

**PRELIMINARY RESOLUTION BY THE BOARD OF THE LOUISVILLE AND JEFFERSON COUNTY
METROPOLITAN SEWER DISTRICT AMENDING THE 2023 JEFFERSON COUNTY SCHEDULE OF
RATES, RENTALS AND CHARGES FOR WASTEWATER AND DRAINAGE SERVICES PURSUANT
TO KRS CHAPTER 76**

WHEREAS, the Louisville and Jefferson County Metropolitan Sewer District was created and established pursuant to Chapter 76 of the Kentucky Revised Statutes (“KRS”) in the interest of public health for the purpose of providing adequate sewer and drainage facilities in the City of Louisville and Jefferson County, Kentucky; and

WHEREAS, on the 10th day of May 1947, by Resolution of its Board, the Louisville and Jefferson County Metropolitan Sewer District (“MSD”) adopted and established a schedule of rates, rentals and charges for its services and thereafter has amended said schedule from time to time as authorized pursuant to KRS Chapter 76; and

WHEREAS, pursuant to KRS Chapter 76, the schedule of rates, rentals and charges shall be established and revised from time to time so as to produce aggregate revenues to MSD sufficient for the payment of interest on and principal of all revenue bonds and other obligations of MSD, all costs and expenses of operating and maintaining MSD’s sewer and drainage system, and for the payment of all costs of renewals and replacements of such system; and

WHEREAS, on August 12, 2005, MSD entered into a Consent Decree with the United States Environmental Protection Agency and the Commonwealth of Kentucky in the United States District Court for the Western District of Kentucky, pursuant to civil action number 3:05-cv-236-S, subsequently amended and superseded by the Amended Consent Decree entered on April 15, 2009 pursuant to civil action number 3:08-cv-00608-CRS, whereby MSD committed to rehabilitating portions of its sewer systems and to construct other capital improvements to reduce and/or eliminate combined sewer overflows and sanitary sewer overflows to comply with state and federal environmental laws with all work to be completed by the year 2024; and

WHEREAS, on February 12, 2010, an Integrated Overflow Abatement Plan (“IOAP”) was incorporated into the Amended Consent Decree which includes as components the final Sanitary Sewer Discharge Plan (“SSDP”) and final Long-Term Control Plan (“LTCP”) as required by the Amended Consent Decree; and

WHEREAS, a non-material modification to the Amended Consent Decree occurred through adjustments set forth in a revised IOAP (the “2012 IOAP Modification”) approved on June 19, 2014; and

WHEREAS, after approval of the 2012 IOAP Modification, MSD began experiencing changed circumstances including an increase in the failures of aging critical interceptor sewers, and accelerated deterioration of biosolids processing equipment due to higher solids and grit loadings, creating risks of non-compliance with its KPDES permits and potential risks to public health and safety; and

WHEREAS, also partnered with the United States Corp of Engineers to complete a Preliminary Feasibility Study for sixteen (16) Ohio River Flood Pump Stations which identifies approximately \$188.1 million in critical projects for ensuring that flood protection infrastructure will meet current standards for both the protection of public health and safety and protection of the combined sewer system, including new infrastructure constructed in compliance with MSD’s final LTCP; and

WHEREAS, due to the changed circumstances and Feasibility Study, MSD, the Commonwealth of Kentucky and United States Environmental Protection Agency have negotiated an agreement to enter into a Second Amended Consent Decree which supersedes and replaces the 2009 Amended Consent Decree and updates the 2012 IOAP Modification with a 2021 IOAP Modification; and

WHEREAS, the Second Amended Consent Decree was negotiated to integrate the development of an asset management plan that provides for a long-term maintenance and funding strategy for

rehabilitation and renewal of MSD's aging biosolids systems, and failing critical interceptors and flood protection system; and

WHEREAS, since entry of the Consent Decree, MSD has spent approximately \$1 billion developing and completing many of the IOAP projects, and completing other projects and compliance measures mandated by the Amended Consent Decree; and

WHEREAS, to facilitate MSD's ability to reprioritize projects and capital spending, the Commonwealth of Kentucky and United States Environmental Protection Agency have agreed to extend the time for completion of remaining IOAP projects to 2035; and

WHEREAS, in exchange for the time extension, MSD has agreed to invest a minimum of \$25 million on average each fiscal year in asset management projects for a total of \$375 million by June 30, 2035, and to incorporate \$70 million in its 5-year Capital Improvement Program for critical sewer rehabilitation; and

WHEREAS, final approval of the Second Amended Consent Decree by the Commonwealth of Kentucky and United States Environmental Protection Cabinet, was granted on September 14, 2022; and

WHEREAS, in order to comply with the terms of the Second Amended Consent Decree, and to operate and maintain its wastewater and drainage system in compliance with the Federal Water Pollution Control Act Amendments of 1972 (Pub. L. 92-500), the Clean Water Act of 1977 (Pub. L. 95-217), and United States Environmental Protection Agency rules and regulations, MSD must maintain a schedule of sewer service rates that will proportionally charge operation and maintenance costs to all users of the MSD wastewater and drainage system and that will generate sufficient revenue to offset the cost of repair and replacement of its aging biosolids system, failing interceptor sewers and flood protection system; and

WHEREAS, on October 5, 2022, Louisville Metro Council approved Louisville Metro Amended Ordinance No. 136-2022 to define condominiums in the Comprehensive Storm Water Drainage Authority; and

WHEREAS, Louisville Metro Amended Ordinance No. 136-2022 takes effect August 1, 2023, with regard to single unit condominiums in division (A) and multiple unit condominiums in division (B), unless § 50.84 and related ordinances of the Comprehensive Storm Water Drainage Authority are amended for consistency in which case Louisville Metro Ordinance No. 136-2022 will be void ab initio and superseded; and

WHEREAS, § 50.84 and related ordinances of the Comprehensive Storm Water Drainage Authority have not been amended for consistency; and,

WHEREAS, pursuant to KRS Chapter 76, the Board of Aldermen of the City of Louisville, by Ordinance No. 152, Series 1979, as amended by Ordinance No. 388, Series 1986, and the Fiscal Court of Jefferson County, by Ordinance No. 25, Series 1979, as amended by Ordinance No. 32, Series 1986, and Louisville Metro Ordinance No. 62, Series 2003, as amended by Ordinance No. 155, Series 2007, which ratified the aforementioned ordinances, approved a schedule of wastewater and drainage service charges for MSD which includes the following Debt Service Adjustments provision:

"Whenever MSD's net revenues are less than 1.10 times the debt service on MSD's outstanding revenue bonds for any consecutive six-month period, by order of the Board of MSD, the schedule of wastewater service charges and drainage service charges shall be amended in order to maintain a 1.10 debt service coverage required by MSD's 1971 Bond Authorizing Resolution which was approved by City of Louisville Ordinance Number 86, Series 1971; provided the aggregate of such adjustments for any 12-month period shall not generate additional revenue from wastewater service charges and drainage service charges in excess of 7%.

