



MSD'S DRAINAGE/FLOOD PROTECTION UTILITY

MSD would like to provide a detailed explanation of the drainage service charge; who pays it; the rate structure; why it was enacted; what services it funds; and; its benefits to the community. It is also our best effort at presenting MSD related issues in the most transparent and consistent message. We would also encourage anyone to pass this document along to others that may have questions about this issue.

The following will provide an in depth look at the MSD Drainage/Flood Protection Utility.

INCEPTION: The MSD Drainage/Flood Protection Utility went into service on January 1, 1987. The purpose was to provide stormwater drainage conveyance (both maintenance and capital improvements); inland flood storage basins along major streams and creeks; and, most importantly, the operation and maintenance of the Ohio River Floodwalls; levees; valves/gates; and, flood pumping plants.

ENABLING STATUTE: MSD was created by the Kentucky State Legislature in July, 1946, under Kentucky Revised Statute (KRS) 76. The statute directs MSD to provide sanitary sewer service; stormwater drainage conveyance and flood protection for Jefferson County. The only exception to that status gives cities of the fourth class the option to enter the service area or provide their own level of service. Today, MSD provides these services to all of Louisville Metro (Jefferson County), except the cities of St. Matthews, Jeffersontown, Shively, and Anchorage. The cities of Hurstbourne, Indian Hills, St. Regis Park, Lyndon, Douglass Hills, and Prospect are a part of the drainage/flood protection utility. ALL fourth class cities are served by MSD sanitary sewer service.

DRAINAGE/FLOOD PROTECTION UTILITY FEES: The current single family residential fee is \$5.70 per month. The fee (since 1987) has been based on an average of 2,500 square feet of impervious (roof/driveway)surface. Commercial and industrial properties are charged in increments of 2,500 square feet of impervious surface at the same monthly rate of \$5.70. Impervious surface does not allow water to soak into the ground and causes water to run to storm sewers, drainage channels and creeks at an accelerated rate. Conversely, areas of grass, parks, and other open natural areas are not charged a fee.

SERVICES PROVIDED

DRAINAGE MAINTENANCE: All MSD customers receive service for maintenance items, such as silted drainage swales/ditches; broken or clogged catch basins; standing water, due to clogged or silted culverts; and, blocked drainage channels/creeks. Customer concerns with these

issues can be called to MSD Customer Relations, on a 24/7 basis, at 587-0603. Field inspections will be made and the necessary corrections will be scheduled based on level of severity.

CAPITAL DRAINAGE IMPROVEMENTS: This is defined by areas larger than simple maintenance – areas that usually affect at least a city block in size. This can entail the complete restructuring or rehabilitation of a neighborhood drainage system. It can also include the improvement of major drainage channels that may be eroding or partially blocked (restricting flow during rain events). As all councilmembers are aware, MSD, the Councilmembers and Mayor Abramson have partnered on PROJECT DRI (Drainage Response Initiative) since January, 2003. Since inception, over 700 capital drainage projects have been built in all 26 council districts of Louisville Metro at a capital cost of \$140 million. Monthly drainage fees continue to fund this very successful program.

INLAND FLOOD PROTECTION: Since 1998, MSD has built eleven inland flood storage basins along major streams and creeks in the Louisville Metro area. Those basins can store up to one billion gallons of stormwater during heavy rain events. What does a billion gallons of storage represent? During the Flood of 1997(before basins), over 44,000 buildings in our community had flood water either in a basement; lower level; or first floor. Similar floods in 2006 and, most recently, August 2009, saw a reduced number of damaged properties by seventy-five percent. It is my goal to build more storage facilities in Southern, Southwestern and Western Louisville, along with our rapidly developing suburban areas (new customers). Financial benefits, besides protection of personal property, includes lowered flood insurance costs to businesses and homeowners. These inland basins protect our residents; their property; and their business investments.

PROPER PLAN REVIEW AND REGULATORY ORDINANCES: MSD is responsible for plan review of new development, which ensures that a newly developed area will not cause downstream flooding damage to existing neighborhoods. Approved drainage plans must meet stringent local sedimentation/erosion control measures and restrictions to develop in flood prone or designated floodplain areas. A lack of regulation, inspection and review leads to failures, such as the most recently publicized stream bank collapse in a residential development in Northern Bullitt County.

OHIO RIVER FLOOD PROTECTION SYSTEM: The area of most concern to for the entire community, is the operation and maintenance of the river's flood protection system. The system includes:

- 29 miles of concrete floodwall and earthen levee that stretches from Butchertown to the Salt River(south of Valley Station);
- 52 street closures, which must be placed in access openings when the river rises to flood stage;
- over 150 underground gates and valves that must be closed during flooding events to prevent river water from entering the city;

- sixteen major flood pumping plants that straddle our creeks as they flow through the flood levees and into the river.

Two of the largest inland flood pumping plants in the world are in the Louisville system (Beargrass and Pond Creek). Of those sixteen plants, nine are over fifty years old and in need of major rehabilitation or replacement. **IF ANY ONE OF THESE PLANTS FAIL DURING A RIVER FLOOD AND RAIN FALLS ON THE CITY, THOUSANDS OF HOMES AND BUSINESSES CAN BE FLOODED.** Hurricane Katrina provides the most recent example of such a system failure. I cannot stress this point enough. In 2003, MSD replaced the oldest pumping plant at a cost of \$8.3 million. There were no federal or state contributions. It was funded by the monthly drainage fee. MSD has begun reconstruction of the Western Flood Pumping Plant at a cost of \$11 million. About fifty percent of that money is coming from federal infrastructure stimulus funding. The remaining \$6 million will be funded from local drainage fees.

We need to focus on funding for rehabilitation/replacement of the remaining eight aging flood pumping plants. It can't be done overnight, but, if we don't start the process now, we are certain to suffer major damage during a future river flood. If I do not stress this and move forward, I am less than responsible in my position as Executive Director.

Every area of service I have described in this message is important to someone in this community. The drainage/flood protection utility is vital to the safety of our citizens, property and quality of life. The periodic auditing and addition of new customers into the service area is necessary to provide the listed services. It is also an issue of fairness and consistency to every resident and business in Louisville Metro. When rain falls, it flows from the highest elevation to the lowest. Every developed property contributes to accelerated runoff. If the Ohio River Flood Protection System fails, even those who live on 'high ground' will suffer indirectly from a damaged local economy.

I wish there were other sources of funding to provide these necessary services. There aren't. If we are to protect ourselves and future generations of Louisvillians from flooding, we must bear that responsibility.

I hope this information is helpful to all.

H. J. "Bud" Schardein, Jr.
MSD Executive Director