



## Supplemental Environmental Project Semi-Annual Report Volume 3

**Third Semi-Annual Report  
January 1, 2006 – June 30, 2006**

**Submitted to EPA on July 27, 2006**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering such information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

*D. Wayne Loveday*

D. Wayne Loveday

*7.27.06*

Date

0002083

## **Table of Contents**

- 1. Introduction**
- 2. Deposit of Funds to the SEP Escrow by KUB**
- 3. Disbursement of Funds from the SEP Escrow by Escrow Agent to the Third Party Administrator to Pay Plumbers for Services Completed**
- 4. Balance of Funds in the SEP Escrow**
- 5. Payment of Funds by Third Party Administrator to Plumbers**
- 6. Location of Private Residential Properties Where Services Have Been Performed Under the SEP Program**
- 7. SEP Implementation and Ongoing Tasks**
- 8. Tasks Scheduled for the Next Six Months**

**Supplemental Environmental Project  
Third Semi-Annual Report  
January 1, 2006, through June 30, 2006**

**1. Introduction**

KUB is required to perform and complete a Supplemental Environmental Project (SEP) as set forth in Section VIII. Supplemental Environmental Project and Appendix B Supplemental Environment Project of the Consent Decree (CD). *This project was undertaken in connection with the settlement of a civil enforcement action taken by the United States for violations of the Clean Water Act.* This Semi-Annual Report covers events from January 1, 2006 through June 30, 2006.

In addition to the required SEP funding, KUB has also voluntarily established a low-income, no-interest loan program. This program will serve customers earning between 50 and 60 percent of the median income. The cost of the lateral repair or replacement will be added to the customers' bill over a period of 48 months.

Six customers were approved for the no-interest loan during this reporting period. Work was completed for three of the properties at a total cost of \$7,151.00.

**2. Deposit of Funds to the SEP Escrow by KUB**

KUB was not required to make a deposit to the Escrow Account during this reporting period. The next deposit to the Escrow Account is scheduled for August 11, 2006.

**3. Disbursement of Funds From the SEP Escrow by Escrow Agent to the Third Party Administrator to Pay Plumbers for Services Completed**

A total of \$31,458.00 was disbursed from the SEP Escrow Account to the Third Party Administrator during this reporting period. The disbursements are shown in the table below.

<b>Date of Invoice</b>	<b>Amount Invoiced</b>	<b>Number of Laterals Repaired/Replaced</b>	<b>Amount Disbursed</b>
01/13/2006	\$ 1,250.00	1	\$ 1,250.00
02/03/2006	4,300.00	2	4,300.00
03/10/2006	3,215.00	2	3,215.00
04/03/2006	9,463.00	5	9,463.00
05/09/2006	11,845.00	5	11,845.00
06/07/2006	1,385.00	1	1,385.00
<b>Totals</b>	<b>\$31,458.00</b>	<b>16</b>	<b>\$31,458.00</b>

**4. Balance of Funds in the SEP Escrow**

The balance in the SEP Escrow Account, as of June 30, 2006, is \$278,737.81. The disbursements from the escrow account and the accrued interest for this reporting period are shown in the table below.

<b>Date</b>	<b>Deposit</b>	<b>Disbursement</b>	<b>Accrued Interest</b>	<b>Balance</b>
01/01/2006		\$ 1,250.00	\$ 915.55	\$304,041.90
02/01/2006		4,300.00	951.52	300,693.42
03/01/2006		3,215.00	893.14	298,371.56
04/01/2006		9,463.00	1,015.16	289,923.72
05/01/2006		11,845.00	1,005.45	279,084.17
06/01/2006		1,385.00	1,038.64	278,737.81

**5. Payment of Funds by Third Party Administrator to Plumbers**

In this reporting period, the Third Party Administrator made the following payments to plumbers for services completed at the properties listed below.

