

1 AN ACT relating to the extension of municipal utility service.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 96.150 is amended to read as follows:

4 (1) Any city that owns or operates a water supply or sanitary sewer system may extend
5 the system into, and furnish and sell water and provide sanitary sewers to any
6 person within, any territory contiguous to the city, and may install within that
7 territory necessary apparatus; provided, however, that the extension of a water
8 supply or sanitary sewer system shall not enter into any territory served by an
9 existing water supply or sanitary sewer district unless such district requests the
10 extension of water or sewer services from a city. For these purposes the city or
11 sanitation authority established by an interlocal agreement may condemn or
12 otherwise acquire franchises, rights, and rights-of-way, as private corporations may
13 do.

14 (2) When extending the system to any person, water district, or water association, the
15 city may consider the installation of fire hydrants on the extended lines. The city
16 may extend water lines which are incapable of servicing fire hydrants only if the
17 city determines that servicing hydrants is not feasible. The determination shall
18 include consideration of the incremental costs of adequately sized pipe and
19 associated pumps and towers, and the benefits of real estate development, water
20 sales, the availability of fire protection insurance, and the reduction in fire insurance
21 premiums which may result from the installation of hydrants at specified intervals.
22 When extending lines to a water district or water association, the determination may
23 be made in consultation with the district or association, taking into consideration
24 their fiscal capacity.

25 **(3) *Notwithstanding any provision of law to the contrary, if a city that owns or***
26 ***operates a water supply or sanitary sewer system extends its system into territory***
27 ***that is served by an existing water supply or sanitary sewer system pursuant to***

1 subsection (1) of this section, and the city-owned or operated system fails to
2 provide water or sanitary sewer service to the newly extended service territory
3 within the time period specified by agreement with the previous service provider
4 or its customers, then any customer in that newly extended service territory may
5 elect to receive its water or sanitary sewer service from the previous provider in
6 the territory for as long as the service is available.

7 ➔Section 2. Subsection (3) of Section 1 of this Act shall apply retroactively to all
8 customers whose properties have been included in the extension of a municipal water
9 supply or sanitary sewer system's territory but have not received service from the
10 municipal utility within the time period specified by agreement with the previous service
11 provider or its customers.