

353.404 Creation of natural gas acquisition authority -- Components of agreement -- Public agency status -- Election of authority formation method.

- (1) Any two (2) or more municipal utilities may enter into an agreement pursuant to KRS 65.240 for the creation of a gas acquisition authority to accomplish their joint and cooperative action in the acquisition, transportation, storage, and management of natural gas and in related services and functions which are necessary or desirable to provide adequate, dependable, and economical supplies of natural gas. The agreement shall:
 - (a) Specify the matters required by KRS 65.250(1);
 - (b) Be approved by resolution by the governing body of each municipal utility that is a party to the agreement;
 - (c) Prior to and as a condition precedent to its entry into force, be submitted to the appropriate state agency, which shall determine whether the agreement is in proper form and compatible with the laws of the Commonwealth, including this chapter, in the manner specified in KRS 65.260(2); and
 - (d) Be filed as provided in KRS 65.290.
- (2) An agreement creating a gas acquisition authority or an amendment to an agreement previously entered into under the Interlocal Cooperation Act, KRS 65.210 to 65.300:
 - (a) Shall establish the governing body of the authority and authorize it to adopt bylaws and establish committees for the conduct of its business;
 - (b) May provide for one (1) or more classes of members of the authority and that additional municipal utilities may become members of the authority; and
 - (c) Shall provide that the authority shall remain in existence until the later of fifty (50) years from the date of the agreement or amendment, or one (1) year after the authority has fully paid and discharged all of its indebtedness and has fully performed all of its contractual obligations.
- (3) A gas acquisition authority shall constitute an agency and instrumentality for accomplishing essential government functions of the municipal utilities creating and establishing it, shall be a political subdivision and a public body corporate of the Commonwealth, and shall be a public agency within the meaning of KRS 65.230. A gas acquisition authority is subject to the open meeting laws of KRS 61.800 to 61.850, and the public record laws of KRS 61.870 to 61.884, provided that the bylaws of the authority may specify that committees of its governing body may conduct meetings through telephone conference under standards and procedures consistent with video teleconferences under KRS 61.826.
- (4) Any separate legal entity previously created pursuant to KRS 65.240 of the Interlocal Cooperation Act to provide supplies of natural gas to two (2) or more municipal utilities in the Commonwealth may elect to become a gas acquisition authority upon:
 - (a) The adoption of approving resolutions by its governing body and the governing body of the municipal utilities; and

(b) The filing of the resolutions in their official records and with the Secretary of State.

An election under this subsection shall not modify, limit, or affect the validity or enforceability of any contract, bond, or obligation previously executed or incurred by the separate legal entity.

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