



Rates, Rentals and Charges

Jefferson County

EFFECTIVE AUGUST 1, 2024



Middle Fork Beargrass Creek



Jefferson County Schedule of Rates, Rentals and Charges Effective August 1, 2024

Contact Information:

Louisville/Jefferson County Metropolitan Sewer District
Division of Finance
700 West Liberty Street
Louisville, Kentucky 40203

Telephone: 502.540.6000
Email: finance@louisvillemSD.org

www.louisvillemSD.org



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Louisville and Jefferson County Metropolitan Sewer District (MSD) is a public body corporate and politic and a political subdivision of the Commonwealth of Kentucky. MSD was created pursuant to Kentucky Revised Statutes (KRS) Chapter 76 in 1946 for the purpose of providing adequate sewer and drainage facilities. In 1987, MSD became the sole local authority for providing flood control and storm water drainage services in the drainage service area via an Agreement of Interlocal Cooperation with the City of Louisville and Jefferson County. This agreement gives MSD the power and authority to manage, maintain, operate, and improve the flood control and storm and surface water drainage systems within Jefferson County. These various authorities are further defined in the Louisville Metro Ordinances Chapter 50, Sewers.

MSD is authorized by KRS 76.090 to establish a schedule of rates, rentals, and charges. Louisville Metro Ordinance requires that 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 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 the City of Louisville Ordinance Number 86, Series 1971; provided the aggregate of such adjustments for any twelve-month period shall not generate additional revenue from wastewater service charges and drainage service charges in excess of 7%.

1. Wastewater Service Charge

The Wastewater Service Charge is a fixed service charge based on the size of the water meter and applies to all wastewater service connections. 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 Service Charges:

Meter Size	Monthly Billing	Daily Proration	Bi-Monthly Billing	Daily Proration
5/8-3/4	22.68	0.74578	45.36	0.74578
1	45.54	1.49719	91.08	1.49719
1 1/2	75.76	2.49074	151.52	2.49074
2	103.91	3.41611	207.82	3.41611
3	231.63	7.61526	463.25	7.61526
4	374.51	12.31277	749.03	12.31277
6	735.90	24.19396	1,471.79	24.19396
8	1,103.86	36.29129	2,207.72	36.29129
10	1,450.22	47.67834	2,900.44	47.67834
12	2,136.81	70.2514	4,273.62	70.2514
16	2,590.02	85.15121	5,180.03	85.15121

1.2. Residential Service 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	22.68	0.74578	45.36	0.74578
1	45.54	1.49719	91.08	1.49719
1 1/2	75.76	2.49074	151.52	2.49074
2	103.91	3.41611	207.82	3.41611
3	231.63	7.61526	463.25	7.61526
4	374.51	12.31277	749.03	12.31277

2. Wastewater Volume Charge

The Wastewater Volume Charge is based on either water used as measured by a Louisville Water Company 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 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. Metered Volume Rate

2.1.1. 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 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 - \$7.14 regular rate

Commercial - \$8.00 regular rate or \$4.53 optional rate/1,000 gallons

Industrial - \$8.06 regular rate or \$4.53 optional rate/1,000 gallons

2.1.2. An additional charge of \$100.00 shall be applicable for each reading of the first regular 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.

Customers on AMI meters shall pay a fee of \$50 for the first regular meter per location owned by the customer for the purpose of determining billable consumption. Each additional meter per location will be charged at \$5.00 per reading.

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 per service address. 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.

\$4.25 per 1,000 gallons of volume billed

2.3. 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 2.1 or 2.3. The Regular Volume Rate is calculated to provide a year-round discount for lawn watering and other uses of water which do not enter the public sewer. The Residential Rate is discounted 15% off the Metered Residential Volume Rate, the Commercial Rate is discounted 10% off the Metered Commercial Volume Rate and the Industrial Rate is discounted 5% off the Metered Industrial Volume Rate.

Residential Volume Rate - \$6.07 per 1,000 gallons of volume billed

Commercial Volume Rate - \$7.20 per 1,000 gallons of volume billed

Industrial Volume Rate - \$7.66 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 4.1 below.

