



700 West Liberty Street | Louisville, KY 40203-1911
Phone: 502.540.6000 | LouisvilleMSD.org

January 27, 2023

Juva Barber
Executive Vice President
BIA of Greater Louisville
1000 N Hurstbourne Pkwy
Louisville, KY 40223

RE: MSD Capacity Charge Increase for Jefferson County

Dear Ms. Barber,

This letter is a follow-up to our meeting held on November 22, 2022 to discuss MSD Capacity Charge fees. In that meeting MSD explained that the current capacity charge is inconsistent with Metro Ordinance and MSD's capital cost to provide wastewater treatment capacity. Per Metro Ordinance, the rate shall be recalculated annually and updated each calendar year based on MSD's net asset value divided by the total wastewater treatment capacity from the prior fiscal year. Based on this calculation method the MSD Capacity Charge beginning January 1, 2023 should have increased to \$4.50/gallon which results in approximately a \$300 increase per single-family home equivalent. In discussions during our meeting, you asked that MSD look at delaying and or phasing the increase to lessen the impact to your members and the building industry as a whole. In consideration of this request, MSD has elected to proceed with the following phased implementation schedule:

- Beginning on July 1, 2023 the MSD Capacity Charge will increase to \$4.09/gallon which results in an increase of \$150 per single-family home equivalent. Bringing the total capacity charge for a single-family home equivalent (400 gallons) to \$1,636.
- Once the FY2023 Comprehensive Financial Audit is completed (likely in September 2023) MSD will recalculate the Capacity Charge for calendar year 2024 and that rate will be effective on January 1, 2024.

Please note that this increase is only for projects in the Jefferson County service area.

We understand this increase directly impacts your members and our goal is to provide an update on the required increase with as much notice as possible. We plan to continue providing as much advance notice of capacity charge increases as possible in future years. Attached to this letter is the Capacity Charge Fact Sheet for Jefferson County that was provided during our meeting. If you have any specific questions or comments please feel free to contact me at 502-540-6314, or by email tony.marconi@louisvillemsd.org.



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Sincerely,

Anthony E. Marconi, PE
Development & Stormwater Services Director

David Johnson, PE
Chief Engineer

Cc: James A. Parrott, MSD – Executive Director
Brad Selch, MSD – Development Review Manager
Billy Doelker, Key Homes – BIA LDC Chairman