

Sanitary Sewer Capacity Assurance Program (CAP) Audit Results

Environmental Quality & Public Works
Committee
October 6, 2020





AGENDA

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

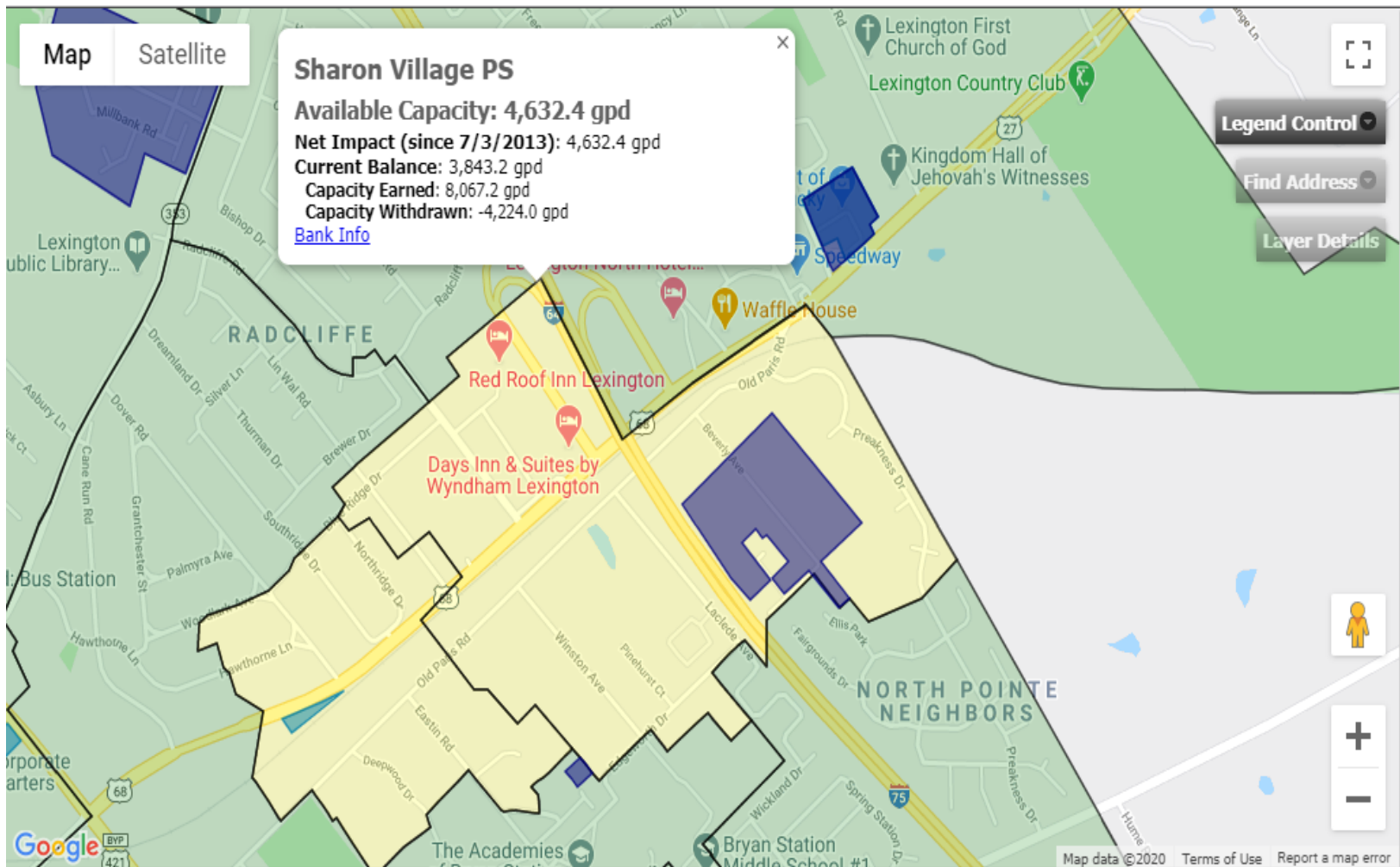
What is CAP?

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.



EXAMPLE CAP BANK – PARIS PIKE AND I-75/64 AREA





LEXINGTON

Capacity Tracking IMS

LFUCG Division of Water Quality

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Ledger

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Ledger Table

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CAP Banks

Show 10 entries

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Showing 1 to 10 of 36

								Previous	1	2	3	4	Next	Last
Bank								Net Credit Impact		Available Capacity				
Details	1736 Hawthorne Lane							5154.7		14488.0				
Details	CR1_5062	173062.2	55519.5	1000.0	17001.0	55075.1	21517.2	63874.0		215472.2				
Details	CR3_51	22937.5	17610.7	0.0	0.0	-27065.7	13482.5	-9455.0		13482.5				
Details	CR4_15	30293.8	28292.5	-556.0	-1670.8	-23248.7	33110.8	5043.7		33110.8				
Details	CR5_201	24490.7	2667.6	0.0	0.0	-76.8	27081.5	2590.8		27081.5				
Details	Lower Cane Run PS	183765.9	11594167.5	-414017.0	-30768.0	-126657.4	11206491.0	11467510.1		11467510.1				
Details	Sharon Village PS	2666.8	5400.4	0.0	-3456.0	-768.0	3843.2	4632.4		4632.4				
Details	Armstrong Mill PS	4775.8	19761.0	0.0	0.0	-23972.0	564.8	-4211.0		564.8				
Details	East Hickman PS	84806.3	386231.0	-798823.8	-29655.0	-224697.6	-582139.0	161533.5		161533.5				
Details	Hartland 2 PS	1333.3	0.0	0.0	0.0	0.0	1333.3	0.0		1333.3				

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 plot of record.



