

D R A F T

12/94

MEMORANDUM OF AGREEMENT

between the

**COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WATER**

and

MADISON COUNTY

SUBJECT: Feasibility Study -- Regionalized Sanitary Sewer District for a Portion of
Northern Madison County

December 1, 1994

DRAFT

12/94

This Memorandum of Agreement is made and entered into by and between the Commonwealth of Kentucky, Natural Resources and Environmental Protection Cabinet, Department for Environmental Protection, Division of Water, and Madison County.

WITNESSETH:

WHEREAS, the Kentucky Division of Water is charged with the responsibility of protecting the waters of the Commonwealth, permits the construction of and ensures compliance with Kentucky Pollutant Discharge Elimination system permits for wastewater systems in the Commonwealth, and encourages the regionalization of wastewater treatment facilities where possible;

WHEREAS, the Kentucky Division of Water has received grant monies from the U.S. Environmental Protection Agency under Section 604(b) of the Clean Water Act for the purpose of assisting county and local governments and regional planning entities in the development of wastewater treatment management plans for the purpose of improving stream and ground water quality;

WHEREAS, Madison County has an interest in assisting and encouraging the proper disposal of wastewater in Madison County to protect the present and future users of sanitary wastewater treatment facilities and thus the protection of stream and ground water quality;

NOW, THEREFORE, in consideration of the mutual covenants expressed herein, the Division of Water and Madison County hereby AGREE as follows:

1. Parties: The parties to this Agreement are Madison County, Madison County Courthouse, 101 West Main Street, Richmond, Kentucky, and the Natural Resources and Environmental Protection Cabinet, Department for Environmental Protection, Division of Water, 14 Reilly Road, Frankfort, KY 40601.

Mr. Kent Clark, Madison County Judge/Executive, will serve as Madison County Project Coordinator. Ms. Connie Ashcraft, Supervisor, Program Planning Section, will serve as Division of Water Project Coordinator.

2. Scope of Services: Madison County shall carry out the tasks and functions described in the Scope of Services attached hereto as Appendix A and considered a part of this Agreement. Madison County shall prepare a final report under this Agreement and submit it to the Division of Water. The Division of Water shall review the final report and if acceptable, shall approve it.

3. Method of Payment: The Division of Water will pay up to but not exceeding sixteen thousand dollars (\$16,000) to Madison County for performance of the Scope of Services to be billed by Madison County on a monthly basis. Madison County shall maintain proper documentation to support all expenditures of this Agreement. All accounting shall be done in accordance with the Office of Management and Budget Circulars A-102, A-87, and A-128. Madison County shall pay four thousand dollars (\$4,000) for its share of the feasibility study.
4. Reporting Requirements: Madison County shall complete and submit the Monthly Status Report Form, Appendix B, to the Division of Water on a monthly basis. The Division of Water will hold periodic review meetings on a quarterly basis.
5. Assurances:
 - A. Madison County shall comply with: (1) Applicable provisions of Office of Management and Budget Circular Nos. A-87, A-110, A-121, A-122, A-128, A-133, and the Common Rule; and (2) applicable provisions of Standard Form 424B, Assurances - Non-construction Programs, all of which are incorporated into this Agreement by reference.
 - B. Madison County shall comply with the following: (1) The recipient must ensure to the fullest extent possible that at least eight percent (8%) minimum MBE/WBE (minority business enterprises/women's business enterprises) goal of federal funds for prime or subcontracts for supplies, construction, equipment, or services is made available to organizations owned or controlled by socially and economically

disadvantaged individuals, women, and historically black colleges and universities.

The recipient agrees to include in its bid documents this eight percent (8%) minimum goal and require all of its prime contractors to include in their bid documents for subcontracts the negotiated "Fair Share" percentage. To evaluate compliance with the "Fair Share" policy, the recipient agrees to comply with PL 102-389 and the six affirmative steps stated in 40 CFR 33.240, 31.36(e), or 35.6580(a) as appropriate.

