

Environmental Quality Committee
March 12, 2013
Summary

Stinnett called the meeting to order at 11:02 AM. All committee members, except Akers were in attendance. Kay and Ellinger also attended.

1. February 12, 2013 Committee Summary

Scutchfield requested that the date of the Feb 12 summary be corrected.

Famer requested several changes, including on page 2 under item # III Capital Projects Update, a coma be added on both paragraphs 5 & 6 between Farmer & Martin; correct the spelling of "next" on paragraph 5; correct the spelling of the word "stated" on paragraph 6; and correct the dollar amount to " \$ 550 million" on paragraph 6.

Clarke requested that the dollar amount under item # 2 "Distillery District Update" be corrected to \$ 1.7 million.

On a motion by Farmer, second by Meyers the February 12, 2013 Committee summary was approved unanimously.

2. Review of Environmental Quality Public Education Initiatives

York presented the Public Education report. He stated that 8 of the 9 watersheds have polluted streams and storm water runoff is major source of the pollution. He stated that the purpose of the campaign was to change behavior and foster improved decision making for citizens, businesses and property owners.

York stated that there was outreach targeted to students, businesses, as well as homeowners. He stated that the outreach also targeted bi-lingual messaging.

York stated that a review of focus groups found that citizens wanted more information on specific actions they could take to improve water quality.

Henson asked about the use of pesticides. York stated that they have attempted to educate property owners on impact of pesticides on water quality.

Farmer asked about citizens reporting pollution activities. York advised that citizens can call 311 Or Environmental Quality directly to report a pollution concern.

Mossotti asked about the number of impaired streams. She asked if there was a ranking system for the streams. In response York stated both the State and local government continue to analyze data from the streams to determine pollutants in each stream.

Mossotti asked about the public outreach budget. In response York stated that the budget was \$ 545,000. He stated that \$ 245,000 was allocated to Bluegrass PRIDE and an additional \$ 200,000 was spent on advertising, workshops and fliers.

Clarke asked about stream testing. In response York stated that most of the testing was conducted by the State Division of Water. In a follow up question, York stated that the State last tested the impaired streams in 2010.

Scutchfield asked about citizens pollution reporting. In response York stated that citizens can call 311 and the appropriate division will be sent a work order to investigate

Stinnett asked about the outreach budget. In response York stated that funding is available within both the Water Quality Fund and the Sanitary Sewer Fund.

3 Empower Lexington Update

Kay introduced the subject. James Bush provided the update. Bush stated that Lexington's energy bill comes from 30,000 street lights, 122 buildings, 71 pump stations, 7 pools, 62 parks, 5 golf courses And 3 waste water treatment facilities.

Bush stated that the campaign started with an inventory and audit of the various utility rates for the numerous LFUCG facilities. He stated that after the review rates were changed to more cost effective structures saving over \$ 600,000 in avoided energy costs.

Bush stated that several of the LFUCG facilities were inefficient and the goal is to reduce energy consumption and reduce energy costs.

He stated that LFUCG received a \$ 2.7 million energy grant. The funds were used to replace the HVAC at both the Dunbar and Black & Williams facilities, updates to the Police Headquarter and the acquisition of Energy CAP and an energy tracking system.

Bush discussed the Energy Improvement Fund which was established in 2010. He stated that energy savings were re invested in more energy efficiency projects. He also discussed initiatives to reduce fleet fuel consumption including right sizing the fleet and conversion to Compressed Natural Gas (CNG) for several Waste Management vehicles.

Myers asked about the street light rental rates. York stated that the rental rates did not change if bulbs were out. Bush stated that citizens should be encouraged to report bulbs that are out. Myers asked if the franchise agreement could include a provision that KU proactively replace burned out street lights. He also asked if the agreement could include a provision that LFUCG would receive a credit when burned out bulbs are not replaced. In response Bush stated that he would report back to Council but that that type of provision may increase the utilities' cost thereby requiring an increase in rates.

Myers asked about the Energy Improvement Fund. He asked how projects were selected and asked how savings are substantiated. In response Bush stated that

Kay asked about the 2011 greenhouse gas data for 2011. In response Bush stated that staff is reviewing the data and it should be available in May.

Kay also suggested that the 2nd part of the Empower Lexington presentation be provided to the Committee earlier than the late summer time period that staff suggested.

Gorton asked about the street light rates. In response Bush stated that KU has requested several rate increases before the Public Service Commission over the past several years.

Gorton asked if LFUCG regularly intervenes in street light rental rate cases. In response Bush said yes.

Farmer asked about the planned CNG conversion. In response Bush stated that General Services and Waste Management will recommend a multi-year plan to convert approximately 60 heavy waste vehicles to CNG. He stated that this will start with 6 vehicles in FY 2014. Bush also addressed the fueling station options.

Scutchfield asked about priorities for facility energy efficient retrofits. She stated that she would like to see the long term plan for efficiency investments. Bush stated that he would provide that information to her office.

Lane asked about the Energy Improvement Fund. He asked for an inventory of projects and a cost/benefit analysis of the projects.

4. Hard to Recycle Materials

Stinnett announced that the Administration requested that this item be postponed.

On a motion by Myers, second by Gorton, the item was removed from the agenda unanimously.
It will be rescheduled to a later date.

5. Monthly Financials

Stinnett stated that he wanted the Committee to regularly review the monthly financials for the various related funds.

O'Mara reported that the Sanitary Sewer Operating Fund had a beginning year fund balance of \$ 4.8 million, year to date revenue of \$ 29.5 million and year to date expenses of \$ 18.5 million for a net difference of \$ 11.0 million compared to a full budget year difference of \$ 4.0 million.

O'Mara reported that the Sanitary Sewer Capital Fund had a beginning year reserve of \$ 56.2 million, year to date revenue of \$69,000 and year to date expenses of \$3.5 for a net difference of \$ - 3.4 million compared to a full budget year difference of \$ - 45.8 million.

O'Mara reported that the Landfill Fund had a beginning year fund balance of \$ 11.1 million, year to date revenue of \$3.7 million and year to date expenses of \$5.8 million for a net difference of \$ - 2.1 million compared to a full budget year difference of \$ - 4.9 million.

O'Mara reported that the Water Quality Fund had a beginning year fund balance of \$ 7.2 million, year to date revenue of \$6.7 million and year to date expenses of \$5.1 for a net difference of \$ 1.7 million compared to a full budget year difference of \$ - 4.3 million.

Lane suggested adding the Urban Services Fund for future reviews. He also requested that the financials be included on the agenda on a monthly basis to give Council adequate oversight at least for the remainder of the fiscal year.

The meeting adjourned at 1:05 PM.