



Environmental Quality & Public Works Committee Virtual Meeting

January 19, 2021

Summary and Motions

Chair F. Brown called the meeting to order at 1:00 p.m. Committee Members Kay, Ellinger, Moloney, McCurn, LeGris, Sheehan, Kloiber, and Bledsoe were present. Committee Member Worley was absent. Council Members Lamb, Reynolds and Plomin were also in attendance as non-voting members.

F. Brown began the meeting by providing the following statement: “Due to the COVID-19 pandemic and State of Emergency, this meeting is being held via live video teleconference pursuant to 2020 Senate Bill 150, and in accordance with KRS 61.826, because it is not feasible to offer a primary physical location for the meeting.”

I. Approval of October 6, 2020 Committee Summary

Motion by Bledsoe to approve the October 6, 2020 Environmental Quality & Public Works Committee Summary. Seconded by McCurn. The motion passed without dissent.

II. Annual Energy Improvement Fund (EIF) Update

James Bush, Program Manager for the Division of Environmental Services, provided an overview of the FY20 utilities and the expenses associated, highlighting that the expenses are currently trending downward. He spoke about FY20 lighting retrofits and the various projects around Lexington. He described the funds involved with the EIF which experienced a loss in funding over the last 2 years. He reviewed active projects and he reviewed cost reduction opportunities, efficiency projects, and opportunities for power production. He concluded the presentation with recommendations for moving forward which include EIF guidelines, local energy goals, and a basis for procurement.

LeGris asked about the solar panel projects on Firehouse 5 and Firehouse 7 to be completed in early spring and she asked if there is a timeline. Bush said materials will be delivered in February and he expects them to be grid-tied by April, but the schedule can be impacted by weather events.

Moloney asked about energy efficiency in new homes and if they go beyond what the building code requires. Bush said it has been a few years since he was at the state policy level, but he recalls that the local municipalities are prohibited from going beyond state building code. Moloney said he believes we prohibit going beyond it, but some buildings have gone beyond the limits on their own. Bush said there are programs and market pull for beyond-code homes.

Kay spoke about the basis for procurement asked for additional explanation with regard to capital versus operational. Bush explained that this is meant to encourage more aggressive policies and goals regarding where facilities should be located which will drive the basis for procurement. He said currently, we have a capital budget and operating costs are not necessarily incorporated. He explained that we purchase on low-bid which misses long-term opportunities and the savings associated with higher-efficiency buildings and equipment. Kay asked if we should consider both alternatives when taking into account energy efficiencies, or if this can be considered in the monitoring process when determining whether something

will pay off or not. Bush said we miss opportunities by not establishing higher-than-code targets for our design teams and by not having a firm policy in place, those benchmarks have slipped. Kay asked where we stand on the ability to continue to invest in energy efficiencies for the government. Bush said we are moving away from low-cost options so we are looking at larger equipment, but there are additional costs that come with that and it takes longer to see a savings.

Bledsoe asked if there was a cost-savings from individuals working from home during the pandemic. Bush said it helped in buildings where there were hard shut downs, but there were others that had to continue. He said there was a savings with un-occupancy and in offices where computers and lights were off, but we can't aggressively control major equipment in the older facilities. Bledsoe spoke about the P3 option with more outsourcing and partnerships and she asked if this is more cost-effective for the city. Bush said this is something that requires continued maintenance and we would want to dig deeper into some of the existing projects within state government before recommending this option.

Plomin asked what the issue was for 85% of all expenses that can be tracked back to the Town Branch aeration blower replacement. Bush explained that this was a maintenance cost because the technology for providing aeration in the digesters has greatly improved since the original blowers were installed. Plomin asked for additional explanation on what is meant by the evaluation of long-term use of the EIF within 4002 capital planning. Bush said we have looked into projects that did not work out so now we need to look for projects that can be supplemented by this fund.

Sheehan asked if there are quantifiable goals he would recommend for the design and performance energy targets and Bush said there are existing programs and metrics we could dovetail with. He mentioned several examples and said there is national scoring that can be utilized. Sheehan spoke about certain certification processes that might be expensive and asked if there are sub-metrics we can look at. Bush explained that we try to separate the cost of the certification versus the intent of a more efficient structure.

No further comment or action was taken on this item.

III. Recycling Update – Alternatives for Yard Waste [Reported out February 2, 2021]

Nancy Albright, Commissioner of Environmental Quality & Public Works, provided an outline and reviewed the current program, emphasizing that this is primarily for those with city collection. She said they average 20,000 tons of yard waste diverted from the landfill annually and she explained that 75,000 out of 90,000 customers have a Lenny cart for yard waste collection. She described the challenge with contamination which can ruin a truckload. She spoke about the leaf collection program for those with city collection and explained that this contributes to landfill diversion which also keeps it out of the street and sewer. She said there is a lot of support for the program which costs \$750,000 to \$1 million for one pass and she emphasized that there is a direct delivery to Haley Pike which diverts 4,000 to 10,000 tons of yard waste from the landfill. She spoke about options moving forward which include: continue with existing programs, stop current programs and landfill material, or change models and capture a more desirable product at a better cost to taxpayers. The option for switching models would look into an aerobic digester similar to what is used in Sevierville, TN. She said there are companies interested in helping combine yard waste with food waste to create compost which can be explored through the RFI/RFP process.