2.4. Private Property Illicit Discharge Surcharge:

Groundwater, rainwater, surface drainage, subsurface drainage or yard drainage shall not be discharged through direct or indirect connections (e.g., downspouts and sump pumps) to a sanitary sewer because these connections increase the volume of wastewater MSD treats at its wastewater treatment centers and increases capacity related strains on the wastewater system during rain events.

MSD monitors the collection system flows to its wastewater treatment centers during rain events. Through this monitoring, MSD has determined there are certain areas within its service area that contribute higher effluent flows that exceed the amount anticipated during a rain event; this indicates customers in that area have connections other than sewage to the sanitary system. Wastewater collection systems are not designed to accommodate stormwater flows, and MSD's drainage service fee is based upon the cost of flood protection and stormwater entering an impervious surface and not the costs associated with treating non-wastewater flows to the sanitary system. MSD has calculated that the average cost per month to treat the additional non-effluent flows during an average rain event of 0.10" to be \$188.00 per source.

Areas within the MSD service area will be identified based upon MSD's analysis of hydraulic modeling and flow monitoring data during rain events and as further prescribed in MSD's Private Property Illicit Discharge Program Procedures. Once identified, MSD customers will receive communications from MSD to schedule an inspection of their property for any additional connections to the MSD sanitary sewer system. If an additional connection(s) is found, MSD will pay a licensed plumber to remove the connection as detailed in the Private Property Illicit Discharge Program Procedures, and subject to MSD's available funding. If the customer does not schedule the inspection or otherwise fails to remove the connection(s), MSD will assess a Private Property Illicit Discharge Surcharge of \$75.00 per month to the customer's bill. The Private Property Illicit Discharge Surcharge is not eligible for the EWRAP or Senior Citizen discount.

3. Consent Decree Surcharge

The Consent Decree Surcharge became effective August 1, 2007, to provide funding capacity to comply with the requirements of MSD's Consent Decree to reduce sewer overflows. Today the surcharge funds both infrastructure reinvestment as well as debt service on funds borrowed to finance new infrastructure. The following Consent Decree Surcharge rates shall be applicable based on service type:

Residential - \$18.54 per month or \$37.08 bi-monthly

Condominium complexes without water meters for each condominium - greater of \$18.54 per month or \$3.11 per thousand gallons of water billed

Commercial Regular Volume Rate - greater of \$18.54 per month or \$2.21 per thousand gallons of water billed

Commercial Sewer Only Volume Rate - greater of \$18.54 per month or \$2.46 per thousand gallons of wastewater discharged

Industrial Regular Volume Rate - greater of \$18.54 per month or \$2.31 per thousand gallons of water billed

Industrial Sewer Only Volume Rate - greater of \$18.54 per month or \$2.46 per thousand gallons of wastewater discharged

Optional (clean) Volume Rate - greater of \$18.54 per month or \$1.33 per thousand gallons of water billed

Optional (sewer only) Volume Rate - greater of \$18.54 per month or \$1.42 per thousand gallons of wastewater discharged

4. Water Quality Surcharge

A Water Quality Surcharge (also called Quality Charge) is applicable to Commercial and Industrial customers that discharge wastewater to the public sewer characterized by strengths in excess of 250 mg/l of biochemical oxygen demand (BOD) and/or 270 mg/l of total suspended solids (TSS).

Customers 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.

4.1. Excess Quality Charges

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

4.1.1.1. BOD Concentration: \$0.005905 per mg/liter in excess of 250 mg/liter billed per 1,000 gallons of water recorded by a Louisville Water Company meter or wastewater discharged to the public sewer as directly measured by an effluent flow meter; and/or

4.1.1.2. TSS Concentration: \$0.00238588 per mg/liter in excess of 270 mg/liter billed per 1,000 gallons of water recorded by a Louisville Water Company meter or wastewater discharged to the public sewer as directly measured by an effluent flow meter.

