



Environmental Quality & Public Works Committee

Virtual Meeting

September 1, 2020

Summary and Motions

Chair Farmer called the meeting to order at 1:03 p.m. Committee Members Kay, Moloney, McCurn, Swanson, Higgins-Hord, Worley, F. Brown, Mossotti, and Bledsoe were present. Council Members Lamb, Reynolds and Plomin were also in attendance as non-voting members.

Farmer began the meeting by providing the following statement: Due to the COVID-19 pandemic, state of emergency and Governor Beshear's Executive Orders regarding social distancing, this meeting is being held via teleconference pursuant to Senate Bill 150 (as signed by the Governor on March 30, 2020) and Attorney General Opinion 20-05, and in accordance with KRS 61.826, because it is not feasible to offer a primary physical location for the meeting.

I. Approval of July 7, 2020 Committee Summary

A motion was made by Swanson to approve the July 7, 2020 Environmental Quality & Public Works Committee Summary, seconded by Higgins-Hord. The motion passed without dissent.

II. Financial Status of the Sewer Fund

Bill O'Mara, Commissioner of the Department of Finance, provided a presentation on the Financial Status of the Sewer Fund which came out of the Division of Water Quality Projects discussion at the previous committee meeting. O'Mara reviewed the Debt Service requirements and said Debt Service was modeled for current and future borrowings and Debt Service peaks in 2026, flattens out, and doesn't decrease until 2032 when some of the first bonds that were issued start getting paid off. He provided a graph to illustrate the curve created by existing project bonds, KIA loans, and projected sewer debt. He said in order to determine rate increases, we need to look at total sewer fund expenses. Regarding rate increases, he said we need to look at total sewer fund expenses and there are a few rate increases that could be anticipated. He said the model only included what has been passed by Council which is a 5% rate in FY20 and FY21 and CPI increases for the remainder of fiscal years, per current ordinance. He explained that currently the total expenses are approximately equal to total revenue, but actual spend versus projected spend is what will determine rate increase recommendations.

Kay said he asked for this presentation because he was interested to know how long we will be paying for the debt we are now incurring and what is the cost of that compared to what the cost would be for the entire project if we were to increase rates sooner and have less borrowing. He asked about the chart that goes to 2033 that shows spending of \$20M per year and if that is the end of that line. O'Mara said is how far the graph went, but it can be taken out further. O'Mara said it is a balancing act and we want to raise rates so we can have a viable program and the sewer rates are the estimated 90% revenue source for everything from capital spend to maintenance. He added that we need to have enough revenue to maintain our system and be able to expand it where needed. He said the Consent Decree needs to be complete to determine what we need on an ongoing basis in order to maintain. He said it has been his idea to not raise rates and pay all cash because it was too much of a burden on the rate

payers and he thought it would be better to balance the cash spend with the borrowing. Kay emphasized that we are borrowing funds that we will be paying off for the next 20-30 years and, as it is projected now, current rates will increase slightly and the rates by 2026, will be enough to pay off the bonded indebtedness. O'Mara said the current model shows it will be insufficient after the two 5% (FY20 and FY21) rate increases. He explained that with the reset of the clock every December, he would not want to increase the rate for 2022 until the additional spend figure is known.

Farmer asked if future potential savings would change the bend in the curve after a couple of years or are these locked in. O'Mara said these are not locked in and it is updated each December. He said there are negotiations in the exactions area; what has to be spent in South Lexington; and whether we saved money on the Euclid project because it was accelerated and these factors would all be taken into account. On the other hand, if construction booms, but it is difficult to find people to do the work and the bids come in low, then the opposite pressure occurs. He said these are some things we look at each winter to try and project 2-3 years ahead.

Moloney asked if the toughest part is behind us or if it gets tougher as we start going through neighborhoods because of all of the unknowns. Charlie Martin, Director of Division of Water Quality, said every project is difficult and working through neighborhoods makes it especially difficult to save money like we have with storage tanks.

No further comment or action was taken on this item.

III. Annual Leaf Collection Plan

Rob Allen, Director of Streets and Roads, provided an overview of the city's leaf collection program. He explained the leaf disposal methods and requested support from Council to get the word out through social media or newsletters and he emphasized that leaves can also be dropped at Haley Pike for no cost. He reviewed the 2020 schedule for leaf collection beginning November 9 with a completion goal of December 18th or 23rd, depending on weather events that could potentially delay collection. He presented a map to illustrate the leaf collection zones and the schedule for each zone. He reviewed the logistics of leaf collection and said for 2020, the hours have been extended to 5 days per week, 10 hours per day which helps with weather events. He spoke about the communication plan and provided the web site for an interactive map which is now live.

