

E Environment Committee

Item: 2010-321

For the Metropolitan Council meeting of September 22, 2010

ADVISORY INFORMATION

Date Prepared: September 14, 2010

Subject: Authorization to Negotiate and Execute Agreement with New Germany
for Future Acquisition of Wastewater Treatment Plant

Proposed Action:

That the Metropolitan Council authorizes its Regional Administrator to negotiate and execute an agreement with the City of New Germany for future acquisition of its wastewater treatment plant.

Summary of Committee Discussion / Questions:

Committee Member Scherer asked if physical assets exist that will be acquired by the Council. Staff responded that there are 12-14 acres, and existing stabilization pond facilities, but there is no current value credit to those. The item references the value of the design for a new treatment plant.

Motion to approve the proposed action was made, seconded, and passed unanimously.



Environment Committee

Meeting date: September 14, 2010

For the Metropolitan Council Meeting of September 22, 2010

ADVISORY INFORMATION

Date:	September 7, 2010
Subject:	Authorization to Negotiate and Execute Agreement with New Germany for Future Acquisition of Wastewater Treatment Plant
District(s), Member(s):	District #4, Craig Peterson
Policy/Legal Reference:	Minnesota Statutes 473.511 and 473.517
Staff Prepared/Presented:	Bryce Pickart 651-602-1091
Division/Department:	MCES c/o William G. Moore 651-602-1162

Proposed Action

That the Metropolitan Council authorizes its Regional Administrator to negotiate and execute an agreement with the City of New Germany for future acquisition of its wastewater treatment plant.

Background

The Metropolitan Council approved the City of New Germany's 2030 Comprehensive Plan Update and Comprehensive Sewer Plan in May 2008. The Council authorized acquisition of the City's wastewater treatment plant in June 2009. In the interim period, the City has proceeded with design of a new wastewater treatment plant, which is required to accommodate growth in accordance with the approved plans, with the understanding that the Council would acquire the existing plant and construct the new plant. The City is also proceeding with reconstruction of their sanitary sewers, with funding assistance from Rural Development.

The region generally, and the City specifically, is experiencing slow growth. The City has re-affirmed its request for plant acquisition and construction of a new, larger plant to accommodate growth, once the economy recovers. The City requests that the Council enter into an acquisition agreement now, with actual closing and acquisition occurring in 2015. The City also requests reimbursement for plant design costs, i.e. current value credit, which will help them with their sanitary sewer reconstruction.

MCES proposes to proceed with the acquisition agreement as previously authorized, with the following additions/revisions:

1. Closing and acquisition of the City's wastewater treatment plant shall be deferred until 2015.
2. Payment of \$100,000 (50% of the plant design costs) shall occur now and the remainder at closing.
3. Addition of provisions to define how SAC rate will be determined for the city as a Rural Growth Center.
4. Provision of a reserve capacity loan, in a manner similar to the agreement recently approved by the Council for Elko New Market.

Rationale

The proposed action requires Council authorization.

Funding

Funding is provided in the MCES Authorized Capital Program. Total requested amount is \$200,000, of which \$100,000 would be incurred in 2010, and the remainder in 2015.

Known Support / Opposition

City request