

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

OCT 29 2010

PUBLIC SERVICE  
COMMISSION

In the Matter of:

JOINT APPLICATION OF CITY OF	)	
FALMOUTH, KENTUCKY AND EAST	)	CASE NO.
PENDLETON WATER DISTRICT FOR	)	2010-00313
AN ORDER APPROVING TRANSFER OF	)	
SEWER UTILITY	)	

RESPONSE TO COMMISSION STAFF'S FIRST INFORMATION  
REQUEST TO THE CITY OF FALMOUTH

Comes now the City of Falmouth (Falmouth), by counsel, and in its Response to Commission Staff's First Information Request states as follows:

1. How long has Falmouth been operating a Wastewater Treatment Plant ("WTP")?

**Answer:** Since 1960.

2. How many certified WTP operators ("Operator") does Falmouth employ?

**Answer:** Three (3).

3. For each Operator employed by Falmouth, provide the following information:

a. Length of employment the Operator has with Falmouth, including all prior positions and current position.

**Answer:** Operator # 1: Twenty-two (22) years; Operator # 2: Ten (10) years; Operator # 3: Twenty-six (26) years.

b. How long has the Operator held a license as an Operator?

**Answer:** Operator # 1: Fifteen (15) years; Operator # 2: Eight (8) years; Operator # 3: Eighteen (18) years.

c. Describe the Operator's qualifications for this position.

**Answer:** Operator # 1: High school; Operator # 2: Two (2) years of experience; Operator # 3: Class II WTP Operator classification.

d. Describe the Operator's experience in this position with Falmouth.

**Answer:** Operate all aspects of the WTP facility including: water quality analysis, monitoring, mechanical upgrades, computer applications, chemical application and monitoring.

e. Describe the Operator's previous experience, including where employed, position held, and length of employment for each prior job.

**Answer:** Operator # 1: Falmouth maintenance, five (5) years; Operator # 2: Construction; eleven (11) years, Operator # 3: Employed in WTP profession for Falmouth since high school.

4. Has Falmouth's WTP been cited for any discharge violations?

**Answer:** Yes.

a. If so, by which governmental agency?

**Answer:** Energy and Environment Cabinet, Department for Environmental Protection

b. What was each violation?

**Answer:** A copy of the Notice of Violation, and the Response from the Water and Wastewater Plants Supervisor, are attached as Exhibit 1.

c. When did each violation occur?

**Answer:** Please see Exhibit 1.

d. When was each violation cleared?

**Answer:** Please see Exhibit 1.

e. How was each violation cleared?

**Answer:** Please see Exhibit 1.

5. Refer to the Sanitary Sewer User Ordinance that is attached to the Joint Application as Exhibit 11, which states that it will govern the introduction of sewage into its system by the proposed construction:

a. When was the Ordinance passed by the Falmouth City Council?

**Answer:** Ordinance 2010-72.01A was passed at the August 10, 2010 Council Meeting, a copy of which is attached as Exhibit 2.

b. Who was the author of the Ordinance?

**Answer:** The Ordinance was authored jointly by the City Attorney and GRW Engineers, Inc., and based on the Kentucky Model Sewer User Ordinance, with minor modifications. It was also reviewed by the Water and Wastewater Plants Supervisor before being presented to the City Council.

c. What training have Falmouth's employees received on how to incorporate the detailed information contained in the Ordinance in the day-to-day operation of the WTP?

**Answer:** Many of the changes caused by the adoption of the new Ordinance were already in practice. Additionally, as the Supervisor contributed to the drafting of the Ordinance, and reviewed it in its entirety, he was aware of the requirements.

6. Does Falmouth intend to retain any of the current employees of East Pendleton Water District ("East Pendleton")? If yes, list their names and positions.

**Answer:** No.

7. What is the value of the real property that is proposed to be transferred from East Pendleton to Falmouth as described in the draft Deed attached to the Joint Application as Exhibit 12?

**Answer:** Value is hard to determine because a package treatment plant sits on the real property. The consideration of \$1 in the deed reflects the value Falmouth places on the real property offset by the costs associated with operating a sewer system for the Oak Haven residents.

8. What is the value of the property that is proposed to be transferred from East Pendleton to Falmouth as described in the draft Quitclaim Deed of Dedication attached to the Joint Application as Exhibit 12A?

**Answer:** There is no value for the property described in the Quitclaim Deed of Dedication. The sole purpose of this instrument is to correct a possible title problem dating from when the Oak Haven System was transferred to the East Pendleton Water District, PSC Case #93-447.

9. What is the value of the property that is proposed to be transferred from East Pendleton to Falmouth as described in the draft Bill of Sale attached to the Joint Application as Exhibit 12B?

**Answer:** There is no value for the property proposed to be transferred via the Bill of Sale. This instrument is necessary to insure the proper transfer of records, documents, or other data relating to the sewer plant East Pendleton may possess, as well as relieve East Pendleton of materials it no longer needs as it will no longer be in the wastewater treatment business.

10. If Falmouth acquires East Pendleton, who will be the certified operator(s) of the WTP?

**Answer:** Falmouth will not acquire East Pendleton. It will acquire a package plant which serves approximately forty (40) homes in Oak Haven subdivision. The East Pendleton project will not include a WTP. It will instead have a closed pump station. The current WTP which East Pendleton now operates at the project site will be taken out of service when the system is turned over to Falmouth. When Falmouth begins to provide service to Oak Haven subdivision, the current three operators will be available to provide as needed maintenance of the collection system and the new pump station.