The term 'net revenues' is defined as gross revenue from wastewater service charges and drainage service charges, less operating expenses and debt payments other than debt service payments on MSD's outstanding revenue bonds [;]" and

WHEREAS, the Board of MSD has been advised by MSD's Chief Financial Officer that net revenues, as defined by Louisville Metro Ordinance No. 155, Series 2007, for the six-month period ended March 31, 2023, are less than 1.10 times the debt service on MSD's outstanding revenue bonds for the same six-month period; and

WHEREAS, MSD's current Jefferson County Schedule of Rates, Rentals and Charges (wastewater and drainage service charges) will not continue to generate sufficient revenue for the proper operation and maintenance of the existing sewerage, drainage, and flood protection system and for the retirement of MSD's outstanding debt and, therefore, will not be in compliance with the Kentucky Revised Statutes, MSD's Bond Authorizing Resolutions and relevant ordinances; and

WHEREAS, in order to generate sufficient revenue to maintain the required debt service coverage, continue the proper operation and maintenance of MSD's existing sewerage, drainage, and flood protection system, and meet the obligations of MSD's Second Amended Consent Decree, the Board is proposing that the Jefferson County Schedule Rates, Rentals and Charges be amended; and

WHEREAS, pursuant to KRS Chapter 76 and 424, the proposed amended Jefferson County Schedule Rates, Rentals and Charges will be published, giving notice that objections and/or comments on the schedule may be filed within a period of thirty (30) days from the date of said publication.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MSD that,

The above recitals are hereby incorporated into this Resolution as if set forth fully within, and MSD's Jefferson County Schedule Rates, Rentals, and Charges be, and they are hereby amended to include the following new rates in addition to current rates and said new rates shall be used for billings rendered on and after August 1, 2023:

- I. Sections 1.1, 1.2, 2.1, 2.2, 2.3, 2.4, 3.1, 3.2.1.1, 3.2.1.2, 4.1 and 4.2, which establish Wastewater Service Charges, Wastewater Volume Charges, Wastewater Quality Charges, and a Flat Rate Charge for residential customers, are hereby amended, and shall read as follows:

1.0 Wastewater Service Charges

The Wastewater Service Charge is a fixed service charge based on the size of the water meter and applies to all wastewater service charge billings. The Wastewater Service Charge shall be calculated using the table below and may be prorated based on the number of actual days in a billing cycle:

1.1. Commercial/Industrial Charges:

<u>Meter Size</u>	<u>Monthly Billing</u>	<u>Daily Proration</u>	<u>Bi-Monthly Billing</u>	<u>Daily Proration</u>
5/8 or 3/4	21.22	0.69763	42.43	0.69763
1	42.60	1.40054	85.20	1.40054
1 1/2	70.87	2.33013	141.74	2.33013
2	97.20	3.19575	194.41	3.19575
3	216.68	7.12358	433.35	7.12358
4	350.34	11.51814	700.68	11.51814
6	688.40	22.63246	1,376.79	22.63246
8	1,032.61	33.94886	2,065.22	33.94886
10	1,356.61	44.60102	2,713.23	44.60102
12	1,998.89	65.71697	3,997.77	65.71697
16	2,422.84	79.65485	4,845.68	79.65485

1.2. Residential Charges:

<u>Meter Size</u>	<u>Monthly Billing</u>	<u>Daily Proration</u>	<u>Bi-Monthly Billing</u>	<u>Daily Proration</u>
5/8-3/4	21.22	0.69763	42.43	0.69763
1	42.60	1.40054	85.20	1.40054
1 1/2	70.87	2.33013	141.74	2.33013
2	97.20	3.19575	194.41	3.19575
3	216.68	7.12358	433.35	7.12358
4	350.34	11.51814	700.68	11.51814

2.0 Wastewater Volume Charges

The Wastewater Volume Charge is based on either water used as measured by a Louisville Water Company (LWC) meter(s) or wastewater discharged to the public sewer that is directly measured by either a private effluent flow meter(s) or calculated using a combination of addition meters (LWC meters/effluent flow meters) and subtraction meters that have been certified by the MSD Finance Division for billing purposes. The wastewater volume charge shall be pro-rated based on the number of actual days in a billing cycle. Wastewater Volume Charges may be modified from time to time by contractual agreement with individual customers. Wastewater Volume Charges are calculated based on the following rates:

2.1. Regular Volume Rate

The Regular Volume Rate shall be applicable to all water used and not meeting the requirements of Optional Volume Rate as described in Section 2.2 below.

- Residential** - \$5.79 per 1,000 gallons of volume billed
- Commercial** - \$6.70 per 1,000 gallons of volume billed
- Industrial** - \$6.97 per 1,000 gallons of volume billed

Commercial and Industrial facilities on the Regular Volume Rate that are subject to a Quality Charge Rate shall pay Excess Quality Charges as described in Section 3.1 below.

2.2. Optional (Clean) Volume Rate

The Optional Volume Rate shall be available to customers whose average water use or wastewater discharged to the public sewer during any consecutive twelve-month period exceeds 1,000,000 gallons per month. Commercial and Industrial customers on the Optional Volume Rate that are subject to a Quality Charge Rate shall pay Total Quality Charges as described in Section 3.2 below.

\$3.98 per 1,000 gallons of volume billed

2.3. Sewer Only Volume Rate

The Sewer Only Volume Rate shall be applicable to wastewater discharged to the public sewer that is directly measured by either a private effluent flow meter(s) or calculated using a combination of addition meters (LWC meters/effluent flow meters) and subtraction meters. All effluent flow meters, addition and subtraction meters shall be inspected and certified by the MSD Finance Division prior to being used for billing purposes.

