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Lexington-Fayette Urban County Council
101 East Vine Street
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February 27th, 2015

Board Members

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Fra Vaughan
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Misdee Wrigley Miller

Executive Director
Knox van Nagell, J.D.

Dear Vice Mayor Kay and Council members,

I am writing to you on behalf of the Fayette Alliance Board of Directors and its thirteen thousand constituents, to respectfully request that you adopt the 12% sanitary sewer rate increase in the FY 2016 and 2017 budgets.

As you know, the Fayette Alliance is a coalition of citizens dedicated to creating a vibrant city that is balanced with, and connected to our productive Bluegrass farmland. Adequate infrastructure--and clean water in particular--is an essential component to advancing this sustainable growth strategy in Lexington.

Because of poor oversight and neglect over the course of decades, Lexington's dilapidated sewer system has polluted our creeks and streams, caused property damage to neighborhoods, and jeopardized our quality of life and economy. The question of how to remove sewage from our stormwater and groundwater continues to be Lexington's most pressing public health issue. From the downtown business owner, suburban dweller, and farmer...this countywide crisis affects all of us.

In 2006, LFUCG entered into a Consent Decree with the EPA, establishing a blueprint and legal mandate prescribing how to fix our sewer system. Original estimates totaled \$300 million in improvements over the course of twelve years.

After extensive research, modeling, and analysis, it is now estimated to cost at least \$700 million to fix our sewers and bring it into compliance with Federal Clean Water Act standards.

Under the leadership of Charlie Martin, the LFUCG Division of Environmental Quality has done an outstanding job in orchestrating and managing the largest and most complex infrastructure project in Lexington's history. To date, the city has spent \$129,221,530 in implementing the requirements of the Consent Decree.

As a result, we are making progress. Through public private partnerships, LFUCG has removed over 50 million gallons of untreated sewage from our creeks since 2007. In addition, sound accounting and management protocols have cut costs by \$60 million, and \$152,800,850 in state grants have been raised to help finance the project. Thanks to these efficiencies, Lexington's last sewer fee increase was in 2008.



Despite these strides, we have a long way to go. Over the next three years, it's projected that Lexington will spend \$265.5 million in sewer infrastructure improvements, with the construction of large sewage storage tanks being the primary driver of expenses.

The 12% sewer fee increase in FY 2016 and 2017 are needed to finance the Consent Decree mandates. If we fail to comply, Lexington will incur even more expensive fines and sanctions from the federal government moving forward.

While no one wants an increase in sewer fees, Lexington does not have a choice. We must get the job done. However, we do have a choice in how we move forward as a city, and learn from past mistakes. The careful oversight of development practices, the implementation of the Capacity Assurance program, good infrastructure design, and public education programs are important first steps in restoring Lexington's water quality.

Fulfilling the requirements of the EPA consent decree is work in progress. We will continue to strongly support this effort, provided ongoing improvements are transparently and efficiently executed. The sewer fee increase is needed, and with it, Lexington can restore civic progress, public health, and environment.

Thank you for your consideration, and service to Lexington-Fayette County.

Respectfully,

A handwritten signature in black ink that reads "Knox van Nagell". The signature is written in a cursive, slightly slanted style.

Knox van Nagell J.D.
Executive Director
Fayette Alliance