

13-2423. Same; sinking fund to pay bonds; investment; records and reports. It shall be the duty of the waterworks board to use the sinking funds herein provided for in the purchase and cancellation from time to time of bonds issued to pay the purchase price of such waterworks plant but the board shall not pay for any such bonds any greater sum than par, nor more than the actual market price thereof at the time of purchasing the same if less than par. All bonds purchased by the board shall be canceled and retired by the board. If the board is unable to purchase any such bonds, then it shall invest the moneys of the 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 in this state wherein a city of the first or second class is located, or bonds of unified school districts of this state. Any municipal bonds purchased by the board shall bear not less than 1% per annum. The 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 plant, exceeds 15% of its assessed valuation for the preceding year. In making such investment the waterworks board shall not, except by unanimous vote, pay for any such bonds any greater sum than par, nor more than the actual market price thereof at the time of purchasing the same if less than par. 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 waterworks board to keep a permanent record of the accounts turned into the sinking fund, and a full description of all bonded indebtedness canceled and retired, and a full description of all bonds bought for the sinking fund, the date of the bonds, rate of interest, when payable, number of any coupons attached, when bought, from whom purchased, and the price or rate paid therefor. The manager of collections and accounts shall cause to be stamped upon the back of each of the bonds the words, "Property of the waterworks plant sinking fund of the city of _____." The 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 and interest thereon 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 waterworks board to report on January 1 of each year the amount of outstanding indebtedness of the waterworks plant, and to furnish an itemized statement of the moneys and the bonded indebtedness paid off during the preceding year.

History: L. 1937, ch. 143, § 10; L. 1941, ch. 134, § 3; L. 1977, ch. 54, § 17; L. 1983, ch. 49, § 67; May 12.