

**E** Environment Committee  
Meeting date: August 14, 2012  
Management Committee: August 8, 2012  
For the Council Meeting of August 22, 2012

**ADVISORY INFORMATION**

Date: August 2, 2012  
Subject: 2012 Unified Operating Budget Amendment  
District(s), Member(s): All  
Policy/Legal Reference: Policies 3-1 (budgets) and 3-8 (target fund balances) / MN Statutes 473.13 (budget) and 473.517 (reserve fund)  
Staff Prepared/Presented: John Atkins 651-602-1020  
Division/Department: MCES c/o Leisa Thompson 651-602-8101

**Proposed Action**

That the Metropolitan Council amend the 2012 Unified Operating Budget for Environmental Services to increase expenditures by \$2.4 million.

**Background**

Litigation costs associated with PFOS issues were not anticipated and not included in the 2012 budget. However, these costs have become material and increased substantially and are expected to continue throughout the current year and into 2013.

**Rationale**

This amendment authorizes amending the MCES 2012 Operating Budget to increase expenditures to cover the estimated litigation costs through 2012. The proposed MCES 2013 Operating Budget is separately being revised to include anticipated 2013 PFOS litigation costs.

**Funding**

The Wastewater Operating Contingency Reserve Fund had \$30.5 million at 12/31/11 and is anticipated to have about \$26 million at 12/31/12. The minimum target fund balance for the wastewater reserve and contingency fund is \$12 million.

**Known Support / Opposition**

None