

## CHAPTER 24

### UTILITY BOARD OF TRUSTEES

24.01 Purpose	24.06 Vacancies
24.02 Board Established	24.07 Powers and Duties of the Board
24.03 Appointment of Trustees	24.08 Control of Revenue
24.04 Bond	24.09 Discriminatory Rates Illegal
24.05 Compensation	24.10 Discontinuance of Board

**24.01 PURPOSE.** The purpose of this chapter is to provide for the operation of the municipally owned water and electric utilities by a board of trustees.

**24.02 BOARD ESTABLISHED.** Pursuant to an election held November 14, 1935, the management and control of the municipally owned Water and Electric Utilities were placed in the hands of a Board of Trustees.

*(Code of Iowa, Sec. 388.2)*

**24.03 APPOINTMENT OF TRUSTEES.** The Mayor shall appoint, subject to the approval of the Council, five (5) people to serve as trustees for staggered six-year terms. Three people shall be residents of the City; two people may be nonresidents if each nonresident person owns property or a business in the City that is served by the Milford Municipal Utility services or is a high-level employee of a business in the City which receives Milford Municipal Utilities services and has previous relevant experience to the function of the Board of Milford Municipal Utilities. No public officer or salaried employee of the City may serve on the Utility Board.

*(Code of Iowa, Sec. 388.3)*

**24.04 BOND.** Each member of the Board shall be covered under the municipal utilities' blanket bond.

**24.05 COMPENSATION.** The Council shall by resolution set the compensation of Board members.

*(Code of Iowa, Sec. 388.3)*

**24.06 VACANCIES.** An appointment to fill a vacancy on the Board of Trustees shall be made in the same manner as an original appointment except that such appointment shall be for the balance of the unexpired term.

*(Code of Iowa, Sec. 388.3)*

**24.07 POWERS AND DUTIES OF THE BOARD.** The Board of Trustees may exercise all powers of the City in relation to the utilities, with the following exceptions:

*(Code of Iowa, Sec. 388.4)*

1. Taxes, ordinances and bonds. The Board may not certify taxes to be levied, pass ordinances or amendments, or issue general obligation or special assessment bonds.

*Code of Iowa, Sec. 388.4[1])*

2. Property. Title to all property must be in the name of the City but the Board has full control of such property subject to limitations imposed by law. The Board may not dispose of an interest in real property unless the disposition is consistent with the continued use of the property for utility purposes, without consent of the Council and a determination by the Board that the property is no longer needed for utility purposes.

*(Code of Iowa, Sec. 388.4[2])*

3. Reports to Council. The Board shall make a detailed annual report to the Council including a complete financial statement.

*(Code of Iowa, Sec. 388.4[3])*

4. Proceedings Published. Immediately following a regular or special meeting, the Board Secretary shall prepare and cause to be published in a newspaper of general circulation in the City a condensed statement of proceedings including a list of all claims.

*(Code of Iowa, Sec. 388.4[4])*

5. Annexation Agreement. The Board shall refuse water service to proposed non-municipal customers outside the City limits unless those proposed customers agree to annex the property to be so served to the City when the municipal limits of the City are adjacent thereto. Said agreement shall be filed with the County Recorder's Office and shall become a part of the chain of title to the subject real estate and shall be binding on succeeding purchasers and assigns thereof. The Board may waive this requirement when service is given in turn for needed easements or to sell to a duly organized water district. This requirement is not applicable when said service is to supply water to another municipality.

**24.08 CONTROL OF REVENUE.** The Board shall have full control of all moneys derived from the operation of the utility, the sale of utility property, interest on investments or from any other source related to the municipal utility and any tax revenues allocated to the utilities it administers. The Board shall make the annual or project appropriations to permit such expenditures.

*(Code of Iowa, Sec. 388.5)*

1. All utility moneys received shall be held in a separate fund with a separate account for each utility system, and money may be paid from that utility's account only under the Board's direction.

2. Any surplus, as defined by generally accepted accounting principles, of utility funds administered by the Board may be transferred to another City fund only with Board approval.

**24.09 DISCRIMINATORY RATES ILLEGAL.** The utilities may not provide use or service at a discriminatory rate, except to the City or its agencies, as provided in Section 384.91, *Code of Iowa*.

*(Code of Iowa, Sec. 388.6)*

**24.10 DISCONTINUANCE OF BOARD.** A proposal, on motion of the Council or upon receipt of a valid petition, to discontinue the utility board is subject to the approval of the voters of the City, except that the Board may be discontinued by resolution of the Council when the utilities it administers are disposed of or leased for a period of over five (5) years.

*(Code of Iowa, Sec. 388.2)*

**EDITOR'S NOTE**

Pursuant to an election held July 9, 1996, and Ordinance No. 12-96, adopted August 12, 1996, the Utility Board was increased from three to five members.

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