

Sanitary Sewer Capacity Assurance Program (CAP) Audit Results

Environmental Quality & Public Works
Committee

February 7, 2023



LEXINGTON

AGENDA

Christopher Dent, PE

DWQ – Engineering Section Manager Sanitary Sewers

- What is CAP?
- CAP Task Force History
- CAP Audit Requirements and Findings
- Questions

What is CAP?

Sanitary Sewer Capacity Assurance Program

- Consent Decree (CD) Requirement:
 - Resolution #722-2012
 - Go live date - July 1, 2013
 - Received EPA approval - July 3, 2014
- Accounting System of:
 - Deposits – system repairs and/or capacity expansions.
 - Withdraws – new or expanded service connections.



Capacity Assurance Program

Lexington's Capacity Assurance Program has been in effect since July 3, 2013.

For more information, please visit the links below.

[Frequently Asked Questions](#)

[Informational brochure](#)

[Informational flier](#)

[Sewer Capacity Application](#)

[Capacity Tracking Map \(CTIMS\)](#)

Contact

Water Quality

125 Lisle Industrial
Lexington, KY 40511

Hours:

Monday – Friday: 7:30 a.m. – 4 p.m.

 (859) 425-2400

Fax: (859) 254-7787

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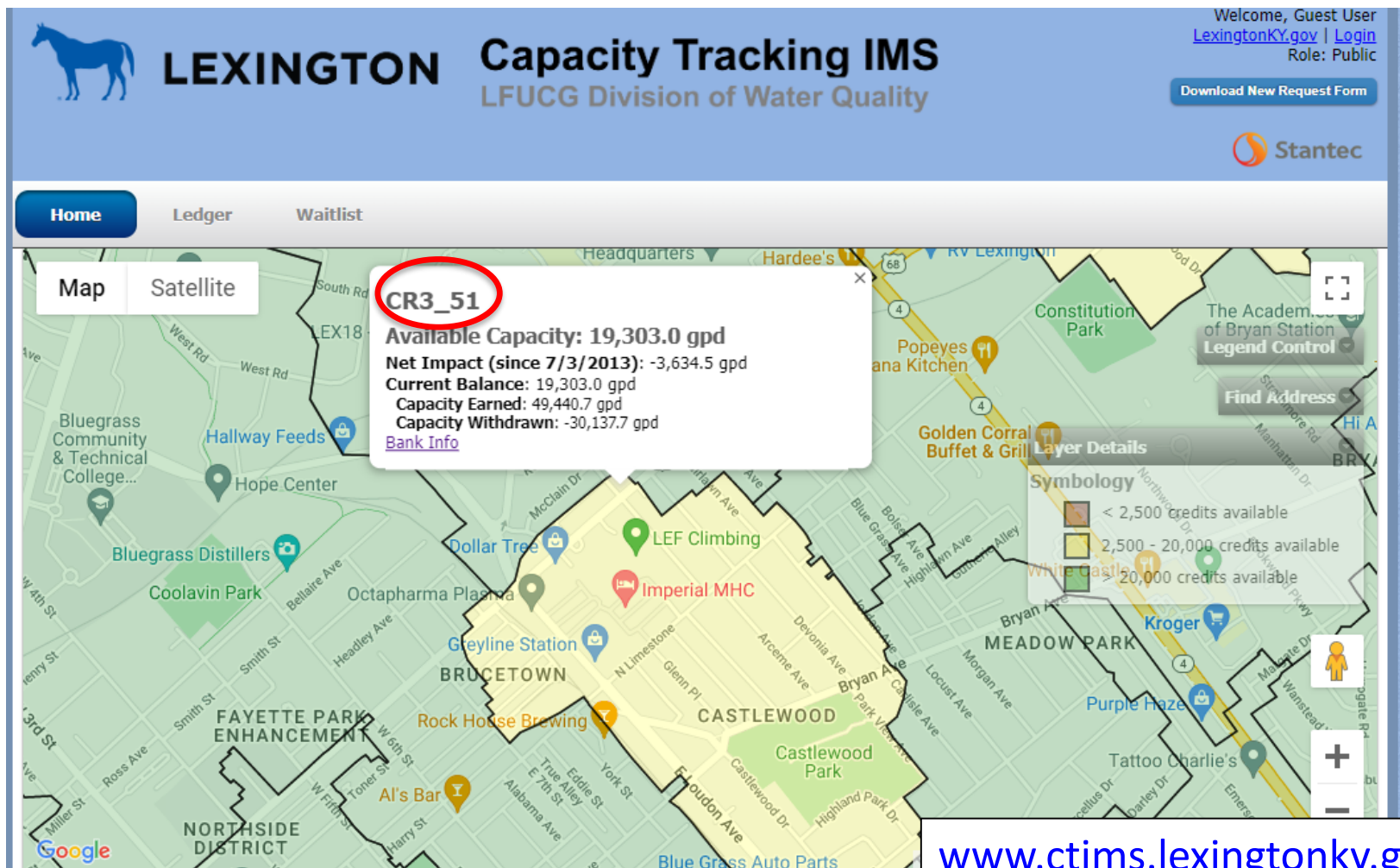
Capacity Assurance Program Task Force Information