Residential - \$6.68 regular rate

Commercial - \$7.48 regular rate or \$4.24 optional rate/1,000 gallons

Industrial - \$7.54 regular rate or \$4.24 optional rate/1,000 gallons

2.4. Consent Decree Surcharge

The Consent Decree Surcharge shall be applicable to the following billings:

Residential - \$17.34 per month or \$34.69 bi-monthly

Condominium complexes without water meters for each condominium - greater of \$17.34 per month or \$2.91 per thousand gallons of water billed

Commercial Regular Volume Rate - greater of \$17.34 per month or \$2.07 per thousand gallons of water billed

Commercial Sewer Only Volume Rate - greater of \$17.34 per month or \$2.30 per thousand gallons of wastewater discharged

Industrial Regular Volume Rate - greater of \$17.34 per month or \$2.16 per thousand gallons of water billed

Industrial Sewer Only Volume Rate - greater of \$17.34 per month or \$2.30 per thousand gallons of wastewater discharged

Optional (clean) Volume Rate - greater of \$17.34 per month or \$1.24 per thousand gallons of water billed

Optional (sewer only) Volume Rate - greater of \$17.34 per month or \$1.33 per thousand gallons of wastewater discharged

2.5. Meter Read Charge:

An additional charge of \$100.00 shall be applied for each reading of the first meter per location owned by a customer for the purpose of determining billable consumption. Each

additional meter per location will be charged at \$10.00 per reading. Examples of these meters are effluent flow meters, addition and subtraction meters.

3.0 Water Quality Charges

Commercial and Industrial customers that discharge wastewater to the public sewer characterized by excess strength of Biochemical Oxygen Demand (BOD) and/or Total Suspended Solids (TSS) shall be assessed a Quality Charge Rate established by MSD.

Any Commercial or Industrial customer who is deemed eligible to be placed on a Quality Charge Rate by MSD shall have their wastewater tested for the purpose of accessing a quality charge billing rate in addition to the volume rate applied.

MSD shall at all times have access to the premises of a customer for the purpose of determining an appropriate Quality Charge Rate. Quality Charge Rates shall be based on sampling and analyses conducted by MSD personnel using MSD protocols and methods, unless otherwise approved by the MSD Board.

MSD shall set the frequency and duration for Quality Charge Rate sampling events. MSD will take business cycle fluctuations that may affect loadings into consideration when determining sampling frequency and duration.

MSD may establish standard BOD and TSS loadings for a specific customer class which shall be used to assess applicable Quality Charge Rates.

MSD may use other methods such as contractual agreements to determine a Quality Charge Rate for individual customers for which standard sampling and analyses do not represent the actual BOD and/or TSS concentrations being discharged to the public sewer.

3.1. Excess Quality Charges

Excess Quality Charges shall apply to Commercial and Industrial customers paying the Regular Volume Rate as follows:

BOD Concentration: \$0.005524 per mg/liter in excess of 250 mg/liter billed per 1,000 gallons of water recorded by a LWC meter OR wastewater discharged to the public sewer as directly measured by an effluent flow meter; and/or

TSS Concentration: \$0.00223188 per mg/liter in excess of 270 mg/liter billed per 1,000 gallons of water recorded by a LWC meter OR wastewater discharged to the public sewer as directly measured by an effluent flow meter.

3.2. Total Quality Charges

3.2.1. Total Quality Charges shall apply to Commercial and Industrial customers paying the Optional Volume Rate as follows:

3.2.1.1. BOD Concentration: \$0.005419 per mg/liter billed per 1,000 gallons of water recorded by a LWC meter OR wastewater discharged to the public sewer as directly measured by an effluent flow meter; and/or

3.2.1.2. TSS Concentration: \$0.00227521 per mg/liter billed per 1,000 gallons of water recorded by a LWC meter OR wastewater discharged to the public sewer as directly measured by an effluent flow meter.

4.0 Flat Rate Wastewater Charges for Residential Customers

- 4.1.** The following flat rate wastewater service charges shall be applicable to any single-family residential customer without metered public water service:

\$50.18 monthly plus \$17.34 Consent Decree Surcharge or \$100.35 bi-monthly plus \$34.69 Consent Decree Surcharge

- 4.2.** The following flat rate wastewater service charges shall be applicable to any single-family residential customer connected to a master-metered public water service:

\$21.22 monthly plus \$17.34 Consent Decree Surcharge or \$42.43 bi-monthly plus \$34.69 Consent Decree Surcharge

- II.** Section 9.0, which establishes MSD's Capacity Charge, is hereby amended, and shall read as follows:

9.0 Capacity Charge

- 9.1.** Commercial/Industrial Charges MSD is the designated management agency for the implementation of the Master Plan for sewerage Jefferson County, and must eventually provide capacity within the comprehensive public sewage system for all developed properties within Jefferson County. New development, even when using MSD's existing capacity, contributes to future capacity needs. Therefore, Capacity Charges shall be collected from developers of properties to help defray the future cost of providing Master Plan sewerage facilities.

- 9.2.** When a developer of property wishes to provide sewer service by extension of or connection to MSD's sewer system, the developer, in addition to providing and paying for sewerage facilities necessary for the development, shall pay a Capacity Charge in advance of connection to MSD's wastewater treatment facilities. For developments served by MSD sewer extensions, the developer shall pay the applicable Capacity Charge at the time of execution of the sewer extension contract, or shall submit an irrevocable Letter of Credit from a local bank or other financial institution which guarantees MSD payment in full at MSD's request after the sewers are installed and connected to MSD's sewer system and before MSD issues its formal acceptance to the sewer extensions.

- 9.3.** The Capacity Charge shall be calculated by multiplying the unit capacity charge times the gallons per day estimated to flow from a new development connecting to MSD's sewer system as determined by MSD. The unit capacity charge (value per gallon) shall be calculated by dividing MSD's Net Worth (system value) by MSD's total system-wide design capacity. For any calendar year, the unit capacity charge shall be based on MSD's net worth as reported in the Annual Audit Report for the fiscal year ended the June 30 prior to the calendar year.

- 9.4.** Capacity Charges are not applicable to the following:

9.4.1. Existing developed properties connecting to MSD's system but previously served by another (non-MSD) sewer system or on-lot wastewater disposal system.

9.4.2. Properties to be served by a new wastewater treatment plant to be owned by MSD and constructed and financed jointly by agreement between MSD and one or more developers; however, the prorated shares of the developers' capital costs based on their estimated use of design capacity, shall not be less than the amounts MSD would recover by using the Capacity Charge calculations. Properties in the service area not party to the agreement will pay the Capacity Charges.

