

ACTS

OF THE

GENERAL ASSEMBLY

OF THE

Commonwealth of Kentucky

PASSED AT

The Regular Session of the General Assembly which was begun and held in the City of Frankfort, Kentucky, on Tuesday, January the Second, 1906, and at the Special Session of the General Assembly which was begun and held in the City of Frankfort, on Wednesday, March the Fourteenth, 1906.

PROPERTY OF THE STATE OF KENTUCKY.

LOUISVILLE:
GEO. G. FETTER COMPANY.
1906.

§ 19. An emergency exists for the immediate effect of this law, because there is now no law for the maintenance of parks in cities of the second class, therefore this act shall take effect upon its approval by the Governor.

Approved March 5, 1906.

CHAPTER 16.

AN ACT in relation to the control, management and operation of water works in cities of the first class.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

When city to
manage water
supply.

§ 1. Whenever any city of the first class is the owner (through its commissioner of the Sinking Fund) of all of the shares of capital stock in any corporation existing under the laws of this Commonwealth, engaged in supplying water to such city and inhabitants thereof, such city shall control, manage and operate the plant of such corporation, including its franchise, and all other property of every kind and description, in the manner hereinafter provided.

Mayor to ap-
point board of
water works—
qualification of
members—
terms of office.

§ 2. The mayor of any such city shall appoint, subject to the approval of the Board of Aldermen, four (4) persons, who shall constitute a body corporate and be known as its "Board of Water Works," and the mayor of such city shall be an ex-officio member of said "Board of Water Works." Each appointee shall be at least thirty years of age and reside within the city and be the owner in his own right of real estate situated therein. No officer or employe of said city, whether holding a paid or unpaid office, shall be eligible for appointment to the said board. The terms of office of the persons first

appointed, as above provided, shall be as follows: One for a term of one year; one for a term of two years; one for a term of three years, and one for a term of four years. Thereafter, as their terms expire, their successors shall be appointed in the same manner, but for the terms of four years each: Provided, however, that no member of the board shall be eligible to succeed himself except the three who are first appointed for the short terms of one, two and three years, respectively. All vacancies upon the board, whether caused by death or resignation, shall be filled for the unexpired term by appointment in the same manner. Each member shall hold his office until his successor has been appointed and qualified.

§ 3. Each member shall qualify for his office by taking oath before some one authorized to administer the same that he will faithfully perform the duties of a member of the Board of Water Works, which oath of office shall be filed with the Board of Sinking Fund Commissioners.

Members, how must qualify.

§ 4. Said board shall annually elect a president, a treasurer, a secretary and a chief engineer, who shall hold their offices for one year, or until their successors have been duly elected and qualified, and devote all their time to the duties of their respective offices. No member of said board, except the president, shall receive a salary. The president shall be elected from the members of the board. The president, secretary and treasurer shall each give bond, with approved surety, in such amount as may be fixed by the board, which bond shall be payable to the Board of Water Works, and obligate the makers thereof to perform faithfully the duties of their several offices and faithfully account for and pay over all money or

Organization of board—duties.

other things of value which may come into their several hands. The combined salaries of the president, treasurer and secretary shall not exceed the sum of nine thousand dollars. The board shall have the authority to appoint such other agents or employes as they may deem necessary or proper and to fix the compensation of its officers, agents or employes: Provided, however, That the salary of no officer, agent or employe shall exceed the sum of five thousand dollars per annum.

To have control of property—may sue and be sued as corporation—not to affect section 3010, Kentucky Statutes.

§ 5. Said Board of Water Works so constituted shall be vested with all the authority, rights, powers and privileges, and exercise all the franchises of the corporation of which such city owns all the stock, as described in the first section of this act; it shall have the possession, control and management of all of the property, of every kind and description, real, personal or mixed, of said corporation; it shall have the authority to contract and be contracted with, to sue and be sued, but all such contracts shall be made and all such suits shall be prosecuted or defended in the name of the corporation in which such city owns all of the stock, as above described: Provided, however, That nothing in this act shall in any way affect the provisions of sub-section 13 of section 3010 of the Kentucky Statutes, which adds the stock owned by cities of the first class in its water works company to the resources of the sinking fund of such city.

Water furnished city free—property of board of water works exempted—may charge individuals for water.

