

ORDINANCE NO. 25 - 2021

AN ORDINANCE OF THE CITY OF BEREA, KENTUCKY, REVISING THE CODE OF ORDINANCES BY REVISING SECTIONS 31.105, 32.103 AND 32.104 TO PROVIDE FOR A ONE-TIME WAIVER OF UTILITY LATE PAYMENTS.

WHEREAS the Berea City Code includes provisions in Sections 31.105 (Sewer), 32.103 (Water) and 32.104 (Electric) requiring the imposition of late fees on delinquent utility payments; and

WHEREAS, the Mayor and City Council have determined that it would be good public policy to provide for a potential one-time waiver of utility late payments due to the COVID-19 pandemic and current economic conditions; and

WHEREAS, it is necessary to amend the Code of Ordinances to achieve this objective;

NOW, THEREFORE, be it ordained by the City Council of the City of Berea, Kentucky, that the Code of Ordinances of the City of Berea be revised as follows:

SECTION I

That the Code of Ordinances is hereby amended by revising Section 31.105 so that such section shall read as follows:

§ 31.105 PENALTY FOR FAILURE TO PAY

In the event any consumer of any utility services furnished by the city fails to pay ~~his~~ the bill when the it is due, ~~a penalty as determined by the city council shall be imposed a~~ late payment penalty of ten percent (10%) shall be added to the bill; provided that a Customer may request a one-time waiver of the penalty due to extenuating circumstances, conditioned upon the following:

- a. The Customer has a payment history of twelve (12) months or more with Berea Municipal Utilities;
- b. A written request for a one-time waiver is submitted to Berea Municipal Utilities, specifying the reason for the request and the extenuating circumstances underlying the request;

- c. The Customer has had no disconnection fees, returned checks, or fees for tampering with the utilities' services within a twelve (12) month period preceding the request;
- d. The request for a one-time waiver is made within thirty (30) days of the imposition of the penalty;
- e. The account excluding the penalty is brought current by the 20th of the next succeeding month; and
- f. Acknowledgment by the Customer that the waiver does not prevent disconnection of service for non-payment.
- g. The Director of Berea Municipal Utilities shall make the final determination of the eligibility of any applicant for a one-time waiver, and the determination shall be final and non-appealable.

SECTION II

That the Code of Ordinances is hereby amended by revising Section 32.103 so that such section shall read as follows:

§ 32.103 WATER RATES

The following rates and tariffs be and the same are hereby adopted by the city for the operation of the water utility.

(A) *Class A Residential*

First 200 cubic feet (minimum bill)	\$10.00/monthly
Cubic feet over first 200	\$3.76/100 cubic feet

(B) *Class 2 Commercial*

First 200 cubic feet (minimum bill)	\$10.45/monthly
Next 1,800 cubic feet	\$3.86/100 cubic feet
Next 3,000 cubic feet	\$3.51/100 cubic feet
Next 5,000 cubic feet	\$3.11/100 cubic feet
Next 5,000 cubic feet	\$2.56/100 cubic feet
Over 15,000 cubic feet	\$2.26/100 cubic feet

(C) *Class 3 Industrial*

First 200 cubic feet (minimum bill)	\$10.45/monthly
Next 1,800 cubic feet	\$3.86/100 cubic feet
Next 3,000 cubic feet	\$3.51/100 cubic feet
Next 5,000 cubic feet	\$3.11/100 cubic feet
Next 5,000 cubic feet	\$2.56/100 cubic feet
Over 15,000 cubic feet	\$2.26/100 cubic feet

(D) *Class 6 Wholesale Service* - This class of service is also subject to the applicable rules and regulations adopted from time to time for the Berea Municipal Water Utility by the City Council.

Garrard County Water Association

Per cubic foot for all water used \$0.0162490

Southern Madison Water District

Per gallon for all water used \$0.0021720

(E) *Class 7 Fire Protection*

6 inch sprinkler line \$41.00/monthly

8 inch sprinkler line \$57.00/monthly

10 inch sprinkler line \$74.00/monthly

12 inch sprinkler line \$90.00/monthly

(F) *All Classes*

(1) *Late payment charge:* 10% will be added if bill is not paid by the 10th day after billing date; provided that the one-time waiver of delinquent utility bills specified in Section 31.105 shall also apply to water bill delinquencies.

(2) *Reconnect charges:* \$20.00.

(3) *Discontinuance of service for non-payment:* If the account is not paid by the 20th day after the date of mailing of the monthly bill, service may be discontinued in accordance with the rules and regulations of the Berea Municipal Water Utility.

