

CHAPTER 473C

METROPOLITAN SEWER SERVICE

| Sec. | |
|---------|--|
| 473C.01 | Legislative purpose and policy |
| 473C.02 | Definitions |
| 473C.03 | Metropolitan sewer service board |
| 473C.04 | Board employees |
| 473C.05 | Sewer service function |
| 473C.06 | Comprehensive plan |
| 473C.07 | Sewage collection and disposal; powers |
| 473C.08 | Allocation of current costs |
| 473C.09 | Payments to board |
| 473C.10 | Service board budget |

| Sec. | |
|---------|---|
| 473C.11 | Tax levies |
| 473C.12 | Debt obligations |
| 473C.13 | Depositories |
| 473C.14 | Moneys, accounts and investments |
| 473C.15 | General powers of council and board |
| 473C.16 | Contracts for construction materials, supplies, and equipment |
| 473C.17 | Property exempt from taxation |
| 473C.18 | Relation to existing laws |

473C.01 LEGISLATIVE PURPOSE AND POLICY. The legislature determines that in the metropolitan area there are serious problems of water pollution and disposal of sewage, which cannot be effectively or economically dealt with by existing local government units in the area under existing laws. The legislature therefore declares that for the protection of the public health, safety, and welfare of the area, for the preservation and best use of waters and other natural resources of the state in the area, for the prevention, control and abatement of water pollution in the area, and for the efficient and economic collection, treatment and disposal of sewage it is necessary to assign to the metropolitan council the responsibility of carrying on a continuous, long range program of planning with respect thereto and to establish a sewer service board, which, together with the council, can take over, acquire, construct, operate, and maintain all interceptors and treatment works necessary for the collection, treatment and disposal of sewage in the metropolitan area.

[1969 c 449 s 1]

473C.02 DEFINITIONS. Subdivision 1. The terms defined in this section shall have the meanings given them unless otherwise provided or indicated by the context.

Subd. 2. "Metropolitan area" means the area over which the metropolitan council has jurisdiction, including the area in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Subd. 3. "Metropolitan council" or "council" means the metropolitan council established by section 473B.02.

Subd. 4. "Sewer service board" or "board" means the administrative board established as provided in section 473C.03.

Subd. 5. "Person" means any individual, partnership, corporation, or other organization or entity, public or private.

Subd. 6. "Local government unit" or "government unit" means any municipal or public corporation or governmental subdivision or agency located in whole or in part in the metropolitan area, authorized by law to provide for the collection and disposal of sewage.

Subd. 7. "Acquisition" and "betterment" shall have the meanings given to them in chapter 475.

Subd. 8. "Agency" means the Minnesota pollution control agency established by section 116.02.

Subd. 9. "Sewage" means all liquid or water-carried waste products from whatever source derived, together with such ground water infiltration and surface water as may be present.

Subd. 10. "Pollution," "sewer system," "treatment works," "disposal system," and "waters of the state" shall have the meanings given them in section 115.01.

Subd. 11. "Interceptor" means any sewer and necessary appurtenances thereto, including but not limited to mains, pumping stations, and sewage flow regulating and measuring stations, which is designed or used to conduct sewage originating in more than one local government unit, or which is designed or used to conduct all or substantially all of the sewage originating in a single local government unit from a point of collection in that unit to an interceptor or treatment works outside that unit.

Subd. 12. "Metropolitan disposal system" means any or all of the interceptors or treatment works owned or operated by the board.

[1969 c 449 s 2]

473C.03 METROPOLITAN SEWER SERVICE BOARD. Subdivision 1. **Establishment; appointments.** A metropolitan sewer service board is established as an agency of the council comprised of not fewer than seven members who shall be appointed by the metropolitan council as hereinafter provided. The council shall combine the council districts into precincts, each comprised of at least two contiguous council districts, and shall then appoint one board member for each precinct. If the boundaries of the council districts are at any time relocated, the boundaries of the precincts shall also be relocated. Not more than half of the board members may be appointed from among the residents of any one sewer service area established pursuant to section 473C.08.

Subd. 2. **Qualifications.** Each member shall be a resident of the precinct for which he is appointed and shall not during his term of office as a board member hold the office of council member or any elective public office. Each member shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, Article 5, Section 8. Such oath, duly certified by the official administering the same, shall be filed with the executive director of the metropolitan council.

Subd. 3. **Terms; removal.** Four members of the first board shall be appointed for terms ending on December 31, 1973, and three members of the first board shall be appointed for terms ending on December 31, 1971. Thereafter all board members shall be appointed for four year terms, except that each member shall serve until his successor has been duly appointed and qualified. Board members may be removed only by the council and only for cause in the manner provided in chapter 351.

Subd. 4. **Vacancies.** If the office of any board member becomes vacant the vacancy shall be filled by appointment by the metropolitan council in the same manner in which the last regular appointment for that precinct was made. The office shall be deemed vacant under the conditions specified in chapter 351.

