

COMMONWEALTH OF KENTUCKY
COUNTY OF MCCRACKEN
ORDER 01/25/2016 - 01

**AN ORDER ADOPTING A SCHEDULE FOR RATES AND CHARGES FOR
WASTEWATER PURSUANT TO KRS CHAPTER 76**

WHEREAS, the JSA was formed pursuant to identical ordinances adopted by the legislative bodies of the City of Paducah and McCracken County under the authority of KRS 76.231 (such ordinances hereinafter referred to as the "Establishing Ordinances"); and

WHEREAS, under a Consent Judgment with the Commonwealth of Kentucky's Energy and Environmental Cabinet that the JSA entered into in September 2007, and an Environmental Protection Agency (EPA) Administrative Order issued in December of 2007, the JSA is required to mitigate the environmental impacts of the combined sanitary/storm sewer systems, as well as its separate sanitary sewer system which the JSA inherited at the time of its formation. The consent judgment requires JSA to implement a Sanitary Sewer Overflow Plan and a Long Term Control Plan which JSA is in process of implementation. The projects remaining to implement exceed \$102 million which are to be funded through the assumption of debt and repaid to bondholders and/or the JSA through rate increases; and

WHEREAS, the JSA's current schedule of rates, rentals and charges will not continue to generate sufficient revenue for the proper operation and maintenance of the existing sewer system and for the retirement of the JSA's outstanding debt; and

WHEREAS, in order to comply with all federal and state laws as well as with the Establishing Ordinances, the JSA must maintain a schedule of charges that will generate sufficient revenue to offset the cost of all operation and maintenance of the sewer system; and

WHEREAS, it is a joint finding of the City of Paducah, McCracken County Fiscal Court, and the JSA Board that the limited capacity of the wastewater treatment facilities owned and operated by JSA necessitate the difference in fees charged for treatment and disposal of waste generated outside McCracken County; and

WHEREAS, the JSA Board has reviewed the proposed adjusted schedule attached hereto (hereinafter the "Adjusted Schedule of Rates and Charges") and deems it to be in the best interest of the JSA and its rate payers.

NOW, THEREFORE, be it ordained by the McCracken County Fiscal Court, jointly, as follows:

SECTION 1. The following "Schedule of Rates and Charges" is hereby approved and adopted.

SCHEDULE OF RATES AND CHARGES

A. WASTEWATER USER CHARGES

For customers of the former sewer districts, the rates and charges shall be:

From March 1, 2016 through June 30, 2016, the following rates shall apply:

All customers \$5.15 per 1,000 gallons of water usage with 3,000 gallons minimum

From July 1, 2016 through June 30, 2017, the JSA shall adjust the rates in accordance with the consumer price index for all urban consumers (CPI-U). The adjustment shall be based on the published April CPI-U and shall be adjusted only if the index is positive.

From and after July 1, 2017, the following rates shall apply:

All customers \$5.83 per 1,000 gallons of water usage with 3,000 gallons minimum

After July 1, 2017, the JSA may adjust the listed rates in accordance with the consumer price index for all urban consumers ("CPI-U").

B. INDUSTRIAL SURCHARGE

Permits are issued to certain industries that produce wastewater of an unusual content or an abnormally high strength. Industries that qualify, as determined by JSA, will pay a permit fee of \$900 every three years.

Additional surcharge rates shall apply to each user of the treatment system that has received permission from JSA to contribute excessive strength wastewater to the sewer system.

For the treatment of biological oxygen demand ("BOD") waste in a concentration exceeding 300 mg/l, an additional surcharge will be imposed as follows:

From March 1, 2016, through June 30, 2017, a surcharge of \$0.22 per pound of BOD.
From and after July 1, 2017, a surcharge of \$0.23 per pound of BOD.

For the treatment of waste containing total suspended solids ("TSS") in a concentration exceeding 350 mg/l, a surcharge will be imposed as follows:

From March 1, 2016, through June 30, 2017, a surcharge of \$0.23 per pound of TSS.
From and after July 1, 2017, a surcharge of \$0.24 per pound of TSS.

After July 1, 2017, the JSA may adjust these rates in accordance with the consumer price index for all urban consumers ("CPI-U").

C. HAULED WASTE

The JSA shall assess a fee for the treatment and proper disposal of acceptable waste that is generated within McCracken County and hauled to the Paducah Wastewater Treatment Plant. The following rates will apply for the disposal of hauled waste:

From March 1, 2016, through June 30, 2017, the charge will be \$40.00 per 1,000 gallons of hauled waste.

From and after July 1, 2017, the charge will be \$44.00 per 1,000 gallons of hauled waste.

After July 1, 2017, the JSA may adjust these rates in accordance with the consumer price index for all urban consumers ("CPI-U").

JSA shall assess a fee for the treatment and proper disposal of acceptable waste that is generated outside of McCracken County and hauled to the Paducah Wastewater Treatment Plant. The fee for treatment and disposal of acceptable waste generated outside McCracken County shall be exactly double the fee charged for waste generated in McCracken County.

Qualified haulers will also pay an annual fee for a disposal permit in the amount of \$300.

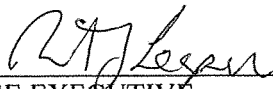
D. OTHER FEES

- i. **TAP-ON FEE**
This is a fee assessed to recover the costs of constructing core facilities and appurtenances which make sewer service available. This fee would be due from every new customer that connects to the system. The proposed fee is \$1,950 per Equivalent Residential Unit (ERU).
- ii. **CAPACITY FEE**
This fee is a charge to all new customers connecting to the JSA sanitary sewer system, and represents the purchase of their share of capacity. This fee would be due from every new customer that connects to the system. The proposed fee is \$350 per Equivalent Residential Unit (ERU).
- iii. **LATERAL CONNECTION FEE**
A lateral connection fee is a charge assessed to recover the costs associated with constructing a physical sewer connection for a property from the property line or the right-of-way to the JSA sanitary sewer system. This fee would be due from any new customer requesting such a connection. This fee is \$625 minimum per connection, but may vary based on the actual width of the right-of-way.

The Board of Directors for the JSA may independently enact or amend fees for (i), (ii), and (iii) above and for connections, inspections, reviews, etc., and may include additional charges for treatment of sewage, with a surcharge where the sewage contains industrial waste or other waste in excess of limitations established by the regulations of the Agency.

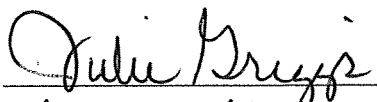
SECTION 2. The rates adopted herein shall be effective on bills rendered on or after 03/01/2016.

SECTION 3. This Order shall be read on two separate days and will be effective upon summary publication pursuant to KRS Chapter 424.



JUDGE EXECUTIVE

ATTEST:



County Clerk (TITLE)