11. Based on the Financial Statements on page 31 of your Fiscal Year 2009 audit, it appears that the city's sewer operations are operating with a net loss of (\$76,912) and a negative cash flow from operations of (\$23,811), not including future principal payments on the long-term Kentucky Infrastructure Authority debt of \$2,812,255.

a. If this is incorrect, provide a revised calculation for the sewer operation's net income and cash flow from operations, and provide any explanations necessary to provide a full understanding of that calculation.

b. If this is correct, or if your revised calculations result in a negative cash flow or a net operating loss from operations, state and explain the basis for Falmouth's assertion that it currently has the financial ability to acquire and operate the sewer system of East Pendleton.

**Answer:** Falmouth recently divided its utility department accounts differently and that made an accounting and division of sewer utility funds somewhat contrary to the budget

estimates. Falmouth was on new ground and had to estimate expenses, but anticipates all that to change. Bringing new lines into the System will generate additional funding with very few additional expenses. All of this will help Falmouth generate adequate revenues to address the deficit issues. If that fails, then Falmouth will have to raise sewer rates to make sure it can operate properly.

Additionally, Falmouth intends to supplement the Response to this question with data gathered from the independent auditors, Mattox & Associates. Field work for the FY2009-10 audit was preliminarily completed on October 25, 2010, and Falmouth will provide the unaudited but closed Financial Data for its Water and Sewer Accounts upon receipt.

12. Will the funds generated from the difference between Falmouth's rates for city residents and East Pendleton's rates be the only source of financing for the \$564,836 Oak Haven Extension Project shown on the Construction Estimate, Exhibit 4 of the Joint Application?

**Answer:** No. Other users that benefit from access to the extension of the sanitary sewer line project will assist in financing the debt.

a. Will the customers of East Pendleton be the only beneficiaries of this construction project?

**Answer:** No. Service will be made available to two (2) area industries, businesses and approximately twenty-four (24) residents along U.S. 27.

b. If East Pendleton's customers are not the only beneficiaries, are these other beneficiaries going to contribute to the construction cost? What is their anticipated portion of this debt?

**Answer:** Yes. Other beneficiaries will bear approximately 50 percent of the debt.

c. If no one else is going to contribute to the construction cost, explain why not.

13. When does Falmouth intend to reduce East Pendleton's rates to the level of Falmouth's rates for its citizens? If Falmouth does not intend to reduce East Pendleton's rates to those paid by Falmouth's city customers, explain why not.

**Answer:** Falmouth intends to reduce East Pendleton's rates to the rate of its citizens at such time as the debt incurred to complete the sewer line extension is retired. Until that time, Falmouth will raise the rate charged to Oak Haven residents in proportion to any rate increases for its own citizens, as well as any other customers, keeping the rate differential in place.

The rates are justified by Falmouth because the project will result in:

- The elimination of an old and inefficient package plant which, left in service, would likely require increases in rates to residents to either repair or replace several of the facility's major components. This project stabilizes the Oak Haven rate structure long term.
- Elimination of a package plant, which is a priority for Commonwealth of Kentucky, Environment Protection Cabinet, Division of Water.
- More reliable service to area residents and at less cost to local government.

14. East Pendleton's current tariff is attached to the Joint Application as Exhibit 9. Page two of the exhibit is a list of the rates and charges for "Special Non-Recurring Charges."

a. Does Falmouth intend to charge current customers of East Pendleton, and any new customers who would have been customers of East Pendleton, for any of the nonrecurring charges? If so, which ones?

**Answer:** Falmouth intends to charge East Pendleton customers the same water service re-connection charges East Pendleton charges. A draft agreement between Falmouth and East Pendleton that address disconnection of water services for failure to pay sewer charges is attached as Exhibit 3.

b. Do Falmouth's city customers pay for nonrecurring charges? If the answer is yes, list the nonrecurring charges and the amounts paid.

**Answer:** Falmouth's customers pay nonrecurring charges pursuant to the Falmouth Code, Chapter 53, as updated in Falmouth Ordinance 2010-71.21A, a copy of which is attached as Exhibit 4.

15. Refer to the Joint Application, Exhibit 7, Oak Haven Extension Depreciation Schedule:

**Answer:** Falmouth has not yet acquired the necessary information from its engineer, GRW Engineers, Inc., to respond to this question. Falmouth has submitted the question to GRW, and expects an answer shortly after the Oak Haven Project Engineer returns to the office, currently set for Monday, November 1, 2010. Falmouth intends to complete its Response by supplementing this Response as soon as possible.

- a. How was the original value established?
- b. Who prepared the depreciation schedule?
- c. When was the depreciation schedule prepared?



16. Refer to the Joint Application, Exhibit 6, Oak Haven Extension Pump Station Operational Costs:

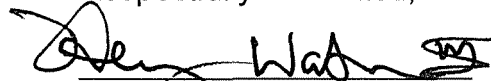
**Answer:** Falmouth has not yet acquired the necessary information from its engineer, GRW Engineers, Inc., to respond to this question. Falmouth has submitted the question to GRW, and expects an answer shortly after the Oak Haven Project Engineer returns to the office, currently set for Monday, November 1, 2010. Falmouth intends to complete its Response by supplementing this Response as soon as possible.

- a. Who supplied the data that is contained in this exhibit?
- b. Who prepared the exhibit, if not the same person as in (a)?

