

Louisville Urban League- November 8, 2012

From the crowd...- "I have a question regarding the progress that is being made on the sewers particularly in the area of Northwestern Parkway. I have noticed very close to me that there is water going down into, from the top of the ground, into the sewer. Not intentionally being that way, but it just runs that way naturally. And, I saw the camera when they had, about two years ago, I think it was, there was a camera there that showed what was going on and it's going directly into brick. Not concrete, it's brick in that area. And I'm just wondering what is being done to take care of that situation and, in addition to that, is that a part of our private responsibility, if it's on private property or is it public responsibility?"

Angela Akridge- "That is actually the stormwater that we talked about, running into the combined sewer. And that sewer is brick. It was one of the first sewers that were built. It's still in existence, that brick sewer that's there. And that area is part of the program that we have projects that will address the stormwater that's running into that area to capture that and keep that from overflowing. And so, what we can do, is talk to you, we'll show you on the map. We've got Justin Gray in the back. He can show you where that location will be and we can talk to you specifically about we're doing in that area."

"I want to know how long you're supposed to wait after a rain event. How do you know when you can wash your dishes or take your showers or whatever?"

Angela- "That's a really good question. And we're not asking you to not take a shower. We're not asking you to not take a bath. We're not asking you to NOT do the essentials in life. What we're asking is, if you can choose not to run your washing machine and your dishwashers, those large sources of water, to choose not to. And the answer is, it really depends. It depends on how much it rained and for how long. And the safest thing is just to wait until the rain stops, but if it rains for three days, obviously, sometimes you can't wait three days. So, it's just, do the best you can. And if we all make a conscious effort together, we'll make a difference."

"It seems like if you just wait until it stops that that's the time of the greatest flow, right at the end."

Angela Akridge- "Yes. It depends on where you are in that sewer system. It absolutely does, but if we ask people to wait that long, we'd probably get a major revolt. So we're just saying just make a conscious effort to wait as long as you can."

Donna Sanders- "I'm Donna Sanders and I am the legislative aide for Councilwoman Attica Scott of District 1. I may have missed this. I was a few minutes late, but over the last month we get a dozen calls a week from our constituents regarding smell and the odor. The odor goes from far as 35th and Algonquin and today it was complained that it goes to Cecil and Broadway. And it is devastating and the biggest complaint we hear from our constituents, 'it wouldn't happen in the east end.' I can't answer it, maybe you can."

November 2012 IOAP Public Input Meetings
Transcribed Comments

Loyiso Melisizwe- "Hi. My name is Loyiso Melisizwe. I'm wastewater/stormwater manager. I work in our maintenance division. We refer to it as infrastructure and flood protection. When you have an odor complaint, at any hour of the day or night, you can just call MSD. You can just call the customer service line, 587-0603, and we'll come out and investigate it. Quite often, if it's a trapped catch basin, there should not be an odor, but, at the same time, we'll flush it or deodorize it and just make sure that there's not something we can do. Often times, customers will say they smell sewage in their house and I can tell you from lot of years of experience, if you smell wastewater in your house, it's generally because your traps have run dry. And if you put some water in them, the way indoor plumbing is designed is that it will prevent the migration of those odors back up into your house. But you can call us at any time and we'll come out and investigate it. If there's something that can be done immediately, we'll do it. And if it's something that requires some further investigation, we'll also do that."

Donna Sanders- "I've gotten that answer from our constituents who said they've called MSD. And MSD say's we're going to investigate and then MSD... they don't hear back from MSD on what the problem was and they say they're going to call them. And you know, I've put you on several emails, not regarding this, but it's become a continuing problem. And it's gotten and I'm also hear for Councilwoman Sherri Bryant Hamilton who's a couldn't make it and she called me and let me know about the meeting tonight. The follow up is not there. And what our office tries to do is follow up. That's what we're there for. And if MSD is going to follow up, people expect MSD to follow up because the rates are going up and they're unhappy with that. And if you can't clean up the sewage, what are our rates going up for? I'm just telling you."

From the crowd...- "I have a drainage overflow problem in my yard. And it's been existing for over 5 years now and I've talked with MSD about it. They've said that they would come out and inspect. They did, they came out and inspect, looked at the yard and everything. Then they all but promised it would have been done by this year, long story short. They should have had some storm drains through my yard and other yards in the community. They haven't done that. And it's always been, well, first the money wasn't there, but since last year the money was there and this year they say the money's there, but they haven't done nothing."

"I would like to know is every home owner being required or being suggested to buy into that insurance that would prevent, not prevent, but would aid if anything were to go on in their property pertaining to the sewage drainage because the notifications have come out to the homes and do you, is everyone being required to do that? And how do you know if you really need to do that?"

Greg Heitzman- "Hello again. My name's Greg Heitzman and I wear a dual hat. I'm interim Executive Director of MSD. I'm also president of the Louisville Water Company. And what this lady is referring to is customers of the Louisville Water Company will get, generally on a quarterly basis, an opportunity to be able to take out a service warranty protection program. Number 1, it's completely optional, so you do not have to take it out. It is offered right now for the water line between the house, between your foundation and the water main in the street. That's one

program. Second option that is available, completely as an option, is the sewer line between the foundation of the house out to the sewer connection in the street and the third option is an internal plumbing option, as well, to cover your internal plumbing, water and sewer inside the home. Many people have heard of such a warranty programs when you buy a automobile or you buy a television set or a computer. And, essentially, it's the same type of program. Essentially it's an insurance program no different than health insurance would be. Now, here's what we generally advise people to do. So, in fact, let me back up a little bit. That program is a different program than what Angela talked about earlier. The program Angela talked about is a replacement program so the program I just mentioned from the Water Company is available and it is a maintenance and repair program. So, if you ever have a leak, if you ever have a failure, if you have a clogged sewer line, a broken water line, then what happens is that program will cover the repair costs for you. So what happens is your paying that monthly on the water bill that goes in to, essentially, an insurance pool of funds that is then used to pay for the private licensed plumber to come out and actually do the repair. Ok? But, again, that is completely optional. Generally, what I would advise, if you have had a history of plumbing problems, you may want to consider it. So generally, what that means, is it means older homes where you might have older piping, older clay piping on the sewer side, older copper piping or galvanized piping on the water side. Generally, if you have a newer home that's been built in the last 25 years. It's probably not necessary because you have newer infrastructure, newer plumbing. But, again, it's completely an optional program. So that's the program offered by the Louisville Water Company paid through the water bill. The water line protection is \$5.50/month. The external sewer's about \$10/month. The internal plumbing's about \$10/month. So, again, it's all optional. Now let me compare that to the replacement program, which Angela mentioned, and that's in a case where you essentially have severe blockage clogging. Generally, it's with a clay pipe that is out in your yard and what you would be doing is having to continually repair it because you repair it at one location, it fails, then you have to repair at the next location, so you get a series of cascading failures between your house often caused by the age of the pipe or the tree roots or just what we talked about earlier, the type of waste that's going down your drain. So that's a second program that, Angela you might want to come up and mention the logistics of how that works. I think we have information that's here. But, essentially, it's a program that we will spread over a period of time. So why don't you talk about that because this is two separate programs."

Angela Akridge- "And I will tell you, I am probably not the best to tell you about that program, but we have people here tonight that can give you that information. If you will call MSD at 587-0603, they will give you all the information you need on that program."

Greg Heitzman- "Do we have flyers in the back? Table's over here Customer Service. So, again, two programs. When we break up we can provide you more detail over here, this evening. Ma'am, who asked the question? Did that answer your question? Good, ok."

November 13, 2012- East Government Center

Phillip Lockhart- "My name's Phillip Lockhart. I own a piece of property in Highgate. It's a rental property now. My house is in Highgate also; got some tenants in it and the basements flooded in the last five years nine times up to two foot deep and it does have the backup device in the basement which is not working. But my question is this abatement pipe that they're going to take from the Hike's Lane/Hike's Point area over to Produce Road and Poplar Level Road, I believe I'm correct there, it's where they're taking this overflow sewerage to. Well, my problem is, I own some property that backs up to it and, my question is, even though they're going to pump it back out, it's still going to have an odor. Or it's going to create mosquitos, bugs. How can you take care of that situation? That's it. (To Steve) Are you going to answer my question?"

Steve Emly- "My name's Steve Emly. I'm the chief engineer with MSD and the gentleman is referring to the construction of the Buechel Basin Project which is a large sanitary sewer overflow basin that MSD is currently constructing off Produce Lane. It is a critical part of our plans to abate these sewer overflows in the Highgate Springs/Hike's Point area and really a pretty critical part of our overall plan for controlling overflows in the separate sewer system. We have been in design in this project for about four years now. We've been in construction for about eight months. We have dealt affectively with potential odor control problems and, other than that; I'm going to choose not to say any more simply because we are in some pending litigation related to that specific issue on that specific project. So I'm not going to say anything more about that this evening."

Teena Halbig- "Teena Halbig; Floyds Fork Environmental Association. I know that you don't have the Middletown Industrial Park Plant on your map and that is a privately owned plant, but it seems like, you know, if you're really interested in cleaning up that you would have to have these package plants considered. And, five years ago, we went forward to ask for a public hearing on the Middletown Industrial Park Plant, here in Middletown, and nothing happened with it because the state said that there had to be a line within 500 foot in order to legally take the flow. And, then, just recently, five years later, because we only get once every five years in which to ask for a public hearing, we decided it wasn't worth going through the rigamarole again if we were going to get the same answer, so MSD has let us know that the project was to be completed by 2015, but yet it wouldn't... this particular plant could be offline as early as 2013, the end, December 2013. However, you know, when you have a plant that is taking flow in an industrial park that also could be from other businesses as well as industrial sources, that is in an unlined lagoon, in a karst area, that pollutants the pollutants are going elsewhere and they also have a very bad track record that has continued, unabated, for a long time and for chronic ammonia violations. So, anyway, you know, if we really want to get serious about cleaning up we need to be looking at these package plants and we're glad that some have been taken offline and some are supposed to be taken offline in the future. My second comment is about the part that you said in your presentation about the EPA, the federal mandate, was that you were supposed to have a site designed to minimize neighborhood impact. And, yet, when MSD came forward to want to put the pump station instead of where it was originally to be located on Billtown Road to put on Seatonville Road

the decision had to be in to the EPA. I believe this is two years ago by March 31st and this public meeting was held like a couple days before that or it could have been a week before it, but a decision was already made when we walked into that meeting what plan would be submitted and even though Floyd's Fork Environmental Association offered an alternate route and Future Fund Land Trust offered an alternate route we would not really be heard. I mean, we said it over and over and over again, but we really wouldn't be heard because a decision, a pre-formed decision, had already been made that it would go there and it would be there. So, what has happened is that the impact was not minimized to the neighborhood. The EPA told me that it was strictly up to MSD how to run the lines and where the pump station would be located, but yet it looks like you did not meet that. I recently have information from FEMA in which MSD is come forward wanting to demolish this 1873 Greek revival house saying that it's prone to flooding. And, anyway, we had gone forward some time ago to get over 500 signatures to try to get local landmarks status for the house, but now we're in a situation in which we can get additional signatures to try to keep the house. There is a possibility that the house could be moved to a different location, but the pump station should never have been built adjacent to that property; to endanger that property and just as they explained the sewer backups and everything, maybe you could also explain a pump station failure, stoppage, backup, what happens at that time and how that endangers someone's property in the area as well as how you take care of the smells, the odors. Thank you."

