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Amendment to Louisville Metro Ordinance Filed

Would give MSD Board more discretion to fund the needs of the district

A proposal that would amend an existing Louisville Metro Ordinance concerning the MSD Board of Directors was filed on Monday, November 27, 2017. The Amendment is sponsored by:

- Barbara Sexton Smith, Louisville Metro Council, District 4
- David James, Louisville Metro Council, District 6
- Stuart Benson, Louisville Metro Council, District 20

This amendment to the existing ordinance would give the MSD Board the authority needed to fund the necessary improvements outlined in MSD's Critical Repair & Reinvestment Plan while continuing to meet obligations to the Consent Decree. The amendment would allow MSD's Board to set annual rate increases up to 10 percent for the next four years. After the four-year period, their authority would return to the present level of 7 percent for an annual rate increase.

MSD Executive Director Tony Parrott states, "We believe this is necessary to address issues with our aging infrastructure that must be maintained and refurbished in order to serve a growing community. Louisville's aging wastewater, stormwater and flood-protection systems were built to support a community much smaller than our current city. Some, in fact, were built in the 1860s, around the time of the Civil War. Louisville residents and businesses are impacted when sometimes century-old sewers inevitably fail – such as the recent roadway cave-in resulting from the collapse of a vital sewer line carrying approximately **one-third** of the community's wastewater at the busy intersection of East Main and Hancock streets. Fortunately, no one was injured, but this cave-in still resulted in more than six weeks' worth of work, street closures and neighborhood disruption."

Louisville Metro Mayor Greg Fischer says, "Protecting homes and businesses from flooding is essential for our citizens' well-being, safety, and future economic growth. MSD leadership and its board have worked the past year to educate the public on the need for a significant investment in our flood protection system including upgrades to viaducts, aging sewer system and our water quality treatment centers. What is needed now is a bipartisan consensus from the Metro Council to ensure the community supports this approach, an approximately \$4 billion investment. We also need a consensus approach on a method for low-income and fixed-income citizens who need help paying the increased rate, which is \$5 per month for the average customer. Councilmen David James and Stuart Benson and Councilwoman Barbara Sexton Smith are sponsoring this ordinance and have assured me they have the bipartisan votes to pass the legislation. I want to assure the council, that if they approve this critical ordinance, I will sign it."

Background

In the past 12 years, MSD has invested more than \$400 million toward achieving compliance with a federal Consent Decree meant to improve area waterways, protect public health, and enhance the community's quality of life by reducing sewer overflows countywide. An estimated \$540 million of work is still necessary to reach the mandatory completion by December 2024.

And while neighborhoods and commercial areas across Louisville have benefitted from the Consent Decree investment, the magnitude of the required cost has stymied MSD's ability to invest in normal upkeep, repair and replacement of other critical areas of the system. The result of this deferred investment is that Louisville's aging system of pipes, pumps, treatment plants and floodgates is now in urgent need of rehabilitation. Serious failures are occurring at an increasingly rapid pace. Rainfall totals that once could be managed by the system now overwhelm it, a risk heightened by an increased frequency of extreme storms.

MSD's 20-year comprehensive Critical Repair & Reinvestment Plan, developed in cooperation with six outside engineering firms, consolidates planning for facility rehabilitation, renewal, replacement, upgrade, and expansion across all its service areas.

Community Support

"The most serious threat to our community is our crumbling infrastructure. Our streets and sewers are caving in and lives are at risk. This is a public safety issue and we all must work together to make sure everyone is safe. Much of our MSD system was built more than 150 years ago for 68,000 people. Today more than 780,000 people live in Jefferson County. We saw Broadway and Main Street cave in and we saw families carried out of their subdivision near the zoo in motorized rafts in 2015. Whose baby will be next?"

The most publicized example recently was the major sewer cave-in near Hancock and Main Street, which caused a several-week closure and negative impacts to our entire city. Our floodwall and pumping stations are in desperate need of repair. The proposal being considered by the Metro Council will give the MSD Board the authority to increase our rates with limits over the next four years. We will require MSD to report their progress detailing the work and costs associated with each project at least twice each year. I support this measure to address the risks impacting public safety and public health of everyone in our community."

— *Barbara Sexton Smith, Louisville Metro Council, District 4*

In a letter to MSD: "As we continue to become a world-class region, we must outline and fund a long-term plan" for rebuilding MSD infrastructure. "Without a stable and strong infrastructure, the region's public safety and real estate investments are at risk."

— *Building Industry Association of Greater Louisville*

— *Greater Louisville Association of Realtors*

— *Mortgage Bankers Association of Louisville Kentucky*

"As we understand it, this is a matter of public health and safety, with the magnitude of the risk of not investing in our infrastructure being too great to ignore."

— *Sadiqa N. Reynolds, President & CEO Louisville Urban League*

“Mayor Fischer, Metro Council, and MSD’s public leadership on this topic is greatly appreciated. Improving Louisville’s aging sewage and stormwater systems is vital to growing the regional economy. Our ability to keep Greater Louisville competitive in the global marketplace for business and talent attraction hinges upon maintaining our infrastructure.”

— Kent Oyler, President and CEO of Greater Louisville Inc.

“Since 2006, I have served on an MSD committee to help our community think about a positive, comprehensive, future-oriented approach to improving our infrastructure and clean up our waterways. Consider the alternative: floodwaters over half of our hometown and waterways so polluted they are a threat to public health. I believe we must act. The Ohio River will flood again; it is not a question of if, only when.”

— David Wicks, Letter to the Editor, The Courier-Journal

About MSD

The Louisville/Jefferson County Metropolitan Sewer District (MSD) works to achieve and maintain clean, environmentally safe waterways for a healthy and vibrant community. The organization’s more than 630 employees provide wastewater management, drainage and flood protection services across the 376 square miles of Louisville Metro. In addition to operating and maintaining Louisville Metro’s sewer system, floodwall system, water quality treatment centers and flood pumping stations, MSD invests in hundreds of infrastructure improvement projects each year, plants more than 1,000 trees and other vegetation annually to enhance water filtration and reduce runoff, and provides numerous outreach programs to inform and educate the community about protecting our waterways.