

## METROPOLITAN COUNCIL

390 North Robert Street, St. Paul, Minnesota 55101

### REGULAR MEETING OF THE ENVIRONMENT COMMITTEE

Tuesday, February 28, 2012

Committee Members Present: Vice-Chair Wendy Wulff, Harry Melander, Edward Reynoso, Lona Schreiber, Gary Van Eyll

Committee Members Excused: Chair Sandra Rummel

Committee Members Absent: John Đoàn

#### CALL TO ORDER

A quorum being present, Committee Vice-Chair Wulff called the regular meeting of the Council's Environment Committee to order at 4:00 p.m. on Tuesday, February 28, 2012.

#### APPROVAL OF AGENDA AND MINUTES

It was moved by Melander, seconded by Reynoso, to approve the amended agenda. **The motion carried.**

It was moved by Schreiber, seconded by Melander, to approve the minutes of the February 14, 2012 regular meeting of the Environment Committee. **The motion carried.**

#### BUSINESS

##### **2012-79 Authorization to Negotiate and Execute a Cooperative Agreement with the City of Golden Valley, MCES Project No. 805700**

It was moved by Reynoso, seconded by Schreiber, that the Metropolitan Council authorizes its Regional Administrator to negotiate and execute a cooperative agreement between the Council and the City of Golden Valley for the 1-GV-461 Relief Lift Station and Forcemain Project.

**Motion carried.**

##### **2012-80 Authorization to Negotiate and Execute an Amendment to Cooperative Agreement 111031 with the City of Golden Valley, MCES Project No. 805700**

It was moved by Reynoso, seconded by Van Eyll, that the Metropolitan Council authorizes its Regional Administrator to negotiate and execute an amendment to Cooperative Agreement 111031 between the Council and the City of Golden Valley for construction of the Circle Down segment of the 1-GV-461 Relief Lift Station and Forcemain Project.

**Motion carried.**

##### **2012-81 Authorization to Hold a Public Meeting on a Proposed Loan Program for Communities**

It was moved by Melander, seconded by Van Eyll, that the Environment Committee authorizes staff to schedule and hold a public meeting to seek public input on a proposed municipal loan program that could, upon a community request, provide a deferral of a portion of the Municipal Wastewater Charges to a community in a year in which those charges experienced a substantial increase.

**Motion carried**

**2012-82 Authorization to Negotiate and Execute a Cooperative Agreement with the Independent School District No. 276 – Minnetonka for the construction of a part of MCES Project No. 802850**

It was moved by Reynoso, seconded by Schreiber, that the Metropolitan Council authorizes its Regional Administrator to negotiate and execute a cooperative agreement, between the Council and Independent School District No. 276 - Minnetonka, for the Construction of interceptor facilities.

**Motion carried.**

**INFORMATION**

1. CIP Update

Bryce Pickart, Assistant General Manager of Technical Services, highlighted several 2012 projects. Major construction contract awards are South St Paul Forcemain Phase 2, Metro Plant Solids Processing Improvements, Metro Plant Electrical Cable, Mahtomedi Lift Station & Forcemain, Metro Plant Process Equipment, Metro Plant Building Lighting, Hopkins Forcemain-Minneapolis Contract B, Victoria Interceptor 7019-B Rehabilitation, Minneapolis NW Interceptor Rehabilitation, Minneapolis Interceptor 1-MN-330 Rehabilitation, East Bethel Treated Water Pipeline, Plymouth Forcemain Rehabilitation, Metro Plant F&I 1 Demolition, Wayzata Forcemain, Excelsior Forcemain Phase 1, and Trenchless Interceptor Rehabilitation Phase 3.

2. Service Availability Charge (SAC) Update

Jason Willett, ES Finance Director reported that there has been a moderate recovery in SAC units collected. He reviewed historical SAC rates and fee increases. He also explained the SAC 'shift' allows the council flexibility to temporarily reduce SAC transfer and shift amount to Municipal Wastewater Charges (MWC). SAC shift is limited to when financially necessary, and requires public hearings. Revision to this legislation is being pursued to extend the sunset date from 2015 to 2018. He reviewed SAC forecast, reserve balance, and SAC rate scenarios to achieve minimum balance. It is anticipated that no SAC shift or SAC rate increase are required in 2013 (if exception from minimum balance in Council policy is continued), and wastewater operating reserve that was designated for SAC shifts may not be needed.

3. Lake Elmo Wastewater Inefficiency Fee (WIF) Update

Kyle Colvin, Assistant Manager of Engineering Services, provided background on the framework, Memorandum of Understanding, and Council actions relating to Lake Elmo. Staff explained that the purpose of the WIF is to help pay for the added operation, maintenance and capital costs of an underutilized regional wastewater infrastructure and the costs of providing regional sewer service for development elsewhere in the region that would have occurred within the city. The City of Lake Elmo requested temporary relief of WIF, citing prolonged downturn of the economy. Colvin provided a summary of WIF extensions granted. Current extension requires 515 sewered RECs by December 31, 2015, with payment due to the Council January 2016 for any deficient sewered RECS at a rate of \$2,600/REC. Staff examined the likelihood of an additional extension in 2012, and determined that if the annual regional residential SAC threshold for Lake Elmo is 4,100 units of or fewer, the city would qualify for another one year extension on the WIF. Based on the current trend

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of building permit activity for residential units in the first quarter of 2012, it appear that the total year-end residential SAC will exceed the 4,100 unit threshold, meaning that the 5-year extension granted in 2011 appears to be the last. Moore commented that Lake Elmo hasn't built the local sewer system yet. The city is struggling with how to do this under current market conditions. Moore suspected that the city will request additional dialogue with the Council for further extensions

4. Legislative Update

Jason Willett reviewed the following Council bills: HF 2148 (Housekeeping), HF2146 (Data Practices), HF2147 (Water Supply). He noted that Metro Cities has introduced bill HF2286 & SF 2023 (State Bond Funding for I&I).

5. General Manager's Report

William G. Moore reported that all plants were in compliance.

He informed the committee that staff is providing a SAC presentation for local community staff at the Blue Lake Wastewater Treatment and offering a tour for those interested. He told committee members that ES staff will provide similar events in their districts if they're interested.

Moore said the 3M lawsuit is active.

Business completed, the meeting adjourned at 5:25 p.m.

Respectfully submitted,  
Susan M. Harder  
Recording Secretary