(2) In accordance with Section 129 of PL 100-590, the Small Business Administration Reauthorization and Amendment Acts of 1988, the recipient is encouraged to utilize small businesses located in rural areas to the maximum extent possible. The recipient agrees to follow the six affirmative steps stated in 40 CFR 33.240, 31.36(e), or 35.6580(a) as appropriate. (3) Pursuant to EPA Order 1000.25, dated January 24, 1990, the recipient agrees to use recycled paper for all reports which are prepared as a part of this Agreement. This requirement does not apply to reports which are prepared on forms supplied by U.S. EPA. This requirement applies even when the cost of recycled paper is higher than that of virgin paper. (4) The recipient must comply with Kentucky's procurement statutes and regulations when procuring services and construction contractors.

6. Period of Performance: This Agreement is entered into and effective for the period December 1, 1994 to September 30, 1995.

7. Term of Contract & Amendments: This Agreement may be further extended by written agreement of the parties hereto for an additional period, subject to the advance approval

of the Secretary of the Finance and Administration Cabinet. This Agreement shall not be modified except by written agreement of both parties.

8. Choice of Forum: Any legal action brought on the basis of this Agreement shall be filed in the Franklin County Circuit Court of the Commonwealth of Kentucky.
9. Causes of Termination: Either party shall have the right to terminate and cancel this Agreement for cause at any time or upon thirty (30) days written notice by registered mail to the other party. If the Agreement is terminated or canceled, Madison County shall reimburse the Division of Water for those expenses which are not reasonable or eligible expenses.
10. The parties certify, by the signatures of duly authorized representatives hereinafter affixed, that they are legally entitled to enter into this Agreement, and that they will not be violating, either directly or indirectly, any conflict of interest statute of the Commonwealth of Kentucky by performance of this Agreement. Further, the parties covenant that they currently have no conflict of interest, in any manner or degree, with the performance of services required to be performed under this Agreement. The parties further covenant that in the performance of this Agreement no persons having any such conflict of interest shall be employed.

NREPC/Madison County
Feasibility Study--Regionalization

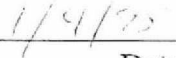
The signatures below signify acceptance and approval of this Agreement.

MADISON COUNTY

APPROVED AS TO LEGALITY AND FORM:

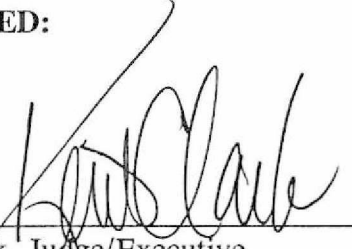


County Attorney
Madison County

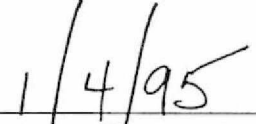


Date

APPROVED:



Kent Clark, Judge/Executive
Madison County



Date

NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET

RECOMMENDED FOR APPROVAL:

_____ Jack A. Wilson, Director Division of Water	_____ Date
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_____ Robert W. Logan, Commissioner Department for Environmental Protection	_____ Date
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_____ Boyce R. Wells, Director Division of Administrative Services	_____ Date
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APPROVED AS TO LEGALITY AND FORM:

_____ E. Douglas Stephan, Commissioner Department of Law	_____ Date
--	---------------

APPROVED:

_____ Phillip J. Shepherd, Secretary Natural Resources & Environmental Protection Cabinet	_____ Date
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FINANCE AND ADMINISTRATION CABINET

APPROVED AS TO LEGALITY AND FORM:

Attorney

Date

RECOMMENDED FOR APPROVAL:

Commissioner,
Department for Administration

Date

APPROVED:

Secretary, Finance and
Administration Cabinet

Date

APPENDIX A

SCOPE OF SERVICES

PROPOSAL: FEASIBILITY STUDY FOR REGIONALIZATION OF A PORTION OF NORTHERN MADISON COUNTY

PURPOSE

The purpose of this study is to determine the engineering and economic feasibility of establishing a sanitary sewer district in a portion of northern Madison County to regionalize the collection and treatment of sanitary wastewater in the area.

