

## CITY OF GLASGOW

ORDINANCE NO. 2015-2877

### **AN ORDINANCE ESTABLISHING NEW RATES FOR THE GLASGOW WATER AND SEWER COMMISSION FOR RETAIL WATER AND SEWER RATES AND WHOLESALE WATER RATES**

**THAT, WHEREAS**, due to increasing operating expenses and aging infrastructure, and the Glasgow Water Company's identification of current and long-term needs assessments for the system, the Glasgow Water Company completed a 2015 Water and Sewer Analysis to determine whether the current rate structures adequately provided for the maintenance, operation and replacement/rehabilitation of its water and sewer systems;

**WHEREAS**, the Glasgow Water and Sewer Commissioners believe that, in light of the Water and Sewer Rate Analysis and the needs assessment, action should be taken to begin the process of implementing new water and sewer rates, and the Commission has unanimously recommended that the City of Glasgow, by and through its City Council, adopt an ordinance granting the Glasgow Water and Sewer Commission the authority to annually increase retail water and sewer rates and to set wholesale water rates under certain terms and conditions;

**NOW, THEREFORE, BE IT ORDAINED** by the City of Glasgow, Kentucky, as follows:

**SECTION ONE.** The Glasgow Water and Sewer Commission shall be, and hereby is, granted authority to annually increase retail water and sewer rates, subject to the following conditions:

- A. Retail Water and Sewer Rates changes must be based on increased

operating expenses and future debt service;

- B. The authority granted to the Glasgow Water and Sewer Commission hereby is limited in that, on an annual basis, the Commission may only increase the rate structures to a maximum of three percent (3%) annually;
- C. The authority granted the Commission hereby is further limited in that the authority to set rates shall expire in five (5) years from the date of the first rate increase pursuant to this Ordinance unless the City's legislative body elects to renew or extend the Commission's authority to set rates prior to the end of said five (5) year term;
- D. The Glasgow Water and Sewer Commission shall notify all of its customers, by mail, at least thirty (30) days before any rate increase becomes effective.

**SECTION TWO.** The Glasgow Water and Sewer Commission shall be, and hereby is, granted authority to set wholesale water rates at a rate necessary to keep the water system sufficient, subject to the following conditions:

- A. Wholesale water rate increases must be done in accordance with all requirements by the Kentucky Public Service Commission;
- B. With respect to the setting of wholesale water rates only, the five (5) year "sunset provision" set forth above shall not apply.

**SECTION THREE.** All existing rates presently in effect by the Glasgow Water and Sewer Commission which are not affected by the specific provisions of this Ordinance shall remain in full force and effect.

**SECTION FOUR.** This Ordinance shall take effect upon its passage and publication according to law.

  
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**DICK DOTY, MAYOR**

**ATTEST:**

  
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**TOMMIE BIRGE, CITY CLERK**

**First Reading:** 12-14-15

**Second Reading:** 12-28-15