4.2. Total Quality Charges

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

4.2.1.1. BOD Concentration: \$0.005504 per mg/liter billed per 1,000 gallons of water recorded by a Louisville Water Company meter or wastewater discharged to the public sewer as directly measured by an effluent flow meter; and/or

4.2.1.2. TSS Concentration: \$0.00243220 per mg/liter billed per 1,000 gallons of water recorded by a Louisville Water Company meter or wastewater discharged to the public sewer as directly measured by an effluent flow meter.

4.3. Hospital Water Quality Rate Class

4.3.1. MSD has established a hospital rate class for purposes of assessing the Water Quality Surcharge. Hospitals that meet requirements and are currently permitted under a Pretreatment General Discharge Permit will not require a permit after August 1, 2024. Hospitals will be required to meet MSD Local Limits and Wastewater/Stormwater Discharge Regulations (WDRs) but will not have to sample or submit semi-annual sampling results. Hospitals are subject to periodic inspections for administration of the Hazardous Materials Ordinance or WDRs for applicable purposes. MSD reserves the right to re-establish permit requirements at any time in the future based on regulatory requirements, the need to protect MSD wastewater treatment and collection assets, to prevent potential pollutants from entering discharge waters, or for other identified purposes. Excess Quality Charges shall apply to hospital customers paying the Optional Volume rate as follows:

4.3.1.1. BOD Concentration: 250 mg/L billed at \$0.005504 per 1,000 gallons of water recorded by a Louisville Water Company meter or wastewater discharged to the public sewer as directly measured by an effluent flow meter; and/or

4.3.1.2. TSS Concentration: 300 mg/L billed at \$0.00243220 per 1,000 gallons of water recorded by a Louisville Water Company meter or wastewater discharged to the public sewer as directly measured by an effluent flow meter.

5. Flat Rate Wastewater Charges for Residential Customers

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

\$53.64 monthly plus \$18.54 Consent Decree Surcharge or \$107.27 bi-monthly plus \$37.08 Consent Decree Surcharge

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

\$22.68 monthly plus \$18.54 Consent Decree Surcharge or \$45.36 bi-monthly plus \$37.08 Consent Decree Surcharge

6. Wastewater Penalty Charge

Whenever any sewer rates, rentals, or charges for services remains unpaid for a period of thirty days (30) days after the same becomes due and payable, the property, the owner thereof, and the user of the service shall be deemed delinquent until such time as all service rates, rentals and charges are fully paid and shall be subject to cut off of sewer connection and service, and the discontinuation of water service.

A Delinquent Bill Penalty shall be added to all wastewater service bills not paid by their due dates in accordance with the penalty policy in use by MSD's billing and collection agent, the Louisville Water Company, or as otherwise determined by MSD.

Pursuant to KRS 76.090, it is unlawful for any delinquent to use water from any public water service or system and discharge same into an MSD sewer.

7. Unusual Discharge Fee

Any business, firm or individual introducing into MSD's sewer system a substance detrimental to MSD's sewers, wastewater treatment facilities, pumping facilities or wastewater treatment processes, or which results in abnormal costs for MSD, shall be charged and shall pay the actual total costs incurred as determined by MSD. For additional information please see <https://louisvillemad.org/industrial-waste-programs/udr>

7.1. Unusual Discharge Fees – Wastewater

Any business, firm, or individual proposing to discharge any substance that is not consistent with typical wastewater discharge in composition or flow rate to the sanitary or combined sewer system shall prepare and submit an application for such discharge. MSD will review, comment, modify, and approve or disapprove the application. MSD may charge an application review fee. MSD may also charge fees for accepting or handling the discharge including inspection, sampling, testing, and monitoring fees. Accidental discharges shall be reported to MSD at the earliest opportunity. MSD may charge field response, review, inspection, investigation, sampling, testing, monitoring, quality charges, sewer rates, and other applicable fees. MSD may pursue enforcement actions including penalties, fines, and remedial measures for failure to follow proper discharge procedures.