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 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.

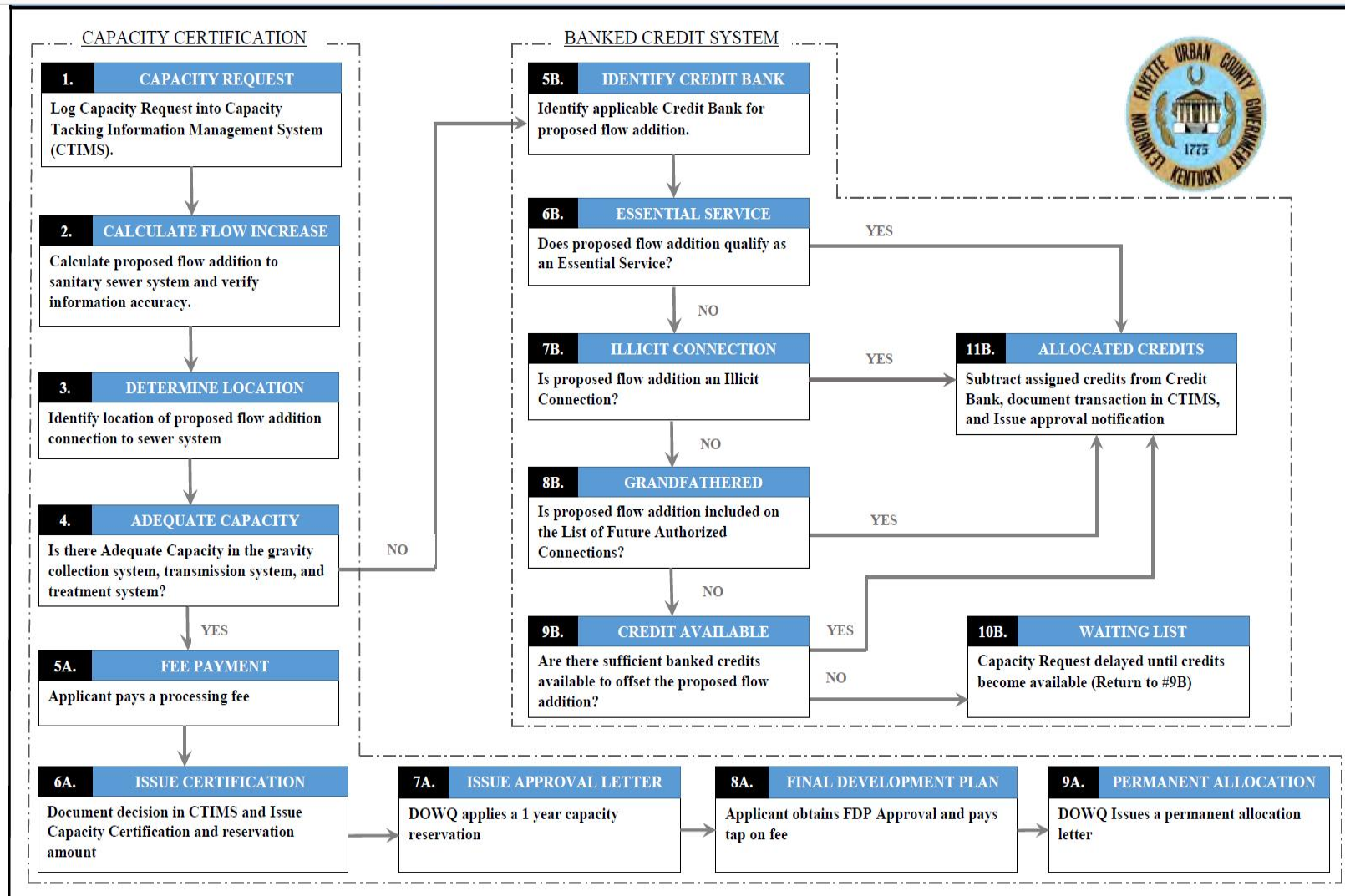
(Ord. No. 63-2013, § 1, 6-6-13)

CAP Audit Process

- Records audited: August 2017 through August 2019.
- Procured independent auditor – Bell Engineers.
- 25 randomly selected applications reviewed (from a total of 270 applications).
- Final audit report submitted in September 2020.



CAP Audit Content





CAP Audit Findings

September 2020 Report, Page 9

“It is our opinion based on information obtained through record research of 25 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.”



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](#)

Contact

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Capacity Assurance Program Task Force Information

- [Capacity Assurance Program Council Resolution](#)
- [System Capacity Assurance Program](#)
- [CAP Task Force Report - November 28, 2012](#)
 - [CAP Task Force Report - Appendices](#)
- [Agenda - September 25, 2012](#)

In Closing – Quick CAP Facts

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



Questions