Steve Emly- "Thank you, Teena. I will try to address these and I may ask for some assistance from Brian. The first issue related to the Middletown Treatment Plant, this is a privately owned package treatment plant, the last large privately owned package plant in the county. Teena mentioned that we've taken a few offline since the early 80's. MSD has actually removed over 200 of these package treatment plants from service by the construction of a comprehensive sewer system throughout Jefferson County. We have plans by the end of 2015 to have the remainder of the publicly owned package treatment plants removed from service. We have a limited ability to force Division of Water's hand on the issue of the Middletown plant. We will have trunk sewers within five or six hundred feet of this plant, we think by the end of 2014 or early 2015, and at that point Division of Water will have to make a determination about whether they would renew a permit for that plant or not. Teena mentioned the construction of the Billtown pump station, which is located on Seatonville Road at the lower end of the Chenoweth Run watershed. It's part of our comprehensive plan to eliminate the J-town treatment plant. Like all regional watershed approaches that MSD takes, our collection facilities, or treatment facilities, are at the bottom end of the watershed. Chenoweth Run is served by that pump station by constructing that pump station there we are able to serve the entire Chenoweth Run watershed, by gravity, which is our overall goal to be able to eliminate sanitary pumping stations and the remainder of the existing package plants and to be able to provide gravity sewer service in the future to all the residents of that watershed. We didn't site the pump station next to an old house intentionally. We sited a pump station strategically in the watershed to serve the future sewer needs of that watershed. MSD has been participating at grant research.. with the cooperation of the owner of that house who wants to sell the house, to seek a FEMA grant to purchase that house and we are dealing with a couple of agency's who may be in working with us if we do, if we are successful in obtaining that property to move the house as opposed to demolishing that house."

Larry Kirschenbaum- "My name is Larry Kirschenbaum. I am the commissioner for the city of Crossgate, which belly's right up to the new VA hospital site; which the current site is a pervious area and it's going to be transformed, with the hospital, into a non-pervious area. So I have a few questions. So, maybe you can clear some of this up for us. The VA is planning a group of buildings having a minimum of 300,000 square foot footprint that is equal to approximately 7 acres. They also plan to have 2400 parking spaces, minimum, with roads, sidewalks, etc. that will be equal to approximately 18 acres of additional impervious area. Combined equal, impervious area, combined this equal to approximately 25 acres of sites, of the sites, 34 area acres will have 100% water runoff or 75% of the site. So, my questions are, has the VA contacted MSD to see if there is proper capacity for stormwater runoff or should they have a retention basin? Has the VA contacted MSD regarding increased sanitary sewer capacity that will be needed? What type of filters or retention traps will be needed for any contaminates, viruses, blood, etc. sewages prior to entering MSD's sewer lines? And was the sewer line capacity along Westport Road increased to accommodate the capacity, the capacities required by the VA project during recent construction? It's all yours."

Steve Emly- "Thank you. Ok, you're throwing us a curve ball. First of all, I want to make sure everyone understands MSD was not involved in the selection of that site for the VA hospital. MSD was approached by the hospital in terms of looking at several sites that they considered early on in terms of available sewer capacity. Now, there were a couple of sites that would have been able to accommodate their needs in terms of providing sanitary sewer service. The site on Brownsboro Road is no exception. We have the capacity to treat that facility from a sanitary sewer standpoint, so we can handle those flows from a sanitary sewer standpoint. To my knowledge, we have not received any preliminary development plans from the VA on that site that would give us any details about how they plan to deal with stormwater runoff issues. When they do come to us with a preliminary plan, we will begin those discussions about how they're going to deal with the increased runoff. Now, they've got several options. Angela mentioned green infrastructure, which is a very popular way that we will encourage them to make use of. They obviously have options as far as onsite detention that they can use to accommodate those increased flows, but, the simple answer is, until we get some details plans, conceptual plans from them we don't really have much to comment on at this point."

From the crowd...- "Can you give greater explanation to 'green'? I shiver every time I hear that word.

Steve Emly- "I won't make you come up here. He asked what exactly is green. Green means different things to different people. From MSD's standpoint, green means practices that we can use to take stormwater and direct it into the ground as oppose to letting that stormwater runoff into the sewers and streets. What that does is it takes the loads off of our combined sewer system. We are implementing most of those practices in the combined sewer system. In the separate sewer system, we want to separate stormwater altogether. So, lots of options as far as green infrastructure. There's rain gardens, there's pervious pavers, lots of different tools in that tool box

that are all green practices. But the main goal of all those practices is to take stormwater and infiltrate it into the ground as opposed to letting it run off.”

From the audience...- “Well, I got the impression, you said they were going to blacktop the whole damn thing.”

Steve Emly- “Well and if you want to make full use of a site with blacktop then you have to look for alternate means. The pervious pavers are an option; underground storage is an option. Pervious pavers, it’s essentially you over excavate the parking lot. You install a deep bed of gravel. You lay a layer of paving stones on top of that that allows water to infiltrate between the stones and you have created a large volume of storage, essentially, under the parking lot. He’s skeptical.”

From the audience...- “Does the hospitals have a separate filtration system on the operating room where the wastewater goes?”

Steve Emly- “I’m not aware of hospital’s go through a pretreatment process. Brian? Brian Bingham may be able to answer that.”

From the audience...- “Like it has some kind of filtration system in the operating rooms where the water...Where they wash their hands...”

Brian Bingham- “I’m Brian Bingham. I’m the Regulatory Services director. We do have an industrial pretreatment program in Louisville. And we look at all different types of facilities to see if they need to pretreat those wastes before they discharge them to us. They range from anything from; a paint manufacturer, up through anybody that makes anything else. Hospitals do go through some level of that. Those technologies are changing as we speak; as there has become better detection limits and things like that. If you can give us your information, if you’re interested in that issue, when that, when we go through that process, I will make sure you all get copied on the response of how that’s dealt with. We have not seen anything from them yet. We really don’t know what all they intend to do there. We assume, from everything that’s going on down at the Zorn Avenue site, that it’ll be a full service hospital, but I don’t want to presuppose anything and put out an answer that’s incorrect. But if you all can set up a sign up sheet in the back if you want more information as that goes through. We’ll be happy to send out more information to you all later. Anybody else, if you want to ask questions, you have to come up to the podium. And if you don’t want to come to the podium, we will be at the individual maps afterwards where you can answer, ask any question that we’ve got somebody in the room that we can probably get an answer for you.”

Gary Hatfield- “My name’s Gary Hatfield and this question’s for you, I presume. Do you have any idea if UofL, the Dental Complex, has a pretreatment in their facilities?”

Brian Bingham- “I do not know the full answer to that. I can get that information back to you. I do know that almost all dental practices, and I’m positive there, have a silver recovery which is one of the big items, one of the heavy metals that can cause problems in the streams, so I know that

there are some things in place. I do not know the details, but if you get with me, I will make sure you get those very quickly.”

Gary Hatfield- “Well, let me add a little bit to that. I worked on that building more years than I want to tell you. I was one of the last people to leave that building. I got a call that a garbage disposal broke down in the, in the cadaver research facility. That’s, people that know that area, that’s in, that would be in B building on the third floor. Went up there to take a look at it and what was in the garbage disposal were parts of fats and different things like that from the cadavers. I disconnected, I was an electrician, I disconnected the power, told the plumber ‘that’s yours, that’s not mine’, so, but I do know that they was...”

Brian Bingham- “How long ago did you leave there? Just like last week or last year or ten years ago?”

Gary Hatfield- “Oh, no. No, no. fifteen, twenty five, thirty five years...”

Brian Bingham- “The reason I ask the question of how long it had been. A lot of things had been put into place retrofitted after that. I, honestly, do not know. I’m not familiar with the requirements there, but, as I said, we do have records on all of that. We’ve got staff that deal with those on a daily basis. We can get that for you. The medical field, there have been a lot of changes in recent years. There are many more that are being considered right now. We follow the national systems everything we do. Our pretreatment program is developed, reviewed and approved by both the Kentucky Division of Water and U.S. EPA, specifically Region 4, out of Atlanta, that we deal with. So, we model our, we model ours after the national. We do have additional items. We have a series of regulations that were put in place for discharges into our systems, the stormwater/wastewater discharge regulations. Those are online. They have a lot of the specific requirements for discharging either stormwater or wastewater into our system and the limits that we do allow. They don’t have any specifics on the individual industries, but we can get that to you if you want to know that as well.”

Barbara Kelly- “My name is Barbara Kelly and this is for Brian Bingham. I know that you have incentives for developers to utilize some of these creative methods- porous paving, rain gardens, whatever- to contain stormwater runoff and I don’t know how much the development community has embraced that and I was wondering are there limits to the amount of stormwater runoff that can, that can flow from a site? In other words, are there requirements for ground water recharge? Are those going to be maybe more teeth in getting some of that stormwater runoff contained? Thank you.”