GENERAL DESCRIPTION

Madison County is located in the Central Bluegrass Region of Kentucky, immediately south of Lexington, Fayette County, and is bordered to the north by the Kentucky River. It is connected to Lexington by Interstate Highway 75 (I-75) and U.S. Highway 25, both of which receive heavy traffic due to local commuters to Lexington and through traffic since I-75 is the major north-south highway connecting Michigan and Florida. The county, including its county seat of the City of Richmond, has experienced tremendous growth in the past because of its proximity to Lexington; because of the growth of Eastern Kentucky University, one of Kentucky's major state universities; and because of the availability of relatively flat land for residential and industrial development.

The initial boundaries of this study are 12,500 feet (2.4 miles) to the east and west of I-75 from Mile Post 92 (just north of Richmond) to the Kentucky River (Mile Post 99). This area is

currently outside the 201 planning area of the City of Richmond and is outside of the City of Richmond service area. A map of the feasibility study area is attached to and made a part of this Agreement (Attachment A).

In the future, Madison County expects further pressure for development in the northern portion of the county since this part of I-75 is among that proposed for widening to six lanes, which would facilitate the flow of traffic both for commuters between Lexington and Madison County and the transfer of goods and services. Experience, both in Madison County and elsewhere, has shown that growth and development can be delayed and/or controlled, but it cannot be stopped. Madison County intends on anticipating and planning for this growth and the future economic viability of the area, while protecting its quality of life and natural resources.

Before more residential and industrial growth can occur responsibly, the area's wastewater treatment needs should be addressed. An initial review of the proposed general service area indicates that sanitary sewage treatment is being supplied by six (6) privately owned and operated wastewater treatment plants with a combined capacity of 235,000 GPD; two governmental agency wastewater treatment plants with a combined capacity of approximately 50,000 GPD and an additional three (3) private wastewater facilities under construction or permit review for an additional 90,000 GPD.

In addition to the approximately 375,000 GPD being treated or proposed for treatment in eleven (11) separate treatment plants, there are at least eight (8) existing subdivisions or mobile home

parks with some 305 residences currently using septic tanks. Not included in this inventory are subdivisions planned for an additional 850 homes which would require wastewater treatment. These additional residences represent an additional wastewater load of some 460,000 GPD.

A preliminary inventory of the existing and proposed wastewater treatment facilities and unsewered existing and proposed subdivisions is attached (Attachment B).

With the exception of one (1) existing facility, all of the existing or proposed wastewater treatment plants discharge to unnamed branches of small streams. This wastewater load on small streams plus the use of septic tanks in an area that is, for the most part, not suited for continuous use as a sub-surface disposal method has the potential to be a public health hazard and a source of nonpoint and ground water pollution.

PROPOSAL

To plan for this growth and protect the health of the citizens of Madison County and protect its environment, Madison County desires to develop a plan to provide sanitary sewer service to the described area or that portion of the described area that the City of Richmond cannot serve. The feasibility study would determine the economic and engineering feasibility of regionalized sanitary sewer service for the study area to eliminate the existing point source discharges to small streams and the potential degradation of ground water resources by sub-surface disposal methods.

Madison County also plans to institute a county wide land use plan which is not a part of this Agreement. This proposed land use plan, in combination with the proposed sanitary sewer study, is anticipated to provide a method to both accommodate orderly growth and protect the public health and environment of Madison County.

As a part of this study, the initially proposed area would be reviewed and, if feasible, redefined to assure alignment with defined drainage basins and existing or anticipated potential users. Also, this study would determine what, if any, part of the generally described area could be serviced by the City of Richmond. After consultation with the City of Richmond officials, the area of study would be more specifically described.