- 9.4.3. Properties owned by Metro Government, or joint agencies of Metro Government.
- 9.4.4. Properties which connect prior to January 1, 1993 to an MSD sewer which was installed and available in an abutting right of way or easement as of January 1, 1987, provided that the properties were annexed into MSD's wastewater service area at the written request of the owners dated and received by MSD prior to January 1, 1987, and provided the properties are being developed, or have recently been developed, at the time of connection.
 - 9.4.4.1. Properties within the boundaries of the City of Louisville which, in 1946 transferred the then existing City sewerage system to MSD at no cost to MSD. Funds collected by the capacity charge shall be used to finance future sewerage expansion that will serve new development.
- 9.4.5. Properties being served by an existing wastewater treatment system permitted by the appropriate state or federal permitting entity and being acquired by MSD; or
- 9.4.6. Properties being served by an existing wastewater treatment system permitted by the appropriate state or federal permitting entity and being eliminated to allow connection to MSD's wastewater treatment system.

9.5. Reservation of Capacity

A reservation of capacity charge shall be imposed on all developers and owners of properties for which capacity in MSD's wastewater treatment facility or sewer system has been reserved by direct request of the developer or owner of the properties. Reservation of capacity shall be subject to the following terms and conditions:

- 9.5.1. The reservation of capacity shall be for a specific identified property.
- 9.5.2. The reservation of capacity shall not be based on speculative needs in excess of the specific identified development.
- 9.5.3. A written reservation of capacity agreement shall be executed between MSD and a party having an interest in the property, such as an owner or option holder.
- 9.5.4. The reservation of capacity charge shall be the equivalent of the capacity charge divided by twelve (12) months and shall be paid monthly, in advance. If a monthly payment is not paid within ten (10) calendar days after the due date, MSD shall make reasonable effort to notify the developer or owner of his/her delinquent account by certified mail. If the payment remains unpaid by the due date of the next monthly payment, the reservation of capacity agreement shall terminate.
- 9.5.5. The reservation of capacity shall be in effect for a two-year period. By the end of (LE) Agreement with MSD to construct sanitary sewers to serve the entire development. If the LE Agreement has not been executed, the reservation of capacity shall no longer be available to the developer and/or owner. Serving only part of a development with an LE Agreement will not satisfy this requirement.
- 9.5.6. A developer or owner may assign, convey, or transfer reserved capacity if the property for which capacity is reserved is transferred to a new party conditioned upon prior written notice to MSD from both parties involved in the transaction.
- 9.5.7. Nothing in the reservation of capacity agreement shall prevent the developer or owner from paying the appropriate capacity charge for the development in effect

at the time of payment. Such payment shall be recognized as a permanent commitment of available capacity for the development. Upon payment of the capacity charges due in full, future reservation of capacity charges shall be cancelled and the reservation of capacity agreement shall be terminated. No refunds will be due for reservation of capacity charges previously paid.

9.5.8. Payment of the reservation of capacity charge shall not be considered a credit against any charges or any other rates, rentals or charges due or owed at the time wastewater service is provided by MSD.

9.6. Requests for Reservation of Capacity

Requests for reservation of capacity shall be submitted to MSD's Development and Stormwater Services Director subject to the following requirements and limitations:

9.6.1. Each request for reservation of capacity shall contain, in writing, a description of the property, a location map, projected use, such as residential or commercial, proposed density and the projected wastewater capacity being requested.

9.6.2. The Development and Stormwater Services Director shall verify the information and shall determine which wastewater treatment facility should serve the proposed project. MSD will permit requests to serve part of a planned development if service can be reasonably provided to the property and the developer agrees to the partial service.

9.6.3. MSD shall not reserve capacity in any wastewater treatment facility until both the Louisville Metro Department of Public Health and Wellness (LMPHW) and the Kentucky Natural Resources and Environmental Protection Cabinet, Department for Environmental Protection, Division of Water (DOW) agree, in writing, that the capacity is available. It shall be the responsibility of MSD to request the other regulatory agencies' approval.

9.6.4. If a reservation of capacity agreement is executed and MSD, LMPHW or DOW, or any other governmental entity with jurisdiction, finds that capacity is no longer available, for whatever reason, MSD shall refund all reservation of capacity payments made to MSD and any reservation of capacity agreement shall terminate. The developer and/or owner must agree in the reservation of capacity agreement that no interest or other charges are due for such refunded monies.

9.6.5. If all available capacity for a specific wastewater treatment facility has been reserved, MSD shall maintain a list of requests for reservation of capacity in order by the date a written request is received by MSD. When a reservation of capacity is terminated or capacity becomes available, the next developer on the waiting list (if applicable) shall be notified of the available capacity. The MSD Chief Engineer shall have the right to allow certain developments (such as fire stations, emergency rescue units, hospitals, etc.) to have immediate priority on said waiting list for capacity that becomes available in the interests of the public health, safety and general welfare.

9.7. Wastewater Facility Review and Inspection Fees

The MSD Board may establish fees for the review and approval of plans and designs of wastewater facilities and for the inspection of the construction of wastewater facilities and the review, approval and programming of telemetry for wastewater facilities, all in accordance with KRS 76.085. For additional information, please see

<https://louisvillemsd.org/what-we-do/stormwaterdrainage/permitting>.

- III. Section 10.0 which establishes Drainage Service Charges, is hereby amended, and shall read as follows:

10.0 Drainage Service Charges

10.1. Definitions

- 10.1.1. **“Connected Downspout”** shall mean the conveyance of roof drainage on private property, by pipe or other means, directly to an MSD collection system that conveys flow to a WQTC.
- 10.1.2. **“Developed”** shall mean the condition of real property altered from its natural state by the addition to or construction on such property of impervious ground cover or other man-made physical improvements such that the hydrology of the property or a portion thereof is affected.
- 10.1.3. **“Drainage Master Plan”** shall mean the plan for managing storm drainage and surface water runoff facilities and features within MSD’s drainage service area and the drainage basins therein “Drainage Service Charge” means the fee levied by MSD upon all developed real property within the boundaries of MSD’s drainage service area.
- 10.1.4. **“Drainage Service Area”** shall mean all areas within Jefferson County not including Anchorage, Jeffersontown, St. Matthews and Shively, except as those areas or portions thereof are included in the district area by agreement with MSD. The term "district area" as used in this definition shall mean the service area of MSD as defined in KRS 76.005(3).
- 10.1.5. **“Drainage Service Charge”** means the fee levied by MSD upon all developed real property within the boundaries of MSD’s drainage service area.
- 10.1.6. **“Equivalent Service Unit”** (ESU) is the measure of impervious ground cover for a typical single-family residential property and is used by MSD in assessing the drainage service charges for each parcel of property.
- 10.1.7. **“Impervious Surface”** shall mean those hard surface areas either which prevent or retard the entry of water into the soil in the manner that such water entered the soil under natural conditions pre-existent to development, or which cause water to run off the surface in greater quantities or at an increase rate of flow than that present under natural conditions pre-existent to development, including, without limitations, such surfaces as roof tops, compacted gravel, asphalt or concrete paving, driveways and parking lots, walkways, patio areas, storage areas, or other surfaces which similarly affect the natural infiltration or runoff patterns existing prior to development.
- 10.1.8. **“MSD”** shall mean Louisville and Jefferson County Metropolitan Sewer District.
- 10.1.9. **“Multiple Unit Condominium”** shall mean ownership of a residential unit within a structure containing five or more residential units with common elements.
- 10.1.10. **“Post-Construction BMPs”** shall mean pervious pavers, rain gardens, green roofs, infiltration drains, wetlands, bioswales, etc. consistent with Chapter 18 of the MSD Design Manual.

