

STATUTE SUMMARY**ORS CHAPTER 450
Sanitary Districts and Authorities; Water Supply Authorities****SANITARY DISTRICTS
(Generally)****450.005 Definitions****(Formation)**

450.009 Sanitation districts may be formed to provide sanitation facilities and services. A formation petition must state whether there are 3 or 5 members on the board.

- 450.045** (1) The board will have the district's power and authority.
(2) Board members must be electors of the district.
(3) Provides a procedure for arriving at staggered office terms for boards with 3 members.
(4) Provides a procedure for arriving at staggered office terms for boards with 5 members.

(Officers and Elections)

450.055 (1) The district officers will be board members, and a secretary will be appointed by the board.

- (2) When there are 5 board members the term of office will be 4 years.
(3) Members who have 3 successive unexcused meeting absences will be removed from the board.

450.059 (1) ORS Chapter 255 governs nomination and election of board members and conduct of elections.

- (2) District electors may use initiative and referendum powers.

450.062 (1) Whether to increase boards members from 3 to 5 would be decided at a regular election.

- (2) At that election voters will also vote to fill any new vacancy created.
(3) The Secretary of State will adjust and stagger the terms.

450.065 (1) Board members will choose a president and appoint a secretary once a year.

- (2) The secretary's compensation is set by the board.
(3) The board will decide the duties of the secretary.
(4) Thirty days after establishing a district the secretary will notify DEQ of the district's name, formation date, board members, and boundaries.

450.070 (1) The board must hold a public meeting at least once a month.

- (2) The board may choose a president or secretary pro tempore.
(3) Special meetings may be called with 6 hours notice.

450.075 A sanitary district may: (1) Use a common seal.

- (2) Sue and be sued by its name.
(3) Operate sewage collection and disposal, either alone or jointly with other local governments, and may enter into contracts.
(4) Allow other jurisdictions to use its property.
(5) Acquire property or rights of way by purchase, gift, devise, or condemnation.
(6) Make and accept contracts, deeds, releases and documents.
(7) Issue bonds.
(8) Levy taxes and fix sewer rentals, charges and assessments.
(9) Employ people.

- (10) Lay and maintain sewers and drains.
- (11) Maintain solid waste collection and disposal systems.
- (12) Call elections.
- (13) Compel residents to hook up to sewage disposal systems.
- (14) Do what is necessary or proper to carry out its powers.
- (15) Make and enforce regulations for sanitary purposes.
- (16) Make and enforce regulations for dealing with solid wastes.

450.080 All documents will be signed by the district president and countersigned by the secretary.

- 450.082** (1) The district may provide health insurance for its employees.
(2) The district may provide remedial care which is once or more of the healing arts.

- 450.084** (1) District contributions for employee insurance premiums are voluntary.
(2) The district may negotiate with more than one insurance company.
(3) The district may only do business with insurance companies authorized by the state.
(4) The district may levy taxes to pay for insurance expenses.

450.085 Regulations or ordinances must comply with ORS 198.510-600.

(District Finances)

- 450.090** (1) The county treasurer will be custodian of sanitary district funds.
(2) Orders shall specify the name of the money recipient, fund and purpose.
(3) Orders will be reflected in board minutes and recorded by the county treasurer.

(4) Funds may be deposited at the discretion of the board.

- 450.095** (1) Bond issue is determined by election. The board may order an election on its own resolution, but must do so when a petition is filed.
(2) A bond proposal may be submitted to the voters to give approval for all outlays or for individual outlays.
(3) Initiative petitions must follow ORS 255.135-205.
(4) A bond issue election notice will include a description of the proposal.
(5) A bond issue election proposal must match a petition proposal.
(6) A board may issue bonds if a majority of the electors approve.

- 450.110** (1) No general obligation or revenue bonds may be more than \$5,000.
(2) Interest on bonds will be payable semiannually.

450.115 If the purposes of a bond are fulfilled, the balance may be used to pay principal and interest of the bonds.

450.120 District bonds outstanding may never be more than 13% of the taxable property value in the district.

- 450.125** (1) Revenue and general obligation bonds must be within 30 years.
(2) Improvement bonds may be issued without elector approval.