SPECIFIC TASKS

Madison County shall prepare a feasibility study which shall:

1. More fully describe the service area after consultation with the City of Richmond to determine which portions, if any, the City of Richmond would be willing to serve.
2. Inventory and locate all existing and proposed treatment facilities and all existing and proposed population centers including "strip" type developments along the various roads in the study area. This inventory will determine the location and number of potential customers in the study area.

The inventory of the existing unsewered population centers will include a listing of known sub-surface disposal system failures and known public health problems and environmental concerns resulting from the failures in the area.

3. Determine collection system alternative sizes and routes, based on the resulting inventory and consultations with the Madison County planner. This will also include recommendations for transporting any flow to Richmond for treatment and studying various sites for a regional wastewater treatment plant.
4. Develop alternatives for cost-effective treatment processes for the area's wastewater, after selection of the various proposed routes and sites. The alternatives shall be supported by the engineering and economic data necessary to show advantages to the various alternatives.
5. Evaluate the various alternatives from 3. and 4. above and determine both the costs of the system and the timing for potential phasing of the project to assure the most cost-effective and efficient method of developing a significant customer base in the least time and at a cost to insure a positive cash flow for the proposed sanitary sewer district.
6. Outline the various methods for establishing a sanitation district that are authorized under KRS Chapters 67 and 220, and indicate possible funding sources for its creation and operation.

APPENDIX B

Monthly Status Report Form

Monthly Report for: _____

Completed by: _____

Monthly Reporting Period: _____

I. Accomplishments/Progress:

II. Special Problems or Commentary:

III. Major Objects for Next Month:

(Attach Monthly Invoice)

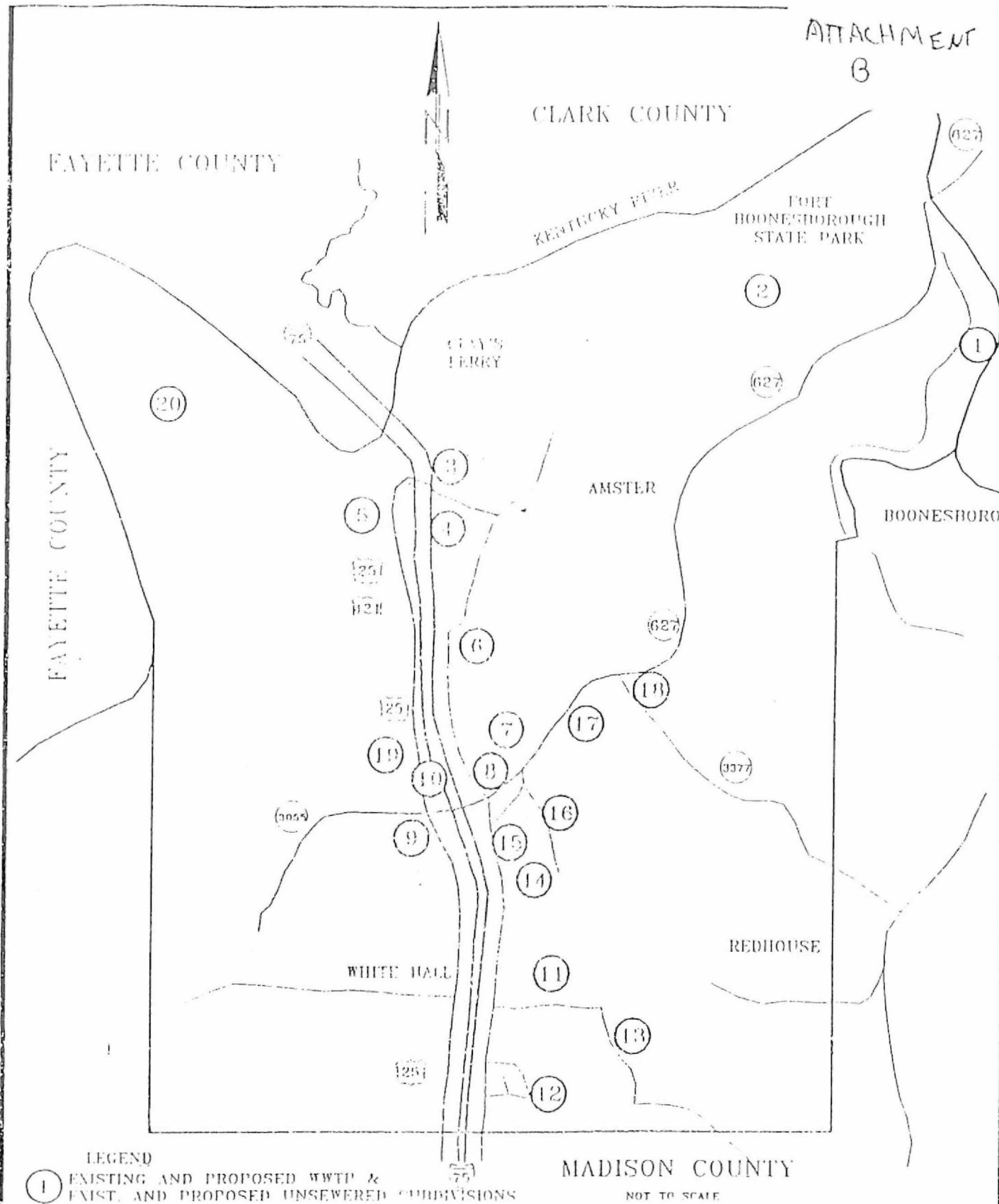
PRELIMINARY INVENTORY
OF
TREATMENT FACILITIES AND DEVELOPED AREAS
IN
NORTHERN MADISON COUNTY
NOVEMBER, 1994

