

1 AN ACT relating to metropolitan sewer districts.

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

3 ➔Section 1. KRS 76.090 is amended to read as follows:

4 (1) **(a)** The district may establish a schedule of rates, rentals, and charges, to be
5 collected from all the real property within the district area served by the
6 facilities of the district, and prescribe the manner in which and the time at
7 which the rates, rentals, and charges are to be paid.~~[, and]~~ **The district** may
8 **propose to** change the schedule from time to time as the district deems
9 necessary, advisable, or expedient, **but any proposed change to the rates,**
10 **rentals, or charges established by the district that in aggregate will generate**
11 **additional revenue in excess of the percent increase in the CPI between the**
12 **two (2) most recent calendar years available shall not go into effect until**
13 **approved by the legislative body of the city or the consolidated local**
14 **government containing the district.**

15 **(b)** The schedule may be based upon either:

16 ~~1.[(a)]~~ The consumption of water on premises connected with the
17 facilities, taking into consideration commercial and industrial use of
18 water;~~[-or]~~

19 ~~2.[(b)]~~ The number and kind of plumbing fixtures connected with the
20 facilities;~~[-or]~~

21 ~~3.[(c)]~~ The number of persons served by the facilities;~~[-or]~~

22 ~~4.[(d)]~~ May be determined by the district on any other basis or
23 classification which the district determines to be fair and reasonable,
24 whether similar or dissimilar to those enumerated, except that the
25 schedule shall be uniform for all residential property; or

26 ~~5.[(e)]~~ Any combination thereof.

27 **(c)** This schedule may include additional charges for treatment of sewage, with a

1 surcharge where the sewage contains industrial wastes or other wastes in
2 excess of limitations established by regulations of the district.

3 (2) Prior to the final adoption or modification of the schedule for the district area, the
4 district shall adopt a proposed schedule and publish notice thereof pursuant to KRS
5 Chapter 424. The notice so published shall be dated as of the date of first
6 publication thereof and shall state that the proposed or revised schedule of rates,
7 rentals, and charges will remain open for inspection in the office of the district for
8 thirty (30) days from the date of the notice, and that objections thereto in writing
9 may be filed during that period with the district by any person aggrieved thereby.
10 The district shall examine and hear any and all complaints ~~and~~ may modify the
11 proposed schedule. **If the proposed schedule does not contain changes to rates,**
12 **rentals, or charges that would in aggregate generate additional revenue, the**
13 **district** ~~and~~ shall adopt and establish a final schedule within sixty (60) days after
14 the date of the notice. **If the proposed schedule contains changes to rates, rentals,**
15 **or charges that would in aggregate generate additional revenue in excess of the**
16 **percent increase in the CPI between the two (2) most recent calendar years, the**
17 **district shall submit the proposed schedule to the legislative body of the city or the**
18 **consolidated local government containing the district for approval and shall not**
19 **adopt a final schedule until it has been approved by the legislative body.**
20 **Additionally,** ~~the schedule~~ ~~however,~~ shall not become final within a county
21 outside a city of the first class until it has been approved by the fiscal court of the
22 county, or shall not become final within a city of the first class, unless and until it
23 has received the approval of the legislative body of the city of the first class by
24 ordinance approved by the mayor; provided, however, the schedule finally adopted
25 shall be sufficient and adequate to cover the purposes of this chapter. The schedules
26 shall be uniform for all property falling within the same classification, which
27 classification may be based upon the length of time the property has been in the

1 district area, the drainage area within which the property lies, or any similar or
2 dissimilar reasonable classification, except that the schedule shall be uniform for all
3 residential property. The schedule so adopted and established shall thereafter be the
4 rates, rentals, and charges for the use of the facilities of the district by users within
5 the district area, until changed in the manner~~[herein]~~ provided **in this section**. The
6 schedule of rates, rentals, and charges shall be established and **may be** revised from
7 time to time, **subject to the requirements of subsection (1)(a) of this section**, so as
8 to produce aggregate revenues to the district sufficient:

- 9 (a) For the payment of the interest on and principal of all revenue bonds and other
10 obligations of the district except construction subdistrict obligations and
11 bonds;
- 12 (b) For the payment of all cost and expenses of operating and maintaining the
13 sewer and drainage system of the district within the district area, including but
14 not limited to that portion of the salaries, wages, and fees of all officers and
15 employees of the district equitably allocable to operations within or for the
16 district area; and
- 17 (c) For the payment of all cost of renewals and replacement of such system
18 within the district area; provided, however, that all expenses, salaries, wages,
19 and fees necessary or incident to improvements for the account of which
20 bonds are issued, may be included as a part of the cost of the improvements
21 and paid from the proceeds of the bonds.

22 The district may collect the sewer rates, rentals, and charges, or cause them to be
23 collected and paid to it by agencies it designates, and with whom it may make such
24 contracts or arrangements as the district deems proper. No moneys received on
25 account of the existence or operation of construction subdistricts shall be used for
26 the payment of district obligations, and no other moneys received by the district
27 shall be used for the payment of construction subdistrict bonds or obligations.

1 Except as provided in the preceding sentence, the use of all moneys of the district
2 received from any and all sources is hereby limited exclusively and shall be devoted
3 solely to the payment of all obligations of the district and board created by KRS
4 76.010 to 76.210, and no funds from any sources authorized by KRS 76.010 to
5 76.210, shall be diverted to any other purposes than those in KRS 76.010 to 76.210
6 set forth, except that the district shall pay from district area revenues an equitably
7 allocable share of the cost of constructing and operating any nondistrict area
8 facilities to which sewage from the district area is diverted in order to relieve
9 facilities from excessive sewage and costs described in KRS 76.248 but otherwise
10 paid for.

- 11 (3) In addition to the restrictions on the allowable expenditures of funds in
12 subsection (2) of this section, funds from any sources authorized by KRS 76.010
13 to 76.210 shall not be expended for any of the following purposes:
14 (a) Advertising, except for recruitment of personnel or volunteers;
15 (b) Vehicles or allowances for vehicles used for any personal purposes by
16 members of the board, employees, or contractors of the district;
17 (c) Bonus compensation for any member of the board, employee, or contractor
18 of the district;
19 (d) Club memberships for any member of the board, employee, or contractor of
20 the district;
21 (e) Sponsorships; or
22 (f) Any other expenses that the legislative body of the city or consolidated local
23 government containing the district deems are unnecessary for the provision
24 of sewer utility service.

- 25 (4) Whenever an area located within the district is served initially by a construction
26 subdistrict facility, the schedule of rates, rentals, and charges applicable to the
27 particular construction subdistrict shall, at the discretion of the board, be applied to

1 the area.

2 ~~(5)~~~~(4)~~ Whenever any such sewer rates, rentals, or charges for services rendered
3 remains unpaid for a period of thirty (30) days after the same becomes due and
4 payable, the district shall declare the property, the owner thereof, and the user of the
5 service, delinquent until such time as all service rates, rentals, and charges are fully
6 paid and may cut off the sewer connection and service. It is unlawful for any
7 delinquent to use water from any public water service or system and discharge same
8 into a public sewer. No public water service or system shall furnish the delinquent
9 with water to be discharged into a public sewer. The district may enter into
10 agreements with any public water company or public water service providing for
11 the discontinuance of water service to delinquents.

12 **(6) As used in this section, "CPI" means the nonseasonally adjusted Consumer Price**
13 **Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, as**
14 **published by the United States Bureau of Labor Statistics.**