

74.480 Exclusive water supply -- Basis for establishing rate, charges.

- (1) When a commission has been created, the cities, water associations, water districts, or federal agencies represented by the commission shall contract with the commission for water and the contracts may provide that the sources of supply of water of the commission shall be the exclusive water supply for the respective water distribution systems. These cities, water associations, or water districts shall establish charges and rates for water supplied by them to consumers sufficient at all times:
 - (a) To pay the principal of and interest on all outstanding obligations of the cities, water associations, or water districts which by their terms are payable in any manner from the revenues of their respective waterworks distribution systems; and
 - (b) To pay the cost of operation and maintenance of their respective waterworks distribution systems, including the payments to be made to the commission pursuant to contracts for the purchase of water by those cities, water associations, or water districts.
- (2) The commission shall establish charges and rates for water supplied to those cities, water associations, water districts, or federal agencies represented by the commission sufficient at all times:
 - (a) To pay the principal of and interest on the revenue bonds issued by the commission under the provisions of KRS 74.420 to 74.520;
 - (b) To pay the cost of operation and maintenance of the sources of supply of water; and
 - (c) To provide an adequate fund for renewals, replacements, and reserves.

Contracts entered into between the commission and the cities, water associations, or water districts shall include covenants for the establishment of rates and charges as provided in this section.

Effective: June 24, 2003

History: Amended 2003 Ky. Acts ch. 167, sec. 7, effective June 24, 2003. -- Amended 1996 Ky. Acts ch. 122, sec. 7, effective July 15, 1996. -- Created 1960 Ky. Acts ch. 207, sec. 7, effective June 16, 1960.