

E Environment Committee

Meeting date: July 22, 2008

For the Metropolitan Council Meeting of August 13, 2008

ADVISORY INFORMATION

Date:	July 15, 2008
Subject:	Authorization to Negotiate and Execute an Agreement with the City of Princeton to Trade Phosphorus Credits
District(s), Member(s):	All
Policy/Legal Reference:	Minnesota Pollution Control Agency (MPCA) Phosphorus Trading Policy
Staff Prepared/Presented:	Rebecca Flood 651-602-1073
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 Princeton to trade phosphorus credits.

Background

At the August 14 and December 11, 2007 meetings of the Environment Committee, staff presented the concept of trading water quality credits. In addition, the Minnesota Pollution Control Agency (MPCA) recently approved a policy to allow a wastewater treatment plant within the Lake Pepin watershed to sell its excess capacity of phosphorus load to another wastewater treatment plant that needs to grow. The City of Princeton and Council staff have been in discussions regarding trading and are finalizing a trading agreement. Highlights of the agreement are as follows:

- MPCA will reduce the phosphorus cap at the Metro Plant by 6,000 pounds (a 1.2 to 1 trade ratio)
- MPCA will authorize Princeton to discharge 5,000 pounds of phosphorus
- Princeton agrees to reduce nonpoint sources of phosphorus by 10,000 pounds (a 2 to 1 trade ratio)
- The 6,000 pounds of traded phosphorus load returns to the Metro Plant when the agreement ends

Rationale

Trading phosphorus load with the City of Princeton will allow them to proceed to build a new plant that can accommodate growth and development in the area. By requiring reductions in nonpoint sources of phosphorus in lieu of a cash payment, phosphorus reduction will actually be achieved, not only locally, but in the metropolitan area and further downstream. Nonpoint source phosphorus reduction is in the long term interest of the Council.

Funding

None required

Known Support / Opposition

The City of Princeton seeks the water quality credit trade and the Minnesota Pollution Control Agency has adopted a policy endorsing of water quality credit trading.