

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, not to*  
4 *exceed six (6) months, for completing the training requirements of subsections*  
5 *(6), (7), and (8) of this 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.