- 10.1.11. “Post-Construction BMP Signage”** shall mean static Post-Construction BMP Signage educational signage that is installed at a credited site, and that is designed and placed in accordance with MSD standards and guidance.
- 10.1.12. “Residence”** shall mean a building or structure or portion thereof, designed for and used to provide a place of abode for human beings. The term residence includes the term “residential” and “residential unit” as referring to the type of or intended use of a building or structure.
- 10.1.13. “Service Charge”** shall mean a monthly charge for flood control and storm and surface water drainage services.
- 10.1.14. “Single Unit Condominium”** shall mean ownership of a single residential unit where the residential unit is the sole unit in a structure with common elements or there are no more than four residential units in a structure with common elements.
- 10.1.15. “Stormwater Flow Rate”** shall mean the stormwater discharge rate from a site based on the 100-year, 24-hour storm event as calculated using methods described in Chapter 10 of the MSD Design Manual.
- 10.1.16. “Stormwater Infiltrated”** shall mean the depth, in inches, of rainfall applied to the impervious surface that is captured and infiltrated by a Post-Construction BMP.
- 10.1.17. “Stormwater Infiltration”** shall be based on the rainfall and runoff from surfaces that flow into and through Post-Construction BMPS into the subsurface soil.
- 10.1.18. “Stormwater Retention or Detention Facilities”** shall mean stormwater drainage structures such as a basin, best management practice or facility that detains or retains (infiltrates) surface drainage / rainwater runoff.
- 10.1.19. “System”** shall mean the entire system of flood protection and stormwater drainage and surface water runoff facilities owned or leased by MSD or over which MSD has right of use for the movement and control of storm drainage and surface water runoff, including both naturally occurring and man-made facilities.
- 10.1.20. “Undeveloped”** shall mean that condition of real property unaltered by the construction or addition to such property by man of impervious ground cover or physical man-made improvements of any kind which change the hydrology of the property from its natural state.
- 10.1.21. “Water Quality Benefits”** shall be based on the threshold rain event the Post-Construction BMPs are able to treat through infiltration and/or pollutant removal. The Post-Construction BMPs, or series of Post-Construction BMPs, must at a minimum, treat the threshold/minimum water quality rain event, as defined in the MSD Design Manual, imposed upon new development.

10.2. Service Charge

A drainage service charge is imposed on every parcel of land within the drainage service area except exempted properties. The following charges are hereby established and imposed for all parcels of real property within the drainage service area, excluding exempted properties:

10.2.1. Class A properties or Single Family Residential

The single-family residential charge rate shall be \$13.33 per month for each parcel having one or two residential dwelling unit(s) and single unit condominiums. This flat rate fee is based on each single-family residential parcel being equal to one equivalent service unit (ESU). MSD shall determine the number of single-family residential parcels in the drainage service area and designate each as a single ESU irrespective of the size of parcel is segregated or the use of the land is modified to other than single-family. Drainage Charges may be pro-rated based on the number of actual days in a billing cycle.

10.2.2. Class B or other Parcels

The charge for all other parcels within the drainage service area shall be based upon the number of square feet of measured impervious surface, as determined by MSD through aerial photography and surface feature evaluation processes, expressed in whole ESUs by rounding to the next highest ESU (an ESU has been determined to be 2,500 square feet of impervious surface). The charge for Class B property may be computed by multiplying the number of ESUs for a given parcel by the unit rate established by MSD of \$13.33 per month. Drainage Charges may be pro-rated based on the number of actual days in a billing cycle.

Any owner of Class B property may request a drainage charge credit adjustment for approved on-site stormwater retention or detention facilities provided:

10.2.2.1. The property owner remains responsible for all costs of operation and maintenance of the facility;

10.2.2.2. The facility has been constructed in accordance with all approved plans;

10.2.2.3. The owner has obtained MSD required permits for the facility; and

10.2.2.4. MSD has access to the facility for purposes of inspecting for compliance with design, maintenance and operating standards.

10.3. The following properties are exempt from drainage service charges:

10.3.1. City-owned property where that incorporated city has entered into an interlocal drainage service agreement with MSD providing for detention basin sites, easements, drainage right-of-way or other assets of value comparable to applicable drainage service charges;

10.3.2. Properties owned by the Metro Government, or their budgeted agencies, which have offset their drainage service charges by the dedication of drainage facilities and future considerations through concomitant cooperative agreements;

10.3.3. MSD-owned property;

10.3.4. Public roads;

10.3.5. All undeveloped parcels of land; and

10.3.6. Properties owned by a fire district organized pursuant to KRS Chapter 75.

10.4. Monthly Drainage Service Credit

If MSD approves a drainage charge credit for on-site stormwater retention or detention facilities, the credit will be applied by reducing the number of billable ESUs by the percent

of reduction in stormwater runoff due to such on-site facilities, as determined by MSD. The net billable ESUs after such credit is applied shall be expressed in whole ESUs by rounding to the next highest ESU. The adjusted drainage service charge shall not be less than 50% of the drainage service charge before the credit adjustment.