- [Capacity Assurance Program Council Resolution](#)
- [System Capacity Assurance Program](#)
- CAP Task Force Report – Nov. 28, 2012
 - [CAP Task Force Report – Appendices](#)

www.lexingtonky.gov/capacity-assurance-program-0



EXAMPLE CAP BANK – CASTLEWOOD AREA (CR3_51)







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Capacity Tracking IMS

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CAP Banks

Show 50 entries

Showing 1 to 27 of 27 entries

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Bank	Harvested Capacity	New Earned Capacity	Category 1 Grandfathered ¹	Category 2 Grandfathered ²	Allocated Capacity	Current Balance	Net Credit Impact	Available Capacity
Details 1736 Hawthorne Lane	9333.3	5334.7	0.0	0.0	-180.0	14488.0	5154.7	14488.0
Details CR3_51	22937.5	26503.2	0.0	0.0	-30137.7	19303.0	-3634.5	19303.0
Details CR4_15	32960.5	74642.9	-556.0	-1670.8	-23583.6	81792.9	51059.3	81792.9
Details CR5_201	24490.7	5334.3	0.0	0.0	-76.8	29748.1	5257.5	29748.1
Details Lower Cane Run PS	368294.9	13910009.1	-418617.0	-51888.0	-262975.6	13544823.4	13647033.5	13647033.5
Details Armstrong Mill PS	4775.8	19870.3	0.0	0.0	-23972.0	674.1	-4101.7	674.1
Details East Hickman PS	84806.3	6595401.1	-797012.8	-47529.0	-340274.3	5495391.3	6255126.8	6255126.8
Details Hartland 2 PS	1333.3	0.0	0.0	0.0	0.0	1333.3	0.0	1333.3
Details Hartland 1 PS	1513.4	1.0	0.0	0.0	0.0	1514.4	1.0	1514.4



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Ledger Table

[Ledger Key](#)

+ CAP Banks

- Bank Ledger

Current Balance: 19303.0

Net Credit Impact: -3634.5

Available Capacity: 19303.0

Harvested Capacity: 22937.5

New Earned Capacity: 26503.2

Category 1 Grandfathered¹: 0.0

Category 2 Grandfathered²: 0.0

Allocated Capacity: -30137.7

¹ Category 1 Grandfather Credits refer to those that were accounted for and flows calculated prior to July 3, 2013.

² Category 2 Grandfather Credits refer to those that were unaccounted for on July 3, 2013, such as those from qualifying plans approved prior to 2008 or isolated lots with a plat of record.

Show 25 entries

Showing 1 to 25 of 371 entries (filtered from 11,213 total entries)

	Date	Type	Bank	Credits	Total
Details	9/18/2008	CIPP	CR3_51	5.5	5.5
Details	1/14/2009	Sump Pump Redirection	CR3_51	1333.3	1338.8
Details	3/20/2009	Sump Pump Redirection	CR3_51	1333.3	2672.2
Details	4/9/2009	Point Repair Main Line	CR3_51	0.2	2672.4
Details	4/14/2009	Point Repair Main Line	CR3_51	0.2	2672.6
Details	5/18/2009	Sump Pump Redirection	CR3_51	1333.3	4006.0
Details	6/29/2009	CIPP	CR3_51		



Map and Ledger Information Source

www.ctims.lexingtonky.gov

CAP Task Force

- Formed to define a Consent Decree required program that was of significant concern to the community.
- Task Force began work in May 2012.
- Chaired by former CM Tom Blues, voting members comprised of five (5) other councilmembers and former Commissioner of Planning Derek Paulsen.

CAP Task Force (cont.)

- Stantec, under contract with LFUCG, facilitated the Task Force meetings, assisted in internal and external stakeholders engagement, and drafted a final report along with the required submittals to EPA.
- Task Force work completed in September 2012 with nineteen (19) recommendations that became framework of program moving forward.



CAP Task Force (cont.)

CAP Task Force Recommendation #19

The Task Force approved the following recommendation for **Program Auditing**: *Collected fees and program expenses associated with DWQ's Sanitary Sewer Program are to include an initial, independent audit after two (2) years from CAP implementation and followed by an independent audit every second year thereafter. Quarterly Reports submitted to the EPA (and publicly available on LFUCG's website) document credit ledger transactions and are subsequently subject to regulatory reviews and public scrutiny.*

CAP Audit Requirement

Requirement – Article XIII: Code of Ordinances

Sec. 16-307. - Review; audit.

An independent formal review and audit of the **Capacity Assurance Program** and collected fees shall be performed on or before July 3, 2015 and every two (2) years thereafter and the audit reports shall be sent to the urban county council.