Subd. 5. **Regular and special meetings.** The board shall meet regularly at least once each month, at such time and place as the board shall by resolution designate. Special meetings may be held at any time upon the call of the chairman or any two other members, upon written notice sent by certified mail to each member at least three days prior to the meeting, or upon such other notice as the board may by resolution 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. Unless otherwise provided, any action within the authority of the board may be taken by the affirmative vote of a majority of the members present at a regular or adjourned regular meeting or at a duly held special meeting, if a quorum is present. A majority of all of the members of the board shall constitute a quorum, but a lesser number may meet and adjourn from time to time and compel the attendance of absent members.

Subd. 6. **Board members' compensation.** Each board member shall be paid a per diem compensation equal to that allowed members of the metropolitan council by law, and shall be reimbursed for all reasonable expenses incurred in the performance of his duties as determined by the board.

Subd. 7. **Administrative and personnel code; merit system; board procedures.** The metropolitan council shall by resolution adopt an administrative and personnel code relating to the operation of the board and its employees, subject to the provisions of section 473C.04, subdivision 2. The code shall include a job classification plan, procedures for employment and promotion of personnel based on merit, procedures for the demotion, suspension or discharge of employees, procedures for hearing grievances, procedures for salary administration, and such other provisions as the council deems appropriate. The chief administrator of the sewer service board shall administer the code under the direction of the executive director or chairman of the council.

All employees of the sewer service board except those expressly designated for the unclassified service, shall serve in the classified service. The unclassified service shall include: members of the sewer service board; the chief administrator of the board; all officers of the board; any employee of the board who is determined by the council to have a confidential relationship to the board or the council; and any employee of the board expressly exempted from the classified service by law. The code shall also include procedures for open competitive examinations to test the relative fitness of all applicants for positions in the classified service. Such examinations may consist of written or oral tests of the subjective or objective type, physical tests, and practical or demonstration tests for the evaluation of past training and experience. Oral tests may be used to test the applicant's knowledge of the position applied for or his per-

sonal fitness for the position. Where there is more than one applicant for a position, the code shall provide for the employment of one of the three applicants best qualified for it.

When a board employee has been demoted, suspended or dismissed by the chief administrator, he may, within 30 days after such action becomes effective, file with the board a written request for a hearing showing his present mailing address. Upon receipt of a request for a hearing the board shall appoint three of its members to act as an appeal board and preside at a hearing on the action of the administrator. The hearing shall be held within 30 days after the request is received by the board, upon written notice mailed or delivered to the employee at his present mailing address, not less than seven days before the hearing. The appeal board shall approve or disapprove the action of the administrator, and in the case of approval the action of the administrator shall be final. In the case of disapproval the appeal board may reinstate the employee under such conditions as it deems proper, and may order the payment to the employee of compensation lost as a result of the demotion, suspension or dismissal.

The board shall adopt resolutions and bylaws establishing procedures for board action, keeping records, approving claims, authorizing and making disbursements, safekeeping funds and audit of all financial operations of the board, consistent with any code adopted by the council.

Subd. 8. **Chairman.** The chairman of the metropolitan council shall appoint a board member to act as the first chairman of the board until December 31, 1971. Successor chairmen shall be appointed by the board from its membership, each for a two year term. The chairman 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 him by the board or council. The board may appoint a vice chairman to act for the chairman during his temporary absence or disability. The chairman may be paid such compensation in addition to his compensation as a board member as the council shall determine.

Subd. 9. **Secretary and treasurer.** At its first regular meeting each year the board shall select a person or persons who may, but need not be, a member or members of the board, to act as its secretary and treasurer. The secretary and treasurer shall hold office at the pleasure of the board, subject to the terms of any contract of employment which the board may enter into with the secretary or treasurer. The secretary shall record the minutes of all meetings of the board, and shall be the custodian of all books and records of the board except such as the board shall entrust to the custody of a designated employee. The treasurer shall be the custodian of all moneys received by the board except such as the board shall entrust 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.

[1969 c 449 s 3]

473C.04 BOARD EMPLOYEES. Subdivision 1. **Administrator.** The board shall appoint a chief administrator who shall be chosen solely on the basis of his training, experience, and other qualifications, and who shall serve at the pleasure of the board. The administrator need not be a resident of the metropolitan area when appointed. The administrator shall attend all meetings of the board, but shall not vote, and shall have the following powers and duties:

(a) He shall see that all resolutions, rules, regulations, or orders of the board are enforced.

(b) He shall appoint and remove, upon the basis of merit and fitness, all subordinate officers and regular employees of the board.

(c) He shall present to the board plans, studies, and reports prepared for board purposes and recommend to the board for adoption such measures as he deems necessary to enforce or carry out the powers and duties of the board, or to the efficient administration of the affairs of the board.

(d) He shall keep the board fully advised as to its financial condition, and he shall prepare and submit to the board its annual budget and such other financial information as it may request.

(e) He shall recommend to the board for adoption such rules and regulations as he deems necessary for the efficient operation of the metropolitan disposal system.

(f) He shall perform such other duties as may be prescribed by the board.

Subd. 2. **Public employees.** All persons employed by the chief administrator shall be public employees, and shall have all rights and duties conferred on public em-

ployees under sections 179.50 to 179.571. The compensation and other conditions of employment of such employees shall not be governed by any rule applicable to state employees in the classified service nor to any of the provisions of chapter 15A, unless the council so provides, but they shall be members of the Minnesota state retirement system.

