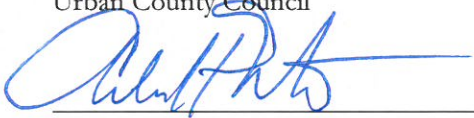




TO: Mayor Jim Gray
Urban County Council

FROM : 
Charles H. Martin, P.E., Director
Division of Water Quality

DATE: January 6, 2017

SUBJECT: Stipulated Penalty Assessment - \$102,000.00
Consent Decree # 5:06-cv-386
Sanitary Sewer Overflows (SSOs) – Post CMOM Approval

Request

Authorizing and directing the Mayor to authorize payment of \$51,000 each to the Kentucky State Treasurer and the U.S. Department of Justice for Sanitary Sewer Overflows (SSOs) in accordance with the provisions of Paragraph 44(ii) of the Consent Decree between LFUCG, The Commonwealth of Kentucky (state) and the U.S. Environmental Protection Agency (EPA).

Purpose of Request

In the Consent Decree, LFUCG agreed to pay stipulated penalties of \$2,000 per SSO that occurred more than two (2) years after approval of the Capacity, Management, Operations and Maintenance (CMOM) Self-Assessment, required by the Consent Decree. The CMOM Self-Assessment document was approved by the state and EPA on August 16, 2012. Between August 17, 2014 and December 31, 2015, Lexington experienced 51 SSOs that resulted from pipeline blockages or structural failures not related to a rain event. Potential penalties associated with overflows due to excess rain / inadequate capacity is not included in the demand letter from the state.

What is the cost in this budget year and future budget years?

The current cost for FY17 is \$102,000.00 and covers SSOs through December 31, 2015. It is currently unknown if a demand letter for 2016 SSO events is forthcoming but as of this date, EPA has not issued an inquiry to LFUCG. The future annual cost is unknown but is expected to be in a similar range for future years.

Are the funds budgeted?



Funds are available in the following account: Budget Amendment in process - 4002-303401-3401-78321

Director/Commissioner: Martin/Hoskins-Squier

