

82a-1361. Revenue bonds to finance reservoirs or purchase of water storage; procedure and conditions; pledge of revenues. (a)

The Kansas water office is hereby authorized to issue and sell revenue bonds for the purpose of paying all or part of the cost of acquiring a site or sites, constructing, reconstructing, improving and expanding large reservoir projects or to finance the purchase of storage in existing reservoirs. The revenue bonds may be issued from time to time and sold in amounts which the director deems necessary for such purposes.

(b) Prior to the issuance of the revenue bonds, the director shall adopt a resolution or resolutions in the name and on behalf of the Kansas water office, which resolution or resolutions, unless otherwise provided therein, shall take effect immediately and:

(1) Determine an interest rate or rates to be paid on the principal of the revenue bonds not in excess of the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto;

(2) determine that the revenue bonds will be term or serial bonds or any combination thereof maturing not later than 40 years from the date of issuance;

(3) make provision for charges in water supply contracts with water users who will derive benefits from the construction of a large reservoir project or from the purchase of space in existing reservoirs and fix charges to participants in water assurance programs in an amount necessary to assure the prompt payment of the principal of and interest on the revenue bonds as they become due, to maintain any required reserves and to provide for any deficits resulting from failure to receive sums payable to the Kansas water office by such water users or participants in water assurance programs or resulting from any other cause, and shall sell the revenue bonds in the manner provided by K.S.A. 10-106, and amendments thereto, at a price of not less than 90% of the par value thereof; and

(4) register the revenue bonds with the state treasurer.

(c) Prior to the issuance of the revenue bonds, the director may:

(1) Pledge to the payment of the principal and interest on the revenue bonds the gross revenues derived from water supply contracts with water users from revenue from participants in water assurance programs or from any one or more or all of such sources;

(2) pledge to the payment of the principal of and interest on the revenue bonds the proceeds of any grant-in-aid, gift, donation, bequest or other such fund, or the income from any of such sources obtained by the Kansas water office directly or in trust;

(3) pledge to the payment of the principal of and interest on any revenue bonds issued to acquire conservation water supply storage capacity in federal reservoirs, if moneys otherwise authorized to be pledged are insufficient, moneys appropriated from the following, in descending order of priority: The state water plan fund created by K.S.A. 82a-951 and amendments thereto, the state economic development initiatives fund created by K.S.A. 79-4804 and amendments thereto or the state general fund;

(4) create and maintain (A) revenue bond funds adequate to promptly pay both the principal of and interest on the revenue bonds when they become due and (B) a reasonable reserve fund; and

(5) covenant or contract with respect to any and all matters consistent with the authority granted herein necessary and convenient in the determination of the director to sell the revenue bonds and obtain the most favorable interest rate thereon, including, but not limited to, maturities, priority of liens, number of issuances, special funds for security, redemption privileges, investments of the proceeds of the revenue bonds and any other funds pledged to the payment thereof or held as security therefor, security agreements, trust indentures, paying agencies, registration provisions and conversion privileges.

History: L. 1986, ch. 394, § 8; L. 1994, ch. 175, § 1; July 1.