



ENERGY AND ENVIRONMENT CABINET

Steven L. Beshear  
Governor

Department for Environmental Protection  
Division of Water  
200 Fair Oaks Lane, 4<sup>th</sup> Floor  
Frankfort, Kentucky 40601  
Phone: (502) 564-3410  
Fax: (502) 564-2741  
www.water.ky.gov  
November 29, 2010

Leonard K. Peters  
Secretary

R. Bruce Scott  
Commissioner

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PUBLIC SERVICE  
COMMISSION

Mr. Jeff R. Derouen,  
Executive Director  
Office of Executive Director  
Public Service Commission  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, KY. 40601-0615

Dear Executive Director Derouen:

The Division of Water has recently received numerous letters from residents of the Hillridge subdivision in Louisville. The letters voice opposition to the proposal to increase the subdivision's sewer rate and to levy a surcharge. Additionally, many of these same letters raise serious complaints about the quality of service that Hillridge Facilities has provided over the years with regards to the subdivision's wastewater treatment plant. Before the Commission renders a decision on Hillridge's petition, the Division of Water would like to make the Commission aware of the compliance history at the wastewater treatment plant.

Since 2003, the Division of Water has recorded 92 incidents of noncompliance at the plant. In the last few years, representatives of the Division of Water and the Division of Enforcement have held talks with the owners of the facility in an effort to bring the wastewater plant into compliance. Some of these discussions have involved representatives of MSD which, as you may be aware, is willing to make a connection to the Hillridge wastewater system. After all, package plants such as this are meant to be temporary until a municipal system is available for a connection. It is our understanding that MSD will be able to make the connection very soon.

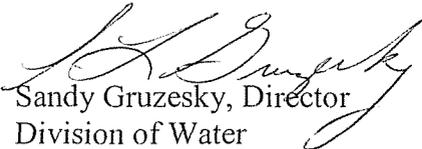
Despite the Cabinet's efforts, Hillridge has not resolved its operational problems. Because of the problems at the facility, it was recently placed on the State's sewer sanction list which prohibits Hillridge from allowing any new sewer line extensions to its existing sewer lines.

Since the wastewater treatment plant continues to violate statutes and regulations governing the discharge of wastewater to the waters of the Commonwealth, the Cabinet has recently filed an administrative complaint against Hillridge Facilities. In addition to civil penalties, the Cabinet is seeking an order requiring Hillridge to implement remedial measures necessary to

bring the facility into compliance with state statutes and regulations. Failure to comply with those measures would expose Hillridge to more severe sanctions in Franklin Circuit Court.

We appreciate your time and consideration of this matter. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



Sandy Gruzesky, Director  
Division of Water