

**220.135 Boundaries of multicounty districts -- Assumption by district of city systems effective July 1, 1995 -- City's option not to be assumed -- Dissolution of municipal subdistricts -- Effects of assumptions and dissolutions -- Uniformity of district rates.**

- (1) Notwithstanding the provisions of KRS 220.080, the jurisdictional boundaries of a sanitation district organized or operating under KRS Chapter 220 shall be coextensive with the jurisdictional boundaries of the counties it was organized to serve if the district was organized to serve two (2) or more counties, and no other district has been organized to serve the counties. All cities of the home rule class located in a county which is part of a sanitation district as described in this section shall be included in the jurisdictional boundaries of the sanitation district.
- (2)
  - (a) Effective July 1, 1995, the operational sewer and drainage system of each city located within the jurisdictional boundaries of the district, together with all assets, other than cash accounts, and liabilities of the system, as of January 1, 1994, including but not limited to, sewers, easements, manholes, pumping stations, force mains, and real property, shall become the property, personal and real, of the sanitation district.
  - (b) If funds in a cash account are in escrow or otherwise contractually connected to a certificate of indebtedness related to the sewer and drainage system, the funds shall become the property of the district. If funds in a cash account are derived from a sewer user fee or sanitation bill surcharge, the city may use them to reduce its obligation to the district created by subsection (5)(a) of this section, or the city may return the funds to the citizens. If the funds in a cash account were generated from a general fund source and are not in escrow or otherwise obligated, the city may retain the funds for its own purposes.
- (3) Any city within the jurisdictional boundaries of the district may, before September 1, 1994, state by ordinance its intention not to become a part of the district. In this case, the provisions of subsection (2) of this section shall not apply, and the city shall retain ownership and control of and responsibility for its sewer and drainage system. The city shall be solely responsible for compliance with applicable regulations promulgated by the Energy and Environment Cabinet.
- (4) Any municipal subdistrict established prior to July 15, 1994, shall be dissolved effective July 1, 1995, and the assets and liabilities of the subdistrict, as of January 1, 1994, shall become the property, personal and real, of the sanitation district, unless the city, no later than September 1, 1994, provides by ordinance that the municipal subdistrict shall revert to the city. If the city provides for the reversion of the subdistrict to the city, the assets and liabilities of the subdistrict shall become the property, personal and real, of the city. The city shall be solely responsible thereafter for compliance with applicable regulations promulgated by the Energy and Environment Cabinet.
- (5)
  - (a) When a municipal subdistrict is dissolved pursuant to subsection (4) of this section, or a city sewer and drainage system is transferred pursuant to subsection (2) of this section, and its assets are transferred to the district, the city, or municipal subdistrict, shall pay the district fifty percent (50%) of the

cost of necessary repairs to its facilities as identified through the district's sanitary sewer inspection program. These costs shall be payable upon completion of the repairs identified by the district, and may be paid by lump sum or in installments over a period of time agreeable to the city or the municipal subdistrict and the district.

- (b) A city may continue its sewer maintenance surcharge until the accumulated principal plus interest thereon is sufficient to pay the charges levied by the district pursuant to paragraph (a) of this subsection.
  - (c) Any county that joins the district after July 15, 1994, may levy sewer surcharges or other fees, which shall be added to the customers' district bill for the purpose of enabling the county to pay pre-existing obligations to the district.
  - (d) For a period of ten (10) years, the district may grant to each city or county a credit for each new residential customer added which shall not exceed three hundred dollars (\$300) against the debt created by subsection (5)(a) of this section, or any other contractual liability pre-existing on June 30, 1994. The district may adopt a general policy establishing a credit of a different amount for each new nonresidential customer added.
- (6)
- (a) After July 15, 1994, no new package sewage treatment plant shall be constructed or begin operation within the jurisdictional boundaries of the district unless the district, after review of the plans for construction and operation of the plant, approves the plans.
  - (b) After January 1, 1995, no privately owned package sewage treatment plant shall operate within the jurisdictional boundaries of the district unless it has been issued a permit by the district or by the Energy and Environment Cabinet.
  - (c) On or before January 1, 2000, the district shall assume ownership of all publicly owned package sewage treatment plants within its jurisdictional boundaries, including all assets and liabilities as of January 1, 1994, and all property, real and personal.
  - (d) The district shall plan for, and when economically feasible, transfer the function of sewage treatment from package plants to central treatment facilities.
- (7)
- (a) Effective July 1, 1995, the district shall be responsible for the planning, construction, improvement, operation, and maintenance of all sewer and drainage facilities under its ownership, including combined sewer overflows, and for compliance with all applicable regulations promulgated by the Energy and Environment Cabinet.
  - (b) The district shall establish uniform rates for its services throughout its jurisdiction, and district rates shall vary only on the basis of consumption.

**Effective:** January 1, 2015

**History:** Amended 2014 Ky. Acts ch. 92, sec. 278, effective January 1, 2015. -- Amended 2010 Ky. Acts ch. 24, sec. 330, effective July 15, 2010. -- Amended 1994 Ky. Acts ch. 490, sec. 1, effective July 15, 1994. -- Created 1988 Ky. Acts ch. 330,

sec. 1, effective July 15, 1988.