections 456.09 to 456.15.

[1905 c 105 s 1] (1696)

456.09 ISSUE OF BONDS; MORTGAGE, LIMIT OF DEBT. Each such city is hereby authorized to issue in payment for any such system of water-works, or to pay and discharge or refund any bonds secured by a mortgage upon any water-works heretofore or hereafter purchased by any such city, and existing at the time of such purchase, in addition to all bonds heretofore authorized to be issued by any such city, its bonds, in an amount to be determined by a two-thirds vote of all the members of its council, not exceeding in amount five percent of the assessed valuation of the taxable property of such city, according to the last preceding assessment thereof, for the purpose of constructing, erecting, purchasing, or acquiring in any lawful manner a system of water-works.

[1905 c 105 s 2] (1697)

456.10 SUBMISSION TO VOTERS. Before any bond shall be issued as provided in sections 456.08 to 456.15, the council shall by resolution authorize the issuance thereof, subject to the approval of the legal voters of such city, and by such resolution such council shall determine the amount of bonds to be issued, the rate of interest, which shall not exceed four percent per annum payable semi-annually and the time of the maturity of such bonds, which may be at such time or times in such installments as the council shall in such resolution provide, and such bonds may be issued in such denominations as such resolution may provide, and such council shall in such resolution fix a time either at an annual or special election to be called for that purpose, when the voters of such city shall vote upon the question of the issuance of such bonds, and at the time so fixed by such council the legal voters of such city shall vote upon the question of the issuance of such bonds. The form of ballot therefor shall be as follows:

“Shall the city of issue its bonds in the sum ofdollars, bearing interest at percent per annum, payable semiannually, for the purpose of acquiring and owning a system of water-works, pursuant to a resolution of the city council of said city, passed on the day of, 19.....?”

Yes.....
No.....”

Voters who desire to vote for the issuance of such bonds shall place a cross (X) opposite the word “Yes” of the ballot, and those who desire to vote against the issuance of the bonds shall place a cross (X) opposite the word “No” of the ballot. Such election, if a special election, shall be conducted in all respects as a general election, except that it shall not be necessary to have more than two days for registration, which days shall be one week and two weeks, respectively, prior to the day of such election. If the majority of the voters who vote upon such question shall vote for the issuance of the bonds, then the same shall be issued, otherwise they shall not be issued.

[1905 c 105 s 3] (1698)

456.11 BONDS. The bonds of any such city issued pursuant to the terms of sections 456.08 to 456.15 may be issued and sold from time to time as determined and authorized by ordinance or resolution adopted by the affirmative vote of a majority of all the members of the council, and all interest upon such bonds shall be evidenced by coupons attached to such bonds, which interest shall be payable at such times and at such place or places as may be specified in such ordinance or resolution. Such bonds shall be sealed with the seal of the city issuing them and be signed by the mayor and city clerk or recorder, and such coupons shall be signed by the city clerk or recorder, and such bonds shall not be sold for less than par value and accrued interest to the highest responsible bidder after notice published once in each week in a daily newspaper, if there be one in such city, for two successive weeks; if not, then once in each week for two successive weeks

in a weekly newspaper in the city and once in each week for two successive weeks in a daily newspaper published in the city of St. Paul, Minnesota.

[1905 c 105 s 4] (1699)

456.12 PROCEEDS, HOW USED. None of the proceeds of any of the bonds issued pursuant to the provisions of sections 456.08 to 456.15, nor any part thereof, shall be used for any other purpose than the purposes specified in sections 456.08 to 456.11, together with the necessary expense attending such purposes, and the purpose or purposes for which such bonds shall be issued shall be distinctly set forth in the ordinance or resolution authorizing the same.

[1905 c 105 s 5] (1700)

456.13 LIMIT OF DEBT. None of the bonds of any such city issued pursuant to the terms and provisions of sections 456.08 to 456.15 shall be deemed or taken to be a part of the indebtedness of such city within the purview of any law limiting the amount of the bonded or other indebtedness of any such city, and the bonds authorized by sections 456.08 to 456.15 may be issued notwithstanding and without regard to any limitation of the indebtedness of such city, nevertheless the full faith and credit of every such city is irrevocably pledged to the full payment of all such bonds and interest.