- 450.130** (1) The sanitary board may maintain a sewage system using sewer service charges.
(2) Sewer service charges may be collected with water bills.
(3) Service charges may be collected and enforced.

450.135 (1) For system construction, costs may be assessed against property directly benefitted and from sewer service charges or general funds.

(2) The proportion assessed against property, service charges and funds is determined by the board.

450.140 In making improvements, the board will determine a method of assessment. This ordinance will:

(1) Notice to property owners.

(2) Provide that notice won't be less than 20 days before action.

(3) Provide opportunity for property owners to remonstrate.

(4) Provide method of assessing property and recording liens.

450.145 (1) Assessments will be recorded in a permanent lien docket.

(2) The lien docket will be a public record.

450.150 (1) The board will provide opportunity for remonstrance for every improvement.

(2) If 2/3 of property owners to be assessed file written objections to a proposed improvement, the proposal may not go forward for another 6 months.

(3) If 2/3 of the property owners do not file objections the board may proceed.

450.155 Assessment charges must follow ORS 223.205, 223.210-295 and 223.770. The district may issue improvement bonds to pay assessments in installments.

450.160 (1) If an assessed property owner fails to make payment the board may foreclose a lien against that property.

(2) ORS 223.405 and 223.485 relating to reassessment are applicable to the district.

450.165 (1) When sewerage construction is to be paid for by bond issue and/or property assessment an engineer will prepare plans.

(2) Any plans or specifications must be prepared by an engineer and approved by the Environmental Quality Commission.

450.170 (1) Assessment of property taxes shall be made by county officers.

(2) The district board shall fix the amount of money to be raised.

(3) If the board fails to levy an ad valorem tax sufficient to pay interest and principal on general obligation bonds, the county board will levy a tax to meet the difference.

450.175 (1) Taxes levied will be collected in the same manner as county taxes.

(2) Taxes shall be a lien against property.

(Annexation)

450.215 (1) If property is proposed to be annexed from one district to another, the two district boards will meet to agree on division of property.

(2) Division of property must give consideration to assessed value, property type and location, and intended use.

450.225 (1) The effective annexation date will be the date of the property withdrawal from the other district.

(2) Unless a plan of division of property has been agreed to, the annexing district will receive the properties of the annexed territory.

(3) The annexing district may assume obligations of the annexed territory at the option of the annexing district.

(4) 30 days after annexation, a report will be filed with the Environmental Quality Commission.

(Miscellaneous)

450.245 (1) Sanitary districts have the powers provided in 450.005-245.

(2) No right or obligation incurred by the formation of a sanitary district is affected by the repeal of those provisions.

(Districts with Valuation Less Than \$250,000)

450.250 Definitions.

450.255 Districts certified to be in need of sewerage systems may apply to the State Treasurer for financing.

450.260 A district may not apply to the State Treasurer for financing unless:

- (1) It submits plans and specifications.
- (2) It submits a proposed plan for paying off indebtedness.

450.265 For state financing, the Treasurer will determine bond duration, form, interest rates, and price.

450.270 (1) The State Treasurer will determine whether state funds may be used for financing.

(2) The State Treasurer may use the services of any state department or engineer in determining the feasibility of a sewer project.

(3) The State Treasurer may purchase bonds from any district. The Treasurer may authorize the district to furnish service to systems outside its boundaries.

(4) The Treasurer may allow districts to issue bonds with the right for the districts to redeem the bonds at par value.

(5) The Treasurer may allow deferment of interest payment on sewerage bonds for up to 3 years.

(6) The Treasurer will specify the procedure for financing sewerage systems when state assistance is involved.

450.275 While the Treasurer owns sewerage bonds of any district, that district will not issue other bonds without Treasurer approval.

450.280 (1) The Treasurer may purchase bonds from a district if after expenses the bonds are dedicated to paying off the debt, guaranteed by property taxes, and the indebtedness doesn't exceed 25 % of the property value in the district.

(2) Bonds purchased by the Treasurer are obligation of the issuing district.

450.285 The State Sanitary District Sewer Bond Fund is created in the Treasury to invest in sanitary district sewer bonds.

450.290 (1) Districts using State Treasury financing shall provide the Treasurer a rate and charges schedule that reflects its ability pay off the debt.

(2) The Treasurer may direct delinquent sewerage system charges be certified to the county, which will be considered a lien on the property.