7.2. Unusual Discharge Fees – Stormwater

Any business, firm, or individual proposing to discharge any substance that is not consistent with typical stormwater discharge in composition or flow rate to the stormwater system shall prepare and submit an application for such discharge. MSD will review, comment, modify, and approve or disapprove the application. MSD may charge an application review fee. MSD may also charge fees for accepting or handling the discharge including inspection, sampling, testing, and monitoring fees. Accidental discharges shall be reported to MSD at the earliest opportunity. MSD may charge field response, review, inspection, investigation, sampling, testing, monitoring, stormwater rates, remediation fees,

and other applicable fees. MSD may pursue enforcement actions including penalties, fines, and remedial measures for failure to follow proper discharge procedures. The term “discharge” as used in this Section 6.0 shall mean any spilling, leaking, pumping, pouring, emitting, emptying, injecting, escaping, leaching, dumping or disposing of any substance into the sanitary, combined, or stormwater sewer system.

8. Connection Fee

- 8.1.** A property service connection is the physical connection from MSD's public sewer to the property to be served or the easement line.
- 8.2.** A Connection Fee is applicable for the first and subsequent connections to property which had not been previously assessed or otherwise charged or credited for the cost of the sewer serving the property; and, under any of the following circumstances:
 - 8.2.1.** whenever a physical connection to MSD's public sewer is required to be constructed; or,
 - 8.2.2.** a working and usable connection is present but there exists a previous commitment or obligation to pay a connection fee to MSD on the part of the current property owner or previous property owners; or
 - 8.2.3.** a property had been previously assessed for the cost of a sewer but not for the cost of a property service connection or had not been otherwise charged for the cost of a property service connection.
- 8.3.** MSD's Connection Fee is not due for connections to MSD's sanitary sewer system under any of the following circumstances:
 - 8.3.1.** a working and usable connection exists that serves the property that was constructed and accepted by MSD prior to August 1, 1998; or,
 - 8.3.2.** a property is being served by an MSD assessment project and the property is being assessed; or,
 - 8.3.3.** a property is being served as part of a new development being constructed under the provisions of an MSD's Lateral Extension (LE) Contract and the property owner is a third-party beneficiary of the LE Contract; or,
 - 8.3.4.** connections to MSD's sewer system are exempted by a previously executed agreement with MSD; or,
 - 8.3.5.** the Connection Fee is exempted from payment by another provision of these Rates, Rental and Charges; or
 - 8.3.6.** the Connection Fee has been specifically exempted by action of the MSD Board.
- 8.4.** Connection Fees are not applicable to:
 - 8.4.1.** Homes built by, or on behalf of, an organization which is either exempt from Federal income tax under 26 U.S.C. & 501 (c)(3) of the Internal Revenue Code, or is a government entity; and sold to buyers who qualify according to the income guidelines established by MSD; and,

- 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>.

10. Drainage Service Charge

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. The ESU is the billing unit used in the formula for generating charges for properties. One ESU is equal to 2,500 square feet of impervious surface. The ESU for all one- and two-family residential properties shall be one. The ESU for each Class B property is

calculated by dividing the impervious area of a property by the average residential impervious area and rounding to the next highest integer.

- 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. “Non-Single Family Residential Property or Parcel”** shall mean properties or parcels which contain more than one residential structure or one residential structure with more than two residential dwelling units and institutional, commercial or industrial properties. This definition shall include a residential property or parcel containing two or more water meters.
- 10.1.11. “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.
- 10.1.12. “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.
- 10.1.13. “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.
- 10.1.14. “Service Charge”** shall mean a monthly charge for flood control and storm and surface water drainage services.
- 10.1.15. “Single-Family Residential Property or Parcel”** shall mean any property or parcel which contains one structure with one or two residential dwelling units. Any such property or parcel containing more than one water meter, however, shall be deemed a Non-Single Family Residential Property or Parcel.
- 10.1.16. “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.
- 10.1.17. “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.
- 10.1.18. “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.