[1969 c 449 s 4]

473C.05 SEWER SERVICE FUNCTION. Subdivision 1. **Duty of board; acquisition of existing facilities; new facilities.** At any time after January 1, 1970 the sewer service board shall assume ownership of all existing interceptors and treatment works which will be needed to implement the council's comprehensive plan for the collection, treatment, and disposal of sewage in the metropolitan area, in the manner and subject to the conditions prescribed in subdivisions 2 and 4, and shall thereafter acquire, construct, equip, operate and maintain all additional interceptors and treatment works which will be needed for such purpose. The board shall assume ownership of all treatment works owned by a local government unit if any part of such treatment works will be needed for such purpose.

Subd. 2. **Method of acquisition; existing debt.** The board, with the approval of the council, may require any local government unit to transfer to the board, all of its right, title and interest in any interceptors or treatment works and all necessary appurtenances thereto owned by such local government unit which will be needed for the purpose stated in subdivision 1. Appropriate instruments of conveyance for all such property shall be executed and delivered to the board by the proper officers of each local government unit concerned. All persons regularly employed by a local government unit to operate and maintain any treatment works so transferred to the board, on the date on which the transfer becomes effective, shall be employees of the board, in the same manner and with the same options and rights as are reserved to employees of sanitary districts and joint boards under subdivision 3. The board, upon assuming ownership of any such interceptors or treatment works, shall become obligated to pay to such local government unit amounts sufficient to pay when due all remaining principal of and interest on bonds issued by such local government unit for the acquisition or betterment of the interceptors or treatment works taken over. Such amounts may be offset against any amount to be paid to the board by the local government unit as provided in section 473C.08.

Subd. 3. **Existing sanitary districts and joint sewer boards.** Effective January 1, 1971, the corporate existence of the Minneapolis-St. Paul Sanitary District, the North Suburban Sanitary Sewer District, and any joint board created by agreement among local government units pursuant to section 471.59, to provide interceptors and treatment works for such local government units, shall terminate. All persons regularly employed by such sanitary districts and joint boards on that date or on any earlier date on which the sewer service board pursuant to subdivisions 1 and 2 assumes ownership and control of any interceptors or treatment works owned or operated by such sanitary districts and joint boards, shall be employees of the board, and may at their option become members of the Minnesota state retirement system or may continue as members of a public retirement association under chapter 422 or any other law, to which they belonged before such date, and shall retain all pension rights which they may have under such latter laws, and all other rights to which they are entitled by contract or law. The sewer service board shall make the employer's contributions to pension funds of its employees. Such employees shall perform such duties as may be prescribed by the board. On January 1, 1971, or such earlier date, all funds of such sanitary districts and joint boards then on hand, and all subsequent collections of taxes, special assessments or service charges levied or imposed by or for such sanitary districts or joint boards shall be transferred to the sewer service board. The local government units otherwise entitled to such cash, taxes, assessments or service charges shall be credited with such amounts, and such credits shall be offset against any amounts to be paid by them to the sewer service board as provided in section 473C.08. On January 1, 1971, or such earlier date, the sewer service board shall succeed to and become vested with all right, title and interest in and to any property, real or personal, owned or operated by such sanitary districts and joint boards; and prior to that date the proper officers of such sanitary districts and joint boards shall execute and deliver to the board all deeds, conveyances, bills of sale, and other documents or instruments required to vest in the board good and marketable title to all such real or personal property. On January 1, 1971, or such earlier date, the sewer service board shall become obligated to pay or assume all bonded or other

debt and contract obligations incurred by such sanitary districts and joint boards, or incurred by local government units for the acquisition or betterment of any interceptors or treatment works owned or operated by such sanitary districts or joint boards.

Subd. 4. **Current value of existing facilities.** When the board assumes the ownership of any existing interceptors or treatment works as provided in subdivision 2 or 3, the local government unit or units which paid part or all of the cost of such facility, directly or pursuant to contracts for reimbursement of costs, shall be entitled to receive a credit against amounts to be allocated to them under section 473C.08, which may be spread over such period not exceeding 30 years as the board shall determine, and an additional credit equal to interest on the unused credit balance from time to time at the rate of four percent per annum. The amount of such credit shall equal the current value of the facility computed by the board in the manner provided in this subdivision at the time the board acquires it. The original cost of a facility shall be computed as the total actual costs of constructing it, including engineering, legal, and administrative costs, less any part of it paid from federal or state fund and less the principal amount of any then outstanding bonds which were issued to finance its construction. The original cost shall be multiplied by a factor equal to a current cost index divided by the same cost index at the time of construction, to determine replacement cost. The cost indices used shall be the Engineering News Record Construction Cost Indices for facilities or parts thereof completed before 1930, and the United States Public Health Service Federal Water Pollution Control Values for Sewer and Treatment Plant Construction, as applied to facilities or parts thereof completed in or after 1930. The current value of the facility shall be the replacement cost depreciated by 2.50 percent per annum from the date of construction of treatment works and 1.25 percent per annum from the date of construction of interceptors; and decreased further by a reasonable allowance for obsolescence if the board determines that the facility or any part thereof will not be useful for board purposes for at least the remaining period required to depreciate it fully, assuming no salvage value. The current value of each such facility shall be credited to each local government unit in proportion to the amount of the construction cost paid by that unit, as determined by the board, taking into account reimbursements previously made under contracts between any of the local government units. The board shall prepare an itemized statement of the amount of credit each local government unit is entitled to receive under this subdivision, and the years and amounts of installments of principal and interest thereon, and shall cause it to be mailed or delivered to the governing body of each local government unit concerned. The amount of the annual credits of principal and interest made under this subdivision to each local government unit shall be paid for as current costs of operation and maintenance of the facilities for which the credits were made.