The following witnesses provided the substance for each indicated response:

- 1. William Todd Ramsey, Falmouth Water and Wastewater Plants Supervisor, answered, in whole or in part, questions 1, 2, 3, 4, 6, 10, and 12.
- 2. Bill Mitchell, Pendleton County Development Office, answered, in whole or in part, questions 10, 12, and 13.
- 3. Terry England, Falmouth City Clerk, answered question 11.
- 4. Henry Watson III, City of Falmouth Attorney, answered, in whole or in part, questions 5, 7, 8, 9, 13, and 14.


Respectfully Submitted,



Henry Watson III  
Patrick H. Watson  
Counsel for the City of Falmouth  
525 High Street, Suite 328  
Paris, Kentucky 40361  
Telephone: 859.987.6525  
Fax: 859.987.6529  
hwatson3@earthlink.net

## CERTIFICATION

I certify that a true and correct copy of the Response to Commission Staff's First Information Request to the City of Falmouth was served upon the East Pendleton Water District by serving its counsel of record, Judy M. Wright, Esq., Wright & Wright Law Offices, 217 West Shelby Street, P.O. Box 303, Falmouth, Kentucky 41040, on this the 29<sup>th</sup> day of October, 2010.



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Henry Watson III



STEVEN L. BESHEAR  
GOVERNOR

LEONARD K. PETERS  
SECRETARY

ENERGY AND ENVIRONMENT CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
DIVISION OF ENFORCEMENT  
300 FAIR OAKS LANE  
FRANKFORT KENTUCKY 40601  
www.kentucky.gov

September 22, 2010

CERTIFIED MAIL No. 7010 0780 0001 1439 9514  
Return Receipt Requested

Falmouth WWTP  
William Todd Ramsey  
212 Main St  
Falmouth, KY 41040

Re: Notice of Violation  
AI ID: 74522  
AI Name: Falmouth WWTP (New)  
Activity ID: ENV20100001  
Facility No. KY0106267  
Pendleton County, KY

Dear Mr. Ramsey:

The Kentucky Department for Environmental Protection (DEP) has issued the enclosed Notice of Violation for violations discovered at your facility. Please review this Notice of Violation carefully to ensure that all remedial measures are completed by the specified deadlines.

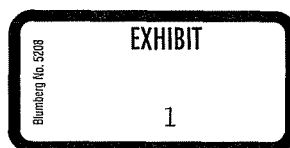
Your cooperation and attention to this matter is appreciated. If you have any questions, please contact me at (502) 564-2150 extension 266.

Sincerely,

A handwritten signature in cursive script that reads "Lori E. Conway".

Lori E. Conway  
Environmental Enforcement Specialist  
Compliance and Operations Branch

Enclosure



**COMMONWEALTH OF KENTUCKY  
ENERGY and ENVIRONMENT CABINET  
DEPARTMENT FOR ENVIRONMENTAL PROTECTION  
Division of Enforcement**

**NOTICE OF VIOLATION**

**To:** Falmouth WWTP  
Wm. Todd Ramsey  
212 Main St  
Falmouth, KY 41040

**AI Name:** Falmouth WWTP (New)    **AI ID:** 74522    **Activity ID:** ENV20100001  
**County:** Pendleton  
**Facility Number:** KY0106267  
**Date(s) Violation(s) Observed:** 08/30/2010

This is to advise that you are in violation of the provisions cited below:

- 1 Violation Description for Subject Item AIOO0000074522():  
No person shall, directly or indirectly, throw, drain, run or otherwise discharge into any of the waters of the Commonwealth, or cause, permit or suffer to be thrown, drained, run or otherwise discharged into such waters any pollutant, or any substance that shall cause or contribute to the pollution of the waters of the Commonwealth in contravention of the standards adopted by the cabinet or in contravention of any of the rules, regulations, permits, or orders of the cabinet or in contravention of any of the provisions of this chapter. [KRS 224.70-110]

**Description of Non Compliance:**

Failing to comply with 40 CFR 122.41(a) as adopted by 401 KAR 5:065 Sec. 2(1)(a) by failing to comply with the Kentucky Pollutant Discharge Elimination System (KPDES) permit limits for KY0106267, **Outfall 001-1, for Total Ammonia Nitrogen (TAN)** during the months of January, February and December of 2009; and for the months of January, February, March and April of 2010.

The permitted limits for **TAN Loading** are a monthly average of 83.5 lbs/dy and a daily maximum of 125 lbs/dy. The reported results were the following:

a monthly average of 105 lbs/dy and a daily maximum of 399 lbs/dy for January 2009;  
a daily maximum of 134 lbs/dy for February 2009;  
a daily maximum of 194 lbs/dy for December 2009;  
a monthly average of 89 lbs/dy and a daily maximum of 359 lbs/dy for January 2010;  
a daily maximum of 159 lbs/dy for February 2010;  
a daily maximum of 187 lbs/dy for March 2010; and  
a daily maximum of 142 lbs/dy for April 2010.

The permitted limits for **TAN Concentration** are a monthly average of 20 mg/l and a daily maximum of 30 mg/l. The reported results were the following:

a daily maximum of 46.9 mg/l for January 2009;  
a monthly average of 23.8 mg/l for January 2010;  
a monthly average of 20.9 mg/l for February 2010; and  
a monthly average of 23.3 mg/l for March 2010.

