

220.593 Rate schedule for construction subdistrict -- Notice -- Objections -- Purposes -- Trust fund for revenue bonds.

- (1) The district is authorized to establish a schedule of rates, rentals, and charges to be collected from all real property within a construction subdistrict served by construction subdistrict facilities. This schedule shall be in addition to the charge authorized by KRS 220.510. This schedule shall be determined for each construction subdistrict on the basis of one (1) or more of the factors stated in KRS 220.510.
- (2) Before final adoption of such a schedule the district shall give notice of it pursuant to KRS Chapter 424. The first notice shall be dated as of the date of the first publication; that notice shall state that the proposed or revised schedule of rates, rentals, and charges will remain open for inspection in the office of the district for thirty (30) days from the date in the notice, and that any person claiming to be aggrieved by the proposed schedule may file written objections to it with the district. The district shall examine and hear any and all such objections, may modify the proposed schedule, and shall adopt and establish a final schedule within sixty (60) days after the date of the first notice.
- (3) Such schedule shall be established and revised from time to time so as to produce revenues for the construction subdistrict sufficient:
 - (a) For the payment of all construction subdistrict bonds and obligations except those payable from assessments,
 - (b) For the payment of all costs and expenses of operating and maintaining the construction subdistrict which expenses shall include, but not be limited to, an equitable portion of the wages, salaries, and fees of officers and employees of the district,
 - (c) For the payment to the district of an amount which represents an equitable allocation of the cost of district facilities used, directly or indirectly, by the construction subdistrict if there is such a use,
 - (d) To meet all or part of reasonably foreseeable future need for trunk, main, connecting sewers and any other facilities necessary to link the construction subdistrict facilities to the district facilities, or, where such linkage is not feasible, to link the construction subdistrict facilities to and dispose of the sewage in a treatment plant serving at least one (1) other construction subdistrict,
 - (e) For the payment of an equitable portion, not to exceed twice the amount required by paragraph (b), of any amount necessary to establish and maintain a fund created by subsection (6), and
 - (f) For the payment of all cost of renewals and replacements of construction subdistrict facilities.
- (4) Any and all portions of expenses, salaries, wages and fees necessary or incident to improvements for which bonds are issued may be paid from bond proceeds.
- (5) The rates, rentals, and charges authorized by this section need not be the same for all real property within the construction subdistrict but may be based upon any

reasonable classification.

- (6) The district may create a fund which the district shall hold in trust to guarantee payment of construction subdistrict bonds authorized by KRS 220.577. As trustee of such fund, the district, to the extent of any payment made from it, shall have all the rights of bondholders against the construction subdistrict revenues. Bondholders' current rights shall prevail, however, over the fund's rights. The fund shall not exceed ten percent (10%) of the principal amount of the bonds outstanding under KRS 220.577. Payment from the fund shall not exceed fifteen percent (15%) of the unpaid principal amount of any bond in default. If the principal amount of the bonds outstanding becomes less than ten (10) times the amount in the fund, any excess in the fund (beyond the maximum amount authorized) shall be transferred to a separate special fund to be spent, when deemed advisable by the board, for construction, improvement, maintenance, or operation of sewerage or drainage facilities which will benefit the construction subdistricts which have contributed to the fund.

History: Created 1966 Ky. Acts ch. 92, sec. 20.