



City Commission Meeting Highlights

Tuesday, March 26, 2019, at 5:30 p.m. at City Hall

New Paducah Water Rates Proposed by Paducah Water (vote April 9)

The Paducah Board of Commissioners introduced an ordinance to repeal the current Paducah Water rates and introduced an ordinance to set new rates. General Manager Bill Robertson and Office Manager Tillman Burnett made a presentation to the Board about Paducah Water's structure, assets, and current financial challenges.

Paducah Water was started by investors in 1885 and purchased by the City in 1930. The Board of Commissioners of Waterworks governs Paducah Water; however, the lowering or raising of water rates must be ratified by the City Commission. Paducah Water has 51 employees with an annual budget of \$11.5 million. The system has a 19.99 mgd water treatment plant, 631 miles of water mains, seven storage tanks, and five pump stations. More than 66,000 people are served by Paducah Water which has a service area including McCracken County and small portions of Graves County and Marshall County.

Robertson said that over several years the cost to comply with Federal water quality regulations, increased pension costs, increased electricity costs, and a general decline in water use per customer have reduced net operating revenue to a point that Paducah Water has insufficient revenue to properly operate and maintain its facilities. He added that the current rate structure does not provide adequate revenue to meet existing needs or provide funding to replace water meters or remove lead service lines within the distribution system.

Robertson proposes changing the rate structure saying that the current structure has smaller water users subsidizing the larger volume users. The proposed changes include removing the upper two rate blocks: users that consume 500,001 to 1 million gallons and users that consume more than 1,000,001 gallons per month. Those rate blocks would be replaced with one rate block with a charge of \$2.02 per 1000 gallons for users who consume more than 500,001 gallons per month. Robertson also proposes reducing the monthly rate for the consumers who use 1500 gallons or less per month.

Another proposed rate change is the addition of a flat customer charge of \$2 per month effective July 1. This flat fee would be in addition to the water consumption costs. The flat fee would increase to \$3 per month per customer effective July 1, 2020, and then increase to \$4 per month effective July 1, 2021.

Robertson also provided a comparison between the proposed rates and the monthly average of other water utilities in Kentucky. The estimated monthly water cost for a Paducah Water user that consumes 5000 gallons of water would be \$27.51. The Kentucky average is \$39.75 per month for a 5000 gallon per month user.

Robertson said that the proposed rate adjustment would allow Paducah Water to eliminate lead service lines in the distribution system, provide for 30-day meters reads for all consumers, and provide for the installation of an automated meter system that would allow customers to view and manage their water usage.

Kresge Demolition Project – Change Order with Contractor and Addendum to Contract

At the February 26 meeting of the Paducah Board of Commissioners, the Board approved an emergency ordinance for a contract with Danny Cope & Sons Excavating, LLC in the amount of \$573,000 for the emergency demolition of the building at 318 Broadway also known as the Kresge Building. At this meeting, the Board approved an ordinance for Change Order No. 1 which adds \$14,160 to the contract. The change order is due to the addition of support brackets on the wall that adjoins the Regions Bank building. Also at this meeting, the Board approved an emergency ordinance for an addendum to the agreement with Danny Cope & Sons. The emergency ordinance allows for partial payments to be provided to the contractor based on the percentage of the demolition project completed.

The City purchased the building in October 2018 for less than \$400 as part of a foreclosure process with the intent to raze the deteriorated building and advocate for future redevelopment. The building had not been occupied for more than two decades. However, in mid-February, several bricks fell from the building's façade accelerating the need to demolish the



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building since it was declared a public safety threat. The demolition process included stabilizing the building's front and back walls. Then, the interior walls were detached from the adjacent buildings. Currently, the majority of the building has been razed with the contractor now focusing on removing the debris and grading the site.

City Hall Project – Marcum Engineering Contract Amendment

The Paducah Board of Commissioners approved an ordinance for Contract Amendment #1 with Marcum Engineering, LLC for the City Hall Renovation Project. Marcum has provided the design and construction administration services on the project. The City approved a fee of \$337,000 for the project which went into effect in April 2017. This amendment increases Marcum's contract by \$59,500 to a total contract amount of \$396,500. The contract increases are due to a variety of factors including the addition of landscaping and lighting services, coordination with the Kentucky Heritage Council, time extensions due to construction, and additional services due to concrete podium changes and the abatement of materials.

Tennessee RiverLine Pilot Community Program Application Resolution

The Paducah Board of Commissioners approved a joint resolution with the McCracken County Fiscal Court supporting Paducah's application to the Tennessee RiverLine Pilot Community Program. The Tennessee RiverLine is a proposed system of multi-modal trails along the 652-mile Tennessee River system. Paducah would be the northern terminus of the trail system. River Discovery Center Executive Director Julie Harris said, "This is a fascinating project. It has the potential to reap lifetime benefits for Paducah." As the partnership of organizations work to develop the Tennessee RiverLine program and determine how individual communities can get involved, the pilot program includes a community leader workshop, a community engagement event, and a research report. The partnership working on the program includes support of the National Park Service, the Nature Conservancy, Tennessee Valley Authority, University of Tennessee, Tennessee Department of Health, City of Knoxville, River Discovery Center, and the Tennessee Aquarium.

Quick Highlights

- Convention & Visitors Bureau Executive Director Mary Hammond introduced Anita Dixon. Dixon is from Kansas City, Missouri, a UNESCO Creative City of Music. Kansas City has been a UNESCO city for about two years. Dixon said she visited Paducah when Kansas City was working on its application. Dixon said, "Paducah set the highest bar to what a UNESCO city can be." Dixon also discussed the importance of creative economies.
- Mayor Harless proclaimed April 2019 as National Limb Loss Awareness Month.
- Municipal Order approved to submit an application requesting \$750,000 through the National Parks Service Historic Revitalization Subgrant program. If awarded, the Planning Department would use the funds to assist in the exterior rehabilitation of properties in Paducah that are listed or eligible to be listed on the National Register of Historic Places.
- Municipal Order approved to modify the scope of items in the FY2018 Kentucky Office of Homeland Grant so that funds could be used to purchase body armor plates, medical kits, and other items in addition to bomb suits.
- Municipal Order approved authorizing the application of a \$3000 request to the Kentucky League of Cities Insurance Services Safety Grant Program. The City is requesting funds that would be used in part for personal protective equipment and safety signage. This grant requires the City to provide an equal match.
- Municipal Order approved adopting the interlocal agreement between the Paducah Fire Department and the Paducah-McCracken County Office of Emergency Management for disaster and rescue services. This is an update of the last agreement which was approved in 2004.
- Municipal Order approved authorizing an extension of time to rehabilitate 421 North 5th Street, the last city-owned structure in the Lower Town inventory. Adam Moyers and Brandi Harless purchased the property in 2015 and have since stabilized the structure, re-pointed the brick, removed the non-historic deck, and installed a new roof. They have invested approximately \$30,000 in the renovations. This Municipal Order provides an extension of time until July 31, 2020, to complete the rehabilitation of the structure. Note: Mayor Harless recused herself from the vote. Municipal Order was approved with a 4 to 0 vote.
- Ordinance approved for the final plat of subdivision for Ridgewood Villas Phase II. This property which is the site for duplexes and condominiums that are under construction is located at 319 Bleich Road.
- Ordinance introduced (vote April 9) to amend Chapter 46 of the Paducah Code of Ordinances to adopt addressing standards for properties and buildings in the City of Paducah.

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