

COMMONWEALTH OF KENTUCKY  
CITY OF LONDON, KENTUCKY  
ORDINANCE NO. 1010

A COMPREHENSIVE ORDINANCE ESTABLISHING THE RATES, CHARGES AND FEES  
FOR WATER SERVICE AND SEWER SERVICE SUPPLIED TO CUSTOMERS OF THE  
CITY OF LONDON WATER SYSTEM AND SEWER SYSTEM, ESTABLISHING  
PROCEDURES FOR BILLING AND COLLECTING FOR WATER SERVICES AND  
SEWER SERVICES BY THE CITY OF LONDON UTILITY COMMISSION

WHEREAS, the City of London, Kentucky has constructed water and wastewater treatment works; and

WHEREAS, it is the City of London's intent to establish proportionate water and wastewater user charges that place the costs of abatement directly on the sources of pollution, conserve potable water, and maintain financial self-sufficiency; and

WHEREAS, the City of London must pay the OM&R and debt service expenses associated with the said water and wastewater treatment works and charge the users of said water and wastewater treatment works accordingly;

NOW THEREFORE, BE IT ORDAINED BY THE City of London, Kentucky, that the following water and wastewater user charges are established:

**SECTION 1.** Unless the context specifically indicates otherwise, the meaning of terms used in this ordinance shall be as follows:

- a) "Customer" means the owner or occupier of a residential, commercial, or industrial unit or facility to which sewer service or water service is furnished by the City of London Utility Commission. Customer also means any business, person, corporation or group from which the London Utility Commission receives or is required to treat sewage or wastewater.
- b) "Utility Commission" means the City of London Utility Commission.
- c) "BOD" (denoting Biochemical Oxygen Demand) shall mean the quantity of oxygen utilized in biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20°C, expressed in milligrams per liter (mg/l)
- d) "Normal Domestic Wastewater" shall mean wastewater that has a BOD concentration of not more than 3000 mg/l, a suspended solids concentration of not more than 9000 mg/l, an ammonia concentration of not more than 20 mg/l, and an oil and grease concentration of not more than 100 mg/l.
- e) "Operation and Maintenance" shall mean those functions that result in expenditures during the useful life of the water and wastewater treatment works for materials, labor, utilities and other items which are necessary for managing and for which such works were designed and constructed. The term "operation and maintenance" includes replacement as defined in Section 4.
- f) "Replacement" shall mean expenditures for obtaining and installing equipment, accessories or appurtenances which are necessary during the useful life of the water and wastewater treatment works and for which such works were designed and performance for which such works were designed and constructed.
- g) "Residential User" shall mean any contributor to the City of London's wastewater treatment works and/or anyone who utilizes potable water supplied by the City of London's water system whose lot, parcel or real estate, or building is used for domestic dwelling purposes.

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OF KENTUCKY  
EFFECTIVE

PURSUANT TO 807 KAR 5.011.  
SECTION 9 (1)

BY Stenard Bell  
SECRETARY OF THE COMMISSION

- h) "Commercial User" shall mean all retail stores, restaurants, office buildings, laundries, and other private business and service establishments.
- i) "Industrial User" (IU) shall mean a source of Indirect Discharge which does not constitute a "discharge of pollutants" under regulations issued pursuant to Section 402 of the Clean Water Act.
- j) "Institutional User" shall include social, charitable, religious, and educational activities such as schools, churches, hospitals, nursing homes, penal institutions and similar institutional users.
- k) "Governmental User" shall include legislative, judicial, administrative, and regulatory activities of Federal, State and Local governments.
- l) "Shall" is mandatory; "May" is permissive.
- m) "SS" (denoting Suspended Solids) shall mean solids that either float on the surface of or are in suspension in water, sewage, or other liquids and which are removable by laboratory filtering.
- n) "Superintendent" shall mean the person designated by the city to supervise the publicly owned water and wastewater treatment works and who is charged with certain duties and responsibilities or his duly authorized representative.
- o) "Wastewater Treatment Works" shall mean any devices and systems for the storage, treatment, recycling and reclamation of municipal wastewater, domestic wastewater or liquid industrial wastes. These include intercepting sewers, outfall sewers, wastewater collection systems, pumping, power, and other equipment and their appurtenances; extensions, improvements, remodeling, additions and alterations thereof, and any works, including site acquisition of the land that will be an integral part of the treatment process or is used for ultimate disposal of residues resulting from such treatment (including land for composting sludge, temporary storage of such compost and land used for the storage of treated wastewater in land treatment systems before land application); or any other method or system for preventing, abating, reducing, storing, treating, separating, or disposing of municipal waste or industrial waste, including waste in combined storm water and sanitary sewer systems.
- p) "Useful Life" shall mean the estimated period during which the water and wastewater treatment works will be operated.
- q) "Wastewater User Charge" shall mean the total wastewater service charge, which is levied in a proportional and adequate manner for the cost of OM&R and debt service expenses of the wastewater treatment works.
- r) "Water Meter" shall mean a water volume measuring and recording device, furnished and/or installed by a user and approved by the Superintendent.
- s) "Debt Service" shall mean charges levied on users of the wastewater treatment works to support the annual debt service obligations of the system.