Brian Bingham- “I will try to answer. If you don’t go too far, I may ask for some clarifications, but what she’s referring to, we put together an incentives program, as part of the consent decree, I believe Angela touched on it briefly in here, and it’s primarily aimed at the combined sewer system, the area generally within the Watterson Expressway. Those are where we have the pipes that are combined with both stormwater and wastewater in the same pipe. And the most cost

effective way to keep those pipes from overflowing into the river and to Beargrass Creek is to keep the rainwater from getting into them in the first place. So, we went through a pretty extensive process, we did a lot of research of what was being done around the country and there's a lot of things going on out there research-wise about, you know, pervious pavers or pervious asphalt or concrete, rain gardens, infiltration trenches, all the different kinds of things, green roofs, everything. There's a lot there, but what there wasn't much out there on was where's the real value in that to the community and what we did was we took all of the gray infrastructure, the pipes and the storage basin's, and we calculated out for every gallon of overflow that we're going to eliminate, how much was it going to cost us per year, so it basically came out to be about 30 cents per gallon, per year that we were going to eliminate and we took that and we used that to back in to what was the value for those incentives. So, we went through the business case side of what is it worth to the community to have this done. Now, there's a lot of other benefits that you get from those green projects. You might get carbon sequestration in trees. You might get reduced heat island effect. And those are all wonderful things and we're really happy that those are a part of there, but we didn't include any of those in there because the MSD ratepayers don't pay for those items, so we had to use it based on what the ratepayers alone pay for. So what we did was we backed in to what the values were and we put together the incentive program. We put it out to the development community. They have very much embraced it. As a matter of fact, they almost over embraced it quickly. It took us a little while. We thought things would move in a more methodical pace. We had to really expedite the development of some things as they came in and started wanting to do this faster. There's been a lot of use of that so far. We've had about \$11 million worth of those projects thus far. We do have an agreement with EPA that we've signed with EPA's office of Research and Development. We're doing a cooperative program with them where their staff from Cincinnati, Ohio and Edison, New Jersey are working with Louisville MSD and Two PhD students from the University of Louisville to evaluate what are all the benefits that are being gained out of this and to be able to prove that we're really getting the benefit for public money that we're spending. One of the things that we always have to do is do that back check when we do something new and make sure that we can really get the value out of it. The... I think part of the question was to what limits. Every site that is developed has to meet certain limits already. Whether they use green infrastructure or more traditional methods, they have to not cause a new problem downstream. Now, if you go back through the history, one of the problems we have is that those were mostly based on peak flow rate, so you couldn't put out more than a peak amount that would have happened before, so, in other words, when you see that stream come up it was that short period of time when it was full. One of the problems with that approach is that it doesn't deal with the total amount of additional water added to the system. So, we've developed many new things to try to capture more of that in the program. One of the real benefits to green infrastructure is it's not holding it and then releasing it at a later time; which what you end up with is those streams stay full for a much longer period of time instead it's recharging the groundwater. Now, with the groundwater, it depends on how you put it back in there. You may be required to get permits. Specifically, if you do, they're referred to as class five injection wells. It's a program that EPA oversees and if you put those back in there's a permitting process that each point has to be evaluated and permitted. If you put them in in a more general way, as nature would have, that does not require a permit, but that's something that we're still doing studies on

as we go through and put these in to make sure that we're not going to cause any negative impacts. These types of things work much better if you have, if you don't have rock and if you don't have clay. If you get out in this area, rock's not very deep, clay's not very deep. They don't work as well, but they can work. There's a skepticism earlier in the room. If they're designed properly, they can still do a lot of good. If they're in those areas like the, I guess we'd call it the Western, the Western and Northern parts of the combined system; downtown, West Louisville. Actually even all the out to the University of Louisville, over not quite to Beargrass Creek, but getting towards Beargrass Creek. If you go there, you go five to ten feet deep and you an alluvial sand and gravel, so if you can get through, if you can excavate that top out, get it to that sand and gravel, all that water goes down in and it never goes back into the system and it never causes a problem. So, I've put a lot out there. Did I generally cover your question? And if anybody wants specifics on that, sorry, please come see me. I'll be in the back of the room for a while and will be happy to give you more detail or connect you with another person at MSD that can get you all the detail you want. It is something that's an emerging area. It's something that has really gained national prominence in recent times. It's growing. We are still learning. We believe we were very conservative with those estimates and putting those values on there because we wanted to make sure the public dollar was protected.

Tony Watterson- "My name's Tony Watterson. On your handout here it talks about, you know, will my rates go up and it says yes they will, but it doesn't give us a dollar figure. You've got some charts that go out till 2024. A chart with a bunch of dots on it with all the overflow, so I'm assuming you've done some projections of how much it's going to cost us. So, that's my question."

Brian Bingham- "The document that was submitted and approved (submitted in 2008, approved in 2009) had those projections through 2024. I'm going to give you the answer, but then I want to give a little bit after that. The rates in the first number of years of that table up including this last year were 6.5% rate increases. The intended rate increase, per that plan, is 6% next year and 5.5% for each year until we get to 2024. I can tell you there's a, there's been a very extensive effort done in each one of those years to try to find more efficient ways to do things, places to cut costs, places to do partnerships. One of the major initiatives out there, that the mayor requested, was that MSD and the Louisville Water Company look at potentially combining. That is, that is something that I assume you all have heard about. That is something that we're, every day, we're working more to work together to find ways to save both entities money and, ultimately, the ratepayer's money. So the question of how much, are they going to go up? Yes, they absolutely are going to go up. There is no plan that we could put together that would be accepted by the regulators that don't require them to go up. We're doing everything we can to try to minimize the amount that they go up and put those increases off as long as possible. But, they will go up. We will continue to communicate as we go through, but right now the plan is intended to be a 6% rate increase next year and 5.5% each year after that through 2024."

David Howser- "My name is David Howser. First, I want to thank MSD for putting on this informative presentation. I did learn a few things, but in the presentation you mention several times a federal mandate, an unfunded federal mandate. What are the consequences of not following that mandate?"

Brian Bingham- "That's a, that's a great question. My name is Brian Bingham. I'm the Regulatory Services Director. I've told you that. My position was created in that federal mandate. The regulatory services director position was created as part of our consent decree as a negotiated item. I was not an employee of MSD when that was written in. I came on board shortly after that; started in late December of 2004. The question is what's going to happen, and I'm going to give you a couple of examples as well as the answer. The answer is if we do not meet the requirements of the clean water act and if we defy that order, first of all, there can be criminal charges brought against people like me, really don't prefer that to happen, but more important thing to the community though, is the federal judge can appoint a receiver for the sewer district. They can come in. They can set rates at anything they want, they can direct contracts in any way they want, and the community has lost all say in the matter. Now, an example of that is the city of Atlanta. If you look at theirs, and they currently have the highest or the second highest rates in the United States, but if you look at the early days of their consent decree and theirs was around a number of years before ours. Their original city council said they were not going to do it. They were not going to fund the program. They would not raise their rates to the appropriate amount. The federal judge sent each one of them a letter explaining that he would be happy to host them as a guest in a federal facility and appoint someone to take over the city. So, I'm not trying to scare you and I'm also not trying to be flippant about it. I kind of smile about it because it's more of a cringe than anything. Our plan is not perfect. And there is no doubt that we're in a very tough economic time right now and the last thing in the world any of us want to do is raise rates on this community, but if you compare what we've got compared to the other cities around us... Cincinnati- \$3 billion ours is \$850 million, Indianapolis- over \$2 billion, St. Louis- \$4.7 billion, Pittsburg- \$4 billion. And those are huge numbers. That's mind boggling to me when I hear those. Yes, this is a very expensive program. I'll be honest, yes, much of the community would rather not spend the money and let sewers overflow occasionally, but it's a federal law and it's one that has been on the books for decades. It's one that was not enforced very rigidly for many years which is why a lot of communities did not spend the money that they had to spend. You know, these are things, if you go back through and look at MSD, and I said I've been here about eight years, but I've actually worked for MSD as a consultant for many years before that and I've worked for many other communities as well. MSD did a really good job of going out and finding the most efficient things to fix, trying to keep rates lower, but pushing off those big, ugly projects and that's what the big, ugly projects are that are on the front end of that consent decree. I mean, the the big four projects- the Hikes Point, Highgate Springs, Beechwood Village and Southeast Diversion- that's about \$200 million of the total in there. When you go through and look at all of the issues that we've got to deal with, it hurts. It really does, but there's a lot of people that are working really hard. We've made a lot of progress. We're actually a little bit ahead of budget and a little bit ahead of schedule right now and we don't want to slip from that, but we've, that's gotten us some good will from the regulators. When we went into this, there was absolutely zero trust from the

regulators to us. We went through a couple of very, very painful years trying to gain their trust by showing them that we didn't always want to do... let me rephrase that, we didn't always do things the way they wanted us to or the way some other community had. What we had done was put together a plan that utilized the system that we had, that had the interconnections in it, that had the specific pipe sizes in the areas where there were bigger problems and smaller problems and went in and found a unique solution that was most cost effective for our community. Not what some other community, in some other place, with some other set of problems did. There's a tremendous amount of work to do and a tremendous amount of person hours that have gone into developing these plans. And a statement was made that we didn't listen to people, we try to listen to people. We very much put effort into it. One of the things that everybody doesn't want to think about is sometimes we have people in different areas telling us we want this, we want this. What we try to do is listen to the entire community, listen to the entire community and come up with a plan that best serves everyone. Are there times when people don't want an area served by sewers? Absolutely. Are there times when people don't want a drainage project, or development to go into an area that's already subject to drainage problems? Absolutely. We try to walk that tightrope between not controlling what people do with their property, but making sure we do as much as we can to protect the individuals, the community and the environment. Like I said, we're not perfect, but we really keep trying and I think we get better every year at it.

From audience- "This problem developed 50 years ago when the builders were not required to pay their fair share of sewage disposal. Is there going to be some provision that this won't happen in the future when the building industry picks up again? Developers to pay their share"

Brian Bingham- "Ok, let me restate the question so everyone can hear that. The question was, and I'm going to actually expand the question a little bit, the question is, essentially, these problems didn't develop overnight. These are from years or decades of neglect and of part of the development community not building adequate facilities to be able to handle what was being directed there. I can tell you, I'm going to answer that question from a stormwater prospective and then a wastewater prospective. From a stormwater prospective, until 1987, there was no drainage utility. The city and the county handled drainage. There, in general, were not even drawings kept for each individual project. Not criticizing them; that was the national standard at the time. In 1987, things started to change. MSD took over the city and county drainage. MSD implemented a stormwater fee. That fee has gone up many times since then. And MSD has done millions of dollars worth of projects with those dollars. As part of that, the developers either have to build on-site detention facilities or pay into a regional fee. Now, when you look at the dollars there, it's one of those things. There are some places that it's ok for there to be a little bit more water leave and that money can be better spent in another area. That's how the regional fees were developed. On the sanitary sewer and wastewater side, there are a couple of different things that happened over the years. One was MSD allowing developers to put pump stations in areas where they could've connected to a gravity line by spending more money. That is something we try, we've tried for many years to continue to decrease the possibility of that happening. That's one of the things that has led to the recapture agreements which opened another can of worms, but, yes, the question also at the end was what will be done in the future to keep them from not

paying? There are impact fees on every part of what we do now. For example, on the stormwater part, there's a regional facility fee or they have to have the onsite systems. On the sanitary side, there is a \$400 per equivalent house in addition to our capacity charges for an I&I fee to deal with taking and fixing the sewers that are leaky now or that water is getting into. So, there are monies being charged for any new development that come in that will help make sure they have paid their fair share."