(4) *Additional charges:* There shall be added to the bill of each customer as a separate item:

(a) A franchise replacement fee equal to 3% of the gross bill for the water service provided, pursuant to Ordinance No. 16-04; and

(b) An amount equal to the proportionate share of any license, franchise or similar fee or tax now or hereafter imposed upon the Berea Municipal Water Utility by any governmental body or entity, including but not limited to Berea Independent School District or the Madison County School District, or the Kentucky River Authority or similar administrative or governmental body.

(5) *Revenue stabilization adjustment:* A monthly adjustment, which may either be a charge or credit, shall be applied for the purpose of providing for the difference between Berea's budgeted cost of service and projected revenues for the current fiscal year. Cost of service shall include operation and maintenance expenses, interest and principal on debt, average extensions and replacements, and margins. The adjustment shall be determined prior to the beginning of each fiscal year and remain in effect for the entire fiscal year. For customers taking service under Residential Service - Class 1, Commercial - Class 2, or Industrial - Class 3, the revenue stabilization adjustment shall be applied as charge or credit per cubic foot or gallon, whichever is applicable.

(6) *Penalty fee for tampering with metering device:* In the event a customer, or anyone on the customer's behalf, reconnects service or otherwise tampers with the service connection or metering device after service is terminated for non-payment, then

(a) BMU is authorized to disconnect the service and/or remedy the tampered with service connection or metering device, and (b) the customer shall be assessed a penalty fee of \$500.00, in addition to any reconnect charges, to be added to the customer's bill of account at BMU, and BMU shall not provide service to the customer until the full amount of the customer's account, including any penalty fee and overdue service payment, is paid and satisfied in full.

SECTION III

That the Code of Ordinances is hereby amended by revising Section 32.104 so that such section shall read as follows:

§ 32.104 ELECTRIC RATES

The following rates and tariffs be and the same are hereby adopted by the city for the operation of the electric utility.

- (A) *Class 1 Residential*
 - Service charge (minimum bill) \$12.00/monthly
 - Energy charge (each kwh) \$0.0559
- (B) *Class 2 Commercial*
 - Service charge (minimum bill) \$15.00/monthly
 - Energy charge (each kwh) \$0.0595
- (C) *Class 3 Large Commercial*
 - Minimum charge \$18.75/monthly
 - Demand charge (each kwh) \$3.90
 - Energy charge (each kwh) \$0.0485
- (D) *Class 4 Industrial and Large Commercial*
 - Minimum charge \$939.00/monthly
 - Demand charge (each kwh) \$8.10
 - Energy charge (each kwh) \$0.0485
- (E) *Class 5 Primary Metering Customer Owned/Leased Transformers*
 - Minimum charge \$900.00/monthly
 - Demand charge (each kwh) \$7.85
 - Energy charge (each kwh) \$0.0359
- (F) *Class 6 Primary Metering Non-Owned/Leased Transformers*
 - Demand charge (each kwh) \$7.15
 - Energy charge (each kwh) \$0.0369
- (G) *Class 8 Private Outdoor Lighting Service*
 - Mercury vapor
 - 175 watt standard overhead \$7.05/monthly
 - 175 watt existing pole \$6.05/monthly
 - 400 watt existing pole \$9.50/monthly
 - High pressure sodium
 - 70 watt standard overhead \$4.15/monthly
 - 70 watt existing pole \$3.15/monthly
 - 100 watt standard overhead \$5.10/monthly
 - 100 watt existing pole \$4.55/monthly
 - 250 watt standard overhead \$10.00/monthly
 - 250 watt existing pole \$9.35/monthly
- (H) *Class 9 Net Billing Service*
 - (1) *Applicability.* In all territory served by Berea Municipal Utilities (BMU).

(2) *Availability of service.* Available to customers who lease or own, operate, and maintain a generation system located on customer's premises that use as its total fuel source solar, wind or hydro energy, or fossil fuel in parallel with BMU's written net metering notification form. The generation system shall be limited to a maximum capacity of ten kilowatts for residential customers and 60 kilowatts for non-residential customers/ This service will be made available to BMU electric customers. not to exceed 1% of BMU peak system demand, who execute and submit a net metering application and notification form. the initial limit will be 360kW to be re-evaluated every three years.

(3) *Application.* The customer shall submit a completed net metering application form including generator sizing with schematic prior to construction. BMU will provide technical guidance and forms within application process.