(3) The Treasurer will approve the districts' annual budgets and tax levies.

450.295 If the district fails to meet its debt obligation to the state, the Treasurer and district will negotiate refinancing and appoint a receiver to operate the sewerage system.

450.300 Collections for sewerage service and connection fees will be kept separate from other funds. The amount required to pay off debt will be set aside quarterly from tax receipts.

(Sanitary District Sewerage System Revolving Fund)

- 450.303** (1) A sanitary district, valued over \$750,000, may sell its bonds to the state, with Treasurer approval. These bonds can't exceed 15% of the district's value.
 (2) The Sanitary District Sewerage System Revolving Fund is created for these larger districts.

WATER SUPPLY AUTHORITIES

- 450.650** (1) A water supply authority will have 7 board directors.
 (2) A board director's term of office is 4 years.
 (3) Any elector residing in the authority may be a board director.
 (4) Employees of the authority may not be on the board.
- 450.655** (1) The board of directors may be elected by electors of zones, or elected at large by position number.
 (2) Candidates in zones will be nominated by zone voters.
 (3) If elected by zones, the board directors will reapportion the zones after every census year.
- 450.658** (1) Seven directors will be elected for formation of an authority.
 (2) Method for setting up staggered terms for directors.
- 450.665** A water supply authority may be formed following ORS 198.800-825 except that:
 (1) Not less than 100 territory electors must sign a petition.
 (2) The county will prescribe the method of director election--from zones or at large.
- 450.675** Any portion of one or more counties may form a water supply authority. This includes incorporated and unincorporated areas, domestic water supply districts, county service districts for water supply and other districts. These areas need not be contiguous.
- 450.680** (1) Two or more cities, 2 or more water districts, or at least one city and one water district, may form a water supply authority.
 (2) The county or boundary commission where the authority is to be located, will decide whether providing water in that area can best be achieved by a water authority. The county or commission will consider the authority's ability to provide service, the effect on patrons, the impact on adjacent districts and cities, and consistency with the county's comprehensive plan.
 (3) A public hearing will be held on the proposal.
- 450.685** (1) Water authorities must follow the same meeting, insurance, and ordinance adoption procedures of sanitary districts. They must follow the same procedure for apportionment of cost among serviced property owners as that by sanitary authorities.
 (2) Sanitary authority statutes pertaining to ordinances do not apply to water authorities.
 (3) Water district statutes pertaining to powers of eminent domain, debt, tax assessment, water use and rates, as well as annexation procedures, do not apply to water authorities.
- 450.690** A water supply authority is a municipality for purposes of revenue bond issuing.
- 450.695** (1) a water supply authority may acquire water rights from any municipality or district.
 (2) A water supply authority may change the diversion points or move intake sources of water.
- 450.700** Same as 450.695.

SANITARY AUTHORITIES

(Generally)

- 450.705** (1) Problems relating to sewage disposal can best be solved by cooperative effort.
 (2) Potable water supply problems can best be solved through cooperative effort.

450.710 Definitions.

(Formation)

450.715 Any portion of one or more counties may be within a sanitary authority and need not be contiguous.

450.785 One or more county governing bodies may initiate formation of a sanitary authority.

450.787 (1) The governing bodies of 2 or more cities, 2 or more sanitary or drainage districts, or one or more cities &/or district may form a sanitary authority.

(2) The county governing body or boundary commission will determine whether sewage disposal or drainage can best be provided by a sanitary authority.

(3) The county governing body will hold a hearing on the proposal.

(Board and Elections)

450.790 (1) There will be 5 board members including a chairman. They will appoint a manager.

(2) Any elector in the proposed authority may be a board member.

(3) A sanitary authority employee may not be a board member.

450.793 (1) Election laws in ORS Chapter 255 are application to board member nominations and elections.

(2) Powers of district initiative and referendum may be used by the electors.

450.795 (1) Board members will be the candidates receiving the 5 highest number of votes.

(2) Procedure for staggering terms.

450.800 The board may call special elections.

(2) Term of office is 4 years.

(3) Vacancies will be filled as provided in ORS 198.320.

(4) The board may submit measures to the electors.

(Powers)

450.806 (1) The board is the authority's governing body.

