

CAPITAL PLANNING ADVISORY BOARD

**2020-2026
Agency Capital Plan**

Staff Analysis and Comments

CABINET:

Energy and Environment Cabinet

OVERVIEW

The mission of the Energy and Environment Cabinet (EEC) is to protect and enhance Kentucky's environment. The following entities within EEC submitted capital plans:

Office of the Secretary is responsible for final administration and programmatic decision-making.

Department for Environmental Protection (DEP) is responsible for protecting the quality of the state's air, land, and water.

Department for Natural Resources (DNR) is responsible for the conservation, preservation, protection, and perpetuation of natural resources, administering Kentucky's Surface Mining Program, Abandoned Mine Program, and is responsible for the inspection of all coal mines to guarantee that miner safety laws are being followed to ensure the safety of Kentucky miners.

PROPOSED PROJECTS – Financial Summary

Funding by Source	<u>2020-2022</u>	<u>2022-2024</u>	<u>2024-2026</u>	<u>Total</u>
General Fund	\$36,866,000	\$17,772,000	\$16,392,000	\$71,030,000
Federal Funds	<u>1,930,000</u>	<u>0</u>	<u>0</u>	<u>1,930,000</u>
Total	\$38,796,000	\$17,772,000	\$16,392,000	\$72,960,000

Funding by Agency				
Secretary's Office	\$1,972,000	\$1,880,000	\$500,000	\$4,352,000
DEP	10,656,000	5,392,000	5,392,000	21,440,000
DNR	<u>26,168,000</u>	<u>10,500,000</u>	<u>10,500,000</u>	<u>47,168,000</u>
	\$38,796,000	\$17,772,000	\$16,392,000	\$72,960,000

ENERGY AND ENVIRONMENT CABINET
Proposed Projects Involving the General Fund (cash or bonds)
(amounts in **bold** are the total budget)

2020-2022

(Projects listed by cabinet priority; descriptions are from the agency submission)

- 1 Maintenance Pool for Cabinet-Owned Facilities** **\$592,000**
Maintenance pool project is necessary to preserve existing cabinet real property in a usable, safe, and functional condition. (C-PI) Secretary's Office Priority #1
CPAB Staff Notes
 - *The cabinet currently has 10 sites with numerous cabinet-owned buildings and structures valued at approximately \$763,000 assessed on the facilities, and \$11 million assessed on the properties. Due to a lack of funding, there is a backlog of maintenance and repairs needed on these facilities.*
 - *Proposed maintenance pool projects for the 2020-2022 biennium include two projects at the Maxey Flats site in Hillsboro, Kentucky, \$55,000; four Kentucky State Nature Preserves Commission projects, statewide, \$195,000; and seven Department of Forestry projects statewide, \$341,500.*
- 2 State-Owned Dam Repair Pool** **\$7,000,000**
This project will include the proposed rehabilitation of Willisburg Lake Dam. Capital improvements on the dam are required due to its high hazard classification – meaning there are residences in the downstream inundation zone of the dam. Engineering assessments, including geotechnical, hydrologic, and hydraulic analyses are required to design dam-related rehabilitation and mitigation measures for Clements Lake Dam in Rowan County and Boltz Lake Dam in Grant County. (C-O) DEP Priority #1
CPAB Staff Notes
 - *The Willisburg Lake Dam project received a \$1.5 million allocation from the 2018-2020 State-Owned Dam Repair pool. The project is in Design Phase B but is on hold for funding and easement issues.*
 - *A portion of this request, \$2,000,000, will be used to conduct engineering assessments and rehabilitation design on Clements Lake Dam in Rowan County and Boltz Lake Dam in Grant County.*
 - *State-Owned Dam Repair pools are requested in 2022-24 and 2024-26 (GF – \$6,500,000).*
- 3 State Superfund Sites 2020-2022** **\$4,000,000**
The Superfund Program evaluates and oversees the cleanup of waste sites contaminated by the release of hazardous substances and petroleum from sources other than regulated underground storage tanks that are risks to human health and the environment. Funding is requested to address State Superfund Site remediation efforts. It is the statutory responsibility of the Superfund Branch to conduct clean up actions of sites where no responsible party is available. The requested funding will be utilized to address the over \$1.4 billion liability of superfund sites throughout the commonwealth. (C-O) DEP Priority #3
CPAB Staff Notes
 - *NEW project – has not been listed in a previous capital plan.*
 - *The Superfund Branch presently has over 1,000 identifiable sites throughout the state and averages approximately 90-100 new sites per year. There are approximately 613 state-lead superfund sites in Kentucky.*
 - *Additional GF of \$4,000,000 are requested for Phases 2 and 3 in 2022-24 and 2024-26.*
- 4 Helicopter Replacement Project** **\$3,860,000**
Replacement aircraft for an existing helicopter utilized by various agencies, including the Kentucky State Police and the Department of Fish and Wildlife. (EQ) DNR Priority #1
- 5 EEC On-Line Permitting and Submittal (eForms)** **\$1,380,000**
Funding will allow for the creation of an On-Line Permitting/Submittals Project (eForms) that will create electronic web forms to electronically collect and receive permits, registrations, and license applications and compliance information for EEC. This project is designed to make the permitting and compliance process business-friendly for industry and citizens within the state who are required to submit paper forms to the cabinet. It will also improve security, reduce costs associated with processing forms, reduce the burden of environmental compliance on the public and private sector resources, and expand the cabinet's investment in electronic systems. (IT) Secretary's Office Priority #2