**The remedial measure(s), and date(s) to be completed by are as follows:**

Falmouth WWTP shall develop and **submit a Corrective Action Plan: Due 10/25/2010**. This plan shall provide a detailed written explanation of reasons for the violation, what is being done to maintain compliance at the facility, and a proposed schedule specifying when the corrective actions are to be completed. The KDEP will continue to monitor your DMRs. **Falmouth WWTP will be required to demonstrate a return to compliance by March 2011.** [KRS 224.70-110]

**2 Violation Description for Subject Item AIOO0000074522():**

No person shall, directly or indirectly, throw, drain, run or otherwise discharge into any of the waters of the Commonwealth, or cause, permit or suffer to be thrown, drained, run or otherwise discharged into such waters any pollutant, or any substance that shall cause or contribute to the pollution of the waters of the Commonwealth in contravention of the standards adopted by the cabinet or in contravention of any of the rules, regulations, permits, or orders of the cabinet or in contravention of any of the provisions of this chapter. [KRS 224.70-110]

**Description of Non Compliance:**

Failing to comply with 40 CFR 122.41(a) as adopted by 401 KAR 5:065 Sec. 2(1)(a) by failing to comply with the Kentucky Pollutant Discharge Elimination System (KPDES) permit limits for KY0106267, **Outfall 001-1, for Biochemical Oxygen Demand Percent Removal (BOD%)** during the months of January, February, May and December of 2009; and for January of 2010.

The permitted limit for BOD% Concentration is a monthly minimum of 85%. The reported results were the following:

- a monthly minimum of 68% for January 2009;
- a monthly minimum of 81% for February 2009;
- a monthly minimum of 83% for May 2009;
- a monthly minimum of 82% for December 2009; and
- a monthly minimum of 72% for January 2010.

**The remedial measure(s), and date(s) to be completed by are as follows:**

Falmouth WWTP shall develop and **submit a Corrective Action Plan: Due 10/25/2010**. This plan shall provide a detailed written explanation of reasons for the violation, what is being done to maintain compliance at the facility, and a proposed schedule specifying when the corrective actions are to be completed. The KDEP will continue to monitor your DMRs. **Falmouth WWTP will be required to demonstrate a return to compliance by March 2011.** [KRS 224.70-110]

**3 Violation Description for Subject Item AIOO0000074522():**

No person shall, directly or indirectly, throw, drain, run or otherwise discharge into any of the waters of the Commonwealth, or cause, permit or suffer to be thrown, drained, run or otherwise discharged into such waters any pollutant, or any substance that shall cause or contribute to the pollution of the waters of the Commonwealth in contravention of the standards adopted by the cabinet or in contravention of any of the rules, regulations, permits, or orders of the cabinet or in contravention of any of the provisions of this chapter. [KRS 224.70-110]

**Description of Non Compliance:**

Failing to comply with 40 CFR 122.41(a) as adopted by 401 KAR 5:065 Sec. 2(1)(a) by failing to comply with the Kentucky Pollutant Discharge Elimination System (KPDES) permit limits for KY0106267, **Outfall 001-1**, for **Total Suspended Solids (TSS)** during the months of March, June, October and December of 2009; and January, February, March, April and May of 2010.

The permitted limits for **TSS Loading** are a monthly avg of 125 lbs/dy and a max weekly avg of 188 lbs/dy. The reported results were the following:

a monthly avg of 129 lbs/dy and a max weekly avg of 1630 lbs/dy for March 2009;  
a max weekly avg of 304 lbs/dy for June 2009;  
a max weekly avg of 300 lbs/dy for October 2009;  
a max weekly avg of 432 lbs/dy for December 2009;  
a max weekly avg of 425 lbs/dy for January 2010;  
a max weekly avg of 208 lbs/dy for February 2010;  
a max weekly avg of 273 lbs/dy for March 2010;  
a max weekly avg of 234 lbs/dy for April 2010; and  
a max weekly avg of 666 lbs/dy for May 2010.

The permitted limits for **TSS Concentration** are a monthly avg of 30 mg/l and a max weekly avg of 45 mg/l. The reported results were a monthly avg of 43 mg/l and a max weekly avg of 176 mg/l for March 2009.

**The remedial measure(s), and date(s) to be completed by are as follows:**

Falmouth WWTP shall develop and **submit a Corrective Action Plan: Due 10/25/2010**. This plan shall provide a detailed written explanation of reasons for the violation, what is being done to maintain compliance at the facility, and a proposed schedule specifying when the corrective actions are to be completed. The KDEP will continue to monitor your DMRs. **Falmouth WWTP will be required to demonstrate a return to compliance by March 2011**. [KRS 224.70-110]

4 Violation Description for Subject Item AIOO0000074522():

No person shall, directly or indirectly, throw, drain, run or otherwise discharge into any of the waters of the Commonwealth, or cause, permit or suffer to be thrown, drained, run or otherwise discharged into such waters any pollutant, or any substance that shall cause or contribute to the pollution of the waters of the Commonwealth in contravention of the standards adopted by the cabinet or in contravention of any of the rules, regulations, permits, or orders of the cabinet or in contravention of any of the provisions of this chapter. [KRS 224.70-110]

**Description of Non Compliance:**

Failing to comply with 40 CFR 122.41(a) as adopted by 401 KAR 5:065 Sec. 2(1)(a) by failing to comply with the Kentucky Pollutant Discharge Elimination System (KPDES) permit limits for KY0106267, **Outfall 001-1**, for **E.coli** during the months of December of 2009, and January, February and May of 2010.

The permitted limits for **E.coli Concentration** are a 30-day geometric mean of 130 per 100ml and a 7-day geometric mean of 240 per 100ml. The reported results were the following:

a 7-day geometric mean of 537 per 100ml for December 2009;  
a 7-day geometric mean of 255.2 per 100ml for January 2010;  
a 7-day geometric mean of 410 per 100ml for February 2010; and  
a 7-day geometric mean of 1376.4 per 100ml for May 2010.

