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## **MEDIA RELEASE**

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## **City of Crestwood approves Louisville MSD to purchase City of Crestwood sewer system**

*Deal to enhance regional watershed management  
without impact to Louisville ratepayers*

LOUISVILLE, KY – The City of Crestwood Council approved the purchase by Louisville MSD of the City of Crestwood’s sewer system at their meeting on May 1, 2019. MSD already operated and maintained the Crestwood sewer system. This agreement simply moves the ownership of the system to MSD. Crestwood residents will no longer pay the Crestwood debt surcharge—resulting in a lower bill—and will benefit from being a part MSD’s larger system that can provide economies of scale, access to greater resources, more employees to respond to issues, and a dedicated customer service call center.

The purchase—initially negotiated under an Interlocal Agreement approved in April 2019—will not require any additional staff for MSD and will have no impact on MSD customer rates in Louisville Metro.

“MSD has enjoyed a beneficial partnership through an interlocal agreement with the City of Crestwood to operate and maintain its sewer system for the past two decades. This partnership has enabled MSD to provide sewer service to the citizens at a reasonable cost, without the City of Crestwood having the expense of maintaining and operating a wastewater treatment plant. MSD’s purchase of the wastewater system allows Crestwood to remove liability, lower the costs to ratepayers, and provide enhanced environmental benefits to the area. A regional approach to wastewater conveyance and treatment is the most efficient answer for the residents of Crestwood, MSD and the environment. MSD offers watershed-wide services, resulting in safe, clean waterways for the future,” states MSD Executive Director Tony Parrott.

## **Background**

In April 2018, the Kentucky State Legislature passed a bill that allows utilities to own assets outside of their originally chartered borders. Upon approval of that legislation, City of Crestwood leadership and MSD negotiated the purchase agreement.

With the purchase, Crestwood customers will continue to receive high-quality service from MSD and will see a reduction in their current monthly sewer bills. Customers now pay a minimum \$10 monthly surcharge—which is based on usage—to cover the debt payment incurred by the City of Crestwood with building the sewer system. As part of the purchase, MSD will assume and pay off the debt estimated at approximately \$2 million, and Crestwood customers will no longer pay that debt surcharge fee. MSD will continue to utilize its regular rate schedule for customers in Crestwood.

MSD began operating and maintaining the Crestwood sewer system in 1996, which today includes 1,800 homes and businesses. The wastewater flow from Crestwood will continue to receive treatment in Jefferson County at MSD's Hite Creek Water Quality Treatment Center for proper treatment and release to Hite Creek as it has for 20 years. The new legislation now allows MSD to own the sewer system assets it has maintained and operated for two decades.



### **About MSD**

The Louisville/Jefferson County Metropolitan Sewer District (MSD) works to achieve and maintain clean, environmentally safe waterways for a healthy and vibrant community. The organization's more than 650 employees provide wastewater management, drainage and flood protection services across the 376 square miles of Louisville Metro. In addition to operating and maintaining Louisville Metro's sewer system, floodwall system, water quality treatment centers and flood pumping stations, MSD invests in hundreds of infrastructure improvement projects each year, plants more than 1,000 trees and other vegetation annually to enhance water filtration and reduce runoff, and provides numerous outreach programs to inform and educate the community about protecting our waterways.