**SECTION 2.** Each customer of the water system **PUBLIC SERVICE COMMISSION OF KENTUCKY** shall have a separate water meter and shall pay a monthly meter service charge **EFFECTIVE** which shall include the first 2,000 gallons, based on the size of the meter as follows:

**SIZE OF SERVICE**

- 5/8 inch meter or less
- 3/4 inch meter
- 1 inch meter

**JUL 07 2002**  
**SERVICE CHARGE PER MONTH**  
**PURSUANT TO 807 KAR 5.011.**  
**SECTION 9 (1)**  
 BY *S. J. Bell*  
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1 ¼ or 1 ½ inch meter	\$	17.02
2 inch meter	\$	28.07
3 inch meter	\$	55.25
4 inch meter	\$	85.09
6 inch meter	\$	168.51

**SECTION 3.** Each customer located inside the city limits shall pay the following monthly rates for water supplied in addition to the monthly meter service charges stated in Section 2.

- For the first 2,000 gallons, minimum monthly meter charge
- For the next 4,000 gallons, \$2.39 per 1,000 gallons
- For the next 14,000 gallons, \$2.11 per 1,000 gallons
- For the next 80,000 gallons, \$1.86 per 1,000 gallons
- For the next 100,000 gallons, \$1.58 per 1,000 gallons
- For the next 800,000 gallons, \$1.55 per 1,000 gallons
- Over 1,000,000 gallons, \$1.49 per 1,000 gallons

**SECTION 4.** Each customer of the water system located outside the city limits shall have a separate water meter and shall pay a monthly meter service charge, which shall include the first 2,000 gallons, based on the size of the meter as follows:

<u>SIZE OF SERVICE</u>		<u>SERVICE CHARGE PER MONTH</u>
5/8 inch meter or less	\$	11.40
3/4 inch meter	\$	11.40
1 inch meter	\$	14.03
1 ¼ or 1 ½ inch meter	\$	25.53
2 inch meter	\$	42.10
3 inch meter	\$	82.99
4 inch meter	\$	127.63
6 inch meter	\$	252.71

**SECTION 5.** Each customer located outside the city limits shall pay the following monthly rates for water supplied in addition to the monthly meter service charge stated in Section 4:

- For the first 2,000 gallons, minimum monthly meter charge
- For the next 4,000 gallons, \$3.57 per 1,000 gallons
- For the next 14,000 gallons, \$3.16 per 1,000 gallons
- For the next 80,000 gallons, \$2.80 per 1,000 gallons
- For the next 100,000 gallons, \$2.39 per 1,000 gallons
- For the next 800,000 gallons, \$2.32 per 1,000 gallons
- Over 1,000,000 gallons, \$2.24 per 1,000 gallons

**SECTION 5.1:** Each wholesale customer of the water system shall pay \$1.35 per 1,000 gallons water supplied.

**SECTION 6.** The following schedule of sewer user charge rates shall apply to each user of the wastewater treatment and collection system. This schedule includes the operation maintenance and replacement (O, M & R), and rates for debt service charges, each based on the volume of water consumption or measured wastewater flow. The revenues collected, as a result of the wastewater user charges levied, shall be deposited in a separate non-lapsing fund known as the Wastewater Operation, Maintenance and Replacement and Debt Service Fund. Fiscal year-end balances in the Wastewater OM&R and Debt Service Fund shall

**PUBLIC SERVICE COMMISSION**  
**OF KENTUCKY**  
**EFFECTIVE**  
**JUL 07 2002**  
**PURSUANT TO 807 KAR 5.011.**  
**SECTION 6**  
 BY Stewart Bell  
**SECRETARY OF THE COMMISSION**

be used for no other purposes than those designated. Monies which have been transferred from other sources to meet temporary shortages in the Wastewater OM&R and Debt Service Fund shall be returned to their respective accounts upon appropriate adjustment of the wastewater user charge rates for OM&R and Debt Service. The wastewater user charge rate(s) shall be adjusted such that the transferred monies will be returned to their respective accounts within twelve months of the fiscal year in which the monies were borrowed.

**SECTION 7.** WHEREAS, the Utility Commission has begun design for expansion of the London Wastewater Treatment Plant; and

WHEREAS, Phase I, Phase II, and Phase III sewer rates have been recommended to the London City Council by the London Utility Commission for adoption in the estimated amounts herein stated, the London City Council does hereby adopt the following recommendations of the London Utility Commission as the Sewer User Charge and Monthly Rate Schedule in Three Phases, as set out herein. The wastewater user charge system data for fiscal year 2000/2001 (budget, usage information, etc.) is included in this ordinance as Appendix A to be used as an example only. The following schedule of wastewater user charge rates shall apply to each user of the wastewater treatment works. This schedule includes rates for OM&R and rates for debt service charges, each based on the volume of metered or estimated water consumption.