ATTACHMENT
A

LOCATION NO.	SITE NAME	APPROXIMATE NUMBER OF CUSTOMERS	DAILY FLOW (GPD)	
			ACTUAL*	ESTIMATED
1	Boonesborough State Park	1	50,000	--
2	EKU Rifle Range	1	1,000	--
3	76 Truck Stop (Exit 97)	1	20,000	--
4	Swords Mobile Home Park (Under Construction) (Exit 97)	100	30,000	--
5	Proposed Commercial Devel. (Pending Approval)(Exit 97)	10	50,000	--
6	PTR Laboratories	1	5,000	--
7	Bluegrass Mobile Home Park (Exit 95)	300	90,000	--
8	Hardy Oil (Approved) (Exit 95)	2	15,000	--
9	Dishman Shell (Exit 95)	1	5,000	--
10	Patrick Ent. Motel (Pending Approval)(Exit 95)	1 (100 units)	10,000	--
11	Madison Village Subdivision	250	100,000	--
12	Pineur Acres Subd. (Exist.)	50	--	20,000
13	Shady Hills Mobile Home Park (Exist.)	50	--	20,000
14	Unnamed Subd. (Exist.)	15	--	6,000
15	Unnamed Subd. (Exist.)	15	--	6,000
16	Unnamed Subd. (Exist.)	15	--	6,000
17	Unnamed Subd.(Proposed)	300	--	120,000
18	Boone Village Subd. (Exist.)	80	--	32,000
19	White Hall Manor Subd. (Exist.)	80	--	32,000
20	Boone Trace Subd.(Proposed)	550	--	220,000
Totals		1,823	376,000 GPD	462,000 GPD

* Existing WWTPs or proposed WWTP's approved or pending approval

ATTACHMENT
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NOVEMBER 1994

T.M. REGAN, INC.
377 WALLER AVENUE
LEXINGTON, KENTUCKY 40511-2968
606-254-3831

FIGURE 1
PRELIMINARY BOUNDARIES OF
NORTHERN MADISON COUNTY SANITARY DISTRICT
MADISON COUNTY, KENTUCKY