

COMMISSIONERS' ORDINANCE NO. O-15-22

AN ORDINANCE AMENDING CHAPTER 50.13 OF THE COVINGTON CODE OF ORDINANCES ESTABLISHING THE STORM WATER AND FLOOD MANAGEMENT FUND TO ESTABLISH SUBORDINATE RESERVE ACCOUNTS TO SUPPORT THE BACKUP ASSISTANCE PROGRAM AND CAPITAL PROJECTS ADDRESSING THE INADEQUACIES OF THE COMBINED SEWER SYSTEM.

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WHEREAS, Chapter 50 of the Covington Code of Ordinances sets forth the City's Sewer, Storm Water, and Water Systems; and

WHEREAS, the establishment of reserve accounts is necessary to achieve the City's goals of administering various services authorized by this chapter.

NOW THEREFORE,
BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE CITY
OF COVINGTON, KENTON COUNTY, KENTUCKY:

Section 1

Section 50.13 of the Covington Code of Ordinances is amended to read as follows:

§ 50.13 ESTABLISHMENT OF STORM WATER AND FLOOD MANAGEMENT FUND.

(A) The storm water and flood management program is established and the storm water system is provided to protect the waterways and land in the city by managing flooding and to benefit the natural environment. The cost of designing, developing, improving, operating, maintaining, and monitoring the storm water system required in the city should, therefore, be allocated to the extent practicable, to all property owners based on their impact on the storm water system. In order to provide revenue to fund those costs and to fairly allocate those costs, a Storm Water and Flood Management Fund ("the Fund") is established.

(B) All revenues collected for the purpose of storm water and flood management from user fees, grants, permit fees, and other charges collected under the subchapter, shall be deposited into the Fund. The City Board of Commissioners may make additional appropriations to the Fund. All disbursements from the Fund shall be for the purposes of the Fund as set forth in this subchapter. The fund shall be administered per KRS 91A.530.

(1) Within the Storm Water and Flood Management Fund there are established two subordinate reserve accounts:

(a) The Insurance Reserve is established to provide financial reserves for the Backup Assistance Program. The Insurance Reserve is available to pay any claims or costs arising out of the Backup Assistance Program Agreement.

a. The Reserve shall be shall be initially funded with \$250,000. The appropriation shall carry forward at the conclusion of each fiscal year and shall not lapse. Any payments made from the Reserve shall be replenished from the Fund at the start of the next fiscal year. The appropriation shall be reevaluated every three years to determine the sufficiency of the fund in light of the number of agreements and the actual risk experience. After each re-evaluation the City Manager may recommend an increase or decrease in the funding level of the Reserve for consideration by the Board of Commissioners.

b. If the Insurance Fund is insufficient to pay the claims or costs attributable to the Backup Assistance Program Agreement, other revenues available in the Storm Water and Flood Management Fund, including the Major Capital Project Reserve, may be used upon approval of the Board of Commissioners to pay such claims or costs.

(b) The Major Capital Project Reserve is established to provide financial resources to address the inadequacies of the combined sewer system that result in basement and/or street flooding.

a. The combined sewer system is owned by Sanitation District No. 1. The Reserve is intended to pay to upgrade the combined sewer system beyond the service level standards of SD1 to a service level standard determined by the City, so as to more substantively eliminate or reduce the frequency of street and/or basement flooding.

b. The Reserve is intended to be used to supplement the funds available to SD1 for service upgrades of the combined sewer system

c. The Major Capital Project Reserve fund shall be allocated \$500,000 from each year's anticipated receipts. In addition, 100% of the unobligated carry forward from the preceding fiscal year shall be

allocated to the Reserve. The appropriation shall carry forward at the conclusion of each fiscal year and shall not lapse.

- d. The Reserve may be used for debt service to repay the costs of indebtedness incurred to correct the inadequacies of the combined sewer system.**
- e. The Reserve shall be reevaluated every five years to determine the sufficiency of the funding level in light of the number of identified projects, their projected costs, and debt obligations, if any. After each re-evaluation the City Manager may recommend an increase or decrease in the funding level of the Reserve for consideration by the Board of Commissioners.**
- f. This Reserve shall be used only to support improvements to the combined sewer stem and may not be used for the purchase of equipment or other capital projects.**

(C) The city may expend general fund dollars to begin the transition from Sanitation District No. 1 to Covington complying with the KPDES permit and other requirements. Said amounts shall be itemized and submitted to the City Board of Commissioners for the reimbursement of the general fund for dollars expended on stormwater services. Going forward, any transfers from the general fund, for which reimbursement may be sought, shall be first identified and approved by the City Board of Commissioners.

(D) Nothing shall prohibit the city from seeking to borrow funds necessary to fund the stormwater program set forth herein, either from either a financial institution and/or the city's general fund.

(Ord. O-02-21, passed 2-23-2021)

Section 4

That this ordinance shall take effect and be in full force when passed, published and recorded according to law.


MAYOR

ATTEST:



CITY CLERK

Passed: August 9, 2022 (Second Reading)

July 19, 2022 (First Reading)