

COMMONWEALTH OF KENTUCKY
CITY OF LAGRANGE
ORDINANCE NO. 1, SERIES 2024

AN ORDINANCE AMENDING CHAPTERS 50 AND 52
OF THE LA GRANGE ORDINANCE CODE RELATING TO
ADMINISTRATION OF THE LA GRANGE UTILITIES COMMISSION,
A SPECIAL PURPOSE GOVERNMENT ENTITY, AND
CERTAIN PROVISIONS RELATING TO IT'S WATERWORKS SYSTEM

WHEREAS, the Department of Local Government for the Commonwealth of Kentucky has determined that the LaGrange Utilities Commission qualifies for and exists as a Special Purpose Government Entity in accordance with the provisions of KRS 65A; and

WHEREAS, the La Grange City Council reaffirms its prior establishment of the La Grange Utilities Commission and the delegation of such powers and duties as are necessary and proper for a special purpose government entity with policy-making authority separate from the governing bodies of the City.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA GRANGE, KENTUCKY:

I -- CHAPTER 50 RELATING TO ADMINISTRATION AND RESPONSIBILITIES OF THE LA GRANGE UTILITY COMMISSION SHALL BE AMENDED AS FOLLOWS:

§ 50.01 ESTABLISHMENT AND RESPONSIBILITIES.

There is established the Utility Commission of the city, which shall consist of five total members including two members shall be residents of the city who have resided therein for not less than one year preceding the date of their appointment and, an additional two members who may be residents and/or customers of the Utility Commission. The members shall be appointed by the Mayor with the approval of the City Council. An additional member of the Utility Commission shall be appointed from the membership of the City Council and shall constitute the fifth member of the Utility Commission.

The LaGrange Utility Commission shall be responsible for providing a system of water and sewer to the citizens of the City of LaGrange. Although water systems other than those of this Commission serve some of the citizens of LaGrange, Kentucky, it is the responsibility of the Commission to provide a system of potable water to the citizens and businesses of LaGrange and it is the intent of the Commission to provide such services to any areas of the City that do not have water as possible as determined by the Commission. The City Council of the City of LaGrange states that it is the mission of the LaGrange Commission to provide the City with water and sewer; establish and regulate public cisterns, hydrants and reservoirs, with and beyond the limits of the city, for the extinguishment of fires and the convenience of the inhabitants; prevent the unnecessary waste of water; and to change, relocate and establish water and sewer service within and beyond the City limits of LaGrange, Kentucky.

§ 50.02 MEMBERS.

(A) Except as set forth in § 50.01, no person shall be appointed a member of the Utility Commission who has, within the past two years before his or her appointment, held any public office, or who is a close relative of the Mayor or any member of the City Council. "Close Relative" as used in this Chapter 50 shall be defined as a person who by consanguinity or affinity, including half, foster, step and adoptive kin, is either a spouse, child, grandchild, parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the principal.

~~(B) Neither the Utility Commission nor the Director employed by the Utility Commission shall employ in any capacity any person who is a close relative of the Mayor or any member of the City Council. No official listed in Chapter 31 of this code of ordinances shall be eligible for such employment until at least one year after the expiration of his or her term of public office or employment. Any payment made in violation of this section shall be illegal and the Director and the Commission members voting for or approving or consenting to same shall be personally liable for the amount so paid and this liability may be enforced by suit by any citizen of the city.~~

(C) Pursuant to KRS 96.320 The members of the Utility Commission shall be citizens, taxpayers, regular voters of the city, and/or customers of the Utility Commission and shall not at the time of their appointment be indebted to the municipality either directly or indirectly or be surety on the official bond of any official of the city.

(D) If at any time during his or her term of office a member of the Utility Commission is elected to or appointed to any public office, he or she shall automatically vacate his or her membership from the Utility Commission and another person shall be appointed by the Mayor with the approval of the City Council to take his or her place. Notwithstanding this provision, a City Council member who is appointed by the Mayor to serve on the Utility, as an ex-officio member, may serve in both capacities.