Applications for credits and stipends utilizing Post-Construction BMPs that exceed minimum requirements established by local ordinance and the MSD Design Manual will be reviewed to consider potential credit for peak flow reduction, total site runoff reduction, water quality benefit and outreach/education. The credit shall be calculated differently depending on the system to which the project drains, either the combined sewer area or MS4 area. The basis of the credit computation is as follows:

MSD Drainage Credit Program				
	Category	Max Credit	Design Condition	Credit Allocation
MS4 Area	Flow Rate Reduction	30%	2yr Post Developed Flow = (1/2) 2yr Pre Developed Flow	10%
			10yr Post Developed Flow = (1/2) 10yr Pre Developed Flow	10%
			100yr Post Developed Flow = (1/2) 100yr Pre Developed Flow	10%
	Stormwater Infiltration	15%	Stormwater Infiltration Credit = [(Stormwater Infiltrated) X 10%] with a maximum credit of 15%	15%
	Post-Construction BMP Signage	5%	<u>Signage</u>	5%
	Maximum Credit Available			
Combined Sewer Area	Stormwater Flow Rate Reduction	15%	Post Developed 100 yr. Flow = Pre Developed 2 yr. Flow	15%
	Stormwater Infiltration	30%	Stormwater Infiltration Credit = [((Stormwater Infiltrated) X 20%) - 30%] with a maximum credit of 30%	30%
	Post-Construction BMP Signage	5%	Signage	5%
	Maximum Credit Available			

Credit and stipend applications must include proposed operation, maintenance, and inspection plans. Applicants will be required to provide annual certifications documenting that required inspections and maintenance were performed to maintain the credit. In addition, access must be granted to MSD to perform inspections for the life of the credit. Applications for a credit or stipend must also include construction plans prepared in accordance with standards defined in the MSD Design Manual. This requirement includes preparation of plans by a qualified professional.

10.5. Monthly Drainage Service Credit Duration

Existing drainage service charge credits granted as of July 31, 2018 will remain in effect until July 31, 2028, subject however to a reduction in rates as set forth below. New applications for drainage service charge credits may be granted for a maximum period of up to 10 years provided that all credit program requirements are met at the time of application and continue to be met for the life of the credit. Prior to the expiration of a credit, a new application may be submitted but the new application must meet the most current drainage service charge credit program requirements and conditions and all other applicable terms and conditions. Failure to submit a new application prior to the expiration of a credit will result in the loss of the credit. In fiscal year 2028, customers must reapply for the drainage service charge credit. If approved, 50% will be the maximum credit allowed.

Existing drainage service charge credits will be subject to reduction beginning January 1, 2021, to reduce credits to the maximum of 50% by January 1, 2028, and shall be reduced annually according to the following schedule, provided the credit is above the maximum credit allowed:

January 1	Max Credit %
2023	70%
2024	66%
2025	62%
2026	58%
2027	54%
2028	50%

In addition, the following conditions apply to obtaining and maintaining the credit:

10.5.1. The existing facility must be maintained to acceptable condition or repairs must be made within the time prescribed by MSD.

10.5.2. MSD must be given access to enter the properties to perform inspections.

Loss of credit due to non-performance shall be permanent and irreversible after 60 days of failure to comply with notices of violations (NOVs).

10.6. Capital Recovery Stipend

Capital Recovery Stipends are payments from MSD offered to defray the cost of implementing Post-Construction BMP components that exceed minimum requirements established by local ordinance and the MSD Design Manual. Acceptance of the Capital Recovery Stipend will reduce the monthly stormwater drainage service charge credit for which the Applicant is eligible. If a Capital Recovery Stipend is accepted, the drainage service charge shall not be less than 75% (i.e., monthly drainage service charge credit shall be no more than 25%). MSD will not incur costs associated with an Applicant's engineering, design, or analysis required for completion of the application.

Stipend values will be determined by MSD utilizing hydraulic modeling of the incorporation of the green project into the Combined Sewer System. The project value will include the treatment savings cost, as well as any size reduction savings to downstream gray infrastructure as outlined in the Integrated Overflow Abatement Plan (IOAP).

Should a customer already enrolled in the program request to participate in the Capital Recovery Stipend program for either a new property or an improved property, the customer must enter into a new agreement for the new or improved property which sets forth the

stipend amount that adheres to the current credit policy and must terminate any preexisting agreement pertaining to that specific property.

Capital Recovery Stipends are available on a priority basis and as MSD budgets allow. Priority will be given to potential projects based on performance indicators, location in relation to priority sewersheds and watersheds, potential for sustainable partnerships, constructability, and public exposure potential.

Applications for Capital Recovery Stipend must be prepared by qualified professionals and must also include operation and maintenance plans, and designs prepared in accordance with standards defined in the MSD Design Manual. Annual certifications must also be submitted by the property owner who will be required to document that inspections and maintenance needs have been performed.

Applications are required one year prior to the agreement expiration to ensure no lapse in credit. Applications will be reviewed to consider potential credit for peak flow rate reduction, total site runoff reduction, water quality benefit and water quality outreach/education. The sites will be subject to access by MSD for inspection and maintenance certifications.

Capital Recovery Stipend agreements will reflect MSD's value recovery if Post-Construction BMPs are removed or altered beyond the original intent. Recovery will be required, if within 10 years of stipend agreement approval date, a property owner chooses to remove the Post-Construction BMP or make modifications that negate the intended purpose associated with a capital recovery stipend. In that case, the property owner shall be responsible for reimbursing MSD the greater of: 25% of the stipend amount; or, a straight line 10-year depreciation of the stipend amount.

As an alternative to the Capital Recovery Stipend, credit applications will be accepted to allow for reduction in impervious area by the amount controlled by Post Construction BMPs. This credit, based on alternative impervious area calculation, will be available for a maximum of 10 years. The Post Construction BMP must control drainage to a level acceptable to MSD (i.e., capacity to manage the first 0.75-inches of precipitation of a storm event). These sites will also be subject to access by MSD for inspection and maintenance certifications.

For single family residential customers, incentives for disconnection of downspouts may be available at a rate of \$100/downspout if the homeowner disconnects. Disconnection incentives are subject to MSD inspection and approval. Details on the program are outlined at www.msdstormwaterquality.org.

10.7. Drainage Design Review and Inspection Fees

The MSD Board may establish fees for the review and approval of plans and erosion prevention and sediment control measures, and for the inspection of the construction of drainage facilities and erosion prevention and sediment control measures, all in accordance with KRS 76.085, and may establish policies for the sharing of the costs of developing regional drainage systems serving multiple developments/properties. For additional information, please see:

<https://louisvillemsd.org/what-we-do/stormwaterdrainage/permitting>

10.8. Billing and Collection

Drainage service charges shall be billed and made payable using the same frequencies and billing cycles used by the Louisville Water Company for its billing system. The amounts to be billed shall be included as additions to the billings of the Louisville Water Company for water and/or sewer service, or by separate billings and billing cycles for accounts not

maintained by the Louisville Water Company. Drainage Charges may be pro-rated based on the number of actual days in a billing cycle.