**PHASE I – SEWER USER CHARGE  
MONTHLY RATE SCHEDULES**

Each customer of the wastewater treatment and collection system located inside the city limits shall pay a monthly minimum service charge of \$8.85 which shall include the charge for the first 2,000 gallons of wastewater. The rate schedule for the sewer charges for each customer located inside the city shall be as follows:

	<u>OM&amp;R</u>	<u>DEBT SERVICE</u>	<u>TOTAL USER CHG</u>
First 2,000 gallons minimum	\$4.18	4.67	8.85
Next 48,000 gallons per 1,000 gallons	\$2.09	1.96	4.05
Next 50,000 gallons per 1,000 gallons	\$2.09	1.37	3.46
Next 900,000 gallons per 1,000 gallons	\$2.09	.73	2.82
Over 1,000,000 gallons per 1,000 gallons	\$2.09	.64	2.73

Each customer of the wastewater treatment and collection system located outside the city limits shall pay a monthly minimum service charge of \$11.25 which shall include the charge for the first 2,000 gallons of wastewater. The rate schedule for the sewer charges for each customer located outside the city shall be as follows:

	<u>OM&amp;R</u>	<u>DEBT SERVICE</u>	<u>TOTAL USER CHG</u>
First 2,000 gallons minimum	\$4.18	7.07	11.25
Next 48,000 gallons per 1,000 gallons	\$2.09	2.98	5.07
Next 50,000 gallons per 1,000 gallons	\$2.09	2.09	4.18
Next 900,000 gallons per 1,000 gallons	\$2.09	1.11	3.20
Over 1,000,000 gallons per 1,000 gallons	\$2.09	.99	3.08

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY**  
EFFECTIVE  
JUL 07 2002  
PURSUANT TO 807 KAR 5.011.  
SECTION 9 (1)  
BY Stanford Bell  
SECRETARY OF THE COMMISSION

**PHASE II – SEWER USER CHARGE  
MONTHLY RATE SCHEDULES**

Each customer of the wastewater treatment and collection system located inside the city limits shall pay a monthly minimum service charge of \$10.45 which shall include the charge for the first 2,000 gallons of wastewater. The rate schedule for the sewer charges for each customer located inside the city shall be as follows:

	<u>OM&amp;R</u>	<u>DEBT SERVICE</u>	<u>TOTAL USER CHG</u>
First 2,000 gallons – minimum	\$5.06	5.39	10.45
Next 48,000 gallons per 1,000 gallons	\$2.53	2.77	5.30
Next 50,000 gallon per 1,000 gallons	\$2.53	1.85	4.38
Next 900,000 gallon per 1,000 gallons	\$2.53	.65	3.18
Over 1,000,000 gallons per 1,000 gallons	\$2.53	.51	3.04

Each customer of the wastewater treatment and collection system located outside the city limits shall pay a monthly minimum service charge of \$13.25 which shall include the charge for the first 2,000 gallons of wastewater. The rate schedule for the sewer charges for each customer located outside the city shall be as follows:

	<u>OM&amp;R</u>	<u>DEBT SERVICE</u>	<u>TOTAL USER CHG</u>
First 2,000 gallons – minimum	\$5.06	8.19	13.25
Next 48,000 gallons per 1,000 gallons	\$2.53	4.20	6.73
Next 50,000 gallons per 1,000 gallons	\$2.53	2.78	5.31
Next 900,000 gallons per 1,000 gallons	\$2.53	1.02	3.55
Over 1,000,000 gallons per 1,000 gallons	\$2.53	.81	3.34

**PHASE III – SEWER USER CHARGE  
MONTHLY RATE SCHEDULES**

Each customer of the wastewater treatment and collection system located inside the city limits shall pay a monthly minimum service charge of \$12.05 which shall include the charge for the first 2,000 gallons of wastewater. The rate schedule for the sewer charges for each customer located inside the city shall be as follows:

	<u>OM&amp;R</u>	<u>DEBT SERVICE</u>	<u>TOTAL USER CHG</u>
First 2,000 gallons – minimum	\$5.96	6.09	12.05
Next 48,000gallons per 1,000 gallons	\$2.98	3.57	6.55
Next 50,000 gallons per 1,000 gallons	\$2.98	2.32	5.30
Next 900,000 gallons per 1,000 gallons	\$2.98	.57	3.55
Over 1,000,000 gallons per 1,000 gallons	\$2.98	.37	3.35

Each customer of the wastewater treatment and collection system located outside the city limits shall pay a monthly minimum service charge of \$15.25 which shall include the charge for the first 2,000 gallons of wastewater. The rate schedule for the sewer charges for each customer located outside the city shall be as follows:

	<u>OM&amp;R</u>	<u>DEBT SERVICE</u>	<u>TOTAL USER CHG</u>
First 2,000 gallons – minimum	\$5.96	6.09	12.05
Next 48,000 gallons per 1,000 gallons	\$2.98	3.57	6.55
Next 50,000 gallons per 1,000 gallons	\$2.98	2.32	5.30

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE**

**JUL 07 2002**

**PURSUANT TO 807 KAR 5:011.**

**SECTION 9 (1) TOTAL**

**OM&R DEBT SERVICE USER CHG**

**SECRETARY OF THE COMMISSION**

First 2,000 gallons – minimum	\$5.96	6.09	12.05
Next 48,000 gallons per 1,000 gallons	\$2.98	3.57	6.55
Next 50,000 gallons per 1,000 gallons	\$2.98	2.32	5.30

Next 900,000 gallons per 1,000 gallons	\$2.98	.92	3.90
Over 1,000,000 gallons per 1,000 gallons	\$2.98	.62	3.60

**SECTION 8.** It is the direction of the City Council of the City of London, Kentucky, that expansion of the London Wastewater Treatment Plant project proceed through design, bidding and construction in order to comply with Kentucky Division of Water (KDOW) deadlines.