**The remedial measure(s), and date(s) to be completed by are as follows:**

Falmouth WWTP shall develop and **submit a Corrective Action Plan: Due 10/25/2010**. This plan shall provide a detailed written explanation of reasons for the violation, what is being done to maintain compliance at the facility, and a proposed schedule specifying when the corrective actions are to be completed. The KDEP will continue to monitor your DMRs. **Falmouth WWTP will be required to demonstrate a return to compliance by March 2011**. [KRS 224.70-110]

**5 Violation Description for Subject Item AIOO0000074522():**

No person shall, directly or indirectly, throw, drain, run or otherwise discharge into any of the waters of the Commonwealth, or cause, permit or suffer to be thrown, drained, run or otherwise discharged into such waters any pollutant, or any substance that shall cause or contribute to the pollution of the waters of the Commonwealth in contravention of the standards adopted by the cabinet or in contravention of any of the rules, regulations, permits, or orders of the cabinet or in contravention of any of the provisions of this chapter. [KRS 224.70-110]

**Description of Non Compliance:**

Failing to comply with 40 CFR 122.41(a) as adopted by 401 KAR 5:065 Sec. 2(1)(a) by failing to comply with the Kentucky Pollutant Discharge Elimination System (KPDES) permit limits for KY0106267, **Outfall 001-1, for Biochemical Oxygen Demand (BOD)** during the months of October and December of 2009; and for January, April and May of 2010.

The permitted limits for **BOD Loading** are a monthly average of 125 lbs/dy and a maximum weekly average of 188 lbs/dy. The reported results were the following:

a maximum weekly average of 284 lbs/dy for October 2009;  
a maximum weekly average of 280 lbs/dy for December 2009;  
a maximum weekly average of 425 lbs/dy for January 2010;  
a maximum weekly average of 299 lbs/dy for April 2010; and  
a maximum weekly average of 560 lbs/dy for May 2010.

The permitted limits for **BOD Concentration** are a monthly average of 30 mg/l and a maximum weekly average of 45 mg/l. The reported result was a maximum weekly average of >46 mg/l for April 2010.

**The remedial measure(s), and date(s) to be completed by are as follows:**

Falmouth WWTP shall develop and **submit a Corrective Action Plan: Due 10/25/2010**. This plan shall provide a detailed written explanation of reasons for the violation, what is being done to maintain compliance at the facility, and a proposed schedule specifying when the corrective actions are to be completed. The KDEP will continue to monitor your DMRs. **Falmouth WWTP will be required to demonstrate a return to compliance by March 2011**. [KRS 224.70-110]

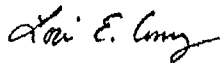
Violations of the above cited statute(s) and/or regulation(s) are subject to a civil penalty per day per violation. Violations carry civil penalties of up to \$25,000 per day per violation depending on the statutes/regulations violated. In addition, violations may be concurrently enjoined. Compliance with remedial measures and their

AI: Falmouth WWTP (New) -- 74522

deadlines does not provide exemption from liability for violations during the period of remediation, nor prevent additional remedial measures from being required.

If you have questions or need further information, write or call the undersigned:

Department for Environmental Protection  
Division of Enforcement  
300 Fair Oaks Lane  
Frankfort, KY 40601  
502-564-2150 extension 266 (8:00 AM – 4:30 PM)  
Ms. Lori Conway, Enforcement Specialist



Issued By:

Ms. Lori E. Conway  
Environmental Enforcement Specialist III  
Compliance and Operations Branch  
Date: September 22, 2010

How Delivered: Certified Mail

Certified/Registered # 7010 0780 0001 1439 9514



To: The Kentucky Department for Environmental Protection

Attn. Lori E. Conway

Re: AI ID 74522

1. The City has been taking actions at the Wastewater Treatment Plant to address the TAN issues since the spring of 2010.

We have acquired the services of Bob Oerther as a consultant in this matter. Ammonia as you are possible aware is the biggest problem with removal in lagoon systems.

We have increased the aeration period to get better mixing and promote nitrification in the warmer water periods.

We have purchased a portable field ammonia meter to better track the removal across the lagoons.

We have looked at fine air diffusion as a possible remedy.

Our Engineers are presently looking at other options in additional trains of treatment to alleviate the high ammonia issues.

The loading is from excessive flow in wet weather.

We have just bought a jetter for our collection system and hope to purchase a camera to remove more of our I/I problems.

2. I believe the BOD removal is from the excessive flows and the start up of the treatment facility as it has as you can see improved.
3. The TSS loading is again from excessive flows and we are presently looking at aluminum based products to enhance coagulation and drop out solids in these situations. I feel when we get the best product and feed rates optimized we will not have a problem with TSS removal
4. The E.coli violation I believe we experienced from the ultra-violet unit not be calibrated to us gallons but metric liters we discovered and have corrected. We have also changed our MO in we put the unit at 100% when we exceed plant design instead of allowing the flow pacing. This seems to have worked for us since May 2010.
5. The BOD loading again I feel is from excessive flows, we are aerating more through these times for better mix and breakdown.

We hope through these efforts and the plans for the addition of chemical aids and reduction in I/I in the future and a better understanding of lagoon operations will enable us to better treat out wastewater stream.

We are committed to continuing to work toward these endeavors and maintain compliance at all times.