(4) *Notification.* The customer shall submit a completed net metering notification form to BMU at least 30 days prior to the date the customer intends to interconnect his generator to BMU's facilities. Customer shall have all equipment necessary to complete the interconnection installed prior to such notification. The company shall have 30 days from the date of notification to determine whether the customer has satisfied the section requirements and shall notify customer. The date of notification shall be the third day following the mailing of the net metering notification form by customer. Customer may interconnect his generator 31 days after the date of notification, and begin operation unless BMU provides notification of non-compliance to the section, prior to the thirty-first day.

(5) *Metering and billing.* Net metering service shall be measured in accordance with standard metering practices by metering equipment capable of measuring (but not necessarily displaying) power flow in both directions. If electricity generated by the customer and fed back to BMU's system exceeds the electricity supplied to the customer for the system during a net metering period, the customer shall receive no compensation from BMU unless the customer has entered into a purchase power contract with BMU. If electricity generated by the customer and fed back the system exceeds the electricity supplied to the customer from the system during any monthly billing period, resulting in a billing period credit, the customer shall be required to pay only the non-energy charged for that billing period. Any excess net generation by the customer shall be accumulated, carried forward and applied at the first opportunity to any monthly billing periods having a positive net consumption. Any accumulated billing period credits remaining unused at the end of a monthly net metering period shall be carried forward into the next monthly net metering period for a 12 month period when all credits will expire and zero out. Net metering service shall be measured using a single meter or, as determined by BMU, additional meters.

(6) *Rates.*

(a) For customers with rated generating capacity not exceeding ten (10) kilowatts, net energy usage shall be billed at currently kWh residential rates.

(b) For customers with rates generating capacity exceeding ten (10) kilowatts, net energy usage shall be billed at avoided cost or wholesale kWh currently charged by KU to BMU.

(7) *Liability insurance.* A customer with a generator with a rated capacity not exceeding ten (10) kilowatts shall maintain homeowners, commercial, or other

insurance providing coverage in the amount of at least \$100,000 for the liability of the insured against loss arising out of the use of a generator, and for a generator with a rated capacity exceeding ten (10) kilowatts such coverage shall be in the amount of at least \$300,000.

(8) *Additional controls and tests.* BMU may install additional controls of meter, or conduct additional test as it may deem necessary.

(9) *Net metering service interconnection guidelines.* Customer shall operate the generating facilities in parallel with BMU's system under the following conditions and any other conditions required by BMU where unusual conditions arise not covered herein:

(a) Customer to own, install, and maintain all generating facilities on their premises. Such facilities shall include, but not be limited to, necessary control equipment to synchronize frequency, voltage, etc., between customer's and BMU's system as well as adequate protective equipment between the two systems. Customer's voltage at the point of interconnection will be the same as BMU's system voltage.

(b) Customer will be responsible for operating generators and all facilities owned by customer except as specified hereinafter. Customer will maintain its system in synchronization with BMU's system. Customer's equipment must be located in a BMU approved location and may not interfere with the operation, maintenance and access of BMU equipment.

(c) Customer will be responsible for any damage done to BMU's equipment due to failure of customer's control, safety, or other equipment.

(d) BMU, at its discretion, may require a suitable lockable, BMU accessible, load breaking manual disconnect switch or similar equipment, as specified by BMU, to be furnished by customer at a location designated by BMU to enable the separation or disconnection of the two electrical systems. The load breaking manual disconnect switch must be accessible to BMU at all times.

(e) Customer agrees to inform BMU of any changes it wishes to make in its generating and/or associated facilities that is different from those initially installed and described to BMU in writing and obtain prior approval from BMU.

(f) BMU will have the right to inspect and approve customer's facilities, described herein, and conduct any tests necessary to determine that such facilities are installed and operating properly. However, BMU will have no obligation to inspect, witness tests or in any manner by responsible for customer's facilities or operation.

(g) The customer assumes all responsibility for the electric service on the customer's premises at and from the point of delivery of electricity from BMU and for the wires and equipment used in connection therewith, and will protect and save BMU harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of electricity from BMU, occasioned by such electricity or said wires and equipment, except where said injury or damage will be shown to have been occasioned solely by the negligence of BMU.

(10) *Conditions of interconnection.* A customer may begin operation of his generator on an interconnected basis when all of the following have been satisfied:

(a) The customer has properly notified Berea municipal utilities (BMU) of his intent to interconnect by submission of the completed net metering notification form.

(b) The net metering customer has installed a lockable, BMU accessible, load-breaking manual disconnect switch, if required.

(c) A licensed electrician has certified, by signing the net metering notification form, that any required manual disconnect switch has been installed properly and that the generator has been installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code.