**SECTION 9.** Time Enactment of Sewer Rate Phases

1. The above Phase I sewer rates are hereby approved with the acknowledgment that said rates will be in effect as of July 1, 2001.
2. The above Phase II sewer rates are hereby approved with the acknowledgment that said rates will be in effect as of July 15<sup>th</sup>, 2002.
3. The above Phase III sewer rates are hereby approved with the acknowledgment that said rates will be adjusted according to actual construction bids and funding sources and will be in effect as of July 15<sup>th</sup>, 2003.
4. Should outside financial contribution be received by the Utility Commission that would offset revenue generated by the aforementioned rates, the Utility Commission may decide, at it's discretion, if and when the Phase II and Phase III rates are implemented.

**SECTION 10:** For those users whose wastewater has a greater strength than normal domestic wastewater, a surcharge in addition to the normal user charge, will be collected. Since the BOD, COD and TSS have a three tier rate structure, a separate calculation must be performed for any portion of the average analysis which falls into each of the rate categories. The aggregate of all computations for each category, for all parameters, will be considered the applicable surcharge rate.

Method of Billing Surcharges -- The excessive strength surcharge shall be based on a formula (See Example), with the total applied to the monthly bill of affected users.

**Example Formula for Tier I of Rate Structure**

$$(A(G-300) + B(H-350) + C(I-900) + D(J-20) + E(K-100) + F(L-10)) \times .00834 \times M = \text{surcharge payment } (\$/\text{month})$$

Note: For BOD, TSS, and COD concentrations that exceed the Tier I limit, the limit for Tier I must be substituted for F, G, and H.

**Example Calculation for Tier II and Tier III Rates**

First determine number of mg/l which falls within the particular tier. Example: BOD concentration of 2500 mg/l and TSS concentration of 2000 mg/l.

$$\begin{array}{r} 2500 \text{ mg/l} \\ - 900 \text{ mg/l (allowed in Tier I calculation)} \\ \hline 1600 \text{ mg/l} \end{array}$$

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE *2000* *10* *10* *2000*  
- 1050 mg/l (allowed in Tier I)  
950 mg/l

JUL 07 2002

**Example Formula for Tier Two and Tier Three**

$$(A(1600) + B(950)) \times .00834 \times M = \text{surcharge payment/month for SECTION 8 (1)}$$

PURSUANT TO 807 KAR 5.011.  
SECTION 8 (1)  
BY Stanford Bell  
SECRETARY OF THE COMMISSION

- A. Surcharge rate for BOD, in \$/pound.
- B. Surcharge rate of TSS, in \$/pound.
- C. Surcharge rate for COD, in \$/pound.
- D. Surcharge rate for ammonia, in \$/pound.
- E. Surcharge rate for oil and grease, in \$/pound.
- F. Surcharge rate for total phosphorus, in \$/pound.
- G. User's average BOD concentration, in mg/l.
- H. User's average TSS concentration, in mg/l.
- I. User's average COD concentration, in mg/l.
- J. User's average ammonia concentration, in mg/l.
- K. User's average oil and grease concentration, in mg/l.
- L. User's average total phosphorus concentration, in mg/l.
- M. User's monthly flow to wastewater works, per 1,000 gallons.

No reduction in wastewater service charges, fees or taxes shall be permitted because of the fact that certain wastes discharged to the wastewater works contain less than 300 mg/l of BOD, 900 mg/l of COD, 350 mg/l of TSS, 20 mg/l of ammonia, 100 mg/l of oil and grease or 10 mg/l of total phosphorus.

The following surcharge rates shall apply to each user of the wastewater treatment works that has received permission from the Superintendent to contribute excessive strength sewage:

	<u>Phase I*/lb</u>	<u>Phase II*/lb</u>	<u>Phase III*/lb</u>
Tier I BOD <sub>5</sub> 300 mg/l – 900 mg/l	.13	.15	.17
Tier II BOD <sub>5</sub> 900 mg/l – 3000 mg/l	.14	.16	.18
Tier III BOD <sub>5</sub> Over 3000 mg/l	.15	.17	.19
Tier I COD 900 mg/l – 2700 mg/l	.07	.08	.09
Tier II COD 2700 mg/l – 9000 mg/l	.08	.09	.10
Tier III COD Over 9000 mg/l	.09	.10	.11
Tier I TSS 350 mg/l – 1050 mg/l	.16	.19	.21
Tier II TSS 1050 mg/l – 3500 mg/l	.17	.20	.22
Tier III TSS Over 3500 mg/l	.18	.21	.23
<b>AMMONIA:</b>			
Concentration in excess of 20 mg/l	1.93	1.93	1.93
<b>OIL &amp; GREASE</b>			
Concentration in excess of 100 mg/l	.10		
TOTAL PHOSPHORUS **	.90		

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE** .14  
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\* The effective dates of the Phase I, II & III rates are the same for Section 10 as are stated in Section 9.