Sincerely,

Wm. Todd Ramsey

Water and Wastewater Plants Supervisor

c. Mayor  
April FaFalco

**CITY OF FALMOUTH  
ORDINANCE 2010-72.01A**

AN ORDINANCE ADOPTING BY REFERENCE THE KENTUCKY MODEL UNIFORM ORDINANCE ESTABLISHING REQUIREMENTS FOR DIRECT AND INDIRECT CONTRIBUTORS INTO THE WASTE WATER COLLECTION AND TREATMENT SYSTEM FOR THE CITY OF FALMOUTH, ENABLING THE CITY TO COMPLY WITH ALL APPLICABLE KENTUCKY AND FEDERAL LAWS REQUIRED BY THE CLEAN WATER ACT OF 1977 AND THE GENERAL PRETREATMENT REGULATIONS: SETTING FORTH A PURPOSE AND POLICY; ESTABLISHING DEFINITIONS; SETTING FORTH ABBREVIATIONS; GOVERNING THE USE OF PUBLIC SEWERS; ESTABLISHING MANDATORY SEWER CONNECTIONS; MAKING UNLAWFUL DISCHARGE TO STORM SEWERS OR NATURAL OUTLETS; REQUIRING COMPLIANCE WITH LOCAL, STATE, AND FEDERAL LAWS; REGULATING DISCHARGE OF UNPOLLUTED WATERS INTO THE SEWER SYSTEM; PROHIBITING CERTAIN DISCHARGES; GOVERNING PRIVATE WASTE WATER DISPOSAL; WHERE PUBLIC SEWERS ARE NOT AVAILABLE; ESTABLISHING REQUIREMENTS FOR INSTALLATION; GOVERNING BUILDING SEWERS AND CONNECTIONS; REQUIRING PERMITS; PROHIBITING CERTAIN CONNECTIONS; GOVERNING DESIGN AND INSTALLATIONS; REQUIRING INSPECTION; ESTABLISHING POLLUTANT DISCHARGE LIMITS; ESTABLISHING GENERAL CONDITIONS; RESTRICTING CERTAIN DISCHARGES; REGULATING DILUTION OF WASTE WATER DISCHARGE; REQUIRING GREASE, OIL, AND SAND INTERCEPTORS; ESTABLISHING SPECIAL INDUSTRIAL PRETREATMENT REQUIREMENTS; ESTABLISHING PROTECTION FROM ACCIDENTAL AND SLUG DISCHARGES; ESTABLISHING STATE REQUIREMENTS WHEN THEY ARE MORE STRINGENT THAN FEDERAL REQUIREMENTS; RESERVING THE CITY'S RIGHT TO REVISE THE STANDARDS SET FORTH IN THE ORDINANCE; ADOPTING NATIONAL CATEGORICAL PRETREATMENT STANDARDS; GOVERNING PRETREATMENT PROGRAM ADMINISTRATION; PROHIBITING WASTE WATER DISCHARGES; REQUIRING INDUSTRIAL USER DISCHARGE PERMITS; GOVERNING PERMIT MODIFICATIONS; ESTABLISHING PERMIT CONDITIONS; ESTABLISHING ALTERNATIVE DISCHARGE LIMITS; SETTING PERMIT DURATION; GOVERNING TRANSFER OF PERMITS; REQUIRING COMPLIANCE DATA REPORTING; REQUIRING PERIODIC COMPLIANCE REPORTS; REQUIRING

NOTIFICATION OF PERMIT VIOLATIONS; REQUIRING PERIODIC MONITORING; REQUIRING INSPECTION AND SAMPLING; REQUIRING PRETREATMENT; REQUIRING AN ANNUAL PUBLICATION OF SIGNIFICANT NONCOMPLIANCE; DEFINING SIGNIFICANT NONCOMPLIANCE; GOVERNING CERTAIN CONFIDENTIAL INFORMATION; ESTABLISHING SIGNATORY REQUIREMENTS; ESTABLISHING FEES: SETTING FORTH A PURPOSE; SETTING FORTH CHARGES AND FEES; ESTABLISHING POWERS AND AUTHORITY OF INSPECTORS: ESTABLISHING RIGHT TO ENTER PREMISES; ESTABLISHING RIGHT TO OBTAIN INFORMATION REGARDING DISCHARGE; ESTABLISHING ACCESS TO EASEMENTS; GOVERNING SAFETY; GOVERNING ENFORCEMENT: ESTABLISHING GENERAL PROVISIONS; REQUIRING NOTICE OF VIOLATIONS; GOVERNING ADMINISTRATIVE ORDERS; GOVERNING SHOW CAUSE HEARINGS; ESTABLISHING ADDITIONAL ENFORCEMENT REMEDIES; ESTABLISHING PENALTIES: REQUIRING WRITTEN NOTICE; GOVERNING REVOCATION OF PERMITS; GOVERNING LIABILITY; GOVERNING MISREPRESENTATION AND/OR FALSIFYING OF DOCUMENTS; GOVERNING DESTRUCTION OF PUBLICLY OWNED TREATMENT WORKS AND LEGAL ACTIONS; GOVERNING INJUNCTIVE RELIEF; GOVERNING CIVIL PENALTIES; GOVERNING CRIMINAL PROSECUTION; GOVERNING VALIDITY: GOVERNING SEVERABILITY; GOVERNING CONFLICTS.

Be it ordained by the City of Falmouth:

Section 1. That the City hereby adopts, by reference the Kentucky Model Sewer User Ordinance, pursuant to KRS 83A060(5), attached hereto and incorporated herein by reference as the City of Falmouth Sewer User Ordinance.