- 10.1.19. “Stormwater Infiltration”** shall be based on the rainfall and runoff from surfaces that flow into and through Post-Construction BMPs into the subsurface soil.
- 10.1.20. “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.
- 10.1.21. “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.
- 10.1.22. “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.
- 10.1.23. “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. Drainage Service Charge

A drainage service charge is imposed on every parcel of land within the drainage service area except for the following exempted properties: The following charges are hereby established and imposed for all non-exempt parcels of real property within the drainage service area and may be prorated based on the number of actual days in a billing cycle:

- 10.2.1.** A drainage service charge is imposed on every parcel of land within the drainage service area except for the following exempted properties:
- 10.2.1.1.** City-owned property where that incorporated city has entered into an interlocal drainage service agreement with MSD providing for detention basin sites, easements, drainage rights-of-way, or other assets of value comparable to applicable drainage service charges;
 - 10.2.1.2.** Properties owned by Metro Government, or their budgeted agencies, who have offset their drainage service charges by the dedication of drainage facilities and future considerations through concomitant cooperative agreements;
 - 10.2.1.3.** MSD-owned property;
 - 10.2.1.4.** Public roads;
 - 10.2.1.5.** All undeveloped parcels of land; and
 - 10.2.1.6.** Properties owned by a fire district organized pursuant to KRS Chapter 75.
- 10.2.2.** The following charges are hereby established and imposed for all parcels of real property within the drainage service area, excluding exempted properties, and may be prorated based on the actual number of days in the billing cycle.

10.2.2.1. Class A Properties or Single-Family Residential

The single-family residential charge rate shall be \$14.25 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).

10.2.2.2. 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 and rounded to the next highest integer. The monthly 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 \$14.25.

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

- 10.2.2.2.1.** The property owner remains responsible for all costs of operation and maintenance of the facility;
- 10.2.2.2.2.** The facility has been constructed in accordance with all approved plans;
- 10.2.2.2.3.** The owner has obtained the MSD required permits for the facility; and
- 10.2.2.2.4.** MSD has access to the facility for purposes of inspecting for compliance with design, maintenance, and operating standards.

10.3. 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 and in no case may be less than 1 ESU.

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			50%
	Stormwater Flow Rate Reduction	15%	Post Developed 100 yr. Flow = Pre Developed 2 yr. Flow	15%
Combined Sewer Area	Stormwater Infiltration	30%	Stormwater Infiltration Credit = [((Stormwater Infiltrated) X 20%) - 30%] with a maximum credit of 30%	30%
	Post-Construction BMP Signage	5%	<u>Signage</u>	5%
	Maximum Credit Available			50%

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.

10.4. 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:

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

10.4.2. 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).

10.5. 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.

10.6. 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>

10.7. 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 charge remains 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.

10.8. 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.

10.9. 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.

11. Inflow and Infiltration (I&I) Charge

- 11.1.** I&I charges are applicable to individuals and/or entities ("hereinafter "Developers") who provide sewer service by extension of or connection to MSD's separate sanitary sewer system as follows:

\$1 per gallon per day calculated by multiplying \$1 times the gallons per day estimated to flow from a new development connecting to MSD's sewer system as determined by MSD, with a minimum charge of \$400.00 for a single project.

- 11.2. I&I fees are due and payable to MSD in full at time of the Developer's payment of Capacity Charges.
- 11.3. I&I fees are not applicable to the following:
 - 11.3.1. Properties located within an area of an MSD sewershed subject to "recapture fees" but exempted from such fees as "Non-Subject Properties" pursuant to express terms and conditions of the applicable Recapture Agreement between MSD and Developer, provided the Facilities constructed pursuant to the Agreement were constructed according to MSD's Master Plan for sewerage Jefferson County.
 - 11.3.2. Properties at which I/I reduction work has been approved by MSD and performed in accordance with the MSD Capacity Assurance Program.
 - 11.3.3. Properties which do not impact documented sanitary sewer overflows as determined by MSD, and for which a Reservation of Capacity Agreement was executed prior to August 1, 2008, and a Lateral Extension Agreement was executed prior to September 1, 2008.
 - 11.3.4. Properties which will discharge flow directly into an MSD combined sewer and for which a separate MSD sanitary sewer is not available.
- 11.4. I/I Surcharge fees will terminate at such time MSD terminates its Capacity Assurance Program.