(d) The vendor has certified, by signing the net metering notification form, that the generator being installed is in compliance with the requirements established by underwriters laboratories, or other national testing laboratories.

(e) The customer has had the inverter settings inspected by BMU, if the generator is a static inverter-connected generator with an alternating current capacity in excess of ten (10) kilowatts. BMU may impose a fee on the customer for such inspection, which will be actual cost not exceeding \$50 per inspection.

(11) *Definitions.* The following definitions shall apply to this subchapter as written unless context indicates or requires a different meaning.

BILLING PERIOD. The time period between the dates on which Berea municipal utilities issued the customer's bills.

BILLING PERIOD CREDIT. The electricity generated by the customer that flows into the electric system and which exceeds the electricity supplied to the customer for the electric system during any billing period.

NET METERING PERIOD. Each successive twelve (12)-month period beginning with the first meter reading date following the date and final interconnection of the generator with the Berea municipal utilities facilities.

(12) *Rules and regulations.* Except as provided herein, service will be provided under Berea municipal utilities' rules and regulations or terms and conditions.

(I) *All classes*

(1) *Late payment charge:* 10% will be added if bill is not paid by the 10th day after billing date; provided that the one-time waiver of delinquent utility bills specified in Section 31.105 shall also apply to electric bill delinquencies.

(2) *Reconnect charges:* \$20.00.

(3) *Discontinuance of service for non-payment:* If the account is not paid by the 20th day after the date of mailing of the monthly bill, service may be discontinued in accordance with the rules and regulations of the Berea Municipal Electric Utility.

(4) *Additional charges:* There shall be added to the bill of each customer as a separate item:

(a) A franchise replacement fee equal to 3% of the gross bill for the water service provided, pursuant to Ordinance No. 16-04; and

(b) An amount equal to the proportionate share of any license, franchise or similar fee or tax now or hereafter imposed upon the Berea Municipal Electric Utility by any governmental body or entity, including but not limited to Berea Independent School District or the Madison County School District, or the Kentucky River Authority or similar administrative or governmental body.

(5) *Revenue stabilization adjustment:* A monthly adjustment, which may either be a charge or credit, shall be applied for the purpose of providing for the difference between Berea's budgeted cost of service and projected revenues for the current fiscal

year. Cost of service shall include operation and maintenance expenses, interest and principal on debt, average extensions and replacements, and margins. The adjustment shall be determined prior to the beginning of each fiscal year and remain in effect for the entire fiscal year. For customers taking service under Residential Service - Class 1, Small Commercial - Class 2, Large Commercial - Class 3, Industrial and Large Commercial - Class 4, Industrial and Large Commercial - Class 5, Industrial and Large Commercial - Class 6, and Net Billing Service - Class 9, the revenue stabilization adjustment shall be applied as charge or credit to the customer service charges or minimum charges. For customers taking service under Private Outdoor Lighting - Class 8, the revenue stabilization adjustment shall be applied as a charge or credit per light per month.

(6) Changes in wholesale energy costs. All increases or decreases in the cost of electric power by the Municipal Utility's wholesale energy provider shall be applied as a charge or credit per KW and/or KWh.

(7) *Penalty fee for tampering with metering device:* In the event a customer, or anyone on the customer's behalf, reconnects service or otherwise tampers with the service connection or metering device after service is terminated for non-payment, then (a) BMU is authorized to disconnect the service and/or remedy the tampered with service connection or metering device, and (b) the customer shall be assessed a penalty fee of \$500.00, in addition to any reconnect charges, to be added to the customer's bill of account at BMU, and BMU shall not provide service to the customer until the full amount of the customer's account, including any penalty fee and overdue service payment, is paid and satisfied in full.


SECTION IV

All ordinances or parts of ordinances in conflict herewith are repealed. This ordinance shall be published according to law.

FIRST READING: October 5, 2021.

SECOND READING AND ENACTMENT: October 19, 2021.

APPROVED BY:



Bruce Fraley, Mayor

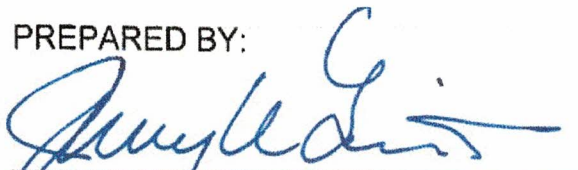
ATTEST:



Clerk of the City Council

Published this 27th day of October, 2021.

PREPARED BY:



Corporate Counsel