\*\* Only applies when the London WWTP is required by the State to treat for total phosphorus.

**PURSUANT TO KRS 5011.  
SECTION 9 (1)**  
JUL 07 2007  
BY Stanley Bell  
SECRETARY OF THE COMMISSION

**SECTION 11.** For residential, industrial, institutional and commercial users, monthly user charges will be based on actual usage. If a residential, commercial, institutional, or industrial user has a consumptive use of water, or, in some other manner, uses water which is not discharged into the wastewater collection system, the user charge for that contributor may be based on readings of a wastewater meter(s) or separate water meter(s) installed and maintained at the user's expense, or other verifiable methods as approved by the Superintendent.

**SECTION 12.** The Utility Commission shall maintain financial records to accurately account for revenues generated by the wastewater treatment system and expenditures for operation and maintenance of the system, including normal replacement costs.

The Utility Commission shall review not less than annually the wastewater contribution of users, the total cost of OM&R of the wastewater works, debt service obligations, and wastewater user charge rates. Based on such review, the City of London shall revise, when necessary, the schedule of wastewater user charge rates to accomplish the following:

Subsection 1: Maintain an equitable distribution of OM&R costs among users of the wastewater treatment system; and

Subsection 2: Generate sufficient revenues to offset costs associated with the proper operation and maintenance of the wastewater system and to meet debt service requirements.

Subsection 3: Excessive strength and toxicity surcharges shall be reviewed at the time of and in conjunction with the review of wastewater user charges. Surcharge rates shall be revised where necessary to reflect current treatment and monitoring costs.

Subsection 4: Each user shall be notified, at least annually, in conjunction with a regular bill of the rate and that portion of the total charge which is attributable to OM&R of the wastewater system.

**SECTION 13:** In an effort to enhance sanitary conditions within Laurel County, the Utility Commission may elect to accept and treat wastewater from other wastewater collection systems (herein referred to as wholesale customer). The Utility Commission shall have the latitude of negotiating and entering into contracts with other publicly owned wastewater systems. The wastewater system electing to contract with the Utility Commission for treatment services shall furnish a master meter at the point of connection(s) to the London wastewater collection or treatment system(s). The master meter shall be properly maintained at the expense of the wholesale customer. The master meter shall be tested for accuracy at least annually. The cost of the accuracy measurements will be the responsibility of the wholesale customer. Results of the accuracy tests shall be submitted to the Utility Commission. Each contract negotiated with other publicly owned utilities shall include both a maximum number of customers and a maximum number of gallons of flow per day. In no case shall the Commission accept a volume of waste or quality of waste that would create a negative impact on the collection system, create plant capacity problems, or cause the treatment plant effluent to violate applicable discharge limits. The Utility Commission shall have the latitude of adjusting wholesale sewer rates annually or when rates are revised by the City of London in accordance with applicable contracts. The formulation for adjusting the wholesale sewer rate is as follows:

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 07 2002

PURSUANT TO 807 KAR 5.011  
SECTION 9 (1)  
BY Stephen Bell  
SECRETARY OF THE COMMISSION



Annual OM&R Cost + Debt Service	÷	Wastewater Treated Annually @ WWTP (1000 gallons)	=	Total Wholesale Rate per 1000 gallons
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After the rate revision is determined, the required documents must be filed with the Kentucky Public Service Commission and the required notifications sent to the wholesale customer. Proper approval must be granted by PSC before the new rates are implemented.

**SECTION 14.** Each customer who is supplied unmetered service for a fire protection sprinkler system shall pay an annual flat rate of \$100.00 for that unmetered service.

**SECTION 15.** The City of London shall pay a fire hydrant rental of \$35.00 per year for each fire hydrant meeting the National board of Fire Underwriters requirements.

**SECTION 16.** Each customer who applies for a new connection to the water system shall pay a water tap-on fee of \$500.00 for a ¾ inch line. The Utility Commission may charge actual cost of the installation of a ¾" service in cases where excessive amounts of material and labor are required to complete the installation. Each customer shall pay a water tap-on-fee of the actual cost for larger than ¾ inch line, the actual or estimated cost of which shall be paid at the time of application, and any balance or refund shall be paid upon completion of the new connection.

**SECTION 17.** Each customer of the sewer system who is not a customer of the water system shall pay for sewer service at a rate to be established by the Utility Commission based on the type and amount of sewage discharge.

**SECTION 18:** Once sewer service becomes available, connection to the sanitary sewer system is mandated by the City of London Ordinance 840. After the property notification is provided to the customer and after the allotted time allowed to make the required connection has lapsed, the customer will be billed for sewer services as if he has connected. Billing will be in accordance with the rate schedules specified herein.

