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SUPPLEMENTAL ENVIRONMENTAL PROJECT

In further consideration of the settlement with the Commonwealth of the action resolved by this Agreed Order, LFUCG shall timely perform the Cane Run Private Lateral Pilot Program Supplemental Environmental Project (SEP) as set forth below. The total expenditure for the SEP shall not be less than \$35,000. If LFUCG fails to complete the SEP by the date specified or fails to expend \$35,000 to complete the SEP, LFUCG shall pay to the Commonwealth the entire \$17,500 stipulated penalty. Such payment shall be due and payable no later than 45 days after the SEP completion deadline. Alternatively, LFUCG may propose, and the EEC shall consider, a one-time SEP completion deadline extension of not more than 120 days or additional SEPs, beyond those outlined below, for which the total expenditure shall not be less than the difference between its documented SEP expenditures and \$35,000.

LFUCG shall submit to EEC a SEP Completion Report no later than sixty (60) days from the date for completion of the SEP set forth below. The report shall contain the following information: (a) a detailed description of the SEP as implemented; (b) a description of any implementation problems encountered and the solutions thereto; (c) itemized costs; (d) certification that the SEP has been fully implemented pursuant to the Scope of Work and the provisions of this Agreed Order; and (e) a description of the environmental and public health benefits resulting from implementation of the SEP.

Project Purpose

The primary goal of this SEP is to address one of the suspected significant sources of *Escherichia coli* pollution detected in the Cane Run watershed, including both the Municipal Separate Storm Sewer System (MS4) and Cane Run Creek. This goal can be attained by implementing the Cane Run Private Lateral Pilot Program in the Highlands neighborhood. The age of the homes, previous Sanitary Sewer Assessment (SSA) findings, and implementation of LFUCG's Watershed-Focused Monitoring Program in Cane Run have all but confirmed that the Highlands neighborhood has homes with broken or deteriorated sewer line laterals which are exfiltrating sewage that is reaching LFUCG's MS4 and the Waters of the Commonwealth.

Already this year, LFUCG has replaced the vitrified clay pipe under Knight Lane in the Highlands subdivision as part of its Inflow and Infiltration Elimination Program; and within the next couple of months, LFUCG will replace the sewer pipes under Alice Drive and the associated portions of the laterals owned by LFUCG. While this dig and replace project will improve capacity of the sanitary sewer collection system to an extent, LFUCG sees the opportunity to address the defective privately-owned laterals in conjunction with the work on the publicly-owned system, as a holistic approach to reducing inflow and infiltration (I/I) to the sanitary sewer collection system and preventing untreated sewage from reaching Cane Run.

LFUCG has additional data and information indicating that leaking private laterals are not just an issue for one neighborhood in one watershed, but are a suspected source of *E. coli* pollution in multiple neighborhoods throughout the city. By focusing this proposed pilot program in one neighborhood, we can monitor and evaluate the program implementation's effectiveness and

determine if it is a viable long-term program that can be implemented in other parts of Fayette County.

Cane Run Private Lateral Pilot Program SEP

Project Scope

In order to implement the Cane Run Private Lateral Pilot Program, LFUCG will have to complete the following tasks:

1. In order to initiate the program, the Urban County Council's Environmental Quality and Public Works (EQPW) Committee will need to endorse the concept of the program, including funding it. The earliest date that the program could be presented to the Committee is April 24, 2018.
2. LFUCG will prepare outreach materials and sample agreement contracts for the property owners in the Highlands neighborhood.
3. LFUCG will contact property owners in the Highlands neighborhood to explain the program and to engage their participation.
4. LFUCG will conduct confirmatory smoke testing to identify properties with private laterals in need of repair or replacement.
5. If warranted, LFUCG will conduct additional investigations to determine if there is a need to sub-categorize the laterals as repair or replace or if the best approach is to proceed with the replace only option.
6. LFUCG will determine the maximum reimbursement rate for repaired laterals and replaced laterals and the unit basis for the reimbursement rate(s).
7. LFUCG will notify state-licensed plumbers about the program, so that they may respond timely to requests for quotes.
8. LFUCG will guide property owners who are eligible to participate in the program through the steps to complete the repair / replacement work and obtain their reimbursement.
9. LFUCG will document the completion of the work and authorize reimbursement to the property owner.
10. LFUCG will conduct post-project water quality monitoring to measure reductions in *E. coli* pollution.

Project Costs

LFUCG shall spend at least \$35,000 to implement the Cane Run Private Lateral Pilot Program SEP. The following costs may be counted as allowable project costs:

- Contracted costs for investigation and identification of compromised lateral lines.
- Contracted costs for evaluating which properties' laterals are eligible for replacement versus repair and the allowable maximum reimbursable costs associated with each remedy.
- Contracted costs for neighborhood communications to educate homeowners about the benefits of the pilot program and how they can participate.
- All costs for reimbursing eligible property owners who satisfactorily complete the lateral repair or replacement.

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- Contracted costs to inspect and verify that the fixed private lateral is watertight and meets current applicable State Plumbing Code requirements.
- Costs to conduct post-project water quality monitoring to measure reductions in *E. coli* levels, including microbial source tracking (MST) analysis.

SEP Supplement

LFUCG has identified inherent risks associated with full implementation of the Cane Run Private Lateral Pilot Program, which may result in a failure to reach the required \$35,000 SEP expenditure. The riskiest aspects of this pilot program concern private citizens who 1) may not want LFUCG staff or contractors accessing their property, 2) may not want to participate in the program, and 3) may not complete the steps required to receive a reimbursement for the project-related work.

