

ORDINANCE NO. 12 - 2007

**AN ORDINANCE FIXING RATES FOR CITY WATER USER CUSTOMERS
AND USERS OF THE PUBLIC SEWAGE TREATMENT SYSTEM**

Whereas, the City of Grayson has constructed wastewater treatment works and water treatment works; and

Whereas, it is the City's intent to establish water user charges that place the costs consistent with the notion to conserve potable water, maintain financial self-sufficiency; and

Whereas, it is the City's intent to establish sewer user charges in such a way as to appropriately operate, maintain, and replace expenses and debt service associated with the wastewater treatment works of the City; and

Whereas, the Grayson Utility Commission has recommended to the City Council rates to be charged for water service and sewer service; and

Whereas, the City of Grayson determines that it is in the best interests of the City to adopt said charges to adequately provide for the appropriate operation, maintenance, and repair of the system;

Now therefore, be it ordained by the City of Grayson, Kentucky: That the following water and sewer charges be established effective October 1, 2007.

ARTICLE I

It is therefore determined by the City of Grayson that prior Ordinance No. 18-2003 and Ordinance No. 19-2003 be, and the same hereby are repealed in their entirety so that a new method of fixing rates for water and sewer services may be established herein.

ARTICLE II

It is determined and declared to be necessary and conducive to the protection of the public health, safety, welfare and convenience of the City to collect charges from all users who contribute wastewater to the municipal wastewater treatment works. The proceeds of such charges so derived will be used for the purpose of operating, maintaining and paying the financial obligations of the public wastewater treatment works. It is further determined and declared to be necessary and conducive to the protection of the public health, safety, welfare and convenience of the City of Grayson to collect charges for the use of the City's water, with the proceeds of such charges used for the purpose of operating and maintaining the public water system.

ARTICLE III

The revenues collected as a result of the water user charges and sewer rate charges levied herein shall be used by the Grayson Utility Commission for the operation, maintenance, and repair of the respective water and sewer systems.

ARTICLE IV

The Grayson Utility Commission shall maintain financial records to accurately account for revenues generated by the public water system and public sewage treatment system and expenditures for operation and maintenance of same, including normal replacement costs.

ARTICLE V

The charges for sewer user charges shall be levied on all users who discharge, cause, or permit the discharge of sewage into the public wastewater treatment system. Should there be users whose contribution to the system contains Biological Oxygen Demand (BOD), Suspended Solids (SS), or Ammonia Nitrogen (NH₃-N) in concentrations which exceed limits specified herein for such pollutants and who are permitted to make such contributions to the system by decision of the Superintendent of the City of Grayson, then there will be charges known as Excessive Strength charges placed upon said users. These shall be imposed by the Superintendent of the Grayson Utility Commission such that a user discharging waste to the sewage works having an average Biochemical Oxygen Demand (BOD) content in excess of 217 mg/l and/or an average SS content in excess of 209 mg/l and/or an average NH₃-N content in excess of 24 mg/l, with such user being required to pay a surcharge based upon the excess strength of its wastes. Such surcharges shall be billed in addition to domestic level flows. Surcharges may either be billed separately or shown separately on the normal monthly sewer bill.

“BOD” shall mean the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20 degrees C, expressed in milligrams per liter (mg/l).

“SS” shall mean solids that either float on the surface of or are in suspension in water, sewage, or other liquids and which are removable by laboratory filtering.

“NH₃-N” shall mean the quantity of ammonia in the wastewater, sewage or other liquids, as measured by standard laboratory tests, and expressed in terms of equivalent nitrogen, in units of milligrams per liter (mg/l).

Surcharge rates applicable to the user that has received permission from the Superintendent to contribute excessive sewage strength will be as follows:

<u>Parameter</u>	<u>Rate</u>
BOD	\$.40/lb
SS	\$.42/lb
NH3-N	\$1.45/lb

The excessive strength surcharge shall be based on the following formula, with the total applied to the monthly bill of affected users:

$$[A(D-217) + C(f-24)] .00834 X G = \text{Surcharge Payment}$$

Where formula components are as follows:

- A. Surcharge rate for BOD, in \$/pound
- B. Surcharge rate for SS, in \$/pound
- C. Surcharge rate for Nh3-N, in \$/pound
- D. User's average BOD concentration
- E. User's average SS concentration
- F. User's average NH3-N concentration
- G. User's monthly flow to sewage works in 1000 Gallons

No reduction in sewage service charges, fees, or taxes shall be permitted because of the fact that certain wastes discharged to the sewage works contain less than 217 mg/l of BOD, 209 mg/l of SS, or 24 mg/l of NH3-N. The formula for surcharges may not be construed to generate a negative charge either in any part or in total.