The owner(s), tenant(s) or person(s) responsible for the payment of water service charges and/or sewer service charges shall also be responsible for the payment of drainage service charges for the same parcel(s), except for multiple occupancy such as shopping centers, apartment, condominiums, etc., in which cases MSD may either allocate the drainage service charges among the occupants of the parcel or may deem that a single billing to the parcel's owner(s), agent or association is appropriate. In either case, the billed party shall be responsible for payment of drainage service charges. For properties not billed by the Louisville Water Company for water service charges and/or sewer service charges, the owners of such properties shall be billed drainage service charges and shall be responsible for payment of same. In all situations, the owners of properties subject to drainage service charges shall be fully responsible for payment of said charges regardless of any other parties herein above identified as also being responsible for payment of drainage service charges.

When any drainage service charges remain unpaid for a period of thirty (30) days after the amount becomes due and payable, the property, tenant and the owner thereof shall be deemed delinquent until such time as the charges are fully paid. MSD may terminate or cause to be terminated public sewer, water, and/or drainage services against the tenant or owner to obtain payment, all in accordance with KRS 76.090(4). A penalty shall be applied to delinquent drainage charges in the same manner that penalties are applied to delinquent sewer and water charges by the Louisville Water Company or as otherwise determined by MSD.

10.9. Drainage Revenues and Expenses

All monies collected through drainage service charges and drainage fees authorized herein shall be separately identified and accounted for in MSD's financial records, and all expenses related to stormwater drainage and flood control shall be separately identified and accounted for by MSD.

10.10. Annexations

If property within the existing MSD Drainage Service area is annexed by a City into the incorporated boundaries of said city, the annexed property shall not be removed from the MSD drainage area until the applicable Bond Authorization Resolution that the properties are subject to has been satisfied. MSD shall remain responsible for providing drainage service to these customers and properties and shall be entitled to charge and receive drainage fees and the rates specified herein.

10.11. Initial Drainage Program Participation Fees

Cities and/or other governmental entities located in Jefferson County, Kentucky exempted from participating in MSD's Drainage Service Program may pay an initial participation fee to become a participant. The Executive Director shall be authorized to recommend initial fees and other terms and conditions for acceptance into MSD's Drainage Service Program, subject to approval by the MSD Board.

IV. Section 13.0, which establishes and sets MSD's System Development Surcharge, is hereby amended, and shall read as follows:

13.0 System Development Surcharge

A System Development Surcharge Area is a means through which MSD can recoup funds used to extend, upsize, or in other ways increase system capacity within a specific area. The area may be identified by MSD when (i) sewer facilities are constructed or acquired and such facilities are consistent with MSD's approved Master Plan or Action Plan, (ii) regional sewers are constructed, or (iii) facilities are upgraded or extended pursuant to Section 14 (Excess Cost Payments for Sewer Extension). To defray the cost of providing sanitary sewer facilities, including applicable design costs, a System Development Surcharge Fee shall be imposed on the development of all properties within the System Development Surcharge Area. A System Development Surcharge Fee shall be paid when a development proposes to provide sewer services by extension of, or connection to, MSD's sewer system. A System Development Surcharge Fee shall also be paid when a property not located within a System Development Surcharge Area connects to the sewer facilities located within a System Development Surcharge Area via pumping or other means. Payment of a System Development Surcharge Fee shall not exempt a development from payment of other applicable fees and charges, including but not limited to, Inflow and Infiltration Charges and Capacity Charges.

The guidelines below provide for the development of a System Development Surcharge Fee based on a consideration of the size of the System Development Surcharge Area. However, MSD may apply one, or a combination of, the methodologies in Sections 13.1 and 13.2 for the development of a System Development Surcharge Fee if MSD determines that doing so is fair and reasonable based upon the facts related to the specific System Development Surcharge.

13.1. For a System Development Surcharge Area in excess of 1,000 single family residential equivalent lots or cost greater than \$2,000,000, the System Development Surcharge Fee will be determined based upon an evaluation for the relevant System Development Surcharge Area. The evaluation shall consider the cost of constructing the facilities, the capacity for the relevant System Development Surcharge Area, estimated residential, commercial and industrial development based on current zoning information, and estimated water use associated with potential developments.

13.2. For a System Development Surcharge Area less than 1,000 single family residential equivalent lots or \$2,000,000, MSD will establish a methodology for calculating the System Development Surcharge Fee. The methodology shall consider the cost of constructing the facilities, the estimated developable lots within the surcharge area, the additional capacity provided, and estimated water use, in order to establish a price per gallon.

V. Section 14.0, which establishes and sets forth the provisions of MSD's Excess Cost Payments for Sewer Extension, is hereby amended and shall read as follows:

14.0 Excess Cost Payments for Sewer Extension

If a wastewater sewer extension funded by a private developer provides the opportunity to affect MSD's long-term sewer plans, MSD may participate in the cost of construction of the facilities.

14.1. When determining whether to contribute money to the construction of sewer facilities, MSD shall consider the following factors:

14.1.1. The extent to which funds are available.

14.1.2. Whether the project is consistent with MSD's Design Manual, Standard Specifications, and Master Plan or Action Plan, taking into consideration the location of the infrastructure, timing of construction, sizing of the infrastructure and the service area.

14.1.3. Whether the project will bring public sewers closer to areas needing service.

14.1.4. Whether the project is necessary to protect public health, safety and welfare.

14.1.5. Whether the project, when completed, will generate significant revenue for MSD's wastewater and drainage system.

14.1.6. Whether the project, when completed, will eliminate existing pump stations.

14.2. Oversized Sewers

14.2.1. When sewers to or through a development are required to be oversized in order to serve properties upstream or adjacent to a proposed development, MSD may participate in the cost of sewers as determined by MSD.

14.2.2. When the oversized sewer is deeper than required to serve the development and will result in additional excavation beyond the applicant's needs, MSD may reimburse for additional trench and rock excavation as determined by MSD.

14.2.3. When conditions exist other than those described in sections 14.2.1 and 14.2.2, MSD will evaluate each situation and prepare unit calculations based on the current construction cost conditions and other factors as determined by MSD.

14.3. Additional Sewers

14.3.1. MSD may require additional infrastructure to be installed within a development in accordance with MSD's Master Plan or Action Plan

14.4. Pump Station Decommissioning and Upsizing

14.4.1. MSD may elect to eliminate existing pump stations within or adjacent to an existing development.

14.4.2. When a pump station must be constructed to serve a development and there is an opportunity to upsize the pump station to serve additional properties, MSD may require the pump station to be upsized and pay excess costs as determined by MSD.