Subd. 5. **Contracts between local government units.** On January 1, 1971, or on such earlier date or dates as the council shall by resolution determine, all contracts between or among local government units requiring payments by a local government unit to any other local government unit, for the use of a disposal system, or as reimbursement of capital costs of a disposal system, are terminated.

[1969 c 449 s 5]

473C.06 COMPREHENSIVE PLAN. Subdivision 1. **Council plan and program.** The metropolitan council shall prepare and by resolution adopt a comprehensive plan for the collection, treatment, and disposal of all sewage in the metropolitan area for such period as the council deems proper and reasonable; and, when adopted, such plan shall be followed in the metropolitan area. In developing the plan the council shall consider the preservation and best and most economical use of water and other natural resources in the metropolitan area; and the preservation, use, and potential for use of lands adjoining waters of the state to be used for sewage disposal. The plan shall include the general location of needed interceptors and treatment works, a description of the areas to be served by the various interceptors and treatment works, a long range capital improvements program, and such other details as the council shall deem appropriate. The construction of any new interceptors or treatment works by the sewer service board or any part of a disposal system by a local government unit, or the substantial alteration or improvement of any existing interceptors, treatment works or disposal system, shall be consistent with the council's comprehensive plan. Such plan may be revised as often as the council deems necessary.

Subd. 2. Comprehensive plan; hearing. Before adopting a comprehensive plan the council shall hold a public hearing on its proposed plan at such time and place in the metropolitan area as it shall determine. The hearing may be continued from time to time. Not less than 60 days before the hearing, the council shall publish notice thereof in a newspaper or newspapers having general circulation in the metropolitan area, 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 shall be permitted to present their views on the plan.

Subd. 3. Municipal plans and programs. As soon as practicable after the adoption of the first comprehensive plan by the council as provided in subdivision 1, and before undertaking the construction of any extensions or additions to its disposal system or the substantial alteration or improvement of its existing disposal system, each local government unit shall adopt a similar comprehensive plan for the collection, treatment and disposal of sewage for which the local government unit is responsible, coordinated with the council's plan, and may revise the same as often as it deems necessary. Each such plan shall be submitted forthwith to the sewer service board for review and shall be subject to the approval of the board as to those features affecting the board's responsibilities as determined by the board. Any such features disapproved by the board shall be modified in accordance with the board's recommendations. No construction of new sewers or other disposal facilities, and no substantial alteration or improvement of any existing sewers or other disposal facilities involving such features, shall be undertaken by any local government unit unless its governing body shall first find the same to be in accordance with its comprehensive plan and program as approved by the board.

[1969 c 449 s 6]

473C.07 SEWAGE COLLECTION AND DISPOSAL; POWERS. Subdivision 1. **Identification of powers.** In addition to all other powers conferred upon or delegated to the board hereunder, it shall have the powers specified in this section.

Subd. 2. Right to discharge treated sewage. The board shall have the right to discharge the effluent from any treatment works operated by it into any waters of the state in accordance with any effluent or water quality standards lawfully adopted by the agency.

Subd. 3. Connections with metropolitan system. The board may require any person or local government unit in the metropolitan area to provide for the discharge of its sewage, directly or indirectly, into the metropolitan disposal system, or to connect any disposal system or part thereof with the metropolitan disposal system wherever reasonable opportunity therefor is provided; may regulate the manner in which such connections are made; may require any person or local government unit discharging sewage into the metropolitan disposal system to provide preliminary treatment therefor; may prohibit the discharge into the metropolitan disposal system of any substance which it determines will or may be harmful to the system or any persons operating it; and may require any local government unit to discontinue the acquisition, betterment, or operation of any facility for its disposal system wherever and so far as adequate service is or will be provided by the metropolitan disposal system.

[1969 c 449 s 7]

473C.08 ALLOCATION OF CURRENT COSTS. Subdivision 1. **Current costs defined.** The estimated costs of operation, maintenance, and debt service of the metropolitan disposal system to be paid by the board in each fiscal year, and the costs of acquisition and betterment of the system which are to be paid during the year from funds other than bond proceeds, including all expenses incurred by the council pursuant to sections 473C.01 to 473C.17, are referred to in this section as current costs, and shall be allocated in the budget for that year to the respective local government units in the metropolitan area as provided in subdivisions 2 to 6.