(Ord. No. 63-2013, § 1, 6-6-13)

CAP Audit Process

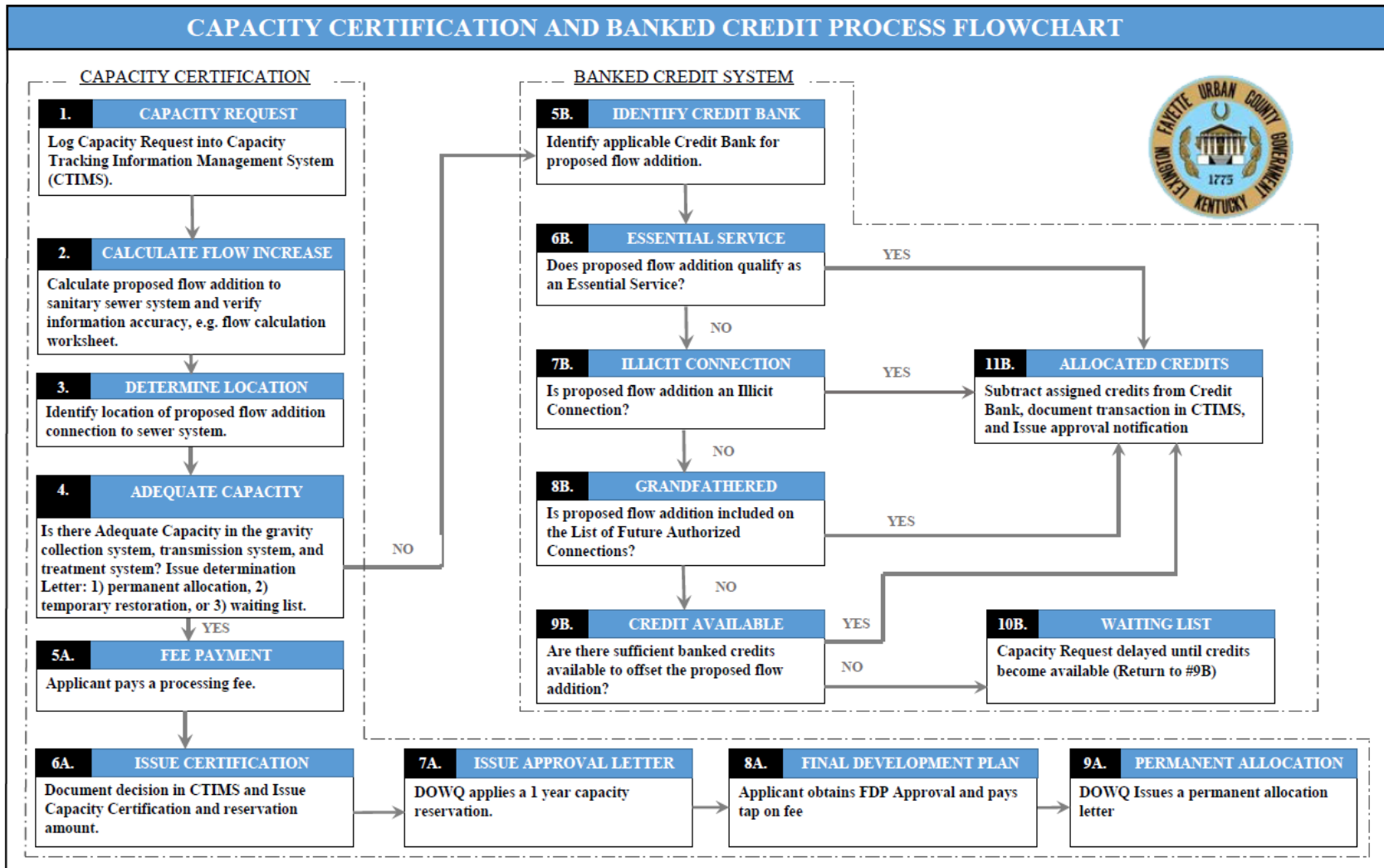
- Records audited: July 2019 through June 2021.
- Procured independent auditor – Bell Engineers.
- 18 randomly selected applications reviewed (10% from a total of 171 applications).
- Final audit report submitted in November 2022.



CAP Audit Content



CAPACITY CERTIFICATION AND BANKED CREDIT PROCESS FLOWCHART





CAP Audit Findings

Bell Engineering

November 2022 Report, Page 9

"It is our opinion, based on information obtained through record research of 18 randomly selected applications, interviews with personnel, and examination of the CTIMS website, that the process for assuring sewer capacity is in compliance with the intent of the ordinance."

In Closing – Quick CAP Facts

- Number of CAP applications continues to drop.
 - 171 applications: 2019 - 2021
 - 270 applications: 2017 - 2019
 - 350 applications: 2015 - 2017
 - 650 applications: 2013 - 2015
- Number of banks has been reduced.
 - 53 banks at launch
 - 27 banks currently
- Essential services facilities using alternative pathway for capacity allocations – zero.

In Closing – Quick CAP Facts

- 4 Audits
 - 2016 (for 2013-2015) – “... in compliance ...”
 - 2018 (for 2015-2017) – “... in compliance ...”
 - 2020 (for 2017-2019) – “... in compliance ...”
 - 2022 (for 2019-2021) – “... in compliance ...”
- Staff for this audit period:
 - CAP Manager – Chris Begley
 - Former CAP Manager – Craig Prater
 - Tap On Desk – Staff
 - CAP Consultant – Stantec

Questions