From the audience- "It's iron clad? It's none negotiable? It's iron clad?"

Brian Bingham- "That is, that is non-negotiable. That is, that is in our rates, rentals and charges. That will be something that will be re-evaluated in later years, but as long as the consent decree is enforced and as long as I'm in this job, there is absolutely no chance, I believe, that that will be overturned. We are spending every penny that we collect from them to fix the problems from the past and be able to allow the community to keep growing responsibly. We do not want to go down a path where we're punitive in any way, but we have to be fair to everyone. Each one of you all are a rate payer. We want to make sure no class is subsidizing another class and I don't use the word class. I don't really like that word, but customer class is the industry term for it. No group of customers, residential, should not take and pay the bill for commercial. We shouldn't pay it for industrial; we shouldn't pay it for institutional. Everybody should pay their fair share. Now, after the first of the year, we're going to be starting a new facilities plan which is basically a 20 year look at all of the fixes we need to do on all of our systems. It will incorporate the Integrated Overflow Abatement Plan, the Consent Decree. It will look at our flood protection system. It will look at our stormwater systems. It will look at everything we have. And, as part of that at the end, there will be a new rate study done to make sure that each kind of, each customer type is treated fairly and that our fees are appropriately outlined to be able to pay for those programs."

From the audience- "That's just for the duration of the mandate from the EPA?"

Brian Bingham- "No, we're going to actually look beyond that. We're going to look out to a 20 year period. The EPA, the EPA and the KY Division of Water Consent Decree ends at the end of 2024. We will be looking at a 20 year period. We will be starting that in early 2013. It'll probably be a one and a half to two year project to do all of that work and we'll look at the 20 years after that. So we'll be going into the early, early to mid, 2030's. Anybody else? Ok, with that, I'm going to go ahead and conclude the presentation portion of this meeting. We have a number of people around the room at maps. You can just go up to anyone and they can direct you to the appropriate station and we've got a lot of folks that are working on these individual programs. We have folks up front that can take information from you for requests. We also have, I believe, plumbing modification program packets up here. Senior citizen discount packets and the gravity line program. Thank you all very much for coming out."

November 15, 2012- Southwest Government Center

Robert Strickland- "My name is Robert Strickland. I live in the Riviera Park neighborhood. My question is why are we allowing the Federal EPA to come in and dictate to us what MSD is going to do or is not going to do? When is somebody in this town going to grow a spine and say you know what federal government, we live in this community, we see what's going on, we run our pump stations, we have outreach meetings with the community to tell them, you know, good ways that they can manage their drainage runoff, you know, with rain barrels and such. You know, we don't need your interference to come in here. Several years ago there was an EPA Consent Decree that said ok EPA, you know, this is what you want from us, we're going to do it, but it's going to cost the members of this community a whole lot of money and our metro council voted to raise sewer rates by 37%. There was only one metro councilman at that time that said no. I disagree with that. I'm voting no. Everybody else rolled over. Why are we allowing the federal government, environmental protection agency, to come in and railroad us? We've already seen what they're going to be doing to coal and natural gas. And here's the City of Louisville, it's just another city under their thumb. Somebody grow a spine and say you know what? No. We, get of here, you know, we can handle our own business. EPA, you have no jurisdiction. We're asserting our authority as the City of Louisville and as the state of Kentucky under the 9th and 10th amendment of the U.S constitution. That's my question. And I'm done. If someone will answer that question I'd really appreciate it."

Brian Bingham- "Well, I'm going to give you the best answer that I have. My name is Brian Bingham. I am the Regulatory Services director at MSD. It's a question that we've been asked many times. It's a question we get asked much more as the economy gets worse and as we continue to need to raise rates to do the projects that are included in there. I'm going to go through a little bit of a history here to bring you up to speed on where we're at. When wastewater treatment systems started being constructed, there were no regulations. When the plants started being built, like Fort Southworth now Morris Forman, the EPA was the entity that oversaw and permitted those. The Clean Water Act requires that we control the amount of discharge of pollutants into the waterways of the nation. We, as a community, have certain things that we do have a say over and certain things that we have a say over how we do, but what we do not have is the ability to legally say no we're not going to do it; we're not going to comply with federal law. The reason that we entered in to the consent decree and we have been criticized before for not fighting, we did fight. We fought more than almost any other community ever has and we ended up entering into an agreement with the state, or beginning to enter into an agreement with the state and then EPA was invited back to the table. \$850 million dollars is a huge amount of money. It has a major impact on this community, but sewer overflows also have a major impact on the community while each one of you all may not live next door to one. There's a story that I can quickly tell, about 6 years ago we started putting up the signs that said this is a sewer overflow location and it will overflow in heavy rains, don't get in that area. We had a woman call, not from this part of town, she said, 'I am furious. This is going to impact the value of my property.' And we said no, this is to warn people, but it has to be there. It's part of our agreement with the federal government. So, we talked to this woman for about 20 minutes and by the end she said ok, I

understand what you're saying and I understand it's a good thing. Then she said, 'Does that mean I shouldn't let my kids play in that?' It wasn't that she didn't get it at first; it's that she didn't get it initially, she got it along the way, but it's one of those things you don't really think about why we're really doing it. There really is a reason. There really is a need for it. Yes, it would be wonderful for us to say "hey, time out". Our community needs some relief. We need to not raise rates for a few years. We can't do that. If you look at our Consent Decree, \$850 million, a huge amount of money. St. Louis is bigger than us. They're maybe twice as big; \$4.7 billion. Cincinnati \$3 billion, Indianapolis \$2.5 billion, Pittsburg \$4 billion, Atlanta \$3 billion; Atlanta household wastewater rates- more than \$100 a month. Ours is not great from the perspective of how the community has to pay for it. Ours is the most affordable and most reasonable of all the major cities. The major difference that we have is we went into it knowing what we wanted to do, knowing what needed to be fixed on these systems and not letting them tell us how to fix it. We have a federal law we have to comply with, but if you look at what some of those other cities got backed in to they had to fix it a certain way, they had to fix the way that other had done it and that wasn't what worked well in their community. What we did, we put together a stakeholder's group. We went out. We had these people come in for 22 meetings for an average of four hours a meeting. We educated them on everything we did. We asked them what they wanted the community to see and, initially, they said we don't want any overflows. Where they ended up by the end of that was we don't want any, we want as few overflows as possible because we don't want our kids and our dogs and everything else to play in this, get sick and cause problems, but what we want to do it is the most affordable way possible. Part of the reason that that 33% rate increase was required was because no one had raised rates the appropriate level to take care of the system before. The entire problem we have is because this system was not maintained properly because people didn't want rates to go up. We don't want rates to go up either. I'll be the first to say, I don't like it when we raise rates and I don't like to pay more money, but I do want to live in a community that's growing and thriving. Yes, raising rates can hurt that, but what can hurt it even more is having sewer moratoriums put on us by the state or federal government that say no more building can happen. No more businesses can come to our community. We've actually had that in part of our community- the Jeffersontown area. We've been under a sewer moratorium for a number of years now. No one can build in the J-town industrial park right now. By 2015, we'll have that plant offline and we'll have it where that's open back up for growth again. The goal of this is to come in and find the most affordable way to do it, but to let the community thrive and grow. Yes, we're trying to keep the rates down as low as possible. Our board has been very specific with their instruction. They want us to continue to look at everything we do, see if we can find more efficient ways to do it. The mayor has asked us to look at things including working with the Louisville Water Company and metro Public Works to find ways that we can share services, cut those costs, keep those rates as low as possible. We do have some of the lowest rates in the region. We have some of the lowest rates in the state. You go right across the river the rates are a time and a half as high. You go out in the state, the rates are a time and a half as high. I'm not saying it doesn't hurt. We're very conscious of that. That's why the senior citizen discount program was put in place. We got some information about that over at the table. We've got many other things. The Lateral Line Replacement Program is an interest free loan program. The Plumbing Modification Program is something that is paid for by rates because we showed that it's

cheaper to do that than it was to go build additional lines and additional plants and it also gives an additional benefit of protecting each one of your all's homes; it's protect by one of those from sewer backups. So, the end of this, and if you all have additional questions I'll answer as many as you want, either up here or out there, we would like to not have this, but it is something that every major city in the United States is dealing with. It is a federal law. The people that can change that are not the people that are in this community. They're the people in Washington D.C. If you all want to see change, work with your senators and congressman to try to get that addressed. It's something that, you know, the next round of enforcement actions that they're looking at taking against communities, they've gone against almost every major city for one of these wastewater consent decrees. They've gone after 22 communities in the state of Kentucky alone for similar things. We were the biggest therefore we were the first. Every community in Kentucky that has a combined sewer system has an enforcement action either from the state or federal government. That's because the federal laws allow them to do that. It's something that we believe that ours is fairest. We worked with others in the state to try to make sure that we all work together to keep those as fair as possible, but we can't make them go away. The next area that they're looking at is stormwater. You heard a little bit about stormwater tonight. You'll be hearing much more about stormwater. They're marching through, doing inspections in cities all over the country. That's there next area that they think communities should do better. What we keep trying to tell them, and when I say we I'm talking the collective we of all the communities in region 4 that are dealing with Atlanta, which is where our EPA folks are. We are doing a lot of good things. Look at what we're doing, look at what improvement we're making in our community, watch us; don't just come in and go with the one size fits all. I will say this, when we first entered into our consent decree in 2005, and I came to MSD in December of 2004 to help finish those negotiations and to oversee the consent decree. When we first entered into it, we were treated horribly. There was a number of documents that they put out calling us the worst offender in the South Eastern United States. That was particularly harsh for a lot of people that work on this program because two years before, Louisville MSD was cited in a report to congress as a model program for dealing with wet weather, stormwater and wastewater issues. The difference was not that MSD did anything different, it was the perspective changed. We got off to a horrible start in our consent decree. It took a few years before we turned that around and what it ended up being was us sitting across the table with them and us explaining what our community wanted, what our stakeholders group and what our citizens meeting had showed, that our community didn't want a \$2 billion consent decree. That our community wanted to do what make common sense and to eliminate those overflows that kids could get into, but when we had these big storms, if you'll remember August 4, 2009, that huge rain we had, that we couldn't control them in that. They, they ended up starting to call us out as a model program. We have actually been the presenters on some of the EPA programs; to talk about how you can work together to get more out of them than you can by fighting with them. There are some communities in this state that are currently fighting with them. Northern KY Sanitation District No. 1, which is basically the three northern counties right across the river from Cincinnati, they're about 2/3 the size we are and they will spend more money than we will. Part of that is because of the work that was done before and part of that's because we believe we had the best plan that anybody's put out in the country. I'm going to stop there and let the next questions come up, but I will tell you all, there are a lot of people that have worked very,

very hard to keep this as low as it is. I know it's, I know it's high and I know it hurts and we appreciate that and we try to keep each one of those rate increases down and every year there is a lot of effort put in to seeing can we squeeze that down a little more and we have to have more to pay for these things, but can we keep it a little lower and a little lower and a little lower. And, believe me; you will see more and more of that over the next few years."

