

Transportation Committee

Meeting date: February 27, 2017

Community Development Committee

Meeting date: March 6, 2017

Management Committee

Meeting date: March 8, 2017

Environment Committee

Meeting date: March 14, 2017

For the Metropolitan Council meeting of March 22, 2017

Subject: 2017 Unified Budget Amendment Regular Carryforward

District(s), Member(s): All

Policy/Legal Reference: Council Admin Policy 3-1 and Procedure 3-1a / MN Statute 473.13-Council Budget Requirements, and 473.517- Wastewater fees and reserve authority

Staff Prepared/Presented: Ned Smith, 651-602-1162

Division/Department: MCES c/o Leisa Thompson, 651-602-8101

Proposed Action

That the Metropolitan Council amend the 2017 Unified Operating Budget for wastewater operations to increase expenses by \$3,671,117 and revenues by \$1,584,889.

Background

These expenses were budgeted in 2016, but due to delays were not expended through the end of 2016 as authorized and are not included in the 2017 budget. These delays were caused by issues of scheduling, design, contracting and bidding, and parts availability. The expense amount includes:

- \$1,635,167 Targeted Stormwater Grants
- \$845,084 2014 State Bond Funded I&I Municipal Grant final payment
- \$739,805 Final repair costs associated with 2015 fire at Metro Plant
- \$226,441 Influent pump drives, membrane cartridges, and safety rails at treatment plants
- \$224,620 Computer software license agreements and upgrades

The Targeted Stormwater Grant revenues have been received by MCES and are currently reflected in the reserve. The final I&I Grant payment will be reimbursed through State Bond funds and the final repair costs associated with the 2015 fire will be covered by the Council's insurance carrier FM Global. Therefore, this carryforward includes the following revenue components:

- \$845,084 State Bond Fund Grant reimbursement
- \$739,085 FM Global insurance claim payment

Rationale

This amendment authorizes expenses that management believes are necessary for MCES operations and maintenance, along with fulfilling grant obligations and commitments.

Thrive Lens Analysis

This amendment advances financial stewardship by ensuring that proper investments are made for the operation and preservation of the Metropolitan Disposal System.

Funding

The fire repair costs will be covered by the Council's insurance carrier, FM Global and the I&I Grant obligations will be reimbursed through the State of Minnesota. The other expenses will be covered through wastewater reserves, which increased as these expenses were not incurred during 2016 and will not cause reserves to fall below the Council Target Reserve Balance level.

Known Support / Opposition

No known opposition