Moloney spoke about Letcher County which has 100 tons a day and they are looking at a similar operation to what is located in Sevierville for the disposal of all of their trash at a cost of \$1.5 million. He explained

that if we were to take yard waste and food waste, there would be less than 100 tons a day and currently we pay close to \$700,000 to use the Haley Pike landfill. He emphasized that we could benefit from the great quality of mulch this would generate.

LeGris asked why the items of *Waste Management Fines* and the *Evaluation of Leaf Collection* were not included in this presentation. Albright said we were looking under the recycling perspective and the Leaf Collection item was centered on the future of the leaf collection program which is a different perspective than what we do with yard waste, but they can be included in the conversation.

Reynolds asked if there is a cost-estimate for switching to a similar disposal method as the one in Sevierville. Albright explained that the program in Sevierville cost nearly \$25 million, but we would not need something quite as big. Reynolds asked if we would save a lot of money by processing it ourselves. Albright said she would like to think this program would save money, but we need the technical expertise to weigh in. She added that there are expenses that would get diverted into this program that could help offset the construction and operational costs.

Lamb asked if there is any correlation to the contamination resulting from those using carts rather than bags. Albright said this is not something she has examined, but she believes this to be true. Lamb suggested that the yard waste disposal be limited to bags as a way to limit the contamination. She asked what the break over point is from when a truck is found to be contaminated to when it has to go to the landfill. Albright said it is subjective and it is somewhat at the review of the driver whether to divert or not.

McCurn asked about the amount going to the landfill every year and Albright said it is difficult to know exactly, but there have been days when about a fourth was sent back to the landfill. McCurn asked about the environmental impact and Albright said this is something to research further and have it included in a future presentation. McCurn asked if we can build an operation like the one in Sevierville in phases or if it would have to be done all at once. Albright explained that this can be done in phases and potentially built in a way that will allow it to be scaled up.

Kay asked why it is not possible to schedule the leaf collection program according to the way in which the leaves drop rather than setting a specific schedule which does not react to the activity taking place. Albright said it depends on the availability of staff and equipment that would be in many places at the same time. She said this is difficult to manage and there are also challenges because of the specialized equipment used. Kay asked what percentage of leaves dropped get picked up by the leaf vacuum as opposed to leaves dropping too early or dropping too late. Albright explained that, despite best efforts, there are leaves that are missed with the vacuum. Kay spoke about the challenge associated with encouraging people to do the things that will minimize the cost, highlighting self-composting as an example as one thing that would alleviate some cost and would not require leaf pick-up. He said the Sevierville model is interesting because it is comprehensive, but it does not reduce the pick-up cost. He said part of the research would be to find out what the compost is worth as the end product. He said this is complex and challenging and we should work more to encourage people to use leaf collection bags and provide more education about the Lenny carts and what it costs the city when people throw trash in them.

Lamb asked if we could work with surrounding communities to help offset some of this cost. Albright said this is something that has been discussed and she emphasized that Sevierville is shared by 4 agencies and the Letcher County project would involve multiple counties as well.

Motion by Moloney to allocate \$25,000 from the Solid Waste Fund for the purpose of issuing an RFI/RFP to solicit ideas for alternatives to our existing yard waste collection program. Seconded by McCurn. Motion passed without dissent.

Bledsoe asked what the intent is for issuing an RFI/RFP. Albright said the intent would be to look at all of our options and the \$25,000 would be to hire someone to help us draft (the RFI/RFP) and make sure we are making good use of our resources as we move forward. Bledsoe said she is supportive of this, but she expressed concern with the feasibility of a large-scale project like this with our current budget situation.

McCurn asked how much is in the fund this would come from. Albright said \$30 million and she confirmed there is potential for the entire project to come from this fund. McCurn said the fund this is coming out of is a restricted fund and the cost-savings to the general fund would be significant.

Kay said it is important to have a definitive answer as to whether the bond payments could come out of the solid waste fund or not. He requested to see specifics for the RFI/RFP as far as what it pertains to and what the intent is. Moloney said money would come from the solid waste fund and the RFI/RFP would be to look at which direction we want to go. He explained that when it comes to bonding something like this, it will be down the road. He said this is just to get ideas for potential options to improve our existing operations. Albright said the RFI would solicit input from interested organizations for alternatives to our yard waste collection program that might include waste water treatment material, sludge, yard waste, food waste, etc.

LeGris asked if smaller options such as backyard composting can be included in the RFI/RFP and Moloney confirmed.

No further comment or action was taken on this item.

IV. Consent Decree Remedial Measures Plan

Charlie Martin, Director of Water Quality, provided the annual status update on the Consent Decree Remedial Measures Plan and said 38% of projects remain to be completed in the next 6 years. He reviewed the scorecard and said we are about \$83 million to the good as far as what we expected to spend. He spoke about the most significant EPA approval which is Overbrook Farm. He said they have spoken to council members in those districts and they are not building sewers in that area but they are rebuilding the existing pump stations. He spoke about near-term challenges for 2021 construction and he continued the presentation by summarizing the overall status.

Plomin asked if there has been outreach in the Overbrook area and he said the outreach plan has not been developed and they just recently received EPA approval. He said talking to the Neighborhood Association and constituents who might be impacted is in the near-term within the next 3 months.

V. Items Referred to Committee

No further comment or action was taken on this item.

Motion by Bledsoe to adjourn, seconded by Ellinger. The motion passed without dissent.
Meeting adjourned at 2:46 p.m.