From the audience- "Mine keeps going up, up, up."

Brian Bingham- "If you want to talk, sir, you need to come up."

From the audience- "I don't want to come up there."

Brian Bingham- "Actually, let me finish with one more statement on that."

From the Audience- "You know, we put a sewer system in out here. Cost each one of us homeowners \$5,000 to MSD. It cost \$1,400 to hook on to it. The back of my house to the sewer and it just keeps on, I mean, before the sewers, my water bill was \$13.00."

Brian Bingham- "Sir, if you could... Sir... Does anybody want to come ask a question?"

From the audience- "And I had a septic tank that worked perfect."

Brian Bingham- "Please come up."

"Boy... I don't know how to quite to put... I've got my two month September/October bill here. Ok. And you say that nobody raised the rates all this time since I've been here in '97. [From Brian- No ma'am. That's not what I said at all.] Oh, Lord, it's been coming up. You're right, Mister. You're right. When is the next bomb going to hit? When do I finally get my I have to start paying this new raise to you all? [From Brian- Is that your question?] No, now well, that's his idea. Ok, we were out of state for the month of September; no flushing, no shower, no nothing and it was pretty dry that month. We were in Michigan. OK, that's one part of my bill because I have September/October. Then we came back and we, you know, began living back home again, ok? Now, we use \$9.00 worth of water in October. I've got a bill sitting here telling me I've got to pay \$91.00 for that consumption. You don't... Oh. And I've got to pay more now? Something's wrong with the picture folks. And, I don't know what it is, uh, could be administration. Oh well, you know. Somehow they gave ten million to pay the, god bless them, to the police and the fireman, yeah, but somehow nobody put that in the plans to pay them along like they should've. \$10 million loan out of the water company, was it? When did they become a lending business? Anyway, that's happened. Ok, things are going out of control here; out of control. We can't ask anybody in the administration here, like the Attorney General. No, uh-ah, we don't want that. We've got to get an outsider somewhere from out of this state to come in and find out what's happening here cause they're ripping us off. You know what? I probably have to leave this town. I probably have to get out of Dodge. I'm on a fixed income. The first I ever heard about a senior help. That's something, but, you

know, we've got to do something about our life situation or we're all going to go under eventually. And some of you can still work, but you will be in my position someday. I don't know what else to say. I came here in '97 and my bill was nothing like this or I wouldn't of moved here in the first place, but now we're thinking we'll have to leave our home."

Brian Bingham- "Let me talk about rates for a couple of minutes. Rates have gone up. Rates will continue to go up. I'm not going to lie to you and I'm not going to tell you something that's not true. I did not, I did not say and I don't think that there's any way to interpret out of that that rates hadn't gone up. If you look at, I'm trying to remember what year the 33% rate increase was in, it was a few years ago and rates have gone up 6% each year since then. If you look at most of the other major cities in the country and talk about, let's talk about Michigan for a second, you mentioned Michigan. The city of Detroit, I don't really know how they're going to do it, they're laying off 80% of their sewer workers. Now, I don't know if they had that many extras or if they're just not going to start doing things anymore and let the federal government take over. What happens if we really decide we're going to revolt, as a community we're going to say we cannot do this, we will not do this. What happens: we file a petition with a judge or we just stop doing things, those aren't, we're not going to stop doing things folks. I can tell you, one of the things taking the consent decree into account what it does is it takes it from before if we didn't comply with the Clean Water Act, it was a civil case that the federal government would bring against the community. If the community decides to not deal with it now and not continue to deal with it, it becomes a criminal case. I'll give you an example. The city of Atlanta. When the city of Atlanta first started their consent decree, and they were a few years ahead of us, their city council said this is ridiculous and we're not going to do it. Now, they're consent decree is about four times the size of ours and, while Atlanta you all think of as a really big city, the city of Atlanta that's under the consent decree is the city of Atlanta and not the surrounding county areas, so it's actually less population than we have. The federal judge that was presiding over that case sent a letter to each one of those council members telling them that they had two choices. They could come up with a funding plan that would actually allow them to comply with the Clean Water Act or he would provide them with accommodations in a federal facility of his choice for an indeterminate amount of time. And I'm not trying to be flippant about this people. This is a federal law. This is something that is extremely serious and it's something that we have to comply with. It's something that's expensive to comply with. It's something when you look at our rates we are right at the national average. When you look at communities of our size we are at the nearly the lowest levels of any major cities that's under a consent decree. I can appreciate that it's expensive at times to do this. But when you compare it to what it costs to live without a flushing toilet, or compare it to even garbage collection. Our rates are really pretty similar to what you pay for garbage collection. You probably don't think about it because the Louisville Water Company and MSD's rates are on the same bill. Take those apart. The Louisville Water Company's is a little less than half of that, ours is a little more than half of that. There's also a wastewater component and a drainage component. Wastewater and drainage are MSD's. The water supply is the Louisville Water Company's. I'm not here to tell you that rates are not going to go up. Right now what I can tell you what we're looking at doing is seeing if we can reduce it, but right now what is in the plans, what is in the documents we've submitted to the federal government is that each year for the next number of years, rates

will continue to increase. Right now they're scheduled to be considered to be increased by 6% next year, which is a little less than the 6.5% this year and then by 5.5% a year through 2024. We are looking at a way to see if there's a way to do that cheaper. We are ahead, we are ahead of budget a little bit, but what we don't know is what's going to come on the other federal regulations. The, the previous discussion about septic tanks; I use to have a septic tank. Septic tanks can be every bit as expensive to fix as sewer systems can. If you go through what happened in the southwest part of the county in the '70's, there were plans to serve the entire part of this town and there was somewhat of an uprising of we don't want sewers. Those plans were all put on the shelf and they never happened until came back in the early '90's and said all our septic tanks are failing, will you all come in? MSD has a substantial amount of debt that we can carry. That's part of what we do. We do not pay for everything with cash. If we did, your rates would be substantially higher. We owe about \$1.6 billion that we have out there in bonds. A big part of that \$1.6 billion was the cost of building these treatment plants and sewer systems. The gentleman earlier I believe he said he paid \$5,000 that was probably \$5,000 out of a \$10,000 cost to build it. No one that's ever had an assessment has paid the full cost of those sewers because there are other benefits that come to the community and it was acknowledged that the community couldn't do that, so MSD bonded it, much like when somebody buys a house, you'll get a mortgage on that. Consider it a mortgage on our sewer system. The goal is to not grow that any faster than we have to, but it will go up some. We come out here to tell you all what's going on. I understand people are upset. We take all that into account. We work with you all. We try to work with the community. Our board, the elected officials, everybody involved, we have these discussions on a regular basis of how to best put together a plan that doesn't hurt the community that actually helps the community grow and how to keep those rates as reasonable as possible understanding the more reasonable we keep those rates, which means the more money we actually have to go borrow because we still have to go do this stuff which means the higher long term debt it is. Essentially, you know, some people would call that kicking the can down the road a little bit. The goal is to try to get to where we pay for more of it in cash, but to do it in a way where we can create a growing economy in our community, so that everybody can afford to do this. Anybody else like to come up and ask? Please come up. Either come to the podium or wait till afterwards. Let me make that statement. When we're done here, what we're going to do, we'll be around the room, you can come, anybody, doesn't have to be on camera. Talk to me; I'm the Regulatory Services Director, Steve Emly, who's the Chief Engineer, Dennis Thomasson, Emergency Response Director, Steve Tedder, our Community Relations Administrator and many others."

Charlie Feathers- "My name is Charlie Feathers. I live up by Prairie Village. For a long time we've had trouble with our sewer system and I had to put sewers in, just like everybody else, and I didn't want to pay for it, but we had to. And I was having trouble around my property with water backing up and so on. My problem is there's, multiple problems. One is, is that now the MSD is under new management. Bud Schardein got let go for whatever reason, we never did find out the whole truth, but, I mean, I don't commit everything I read in the paper to my memory, but there was something about a \$200,000 bonus that was hidden in the books that they found out right before he left. Ok? And then, I kind of watched all the backups around UofL and flooding the basements and so on. I'm thinking why isn't anyone watching us? I mean, UofL's been there for a long time

