

1 AN ACT relating to water district commissioners.

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

3 ➔Section 1. KRS 74.020 is amended to read as follows:

4 (1) A water district shall be administered by a board of commissioners which shall
5 control and manage the affairs of the district. The term of each commissioner is four
6 (4) years, except as provided in this section:

7 (a) If a district lies wholly within a single county, or operates as a single-county
8 district, as provided in paragraph (c) of this subsection, the board of
9 commissioners shall be composed of either three (3) or five (5) members as
10 the county judge/executive shall determine. Members of the board shall be
11 residents of the district, or of any incorporated or unincorporated area served
12 by the district in the county in which the district was originally established,
13 who shall be appointed by the county judge/executive with the approval of the
14 fiscal court. Initial appointments shall be for terms of two (2), three (3), and
15 four (4) years, as designated by the court.

16 (b) Except as provided in paragraph (c) of this subsection, if a district formed in a
17 single county extends its area to include territory in one (1) or more adjacent
18 counties, as provided by KRS 74.115, the board of commissioners shall be
19 appointed by the appropriate county judges/executive, with the approval of the
20 respective fiscal courts of the concerned counties as follows: in two (2) county
21 districts, three (3) members from the original district and two (2) members
22 from the extended portion of the district; for extensions into three (3) or more
23 counties, the respective county judges/executive, with the approval of the
24 respective fiscal courts, shall appoint, in addition to the existing membership
25 of the commission, two (2) members from the original one-county district and
26 two (2) members from the newly extended portion of the district. Orders
27 establishing the extension shall provide for the staggering of initial terms in an

1 equitable manner.

2 (c) If a district acquires an existing water or gas distribution system serving an
3 area which extends beyond the boundaries of the district into one (1) or more
4 additional counties, or if a district extends its area to include territory in one
5 (1) or more adjacent counties as provided by KRS 74.115, it may operate the
6 distribution system so acquired, or extended, without adding additional board
7 members, if the new area to be served shall be deemed to be a minor portion
8 of the total area served by the district, and if the fiscal court of the county
9 containing the minor portion of the total area shall have agreed to the
10 acquisition or to the extension of the distribution system. If less than twenty-
11 five percent (25%) of the total assets of the distribution system are located
12 within any particular county included in the territorial boundaries of the
13 district, it shall be conclusively presumed, with respect to that particular
14 county, that the district comes within the terms of this subsection.

15 (2) A commissioner may be removed from office as provided by KRS 65.007 or
16 74.025.

17 (3) A commissioner who participates in any official action by the water district board of
18 commissioners which results in a direct financial benefit to him may be removed
19 from office as provided by KRS 65.007 or 74.025.

20 (4) Vacancies shall be filled by the same appointing authority which is empowered to
21 make the original appointment. Vacancies resulting from cause other than
22 expiration of the term shall be filled for the unexpired term only. Notwithstanding
23 KRS 67.710, a vacancy resulting from the expiration of a term or the death,
24 resignation, or removal of the incumbent shall be filled by the Public Service
25 Commission if, within ninety (90) days following the vacancy, the vacancy has not
26 been filled by the appropriate county judge/executive with approval of the fiscal
27 court.

1 (5) The commission shall elect a chairman, vice chairman, secretary, treasurer, and any
2 other officers and assistant officers as the commission may deem necessary, each of
3 whom shall be members of the commission. Any two (2) or more offices may be
4 held by the same person, except that the chairman may not hold any other office.
5 Each commissioner shall execute a bond for the faithful performance of the duties
6 of his position.

7 (6) Each commissioner shall receive an annual salary of not more than thirty-six
8 hundred dollars (\$3,600), which shall be paid out of the water district fund, except
9 that beginning January 1, 1999 and subject to subsection (9) of this section, each
10 commissioner who completes during an educational year a minimum of six (6)
11 instructional hours of water district management training approved by the Public
12 Service Commission may receive an annual salary of not more than six thousand
13 dollars (\$6,000) to be paid out of the water district fund. An educational year shall
14 begin on January 1 and end on the following December 31. In the case of single-
15 county districts, which shall be deemed to include districts described in paragraph
16 (c) of subsection (1) of this section, the salary shall be fixed by the county
17 judges/executive with the approval of the fiscal court; in multicounty districts, it
18 shall be fixed by the agreement between the county judges/executive with the
19 approval of their fiscal courts. In fixing and approving the salary of the
20 commissioners, the county judge/executive and the fiscal court shall take into
21 consideration the financial condition of the district and its ability to meet its
22 obligations as they mature.

23 (7) (a) Except as provided in subsection (9) of this section, in order to receive an
24 increase in salary as specified in subsection (6) of this section, commissioners
25 shall successfully complete six (6) instructional hours of water district
26 management training annually. The training shall be approved and paid for by
27 the water district of the county the commissioner represents. Those

1 commissioners not required to complete the six (6) instructional hours shall be
2 reimbursed for the cost of instruction if they choose to complete the water
3 district training.

