

CAPITAL PLANNING ADVISORY BOARD

Minutes of the 2nd Meeting of the 2020 Calendar

September 9, 2020

Call to Order and Roll Call

The 2nd meeting of the Capital Planning Advisory Board was held on Wednesday, September 9, 2020, at 11:00 AM, in Room 171 of the Capitol Annex. Representative John Blanton, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Stan Humphries, Co-Chair; Representative John Blanton, Co-Chair; Senator Whitney Westerfield, Representative Derek Lewis, Rocky Adkins, Charles Byers, Laurie Dudgeon, John Hodgson, Patsy Jackson, Holly Johnson, Ryan Neff, Mark Overstreet, and Katie Shepherd.

Guests (Virtual): Scott Baker, Certified Energy Manager, and Andrew Carter, Energy Management Program Manager, Division of Facility Efficiency, Finance and Administration Cabinet.

LRC Staff: Shawn Bowen, Julia Wang, and Jennifer Luttrell.

Representative Blanton welcomed everyone to the meeting, both in person and those attending via videoconference.

Approval of Minutes

A motion to approve the minutes of the July 22, 2020 meeting was made by Representative Lewis, seconded by Mr. Overstreet, and approved by voice vote.

Information Item

Ms. Bowen discussed the 2022-2028 Capital Planning System Instructions and the tentative 2021 board meeting schedule. State agencies must submit their capital plans in each odd-numbered year no later than April 15, and the board must publish a Statewide Capital Improvements Plan no later than November 1 of the same year. The board will hold five meetings next year, with the first meeting to commence in May. The meetings will include the review of agency capital plans, discussion of capital-related issues, and testimony from agencies that prepare specialized reports for the board. The September meeting will include approval of the draft capital plan, and will complete the board's work for 2021.

Advancing Energy Efficiency in State Facilities During the COVID-19 Pandemic

Mr. Carter and Mr. Baker discussed the COVID-19 pandemic and Kentucky's response to the virus from a facilities and energy standpoint. They reported energy and utility data in state-owned buildings, and future plans for reducing infection in the workplace as more state buildings reopen.

Energy and utility data is collected utilizing a software platform known as the Commonwealth Energy Management and Control System (CEMCS). The CEMCS project was included in the Finance and Administration Cabinet's 2020-2026 capital plan at a total cost of \$6 million (\$2 million per biennium.) The project will continue the implementation of CEMCS across all state general-funded agencies. There are four major components to CEMCS: utility monitoring and analysis; building automation integration and diagnostics; centralized, automated utility bill paying; and work order generation and tracking. The current implementation includes 860 buildings in excess of 16 million square feet. The annual energy spending last year was \$32 million, and the yearly cost savings (avoidance) were \$9.5 million.

In response to a question from Representative Blanton, Mr. Carter said overall energy savings for state agencies is about 9.5 percent, 19.5 percent for the Finance Cabinet, and over 20 percent for KCTCS. The goal of reducing energy consumption 25 percent by 2025 is part of a 7-step strategy and is not mandated by statute or executive order. The reporting of energy usage and savings, which is done through the Kentucky Energy Savings Dashboard, is mandated by statute.

In response to another question from Representative Blanton, Mr. Carter said the planned structural changes to state office building ventilation systems are due to COVID-19, and will provide cleaner air. He agreed that the structural changes could also be beneficial during flu season to help further reduce the spread.

Senator Westerfield said he served on an NCSL task force on cyber security, and one of the major issues discussed was the lack of security on Internet-connected devices such as building automation systems. He asked what protocols are in place to secure building automation systems and other Internet-connected devices from potential hackers. Mr. Carter said the security team at the Commonwealth Office of Technology (COT) is continuously working to ensure that building automation systems, as well as other Internet-connected devices, are protected from hackers. The systems and devices are protected by fire walls, and only authorized IP addresses may access those systems. Mr. Carter added that COT is currently testing the security systems in one of the state buildings to ensure all that security standards are in place.

Representative Blanton thanked Mr. Carter and Mr. Baker for their presentation and for the ongoing efforts by Finance and Administration Cabinet officials to save the Commonwealth money.

Other Business

Representative Blanton read a resolution honoring retiring Senator Stan Humphries. Senator Humphries has served as co-chair of the Capital Planning Advisory Board since his appointment to the board in 2013. Senator Westerfield made the motion to adopt the resolution, it was seconded by Representative Lewis, and adopted by voice vote.

Representative Blanton announced that the board will hold its next meeting in May 2021.

Adjournment

There being no further business, Mr. Adkins made a motion to adjourn the meeting. The motion was seconded by Representative Lewis, and the meeting adjourned at 11:45 AM.