

Subject

Waters
Rural Water Districts

Copy to



STATE OF KANSAS

Office of the Attorney General

State Capitol Bldg. (913) 296-2215 Topeka, Kansas 66612

VERN MILLER
Attorney General

February 8, 1974

Opinion No. 74- 47

Don A. Cashman
Finley, Miller & Cashman
P.O. Box 240
Hiawatha, Kansas 66434

Dear Mr. Cashman:

K.S.A. 82a-619 provides that rural water districts organized pursuant to K.S.A. 82a-612 et seq.

"shall have power to acquire loans for the financing of up to ninety percent (90%) of the cost of the construction or purchase of any project or projects . . . Provided, however, That any district shall have the same power to acquire loans for the refinancing of up to ninety percent (90%) of the original costs of any such project or projects. The balance of the cost of construction shall be acquired by subscription, donation, gift or otherwise than through the medium of loans" [Emphasis supplied.]

You inquire whether all or any portion of the ten percent balance of the project cost which must be raised otherwise than through the medium of loans may be furnished in the form of services furnished by board members and users. The statute is nonspecific as to the manner of financing the ten percent balance which may not be financed through loans. The balance may be acquired by "subscription, donation, gift or otherwise" than through loans. This language contains no necessarily implied restriction that a portion of the ten percent balance of the cost may not be furnished through donations of services and labor.

Necessarily, the value of services or labor which are furnished by board members or prospective users must be accurately determined and accounted for. The possibility for abuse in this area

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is apparent. However, that possibility affords no ground, in our view, for a restrictive construction of the language which otherwise permits the ten percent balance of the cost to be furnished or acquired in any lawful manner other than the medium of loans.

Yours very truly,



VERN MILLER
Attorney General

VM:JRM:jsm

cc: Warden Noe, Attorney
Animal Health Department
109 West 9th Street
Topeka, Kansas 66612