4 (b) The Public Service Commission shall be responsible for the regulation of all
5 water district management training programs for commissioners of water
6 districts, combined water, gas, or sewer districts, or water commissions.

7 (c) The Public Service Commission shall encourage and promote the offering of
8 high quality water district management training programs that enhance a water
9 district commissioner's understanding of his or her responsibilities and duties.
10 The commission shall, no later than January 1, 1999, establish standards and
11 procedures to evaluate, accredit, and approve water district management
12 training programs.

13 (8) (a) At least once annually, the Public Service Commission shall provide or cause
14 to be conducted a program of instruction, consisting of at least twelve (12)
15 hours of instruction, that is intended to train newly appointed commissioners
16 in the laws governing the management and operation of water districts and
17 other subjects that the Public Service Commission deems appropriate. The
18 commission may charge a reasonable registration fee to recover the cost of the
19 programs and may accredit programs of instruction that are conducted by
20 other persons or entities and that the commission deems equivalent to its
21 program of instruction.

22 (b) Within twelve (12) months of his or her initial appointment, each
23 commissioner shall complete the program of instruction described in
24 paragraph (a) of this subsection. **Except as provided in subsection (9) of this**
25 **section,** any commissioner who fails to complete the program within twelve
26 (12) months of his or her initial appointment shall forfeit his or her office and
27 all right to act in discharge of the duties of the office. A commissioner

1 required to attend a program under this subsection shall be reimbursed for the
2 cost of instruction by his or her water district.

3 (9) *The Public Service Commission may grant a reasonable extension of time for*
4 *completing the training requirements of subsections (6), (7), and (8) of this*
5 *section for good cause shown.*

6 (10) (a) Within thirty (30) days of the occurrence of a vacancy on its board of
7 commissioners resulting from the expiration of a term or the death,
8 resignation, or removal of the incumbent, a water district shall notify in
9 writing the Public Service Commission of the existence of the vacancy. The
10 notice shall include the name of the commissioner who last held the position
11 and the date on which the unexpired term will end.

12 (b) Within thirty (30) days of the appointment of a commissioner and the
13 appropriate fiscal court's approval of that appointment, a water district shall
14 notify the Public Service Commission of the appointment. The notice shall
15 include the appointed person's name and the date of the expiration of his or
16 her term.

17 (11)~~(10)~~ The Public Service Commission may promulgate administrative regulations in
18 accordance with KRS Chapter 13A to implement the requirements of this section.

19 ➔Section 2. KRS 74.363 is amended to read as follows:

20 (1) Boards of commissioners of any two (2) or more water districts may by concurrent
21 action and by approval of a majority of the membership of the board of each merge
22 their districts into one (1).

23 (2) The members of the boards of commissioners of the merged water districts shall
24 serve as members of the board of commissioners of the resulting district, regardless
25 of their normal term expiration, until one (1) year after approval of the merger by
26 the Public Service Commission. Thereafter, the board shall be composed as follows:

27 (a) If the boundaries of the resulting district lie wholly within a single county, the

1 board of commissioners shall be composed of between three (3) and seven (7)
2 members as agreed upon by the merged water districts in their merger
3 documents.

4 (b) If the boundaries of the resulting district lie within two (2) or more counties,
5 the board of commissioners shall be composed of six (6) or more members as
6 agreed upon by the merged water districts in their merger documents.

7 (3) Each appointment to the board of commissioners of the resulting district shall be
8 made by the appropriate county judge/executive with the approval of the fiscal
9 court. Each member of the board shall be a resident of the county from which he or
10 she is appointed. The initial terms of the board of commissioners after the merger
11 shall be as follows: approximately one-third (1/3) of the commissioners shall be
12 appointed for a term of two (2) years; approximately one-third (1/3) of the
13 commissioners shall be appointed for a term of three (3) years; and the remaining
14 commissioners shall be appointed for a term of four (4) years. Thereafter, all
15 commissioners shall be appointed for a term of four (4) years. KRS 74.020(2) to
16 ~~(11)~~~~(10)~~ shall apply to all commissioners and vacancies on the board of
17 commissioners.

18 (4) The resulting district shall have all the assets and legal liabilities of the water
19 districts joining in the merger. The separate existences of the water districts joining
20 in the merger, except the resulting district, shall cease, and the title to all real estate
21 and other property owned by the water districts joining in the merger shall be vested
22 in the resulting district without reversion or impairment. Bonded obligations of any
23 district secured by the right to levy an assessment as provided by KRS 74.130
24 through 74.230 or secured by the revenue of the systems operated by the district
25 shall continue to be retired or a sinking fund for such purpose created from the tax
26 assessments or revenue from the system operated by the district from funds
27 collected over the same area by the new board of commissioners in accordance with

1 the laws under which the bonds were issued until all bonded obligations of the old
2 district have been retired.