

METROPOLITAN COUNCIL
390 North Robert Street, St. Paul, Minnesota 55101

REGULAR MEETING OF THE ENVIRONMENT COMMITTEE
Tuesday, July 13, 2010

Committee Members Present: Vice-Chair Daniel Wolter, Kirstin Beach, Roger Scherer, Lynette Wittsack, Wendy Wulff

Committee Members Absent: Chair Peggy Leppik, Polly Bowles, Craig Peterson

CALL TO ORDER

A quorum being present, Committee Vice-Chair Wolter called the regular meeting of the Council's Environment Committee to order at 9:30 a.m. on Tuesday, July 13, 2010.

APPROVAL OF AGENDA AND MINUTES

It was moved by Wittsack, seconded by Wulff, to approve the agenda. **The motion carried.** Vice-Chair Wolter noted that the June 8, 2010 minutes are corrected to show that Wolter moved, and Wittsack seconded, item 2010-217. It was moved by Wulff, seconded by Scherer, to approve the corrected minutes of the June 8, 2010 regular meeting of the Environment Committee. **The motion carried.**

BUSINESS

2010-252 Adoption of MCES 2011 Wastewater Rates and Charges

It was moved by Wulff, seconded by Wittsack, that the Metropolitan Council adopts the following wastewater rates and charges to be effective January 1, 2011:

- Municipal Wastewater Charge (annual) total of **\$172,784,609**,
- Sewer Availability Charge (SAC): **\$2,230** per Residence or Residential Equivalent Capacity,
- Temporary Capacity Charge (formerly "Add-on Service Charge"): **\$1.12** per thousand gallons,
- Industrial Strength Charge: **\$.155** per excess pound of TSS (total suspended solids),
- Industrial Strength Charge: **\$.0775** per excess pound of COD (chemical oxygen demand),
- Standard (septage) Load Charge: **\$48.99** per thousand gallons,
- Holding Tank Load Charge: **\$4.52** per thousand gallons,
- Portable Toilet Waste Load Charge: **\$62.12**, per thousand gallons,
- Collar County Load Charge: **\$61.49** per thousand gallons,
- Strength component of Industrial Load Charge **\$.3150** per excess pound of TSS,
- Strength component of Industrial Load Charge **\$.1575** per excess pound of COD,
- Encroachment Application Fee: **\$600 per easement**
- Direct Connection Application Fee: **\$1,000 per application**
- Out-of-Region Load Charge Component for hauled waste: **\$12.50 per thousand gallons**
- Inflow & Infiltration Surcharge Exceedance Rate: **\$377,000** per mgd, and
- Industrial Permit Fees as shown on Attachment A.

Further, that the Metropolitan Council authorizes the SAC reserve fund exception for an economic downturn as stated in Council policy 3-2-5 [*Use of the minimum reserve shall be allowed only in an economic downturn or natural disaster and as approved by the Council*].

2010-253 Adoption of Service Availability Charges (SAC) Rate for City of Elko New Market

It was moved by Wulff, seconded by Wittsack, that the Metropolitan Council adopts a base Service Availability Charge (SAC) rate of \$3300, effective upon adoption, for the rural growth center community of Elko New Market subject to the community entering into an agreement with the Council.

Motion carried. Placed on Council Consent Agenda.

2010-254 Authorization to Execute a Master Contract for Total Maximum Daily Load and Permitting Assistance Services with HDR Engineering, Inc.

It was moved by Wulff, seconded by Wittsack, that the Metropolitan Council authorize its Regional Administrator to execute a Master Contract for Total Maximum Daily Load (TMDL) and Permitting Assistance Services with HDR Engineering, Inc. in the amount of \$500,000.

Motion carried. Placed on Council Consent Agenda.

2010-255 Authorization for Rosemount Incorporated Sole Source

It was moved by Wulff, seconded by Wittsack, that the Metropolitan Council authorize the Regional Administrator to purchase replacement parts for the metering and instrumentation equipment for ongoing maintenance and service repairs on a sole source basis from Rosemount Incorporated for the original equipment manufacturer instrumentation equipment and related parts to this equipment at all wastewater treatment plants and lifts stations for an amount not to exceed \$750,000 over a five year period.

Motion carried. Placed on Council Consent Agenda.

INFORMATION

Response Letter to Environmental Protection Agency (EPA) proposed Rules on Sanitary Sewer Overflow (SSO)

Mary Gail Scott, Manager, Environmental Compliance, informed the committee that the EPA is requesting comments on how and whether to regulate SSOs. Currently, SSOs are prohibited and subject to enforcement. Ms. Scott reviewed proposed rule changes and their impact on MCES. There are three issues that staff are reviewing: managing peak flow, managing sanitary sewer overflows, and should satellite communities with sewer systems be permitted for overflow management. Environmental Services staff has worked with NACWA to ensure that comments are consistent. NACWA's general comments include: 1) all options for managing peak flows must be considered for a comprehensive solution; 2) a nationally-consistent SSO definition is needed; 3) the current zero discharge standard is technologically impossible and scientifically unsupportable; 4) regulation must maintain focus on environmental benefit. Ms. Scott reviewed staff's recommendations, which will be submitted to EPA by August 2.

Plan for Use of Reserves

Jason Willett, Environmental Services Finance Director, reviewed options for using operating reserves. Possibilities include: 1) future rate mitigation; 2) other post-employment benefit (OPEB) reserve for MCES liability; 3) pay as you go (PAYG) for wastewater capital projects; 4) current value credit payoff; 5) special project funding; 6) retain for confidence-building and cash flow management. Wulff encouraged paying off the current value credit. William Moore, General Manager of Environmental Services, commented that once the actuarial study is completed and the management committee reviews it, staff will have more complete information with which to prepare a business item to bring back to the Environment Committee.

Infiltration/Inflow (I/I) Grant Issues

Jason Willett, Environmental Services Finance Director, informed the Committee that problems arose that delayed distribution of the I/I grant applications in early July. Jeanne Matross, Associate General Counsel, reviewed real estate issues that were encountered as a result of requirements of Minnesota Management and Budget (MMB). Staff will keep the Committee informed.

Metro Permit Issues – deferred until next meeting, due to public hearing beginning at 11:00 a.m.

Wittsack moved, Beach seconded, to adjourn the meeting at 10:50 a.m. Motion carried.

Respectfully submitted,
Susan M. Harder

Minutes of Regular Meeting of the Environment Committee
July 13, 2010

Recording Secretary