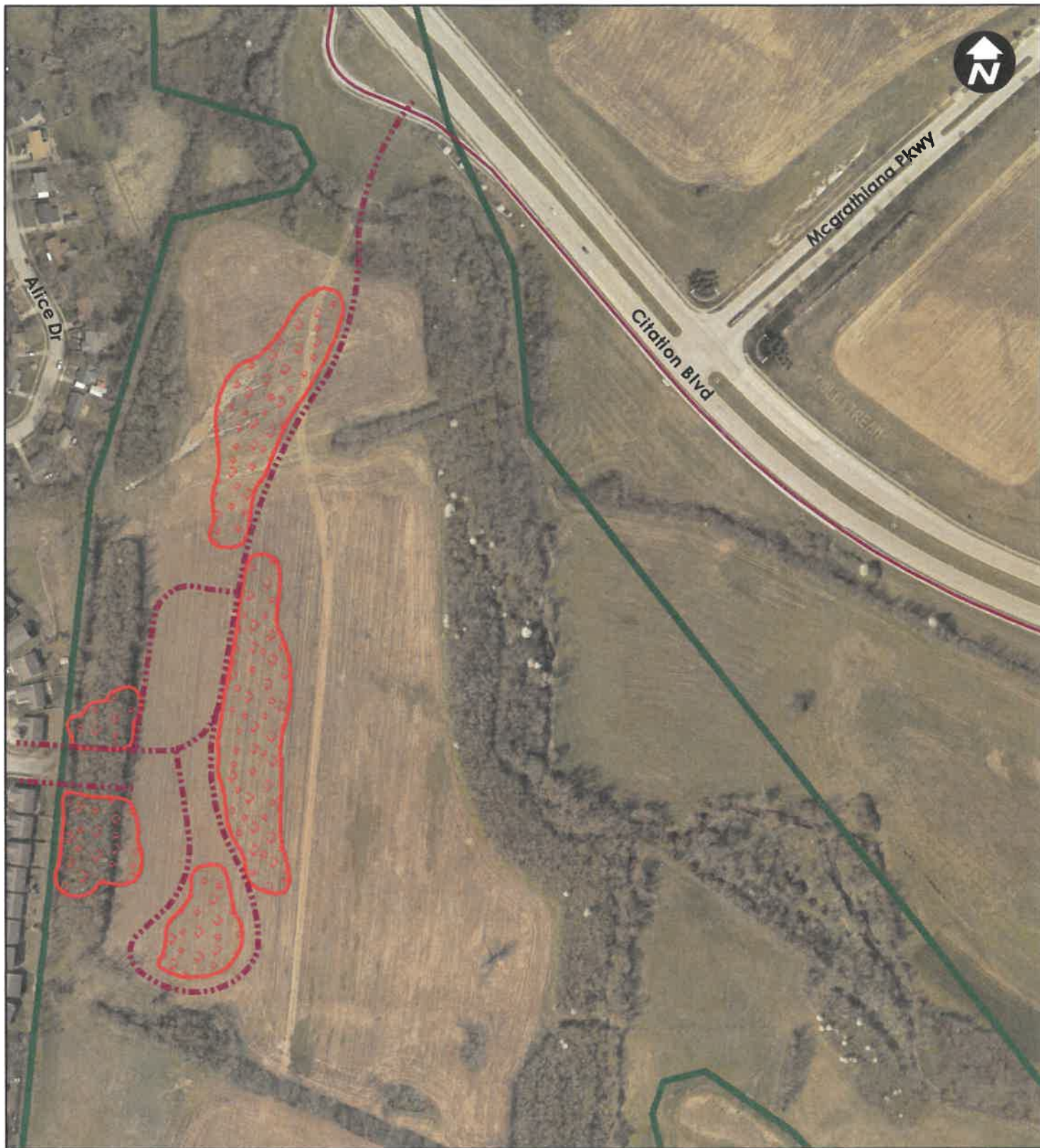
Since the risks identified above cannot be mitigated by LFUCG, LFUCG shall obligate the difference between its documented Cane Run Private Lateral Pilot Program expenditures and the required \$35,000 SEP expenditure, to plant trees in up to four city-owned parks in the Cane Run watershed, prioritized as follows:

1. Coldstream Park – 1850 Pisacano Drive (near the end of Sandersville Road)
2. Mary Todd Park – 525 Rogers Road
3. Highlands Park – 1991 Mark Avenue
4. Marlboro Park – 1870 Benton Place

Exhibits 1 through 4 show the proposed tree planting locations. The trees will be container-grown or ball-and-burlap trees and will be planted during the dormant season to promote long-term survivability. The trees will reduce Lexington's carbon footprint and will provide stormwater management by reducing rainfall runoff volumes and improving the water quality of any runoff.

Project Schedule

LFUCG shall complete the SEP within twelve months of the date of execution of this Agreed Order. The EQPW Committee must endorse the Cane Run Private Lateral Pilot Program prior to the inclusion of this SEP as a component of this Agreed Order.



- Proposed Trail
- Existing Trail
- Proposed Tree Planting Area
- Park

Exhibit 1

Proposed Tree Planting Areas

Coldstream Park

1 inch = 250 feet



- Proposed Trail
- Existing Trail
-  Proposed Tree Planting Area
-  Park

Exhibit 2

Proposed Tree Planting Areas

Mary Todd Park

1 inch = 150 feet



- - - - - Proposed Trail
- Existing Trail
- • • Proposed Tree Planting Area
- Park

Exhibit 3

Proposed Tree Planting Areas

Highlands Park

1 inch = 100 feet



- Proposed Trail
- Existing Trail
- Proposed Tree Planting Area
- Park

Exhibit 4

Proposed Tree Planting Areas

Marlboro Park

1 inch = 150 feet