Section 2. A complete copy of this Ordinance is available for inspection during regular business hours in the Office of the City Clerk, Kennet Tavern, 230 Main Street, Falmouth, Kentucky 41040.

Section 3. All other Ordinances regulating use of the City Sewer System are hereby repealed.

Section 4. This Ordinance shall take effect upon its passage, approval and publication as required by law.

Introduction and First Reading: Regular Meeting, July 13, 2010


Second Reading and Adoption: Regular Meeting, August 10, 2010

Signed by Mayor: September 22, 2010


Recorded by Clerk: September 22, 2010

Published in Summary: October 19, 2010

**CITY OF FALMOUTH**


  
April DeFalco, Mayor

**ATTEST:**

  
Terry England, City Clerk

**CERTIFICATE OF SUMMARY**

Pursuant to KRS 83A.060(9)(a)-(c), the undersigned licensed and practicing attorney of the Commonwealth of Kentucky, hereby certifies that he prepared the Title to the foregoing Ordinance, which Title summarizes and sets forth the main points of the ordinance in a manner reasonably calculated to inform the public in a clear and understandable manner of the meaning of the Ordinance.

  
Henry Watson III, Attorney at Law  
Counsel for the Falmouth

## AGREEMENT

**THIS AGREEMENT** made and entered into this the \_\_\_\_ day of \_\_\_\_\_, 2010, by and between **THE CITY OF FALMOUTH, KENTUCKY**, a municipal corporation of the Commonwealth of Kentucky of the fourth class, with its principal place of business at 230 Main Street, Falmouth, Kentucky 41040, of Pendleton County, Kentucky, (“City”), and **THE EAST PENDLETON WATER DISTRICT**, a KRS Chapter 74 statutory water district, with its principal place of business at 601 Woodson Road, Falmouth, Kentucky 41040, of Pendleton County, Kentucky, (“District”).

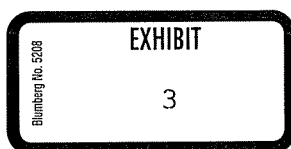
**WHEREAS**, KRS 96.930 through 96.943 authorizes termination of water service for failure to timely pay sewer user charges; and

**WHEREAS**, the District provides water to a number of City sewer customers; and

**WHEREAS**, the City of Falmouth has enacted an Ordinance requiring the entity providing water service to a non-paying customer to discontinue such water service until such sewer bills are paid; and

**WHEREAS**, the parties wish to reduce to writing their Agreement concerning administration of Chapter 53 of the City of Falmouth Code of Ordinances.

**NOW, THEREFORE**, the parties hereto have bargained and agree as follows:



**Section 1.** Pursuant to the provisions of KRS 96.930 to 96.943, and the provisions of Chapter 53 of the City's Code of Ordinances, incorporated herein by reference, as amended from time to time, when a bill for sewer charges becomes delinquent, as defined by City Ordinance, a Notice of Termination ("Notice") shall be mailed, faxed, e-mailed or hand-delivered to the District indicating the customer who has failed or refused to pay sanitary sewer user charges due.

**Section 2.** The Notice shall constitute an Order to Discontinue, for the District to immediately discontinue water service to the premises designated in the Notice. The Notice shall afford the District a maximum of five (5) days, unless notified in writing to the contrary by the City, to discontinue water service.

**Section 3.** Prior to reconnection of the customer to the District's water service, a service charge for reconnecting the meter shall be paid by said customer to the City for payment over to the District. The reconnection charge shall equal the current amount approved by the Kentucky Public Service Commission, a copy of which is attached hereto and incorporated herein by reference. It is the responsibility of the District to provide to the City, in writing, any changes to the reconnection service charge.

**Section 4.** The City shall promptly notify the District when delinquent accounts have been satisfied. Reconnection service shall be provided at the District's earliest convenience.

**Section 5.** The District agrees to provide the City with copies of its records of water utilized by each sewer customer in order for the City to compute sewer

user charges for the City. Only the District shall have access to its water meters. The records shall be provided no later than five (5) business days after each water meter reading by the District.

**Section 6.** The City agrees to compensate the District in the sum of one hundred (\$100.00) dollars per month for clerical services required to administer the Ordinance, due and payable within fifteen (15) days of receiving the District's water meter records.

**Section 7.** This Agreement shall take effect upon the approval by the Kentucky Public Service Commission of the Joint Verified Application for Leave to Transfer, No. 2010-00313, and the execution of all documents related to such transfer.

**IN WITNESS WHEREOF**, the parties hereto have set their hands, by and through their duly authorized agents, the City by and through its duly elected Mayor, April K. DeFalco, as attested by its duly authorized City Clerk, Terry England, and the Pendleton County Water District, by and through Leslie Herbst, Chairman, as attested by William Thompson, Secretary of the District, this the day and date first above written.

**CITY OF FALMOUTH**

BY: \_\_\_\_\_  
April K. DeFalco, Mayor

**ATTEST:**

\_\_\_\_\_  
Terry England, City Clerk



**EAST PENDLETON WATER DISTRICT**

BY: \_\_\_\_\_  
Leslie Herbst, Chairman

**ATTEST:**

\_\_\_\_\_  
William Thompson, Secretary

**CITY OF FALMOUTH  
ORDINANCE NO. 2010-71.21A**

AN ORDINANCE CREATING A NEW CHAPTER OF THE CODE OF ORDINANCES RELATING TO DELINQUENCY AND DISCONNECTION OF SERVICE FOR NON-PAYMENT OF CITY UTILITY BILLS.

