

12-899. Revenue bonds; issuance; terms and conditions; form; interim receipts, temporary bonds; security; payment; issuance of additional bonds. (a) A municipal energy agency, without an election, may from time to time issue and sell its revenue bonds or notes in such principal amounts as the municipal energy agency shall deem necessary to provide sufficient funds for the acquisition or construction of any project to be owned or leased, as lessor or lessee, by the municipal energy agency, or the acquisition of any interest therein or any right to capacity thereof, the funding or refunding of the principal of, or interest or redemption premiums on, any bonds or notes issued by such agency whether or not such bonds or notes or interest to be funded or refunded have or have not become due, the establishment or increase of reserves to secure or to pay such bonds or notes or interest thereon, and the payment of all other costs or expenses of the municipal energy agency incident to and necessary for the issuance of such bonds or notes.

(b) Revenue bonds may be issued hereunder from time to time and shall be authorized by resolution, and secured by a trust indenture or other security agreement approved by the board of directors, unless otherwise provided in the agreement creating the agency or the bylaws of the agency. Such bonds may be term or serial bonds maturing not later than forty (40) years after date of issuance, may be subject to redemption prior to maturity with or without premium, at such times and upon such conditions as may be provided by the resolution, shall bear a rate of interest not to exceed the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto and shall be in such form and payable as determined by the board of directors. The board may sell such bonds in such manner and for such price as it shall determine best. Such bonds may be payable at any bank having trust powers or at any trust company, within or without the state, and may be secured by a trust agreement or other appropriate documents which provide for the deposit and disbursement of funds through any such bank or trust company.

(c) Revenue bonds issued hereunder may be issued in coupon or registered form, or both, as prescribed by the resolution, trust indenture or other security agreement, and provisions may be made for the registration of coupon bonds as to principal only or as to both principal and interest and for the reconversion of registered bonds into coupon bonds. Such bonds may be issued in any denomination or denominations. Such bonds and the coupons attached to coupon bonds shall be signed either manually or by facsimile signature, as shall be determined by the agency, and sealed with the seal of the agency or a facsimile thereof. In case of any officer whose signature or facsimile thereof appears on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until the delivery thereof. The agency may provide for the replacement of any mutilated, lost or destroyed bonds.

(d) Prior to the preparation of definitive bonds, the agency, under like restrictions, may issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery.

(e) The resolution, trust indenture or other security agreement may pledge or assign, in whole or in part, the revenues and other moneys derived or to be derived by the agency from its system and any contract or other rights to receive the same, whether then existing or thereafter coming into existence, and whether then held or thereafter acquired by the agency, and the proceeds thereof, and may mortgage, pledge and grant a security interest in any or all of its real and personal property to secure the payment of the bonds.

(f) The board by appropriate resolution, trust indenture or other security agreement shall make provisions for the payment of said bonds by fixing rates, fees and charges for electric power and other energy and all other services, sufficient to pay the costs of operation, improvement and maintenance of the electric power and other energy facilities, to provide adequate depreciation funds, to provide an adequate sinking fund to retire said bonds, to pay the interest and principal thereon when due and to create reasonable reserves. The resolution, trust indenture or other security agreement may establish limitations upon the issuance of additional revenue bonds and may provide that additional revenue bonds shall stand on a parity or otherwise as to the revenues of the agency and in all other respects with revenue bonds previously issued on such conditions as may be specified in such resolutions, trust indentures or other security agreements. Such resolution, trust indenture or other security agreement may include other agreements, covenants or restrictions deemed necessary or advisable by the board of directors to effect the efficient operation of the system, to safeguard the interest of the holders of the revenue bonds and to secure the payment of such bonds and the interest thereon.

History: L. 1977, ch. 48, § 15; July 1.