

1 AN ACT relating to utilities.

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

3 ➔Section 1. KRS 96.172 is amended to read as follows:

4 (1) Any municipality now or hereafter owning and operating an electric system and a
5 water system and operating them as one (1) combined system or plant may elect to
6 operate such systems as an electric and water plant under the provisions of KRS
7 96.171 to 96.188 by enacting an ordinance declaring therein the desire and intention
8 of the municipality to accept and operate its electric and water system or plant
9 under the provisions of KRS 96.171 to 96.188 and by providing in said ordinance
10 that the municipality accepts and agrees to all of the provisions of KRS 96.171 to
11 96.188. The ordinance shall further authorize the mayor or chief executive to
12 appoint a board, subject to the approval of the appointments by the governing body
13 of the municipality. Upon the passage of such ordinance the mayor or chief
14 executive of any such municipality shall, with the approval of the governing body
15 of the municipality, appoint a board of public utilities, consisting of five (5)
16 citizens, taxpayers, voters, and users of electric energy or water. Said board shall be
17 appointed and qualified before the municipality shall have any authority to proceed
18 further under the provisions of KRS 96.171 to 96.188. Said board, when so
19 appointed and qualified, shall be and hereby is declared to be a body-politic and
20 corporate, with perpetual succession; and said board may contract and be contracted
21 with, sue and be sued, in and by its corporate name, and have and use a corporate
22 seal. The name of the board shall be "Electric and Water Plant Board of the City of
23 _____, Kentucky."

24 (2) No person shall be appointed a member of the board who has, within two (2) years
25 next before his or her appointment, held any public office, or who is related within
26 the third degree to the mayor or any member of the governing body of the
27 municipality.

- 1 (3) Neither the board, nor the superintendent appointed by the board as provided in
2 KRS 96.176, shall appoint to any subordinate office which it may create, nor
3 employ in any capacity any person who is related within the third degree to any
4 member of the board or to the superintendent or to the mayor of said municipality
5 or to any member of the governing body of the municipality. No officer or
6 employee of a municipality shall be eligible for such appointment until at least one
7 (1) year after the expiration of the term of his or her office or employment.
- 8 (4) The members of the board shall be citizens, taxpayers, voters, and users of electric
9 energy or water, and shall not at the time of their appointment be indebted to the
10 municipality either directly or indirectly or be surety on the official bond of any
11 officer of said municipality.
- 12 (5) If at any time during his or her term of office a member of the board becomes a
13 candidate for or is elected or appointed to any public office, he or she shall
14 automatically vacate his or her membership from the board, and another person
15 shall be appointed to his or her place.
- 16 (6) Each member of said board shall execute bond, in an amount required by the
17 governing body of the municipality by resolution or ordinance, conditioned upon
18 the faithful performance of their official duties. The surety on said bonds shall be a
19 surety company qualified to do business in Kentucky. The cost of said bonds shall
20 be charged as an operating expense and paid by the board.
- 21 (7) Each member of the board shall qualify by taking the oath required by Section 228
22 of the Constitution.
- 23 (8) The original appointees shall serve two (2) for one (1) year, one (1) for two (2)
24 years, one (1) for three (3) years and one (1) for four (4) years, respectively, from
25 the date of their appointment, as the said mayor or chief executive officer of the
26 municipality shall designate. Successors to retiring members so appointed shall be
27 appointed for a term of four (4) years in the same manner, prior to the expiration of

1 the term of office of the retiring members. Appointments to complete unexpired
2 terms shall be made in the same manner as original appointments.

3 (9) Any member of the board may be removed from office upon a vote of a majority of
4 the members of the governing body of the municipality for inefficiency, neglect of
5 duty, misfeasance, nonfeasance, or malfeasance in office.