

19-3553. Issuance of revenue bonds; conditions; fixing rates, fees and charges; agreements, covenants and restrictions. (a) The governing body on behalf of the district may issue and sell revenue bonds for the following purposes:

(1) To finance the cost of acquisition, construction, reconstruction, alteration, repair, improvement, extension or enlargement of the water supply system; or

(2) to refund any outstanding revenue bonds or warrants or to refund any notes or loans payable to the department of health and environment, to the United States department of agriculture or otherwise.

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 public agencies participating in the agreement. All revenue bonds issued under this act shall be signed by the president of the governing body of the district and attested by the secretary of the governing body 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 district from the net revenue derived from the operation of the water supply system and not from any other fund or source and that such bonds are negotiable. All such bonds shall be registered in the office of the county clerk of each county wherein such district is located and in the office of the state treasurer 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, and amendments thereto, shall not apply to any bonds issued under this act.

(b) Revenue bonds issued under this act shall have all of the qualities and incidents of negotiable instruments, shall mature serially over a period beginning not later than five years after the date of the bonds and ending not later than 40 years after such date and shall bear interest at a rate not exceeding the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto. Such bonds may be in such denominations, may be in such form, may carry such registration and conversion privileges, may be executed in such manner, may be payable in such medium of payment and may be subject to such terms of redemption, with or without premium, as may be provided by resolution of the governing body. In no case shall the total amount of bonds issued hereunder 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. 19-3554, and amendments thereto, and unpaid at the time such revenue bonds are issued. 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 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.

(c) The governing body 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. Such fees, rates or charges shall be sufficient to allow for miscellaneous and emergency or unforeseen expenses. The resolution of the governing body authorizing the issuance of revenue bonds may include agreements, covenants or restrictions deemed necessary or advisable by the governing body 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. 1977, ch. 353, § 9; L. 2012, ch. 29, § 1; July 1.