CPAB Staff Notes

- This project was listed as cabinet priority #4 in the agency's 2018-2024 Capital Plan. The cost of the project has increased from \$856,000 due to increased contract worker costs and project contingency.
- Additional GF of \$1,380,000 are proposed for 2022-24.
- During the last planning cycle, this project was identified as "High in Value" by the Commonwealth Office of Technology Chief Information Officer during his review of IT capital projects for the board.

6 Wildland Fire Equipment Replacement Schedule \$5,392,000

The proposed project will replace dozer and transport units that will be utilized in fire suppression efforts. The Department of Forestry transport fleet has 37 dozers and 41 transports manufactured before the year 2004. This is well past the recommended 15-year useful life of this equipment. This aging dozer/transport fleet also results in high maintenance costs and poses safety threats to the firefighting staff that operate them. This request will replace 16 dozer/transport units over the biennium at \$337,000 per unit. (EQ) DNR Priority #2

7 2-Way Radio System Upgrade \$1,404,000

The Kentucky Division of Forestry is requesting funding for upgrades to the existing two-way radio system for safe and effective communication with its field employees during its wildland fire suppression activities, daily operations, and all-risk emergencies. The nearly 20-year-old analog system is weak and unable to appropriately transmit and receive signals to the levels in which they should. Replacement parts are unavailable due to outdated technology. The need to provide reliable communication during fire suppression efforts is essential to the safety of firefighters as well as citizens of the commonwealth. (EQ) DNR Priority #3

8 Lab Equipment Upgrade \$1,065,000

This project will provide for specialized laboratory equipment and software updates that are used in the certification and qualification of data for various programs within the Department of Environmental Protection and the Department of Natural Resources. In 2017 COT began deploying Windows 10 on new installations and as part of computer refreshes. Since most of the lab's equipment is older, it cannot be upgraded to operate on Windows 10. The requested upgrade will enable the lab to meet COT mandates regarding computer operating systems. (EQ) DEP Priority #4

CPAB Staff Notes

- NEW project – has not been listed in a previous capital plan.

9 Southern Wood Treatment Site \$6,000,000

This project would provide for continued remediation of the Southern Wood Treatment/Long Lane Superfund Site in Mt. Sterling. The site has a high concentration of arsenic and was originally declared an emergency by the commonwealth. Many residents living in the area were exposed to arsenic left in the soil derived from the wood treatment facility that operated there years ago. The state has spent approximately \$5 million on the emergency phase. However, the site is not in a final remedial state whereby the state can leave it "as is" for any length of time. (C-O) DEP Priority #2

CPAB Staff Notes

- NEW project – has not been listed in a previous capital plan.

10 Wiley Property Site \$8,103,000

This State Superfund Site project will provide for the continued remediation of the Wiley Property Site in Hartford. The contaminant of concern is arsenic trioxide that had been stockpiled in a barn for use as a pesticide. The barn later collapsed or was destroyed and arsenic trioxide was exposed and released. Initially, clean-up included the excavation of arsenic-contaminated soil down to a minimum of 18 inches and up to two feet in some locations at the source area. The remediation of this site will ensure residents who may own or work this land will not have future arsenic exposure. DEP Priority #5

CPAB Staff Notes

- NEW project – has not been listed in a previous capital plan.