(E) The Utility Commission shall pay the cost of securing bonds for Utility Commission members from a surety company qualified to do business in the state and the members shall execute bond in an amount required by resolution of the Utility Commission and conditioned upon the faithful performance of their official duties.

(F) Each member of the Utility Commission shall qualify by taking the oath provided for by § 228 of the Kentucky Constitution.

§ 50.06 POWERS AND DUTIES.

(A) The Utility Commission shall have charge of the general supervision and control of the operation and maintenance of the waterworks system, sewer system and all other utilities for the city for the use of which service fees or rentals will be charged. However, it is understood that the Utility Commission is ~~an agency of the City Council and not an independent body~~ governed by a commission with policy-making authority that is separate from the governing bodies of the City and County in which it operates but has

been determined to be a Special Purpose Government Entity by the Kentucky Department of Local Government subject to the provisions of KRS Chapter 65A.

(B) Consistent with the requirements of any applicable state law, and within the limits of the funds available therefor, all powers of the city to improve, operate, expand and maintain the systems and utilities and all powers necessary and convenient thereto, shall be exercised on behalf of the City Council by the Utility Commission. Subject to the provision of applicable bonds or contracts, the Utility Commission shall determine programs and make all plans and determinations as to improvements and financial practices and may establish those rules and regulations as it deems necessary or appropriate to govern the furnishing of water and other service. ~~However, should the Utility Commission determine that an expansion or improvement of the present system is to be accomplished, this expansion or improvement shall not be undertaken without the approval of the City Council.~~

(C) A copy of the schedule of the current rates and charges and all rules and regulations adopted by the Utility Commission relating to water and sewer service and of other utilities shall be kept on file at the main office of the Utility Commission ~~and in the office of the City Clerk.~~

(D) The Utility Commission shall keep a complete and accurate record of all meetings and actions taken, and of all receipts and disbursements, and shall make reports thereof to the City Council at least once a month. The report shall be in writing and shall be filed in open meeting of the City Council, and a copy shall be filed with the City Clerk, as a public record.

(E) The LaGrange Utilities Report must continue to remain as a line item on the agenda for regularly scheduled City Council meetings, and representatives from LaGrange Utilities must attend in person at these meetings.

(F) The LaGrange Utility Commission shall employ an attorney and designate payments to be paid to said attorney and for its attending meetings and for representing the Commission and Director in any legal work of any nature on the Commission's behalf as may be required from time to time, such payment to be made from the Commission's operating budget.

§ 50.07 UTILITIES SYSTEM DIRECTOR.

(A) The Utility Commission shall employ a Utilities System Director (hereinafter called "Director"), who shall be qualified by training and experience for the general superintendence over the acquisition, improvement and operation of the system. His or her salary shall be fixed by the Utility Commission. The Director's employment may be terminated by the Utilities Commission. He or she shall be required to execute a bond, in a sum to be determined and approved by the Utility Commission, conditioned upon the faithful performance of his or her official duties. The cost of the bond may be charged as an expense of the operation of this system.

(B) The Director shall have charge of all actual construction, the immediate management and operation of the various utilities systems, and the enforcement and execution of all rules, regulations, programs, plans and decisions made or adopted by the Utility Commission.

(C) The Director shall appoint all employees and fix their duties and compensation, subject to and with the approval of the Utility Commission and subject to the pay plan and compensation guidelines adopted by the Utility Commission. The title of all property purchased or acquired shall be taken in the corporate name of the Utility Commission.

(D) The Director shall let all contracts subject to the approval of the Utility Commission, but may, without this approval, obligate the various utilities systems on all purchase up to an amount to be fixed by the Utility Commission. All contracts shall be in the corporate name of the Utility Commission and shall be signed by the Director ~~and attested by the Chairperson of the Utility Commission~~. The Director shall make and keep or cause to be made and kept full and proper books and records, subject to the supervision and direction of the Utility Commission and the provisions of applicable contracts. ~~However, this provision does not apply to major improvement construction such as expansion of the sewer system which requires issuance of bonds to finance the system, which shall be executed in the name of the city.~~

§ 50.08 REGULATIONS ENACTED BY THE COMMISSION.