14.5. Design Costs

14.5.1. MSD may share in the design costs of sewer infrastructure constructed by private developers when the planned facilities must be altered to meet MSD's Master Plan or Action Plan. The excess design costs shall be determined prior to the start of final design.

14.6. Conditions

14.6.1. Available funding as determined by MSD.

14.6.2. A written agreement between MSD and the developer as to the excess costs having been executed prior to the execution of a Lateral Extension Agreement.

14.6.3. Agreement by the developer to obtain additional bonding and insurance as determined by MSD. Additional bonding and insurance requirements shall be included in the written agreement.

14.6.4. A determination by MSD that the payment of excess cost is equitable and in the best interest of MSD based on consideration of the factors set forth at section 14.1.

- VI. Section 16.0, which establishes and sets forth the provisions of MSD's Recapture Agreements, is hereby amended, and shall read as follows:

16.0 Recapture Agreements

MSD negotiated and executed agreements with individuals and/or entities (herein "Developers") whereby Developers constructed and paid for regional sanitary sewer facilities that serve the Developers' property and other property located within a region determined by MSD (herein "Sewershed"). The Developer submitted plans for the proposed regional sanitary sewer facilities (herein "Facilities") to MSD and MSD approved such plans prior to construction. The Developer received approval from MSD that the Facilities' construction was in accordance with its prior approved plans and specifications. Developers transferred right, title and interest of said Facilities to MSD at no cost. When other properties within the Sewershed are developed, MSD may charge customers located within that determined Sewershed, or other customers permitted by MSD to use such Facilities, Recapture Fees on behalf of the Developers in order to recapture the cost expended by the Developers in constructing such Facilities. MSD will calculate the Recapture Fees by determining the number of developable lots within the Sewershed and dividing it into the total final cost of the Facilities. MSD will collect the Recapture Fees and, after retaining a reasonable administrative fee from the Recapture Fees, remit the balance of the Recapture Fees to the Developers in accordance with the terms of the agreements and with this section.

- VII. Section 17.0, which establishes and sets forth the provisions of MSD's Emergency Wastewater Assistance Program, is hereby amended, and shall read as follows:

17.0 Emergency Wastewater Rate Assistance Program (EWRAP)

17.1. Definitions

17.1.1. "**Household**" means an individual or group of individuals who are living together in the principal residence sharing common living arrangements.

17.1.2. "**Gross household income**" means all earned and unearned income, including lump sum payments received by a household during the calendar month preceding the month of application.

17.1.3. "**Low-income residential customer**" means a direct residential customer of MSD having a gross total household income at or below one hundred fifty percent (150%) of the official poverty income guidelines updated annually in the Federal Register by the U.S. Department of Health and Human Services under authority of 42 U.S.C. 9902(2), or who is eligible for the Low Income Home Energy Assistance Program state plan prepared by the Kentucky Cabinet for Health and Family Services, Department for Community Based Services at the time of application.

17.1.4. "**Principal residence**" means the place where the customer is living voluntarily and not on a temporary basis; the place the customer considers home; the place to which, when absent, the customer intends to return; and is identifiable from another residence, commercial establishment or institution.

17.2. Wastewater Discount

Eligible low-income residential customers may receive a thirty percent (30%) discount on the wastewater charges on their sewer bill beginning October 1, 2023. The discount, known as the Emergency Wastewater Rate Assistance Program discount, shall apply to wastewater service charges, wastewater volume charges and Consent Decree surcharges. Program participation is limited to 3,000 customers and/or will only be offered until available funding is expended.

17.3. Eligibility Criteria

The EWRAP discount shall be available to low-income residential customers who:

- 17.3.1.** Apply for and are approved for the discount. Customers shall provide required information upon forms and in the manner required by Program rules to certify their eligibility.
- 17.3.2.** Are receiving water by separate metered water service for a property or dwelling used solely for residential purposes owned or leased by the customer as his or her principal residence.
- 17.3.3.** Are named customers with MSD and are responsible for paying the sewer bill received from the Louisville Water Company for the customer's principal residence.
- 17.3.4.** Verify and certify gross household income and ownership or leasehold of their principal residence in the manner required by the Program.
- 17.3.5.** Have total gross household income, when computed annually, including the income of all occupants, and regardless of age, that does not exceed 150% of the official poverty income guidelines referenced in section 17.1.3 computed annually.
- 17.3.6.** Are not receiving and have not been approved to receive MSD's Senior Citizen's discount as of the date of application for the Program.
- 17.3.7.** Satisfy all other terms and conditions established by the Program for eligibility.

17.4. Exclusions

MSD customers, age 65 years of age or older, receiving or who have been approved to receive MSD's Senior Citizen's discount, shall not be eligible for the Emergency Wastewater Rate Assistance Program.

17.5. Effective Date of EWRAP Discount

Except as set forth in Section 17.8, the emergency wastewater rate assistance discount shall commence on the next subsequent billing date following approval of the customer's application and shall continue until **September 30, 2024**, conditioned upon the customer's continued eligibility. If the program is continued after September 30, 2024, customers will be required to re-apply.

17.6. Program Administration

The Executive Director or his designee may prescribe such policies, regulations and procedures, consistent with the provisions of this Section, as deemed necessary and appropriate to administer and enforce the Emergency Wastewater Rate Assistance Program.

17.7. Program Modification / Termination

The Emergency Wastewater Rate Assistance Program shall continue through September 30, 2024, unless earlier termination at the discretion of MSD, and may be modified by MSD at any time.

- VIII.** Section 18.0 which establishes and sets forth the provisions of MSD's Senior Citizens Discount, is hereby amended, and shall read as follows:

18.0 Senior Citizens Discount

Senior Citizens are eligible for a 30% discount off wastewater service charges, wastewater volume charges and the Consent Decree Surcharge. This discount will be made available to customers of MSD that are 65 years or older, have a gross household income of \$35,000 or less, and are the primary titleholder or leaseholder on the property subject to the bill. An application will be sent to those customers that request one and the discount shall begin on the billing period following the date that the application is approved by MSD. In order to qualify for this discount, proof of age such as a birth certificate or driver's license must be provided. In addition, proof of all income received during the previous month by any member of the household. Customers that qualify for this discount may be asked to complete a renewal application on an annual basis or as otherwise determined by MSD.

- IX.** Additional provisions affecting schedule:

All remaining provisions of MSD's current Jefferson County Schedule of Rates, Rentals and Charges not amended herein shall continue in full force and effect. MSD's Jefferson County Schedule of Rates, Rentals and Charges as amended herein shall become effective August 1, 2023.

Adopted this 22nd day of May 2023.