

**PRELIMINARY RESOLUTION BY THE BOARD OF THE LOUISVILLE AND JEFFERSON COUNTY  
METROPOLITAN SEWER DISTRICT AMENDING THE 2025 OLDHAM COUNTY SCHEDULE OF RATES,  
RENTALS AND CHARGES FOR WASTEWATER SERVICES PURSUANT TO KRS CHAPTER 76**

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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 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 cost 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, 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 Oldham, Kentucky and the Oldham County Environmental Authority ("OCEA") which vested in MSD all powers and authority of OCEA and Oldham County necessary and appropriate for the acquisition, ownership, management and operation of the OCEA Wastewater System; and

WHEREAS, on July 1, 2020, MSD acquired the OCEA Wastewater System; and

WHEREAS, per Section 11.2.1 of the ILA, MSD adjusted rates on August 1, 2022, for the former OCEA customers residing in the Glen Oaks, Moser Farms and The Woods of Glen Oaks subdivision, to \$76.92/month based on an average usage of 5,000 gallons of water per month; and

WHEREAS, per Section 11.2.2 of the ILA, MSD adjusted rates on August 1, 2022, for all other former customers of OCEA residing in the former OCEA services areas, to \$76.92/month based on an average usage of 5,000 gallons of water per month; and

WHEREAS, Section 11.3 of the ILA states that for fiscal year 2023 and years thereafter, MSD will raise existing OCEA customer rates no more than 5% per year until the rates equalize with the rates of MSD's other customers; and

WHEREAS, in order to generate sufficient revenue to maintain adequate debt service coverage, continue the proper operation and maintenance of MSD's existing wastewater system in Oldham County, and to support the cost of making renewals and replacements of the wastewater system, the Board of MSD is proposing that the schedule of wastewater rates, rentals and charges be amended; and

WHEREAS, pursuant to KRS Chapter 76 and 424, 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 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 the Resolution as if set forth fully within, and MSD's Oldham County Schedule of 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, 2025:

- I. **Section 1.1 Residential Charges** and **Section 1.2 Commercial and Industrial Charges** are hereby amended, and shall read as follows:

### 1.1 Residential Charges:

Monthly	Daily Proration
\$53.90	\$1.77195

### 1.2 Commercial and Industrial Charges:

Meter Size (inches)	Monthly	Daily Proration
5/8	\$101.43	\$3.33465
3/4	\$101.43	\$3.33465
1	\$132.59	\$4.35912
1 1/2	\$217.78	\$7.15990
2	\$268.38	\$8.82353
3	\$345.77	\$11.36777
4	\$416.73	\$13.70075

## II. Section 2.0 Wastewater Volume Charges is hereby amended, and shall read as follows:

The Wastewater Volume Charge is based on either water used as measured by a 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. 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 Metered Volume Rate (or "Sewer-Only" 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 Metered Volume Rate:** \$7.63 per 1,000 gallons of volume billed  
**Commercial Metered Volume Rate:** \$8.55 per 1,000 gallons of volume billed  
**Industrial Metered Volume Rate:** \$8.62 per 1,000 gallons of volume billed

Commercial and Industrial customers on the Metered Volume Rate that are subject to a Quality Charge Rate shall pay Total Quality Charges as described in Section 4.1 below.

- 2.1.2** The Optional Metered (“Sewer-Only”) Volume Rate shall be available to customers whose average water use or average wastewater discharged to the public during any consecutive twelve-month period exceeds 1,000,000 gallons per month per service address.

**Commercial Optional Metered Volume Rate:** \$4.84 per 1,000 gallons of volume billed

**Industrial Optional Metered Volume Rate:** \$4.84 per 1,000 gallons of volume billed

Commercial and Industrial customers on the Optional Metered Volume Rate that are subject to a Quality Charge Rate shall pay Total Quality Charges as described in Section 4.2.

- 2.1.3** A Meter Reading Charge of \$100.00 shall be applicable for the first regular meter reading for the purpose of determining billable consumption per location. Each additional meter will be charged at \$10.00 per reading per location.

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

## **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.

\$4.54 per 1,000 gallons of volume billed

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.