and I can't believe that UofL with the engineer school up there and I went to speed school that they couldn't help figure out where the flow would go, you know, and so on. But that viaduct at 3rd and Eastern Parkway is always backed up. There's always a problem. We have new management, but the problem I see right now is we have no transparency. Now, you hear about it on the news, but you don't see anything about it. Now, my question is, is if we have such transparency, what was the cost of salaries and overhead a few years ago and what is it now? We're going to spend \$850 million, now I'm not saying it doesn't need to be spent, but my questions is, is how much is rework because I read a little blurb in the paper about some things weren't done exactly like they should have been. And nobody's, nobody's coming up and saying this is where we've made our mistakes and this is what it's going to cost to fix us. I want somebody to be honest with me. Don't try to just come in and tell me you're going to spend \$850 million and I'm supposed to like it. Ok? At least tell me the truth. Tell me what you did wrong, what you're fixing and how much it's going to cost me again to fix what I paid the last time. Then the other thing is, if they didn't do it right, which apparently they haven't. What contractors did they use and if they did, are we using just MSD and its employees? Well, somebody's not doing very good work. Now, if you hired somebody and they came in and did a shotty job, would you hire them again? Now, my question is, are you using the same people again? Are you using the same designers again? Just, excuse me. I mean, I don't know who's going to keep track of this because I'm in a lot of different areas, but I've been listening and I've been thinking about this stuff. But, you know, who's watching the farm? You know? And is it the same people? I mean, Bud Schardein's the only one that I know that left. Now, I'm not saying I want somebody to lose their job, but I'm sorry, if I didn't do my job I would've got let go. They would've got somebody else to do my job. I worked at Colgate. They closed the plant. I had to leave. There wasn't any choice on that one. Then, the other thing is, you talk about a rate increase. Now, think it's, if my memory's right, and like I say, I didn't think I had to write it down. I didn't know about these meetings, but it's like 6.5% that can be approved every year without anybody's ok. MSD has, MSD can just come in and do it. My question is when's it going to stop? Because while you're spending \$850 million, yeah, you got to have the funds, but once you pay for it, is it going to start going down 6.5% every year? And does it have to go up 6.5 because that's the only number anybody throws around. They don't say 2%, they say 6.5. So, I have a problem with that too. Is somebody watching the books? And the other question I have is is what innovations? I mean, I saw the PowerPoint. The lady did a very good job of explaining it, but what I want to know is what are you doing different that you did before? I mean, if you're using the same old designs, the same old theory, the same old whatever, we're going to just have more catch basins. We're going to just catch the water and wait till it quits raining and it'll go up in the valve and we're going to let it run out. Is there something that's being, something that's new? I mean, I was expecting to come in and be dazzled with this is what we're going to do. This is a new innovation. This is a new way of doing it. No, we're going to be put rain barrels in. We're going to put a basin in. We're going to hold 200,000 gallons of water. You haven't impressed me. All you say is that you're going to spend \$850 million. You don't tell me exactly why you have to. You don't tell me if you have fewer people than you use to have, which you should have, by the way because I think it was kind of there were more people than there should have been at MSD because they weren't doing their jobs any way. So, apparently, you didn't need them all. So, those questions, I would like to have answered. I don't know who's going to answer them, but I think they're valid. Thank you."

Brian Bingham- "I'm going to try if I can remember them all. Here, please take this card. I probably won't get these in order and if I miss any of them, I'm sure somebody out there will remind me. Let's talk for a moment about the audit. The audit, I believe, is what you're referencing back to of what was being done wrong before. I invite each and every one of you all to read that audit. If you can get to that information through our website or through the state auditor's website. There was nothing operational in that audit about how we're designing projects, how we're doing things. Everything that was in there was related to the administrative side or the management side of the organization. So, but I want to answer your question... what are we doing different? Let me tell you what we're doing different than other communities. If you look at the city of Washington D.C. and they've had their problems with certain things, but they've got what is viewed as one of the most progressive sewer and water districts in the country. I think they've changed their name recently. I think they're now just called D.C Water. They use to be called D.C. Water and Sewer. They have a plan to go address the same kinds of problems we've got here and we'll talk for a moment on the combined sewer system because I think this gives the best illustration of how our community is different than that community. If you look at what it cost for all of the overflows that they have of those combined sewer systems that they show or that we showed you earlier. There's cost, on average, for every gallon of overflow that would've happened in a year that they've, that they're going to eliminate would cost about \$1.00 a gallon. That's the cost on their on their program. That's pretty consistent if you look at other major communities. Ours is \$0.30 a gallon. We're literally a third. When I compare those numbers and compared the \$850 million to other big numbers. We have come up with some ways, if you look at how the system was built; go back to where the streams use to be in our community that were put in those large pipes. One thing that they did that was really good was that they interconnected those pipes to each other. So what we've done for literally some of the cheapest projects are a penny or two a gallon on that same comparison against \$1.00 that they have against \$0.30 for our average to be able to take and go put additional gates on these systems. It's basically like taking a traffic signal program and let's say that, you know, Dixie's backed up, so let's route traffic over on to Cane Run for a while. You know, sewer systems don't have those kinds of systems normally. We were an innovator in the state... we were an innovator in our system in the United States with that. There were two cities in Canada that were ahead of us and I think we've passed them now. Europe's always been a little bit further ahead, but they use it for stormwater and not for wastewater. We took it to a new application. If you look at some of the other things that we've done, the green infrastructure program, and I know some of you all don't agree with that program, but in a lot of these systems if you can keep from putting that water in the sewer, you don't have to worry about what happens when it comes out of the sewer. That's been hailed as a national model to follow under a consent decree. It's something that's innovative. We took what other people are doing and we took it about five steps further. When you go look at how people are going, let's talk about the staffing levels. If you go back to the to the 1980's, well let's go to the late 80's or the early 90's. There were about 750 or 800 employees at MSD. There were about 2,000 miles of sewer at MSD. There's 700 miles of streams. There's thousands of miles of storm sewers and then let's go forward to like 1998. By this point we're up to probably 2700 miles of sewer and there was a reduction in staff. There was 870 employees and it was cut back to about 650 or 660 employees. After that point, the numbers were lowered even further. It got down to under 600 for a while, which is part of the

reason we have a consent decree because we weren't really taking care of everything that really needed to be taken care of. We got rid of a lot of the redundancies. We got rid of a lot of the backups. We got rid of a lot of the programs that that truly we really shouldn't have gotten rid of, but we cut it back to the bone and the consent decree actually required that we add some staff back on. We're about 660 employees right now. We're going through a new staffing plan right now. We're looking to see if we can reduce those numbers by 10% over the next five years, so basically a 2% a year reduction in staff. We're doing that while our systems now 3200 miles of pipe. So, we've used technology to offset part of that. You still have to have bodies to deal with certain things. We have 17 flood pumps stations. Nine of those are more than 60 years old and every time that river comes up, we don't let those pump stations sit there alone. We put bodies in them to make sure that the community doesn't flood. When you have 60 year old equipment, you do not have computer controls and you do not have automated systems. You have to turn levers and start pumps and do all the things by hand. Those are something we would like to update those. We've updated two of those; we've got nine more of those that are more than 60 years old. What else was on your list, sir?"

From the audience- "Let me ask you a question on that. Is that everybody at MSD? Is that hourly? Salary?"

Brian Bingham- "That is every single person at MSD."

From the audience- "The other thing is how much of this work is rework?"

Brian Bingham- "None."

From the audience- "Well, what was it referring to in the newspaper when it said some of the projects that were done in the past, we're going to have to be redone?"

Brian Bingham- "I will give you my contact information, if you could show me where that is. I never saw that in the paper."

From the audience- "Like I say, it was at the same time that Bud Schardein got let go...."

Brian Bingham- "And I would caution everybody in the room, if you've ever been quoted in the newspaper, take that into consideration. I wouldn't believe everything I read in the newspaper. One of the things we're here talking to you about, we are proposing changes to the original plan we had because we got more information and we found ways to basically do it a little bit cheaper and to get benefit a little bit faster. We'll do that all day long if we can save money for the community. There is not a single project that we've done that we're going to go tear out and redo. Not a single one. And if anybody believes that there's anything different or specifically has something that they think they've heard or seen, I would be more than happy to sit down with you all individually, go through, show you exactly what it is. We do, we do have an image issue with the community and we have some rebuilding with that to do, but the audit that came out was

related to the administrative and management side of the organization. There was not a single negative comment in that audit related to how we build projects or how those projects operate or what level of protection we have for our customers. And I will tell you, we're not perfect, but we get better every day and we're going to keep getting better. That's a commitment from everybody at MSD. And we talked about people changing. You said that you knew of Bud Schardein. There were some other people that left. The most notable of that group that is not there any longer we, our entire board is new within the last year to a year and a half. So, we do have and if you look at the makeup of that board, that board's got a much better financial slant and a much stronger public outreach and public education slant. They want to see performance numbers. We have started putting out a lot more information. You talked about openness and transparency. If you go to the MSD website, you go to a link, go to Open MSD. You can see every single thing we do. You can see every contract. You can see every check we write. You can see what each individual employee made that week, that month, that year and for the last how many ever years. It's all on there. There's, as a matter of fact, of all of all of the metro agencies, put that information out in one way or another through an open whatever they are website, ours, I believe, has more information than any other one in the city. Its' got, it's incredible the detail that's in there."

Question muffled from the audience.

Brian Bingham- "We do not make a profit or loss. We are we we are Metropolitan Sewer District. We are a nonprofit entity. No, but it's a great question. It's a great question. We are a nonprofit entity. Our goal is to serve the community. Our goal is not to make money or put money in people's pockets. [Mumbles from the audience] Yes we will. I'm almost finished. Only one that I just got handed a note that I hadn't touched on yet was the University of Louisville. And I think that's a great question because the University of Louisville has a huge drainage problem and huge flooding problem. And part of it is self-inflicted and part of it is community development related. When our community was originally conceived and they started putting these pipes in, no one ever imagined that we would have all the hard surface that we have and all the runoff that we have. Nobody thought we would have giant parking lots and decks on the back of every building and every square foot of ground that you could gobbled up by something else that's paved or covered over. But, at the same time, look at the University of Louisville. And they have done a tremendous amount. I want to talk for a couple minutes about them. Where's the worst flooding on that campus? It's on Brook Street. Anybody want to know why it's called Brook Street? They paved over the creek. They put a pipe under it and paved over it and, therefore, it still runs like a brook when we get heavy rain. The University of Louisville, I don't remember the specific number, but it was something north of \$25 million in damage they had on the campus in that August 4, 2009 event. They came to us. They also went to their engineering school. I'm a graduate of the University of Louisville Speed Scientific School. We have many other graduates from Louisville and Kentucky and all the all over the country folks. But we regularly work with the university's engineering school. We help them out; they help us out. We actually have a program where we're actually working with EPA to monitor our green program. We have two PhD students from the University of Louisville working on that with EPA and with us. We work with them on the other green infrastructure things. We worked with them on the green incentives to go in. They've done

about \$3 million worth of improvements on the campus to try to lessen those flooding problems and we're talking to them about several million more that we would help work with them in. In other words, when we talked about that green infrastructure program, when Angela was up here, it's one of those things, if we can do it and it saves all the ratepayers money, that's what we're looking for. In this case, it helps them as well. So, they're trying to make their buildings where they don't flood as bad. They had continued to build bigger and bigger on their campus like the rest of the community. They have taken and embraced this in a way, like no other part of our community yet has. We think that they will still have some flooding problems for some foreseeable future, but probably in the next 10 or so years, they'll get most of those problems under control. Sir, you want to come up with a question?"

Dave Wright- "My name is Dave Wright. I live in Shively. For the first time tonight, I heard you mention that this project is \$1.6 billion."

Brian Bingham- "No, I said we currently owe \$1.6 billion in debt."