ARTICLE VI

All users shall be billed monthly. Billings for any particular month shall be made by the 1st day of each month. Payments are due within ten (10) days following the first day of the month with any payment received after the 10th day of the month being considered delinquent. A late penalty payment of ten percent (10%) of the sewer service charge bill or water bill will be added to each delinquent bill. When any bill is more than twenty-three (23) days in default, water and/or sewer service to such premises shall be discontinued until such bill is paid. When any bill, including interest and penalty remains unpaid for one year after the date due, such bill shall be recorded in the land records of the county by the City and shall constitute a lien on the property. If such lien, including interest and penalty remains unpaid for a period of one year after date of recordation, such property at the location where the use was made shall be subject to public sale.

ARTICLE VII

In addition to the foregoing, when any bill is twenty-three (23) days in default and service is disconnected as a result thereof, a connection/reconnection fee shall be applied when service is restored.

ARTICLE VIII

The rates to be charged by the Grayson Utility Commission for water and sewer services to the customers of the Grayson Utility Commission, effective October 1, 2007, based upon the recommendation of the Grayson Utility Commission, shall be as follows, to-wit:

WATER

(Per 1,000 Gallons Used)

In City Customers:		Out of City Customers:	
First 2,000 Gallons	\$12.51	First 2,000 Gallons	\$17.27
Next 8,000 Gallons	\$ 4.63	Next 8,000 Gallons	\$ 4.84
Over 10,000 Gallons	\$ 4.35	Over 10,000 Gallons	\$ 4.49

SEWER

(Based on Water Consumption)

In City Customers:	
First 1,000 Gallons	\$11.50
Every 1,000 Thereafter	\$ 6.50

Out of City Customers:	
First 1,000 Gallons	\$27.50
Every 1,000 Thereafter	\$ 6.88

Cooks Family Foods Water Rate

Until October 1, 2008	\$1.54 per 1,000 Gallons
Effective October 1, 2008	\$2.08 per 1,000 Gallons

In addition, on October 1, 2008, the hereinabove mentioned water and sewer rates shall be adjusted in accordance with the Consumer Price Index of the preceding year reported by the United States Government. Furthermore, on October 1, 2009, the hereinabove mentioned water and sewer rates will again be adjusted in accordance with the Consumer Price Index reported by the United States Government for the preceding year. In no event will there be any increase in the rates based upon the Consumer Price Index greater than three percent (3%). Thereafter, there shall be no Consumer Price Index adjustment and any further rate adjustment will be done in accordance with the prior ordinances of the City Council of the City of Grayson upon recommendation of same by the Grayson Utility Commission.

ARTICLE IX

All revenues and expenses of the City's wastewater treatment system shall be maintained and accounted for separately from other city utilities such as water and/or gas systems.

ARTICLE X

Nothing herein shall prevent the Grayson Utility Commission from recommending to the City of Grayson an adjustment of rates within the next two (2) year period different from those contained herein, based upon an assessment by the Utility Commission that the need exists for a modification of rates based upon the then applicable costs associated with the proper operation and maintenance of the water and wastewater treatment system.

ARTICLE XI

All ordinances or parts of ordinances in conflict herewith are hereby repealed. The invalidity of any section, clause, sentence, or provision of this ordinance shall not affect the validity of any other part of the ordinance which can be given without such invalid part or parts.

ARTICLE XII

This ordinance shall be in full force and effect immediate following its passage, approval, and publication as provided by law.

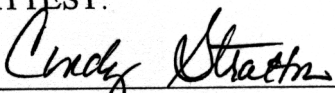
First reading, approval and adoption this 10th day of September, 2007.

Second reading, final approval and adoption this 18th day of September, 2007.



GEORGE STEELE, MAYOR

ATTEST:



CINDY STRATTON, CITY CLERK