

2012 Kansas Statutes

19-3532. Issuance of revenue bonds; conditions; limitations; fixing rates, fees and charges; agreements, covenants and restrictions. The water district may issue and sell revenue bonds without an election to finance the cost of acquisition, construction, reconstruction, alteration, repair, improvement, extension or enlargement of the water supply system. Such revenue bonds are hereby made a lien on the water supply system and on the revenues produced from such water supply system, but shall not be general obligations of the issuing water district. All revenue bonds issued under this act shall be signed by the president of the district and attested by the secretary of the district and shall contain recitals stating the authority under which such bonds are issued and that they are to be paid by the water district from the net revenue derived from the operation of the water supply system and not from any other fund or source and that the bonds are negotiable. All such bonds shall be registered in the office of the county clerk and in the office of the state auditor and when so registered and issued shall import absolute verity, and shall be conclusive in favor of all persons purchasing such bonds, that all proceedings and conditions precedent have been had and performed to authorize the issuance thereof. The provisions of K.S.A. 10-112 shall not apply to any bonds issued under this act.

Revenue bonds issued under this act shall mature not later than 40 years after the date of the bonds, may be subject to redemption prior to maturity, with or without premium, at such times and upon such conditions as may be provided by the board; and shall bear interest at a rate not to exceed the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto. The board may sell such bonds in such manner and for such price as it determines will best effect the purposes of this act. In no case shall the total amount received therefrom be in excess of the actual cost of the plan or program which shall include, in addition to all expenses incurred in acquiring, constructing or improving the water supply system, all no-fund warrants issued under the provisions of K.S.A. 19-3533, and amendments thereto, and unpaid at the time the revenue bonds are issued and all costs of operation and maintenance of such water supply system estimated to be necessary for a period of two years immediately following the acquisition, construction or improvement of such system to be financed out of the proceeds of the reserve bonds. No water district or county in which the water district lies shall have any right or authority to levy taxes to pay any of the principal of or interest on any such bonds or any judgment against the issuing water district on account thereof, and the provision of K.S.A. 10-113, and amendments thereto, shall not apply to any bonds issued hereunder.

The board shall by appropriate resolution make provisions for the payment of such bonds by fixing rates, fees and charges, for the use of all services rendered by such water district, which rates, fees and charges shall be sufficient to pay the costs of operation, improvement and maintenance of the water supply system, to provide an adequate depreciation fund, provide an adequate sinking fund to retire such bonds and pay interest thereon when due, and to create reasonable reserves for such purposes. The fees, rates or charges shall be sufficient to allow for miscellaneous and emergency or unforeseen expenses. The resolution of the board authorizing the issuance of revenue bonds may establish limitations upon the issuance of additional revenue bonds payable from the revenues of the district's water supply system or upon the rights of the holders of such additional bonds, and may provide that additional revenue bonds shall stand on a parity as to the revenues of the water district and in all other respects with revenue bonds previously issued on such conditions as specified by the board in such resolution. Such resolution may include other agreements, covenants or restrictions deemed necessary or advisable by the board to effect the efficient operation of the system and to safeguard the interests of the holders of the revenue bonds and to secure the payment of the bonds and the interest thereon.

History: L. 1961, ch. 473, § 11; L. 1970, ch. 64, §67; L. 1983, ch. 49, § 72; May 12.