ORDINANCE NO. _____, SERIES 2026

AN ORDINANCE AMENDING SECTION 50.24 OF THE LOUISVILLE METRO CODE OF ORDINANCES ("LMCO") TO AMEND THE DEBT SERVICE ADJUSTMENT.

SPONSORED BY: COUNCIL MEMBERS REED AND PIAGENTINI

WHEREAS, pursuant to Chapter 76 of the Kentucky Revised Statutes, the Louisville and Jefferson County Metropolitan Sewer District (hereinafter "the District" or "MSD") has been created and organized as a public body corporate, and is a valid political subdivision in good standing under the law of the Commonwealth of Kentucky;

WHEREAS, pursuant to Chapter 76 of the Kentucky Revised Statutes, the District is empowered: to have jurisdiction, control, possession, and supervision of the existing sewer and drainage system of the Louisville/Jefferson County Metro Government; to maintain, operate, reconstruct and improve the sewer and drainage system; and to make additions, betterments and improvements to the sewer and drainage system, with the power and authority to set its rates, rentals and charges for wastewater and drainage services;

WHEREAS, the Legislative Council of Louisville/Jefferson County Metro Government would like to amend the debt service adjustment percentage to be based upon the consumer price index plus one percent, rather than an arbitrary and static fixed percentage.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AS FOLLOWS:

SECTION I. LMCO Section 50.24 is hereby amended as follows:

§ 50.24 DEBT SERVICE ADJUSTMENTS

(A) Whenever the Metropolitan Sewer District's (MSD's) net revenues are less than 1.10 times the debt service on MSD's outstanding revenue bonds for any consecutive six-month period, by order of the Board of MSD, the schedule of wastewater and stormwater service charges shall be amended in order to maintain a 1.10 debt service coverage required by MSD's 1971 bond authorizing resolution which was approved by the City of Louisville Ordinance Number 86, Series 1971, and by Ordinance No. 25, Series 1979 as amended by Ordinance No. 32, Series 1986, and Ordinance No. 152, Series 1979 as amended by Ordinance No. 388, Series 1986, provided that the aggregate of such adjustments for any 12-month period shall not generate additional revenue from wastewater services in excess of ~~7%~~the percentage change in CPI plus one percent. An explanation of proposed rate increases in excess of 4% shall be delivered to the Metro Council at least 60 days prior to MSD Board approval.

(B) The term ***NET REVENUES*** is defined as gross revenue from wastewater service charges less operating expenses and debt payments other than debt service payments on MSD's outstanding revenue bonds.

(C) The term ***CPI*** is defined as the nonseasonally adjusted United States city average of the Consumer Price Index for all urban consumers for all items, as released by the federal Bureau of Labor Statistics.

(D) The term ***PERCENTAGE CHANGE IN THE CPI*** is defined as the percentage change in CPI from one (1) year to the next based on averaging the twelve (12) consecutive months of CPI data for each of the two (2) immediately preceding calendar years and then using those two (2) averages to calculate a year-over-year percentage change.

SECTION II. That this Ordinance shall take effect upon its passage and approval, or otherwise becoming law.

_____	_____
Sonya Harward Metro Council Clerk	Brent Ackerson President of the Council
_____	_____
Craig Greenberg Mayor	Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

BY: _____

O-161-26 MSD Amend LMCO 50.24 Debt Service Adjustment 05-28-26 (lf)