

HOUSE BILL No. 2284

By Committee on Energy and Utilities

2-5

9 AN ACT concerning water; relating to rural water districts; concerning
10 transfer of certain property funds and records of such districts; amend-
11 ing K.S.A. 82a-637 and repealing the existing section.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 82a-637 is hereby amended to read as follows: 82a-
15 637. (a) Whenever a rural water district is created under the provisions
16 of K.S.A. 82a-612 et seq., and acts amendatory thereof, and all or part of
17 such district lies within a three mile radius of a city of the first class, and
18 such district does not qualify for additional loans in order to increase its
19 facilities sufficiently to enable it to provide adequate water service for
20 development of the area within such district, then said district may upon
21 a petition signed by two-thirds of the participating members of the dis-
22 trict, as determined by an enumeration taken and verified for this purpose
23 by a qualified elector residing within the district or, upon a vote, in person
24 or by proxy, of more than one-half of the participating members of said
25 district at a special meeting called for such purpose by the board of di-
26 rectors of the district, approve the transfer of all physical assets and prop-
27 erties, funds and records of said district to the city lying within the pre-
28 scribed radius, or to the board of public utilities of such city, upon
29 agreement executed between said city or board of public utilities, as the
30 case may be, and the governing body of the water district for payment or
31 satisfaction of all outstanding indebtedness and obligations of said rural
32 water district, and further agreement for the payment of not less than
33 20% of the determined amount of the outstanding debts and obligations
34 of the district at the time of the execution of the agreement; and such
35 agreement shall also provide that water services to the water users in the
36 water district shall be at rates which are at not more than the prevailing
37 rates at the time of such agreement.

38 Such agreement and transfer of assets and properties of the district
39 shall be subject to the approval of the secretary of agriculture of the
40 United States or ~~his or her~~ such secretary's duly authorized representa-
41 tive; and no transfer of assets or properties shall be made until such
42 approval has been received.

43 At any time after the participating members of the district have ap-

1 proved such transfer of assets and properties as ~~herein~~ provided for in
2 *this section* by petition or election, and after an agreement is executed as
3 authorized herein, and upon payment of the ~~twenty percent (20%)~~ 20%
4 of the outstanding indebtedness and debts as required, the board of di-
5 rectors of the water district shall transfer the physical assets and prop-
6 erties to the municipality or board of public utilities, together with all
7 records, maps, plans and files in connection therewith and thereafter the
8 governing body of the city or the board of public utilities, as the case may
9 be, shall operate such properties as a part of the municipal functions of
10 the city, subject to the terms of the agreement entered into.

11 *(b) Whenever all or part of a rural water district created under the*
12 *provisions of K.S.A. 82a-612 et seq., and amendments thereto, is located*
13 *adjacent to or abutting any city, and when such city annexes land within*
14 *the rural water district pursuant to K.S.A. 12-520, and amendments*
15 *thereto, the district shall accept in satisfaction of the federal loan a rea-*
16 *sonable value, in the manner prescribed in K.S.A. 12-527, and amend-*
17 *ments thereto, in a sum equal to or greater than the rural water district's*
18 *debt to the United States department of agriculture. To ensure security*
19 *of the federal loan, such sum shall be held by a trustee for the benefit of*
20 *the district, and the trustee shall be directed to make payments in install-*
21 *ments consistent with the obligations of the district to the United States*
22 *department of agriculture until the rural water district's obligations are*
23 *satisfied.*

24 Sec. 2. K.S.A. 82a-637 is hereby repealed.

25 Sec. 3. This act shall take effect and be in force from and after its
26 publication in the statute book.