[1905 c 105 s 6] (1701)

456.14 TAX LEVY; WATER-WORKS FUND. Every such city issuing any bonds under authority of sections 456.08 to 456.15 is hereby required to levy each year thereafter the necessary tax upon all the taxable property of such city for the purpose of raising an amount which shall be equivalent to the reasonable value of the hydrant rental and other water consumed or used by such city and provided by such system of water-works, which sum shall be paid into and credited to a fund known as the "water-works fund," which shall be kept separate from all other moneys of such city, and shall be under the control and management of the governing body, board, or commission of such city, which shall have the control, government, and management of such water-works system as may be from time to time provided by law, and likewise all rentals and revenue derived from such system of water-works in any manner shall be paid into such fund, and all expenses of management and operation, and otherwise of such system of water-works, shall be paid out of this fund, and from the balance thereof there shall each year be set aside a sufficient amount to pay the interest upon all bonds issued by authority of sections 456.08 to 456.15 and such further sums as may be necessary to create a sinking fund, to pay the principal of such bonds as they mature and a sufficient sum to pay the interest as it falls due upon any bonds secured by a mortgage upon such water-works, given before any such purchase thereof. This sinking fund shall be known as the "water-works sinking fund." In case of any deficiency in the amount of the water-works fund, every such city is hereby required to levy each year the necessary tax upon all taxable property of such city for the purpose of making up any such deficiency, and of paying the interest upon all such bonds so issued and of creating a sufficient sinking fund to pay such bonds as they mature, and such sinking fund shall not be diverted to or used for any other purpose than that of paying the interest and principal upon the bonds issued by authority of sections 456.08 to 456.15, and none of the receipts of the water-works system shall be diverted to any other purpose except that of the maintenance, operation, and extension of the water-works system, and of the payment of the interest and principal of the bonds issued pursuant to sections 456.08 to 456.15.

[1905 c 105 s 7] (1702)

456.15 WATER-WORKS, HOW ACQUIRED. Every such city is hereby authorized and empowered, by a two-thirds vote of the council thereof, to contract on behalf of the city for the purchase of water-works or for the building and construction of a system of water-works, but no contract for such building or construction shall be entered into until after the council, or other governing body, shall cause an advertisement for sealed bids for the performance of such contract to be published by the city clerk or recorder thereof, at least once in each week for three successive weeks, in a daily newspaper published in the city, if one there be; if there be none, then once in each week for three successive weeks in a weekly newspaper published in the city, and once in each week for three successive weeks in a daily newspaper published in St. Paul or Minneapolis. The council or other governing body shall have authority to prescribe such terms and conditions relative to the making of such bonds for such contract and relative to the security which each bidder shall

be required to make or deposit with such bid, as to such council shall seem expedient and proper, and to reject any and all bids; but no such contract to purchase or construct shall be valid unless, either prior to the making thereof or thereafter, in case bonds are required to be issued to pay for such water-works, a majority of the legal voters of such city shall vote in favor of the issuance of such bonds, as provided in sections 456.08 to 456.14.

[1905 c 105 s 8] (1703)

456.16-456.22 [Repealed, 1959 c 292 s 4]

456.23 EXTENSION OF WATER-WORKS SYSTEMS. Any city in this state now or hereafter having a population of 50,000 or more and owning or operating a water department for the purpose of supplying water to its inhabitants may extend the water-works so owned and operated so as to draw water from any river in this state, notwithstanding any provisions or limitations contained in the charter of any such city.

[1923 c 285 s 1] (1482-1)

456.24 EXTENSION OR REPAIR OF PUMPING PLANTS, RESERVOIR SYSTEMS, OR WATER MAIN SYSTEMS. In addition to the power heretofore granted by law, any city of the fourth class in the state is hereby authorized and empowered to issue and sell its bonds for the purpose of extending or repairing any pumping plant, reservoir system, or any system of water mains, or any of them, now owned and operated by any such city.