ENERGY AND ENVIRONMENT CABINET
Proposed Projects Involving the General Fund (cash or bonds) – cont’d
(Projects listed in alphabetical order)

2022-2024

EEC On-Line Permitting and Submittal (eForms)	\$1,380,000
Maintenance Pool for Cabinet-Owned Facilities	500,000
State Superfund Sites 2022-2024	4,000,000
State-Owned Dam Repair	6,500,000
Wildland Fire Equipment Replacement Schedule	5,392,000

2024-2026

Maintenance Pool for Cabinet-Owned Facilities	\$500,000
State Superfund Sites 2024-2026	4,000,000
State-Owned Dam Repair	6,500,000
Wildland Fire Equipment Replacement Schedule	5,392,000

ENERGY AND ENVIRONMENT CABINET
Maintenance Pool Allocations (2018-20)

Secretary’s Office

(\$400,000 Investment Income)

<u>Project</u>	<u>Cost</u>	<u>Status</u>
Forestry - Bert T. Combs Various Projects	\$105,000	Underway
Forestry - Road and Parking Area Maintenance	35,000	Underway
Forestry - JPRN - Top Pruner	10,000	Underway
KSNPC - Equipment Maintenance and Repair for Property	26,000	Completed
Maxey Flats - Repair/Replace Office Building Roofs	20,000	Underway
Maxey Flats - Hitch Trailer	7,500	Completed
Maxey Flats - Rock Lick Sampling Station Removal	25,000	Completed
Red River Natural Area - House and Barn Demo	10,000	Underway
Tom Dorman Parking Area	7,500	Underway
Maintenance and Equipment	1,500	Underway
Natural Areas Gates	24,000	Completed
Vernon Douglas Parking Lot Gravel and Grading	3,500	Underway
Blanton Forest Kiosk Bridge Trail Maintenance	5,000	Underway
FY 20 Proposed Maintenance Pool Projects	200,000	Proposed

State-Owned Dam Repair

Dept. for Environmental Protection

(\$10,000,000 Bond Funds)

<u>Projects</u>	<u>Cost</u>	<u>Status</u>
Bullock Pen Lake Dam	\$3,611,000	Underway
Willisburg Lake Dam	1,574,927	Underway

ENERGY AND ENVIRONMENT CABINET

Proposed Projects – Involving the General Fund (Cash or Bonds) Sorted by Agency

Listed below are projects for each agency (department) within the cabinet. The projects for the first biennium are listed by agency priority number. Projects for the second and third biennium are listed alphabetically.

Department for Environmental Protection

2020-2022

1	State-Owned Dam Repair	\$7,000,000
2	Southern Wood Treatment Site	6,000,000
3	State Superfund Sites 2020-2022	4,000,000
4	Lab Equipment Upgrade	1,065,000
5	Wiley Property Site	8,103,000

2022-2024

	State Superfund Sites 2022-2024	\$4,000,000
	State-Owned Dam Repair	6,500,000

2024-2026

	State Superfund Sites 2024-2026	\$4,000,000
	State-Owned Dam Repair	6,500,000

Department for Natural Resources

2020-2022

1	Helicopter Replacement	\$3,860,000
2	Wildland Fire Equipment Replacement Schedule	5,392,000
3	2-Way Radio System Upgrade	1,404,000

2022-2024

	Wildland Fire Equipment Replacement Schedule	\$5,392,000
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2024-2026

	Wildland Fire Equipment Replacement Schedule	\$5,392,000
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Secretary's Office

2020-2022

1	Maintenance Pool for Cabinet-Owned Facilities	\$592,000
2	EEC On-Line Permitting and Submittal (eForms)	1,380,000

2022-2024

	EEC On-Line Permitting and Submittal (eForms)	\$1,380,000
	Maintenance Pool for Cabinet-Owned Facilities	500,000

2024-2026

	Maintenance Pool for Cabinet-Owned Facilities	\$500,000
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ENERGY AND ENVIRONMENT CABINET
Quarterly Status Report – Current Capital Projects

Project Title	County	Authorization	Status	Percentage Complete
Maxey Flats Cap	Fleming	2012-2014	Construction/ Multiple Bid Packs	
State-Owned Dam Repair - Beech Creek Dam	Clay	Pool	Complete/In Warranty	100
State-Owned Dam Repair - Bullock Pen Lake Dam	Multi	Pool	In Construction	0
State-Owned Dam Repair - Scenic Lake Dam	Henderson	Pool	Design/Phase C	
State-Owned Dam Repair - Willisburg Lake Dam	Washington	Pool	Design/Phase B	