Subd. 2. Allocation of metropolitan treatment works costs; adjusted volume. Except as provided in subdivision 3, the current costs of all treatment works in the metropolitan disposal system shall be allocated among and paid by all local government units which will discharge sewage, directly or indirectly, into the metropolitan disposal system during the budget year, in proportion to the total volume estimated to be so discharged by each local government unit, adjusted as follows:

(a) Increased or decreased, as the case may be, to the extent the board determines, on the basis of such historical and reasonably projected data as may be

available, that the sewage discharged by one unit will require more or less treatment to produce a suitable effluent than that discharged by others;

(b) Decreased by any amount of surface water estimated by the board to be discharged by a local government unit from a combined storm and sanitary sewer system;

(c) Increased by that volume of normal sanitary sewage which is equivalent for treatment purposes to the volume of surface water referred to in (b) above, as determined by the board from available engineering data; and

(d) Increased or decreased, as the case may be, by the amount of any substantial and demonstrable error in a previous estimate.

Subd. 3. Allocation of metropolitan treatment works costs; reserved capacity. In preparing each budget the board shall estimate the current costs of acquisition, betterment, and debt service, only, of each treatment works in the metropolitan disposal system which will not be used to total capacity during the budget year, and the percentage of such capacity which will not be used, and shall deduct the same percentage of such costs from the current costs allocated under subdivision 2. The total amount so deducted with respect to all treatment works in the system shall be allocated among and paid by the respective local government units in the metropolitan area for which capacity unused each year is reserved for future use, in proportion to the amounts of such capacity reserved for each of them.

Subd. 4. Allocation of service area interceptor costs; volume and reserved capacity. Except as provided in subdivision 5, the current costs of all interceptors in each sewer service area established pursuant to subdivision 7 shall be allocated among and paid by all local government units in the sewer service area which will discharge sewage into them, directly or indirectly, during the budget year, in proportion to the volume estimated to be so discharged by each local government unit, adjusted as provided in subdivision 2, clauses (b) and (d), after deduction and allocation of current costs of acquisition, betterment, and debt service, only, for estimated unused capacity in the service area interceptors among local government units in the service area for which unused capacity therein has been reserved, in the same manner as that provided in subdivision 3.

Subd. 5. Allocation of metropolitan interceptor costs; assessed value and population. When the council determines that a particular interceptor or some part thereof is of substantial benefit to the metropolitan area as a whole, each year the board shall deduct all of the current costs thereof allocable to such benefit from the current costs to be allocated under subdivision 4. The total amount so deducted shall be allocated among and paid by all local government units in the metropolitan area which will discharge sewage, directly or indirectly, into the metropolitan disposal system in the next budget year, as follows: (a) one-half in the proportion that the assessed value of all taxable property within each such local government unit in the metropolitan area bears to the assessed value of the taxable property in all such local government units, as last finally equalized before October 1 in the year in which the budget is adopted; and (b) one-half in the proportion that the population of each such local government unit in the metropolitan area bears to the total population in all such local government units, as estimated by the council from the most recent data available to it.

Subd. 6. Deferment of payments. The council may by resolution provide for the deferment of payment of all or part of the current costs of acquisition, betterment, and debt service of estimated unused capacity which are allocated by the board to a local government unit in any year pursuant to subdivisions 3 and 4, repayable at such time or times as the council shall specify in the resolution, with interest at the approximate average annual rate borne by council bonds outstanding at the time of the deferment, as determined by the council. Such costs may be deferred only when the council determines that a substantial portion of the territory of a local government unit has not been connected to the metropolitan disposal system, and that the amount of such costs or some portion thereof is disproportionate to the available economic resources of the unit at the time. Such deferred costs shall be allocated to and paid by all local government units in the metropolitan area which will discharge sewage, directly or indirectly, into the metropolitan disposal system in the budget year for which the deferment is granted, in the same manner and proportions as current costs are allocated under subdivision 5. When such deferred costs are repaid they shall be applied in reduction of the total amount of costs thereafter allocated to each of the local government units to which such deferred costs

were allocated in the year of deferment, in proportion to their allocations thereof that year.

Subd. 7. Establishment of service areas. The board with the approval of the council, after public hearing, shall by resolution establish sewer service areas, designated by name or number, each comprising that part of the metropolitan area primarily served or to be served by a particular interceptor or group of interceptors, or part thereof, situated within the sewer service area. At least 60 days before the hearing on the establishment of each service area, notice shall be published in a newspaper or newspapers having general circulation in the metropolitan area and in the service area and mailed to the governing body of each local government unit situated wholly or partly within the service area, stating the date, time, and place of the hearing and the local government units to be included in whole or in part, and describing in a general way the interceptors, existing or proposed, which will serve the area. Any hearing or adjourned hearing may be adjourned to a time and place stated at the hearing or adjourned hearing, or to a time and place stated in a notice mailed at least three days in advance to the governing bodies of all local government units in the proposed service area. No error or omission in the description in any notice of a service area or the interceptors designated therefor shall invalidate the establishment of the area as defined in the resolution approved by the council.

Subd. 8. Alternative methods of allocating costs. When it shall appear that the costs established pursuant to the provisions of subdivisions 1 to 7 shall result in an increased cost to a municipality or service area which is now being serviced by the facilities of the Minneapolis-St. Paul Sanitary District or by the facilities of any other municipality or sewer district is unreasonable or inequitable, the board is hereby authorized and directed to adopt such other means and methods of allocating costs, as to each of them, as may be fair, reasonable and equitable.