Dave Wright- "And why do we hold \$1.6 billion in debt when we have an \$850 million project?"

Brian Bingham- "Is that your only question?"

Dave Wright- "No, I have a lot."

Brian Bingham- "Go through all of them and then I'll come up and answer."

Dave Wright- "And I'd like to know at what point does it get better. It looked like on your thing that 2015, some projects finish, so the levels drop off. You said the project was another 14 years. I'm wondering will the fees stop in 14 years or is this an ongoing thing? If I took out a loan for \$850 million and made payments for 14 years wouldn't it be just so much money why do you keep needing more? Could it be cheaper to borrow money and take care of this? Sometimes it seems like I see MSD guys around a lot and it doesn't seem like, I mean, I see them work, but I see them not working also. Are you taking care of just the maintenance repairs, the minor stuff, and letting outside people doing the big projects because that seems like it'd be a lot cheaper? The way the economy is right now it seems like some of these construction companies would be happy to have some of this work and could probably do it cheaper than you do. And, I wonder, after this 19 year project again, is there going to be no cost? If you fix it and it's done, is it done? Or is it ongoing? Because I need to know, for my children to let them know what's going to happen in this community for 14 years and beyond that they're going to have this charge or more. That's all I got."

Brian Bingham- "Alright, I started, I finally starting writing those down, but I don't think I got them all, so, let me go back to the \$1.6 billion vs. \$850 million. They're two totally separate things. Right now, we're about 25% of the projects in the consent decree are done. There's another 20% of those or so are ongoing. We've spend 3 or 4 hundred million, 350-360 million dollars of that \$850

million has been spent so far. That is included in the \$1.6 billion, but that \$1.6 billion also includes the 1,000 miles of sewer that we built in the last 15 years and the upgrading our construction of new treatment plants in every part of the community. So, the \$1.6 billion is the debt we have which includes a portion of the \$850 million. There's about \$500 million left to spend whether we pay for that with cash or we borrow additional money. I think part of the question was isn't it cheaper to just borrow the money than to pay with cash. The problem with borrowing money is we pay interest. We have to borrow money. We can't pay for it with cash or the rates would be instead of \$36 or \$38 a month for the sewer component, those rates would be \$50 or \$60 or \$100 a month. So, we have to walk that line, if you will, between raising the rates to where we can pay for it and not add to that debt and keeping the rates low and adding to that future debt that everyone's children and grandchildren are going to have to pay for. And every year that gets looked at and, as a matter of fact, there was a specific discussion this year of, ok, we're going for what we believe to be the last 6.5% rate increase that we're going to have for the foreseeable future. What would happen if it was 6% or 5.5%? What would that do and how much would that add to the debt? And it was going to and I believe if I recall the numbers correctly, for each half a, if we would have gone half a percent less over the next 20 years, that would have added \$6 million to the cost of it just because of the additional interest. So, it's one of those things that we try to listen to the community of what do you all want. Do you want higher debt? Do you want lower rates and higher debt, which means much higher rates later? Or do you want something that's something that we try to get closer to inflation. We're above inflation because we were below it for so many years. It's a, like I said, it's kind of a delicate balance, but we try to work through it. Our board last year took the biggest interest that they've ever taken. They asked for a number of different scenarios. The question earlier that I did not answer was what is the level that can be approved with no with no oversight or guidance? There is no level that has no guidance, but the way it's written, MSD the MSD board has the authority, if requested by the agency and if certain things are met related to our debt coverage ratios and how we have the ability to pay back our loans that they can raise the rates up to 6%, I'm sorry, up to 7% without going to metro council. 7% and above requires metro council approval. The only time that that has happened since metro council was seated was the 33% rate increase which was the first full year of the consent decree and to put that into perspective, the 33% rate increase that year for the typical family that was \$6.95 a month that it increased by. Now, I'm not going to sit here and pitch the other utilities out into the discussion, but when you look at our rate increases, yes 6.5% is way higher than we want it to be, but that's usually \$3.00 or \$4.00. Now, I know that every \$3 or \$4 counts, and believe me, we really pay attention to that, but when you compare it to cell phone bills and cable and electricity. We believe we're doing a better job of keeping those costs under control than the others. The question was asked, so does this mean in 14 years are we going to, are our rates going to start going down by what percent a year? Unless we change our system and start paying for everything in cash each year, that's not how it works. We actually go out to the bond markets and we have a AA bond rating which is a very high rating and a very good rating. AAA is the highest you can get. We go to the bond markets, so we get very good rates. We are not paying for all these projects with cash, therefore when we complete this in 2024- 2024 is the end of the consent decree; December 31, 2024- we will still have debt that we'll be paying on for about 30 years beyond that. And if anybody wants to change that, we have to change how much we're paying

every month and pay for more of it in cash. Or we have to find a way to get grants and I can tell you we don't get grants. We are not one anybody's list to receive free money. We have, out of all the work that was done in the stimulus package, we actually did get some money. We got a \$2.5 million interest free loan for part of the construction of the western flood pump station and a \$2.5 million grant. We had other grants that we had previously received; a couple of million dollars' worth of them over about five years that the federal government rescinded, even though we were almost finished with the projects. So, MSD has no authority to tax you all. We have no authority to raise any money other than rates for the services that we provide to the community. We charge for wastewater and stormwater. It's a pretty easy math thing although the numbers get pretty big just because we have 232,000 or so customer accounts. We have customers from one end of the county to the other and we have a contractual relationship with Crestwood, which they pay every bit as much as you all do and they also pay for parts of their system, so when it comes out, it's a pretty good deal for them because it's cheaper than they could do it on their own. It's pretty good deal for us as ratepayers in this community because we actually do pretty well on that."

From the crowd...- "Why does MSD crews do the work versus contractors?"

Steve Emly- "I'm Steve Emly. I'm the Chief Engineer with MSD and one of the questions he asked was is MSD doing a large majority of this work with our own crews or are we hiring contractors to do it? Most of the work that's involved in the consent decree are very large projects, multi-million dollar projects. Now Brian mentioned our staffing cuts over the last few years and we really are down to a bare minimum as far as our union maintenance crews who maintain our facilities; our sewers and drainage facilities, our flood pumping stations and all the other assets that we have out in the community. So, in terms of our consent decree work, our crews do almost none of those repair works. We are dealing with some very large projects, some very large pipes, for instance. Handling materials like that requires equipment that MSD does not have and hasn't had for a long time, so almost all of the work that we contract with the consent decree and all the work involved in that is contracted out. Yes, sir.

From the audience- "Are they bid jobs?"

Steve Emly- "The gentleman asked if the jobs are bid. On the construction side, all of our work is competitively bid and we do always award to low bidders in most cases, unless there's some problem with their bid, so yes it is competitively bid and we do award to low bidders."

From the audience- "When you all start taking those bids do you only accept a union?"

Steve Emly- "She asked if we required a union contractors. We do not. Any other questions?"

William Halbauer- "My name is William Halbauer. I live over on 7723 Bluebonnet. I have a water problem back on my street. At my house, the... since they put the new pipes in and stuff and they did have contractors do the work and they pounded the ground to where it shook the house and they said they can't be done with the equipment they use, which is not true. I can, you can go

through the neighborhood and they will tell you that same thing happened. Now I have leaks in the basement because of this; never had it before until they put the pipes in. So, who is responsible for something like that and can I get any help?"

Steve Emly- "Was this a drainage repair sir? Drainage work that was done?"

William Halbauer – "Drainage pipe across the front of the house."

Steve Emly- "Keep in mind that our consent decree program that we're talking about tonight deals with sanitary sewer overflows and combined sewer overflows. MSD has an entire other side to our capital program that would be dealt with with the projects he's talking about. Most of those projects are funded under a program we call Project DRI, which is where we go out in the community and try to resolve neighborhood level drainage problems. I understand that was a contractor that did that work? Is that correct? Ok, so if there was damage from that, what we can do is if you haven't already contacted us about that damage, we would come... If you haven't already contacted us and given that information about the claim, we would take that damage tonight. I assume this is recent damage? So, we have a claims process that we can run through with those contractors and they would be required to follow up with you, inspect that damage and make a report back to MSD and to you about whether they think that damage was caused by their activities or not. Constructing a drainage facility out in the street, in my mind, would be, it would be unusual to cause foundation problems in a house because of constructing drainage facilities in the street, but we'd be happy to take a look at it. Anybody else?"

Dave Wright- "I have another question. I'm curious. I'm curious again about this end thing. Now this end thing now is till 42 years, the way I understand it. You just added thirty years to it beyond the projects date, so that means we're making payments now for 42 years. Now you also mentioned that we're helping to pay for your expansion. You're putting in more pipes, you're putting in more, but that mean, that means more customers. That means more people are paying you money to help pay for all this stuff and I come back to this 42 years. And 42 years, again, wouldn't it be cheaper to borrow the money and I'm not understanding how that works out. Why it's taking 42 years to pay back this \$1.6 million. And if you have that \$1.6 million in your pocket, why are you getting somebody else to pay you some interest and loan it to somebody else in the mean time when you're not using it. I'm real curious about 42 years."

