

E Environment Committee

Meeting date: June 9, 2009

For the Metropolitan Council Meeting of June 24, 2009

ADVISORY INFORMATION	
Date:	May 27, 2009
Subject:	Authorization to Negotiate and Execute Wastewater Treatment Plant Acquisition Agreement with the City of New Germany
District(s), Member(s):	District #4, Craig Peterson
Policy/Legal Reference:	Minnesota Statutes 473.511
Staff Prepared/Presented:	Bryce J. 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 a wastewater treatment plant acquisition agreement with the City of New Germany.

Background

The Water Resources Management Policy Plan states that existing wastewater treatment plants owned and operated by Rural Growth Centers will be acquired and operated by MCES upon request and established criteria. The City of New Germany had made that request and meets the established criteria. The Metropolitan Council approved the City's 2030 Comprehensive Plan Update and Tier II Comprehensive Sewer Plan in May, 2008. This Plan includes replacement of the current 50,000 gpd stabilization pond facility with a 175,000 gpd mechanical treatment plant, which will handle the 2030 forecast. The city owns the land for construction of the new plant, adjacent to the existing plant. The city has an NPDES Permit for the proposed new plant. The city has had the new plant designed, but intends that MCES will proceed with construction upon execution of an acquisition agreement.

The wastewater treatment plant acquisition is proposed to follow Minnesota Statutes 473.511, which is the statute that has governed the acquisition of treatment plants by MCES since inception in 1970. Proposed terms of the acquisition agreement include the following:

1. The City transfers ownership and title to the existing plant and land for the new plant at no cost to MCES. There is no outstanding City debt for MCES to assume.
2. The City receives approximately \$200,000 current value credit, which corresponds to design costs to date for the new plant. No current value credit will be given to the existing plant, due to obsolescence.
3. The City operates the stabilization pond for MCES in the interim period until the new plant is operational. The City will be reimbursed by a credit against its wastewater service charges.
4. The City shall comply with MCES Infiltration/Inflow policy and procedures and Waste Discharge Rules.
5. The City's architectural/engineering services contract for the new plant will transfer to

MCES.

6. MCES decommissions stabilization pond after new plant is operational.
7. City cooperates with MCES to apply to MPCA for transfer of NPDES Permit to MCES.

Rationale

The proposed action requires Council authorization.

Funding

Funding is provided in the 2009 MCES Capital Budget and Authorized Capital Program.

Annual or Capital	Project No.	Estimated Project Cost	Current Authorization	Unencumbered Funds	Requested Amount
Capital	801670	\$5,500,000	\$6,000,000	\$6,000,000	\$200,000

Known Support / Opposition

No known opposition.