(2) The chair serves a 2-year term.

(3) The board appoints a manager whose salary is determined by the board.

(4) Documents are signed by the chairman and countersigned by the manager.

450.808 The manager is administrator and supervisor of authority functions.

450.810 (1) The board may adopt regulations and resolutions for control of solid waste disposal and drainage.

(2) Ordinances will be in accordance to ORS 198.510 and 198.600.

450.815 The authority may:

(1) Use a common seal.

(2) Sue and be sued.

- (3) Permit its property to be used by another government agency.
- (4) Acquire property and rights of way necessary to exercise its powers.
- (5) Make and accept contracts.
- (6) Hire people.
- (7) Lay sewers and drains along public rights of way, but with consent.
- (8) Compel residences to be connected to sewers.
- (9) Fix sewer charges and rentals.
- (10) Perform any act property in carrying out its powers.

450.820 The authority may:

- (1) Operate disposal sites and garbage collection systems.
- (2) Engage in vector control.

450.825 The board will survey existing sewage disposal systems and prepare a plan for sewage disposal needs in the future.

450.830 The authority may construct or operate sewage treatment plants, as well as trunk and lateral sewers and drains. It may contract to provide service to areas outside its boundaries.

450.835 The authority may:

- (1) Enter into contracts.
- (2) Purchase all or part of any sewage disposal or drainage system.

450.837 (1) Water supply and sanitary authorities are municipalities in administering the plumbing code.

- (2) The authority will administer the plumbing code only for installation and maintenance of connections between structures and authority mains and sewers.
- (3) The authority may not administer any specialty code other than the plumbing code.
- (4) The authority must notify the State Building code Administrator each year as to whether or not it will exercise its code enforcement power.

(Finances)

- 450.840** (1) The construction costs for a sewage disposal system shall be borne by the area benefitted.
- (2) Operation and Maintenance costs will be borne by the area benefitted.
 - (3) Costs not chargeable to any particular area will be borne by the entire authority.

450.845 For areas needing sewerage installations, the board will determine the area to be benefitted and have plans and specifications--including costs to individual owners--prepared, subject to approval by the Health Division and Environmental Quality Commission.

- 450.850** (1) The board will hold a hearing on proposed construction plans.
- (2) Notice will be giving of the hearing.

450.855 At the hearing the board may:

- (1) Modify the proposed boundaries.
- (2) Determine what installations are to be made along with their cost.
- (3) Determine how the cost is to be borne--by property assessments, connection charges, general obligation bond issuance, or some combination of these methods.
- (4) Determine how the project is to be financed.

450.860 If it is determined that any portion of a sewage disposal or drainage project will benefit the authority, a portion of the costs will be charged to the area benefitted.

450.865 (1) The board may adopt an ordinance specifying the installations to be constructed.
(2) If after publication of such an ordinance, remonstrances are filed by a majority of the benefitted land owners, proceedings will be halted for at least 6 months.
(3) If remonstrances filed don't equal a majority, the project may proceed.

450.867 (1) For the part of construction financed by general obligation bonds, the board may call for approval by voters that would be benefitted.
(2) If the proposal is voted down, a modified proposal may be initiated.
(3) If the proposal is approved, the board may proceed with construction.

450.870 (1) Assessments against benefitted property will be determined by the board and will follow a specified procedure.
(2) Assessments will be payable 30 days after notification, unless agreements are made.

450.875 (1) If the land owner fails to pay an assessment on the property, the board may foreclose a lien against that property.
(2) ORS 223.405-485 on reassessment apply to sanitary authorities.

450.880 (1) The authority may impose sewer service charges within an improved area of the authority.
(2) The board may contract with any city or district serving water to collect those charges.
(3) Charges may be collected as provided in ORS 454.225.

450.885 (1) The authority may levy a tax on property to pay for expenses and for general obligation bonds. It may levy additional property tax on particular areas in the authority.
(2) County officers will provide for assessment and collection of property taxes.
(3) The county assessor will annually provide the board with a statement of total property value within the authority.
(4) The board will prepare a budget and determine the amount of taxes to be raised.
(5) If the board determines insufficient property taxes to pay interest on outstanding general obligation bonds, the county will have sufficient taxes levied.