Mossotti asked how the quadrants are determined and the order in which they are serviced. Allen said years ago there was a tree canopy map that was studied along with the density in neighborhoods and the tree make-up. He said it is a combination of the types of trees in an area and the weather pattern as it moves across the city, but it also takes into consideration logistics and organization. He said it can be rotated, but it depends on so many factors including the time at which leaves fall from certain trees. Mossotti asked when we last did an update. Allen said we have not done a tree canopy survey since 2007 or 2008. Mossotti asked how to keep the leaves out of the storm sewer for those who do not get leaf collection and Allen said it would double the resources necessary to carry this out.

McCurn asked if we are providing yard waste bag coupons this year and if additional coupons can be requested. Allen said he would look into this to make sure. McCurn asked how many bags are received with the coupons and Allen said they receive 10 bags at a time. McCurn asked if this is offered to those with private collection also and Allen said the coupons are only for those with LFUCG service. He emphasized that for those with city collection, additional bags can be purchased and it doesn't matter where the bags come from, they will be picked up. McCurn asked if there are other communities who provide bags as well as leaf collection. Martin said the last time it was checked, very few committees were doing leaf collection. McCurn asked if this only included Kentucky or if it included surrounding states and Martin said it was surrounding states as there was not much of a sample to look at for Kentucky. Allen responded to an earlier question and confirmed that additional coupons can be requested through 3-1-1.

Moloney asked if the funding for this program comes out of the solid waste fund and Allen confirmed. Given the concern about leaves getting in the sewer system, Moloney asked about areas who do not get leaf collection, but are required to pay the sewer fee. He asked if we have looked at why we don't collect on private streets because if we are going to provide this service, it should be provided to everyone. Martin explained that at one time the Water Quality Management fee paid for leaf collection and the issue is whether it is fair and equitable when distributed to everyone. He said the last look at the fee showed that 70% came from industrial, commercial, or institutional rate payers and right now the leaf collection program is limited to residential. Moloney said we should collect for everyone or stop the program altogether. He suggested looking into a partnership to make this fair across the board.

Reynolds asked if everyone who receives sanitary sewer services from the city will have leaves collected. Allen clarified that anyone with residential city garbage collection would get leaf collection, with the exception of apartment complexes. Reynolds asked if there is data to show that this is keeping leaves out of the stormwater drains. Allen said no, other than working with the Division of Water Quality to see how many service calls were made to clear storm drains of leaves. He added that there are no longer tonnage amounts because leaves are hauled to the transfer station. Reynolds said she is interested in knowing how effective this is, considering the cost of the program.

Swanson said Council can do a better job of relaying information and getting the word out about coupons and the leaf collection schedule. He asked if there has been communication with neighborhood associations to let them know the leaf collection schedule and options for leaf collection. He said the program has relied primarily on Council offices to communicate with neighborhood associations.

Bledsoe asked if every dollar for this program came out of restricted funds and Allen confirmed it is completely funded by 1115 (Urban Services). Bledsoe said this is a complicated program and it is executed the best way possible, but she explained that there are still concerns and she read a few frustrating emails that she has received with regard to this. She expressed concern that this program doesn't work for certain neighborhoods and favors others which does not seem fair and she emphasized that this does not appear to be a service that benefits everyone for the amount of money it costs.

Kay said the present system of leaf collection does not work and the reason for this is that we do not know when leaves will fall which makes it difficult to have a system in place to respond to this. He said we should not be funding this, but instead we should promote the availability of the bags; instruction on how to use the bags for leaf disposal; and also provide a way for people outside the urban services district to get the bags for free. He said the main objective is to keep leaves out of sewer and the best way to do that is to compost or have leaves picked up. He said if there was a way to make this work better, it would have been figured out by now. He said this program creates frustration across town and we need to look at alternatives rather than continuing to fund it.

Plomin asked how for information to show who has city collection in her district and who does not. Allen suggested contacting Division of Waste Management as they have current data to show which streets have city collection.

Farmer asked about text alerts and Allen confirmed they only use 3-1-1 alerts, but there are also communications on the Next-door app, Twitter, and Facebook. Responding to Swanson's earlier question, Allen said the Public Information Office takes feedback at neighborhood association meetings. Farmer spoke about the response earlier regarding the tree canopy survey from 2007 and asked if there is newer data since Gibbs would have had a tree canopy survey for the street trees initiative. Allen explained that it could have been a different type of tree survey, but the last he heard from the Urban Forester is that it had been over 10 years since a full tree canopy survey had been done.

No further comment or action was taken on this item.

IV. Annual Municipal Separate Storm Sewer System (MS4) Program Update

Jennifer Carey, Program Manager for the Division of Water Quality, presented the Municipal Separate Storm Sewer System (MS4) Program Update which is required to be presented to committee annually. She provided a background on the *Stormwater Manual* which was first published in 2001 along with six other manuals collectively known as the engineering manuals or the technical manuals, but the *Stormwater Manual* has been updated more than any of the other manuals. She said the building industry suggested a new definition for a stream and that suggestion is to use the federal language. She spoke about the vegetative buffer zone and the 100-year flood plain and she explained the requirement for those. She continued her presentation with a review of next steps which includes a presentations to Stormwater Stakeholder Advisory Committee (SSAC) and the Planning Commission as well as publication of the updated *Stormwater Manual*.