Brian Bingham- "Well, I'll, I'll take a shot at this one, but there is a part of this I absolutely wanted to call out. If anyone in the room, other than those directly related to MSD, has read the audit or did read some of those articles in the newspaper. One of the practices that the state auditor said was absolutely inappropriate was the investment practices of that money that we had in the bank. We had a program called the Yield Enhancement Program and we were investing in some things that were proprietary, and I'll be honest, I don't even know what we invested in myself, very few people did. It was a deal with a with an investment banker firm and some things and MSD made more than \$100 million in profits that went in to keeping rates lower, but they weren't transparent. The state auditor went through a thorough evaluation, and you're more than

welcome to read about it yourself, and said that those were inappropriate investments and those have been stopped. Most of what is an appropriate investment for us is going to pay something in the couple of percent range and we can go borrow money at about 4%, so let's go borrow \$1 billion at 4% and put in paying at 2% and I promise you our rates are going to go up much more rapidly than if we do it the way we're doing it. I would encourage anyone to get on our website and look at our audited financial statements. Get on the open MSD site and look at how we're spending money. You will see all the details of all of our bond issues. You'll see all the details of everything. Please go read that auditor's report. I wish the thing would disappear, but the truth of the matter is the public has to come to terms with it. We're about to complete- mid December, about a month from now- we will complete the response and the corrective actions on every item within that audit. I'm not sure of another public agency that has done that within a year. There may be some, I'm not saying they haven't, I'm just saying they haven't publicized it. There was a very public statement made by our Executive Director and our board that we were going to get these things addressed, get them fixed, right the ship, if you will, and move forward. The people that were there that left, they were all good people. They were people that cared, but they weren't all people that put in as much time as those that are being put in right now. Everything is being done, double-checked, probably even triple-checked, in most cases, to make sure that people are watching what people are doing and that people are checking what people who are watching are doing. So, if anything, we may have gone a little past on that other side, but that's something we felt that we needed to do to regain that public confidence and trust and to move things forward. I appreciate what you're saying about borrowing money and if we had the ability to invest like the way... let's say the... another problem in our state is the pension systems. And they can borrow money, they can do a bond issues. That's one of the things I think the legislature is considering and they can invest it in things that have much more risk than what we can. That's something that they have the ability to do. We don't have the ability to do that. We have, we don't have shareholders; we have you all. The people who are the ratepayers of the organization are who make up who we are responsible to. We are a special district, created by the state of Kentucky, under KRS 76. There's a new thing that came out from or new state auditor, Adam Edelen, just got put up on the website that I saw yesterday. We're one of the small percentage of organizations within there that were fully compliant with everything in there. We get audited financial statements every year. We get clean audits. That's the best way I can put it. I'm not an attorney. I'm not an accountant. I can tell you about them, but I can't give the exact terms. There were no major findings is what I'm saying in there. There is no missing money. There is nothing in the audit about money missing. There was no nothing in there about misappropriation. There was a statement brought up earlier about the retirement incentive or whatever it was that Mr. Schardien received. That's something that was approved by the Board. That's something that I am fairly certain will never happen again in the history of MSD and Mr. Schardien wasn't the first one to get that. Mr. Garner, the previous Executive Director, had one also. It was called a retention bonus, or whatever, and it was basically because when certain individuals become well known in the industry, other cities come in and try to hire them away and there's a substantial cost of turning over management and changing the way an organization goes. A decision was made by that board at that time to do it. I've not heard of any such things and doubt if we will in the future on those things. What was the other questions or anything you want to add, Steve?"

Steve Emly- "A great point on investment being made in the sewer system and are we adding additional customers that would help supplement those rate increases and keep them lower. The sad part about the work that we're doing from that standpoint is that we are essentially adding zero customers with this. We are working within the confines of our existing system and our existing customer base and are going into those established neighborhoods to resolve these existing SSO's and CSO problems. So, we are not picking up any significant number of new customers with any of these consent decree related programs, but it's a great question. Sir, did you have a question?"

Robert Taylor- "Alright, my name is Robert Taylor. Short history here, I'm from an area of town. I'm sorry to come out this way because I come from Newburg. You have yet to have a meeting close to me, so I had to come out here. I apologize to you guys. The reason I'm here, let me start off by saying over 60 years ago the Newburg area was more or less a swamp land with water wastewater this and that, mosquitos. Since then, they built subdivisions out there, houses, people moved in. The area pretty well dried out. The reason I say it is because MSD's going to build a Buechel retention center at the end, at the north end of Newburg, which is considered Buechel, but it's going to affect the whole community of Newburg. Now my two questions are this retention center, is it going to be stormwater? Which I do still have a problem with because, once again, Newburg use to be a swamp land. It's dry, pretty much so. We, first, have a few little mosquito problem, but that's it. Or is it going to be wastewater, which is going to be held there?"

Steve Emly- "The project he's referring to is a project called the Buechel Basin Project. It is a sanitary sewer overflow basin, so we are talking about is diluted sanitary waste that'll be stored in this basin. It's not just stormwater. One of the things that Angela covered in her presentation is that what we're dealing with in our system are huge peaks of clean water that enter our system during heavy rain events. Those are the types of problems that we're dealing with. Just like in the combined system that was built with the intention of stormwater being added to it. In the separate system, we actually see similar peaking factors in terms of the amount of clean water that gets into those separate systems. The Buechel basin was selected as a project that we chose to build on the consent decree because there was essentially one other viable option and that was to transport essentially wet weather flow from the Newburg area to our Derek Guthrie Treatment Plant on Lower River Road. The largest SSO's that we have in our system, we commonly refer to them as the big 4, those were the 4 that Angela mentioned that had to be eliminated by 2013, so those are the projects that we're working hard on right now. Most of those are actually done, but those big 4 SSO's are all in the Hike's Point, Highgate Springs, Beechwood Village area. About 80% of the total annual overflow volume from our separate system happens in that area. So, the options there are either to store that flow in that area and release it when the flows in the collections systems have gone down or to transport it to the Guthrie Plant, little over 14 miles away and store it there until we can treat it. Now the cost to transport it and build that collection system, that 72 inch collection system from the 14 miles from there to the Guthrie Plant was about \$130 million. All of the options to use storage in the upper end of that watershed we estimated to be below \$40 million. So it was a huge difference in the investment that we're required to make to deal with the same problem. So, that's why that site was chosen to be built.

We are actively working that site. We're about 30% done with the project overall. We're working very closely with our design engineers and we're confident that there will not be any odor problems. Odor problems are the biggest concerns that we hear from residents in that area and we do have some pending litigation currently involved with that issue, so I'm not going to talk any more in detail about any more of that. But, again, just some background on that particular project."

Robert Taylor- "One more thing... they have a similar project down in Nashville where they have a center that has a lid on it to keep out the varmints and mosquitos, everything else. Are we looking at doing that?"

Steve Emly- "Again, because of the pending litigation involved with that project, I'm not going to address that question here tonight. Anyone else? Yes ma'am."

From the audience- "I just have a question. I'd just like to know why with the economy the way it is and you've got thousands of people out of work. How do you expect to pay for this? You've got houses sitting empty with nobody living in them. Not counting how many thousands of people you've got out of work looking for a job and then you've got all these people that are on fixed incomes that only get \$700 or \$800 a month. How do you expect people like that to pay for it?"

Steve Emly- "We have spent a considerable amount of time tonight discussing the issue of the financing and how we're funding this and the issue with the economy and the recession. We clearly understand that that's an issue for the community. We're doing our best. We're going our best to deal with those issues and keep those rates down as low as we can and still be in compliance with the federal regulations. If you weren't here for the entire presentation, there was a lengthy discussion about that that you can watch later on online."

Dave Wright- "Can I ask one more question? I happen to have a swimming pool and I pretty much empty it every year and refill it; at least I have been and maybe it's 5,000 gallons. Well, it's going to get more expensive to go through this with you? Is there a way you could do something with that? Where you could give us a meter or we could put on our hose or something for people in that situation? Because your rates get higher, you know, I mean, why have a pool? So, is there an option for that or are you looking at that option maybe in the future or maybe by doing this you'll put it in the future. And you still haven't talked about its going to get better. And, you know, you mentioned something about over here in this Newburg thing. Do I understand that water comes there when it rain real hard and then you're going to take care of it when it's done? It's not just going to sit there and evaporate? It's going to still be treated because there's nasty things in there? So, his problem is a couple weeks long, not months long in that little area? Ok, I'd like to know that?"

Steve Emly- "The issue with the swimming pool credit, MSD use to have a swimming pool credit program that we stopped several years ago, so there's not currently a credit program for swimming pools. Louisville Water Company does offer the installation of irrigation meters where

water that comes through that meter is not charged from MSD's standpoint, so that is an option if anyone uses large volumes of water that don't go back to the sewer system, landscape irrigation, pools. That's an option you might want to consider. In terms of the Buechel Basin Project, just real quick operational overview of how that works, during peak flows with heavy rains we take large volumes of, again, very dilute, it's essentially about 95% clean water- it's coming from sump pumps, it's coming from rain water, it's coming from roof drains- that water is held at the Buechel Basin for a very short period of time. Almost always less than 24 hours; it would be unusual for it to be stored there for more than 48 hours. It is stored there because, currently, what MSD does, in violation of the Clean Water Act, is to pump it in to streams. That diluted wastewater today goes into our streams and creeks. It's a violation of the Clean Water Act. We're storing it on that site for short term to be discharged back into the sewer system for treatment."

Dave Wright (from the audience) - "So, does it look like a lake for 24 hours?"

Steve Emly- "It's essentially a big pond, yes."

Robert Taylor- "To answer your question, it will be there longer than 24 hours. The basin is larger. The St. Mary's hospital over here? Imagine St. Mary's hospital, the building, the parking lot, the whole thing. That's the basin would be able to be, the parking lot would be able to fit into the basin."

Dave Wright (from the audience) - "He can tell us how big it is."

Robert Taylor- "Right; he can. Ok. Well, so, so also the water that's being pumped into Newburg is not just from Newburg. It's going to be from Fern Creek and other areas. Correct?"

Steve Emly- "I'll talk when you're done asking questions."

Dave Wright (from the audience) - "You've got to have a collection point."

Robert Taylor- "Ok. That's, you know, but who decides this collection point? Who decides?"

Dave Wright (from the audience) - "Gravity"

Robert Taylor- "No, not gravity."

Steve Emly- "Real quick and this is the last question I'm going to take on Buechel Basin. The site itself is about a 90 acre site that MSD purchased back in, back in 2009. We are using, the property is bisected by a creek, and we are using the northern side of that property. It consists of about 35 acres. The basin's themselves probably make up about 30 acres of that site, so just to give you a feel for the footprint; a 25 football fields worth of area that we're able to use there. You had another question related to the collection, one second, to the collection point. Per the original IOAP, this is the plan that went through the 22 public meetings- wet weather stakeholder's team

development. During that process, this was identified as an area where we were collecting flows from different parts of the community. We're taking water from the Middle Fork of Beargrass Creek that's being diverted during wet weather in the future, not now, but in the future and a portion of the flows that currently go to J-town treatment plant are also coming this direction. So, again, that is part of the plan that's been in place for several years now, since 2009 and none of that has changed since that point."

Brian Bingham- "I'm going to go ahead and conclude the open part of this meeting. The rest of us we will be here to answer any individual questions. We need to be out of the room in about 45 minutes and we want to make sure we get to all the individual questions or looking at the project maps, talking to the people about the projects or entering requests in related to any kind of problem you have, whether it's the senior citizen program, the lateral line program, the plumbing modification backflow valve program or if you have a drainage problem or any of the other issues, we have people around the room. You've heard from Steve and I. If you have those types of questions, please, let me stop there, if you have questions I said a minute ago, go over to the table here or the folks around the maps in the back. If you have the rate questions, those bigger organizational questions, audit questions, come up and see Steve or me. Thank you all for coming out."