

HOUSE BILL No. 2003

AN ACT concerning certain rural water districts; providing procedures for acquisition of such districts' water supply and distribution systems by certain municipalities.

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

Section 1. (a) The board of directors of any rural water district organized under K.S.A. 82a-612 *et seq.*, and amendments thereto, and the governing body of any municipality which adjoins such district may enter into an agreement for the acquisition of such district's water supply and distribution system by such municipality and the assumption of water service by such municipality to the customers of such district upon the terms of such agreement and the provisions of this act.

(b) Any agreement pursuant to the provisions of this act may provide, but not necessarily be limited to, terms and conditions for: (1) The transfer to the municipality of control and ownership of the district's water supply and distribution system, including all property, equipment, records, reports and funds; (2) continued service, at an agreed upon rate, by the municipality to customers served by such system; (3) assumption of all or part of the revenue bond liability or other outstanding obligations of the district; and (4) establishment of a policy for connecting new customers to the water supply and distribution system.

(c) An agreement entered into pursuant to this act shall not take effect until: (1) The board of directors of the rural water district and the governing body of the municipality each adopts a resolution approving such agreement; (2) a copy of the agreement is filed for public inspection in the office of the county clerk of each county where there is located any portion of the area served by the rural water district; (3) the board of directors of the rural water district causes notice of the approval of the agreement, the reasons therefor and a copy of the agreement to be mailed to each participating member of the district; (4) the board of directors causes to be published once in a newspaper or newspapers of general circulation in the areas served by the district's water supply and distribution system notice of the approval of the agreement and the reasons therefor, together with a statement that the proposed agreement shall take effect unless there is presented to the board of directors of the rural water district a petition as provided by subsection (d); and (5) if a petition is presented as provided by subsection (d), a majority of the participating members of the district approve the agreement as provided by subsection (d).

(d) If, within 60 days after publication of notice pursuant to subsection (c), there is presented to the board of directors of the rural water district board a written petition which is signed by participating members of the rural water district equal in number to not less than 10% of the total number of participating members of the district according to the records of the district and requests an election on whether the agreement shall take effect, the board of directors of the rural water district shall call an election on the approval of such agreement. The election may be held at a meeting called for that purpose or may be by mail ballot, or both. The agreement shall not take effect unless approved by a majority of the participating members voting at the election to approve the agreement. Each participating member shall be entitled to a single vote, regardless of the number of benefit units to which such member has subscribed.

(e) Notwithstanding the provisions of subsections (b) and (c), no agreement made pursuant to this section shall become effective unless prior to entering into such agreement, the rural water district purchases from the municipality the water distributed by such district.

(f) Notwithstanding the provisions of K.S.A. 82a-629, and amendments thereto, a rural water district shall be dissolved whenever the district enters into an agreement pursuant to this section and the agreement provides for: (1) Total transfer of the district's water supply and distribution district and all other assets of the district; (2) continuation of water supply and distribution service to all customers of the district; (3) assumption of all revenue bond liability and all other obligations of the district; and (4) a policy for connecting new customers to the water supply and distribution system.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

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HOUSE concurred in  
SENATE amendments \_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

Passed the SENATE  
as amended \_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*