

METROPOLITAN COUNCIL

390 North Robert Street, St. Paul, Minnesota 55101

REGULAR MEETING OF THE ENVIRONMENT COMMITTEE

Tuesday, March 9, 2010

Committee Members Present: Chair Peggy Leppik, Kirstin Beach, Polly Bowles, Craig Peterson, Roger Scherer, Daniel Wolter, Wendy Wulff

Committee Members Absent: Lynette Wittsack

CALL TO ORDER

A quorum being present, Committee Chair Leppik called the regular meeting of the Council's Environment Committee to order at 9:31 a.m. on Tuesday, March 9, 2010.

APPROVAL OF AGENDA AND MINUTES

It was moved by Wolter, seconded by Wulff, to approve the agenda. **The motion carried.**

It was moved by Wolter, seconded by Wulff, to approve the minutes of the February 9, 2010 regular meeting of the Environment Committee. **The motion carried.**

BUSINESS

2010-88 City of Lake Elmo's Request for Temporary Relief from Wastewater Inefficiency Fee, Resolution No. 2010-8

It was moved by Scherer, seconded by Wulff, that the Metropolitan Council adopt the attached resolution, granting the City of Lake Elmo temporary relief from the Wastewater Inefficiency Fee imposed under Council Resolution No. 2005-20, and authorizing its Regional Administrator to negotiate and execute a binding Memorandum of Understanding with the City consistent with the attached resolution.

2010-89 City of Lake Elmo Comprehensive Plan Update, Review No. 20599-1, Tier II Comprehensive Sewer Plan

It was moved by Wolter, seconded by Wulff, that the Metropolitan Council approve the City of Lake Elmo's Tier II Comprehensive Sewer Plan, contingent upon execution of a Memorandum of Understanding between the City of Lake Elmo and the Metropolitan Council consistent with the Resolution that addresses the City's petition regarding the Wastewater Inefficiency Fee.

Motion carried.

2010-90 City of Corcoran Comprehensive Plan Update, Review No. No. 20601-1, Tier II Comprehensive Sewer Plan

It was moved by Scherer, seconded by Bowles, that the Metropolitan Council approve the City of Corcoran's Tier II Comprehensive Sewer Plan.

Motion carried

2010-91 City of Eagan Comprehensive Plant Update, Review No. 20606-1, Tier II Comprehensive Sewer Plan

It was moved by Wulff, seconded by Wolter, that the Metropolitan Council approve the City of Eagan's Tier II Comprehensive Sewer Plan.

Motion carried.

2010-92 City of Rogers Comprehensive Plan Update, Review No. 20620-1

It was moved by Scherer, seconded by Wulff, that the Metropolitan Council approve the City of Roger's Tier II Comprehensive Sewer Plan.

Motion carried.

2010-93 City of Shorewood Comprehensive Plan Update, Review No. 20589-1, Tier II Comprehensive Sewer Plan

It was moved by Wulff, seconded by Bowles, that the Metropolitan Council approve the City of Shorewood's Tier II Comprehensive Sewer Plan.

Motion carried.

2010-94 City of Tonka Bay Comprehensive Plan Update, Review No. 20588-1, Tier II Comprehensive Sewer Plan

It was moved by Bowles, seconded by Wulff, that the Metropolitan Council approve the City of Tonka Bay's Tier II Comprehensive Sewer Plan.

Motion carried.

2010-95 Approval of the Metropolitan Water Supply Master Plan

It was moved by Bowles, seconded by Wulff, to revise language on page 3—26, second paragraph, as follows: ~~Global climate change has~~ Any changes in climate patterns have the potential to significantly impact the region's water supplies in the future. **Motion carried.**

It was moved by Bowles, seconded by Wulff, that the Metropolitan Council approve the Metropolitan Area Master Water Supply Plan, as amended.

Motion carried.