All ordinances, resolutions, orders, rules and regulations, or parts thereof, enacted by the City Council as to matters provided for in Chapters 50 through ~~53~~ 52 shall continue in full force and effect until the Utility Commission has been properly and legally organized and has enacted a resolution, order, rule, or regulation as to the same. ~~The Utility Commission shall not have the power to enact any resolution, order, rule, regulation or other provision contrary to or inconsistent with any of the provisions by which bonds have been or will be issued or provisions have been or will be made for their future issuance by the city, secured by the revenues of the waterworks system or other utilities. If it should ever be held that the Utility Commission does not have the power to carry out any or all of the powers herein granted to it, or is not subject to any or all of the duties herein granted to it, or is not subject to any or all of the duties herein imposed upon it, it shall be deemed that the City Council shall have such power or powers and shall be subject to such duty or duties.~~

§ 50.10 GUIDELINES, POLICY, AND BUDGET.

(A) The LaGrange Utility Commission shall be responsible for the policy and guidelines for the operation of the LaGrange Utility Commission, unless otherwise specified in this Ordinance or otherwise prohibited by Kentucky law.

(B) Subject to the provision of applicable bonds and contracts, the Utility Commission shall determine programs and make all plans and determination as to improvements and financial practice and may establish those rules, regulations, policies, practice, guidelines and/or handbooks as it deems necessary or appropriate to govern the furnishings of water and sewer.

(C) Budget.

(1) The LaGrange Utilities Commission shall approve an annual budget for the operation of the Utility Commission, which shall be provided to the City after passage.

(2) The Commission shall pay all costs and expenses in the operation of the commission from its operating budget, including but not limited to, insurance, equipment, supplies, materials, labor and any other necessary costs and expenses incurred in the normal and customary business of this nature.

(3) Pursuant to Kentucky law, in particular, KRS 96.460, the City shall pay the reasonable cost and value of any water and/or sewer or other service rendered to the City by the LaGrange Utilities Commission. The funds so paid shall be accounted for in the same manner as other revenues of the LaGrange Utilities Commission.

(4) In keeping with Kentucky law, the LaGrange Utilities Commission shall not obligate itself beyond its own resources for any fiscal year. The Commission, when necessary, by, through and when needed, in conjunction with the City may borrow money and issue negotiable bonds, in keeping with Kentucky law. Such approval shall be obtained by the Commission by a majority vote of the City Council and with the approval of the Mayor of the City of LaGrange. This may be evidenced by an Interlocal Cooperation Agreement authorized under KRS 65.240.

(D) Financial Audit. The Commission shall cause to be made a financial audit of this financial records each year and a written report prepared by the auditor, who shall be an independent auditor.

(E) Previous Agreements and Contracts: The Commission shall be bound to perform under the terms of any previous contracts and/or agreements made and entered into by or on behalf of the Commission that exist at the time of the enactment of this Ordinance that were entered into while the Commission existed under previous City of LaGrange Ordinance.

(F) Personnel and Pay: The Commission shall adopt a personnel policy and pay scale or pay rate for all employees and adopt an Ethics Policy which may be the same or different than that of the City of LaGrange, all within the discretion of the Commission.

(G) Acquisition of Real Estate: All real estate acquired by the LaGrange Utilities Commission including water, sewer and other similar easements shall be acquired in the name of the LaGrange Utilities Commission.

(H) Bidding and Procurement Practices: Pursuant to KRS 424.260 The LaGrange Utilities Commission shall follow all Kentucky legal requirements with regard to bidding and procurement practices. The Commission shall have the authority to advertise for, accept bids and enter into contracts, without the Council's approval.

(I) Delegation of Authority: Any authority not specifically delegated to the LaGrange Utility Commission by this Ordinance is specifically reserved to the Mayor of the City of LaGrange, unless otherwise stated in the Kentucky Revised Statutes. Pursuant to KRS 96.200, any and all revenues generated from the operation of the water and sewer services in the City, may be used only by the Commission as outlined in this Ordinance.