**SECTION 19.** Each customer who applies for a new connection to the sewer system shall pay a sewer tap-on fee according to the type of connection; and described below:

**INSIDE CITY**

- 1) \$900.00 per home or church
- 2) Duplex – first unit \$900.00; second unit \$500.00; for a total of \$1,400.00 for each duplex
- 3) Trailer Parks per unit (each individual trailer pad shall be considered a unit) first unit \$900.00; second through tenth unit \$300.00 unit; all over ten units \$200.00 per unit.
- 4) Hotels and Motels (each lodging room shall be considered a unit) first unit \$900.00; second through tenth unit \$300.00 per unit; all over ten units \$200.00 per unit.
- 5) Apartment Complexes (each apartment shall be considered a unit) first unit \$900.00; second through tenth unit \$300.00 per unit; all over ten units \$200.00 per unit.
- 6) Industrial - \$4,000.00 per connection.
- 7) Laundromats – for up to ten washing machines \$2,000.00; all over ten washing machines \$150.00 per machine.

**PUBLIC SERVICE COMMISSION  
 OF KENTUCKY  
 EFFECTIVE**  
**JUL 07 2002**  
 PURSUANT TO 807 KAR 5011  
 SECTION 9 (1)  
 BY Stanford Bell  
 SECRETARY OF THE COMMISSION

- 8) Commercial (Grocery Stores, Restaurants, Office Buildings, Service Stations, Banks, etc.) \$2,000.00 per connection.
- 9) Schools – up to fifty classrooms \$2,500.00; all over fifty classrooms \$50.00 per classroom.
- 10) Shopping Centers or Malls - \$2,000.00 first units; \$750.00 per individual wholesale or retail shop within the complex, thereafter.

**OUTSIDE CITY**

- 1) \$1,200.00 per home or church
- 2) Duplex – first unit \$1,200.00; second unit \$400.00; for a total of \$1,600 per each duplex
- 3) Trailer parks per unit (each individual trailer pad shall be considered a unit) first unit \$1,200.00; second through tenth unit \$300.00 per unit; all over ten units \$200.00 per unit.
- 4) Hotels and Motels (each lodging room shall be considered a unit) first unit \$1,200.00; second through tenth unit \$400.00 per unit; all over ten units \$300.00 per unit.
- 5) Apartment complexes (each apartment shall be considered a unit) first unit \$1,200.00; second through tenth unit \$400.00 per unit; all over ten units \$300.00 per unit.
- 6) Industrial - \$5,000.00 per connection
- 7) Laundromats – for up to ten washing machines \$3,000.00; all over ten washing machines - \$150.00 per machine.
- 8) Commercial (Grocery Stores, Restaurants, Office Buildings, Service Stations, Banks, etc) \$3,000.00 per connection.
- 9) Schools – up to fifty classrooms \$2,000.00; all over fifty classrooms, \$100.00 per classroom.
- 10) Shopping Centers or Malls - \$3,000 first unit; \$900.00 per individual wholesale or retail shop within the complex, thereafter.

For developers who install more than 500 feet of main line sewer within a development and if said sewer is installed according to applicable specifications and if said line is properly granted to the City of London (includes easements, property, etc.), developers may be eligible for a reduction in the sewer tap-on fees listed in this section in the amount of 25%. This discount only applies to fees paid by the original developer and does not apply to individuals buying individual parcels within the development.

**SECTION 20.** The Utility Commission shall read the water meter of each customer monthly and shall bill each customer monthly for all water service charges and sewer service charges not later than the first day of each month. Payment shall be due on or before the 10<sup>th</sup> day following the date of the bill. The Utility Commission may charge a penalty of 10% of the outstanding balance of the current month's billing if payment has not been received by the 15<sup>th</sup>. Federal, state and county governmental entities and the public schools are exempt from the penalties stated herein. The Utility Commission may shut off or discontinue water service and

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OF KENTUCKY  
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**JUL 11 11  
PURSUANT TO 807 KAR 5011.**

**SECTION 20  
BY: [Signature]  
SECRETARY OF THE COMMISSION**

sewer service if payment has not been received on or before the 10<sup>th</sup> day after the date when payment was due. If water service or sewer service is shut off or disconnected for failure to make payment, the Utility Commission shall charge the customer a fee in the amount of \$25.00 to turn on or reconnect service in addition to payment of the past-due charges plus penalty. The Utility Commission may require a deposit in an amount to be determined by the Utility Commission, not to exceed two months estimated water service and sewer service charge, for a customer whose water service and sewer service has been shut off or disconnected for failure to make payment before turning on or reconnecting service.

**SECTION 21.** Each new customer shall make application to the Utility Commission for water service and sewer service. The Utility Commission shall require a deposit of \$50.00 for each residential lessee or renter customer and a deposit in an amount to be established by the Utility Commission, not to exceed two months estimated water service and sewer service charges, for each new commercial or industrial customer when the customer is not the owner of the premises to which water service and sewer service is to be supplied. The deposit less any amount payable for water service and sewer service shall be refunded when water service and sewer service to that customer is discontinued. Each new customer shall pay Twenty-Five Dollars (\$25.00) as a "turn on" fee when service is requested. The "turn on" fee is not refundable as it is for initial service.

