

# **Sanitary Sewer Capacity Assurance Program (CAP) Audit Results**

Environmental Quality & Public Works  
Committee

September 18, 2018



**LEXINGTON**



# AGENDA

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



## What is CAP?

### Sanitary Sewer Capacity Assurance Program

- Consent Decree 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.



# LEXINGTON Capacity Tracking IMS

LFUCG Division of Water Quality

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Home **Ledger** Waitlist

## Ledger Table

[Ledger Key](#)

### CAP Banks

Show 10 entries

Search:

Showing 21 to 30 of 45 entries

First Previous 1 2 3 4 5 Next Last

Bank	Harvested Capacity	New Earned Capacity	Category 1 Grandfathered <sup>1</sup>	Category 2 Grandfathered <sup>2</sup>	Allocated Capacity	Current Balance	Net Credit Impact	Available Capacity
<a href="#">Details</a> NE1_25	2666.7	45274.2	-100.0	-192.0	-72.0	47576.9	45202.2	47576.9
<a href="#">Details</a> North Elkhorn PS	82669.3	357195.0	-1050154.5	-247051.1	-226382.7	-1083724.0	130812.4	130812.4
<a href="#">Details</a> South Elkhorn PS	401326.2	122848.0	-139563.6	-35728.1	-331575.2	17307.3	-208727.2	17307.3
<a href="#">Details</a> TB WWTP	603982.5	22665236.9	-361566.0	-484187.2	-191117.7	22232348.5	22474119.2	22474119.2
<a href="#">Details</a> TB1_155	5527.1	39240.7	-69034.0	0.0	-31812.4	-56078.7	7428.3	7428.3
<a href="#">Details</a> TB1_172A	56787.3	54011.2	-616.0	-576.0	-99428.8	10177.7	-45417.6	10177.7
<a href="#">Details</a> TB1_489A	26676.4	0.4	0.0	0.0	0.0	26676.8	0.4	26676.8
<a href="#">Details</a> TB2_33	69632.5	188868.3	-32095.0	-192.0	-182977.5	43236.2	5890.7	43236.2
<a href="#">Details</a> TB3_254A	70732.7	112192.8	-66765.0	-192.0	-83577.1	32391.4	28615.7	32391.4
<a href="#">Details</a> Town Branch PS	0.0	1432.4	0.0	0.0	-560.0	872.4	872.4	872.4

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

<sup>2</sup> 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.

### + Bank Ledger



## CAP Task Force

- Formed to define a CD required program that was of significant concern to the community.
- Task Force began work in April 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 November 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.*



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# 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)



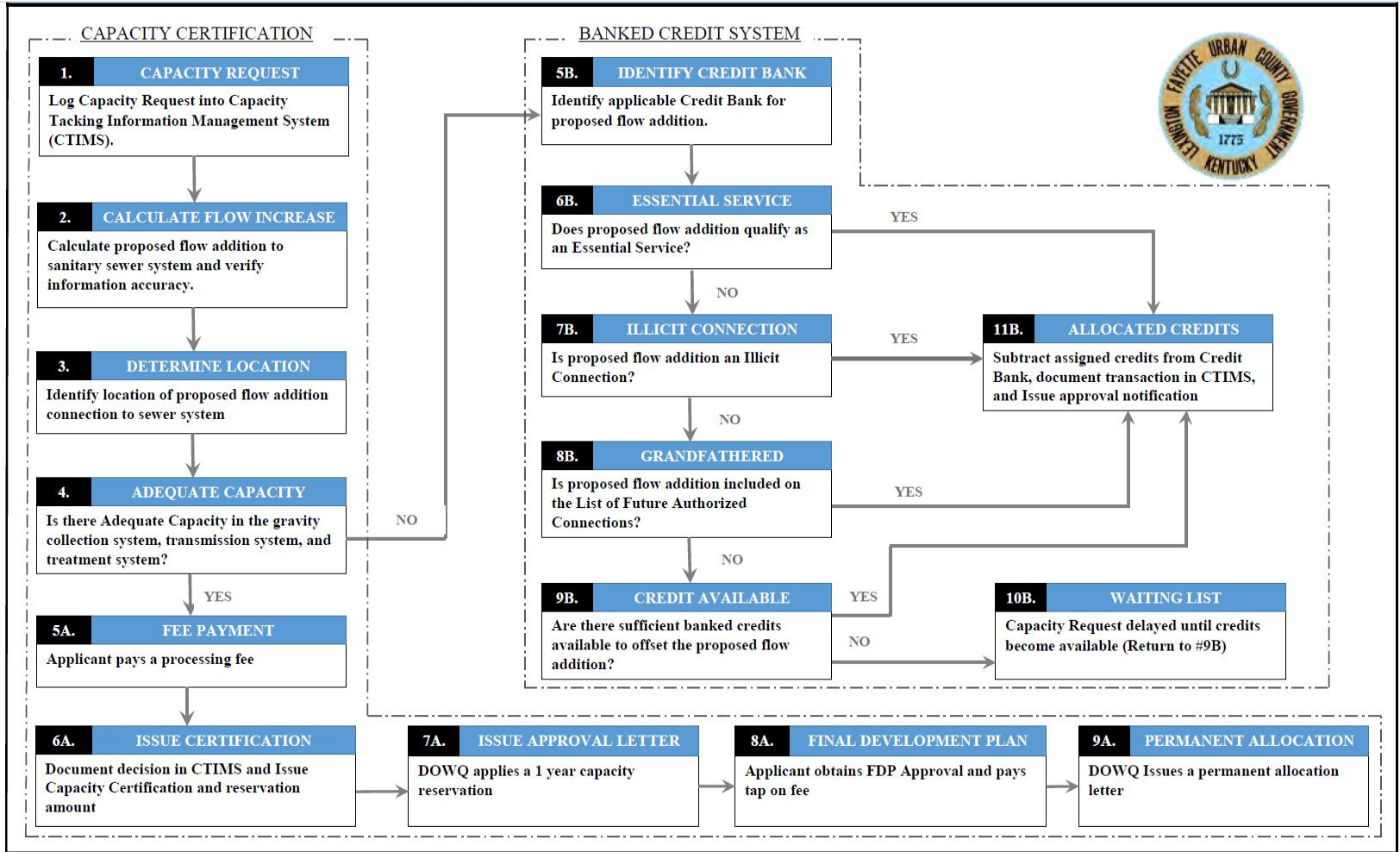
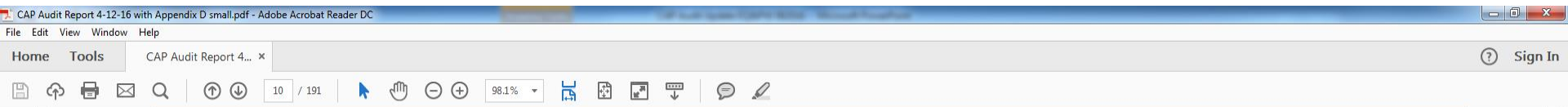


## CAP Audit Process

- FY16 and FY17 records audited.
- Procured independent auditor – Bell Engineers.
- 32 randomly selected applications reviewed (from a total of 350 applications).
- Final audit report submitted in May 2018.



# **CAP Audit Content**





# CAP Audit Findings

## May 2018 Report, Page 7

*“It is our opinion based on information obtained through record research of 32 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.”*



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# 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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Additional Information Available

FEEDBACK



# Questions