12. Regional Stormwater Facilities

12.1. Stormwater Regional Facility Fee

- 12.1.1. All new sewerage systems, whether involving wastewater or stormwater facilities, shall be sized, located, designed and constructed in accordance with MSD's Design Manual, Standard Specifications, and Master Plan or Action Plan so as to provide optimum and adequate service to existing and future users within the affected service area(s).
- 12.1.2. If regional stormwater facilities are required for a development in accordance with MSD's Design Manual, Standard Specifications and Master Plan or Action Plan, MSD may require a developer to participate in the cost of regional stormwater facilities. The requirement to build or participate in the cost of regional stormwater facilities shall be determined concurrently with the review by MSD of the developer's proposed development plans by an analysis of the development's impact on the general community and watershed, other development, existing service facilities and its conformance with MSD's Master or Action Plans.
- 12.1.3. The capacity used for sizing a regional facility and for determining the needs of each development shall be the capacity determined by the Development and Stormwater Services Director based on MSD's design criteria and sound engineering judgment.
- 12.1.4. Fees for participating in a regional stormwater facility constructed by MSD shall be determined as follows:
 - 12.1.4.1. For development within MSD's Stormwater Service Area, the current fee is \$ **0.85** per cubic foot of stormwater volume mitigation required.

12.1.4.2. For development outside of MSD's Stormwater Service Area, the fee listed in 12.1.4.1 shall be increased by twenty percent (20%) to account for the estimated cost of maintenance of the regional facility by MSD. This additional cost is applicable to all development within the corporate limits of any city within Jefferson County that has elected not to participate in MSD's stormwater service.

12.2. Post-Construction Fee-In-Lieu Of

12.2.1. The Post-Construction Fee-In-Lieu-Of (FILO) program provides an alternative option for development projects that are required to meet water quality requirements, but are unable to provide Post-Construction Best Management Practices (BMPs) onsite. MSD's Municipal Separate Storm Sewer System (MS4) permit and Wastewater Discharge Regulations require Post-Construction BMPs for all development projects that have one acre or more of disturbance and for development projects that are part of a greater common development that have one acre or more of disturbance. The post construction BMPs must be maintained as long as the impervious areas remain. MSD's Wastewater Discharge Regulations include an option for a FILO program as an alternative to constructing BMPs onsite for development projects. The FILO funds will be used to construct alternative BMPs offsite, including but not limited to, regional green infrastructure, small local green infrastructure, and other water quality projects as approved, to meet the water quality requirements.

12.2.2. At The FILO program allows a developer the option to pay a proportionate share of the cost of stormwater quality management practices that have been or are proposed to be constructed by MSD, and/or local water quality projects on private property when approved through the MSD FILO grant program. MSD will determine, at its sole discretion, whether a development is eligible to participate in the FILO Program, and will determine whether the payment of the fee or another mitigation measure is appropriate for each development during the review of construction plans.

12.2.3. The following development project types will be considered for FILO approval:

12.2.3.1. Projects in the combined sewer areas;

12.2.3.2. Linear projects, such as road or sidewalk projects;

12.2.3.3. Projects with less than 2 acres of disturbance;

12.2.3.4. Projects that are located on contaminated soils;

12.2.3.5. Projects with site conditions that make it difficult to capture the minimum runoff to meet the water quality treatment requirement (i.e. the majority of a site goes to an onsite post-construction best management practice and the remaining portion is paid through FILO program. Areas with high groundwater tables);

12.2.3.6. Projects in karst areas;

12.2.3.7. Projects with significant hazardous materials storage; and

12.2.3.8. Other projects as approved by MSD's Development & Stormwater Services Director.

The list above should not be considered inclusive or exhaustive in regard to a development's qualification for the FILO program. FILO program approval is at the sole discretion of MSD. Projects must be located within MSD's Drainage Service Area to be eligible for the FILO program.

- 12.2.4.** Request for participation in the FILO program must be made to MSD Development Review in writing by submitting the Stormwater Quality Fee-In-Lieu Application.
- 12.2.5.** Use of the FILO must be approved by the Development & Stormwater Services Director. The fee shall be based on the untreated impervious area for the proposed development per the submitted construction plans. The FILO must be paid prior to permit issuance.
- 12.2.6.** The FILO rate shall be based on untreated impervious area. The rate shall be \$1.60 per square foot of untreated impervious area. The FILO will be payable to MSD and tracked in a separate account (tracked via a General Ledger Account).