**SECTION 22.** Each house, building, mobile home, or other structure and each residential unit in any house, building, or other structure shall be classified as a separate customer. Each hotel or motel shall be classified as a customer. Each customer for whom water service and sewer service is supplied shall be separately connected to the water system and sewer system and shall be metered separately. The Utility Commission shall establish procedures for billing residential units in any house, building, or other structure and mobile homes located in a trailer park which are not metered separately on the effective date of this ordinance. The Utility Commission shall bill the person or other legal entity in whose name the water service and sewer service is supplied a monthly meter service charge for water service for each unit which would be a customer if metered separately and shall divide the charges for the quantity of water for calculation of the water service charge and sewer service charge.

**SECTION 23.** The City of London shall be classified as a customer and shall pay for water service and sewer service for each location to which supplied the same as any other customer.

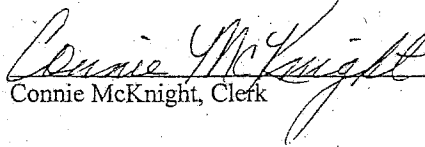
**SECTION 24.** That all ordinances or parts of ordinances in conflict herewith are repealed. This ordinance shall be in full force and become effective immediately upon publication, but the rates described herein shall be effective on the dates stated.

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE**

*Kon Smith* JUL 07 2009  
\_\_\_\_\_  
Kenneth Smith, Mayor  
PURSUANT TO 807 KAR 5011.  
SECTION 9 (1)

Attested:

BY *Stephen Bell*  
\_\_\_\_\_  
SECRETARY OF THE COMMISSION


  
Connie McKnight, Clerk

First Reading Date: May 6, 2002  
Second Reading Date: June 3, 2002  
Publication Date: June 7, 2002

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 07 2002

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY   
SECRETARY OF THE COMMISSION

**APPENDIX A  
WASTEWATER USER CHARGE SYSTEM  
LONDON, KENTUCKY**

1. The Wastewater User Charge System (UCS) strives to ensure an equal distribution of collection and treatment costs to the wastewater users. All customers with normal strength sewage, whether residential or commercial, will receive the same minimum bill and will be charge the same cost per equal volume of flow treated.
  
2. The UCS will consist of three individual charges. Each customer's bill will be calculated as follows: MONTHLY BILL = FIXED COST (Debt Service) + OM&R COSTS (Includes Administrative Charges) + SURCHARGE.
  - A. The Fixed Cost is based on the perpetual costs of providing wastewater service to the City, regardless of the actual wastewater contribution. Debt Service is considered a fixed cost, independent of the amount of wastewater treated.
  - B. The OM&R costs are based on the actual cost of operating and maintaining the wastewater transportation and treatment system plus a specified amount of replacement of equipment. This would include any Administrative Charges.
  - C. The Surcharge is applicable only to customers who contribute wastewater containing levels of pollutants above the maximum established limits.

The wastewater user rate for London, Kentucky will be based on annual operation and maintenance expenses plus replacement. The annual operating expenses for FY 2000-2001 is \$1,622,017; this includes \$623,761 in depreciation. Therefore, the actual O,M,&R is \$998,256 (\$1,622,017-623,761)

Annual OM&R Cost		Annual Water Usage 1000 gallons		OM&R Rate per 1000 gallons
\$998,256	÷	476,885	=	(\$2.093) \$2.10

Therefore, the rate to produce the required annual revenue for operation, maintenance, and replacement would be \$2.10/1,000 gallons of water usage. This cost must be paid equally by each customer based on their actual water use.

Note: The above figures are for example only and do not imply costs of the system.

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE**

JUL 07 2002

PURSUANT TO 807 KAR 5:011.  
SECTION 9 (1)  
BY Stenrod Bell  
SECRETARY OF THE COMMISSION

**EXAMPLE I**

**Wastewater Operating Budget**

	<b>Current FY 2000-2001</b>	<b>Proposed FY 2005/2006</b>
<b>Revenues</b>		
User Service Charges	\$1,698,526	\$2,643,870
Miscellaneous	\$55,037	\$85,669
<b>TOTAL REVENUES:</b>	<b>\$1,753,563</b>	<b>\$2,729,539</b>

<b>EXPENSES</b>		
<b>OM&amp;R EXPENSES</b>		
Collection:		
Labor and Maintenance	\$100,217	\$116,179
Supplies and expense	7,682	8,906
Treatment and disposal:		
Labor and maintenance	293,735	293,735
Supplies and expense	165,647	142,889
Power and pumping:		
Supplies and expense	75,465	87,485
Administration and general:		
Salaries	93,563	108,813
Supplies and expense	261,947	261,947
Replacement	0	67,500
Other	0	113,000
<b>Subtotal OM&amp;R Expenses:</b>	<b>\$998,256</b>	<b>\$1,200,454</b>

<b>DEBT SERVICES EXPENSES</b>		
Existing Debt	\$714,000	\$714,000
Principal & Interest Payments (new debt)	0	776,702
Other (KIA Administration Fee)	0	23,116
Subtotal Debt Service Expenses:	\$714,000	\$1,513,818
<b>TOTAL EXPENSES:</b>	<b>\$1,712,256</b>	<b>\$2,714,272</b>

\*Note: The above figures are for example only.