Subd. 9. Sewer service area advisory boards. Whenever the board establishes a sewer service area pursuant to subdivision 7, the government units located in whole or in part in such area may establish a sewer service area advisory board for such area, comprising not more than five members, one each to be appointed by each of the five most populous municipalities in such area as determined by the most recent decennial or special federal census. The advisory board shall meet with the sewer service board member or members representing such area, not less often than quarterly, to consult with such members concerning the acquisition, betterment, operation and maintenance of interceptors and treatment works in the service area, and the allocation of costs therefor.

[1969 c 449 s 8]

473C.09 PAYMENTS TO BOARD. Subdivision 1. **Amounts due board, when payable.** Charges payable to the board by local government units may be made payable at such times during each year as the board determines, but such dates shall be fixed with reference to the dates on which tax, assessment, and revenue collections become available to the government units required to pay such charges.

Subd. 2. Component municipalities, obligations to board. Each government unit shall pay to the board all sums charged to it as provided in section 473C.08, at the times and in the manner determined by the board. The governing body of each such government unit shall take all action that may be necessary to provide the funds required for such payments and to make the same when due.

Subd. 3. Powers of government units. To accomplish any duty imposed on it by the council or board, the governing body of every government unit in the metropolitan area may exercise the powers granted any municipality by chapters 117, 412, 429, 475, sections 115.46, 444.075 and 471.59.

Subd. 4. Deficiency tax levies. If the governing body of any local government unit fails to meet any payment to the board hereunder when due, the metropolitan council may certify to the auditor of the county in which the government unit is located the amount required for payment of such amount with interest at six percent per annum. The auditor shall levy and extend such amount as a tax upon all taxable property in the government unit for the next calendar year, free from any existing limitations imposed by law or charter. Such tax shall be collected in the same manner as the general taxes of the government unit, and the proceeds thereof, when collected, shall be paid by the county treasurer to the treasurer of the board and credited to the government unit for which the tax was levied.

[1969 c 449 s 9]

473C.10 SERVICE BOARD BUDGET. The sewer service board shall prepare and submit to the council for approval on or before September 1 in 1969 and each year thereafter, a budget showing, for the following calendar year or other fiscal year determined by the council, estimated receipts of money from all sources including but not limited to payments by each local government unit, federal or state grants, taxes on property, and funds on hand at the beginning of the year, and estimated expenditures for costs of (a) operation, administration, and maintenance of the metropolitan disposal system, including credits to each local government unit under section 473C.05, subdivision 4, and deferments under section 473C.08, subdivision 7, (b) acquisition and betterment of treatment works and interceptors, and (c) debt service, including principal and interest on general obligation bonds and certificates issued pursuant to section 473C.12, obligations assumed under section 473C.05, subdivisions 2 and 3, and any money judgment entered by a court of competent jurisdiction. Appropriations for purposes within these general categories shall be itemized in such detail as the council shall prescribe. The board and its officers, agents and employees shall not spend money for any purpose, other than debt service, without an appropriation or in excess of the amount appropriated therefor, and no obligation to make such an expenditure shall be enforceable except as the obligation of the person or persons incurring it. The creation of any debt obligation or the receipt of any federal or state grant is a sufficient appropriation of the proceeds for the purpose for which it is authorized, and of the tax or other revenues pledged to pay the obligation and interest on it, whether or not specifically included in any annual budget. The council may, at the board's request, amend the budget at any time by transferring from one purpose to another any appropriation except appropriations of bond proceeds and of money for debt service.

[1969 c 449 s 10]

473C.11 TAX LEVIES. The council shall have power to levy taxes for debt service of the metropolitan disposal system upon all taxable property within the metropolitan area, without limitation of rate or amount and without affecting the amount or rate of taxes which may be levied by the council for other purposes or by any local government unit in the area. The council shall also have power to levy taxes as provided in section 473C.09. Each of the county auditors shall annually assess and extend upon the tax rolls in his county the portion of the taxes levied by the council in each year which is certified to him by the council. Each county treasurer shall collect and make settlement of such taxes with the treasurer of the board in the same manner as with other political subdivisions.

[1969 c 449 s 11]

473C.12 DEBT OBLIGATIONS. Subdivision 1. **Certificates of indebtedness.** At any time or times after approval of an annual budget, and in anticipation of the collection of tax and other revenues appropriated in the budget, the council may by resolution authorize the issuance, negotiation, and sale, in such form and manner and upon such terms as it may determine, of general obligation certificates of indebtedness in aggregate principal amounts not exceeding 50 percent of the total amount of such appropriations, and maturing not later than April 1 following the close of the budget year. All receipts of tax and other revenues included in the budget, after the expenditure of appropriated funds, shall be irrevocably appropriated to a special fund to pay the principal of and the interest on the certificates when due. If for some reason the anticipated revenues are insufficient to pay the certificates and interest thereon when due, the council shall levy a tax in the amount of the deficiency on all taxable property in the metropolitan area, and shall appropriate this amount to the special fund, to be credited thereto from the first tax and other revenues received in the following budget year.