Be it ordained by the City of Falmouth:

Section 1. That a new chapter of the Code of Ordinances be and hereby is amended to read as follows:

CHAPTER 53 UTILITY SERVICE TERMINATION

§53.01 BILLING AND DELIQUENCY

Utility services (i.e. electricity, water or sewer) rates and charges shall be billed monthly. If any bill is not paid by the 10<sup>th</sup> of the month it is delinquent, and a penalty of ten (10%) percent of the amount of the bill shall attach to and be payable in addition to the amount of the bill. The city is authorized to disconnect utility service to a customer who fails to pay his utility bill by or before the 15<sup>th</sup> of the month.

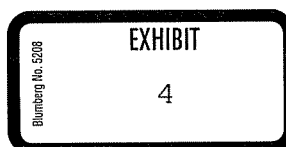
§53.02 DISCONNECT POLICIES, LIEN ON REAL PROPERTY

The city shall disconnect utility service in accord with the following policies:

(A) When it becomes necessary for the city to discontinue utility service to a customer for nonpayment of bills, service will be reinstated only after all bills for service then due have been paid and any deposit required has been made.

(B) It is the policy of the city to discontinue utility service to customers by reason of nonpayment of bills only after a meaningful opportunity to be heard on disputed bills. The city's form for application for utility service and all bills shall contain, in addition to the title, address, room number, and telephone number of the official in charge of billing, clearly visible and easily readable provisions to the effect:

(1) That all bills are due and payable by the 10<sup>th</sup> of the month.



(2) That if any bill is not paid by or before the 15<sup>th</sup> of the month, service will be disconnected for nonpayment.

(3) That any customer disputing the correctness of his bill shall have a right to request a hearing before the 10<sup>th</sup> of the month, at which time he may be represented in person and by counsel of any other person of his choosing and may present orally or in writing his complaint and contentions to the city official in charge of utility billing. This official shall be authorized to order that the customer's service not be discontinued and shall have the authority to make a final determination of the customer's complaint.

(C) Requests for delays or waiver of payment will not be entertained; only questions of proper and correct billing will be considered. In the absence of payment of the bill rendered, or resort to the hearing procedure provided herein, service will be discontinued at the time specified.

(D) In the event any bill is not paid by or before the 15<sup>th</sup> of the month, the following charges will apply:

(1) If the City sends its representative to the property to disconnect service, but the customer submits payment prior to the representative physically turning off the utility, then the customer must pay a fee of fifty (\$50.00) dollars; and

(2) If the utility service is physically disconnected by the City's representative, the city may apply any deposit made to the unpaid bill and may require payment of the balance in full, plus a new deposit or deposits, and a re-connect service fee of up to fifty (\$50.00) dollars before restoring any service. Upon two (2) disconnections within a twelve (12) month period, an additional deposit of one hundred (\$100.00) dollars is due to continue service.

(E) The city shall have a lien against the real estate served or partially served by city utilities for the amount of any unpaid utility bills, after set-off for any deposits held by the City.

(F) The lien shall apply without respect to whether the service was billed to the real estate owner or to an occupant of the same.

(G) In order to perfect the lien, the city shall mail or deliver notice of intent to assert a lien for utility bills to the owner of the real property within thirty (30) days after the bill or bills become delinquent.

(H) Enforcement of the perfected lien shall be in the same manner as the enforcement of its lien of real property taxes.

(I) A request for an extension to pay a utility bill must be signed and notarized by the owner of the property to which the lien will attach, and all utility service fees must be paid in not less than two (2) months following the due date, as follows:

(1) Not less than one-half (1/2) of the due bill shall be paid by the due date;  
and

(2) The entire bill due the next month plus one half of the arrears, including penalty, shall be paid by the due date; and

(3) The entire bill due the next month plus all remaining arrears shall be paid by the due date.

§53.03 TERMINATION OF WATER SERVICE FOR NON-PAYMENT OF SANITARY SEWER CHARGES.

(A) For users of the City of Falmouth Sanitary Sewer Services to whom the City also provides water service, such water services shall be terminated in accordance with §53.02, in the event sanitary sewer user charges are not paid in conformance with §53.01.

(B) For City of Falmouth Sanitary Sewer Services to whom the City does not provide water services, pursuant to KRS 96.930 through 63.943, when the bill due becomes delinquent according to the guidelines set forth in §53.01, a Notice of Termination shall be mailed to the entity providing water service to such customer, which water supplier is to be directed to discontinue water service to the premises designated in the notice immediately in accordance with §53.01.

Section 2. The following sections of the Code of Ordinances are hereby repealed in their entirety: §50.41, §50.42, §51.03, §51.04, §52.06, and §52.07.

Section 3. This Ordinance shall be effective July 1, 2010, upon its passage, approval and publication in full as required by law.

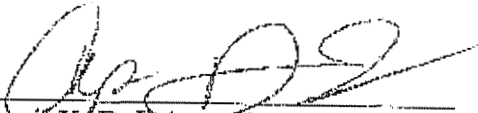
Introduced and First Reading: Regular Meeting, June 8, 2010

Second Reading and Enacted: Special Meeting, June 10, 2010

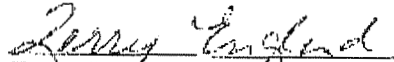
Signed by Mayor: June 15, 2010

Published in full: June 22, 2010 & June 29, 2010

CITY OF FALMOUTH, KENTUCKY

BY:   
April K. DeFateo, Mayor

ATTEST:

  
Terry England, City Clerk