[1919 c 262 s 1] (1828-2)

456.25 BOND ISSUE. The bonds authorized by sections 456.24 to 456.28 shall be ordered to be issued by an ordinance duly passed by the council of such city. All bonds issued under the authority of sections 456.24 to 456.28 shall become due not later than 30 years after date and bear interest at not exceeding five and one-half percent per annum, payable semiannually. Such bonds shall be signed by the mayor, attested by the city clerk or recorder, with the seal of the city thereto affixed, and the coupons evidencing the interest upon such bonds may be executed with the facsimile signatures of these officers.

[1919 c 262 s 2] (1828-3)

456.26 BOND ISSUE; ELECTION. No election shall be required before the issuance of bonds unless a petition signed by not less than ten resident freeholders of any such city asking for the submission of the question of the issuance of these bonds shall be filed with the city clerk or recorder within 20 days after the ordinance directing the issuance of the bonds is published in the official newspaper and, in the event that a petition shall be filed asking for the submission of the question, the council shall call a special election for the submission of the question of the issuance of such bonds to the voters of the city, giving at least 15 days notice thereof, in which shall be stated the polling places, the amount of bonds proposed to be issued and purpose of issue, which notice shall be published at least twice in the official newspaper. When such petition, signed by at least ten resident freeholders, as aforesaid, is filed with the clerk or recorder, as required under and by this section, the questions of the issuance of such bonds shall be submitted to the vote of the people of such city and, unless so submitted, such bonds shall be void and of no force.

[1919 c 262 s 3] (1828-4)

456.27 BOND ISSUE; LIMITATION ON. No bonds in excess of \$80,000 shall be issued by any city under the authority of sections 456.24 to 456.28.

[1919 c 262 s 4] (1828-5)

456.28 TAX LEVY. Every city issuing bonds under the authority of sections 456.24 to 456.28 is hereby required to annually levy taxes upon all the taxable property in such city in an amount sufficient to pay the interest on such bonds and to provide a sinking fund for the payment of the principal of such bonds at maturity.

[1919 c 262 s 5] (1828-6)

456.29 EXTENSION OF WATER MAINS INTO AND FURNISHING OF WATER TO CONTIGUOUS CITIES, TOWNS, OR VILLAGES. Any city of the first class, which maintains a municipally-owned and operated water plant or department, whether such water plant is under the control of the council or a board of water commissioners, is hereby authorized to furnish water to, and extend its mains into, any city, town, or village whose territory is contiguous to such city,

and to assess the cost of extending these mains against the property abutting on the street in which the mains are laid.

[1927 c 134 s 1] (1491-2)

456.30 COST OF EXTENSION; REQUESTS FOR EXTENSION. When any such city extends its mains and furnishes water to contiguous cities, towns, or villages, under the provisions of sections 456.29 to 456.30, and is operating under a home rule charter adopted pursuant to the Constitution of the State of Minnesota, Article 4, Section 36, the cost of such mains shall be assessed and the assessment collected in the manner prescribed by its charter; provided that no such mains shall be extended or ordered furnished to any such contiguous city, town, or village except upon the adoption of a resolution requesting such service by the council or town board of such city, town, or village, which resolution shall designate the streets, alleys, or other public places wherein such mains may be laid; and, provided that the total cost of constructing such mains extended into any city, town, or village shall be assessed against the property abutting on the street where the mains are laid.

[1927 c 134 s 2] (1491-3)

456.31 ISSUE OF WATER-WORKS BONDS. In all cases in which cities of the first class have been authorized by ordinance approved by the people of such cities to issue bonds for the purpose of extending, enlarging, and improving the public water-works plants and water-works systems owned and operated by such cities, and such ordinance authorizing such bond issue provides that only a specified portion of such authorized bonds shall be issued in any one year, such cities are hereby authorized to issue all, or any part, of such bonds remaining unissued at any time, notwithstanding any provision in the ordinance authorizing such bond issue that only a specified portion of such bonds shall be issued in any one year.