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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JUL 07 2000

PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)

BY Terhard Bell  
SECRETARY OF THE COMMISSION

**PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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JUL 07 2002

**PURSUANT TO 807 KAR 5.011.  
SECTION 9 (1)**

BY Stephen Bell  
**SECRETARY OF THE COMMISSION**

EXAMPLE II

City of London, Kentucky  
Annual Usage for Wastewater Customers

Project No. OUTSIDE

	Residential Users		Commercial Users		Industrial Users		Monthly Totals		
	Number Of Customers	Usage/ Gallons Billed	Number Of Customers	Usage/ Gallons Billed	Number Of Customers	Usage/ Gallons Billed	TOTAL NUMBER OF CUSTOMER	TOTAL GALLONS BILLED	TOTAL \$ Revenue Received
July-2000	997	4,693,800	181	5,062,136	1	2,565,100	1,179	12,321,036	\$44,109.36
August	1,004	4,477,500	189	6,138,325	1	3,101,600	1,194	13,717,425	\$48,186.25
September	985	4,340,900	199	5,075,727	1	3,027,000	1,185	12,443,627	\$44,475.36
October	1,008	5,111,700	188	5,784,032	1	2,401,100	1,197	13,296,832	\$45,122.90
November	1,000	3,837,300	186	4,738,541	1	2,486,600	1,187	11,062,441	\$40,409.92
December	998	4,138,500	196	4,441,067	1	2,703,100	1,195	11,282,667	\$41,298.78
January	997	4,107,600	188	3,848,343	1	2,227,100	1,186	10,183,043	\$37,991.47
February	530	2,156,500	181	1,751,755	1	2,517,100	712	6,425,355	\$23,034.21
March	652	2,516,800	71	1,529,133	1	2,103,000	724	6,148,933	\$21,822.35
April	649	2,581,500	65	1,654,100	1	2,579,000	715	6,814,600	\$24,133.11
May	647	2,847,500	64	1,726,600	1	1,884,000	712	6,458,100	\$23,239.43
June-2001	640	2,195,900	58	1,938,937	1	2,779,000	699	7,913,837	\$27,462.56
TOTAL Class	10,107	43,005,500	1,766	43,688,696	12	30,373,700			
							11,885	118,067,896	\$421,285.70

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
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PURSUANT TO 807 KAR 5011.  
SECTION 9(1)

SECRETARY OF THE COMMISSION

*Annex Bill*

JUL 07 2000



**EXAMPLE II**

City of London, Kentucky  
Annual Usage for Wastewater Customers

Project No. INSIDE

	Residential Users		Commercial Users		Industrial Users		Monthly Totals		
	Number Of Customers	Usage/ Gallons Billed	Number Of Customers	Usage/ Gallons Billed	Number Of Customers	Usage/ Gallons Billed	TOTAL NUMBER OF CUSTOMER	TOTAL GALLONS BILLED	TOTAL \$ Revenue Received
July-2000	1,950	8,108,500	593	12,313,104	9	8,279,900	2,552	28,701,504	\$102,367.15
August	1,960	8,531,200	587	12,938,904	9	7,946,000	2,556	29,416,104	\$104,093.31
September	1,996	8,105,000	576	11,444,904	9	9,993,200	2,581	29,543,104	\$110,637.48
October	1,956	8,033,800	593	11,106,700	9	9,156,700	2,558	28,207,200	\$105,422.61
November	1,952	7,250,000	605	10,871,004	9	7,794,100	2,566	25,915,104	\$94,922.91
December	1,949	7,709,300	599	11,338,704	9	8,274,000	2,557	27,322,044	\$98,951.56
January	1,946	8,824,600	607	10,900,304	9	7,734,700	2,562	27,459,604	\$98,616.31
February	2,423	9,898,100	614	14,684,004	9	8,797,800	3,046	33,379,904	\$121,120.44
March	2,327	8,211,700	721	12,779,104	9	7,633,700	3,057	28,624,504	\$106,327.35
April	2,329	8,256,300	732	16,709,104	9	7,756,700	3,070	32,722,104	\$116,244.91
May	2,331	9,258,300	734	14,982,704	9	8,929,800	3,074	33,170,804	\$121,540.18
June 2001	2,316	10,421,100	726	16,174,204	9	7,759,700	3,051	34,355,004	\$123,797.10
TOTAL BY Class	25,435	102,607,900	7,687	156,152,744	108	100,056,300			
<b>ANNUAL TOTALS:</b>							33,230	358,816,944	\$1,304,041.31

PURSUANT TO 807 KAR 0011, SECTION 11.1  
 BY *Arnell*  
 SECRETARY OF THE COMMISSION

PUBLIC SERVICE COMMISSION  
 OF KENTUCKY  
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Page 1 of 18 6/19/01 DOW-FCB