## **2.3 Regular Volume Rate**

**Residential Volume Rate:** \$6.52 per 1,000 gallons of volume billed

**Commercial Volume Rate:** \$6.52 per 1,000 gallons of volume billed

**Industrial Volume Rate:** \$6.52 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.

## **2.4 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.

**III. Section 3.1 Excess Quality Surcharge and Section 3.2 Total Quality Surcharge are hereby amended, and shall read as follows:**

**3.1. Excess Quality Charges**

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

**3.1.1.1.** BOD Concentration: \$0.006312 per mg/liter in excess of 250 mg/liter billed per 1,000 gallons of water recorded by a water meter or wastewater discharged to the public sewer as directly measured by an effluent flow meter; and/or

**3.1.1.2.** TSS Concentration: \$0.00255051 per mg/liter in excess of 270 mg/liter billed per 1,000 gallons of water recorded by a water 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: \$0.005884 per mg/liter billed per 1,000 gallons of water recorded by a water meter or wastewater discharged to the public sewer as directly measured by an effluent flow meter; and/or



**3.2.1.2.** TSS Concentration: \$0.00260002 per mg/liter billed per 1,000 gallons of water recorded by a water meter or wastewater discharged to the public sewer as directly measured by an effluent flow meter.

**IV. Section 4.0 Wastewater Penalty Charge** is hereby amended, and shall read as follows:

Pursuant to KRS 76.090, 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. It is unlawful for any delinquent to use water from any public water service or system and discharge same into a public sewer. No public water service or system shall furnish the delinquent with water to be discharged into a public sewer. MSD may enter into agreements with any public water company or public water service providing for the discontinuance of water service to delinquents.

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

For Louisville Water Company customers, a Payment Extension fee shall be added to all wastewater service bills granted a single payment extension in accordance with the Late Charges policy, or as otherwise determined by MSD.

**V. Section 5.0 Unusual Discharge Fee** is hereby amended, and shall read as follows:

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. The term "discharge" as used in this Section 5.0 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.

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.

For additional information please see <https://louisvillemsd.org/industrial-waste-programs/udr>.

**VI. Section 13.0 Emergency Wastewater Rate Assistance Program (EWRAP)** is hereby amended, and shall read as follows:

**13.1 Definitions**

For purposes of this Section only, the words or phrases below shall have the following meanings:

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

**13.1.2 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.

**13.1.3 Income-eligible 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.

**13.1.4 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.

## **13.2 Wastewater Discount**

All eligible income-eligible 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 (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.

## **13.3 Eligibility Criteria**

The Emergency Wastewater Rate Assistance Program ("EWRAP" / "Program") discount shall be available to income-eligible residential customers who:

**13.3.1** 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.

**13.3.2** 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.

**13.3.3** 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.

**13.3.4** Verify and certify gross household income and ownership or leasehold of their principal residence in the manner required by the Program.

**13.3.5** 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 13.1.3 computed annually.

**13.3.6** Are not receiving and have not been approved to receive MSD's Senior Citizen discount as of the date of application for the Program.

**13.3.7** Satisfy all other terms and conditions established by the Program for eligibility.

#### **13.4 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.

#### **13.5 Effective Date of EWRAP Discount**

Except as set forth in Section 13.7, the EWRAP discount shall commence on the next subsequent billing date following approval of the customer's application and shall continue until October 31, 2026, conditioned upon the customer's continued eligibility. If the program is continued after October 31, 2026, customers will be required to re-apply to continue to receive the discount.

#### **13.6 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.

#### **13.7 Program Modification / Termination**

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

### **VII. Section 14.0 Senior Citizens Discount is hereby amended, and shall read as follows:**

Senior Citizens are eligible for a 30% discount off MSD's wastewater service charges. The Senior Citizen Discount is 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 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.

### **XI. Additional Provisions Affecting Schedule:**

All remaining provisions of MSD's current Oldham County Schedule of Rates, Rentals and Charges are not amended herein shall continue in full force and effect. MSD's Oldham County Schedule of Rates, Rentals and Charges as amended herein shall become effective August 1, 2025.

Adopted this 27<sup>th</sup> day of May 2025.

MSD Board:

  
Ricky Mason, Chair

Attest:

  
James A. Parrott, Secretary-Treasurer

Adopted May 27, 2025