

42-714. Issuance, sale and delivery of bonds. If a majority of the ballots cast at such election are in favor of the proposal to issue bonds as stated in such resolution, the board of directors shall proceed to issue, sell and deliver such bonds as provided herein.

(a) Every bond shall be payable to "bearer" or to the "registered owner" and shall bear interest at the rate specified in the accepted bid for the purchase of the bonds. Each bond shall specify the time and place of payment of the principal and interest and shall be numbered consecutively with the other bonds of the same issue, which shall begin with the number one and continue upward, or if directed by the board shall begin with any number and continue upward.

(b) Such bonds shall be executed in the name of and for the district by the chairperson and secretary of the board. Any interest coupons may be executed by the lithographed or engraved facsimile signature of such officers. The validity of the bonds which are executed shall remain unimpaired by reasons of the fact that one or more of the subscribing or attesting officers have ceased to be such officer or officers, before delivery to the purchaser. Such bonds shall recite that they are, and shall be, payable in lawful money of the United States.

(c) The secretary of the board of directors of the irrigation district shall register in a book provided for that purpose an accurate description of every bond issued, specifying its number, date, purpose, amount, rate of interest, when and where payable and description of any coupons attached. All bonds authorized under this act which have not been delivered to the purchaser within three years after their date shall be canceled. It shall be the duty of the secretary to destroy all canceled bonds, by burning them in the presence of other members of the board of directors and that minutes relating such action be entered in the journal.

(d) Such bonds may be self-liquidating out of the revenue to be derived out of rentals and charges for water uses or other services, facilities or income of the district, or may be paid by means of assessments or by a combination of two or more of such methods.

(e) The revenue derived from the rates charged by the district for the services performed and facilities furnished by it shall be pledged to secure the payment of such bonds and interest thereon, less a proper amount to be set aside by the board of directors, to pay the expenses of operation and maintenance of the district and its works, and to provide for an adequate depreciation fund. Rates shall be fixed in a reasonable amount sufficient to provide for such purposes.

(f) All money received from sale of any bond issue shall be placed in a fund and applied solely to the payment of the costs of the works proposed or for the purpose or purposes for which the same were issued.

History: L. 1941, ch. 262, § 14; L. 1983, ch. 49, § 82; May 12.