<b>Property Address</b>	<b>Plumber</b>	<b>Amount</b>
[REDACTED]	Lyon Plumbing	\$1,900.00
[REDACTED]	Lyon Plumbing	2,400.00
[REDACTED]	Wires Underground Construction	1,540.00
[REDACTED]	Lyon Plumbing	1,675.00
[REDACTED]	Lyon Plumbing	2,353.00
[REDACTED]	Lyon Plumbing	1,785.00
[REDACTED]	Lyon Plumbing	1,850.00
[REDACTED]	Lyon Plumbing	1,825.00
[REDACTED]	Lyon Plumbing	1,650.00
[REDACTED]	Lyon Plumbing	2,000.00
[REDACTED]	Lyon Plumbing	2,045.00
[REDACTED]	Lyon Plumbing	1,600.00
[REDACTED]	Lyon Plumbing	4,700.00
[REDACTED]	Lyon Plumbing	1,500.00
[REDACTED]	Lyon Plumbing	1,385.00
[REDACTED]	Wires Underground Construction	1,142.00
[REDACTED]	Lyon Plumbing	2,243.00
[REDACTED]	Lyon Plumbing	2,041.00
[REDACTED]	Wires Underground Construction	2,180.00
[REDACTED]	Wires Underground Construction	1,010.00
[REDACTED]	Lyon Plumbing	1,525.00
[REDACTED]	Lyon Plumbing	1,550.00
[REDACTED]	Lyon Plumbing	1,450.00
[REDACTED]	Lyon Plumbing	1,040.00
[REDACTED]	Lyon Plumbing	1,575.00

**6. Location of Private Residential Properties Where Services Have Been Performed Under the SEP Program**

Private service laterals have been repaired or replaced under the SEP program at the following locations during this reporting period.

Homeowner Name	Property Address	Work Completed Date
[REDACTED]	[REDACTED]	01/27/2006
[REDACTED]	[REDACTED]	01/27/2006
[REDACTED]	[REDACTED]	01/27/2006
[REDACTED]	[REDACTED]	02/17/2006
[REDACTED]	[REDACTED]	02/17/2006
[REDACTED]	[REDACTED]	02/17/2006
[REDACTED]	[REDACTED]	03/02/2006
[REDACTED]	[REDACTED]	03/30/2006
[REDACTED]	[REDACTED]	04/05/2006
[REDACTED]	[REDACTED]	04/07/2006
[REDACTED]	[REDACTED]	04/10/2006
[REDACTED]	[REDACTED]	04/20/2006
[REDACTED]	[REDACTED]	05/09/2006
[REDACTED]	[REDACTED]	05/16/2006
[REDACTED]	[REDACTED]	05/16/2006
[REDACTED]	[REDACTED]	05/18/2006
[REDACTED]	[REDACTED]	06/06/2006
[REDACTED]	[REDACTED]	06/06/2006
[REDACTED]	[REDACTED]	06/06/2006
[REDACTED]	[REDACTED]	06/07/2006
[REDACTED]	[REDACTED]	06/07/2006
[REDACTED]	[REDACTED]	06/09/2006
[REDACTED]	[REDACTED]	06/12/2006
[REDACTED]	[REDACTED]	06/27/2006

**7. SEP Implementation and Ongoing Tasks**

All implementation tasks for the SEP have been completed.

KUB continues to identify and document defective laterals. Customers are notified and enforcement actions are initiated through the private lateral program. Water service was terminated at one property, during this reporting period, for failure to make repairs to their private sewer lateral within the required 120 day time period.

A Private Lateral Program brochure along with a financial assistance insert is included with each NONC and NOV mailed to the customer. Both the brochure and

insert inform the customer of financial assistance options, which may be available to them, and how to contact CAC, the third party administrator, to determine eligibility for the assistance.

#### **8. Tasks Scheduled for the Next Six Months**

The following tasks are scheduled for the next six months:

- Continue to identify properties with defective laterals or prohibited connections
- Continue private lateral enforcement notifications
- Make payments from the Escrow account for work completed under the SEP
- Make third SEP funding deposit to the Escrow Account.