

107.730 Service agreements -- Notice -- Hearing.

- (1) In connection with a privatization contract, a political subdivision, if authorized by its governing body, may enter into one (1) or more service agreements with a private owner or private owner/operator pursuant to which the private owner or private owner/operator will provide one (1) or more services to or for the benefit of such political subdivisions. The service agreement shall provide for the purchase by the political subdivision of all or any part of the capacity, capability, or output of the facilities used to provide the applicable service, and the charges or rates for such services, and shall contain such other terms and conditions as the political subdivision and the private owner or private owner/operator may agree including, without limitation, a covenant by the political subdivision to maintain rates sufficient to pay debt service incurred in connection with the financing of construction of a drinking water, water or wastewater project. The service agreement, the privatization contract, the charges and rates for services, and private owner or private owner/operator shall not be subject to the jurisdiction of the Kentucky Public Service Commission or any successor regulatory agency unless and only to the extent that the private owner or private owner/operator sells any part of the services or output of the facility to a person or entity other than the political subdivision which is a party to the service agreement.
- (2) Prior to the execution of a service agreement, the governing body of the political subdivision shall cause notice of its intention to adopt an ordinance to accomplish such service agreement to be published pursuant to KRS Chapter 424. The notice shall set forth a brief summary of the service agreement provisions, and set a time and place for a public hearing to be conducted by the executive authority of the local government. The notice shall be published each week for a period of two (2) weeks, the first publication being not less than thirty (30) days prior to the adoption of the ordinance approving the execution of the service agreement. The hearing may be held in conjunction with any hearing on the question of issuing bonds to finance the cost of the privatization project, or on the question of adoption of the service agreement, or any other question. A copy of the proposed service agreement shall be filed as a public record with the clerk of the political subdivision not less than thirty (30) days prior to its adoption.

Effective: July 15, 1986

History: Created 1986 Ky. Acts ch. 456, sec. 4, effective July 15, 1986.