The fees collected by MSD will be separated into four watershed banks: Northeast Ohio River, Floyds Fork, Southwest Ohio River, and MSD combined sewer system. The fees shall be paid into the appropriate watershed bank based on the location of the development project being mitigated. The watershed areas are defined below:

12.2.6.1. Northeast Ohio River Watershed including Harrods Creek, Goose Creek, Beargrass Creek (South, Middle, and Muddy Forks), and areas in the Northeast portion of Jefferson County that drain directly to the Ohio River;

12.2.6.2. Floyds Fork Watershed including Floyds Fork main stem and tributaries within Jefferson County, Cedar Creek, and Pennsylvania Run;

12.2.6.3. Southwest Ohio River Watershed including Pond Creek, Mill Creek, and areas in the Southwest portion of Jefferson County that drain directly to the Ohio River; and

12.2.6.4. Combined Sewer System Watershed.

- 12.2.7.** Fees collected in each watershed bank will be used to construct alternative BMPs offsite, including but not limited to, regional green infrastructure, small local green infrastructure, and other water quality projects as approved, to meet the water quality requirements. These projects will benefit water quality within the defined watershed area in which they were collected (Northeast Ohio River, Floyds Fork, Southwest Ohio River, and Combined Sewer System). These funds may be used to fund the FILO grant program as defined in the FILO Grant and Administration Procedures.

13. 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.

14. 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.

15. 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.

16. Payment Programs

The Executive Director is authorized to develop programs to facilitate the payment of costs authorized by and the collection of fees and surcharges imposed under this Schedule of Rates, Rentals and Charges, to include the development of all necessary supplemental guidelines, applications and agreements.

17. 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 November 1, 2024. The discount, known as the Emergency Wastewater Rate Assistance Program (EWRAP) discount, shall apply to MSD wastewater charges. 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 MSD's billing service provider 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 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 discount, shall not be eligible for the EWRAP discount.

17.5. Effective Date of EWRAP Discount

Except as set forth in Section 17.7, the EWRAP discount shall commence on the next subsequent billing date following approval of the customer's application and shall continue until October 31, 2025, conditioned upon the customer's continued eligibility. If the program is continued after October 31, 2025, customers will be required to re-apply. Customers receiving the EWRAP discount on August 1, 2024, will continue to receive the discount through October 31, 2024. They must reapply for the EWRAP discount that begins November 1, 2024.

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 EWRAP.

17.7. Program Modification / Termination

The EWRAP shall continue through October 31, 2025, unless earlier termination at the discretion of MSD, and may be modified by MSD at any time.

18. Senior Citizen Discount

Senior Citizens are eligible for a 30% discount off MSD's wastewater charges. The Senior Citizen Discount is 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, applicants must provide proof of all income received during the previous month by all members of the household. Customers that qualify for this discount will be asked to recertify eligibility every three years or as otherwise determined by MSD.

19. Adjustment of Charges and Appeals

Any owner who considers that wastewater or drainage charges applied to the owner's parcel are inaccurate or otherwise disagrees with the determination may apply to MSD's Chief Financial Officer for a rate review, stating in writing the grounds for the adjustment. The Chief Financial Officer will review the case and report findings to the Executive Director. The Executive Director shall consider the complaint and staff recommendations and determine whether an adjustment is necessary to provide for reasonable and equitable application of the charge(s).

Appeal of decisions made by the Executive Director may be brought before the MSD Board in writing with notice and substance of the appeal sent to the Board's secretary within fifteen (15) days after the owner receives the Executive Director's decision. Upon reviewing the documentation, the Board shall render a final decision.

In the event of a billing error, MSD may back bill the customer for a period of two years from the date the error was discovered and MSD will grant refunds for overbillings for a period of two years from the date it was notified of the overbilling.

20. Severability

If any section, clause or provision of this amendment be declared by the courts to be invalid, the same shall not affect the validity of the amendment as a whole or any part thereof, other than the part so declared to be invalid.