Lamb expressed concern about the Pinnacle Neighborhood and making sure that citizens are aware of the vegetative buffer zone and she asked if there is an information sheet or anything that can be shared. Carey said she can send links to the upcoming meetings and she can provide additional information. Lamb said this will be an opportunity to help residents understand when neighborhood areas have been cleared.

Kay asked who has the authority for making final changes to the *Stormwater Manual*. Carey said Ordinance 16-85 allows revisions or updates to the manual from time to time. Kay asked who is allowed to update the manual and Carey said Division of Engineering with the support of Division of Planning and Division of Water Quality. Kay asked for clarification that the decision to make changes is made internally and Carey confirmed. Kay asked about the adoption of the U.S. EPA regulations on what is considered a stream and asked if it was correct to say that the federal regulations have loosened the requirement, making it more difficult to determine that a stream is a stream. Through some examples, Carey illustrated that this is a correct statement. Kay spoke about the definition of the 100-year floodplain, saying that it may not be useful given changes in the climate. Carey said it seems there are 100-year floods more frequently, especially in other parts of the country. She explained that this is driven by a study of rainfall patterns and statistics and it needs to be reevaluated periodically so when we are determining our floodplain and those flood elevations that we are using a storm that has that type of frequency. Kay asked when the definition for the 100-year floodplain was last modified and Carey said floodplain maps in Fayette County were last updated in 2014.

Farmer asked what is meant by the shared-use path and Carey explained it is path that can be shared by property owners.

No further comment or action was taken on this item.

V. Annual Keep Lexington Beautiful Update

Susan Plueger, Executive Director of *Keep Lexington Beautiful*, began the presentation with a background of the *Keep Lexington Beautiful* (KLB) Commission. She explained that this organization is part of *Keep America Beautiful* (KAB), and she reviewed the mission which is to engage individuals, businesses, and organizations in Fayette County to take personal responsibility for improving the environment. Arin Arnold, Chair of *Keep Lexington Beautiful*, spoke about the community appearance index and she showed a map to illustrate the coverage. She reviewed the statistics from the Great American Cleanup for FY19 and said \$10,000 was received from KAB for the cigarette litter prevention program, some of which was spent on marketing for this program. Plueger explained the 2019 finances for the calendar year and Arnold reviewed the challenges from 2020 which includes the loss of sponsorships and grants as a result of not having non-profit status. Plueger presented a proposal for moving forward which entails becoming a 501(c) (3) which would be an independent entity, separate from the LFUCG Boards and Commissions. She said the intent is to continue working with LFUCG and having the funds transferred to the new non-profit entity.

Plomin said KLB spent time discussing the pros and cons of being an independent commission and she said what has hindered this commission is not having non-profit status or community involvement, and the specifications in the make-up of the organization. She emphasized that the intent is the same.

Swanson asked if KLB has ever work with high school or college students and Plueger said the Great American Cleanup works with people and groups from all over, but they have not had the ability to have

partnerships which is how some of the large affiliates of KAB operate. She said a large reason is that our membership has been limited to specific groups. Swanson said high school students always look for volunteer opportunities for school credit or to put on college applications.

A motion was made by Kay to recommend the KLB proposal and refer it to the full council for adoption (as modified by the recommendations from the Law Department), seconded by Bledsoe. Motion passed without dissent.

Evan Thompson, Attorney with the Law Department, made 2 provisions to the ordinance. First, to distribute funds to the eventual 501(c)(3) after the (LFUCG) board is dissolved and the second has to do with removing KLB from the provision of 75% of the amount of fines collected for littering since there would be no more government Keep Lexington Beautiful Commission.

Swanson asked why it is that no civil penalties have been received for littering and whether it is because no one is littering. He asked, with regard to the new structure, if it would be possible to increase enforcement for littering fines and still give the money to this independent commission, rather than a set fee every year. Plueger said KLB worked with the Sheriff's Department and the Police Department for several years and it is possibly related to court process, but there have not been any fines to her knowledge. Swanson said it would be useful to know if this is something that can be done. Thompson said we could do a Purchase of Service Agreement with them so we would have some ability to direct them. Farmer asked if this could be provided for consideration at the read-out next month or if it would be subsequent and Thompson said it would be something subsequent. Swanson, reiterated that he would like to know why we are not getting these fines and what the structure would look like moving forward if we could provide financial support to this new independent organization.

No further comment or action was taken on this item.

VI. Items Referred to Committee

No further comment or action was taken on this item.

A motion was made by Kay to adjourn, seconded by McCurn. The motion passed without dissent.
The meeting was adjourned at 3:02 p.m.