450.890 (1) Authority taxes will be levied at the same time as county taxes.
(2) The taxes will be considered a lien upon property.

450.895 With voter approval, the authority may issue general obligation bonds and/or revenue bonds in order to improve or acquire sewerage facilities. Bond maturity may not exceed 30 years.

450.897 Sanitary authorities may use Bancroft bonding provisions of ORS 223.205-295.

450.900 (1) Before issuing general obligation or revenue bonds the board must get voter approval.
(2) A bond election must be approved by at least 4 board members.
(3) Outstanding bonds cannot exceed 13% of the aggregate property value of the authority.

495.905 Notice of a bond election shall contain:

(1) Information required in ORS 255.085.
(2) For general obligation bonds for a particular area, a statement that they are of primary obligation of the benefitted area, but guaranteed by the entire authority.
(3) For revenue bonds, a statement that the bonds are the obligation of designated authority revenues.

450.915 (1) The authority may issue bonds if a majority of the electors approve.

- (2) Bonds shall be in denominations &/or multiples of \$500 or \$1000.
- (3) All bonds must be payable in US money.
- (4) Revenue bonds must contain a statement that they are guaranteed only by authority revenue.
- (5) Bonds must be signed by the board chairman.
- (6) General obligation and revenue bonds must be sold according to ORS 287.014-026.

450.920 The county treasurer will be custodian of bond proceeds which will be part of a sanitary authority fund.

- 450.925** (1) The board may issue refunding bonds without voter approval.
- (2) ORS 450.915 applies to refunding bond procedure.
 - (3) Refunding bonds may be issued to refund bonds or to refund previously issued refunded bonds.

450.930 The board may issue bonds reserving the right to redeem them for retirement or refunding purposes.

450.935 ORS 287.442 short-term financing provisions apply to sanitary authorities.

450.940 When sewage treatment improvements are assessed against property, instalment payment provisions provided in ORS chapter 223 and improvement warrants of chapter 287 apply.

- 450.945** (1) The county treasurer will pay out sanitary authority funds as ordered by the authority board.
- (2) The order will specify whom is to be paid.
 - (3) The order will be filed with board records.
 - (4) The county treasurer will segregate various authority project records.
 - (5) Any funds other than authority taxes may be filed at the discretion of the board.

(Programs for Employees)

450.947 (1) the authority may provide its employees with medical, dental, hospital, life or remedial care services or insurance.

- (2) Remedial care includes healing arts recognized by the state.

450.949 (1) Authority contribution to employee insurance premiums is strictly voluntary.

- (2) The authority may negotiate with more than one insurance company.
- (3) Contracted insurers must be authorized to transact business.

450.963 (1) An authority may establish an employees' retirement system.

- (2) A retirement plan may provide benefits measured on service.

450.967 The authority may budget and pay the retirement plan funds sufficient:

- (1) To provide the amortized level premium cost of benefits.
- (2) To meet costs of retirement benefits.

450.971 The authority may deduct from employee salaries amounts necessary to fund retirement benefit costs.

450.973 the authority may not provide benefits for individuals not employed by the authority.

450.977 Expenses incurred by a district in providing programs and benefits may be paid with levied taxes.

(Miscellaneous)

450.980 People's Utility Districts court proceedings for validity (ORS 261.605-630) apply to sanitary authorities.

450.985 Authority of South Suburban Sanitary District of Klamath Falls to incur indebtedness.

MISCELLANEOUS

450.987 When annexing territory from within a sanitary or water supply authority, a city may not remove facilities unless it is determined that:

- (1) Withdrawal will have no adverse impact on the authority's ability to provide service.
- (2) Withdrawal isn't solely for the tax advantage of a property owner.
- (3) Withdrawal will no result in noncontiguous parcels being served by the authority.
- (4) The authority can't provide adequate service.

450.989 (1) If, in extending a sewer main to a property, another property is benefitted by the extension, that property may be required to share the cost of extending the sewer main.

- (2) The board will determine the method of apportioning the cost.
- (3) Refunds may be required for up to 10 years after installation.
- (4) The authority will determine the amount of refund.
- (5) The authority may refuse service until refund is paid.

PENALTIES

450.990 Violation of an authority ordinance or regulation is punishable by not more than \$100 or no more than one month imprisonment.