Subd. 2. **Emergency certificates of indebtedness.** If in any budget year the receipts of tax and other revenues should from some unforeseen cause become insufficient to pay the board's current expenses, or if any calamity or other public emergency should subject it to the necessity of making extraordinary expenditures, the council may make an emergency appropriation of an amount sufficient to meet the deficiency and may authorize the issuance, negotiation, and sale of certificates of indebtedness in this amount in the same manner and upon the same conditions as provided in subdivision 1, except that the council shall forthwith levy on all taxable property in the metropolitan area a tax sufficient to pay the certificates and interest thereon, and shall appropriate all collections of such tax to a special fund created for that purpose. The certificates may mature not later than April in the year following the year in which the tax is collectible.

Subd. 3. **General obligation bonds.** The council may by resolution authorize the issuance of general obligation bonds for the acquisition or betterment of any interceptors or treatment works determined to be necessary or desirable for the metropolitan disposal system, or for the refunding of outstanding bonds, certificates of indebtedness, or judgments. The council shall provide for the issuance and sale and for the security of such bonds in the manner provided in chapter 475, and shall have the same powers and duties as a municipality issuing bonds under that law, except that no election shall be required and the net debt limitations in chapter 475 shall not apply to such bonds. The council may also pledge for the payment of such bonds any revenues receivable under section 473C.08.

[1969 c 449 s 12]

473C.13 DEPOSITORIES. The board shall from time to time designate one or more national or state banks, or trust companies authorized to do a banking business, as official depositories for moneys of the board, and thereupon shall require the treasurer to deposit all or a part of such moneys in such institutions. Such designation shall be in writing and shall set forth all the terms and conditions upon which the deposits are made, and shall be signed by the chairman and treasurer, and made a part of the minutes of the board. Any bank or trust company so designated shall qualify as a depository by furnishing a corporate surety bond or collateral in the amounts required by section 118.01. However, no bond or collateral shall be required to secure any deposit insofar as it is insured under federal law.

[1969 c 449 s 13]

473C.14 MONEYS, ACCOUNTS AND INVESTMENTS. Subdivision 1. All moneys received by the board shall be deposited or invested by the treasurer and disposed of as the board may direct in accordance with its budget; provided that any moneys that have been pledged or dedicated by the metropolitan council to the payment of obligations or interest thereon or expenses incident thereto, or for any other specific purpose authorized by law, shall be paid by the treasurer into the fund to which they have been pledged.

Subd. 2. The board's treasurer shall establish such funds and accounts as may be necessary or convenient to handle the receipts and disbursements of the board in an orderly fashion.

Subd. 3. The moneys on hand in said funds and accounts may be deposited in the official depositories of the board or invested as hereinafter provided. The amount thereof 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 section 475.66. Such moneys may also be held under certificates of deposit issued by any official depository of the board.

Subd. 4. The use of proceeds of all bonds issued by the council for the acquisition and betterment of interceptors or treatment works, and the use, other than investment, of all moneys on hand in any sinking fund or funds of the council, shall be governed by the provisions of chapter 475, and the provisions of resolutions authorizing the issuance of such bonds. Such bond proceeds when received shall be transferred to the treasurer of the board for safe-keeping, investment and payment of capital costs.

Subd. 5. The public examiner shall audit the books and accounts of the board at least once each year. The board shall pay to the state the total cost and expenses of such examination, including the salaries paid to the examiners while actually engaged in making such examination. The revolving fund of the public examiner shall be credited with all collections made for any such examination. The council may also require the board to have an independent audit made by a certified public accountant to be paid for by the board, and may examine the board's books and accounts at any time.

[1969 c 449 s 14]

473C.15 GENERAL POWERS OF COUNCIL AND BOARD. Subdivision 1. The metropolitan council and the board shall each have all powers which may be necessary or convenient to discharge the duties imposed upon them by law. Such powers shall include those hereinafter specified, but the express grant or enumeration of powers shall not be deemed to limit the generality or scope of the grant of power contained in this subdivision. The exercise of any of its powers by the board shall be consistent with the exercise by the metropolitan council of any of its powers. The council may delegate to the board any powers conferred on the council under sections 473C.03 to 473C.16.

Subd. 2. The council or the board may sue or be sued.

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

Subd. 4. The board shall have the power to adopt rules and regulations relating to the operation of any interceptors or treatment works operated by it, and may provide penalties for the violation thereof not exceeding the maximum which may be specified for a misdemeanor. Any rule or regulation prescribing a penalty for violation shall be published at least once in a newspaper having general circulation in the metropolitan area.

Subd. 5. The council or board with the consent of the council may accept gifts, may 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, may enter into any agreement required in connection therewith, and may hold, use, and dispose of such money or property in accordance with the terms of the gift, grant, loan or agreement relating thereto.

Subd. 6. The council or board may act under the provisions of section 471.59, or any other appropriate law providing for joint or cooperative action between government units.

Subd. 7. 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 metropolitan disposal system; and may advise and assist the metropolitan council and other government units on system planning matters within the scope of its powers, duties, and objectives.

Subd. 8. The board may employ on such terms as 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 such amounts as it deems necessary against liability of the board or its officers and employees or both, for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property as it deems necessary.

