

74.300 Payment of bonds for additions -- Operating and depreciation funds.

- (1) All money derived from any bonds issued under KRS 74.280 to 74.310 shall be applied solely for the construction or acquisition of the additions, extensions and appurtenances, or to advance the payment of interest on bonds during the first three (3) years following the date of issue of the bonds.
- (2) At or before the issuance of such bonds the commission shall by ordinance set aside and pledge the income and revenue of the waterworks into a separate and special fund to be used and applied in the payment of the cost of the additions, extensions or appurtenances and the maintenance, operation and depreciation thereof. The ordinance shall definitely fix and determine the amount of revenue that is necessary to be set apart and applied to the payment of the principal and interest of the bonds, and the proportion of the balance of such income and revenue that is to be set aside as a proper and adequate depreciation account. The balance shall be set aside for the operation and maintenance of the waterworks. The rates to be charged for the service from the waterworks shall be sufficient to provide for the payment of interest upon all bonds and to create a sinking fund to pay the principal when due, and to provide for the operation and maintenance thereof and an adequate depreciation account.
- (3) If there is a surplus in the operating and maintenance fund equal to the cost of maintaining and operating the waterworks during the remainder of the current calendar or fiscal year, and during the next calendar or fiscal year, the commission may at any time transfer any excess over that amount to the depreciation account.
- (4) The funds in the depreciation account shall be expended in balancing depreciation in the waterworks or in making new constructions, extensions or additions thereto. The funds may be invested as the commission designates and the income from investments shall be credited to the depreciation account.

Effective: October 1, 1942

History: Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 938g-28 (1933 Supplement).