2010-97 Ratification of Declaration of Emergency for Flood Preparation and Protection

It was moved by Wulff, seconded by Wolter, that the Metropolitan Council ratify the attached Justification for and Declaration of Emergency for flood preparation and protection.

Motion carried.

INFORMATION

Discussion of Service Availability Charge (SAC) Rate for Cities of Elko New Market and Carver

Bryce Pickart, Assistant General Manager of Technical Services, provided an update about setting a SAC rate for rural growth centers. In the current economic climate and with SAC revenues down, staff decided to take enough time to put it all in perspective and talk with the communities. Interceptors in the cities of Elko New Market and Carver are under construction and will be finished some time next year, so it is necessary to move forward with setting a SAC rate. Discussions have been held with Elko New Market, and will be scheduled with Carver. As far as New Germany is concerned, the Council is considering acquiring its treatment plant and building a new plant. Staff will be meeting with New Germany mayor to discuss.

2009 Financial Results

Jason Willett, ES Finance Director, informed the Committee that the wastewater fund ended 2009 with a substantial surplus. Staff had planned to ask the committee for use of the reserve, but because of the SAC situation, staff is looking at being able to offset that with other changes in our budget this year.

Reviewed major variances, wastewater operating reserve balance, SAC units paid (lowest since inception of SAC), and the SAC reserve capacity fund.

SAC continues to be under pressure. Legislation has been introduced to allow temporarily shifting some of the SAC responsibility to the Municipal Wastewater Charge (MWC). This puts pressure on the MWC, which means that all expenses need to be examined. Staff has been asked to budget 2011 at 2009 actual dollar levels, and manage 2010 to the same level.

Bryce Pickart, Assistant General Manager of Technical Services, reviewed the Capital Improvement Project (CIP) 2010 budget, and 2009 results. Explained that the budget was conservative because contractors' rate of work can't be controlled, and construction start can't be forecasted accurately due to land acquisition, permitting and other issues. Bids were competitive, and ES began to slow growth projects, both of which also have contributed to the 2009 capital budget underrun.

Key CIP projects in 2009 were Blue Lake and Seneca Plants, South Saint Paul Lift Stations/Forcemains, and Victoria, Brooklyn Park, Oak Street and Elko New Market Interceptors.

Key CIP projects in 2010-15 include Metro and Blue Lake Plants, Hopkins and South Saint Paul Lift Stations/Forcemains, and Richfield, Golden Valley and Victoria Interceptors.

Growth projects deferred are Blue Lake, Hastings, New Germany plants, Elm Creek, Northwest and Northeast interceptor systems.

Pickart highlighted the Richfield Relief Interceptor, which will increase capacity to serve redevelopment along I494 in Edina and Richfield. There is no reserve capacity in the existing interceptor. Ready to advertise for bids, and the project is a collaboration of Richfield and MCES. Issues: 1) Should bids be deferred to ease debt services for one or two years? 2) Does low SAC revenue force temporary shift to wastewater service charge?

City of Richfield Councilmember Suzanne Sandahl reviewed the efforts made by the city regarding this project and encouraged the council to maintain the current schedule.

The committee discussed funding concerns, impact of this project on debt service, and benefits of the project. Staff will return with financial comparison of what the impact of this project would be if done now vs. 3-4 years from now.

Committee advised staff to move forward with project.

GENERAL MANAGER'S REPORT

William Moore informed the Committee that the Council has received a letter from MPCA on the combined sewer overflow (CSO) issue in Minneapolis. MPCA plans to give us three more years under the current CSO permit, at which point it will terminate and responsibility will shift to the Metro Plant permit. MPCA will also issue a state permit to the City of Minneapolis to keep it responsible for its activities. City and Council staff continuing discussions.

Moore also reported that the State of Minnesota has approved the Council's phosphorus trading agreement with City of Princeton.

Business completed, the meeting adjourned at 11:33 a.m.

Respectfully submitted,
Susan M. Harder
Recording Secretary