§ 6. Any such city of the first class shall have, through its Board of Water Works, the use free of charge of all the water necessary for its fire department, its police department, its public buildings, its school board, and for sprinkling its public highways, including its parks and parkways, and shall in turn exempt all the property, both tangible and intangible, of which it has the control through its Board of Water Works from tax-

ation for municipal purposes, and shall not include any of said property in its assessment for taxation; but nothing herein provided shall affect the right and duty of said Board of Water Works to fix, make and collect reasonable sums or rates for the use or sale of water furnished to any other individual, firm or corporation, whether the same be by assessment or meter measurement, in its discretion.

§ 7. The general council of any such city of the first class shall have the authority, by ordinance duly enacted, to fix such reasonable terms and conditions upon which such Board of Water Works shall exercise its right to cut into the streets, alleys or other public ways of the city, and it shall be the duty of the Board of Water Works to observe the same.

§ 8. All of the lawful debts and obligations of any such water works corporation, described in the first section of this act, existing at the time this act shall take effect, and all of the debts and obligations created by said Board of Water Works in the management and operation of said properties and in the performance of its duties herein provided, shall be paid and discharged out of the property and rents, earnings and incomes derived therefrom and coming into the hands of said board, and such city of the first class shall not be liable as a municipal corporation for any such debts or obligations.

§ 9. Said Board of Water Works shall have the authority to borrow money and execute the necessary writings therefor, not to exceed the gross receipts for the current year, for the purpose of providing for any of the obligations of said water works corporation and for the current expenses of said board; and, in addition thereto, whenever said board shall deem it expedient

Conditions upon which they may cut into streets.

Debts of board, how paid—city liable.

Board may borrow money—bonds may be issued and sold.

to provide for the re-funding of any outstanding bonds of such water works corporation, or the funding of its floating indebtedness, it shall have the authority (the Commissioners of the Sinking Fund of such city having first, by resolution, consented thereto) to issue for either or both of said purposes the bonds of such water works corporation not to exceed in amount the sum of one million (\$1,000,000) dollars, in denominations of one thousand (\$1,000) dollars each, to mature not exceeding forty years from date, bearing interest at a rate not to exceed four per cent. per annum, payable semi-annually, such interest to be evidenced by coupons attached, said bonds to be signed by the president and secretary of said board, and said coupons to be evidenced by the engraved signature of the secretary, and to secure the said bonds, with the coupons so attached, by a mortgage upon the rights, privileges, franchises and property of said water works corporation. Said bonds, when so issued, shall be placed with and sold by the Commissioners of the Sinking Fund at a price not less than their face value and the proceeds applied by said commissioners to the purpose for which the bonds were issued. It shall be the duty of the said Board of Water Works to provide, at any time any such bonds are issued, for a sinking fund which shall be sufficient to pay said interest coupons and to retire the principal of said bonds at maturity, which sinking fund shall be deposited by said board with the Commissioners of the Sinking Fund of such city to be invested, managed, controlled and applied by said commissioners for the payment of the interest and principal of the bonds so issued. The total bonded debt upon said property outstanding at any time shall not exceed one million five hundred thousand (\$1,500,000) dollars.

§ 10. Said Board of Water Works shall have the authority to establish and enforce such reasonable rules and regulations for its own government, including the signing and execution of the contracts referred to in section 5 of this act as it may deem expedient: Provided, however, That said board shall make quarterly a financial statement, showing its liabilities, receipts and expenditures, and deliver a copy thereof to the general council of the city, same to be spread upon its minutes. The books and accounts of said board shall at all times be opened to inspection and examination by the mayor of the city and the Commissioners of the Sinking Fund through their duly appointed agents.

Power to
make debts—
quarterly state-
ments.

§ 11. All acts and parts of acts inconsistent herewith, whether contained in general or special statutes, are hereby repealed.

Investment
law repealed.

§ 12. This act shall constitute and be known as Section 3024a of subdivision 28 of the Kentucky Statutes.

§ 13. Owing to the fact that cities of the first class are in urgent need of legislation to provide for the control, management and operation of water works engaged in supplying water to said city and the inhabitants thereof, an emergency is declared and this act shall take effect and become a law from and after its passage and approval by the Governor.

Approved March 6, 1906.