(J) No Conflict. Any previous Ordinances or parts of Ordinance in conflict with this Ordinance are repealed. This Ordinance shall become effective on the date of its publication. If any section, sentence, clause or phrase of the Ordinance is held unconditional or otherwise invalid, such infirmity shall not affect the validity of the remaining Ordinance.

II -- CHAPTER 52 RELATING TO THE WATERWORKS SYSTEM RATES AND CHARGES FOR SERVICE SHALL BE AMENDED AS FOLLOWS:

§ 52.055 MONTHLY WATER RATES.

(A) ~~Subject to modification~~ The monthly water rates shall be set pursuant to §52.059, the rate for water service to be furnished by the city to customers shall be as follows:

<i>Water</i>	<i>Residential</i>		<i>Commercial</i>		<i>Multi-user</i>	
	<i>Inside City</i>	<i>Outside City (25% Higher)</i>	<i>Inside City</i>	<i>Outside City (25% Higher)</i>	<i>Inside City</i>	<i>Outside City (25% Higher)</i>
<i>Meter Size (Inch)</i>	<i>Minimum Charge</i>					
5/8 or 3/4	\$8.38	\$10.23	\$11.59	\$14.24	\$11.59	\$14.24
1-1/2			\$24.50	\$30.38	\$24.50	\$30.38
4 or larger			\$131.98	\$164.73	\$131.98	\$164.73
<i>Monthly Water Use (Gallons)</i>	<i>Volume Charge (\$1,000 Gallons)</i>					
Rate per 1,000 gallons	\$4.70	\$5.88	\$4.70	\$5.88	\$4.70	\$5.88
First 2,000	\$3	\$3.76				
Over 2,000	\$4.20	\$5.26				

<i>Fire Line Charge per Month</i>		
<i>Water Line Size (Inch)</i>	<i>Inside City</i>	<i>Outside City (25% Higher)</i>
4 in.	\$10	\$12.50
6 in.	\$20	\$25

8 in.	\$40	\$50
10 in.	\$80	\$100
12 in.	\$150	\$187.50

(B) Three percent county school tax shall be added to the above rates. Six percent state sales tax (when applicable) to be added to above rates.

§ 52.059 ANNUAL RATE INCREASE AND OUT OF CITY CHARGES.

(A) A 5% increase or less as determined by the Commission, by inclusion in the annual Utility Commission budget which after adoption will be provided to the City Council.

(B) The increase will be added each year to the water and sewer rate charges as set forth in this chapter.

(C) All out of city customers will pay an additional 25% on water and sewer fees and charges other than monthly services.

(D) Any additional increases beyond the 5% must be approved by the City Council.

(E) The Commission will post on its website and in its office a rate schedule setting forth the current water and sewer rates and charges.

(F) Any price increases from its supplier, namely, Oldham County Water District, shall be automatically added to the current rates.

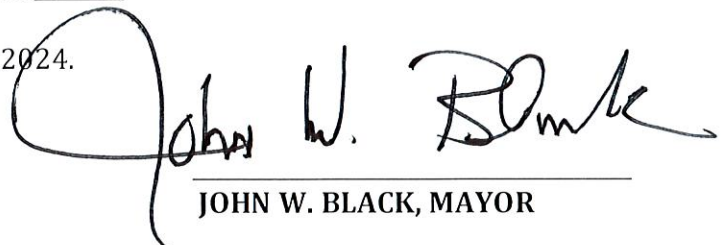
III – THIS ORDINANCE SHALL BE EFFECTIVE UPON PASSAGE AND ENFORCEABLE THIRTY (30) DAYS FOLLOWING PUBLICATION AS PRESCRIBED BY KRS 424.

FIRST READING: January 3rd, 2024

SECOND READING: February 5th, 2024

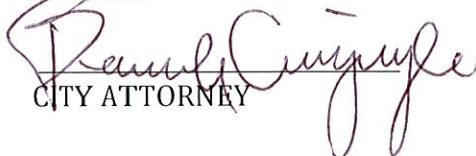
VOTE: For 7 Against 0 Abstain 1

SO APPROVED this 5 day of February, 2024.



 JOHN W. BLACK, MAYOR

ATTEST:



 CITY ATTORNEY