Subd. 9. 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 or treatment works determined to be necessary or convenient for the collection and disposal of sewage in the metropolitan area. Any local government unit and the commissioners of highways and natural resources are authorized to convey to or permit the use of any such facilities owned or controlled by it by the council or the board, subject to the rights of the holders of any bonds issued with respect thereto, with or without compensation, without an election or approval by any other government agency. All powers conferred by this subdivision may be exercised both within or without the metropolitan area as may be necessary for the exercise by the council or board of its powers or the accomplishment of its purposes. The board may hold such property for its purposes, and may lease any such property so far as not needed for its purposes, upon such terms and in such manner as it shall deem advisable. Unless otherwise provided, the right to acquire lands and property rights by condemnation shall be exercised in accordance with sections 117.01 to 117.02, and shall apply to any property or interest therein owned by any local government unit; provided, that no such property devoted to an actual public use at the time, or held to be devoted to such use within a reasonable time, shall be so acquired unless a court of competent jurisdiction shall determine that the use proposed by the board is paramount to such use. Except in case of property in actual public use, the board may take possession of any property for which condemnation proceedings have been commenced at any time after the issuance of a court order appointing commissioners for its condemnation.

Subd. 10. The board may construct or maintain its systems or facilities in, along, on, under, over, or through public streets, bridges, viaducts, and other public rights of way without first obtaining a franchise from any local government unit having jurisdiction over them; but such facilities shall be constructed and maintained in accordance with the ordinances and resolutions of any such government unit relating to construction, installation, and maintenance of similar facilities in such public properties and shall not obstruct the public use of such rights of way.

Subd. 11. The board may sell or otherwise dispose of any real or personal property acquired by it which is no longer required for accomplishment of its purposes. Such property may be sold in the manner provided by section 458.196, insofar as practical. The board may give such notice of sale as it shall deem appropriate. When the board determines that any property or any interceptor or treatment works or any part thereof which has been acquired from a local government unit without compensation is no longer required, but is required as a local facility by the government unit from which it was acquired, the board may by resolution transfer it to such government unit.

Subd. 12. The board may contract with the United States or any agency thereof, any state or agency thereof, or any local government unit or governmental agency or subdivision, for the joint use of any facility owned by the board or such entity, for the operation by such entity of any system or facility of the board, or for the performance on the board's behalf of any service, on such terms as may be agreed upon by the contracting parties.

[1969 c 449 s 15; 1969 c 1129 art 3 s 1]

473C.16 CONTRACTS FOR CONSTRUCTION MATERIALS, SUPPLIES, AND EQUIPMENT. Subdivision 1. No contract for any construction work, or for the purchase of materials, supplies, or equipment, costing more than \$5,000 shall be made by the board without publishing once in a legal newspaper or trade paper published in a city of the first class not less than two weeks before the last day for submission of bids, notice that bids or proposals will be received. Such notice shall state the nature of the work or purchase and the terms and conditions upon which the contract is to be awarded, and a time and place where such bids will be received, opened, and read publicly. After such bids have been duly received, opened, read publicly, and recorded, the board shall award such contract to the lowest responsible bidder or it may reject all bids and readvertise. Each contract shall be duly executed in writing and the party to whom the contract is awarded shall give sufficient bond or security to the board for the faithful performance of the contract as required by law. The board shall have the right to set qualifications and specifications and to require bids to meet all such qualifications and specifications before being accepted. If the board by an affirmative vote of two-thirds of its members declares that an emergency exists requiring the immediate purchase of materials or supplies at a cost in excess of \$5,000 or in making emergency repairs, it shall not be necessary to advertise for bids.

Subd. 2. The administrator may, without prior approval of the board and without advertising for bids, enter into any contract of the type referred to in subdivision 1 which is not in excess of \$5,000.

Subd. 3. The board shall prepare and submit to the council for approval, plans and specifications for the acquisition or betterment of interceptors or treatment works authorized by the council's comprehensive plan, and after approval by the council, and approval by the agency if required, may advertise for bids for all work and materials called for by such plans and specifications, and award a contract to the lowest responsible bidder.

[1969 c 449 s 16]

473C.17 PROPERTY EXEMPT FROM TAXATION. Any properties, real or personal, owned, leased, controlled, used, or occupied by the sewer service board for any purpose referred to in section 473C.01 are declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from taxation by the state or any political subdivision of the state, provided that such properties shall be 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 such improvement. No possible use of any such properties in any manner different from their use as part of the metropolitan disposal system at the time shall be considered in determining the special benefit received by such properties. All such assessments shall be subject to final confirmation by the metropolitan council, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment. All bonds, certificates of indebtedness or other obligations of the council, and the interest thereon, shall be exempt from taxation by the state or any political subdivision of the state.

[1969 c 449 s 17]

MINNESOTA STATUTES 1969

473C.18 METROPOLITAN SEWER SERVICE

4922

473C.18 RELATION TO EXISTING LAWS. The provisions of sections 473C.01 to 473C.17 shall be given full effect notwithstanding the provisions of any law not consistent therewith, including but not limited to section 473B.06, subdivision 6. The powers conferred on the council and the board under sections 473C.01 to 473C.17 shall in no way diminish or supersede the powers conferred on the agency by chapters 115 and 116.

[1969 c 449 s 18]