

13-1229. Same; use and investment of sinking funds; record and report. It shall be the duty of the board of public utilities to use the sinking funds herein provided for in the purchase and cancellation from time to time of bonds issued for the purpose of purchasing, improving or extending such waterworks and/or electric-light plants, or to place such bonds in the sinking fund of the water department or the electric-light department at the option of the board of public utilities.

If the board shall be unable to purchase any such bonds, then it shall be its duty to invest the moneys of said sinking funds in investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein or in bonds of the state of Kansas, or general improvement bonds of cities of the first and second class, or bonds of any county within the state wherein a city of the first or second class is located, or bonds of unified school districts of this state, or bonds issued or guaranteed by the United States government. All bonds so purchased by the board shall bear the highest rate of interest obtainable at the time of the purchase of the same by the board. Said board shall not buy the bonds of any city wherein the outstanding bonded city indebtedness, exclusive of the bonded debt, created for the purchase or extension of waterworks and/or electric-light plants, exceeds ten percent of its assessed valuation for the preceding year. Said board of public utilities shall not, except by a four-fifths vote of the members thereof, pay for any bonds any greater sum than par, nor shall they pay more than the actual market price thereof at the time of purchasing the same. No such bonds shall be purchased until they have been approved in writing and found valid by a competent attorney.

It shall be the duty of the manager of collections and accounts of the board of public utilities to keep a permanent record of the accounts turned into said sinking fund, and a full description of all bonded indebtedness canceled and retired, and a full description of all bonds bought for said sinking fund, the date of said bonds, rate of interest, when payable, number of coupons attached, when bought, from whom purchased, and the price or rate paid therefor; and the manager of collections and accounts shall cause to be stamped upon the back of each of said bonds the words, "Property of the waterworks and/or electric-light plant sinking fund of the city of _____." Said bonds shall be kept by the city treasurer, and the board shall not sell any such bonds for less than their par value.

The city auditor or city clerk shall also keep a duplicate record of the payment of all such bonds or coupons, and all money received from the payment of all such bonds or coupons shall be reinvested as a part of the sinking fund as hereinbefore provided. It shall be the duty of the manager of collections and accounts of the board of public utilities to report on January 1 of each year the amount of outstanding indebtedness of the waterworks and/or electric-light plants, and to furnish an itemized statement of the moneys and the bonded indebtedness paid off during the preceding year.

History: L. 1929, ch. 126, § 10; L. 1933, ch. 125, § 1; L. 1935, ch. 110, § 1; L. 1977, ch. 54, § 12; July 1.