# PRELIMINARY RESOLUTION BY THE BOARD OF THE LOUISVILLE AND JEFFERSON COUNTY METROPOLITAN SEWER DISTRICT AMENDING ITS SCHEDULE OF RATES, RENTALS AND CHARGES FOR BULLITT COUNTY WASTEWATER SERVICES

WHEREAS, the Louisville and Jefferson County Metropolitan Sewer District ("MSD") 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, pursuant to the Kentucky Interlocal Cooperation Act, (KRS 65.210 et. seq.), any public agency may enter into agreements with another public agency, or agencies, to acquire by purchase or lease, any real or person property, or any interest, right, easement, or privilege therein, outside of its municipal or jurisdictional boundaries; and

WHEREAS, MSD entered into an Interlocal Cooperation Agreement ("ILA") with the County of Bullitt, Kentucky and the Bullitt County Sanitation District ("BCSD") which vested in MSD all powers and authority of BCSD and Bullitt County necessary and appropriate for the acquisition, ownership, management and operation and expansion of the BCSD Wastewater System; and

WHEREAS, on December 1, 2021, MSD acquired the BCSD Wastewater System; and

WHEREAS, Section 12.2 of the ILA provided that beginning January 1, 2022 and each calendar year thereafter through January 1, 2026, MSD increases in charges for wastewater collection and treatment services will not exceed the increases authorized by Bullitt County Ordinance No. 17-2 adopted by Bullitt County Fiscal Court on February 7, 2017; and

WHEREAS, Section 12.2.3 of the ILA provided MSD will maintain the existing capacity charges for customers in the former BCSD service area until December 31, 2024, at which time MSD will evaluate those charges and fees for consistency with others in the region and to develop facilities to accommodate projected growth in Bullitt County; and

WHEREAS, Section 12.3.1 of the ILA provided that MSD will increase wastewater charges for customers residing in areas of Bullitt County served by the Big Valley Wastewater System and the Hunters Hollow Collection System to rates equal with other MSD customers in Bullitt County beginning January 1, 2022 and that these customers will also pay equivalent capacity charges beginning January 1, 2022 and each calendar year thereafter; and

WHEREAS, Section 12.3.2 of the ILA provided beginning January 1, 2023, and each calendar year thereafter through January 1, 2026, MSD will increase wastewater charges for areas served by the Big Valley Wastewater System and Hunters Hollow Collection System by 12%; and

WHEREAS, on December 21, 2021, the MSD Board noted that, per the terms of ILA Section 12.3.1, the Big Valley and Hunters Hollow customers would experience a significant rate increase on January 1, 2022. Further, due to the delay in MSD's closing on the BCSD acquisition, these customers were not made aware of the coming rate increase months in advance, as initially intended, and therefore had insufficient time to prepare, including time to learn about and apply for MSD's rate assistance programs; and

WHEREAS, on December 21, 2021, the MSD Board agreed to a phase in of the rate equalization for the Big Valley and Hunters Hollow customers with other customers in Bullitt County called for in ILA Section 12.3.1 such that the rates for customers of all three systems will equalize on January 1, 2026; and

WHEREAS, the proposed amended schedule of wastewater rates, rentals and charges will be published, giving notice that objections and/or comments on the schedule may be filed on or before December 14, 2025.

#### NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MSD THAT,

The above recitals are hereby incorporated into the Resolution as if set forth fully within, and MSD's Bullitt County schedule of wastewater 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 January 1, 2026:

I. Section 1.0, which establishes wastewater services charges and wastewater volume charges, is hereby amended and shall read as follows:

# 1.0 Wastewater Service Charges

The Wastewater Service Charge is based on water used as measured by a Louisville Water Company meter(s).

- 1.1. The first 2,000 gallons of usage shall be billed at 55.99 per month.
- **1.2.** A consumption charge of 16.29 applies for each additional 1,000 gallons of usage per month.
- II. Section 12, which establishes the Emergency Wastewater Rate Assistance Program, is hereby amended and shall read as follows:

# 12. Emergency Wastewater Rate Assistance Program (EWRAP)

#### 12.1. Definitions

- **12.1.1. "Household"** means an individual or group of individuals who are living together in the principal residence sharing common living arrangements.
- **12.1.2. "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.
- **12.1.3. "Low-income residential customer"** means a direct residential customer of MSD having a gross total household income at or below one hundred seventy five percent (175%) 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.
- **12.1.4. "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.

### 12.2. Wastewater Discount

Eligible low-income residential customers may receive a thirty percent (30%) discount on the wastewater charges on their sewer bill beginning November 1, 2025. 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.

## 12.3. Eligibility Criteria

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

- **12.3.1.** Apply for and are approved for the discount. Customers shall provide required information and in the manner required by Program rules to certify their eligibility.
- **12.3.2.** 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.
- **12.3.3.** 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.
- **12.3.4.** Verify and certify gross household income and ownership or leasehold of their principal residence in the manner required by the Program.
- **12.3.5.** Have total gross household income, when computed annually, including the income of all occupants, and regardless of age, that does not exceed 175% of the official poverty income guidelines referenced in section 12.1.3 computed annually.
- **12.3.6.** Are <u>not</u> receiving and have not been approved to receive MSD's Senior Citizen's discount as of the date of application for the Program.
- 12.3.7. Satisfy all other terms and conditions established by the Program for eligibility.

#### 12.4. 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.

#### 12.5. Effective Date of EWRAP Discount

Except as set forth in Section 12.7, 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 October 31, 2026, conditioned upon the customer's continued eligibility. If the program is continued after October 31, 2026, customers will be required to re-apply.

#### 12.6. 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.

## 12.7. Program Modification / Termination

The Emergency Wastewater Rate Assistance Program shall continue through October 31, 2026, unless earlier termination at the discretion of MSD, and may be modified by MSD at any time.

III. Section 13, which establishes the Senior Citizens Discount, is hereby amended and shall read as follows:

# 13. 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 \$40,000 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 first full 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 will be asked to recertify eligibility every three years or as otherwise determined by MSD.

IV. Additional provisions affecting schedule:

All remaining provisions of MSD's Bullitt County schedule of wastewater rates, rentals and charges are not amended herein shall continue in full force and effect. MSD's Bullitt County Schedule of Rates, Rentals and Charges as amended herein shall become effective January 1, 2026.

Adopted this 17th day of November 2025.

MSD Board:

Ricky Mason, Chair

Attest:

James A. Parrott, Secretary-Treasurer