



LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

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Contact: Susan Straub
Office: 859-258-3111
Cell: 859-576-2564

FROM THE MAYOR'S OFFICE

Mayor Newberry's Remarks: Proposed Storm Water Fee

Good afternoon from the Mayor's Office. In the early morning hours of September 23, 2006, Lexington saw heavy rains. As many of you recall, two students drowned while walking along a flooded portion of Nicholasville Road near Alumni Drive. Countless home owners across our community were awakened to find their homes flooded, and citizens lost valuable possessions. Streets were closed.

I wish I could tell you that the flooding that morning was an isolated event – one that rarely happens in Lexington, but that wouldn't be true. The fact of the matter is that our storm sewer system has been woefully inadequate for many, many years, and we all know it. Today, I want to visit with you about how Urban County Government intends to start to improve that system so that it will serve us far better in the years to come.

Thanks for spending a portion of your day allowing me to visit with you about a proposed storm water fee. In the next few minutes, I want to provide a little background, details about how the fee will work, a few reasons why the fee is necessary, and information about how your views on the fee can be heard.

Background

As you may recall, I visited with you from this office last February about the Urban County Council's approval of an agreement with the U.S. Environmental Protection Agency and the Kentucky Environmental and Public Protection Cabinet. That agreement requires our city to fix our crumbling and inadequate storm and sanitary sewers. In short, for decades, our sewer systems have failed to adequately dispose of our wastewater and our storm water, and as a result, those systems have polluted our streams.

To correct this situation, in November 2006, the EPA and the State initiated an enforcement action against Lexington in federal court. In essence, the EPA and the State alleged that Lexington was violating the Clean Water Act because of the failures of our sewer systems to properly dispose of our water. Unfortunately, those allegations were true.

As we all know, the truth of the matter is that over the last several decades our city repeatedly failed to invest the funds necessary to construct and maintain an adequate storm sewer system.

When I took office in January 2007, we immediately began negotiations with the EPA to settle the litigation. In February of this year, we successfully reached an agreement with the EPA – an agreement known as a consent decree. That agreement is an exceptionally complicated document, but in essence, it required us to make numerous changes in our sanitary and storm sewers and to conduct an assortment of studies of both systems to identify our problems so that we could move forward to solve them. Although the precise cost of those changes is not known since the evaluations of the systems are still continuing, we estimate that those changes will cost Lexington \$250-300 million over the next 11-13 years. The EPA and the State have required that we create means to ensure that the funds necessary to complete this work will be available to fund the construction and repairs we will be required to undertake.

Details about the Fee

One of the requirements of the consent decree is that we implement a storm water fee. Recently, we have completed an engineering analysis which provided us with the information necessary to construct a storm water fee, and I have shared a proposal for such a fee with the Urban County Council. Next Tuesday, that proposal will be formally presented to the Urban County Council at its regular work session. It will be up to the Council to determine the timetable for considering the fee proposal.

While a storm water fee is new to Lexington, it is not new to American cities. Over 900 cities have such fees nationwide, and six Kentucky communities and the Northern Kentucky area have imposed storm water fees. The fee I am proposing today is lower than the fees in Northern Kentucky and in Louisville. Lexington is the only Kentucky city which the EPA has required to establish a storm water fee.

The proposed storm water fee applies to residences and to governmental and commercial enterprises. Owners of single family dwellings and duplexes will pay a monthly fee of \$4.16 or an annual total of slightly less than \$50 per year. Governmental and commercial enterprises will pay \$4.16 for every 2,500 square feet of impervious surfaces they own. “Impervious” surfaces are those solid, non-absorbent surfaces which prevent rainwater from entering the ground, and they include rooftops, paved driveways, sidewalks, patios and asphalt parking lots.

The monthly rate for each commercial or government property can be estimated using a calculator on the city's website at lfucg.com. You will need the approximate square footage of the impervious, or non-absorbent areas of your property.

Residential property owners will be eligible for funds to assist low income residents and senior citizens who qualify. Commercial property owners will be eligible to qualify for reductions in fees if they take certain measures to reduce the quantity of water going into our storm sewer system.

The \$16 million raised each year by this fee will be used to bring Lexington's storm sewer system into compliance by:

- Funding construction of storm sewers to reduce flooding in many areas of our city.
- Funding neighborhood matching grants to encourage water quality improvement projects.
- Funding the costs of monitoring of our streams' water quality and
- Funding the expense of monitoring and maintaining the storm sewer system.

It will also fund:

- Cleaning spills.
- Sweeping streets to keep debris out of our storm sewer system and
- Public education and public participation in activities that promote compliance with the Clean Water Act.

Why the Fee Is Necessary

I regret the necessity of this action. I fully realize that my timing is not good. Times are tough for many, many families, and the national economic news is not encouraging. Some of you may be thinking, "Why don't you just tighten government's belt? After all, that's what is happening with the family budget." I assure that is precisely what I would do, if I could.

First, our agreement with the EPA requires us to create a dedicated source of revenue for our storm sewers. We have little choice.

Furthermore, since I became Mayor, I've been working with a great group of commissioners to tighten government's belt. We've cut staff, reduced the size of our fleet, eliminated unnecessary programs, cut printer costs and instituted energy-saving measures that help the environment and save money. Looking for ways to make government operate faster, better and cheaper has been a priority, and will remain a priority, for my administration.

But our engineers estimate that this storm water work will require approximately \$16 million each year. Belt-tightening cannot produce that much money, especially given the strict timelines and the ambitious requirements imposed by the EPA. The consent decree requires us to take specific steps to improve the quality and quantity of our storm water, and each of those steps cost substantial sums of money. I will work closely with Environmental Quality

Commissioner Cheryl Taylor and Water Quality Director Charlie Martin to make sure we spend these funds as efficiently and as effectively as possible.

Cheryl and Charlie are both experienced engineers, and I have the highest regard for their professional expertise, good judgment and integrity. They are not perfect human beings, nor am I, and I assure you that over the course of 11-13 years, all of us will make mistakes. However, please know that both Cheryl and Charlie are outstanding professionals, and I am pleased that they are serving the citizens of Lexington at this critical time. They will help to ensure that you will receive good value for the money you are being asked to invest in our city's infrastructure.

Opportunities for Public Input

The Council and I will be considering this fee for the next several weeks. There will be multiple opportunities for public input. At a minimum, the public is welcome to comment on this fee at each Council work session and meeting. Work sessions are typically held at 3:00 p.m. on Tuesday afternoons. Council meetings will be held on November 20 and December 4 at 7:00 p.m. and on December 9 at 6:00 p.m. Often, the Council will schedule other opportunities for input, so please watch this channel, check our website or watch the local media for more information on opportunities for public input. We want to answer your questions and hear your concerns.

Conclusion

At the end of the day, this is a quality of life issue. We want to ensure that our environment is cleaner than we found it. We want our children and grandchildren to be able to enjoy the beautiful Bluegrass we are proud to call home. Having an outdated, inadequate storm sewer system is no longer an option for our community. We all know that Lexington is better than that. With your help, we will be better in the future than we have been in the past.

Thank you and good afternoon.