[1923 c 36 s 1] (1491-1)

456.32 EXTENDING WATER PIPES. Any city in the state, now or hereafter owning and operating water-works, is hereby authorized to extend its water-works and water pipes over, under, and along any road, street, alley, or public highway in this state, whether within or without the corporate limits of such city, and to supply water for a reasonable compensation to the occupants of property adjacent or accessible to the line so extended, whether within or without the corporate limits of such city; provided, this section shall not be construed as granting any rights to any city within the corporate limits of any other city or village; provided that such line shall be so extended as not to interfere with the safety or convenience of ordinary travel over these roads, streets, alleys, and public highways.

[1905 c 228 s 1; 1949 c 119 s 111; 1951 c 377 s 1] (1864)

456.33 WATER RENTALS; RULES; APPLICATION. In all cities of the first class in this state owning a municipal water-works system, the board of water commissioners of such city, or other body or authority having the control and management of such water-works system, may adopt and enforce such rules and regulations as to the time when water rentals shall become due and payable as such body or authority may deem advisable.

[1913 c 37 s 1, 3] (1481, 1482)

456.41 BONDS FOR CONSTRUCTION OF WATER-WORKS AND MUNICIPAL MARKET. The governing body of any city of the first class in this state which operates its water-works system by means of a board of water commissioners created by act of the legislature, and which owns, maintains, and operates its own municipal market, is hereby authorized and empowered, for the purposes herein designated, to issue from time to time as needed the negotiable bonds of the city to an amount in the aggregate not exceeding \$550,000; these bonds to be in such denominations and payable at such places and at such times, not exceeding 30 years from the date thereof, as may be deemed best. These bonds shall be in serial form and bear interest at a rate not to exceed six percent per annum, payable semiannually, at such place or places as shall be designated therein, and such governing body is further authorized to negotiate and sell such bonds from time to time to the highest bidder or bidders therefor, and upon the best terms that can be obtained therefor; provided, that no such bonds shall be sold for a less amount than the par value thereof and accrued interest thereon.

[Ex1934 c 63 s 1] (1630-2½i)

456.42 LIMITATION OF INDEBTEDNESS; TAX LEVY. The bonds authorized by section 456.41, or any portion thereof, may be issued and sold by any such city

notwithstanding any limitation contained in the charter of such city or in any law of this state prescribing or fixing any limit upon the bonded indebtedness of such city. The governing body of any such city issuing said bonds shall set aside annually from the revenues of the operation of projects for which the bond issue herein is authorized, a sufficient amount to pay the interest on said bonds and the principal of any such bonds maturing in any such year; and in the event such revenue is insufficient for this purpose, the governing body of any such city issuing these bonds shall include in the tax levy a sufficient amount for the payment of such interest as it accrues and for the accumulation of a sinking fund for the redemption of such bonds at their maturity.

[*Ex1934 c 63 s 2*] (1630-2½j)

456.43 PROCEEDS, HOW USED. The proceeds of any and all bonds issued and sold under the authority of sections 456.41 to 456.44 shall be used for the following purposes and none other:

(1) For acquiring by gift, purchase, or condemnation a site or sites for municipal water-works projects or extensions and improvements thereof; provided, that no bonds in excess of the sum of \$350,000 shall be issued for such projects under the provisions of sections 456.41 to 456.44;

(2) For acquiring by gift, purchase, or condemnation a site or sites for city markets or the expansion and improvement of existing city markets and equipping the same; provided, that no bonds in excess of the sum of \$200,000 shall be issued for such projects under the provisions of sections 456.41 to 456.44.

[*Ex1934 c 63 s 3*] (1630-2½k)

456.44 AUTHORITY ADDITIONAL. The authority granted in sections 456.41 to 456.44 is in addition to all existing power and authority of any city operating under a home rule charter adopted in pursuance of the Constitution of the State of Minnesota, Article 4, Section 36.

[*Ex1934 c 63 s 4*] (1630-2½l)