Environment Committee

Meeting date: April 24, 2018

For the Metropolitan Council meeting of May 9, 2018

Subject: Proposed Policy Amendment to the Water Resources Policy Plan

District(s), Member(s): All

Policy/Legal Reference: 2040 Water Resources Policy Plan

Staff Prepared/Presented: Jeannine Clancy, 651-602-1210

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

Proposed Action

That the Metropolitan Council adopt the recommended wastewater reuse-related amendment to the Water Resources Policy Plan that includes a regional cost share based on the regional wastewater system benefit only.

Background

Council has received and reviewed public comments on three alternative wastewater reuse-related policy amendments to the Water Resources Policy Plan. The alternatives are an outgrowth of the Wastewater Reuse Policy Task Force. Based on the comments, staff developed recommended policy language based on the alternative that includes a regional cost share based on the regional wastewater system benefit only. The recommended policy language is shown in the attachment.

Rationale

A Council decision is needed regarding adoption of a wastewater reuse-related amendment to the Water Resources Policy Plan.

Thrive Lens Analysis

Thrive MSP 2040 sets the direction for the Council's development of wastewater reuse where economically feasible to promote sustainable water resources and emphasizes working with the Council's partners. The recommended policy alternative reflects an approach to wastewater reuse that aligns with Thrive MSP 2040's goals.

Funding

None.

Known Support / Opposition

Public comments indicated general or qualified support for the recommended policy amendment.

METROPOLITAN COUNCIL

Recommended Amendment to the Water Resources Policy Plan

The Water Resources Policy Plan will be amended in four places where there is policy language about wastewater reuse or reporting about reuse pilot program finances is needed. Text in red is the amendment language.

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Policy on Water Conservation and Reuse:

The Council will work with our partners to identify emerging issues and challenges for the region as we work together on solutions that include the use of water conservation, wastewater and stormwater reuse, and low-impact development practices to promote a more sustainable region.

Implementation Strategies:

- In partnership with others, research and promote low-impact development, land use practices, agricultural best practices, and cooperative water use practices that minimize impacts on aquifers and maximize groundwater recharge, where practical.
- Provide research and guidance on best management practices for effective surface water management.
- Install and monitor innovative nonpoint-source pollution reduction practices at Council facilities and support economically feasible projects that demonstrate new technologies and their effectiveness.
- Promote and support water conservation measures, including education, outreach and tool development.
- To supplement groundwater and surface water, investigate reusing treated wastewater as sources of nonpotable water to support regional growth, and when cost-effective, implement reuse.
- **The institutional arrangements and cost of service approach for wastewater reuse are important to the development of wastewater reuse in the region. In implementing wastewater reuse opportunities, the Council will use the following approaches:**

    - **Council shall use a cost-of-service, case-by-case approach to wastewater reuse in cooperation and partnership with local communities. The Council will evaluate the potential regional benefit of a potential wastewater reuse project and, if the Council's criteria are met, will determine an appropriate cost share, provided that the cumulative regional cost share shall not exceed 0.75% of the total annual municipal wastewater charges.**
    - **Criteria to be used to evaluate whether there is a regional benefit to a potential wastewater reuse opportunity shall include: (1) the regional wastewater system has been built to service long-term growth in a sub-regional service area in which (a) water managers recognize concerns about sustainable water supply and the importance to meet the needs of future generations while not harming ecosystems, degrading water, or reducing water levels beyond the reach of public water supplies and private wells and (b) a growing demand for groundwater could mean it will be difficult to obtain a groundwater use permit from the Department of Natural Resources; and/or (2) the proposed reuse project reduces MCES'**

surface water discharge, delaying capital improvements to meet more stringent regulatory requirements.

- **Council shall hold a public hearing to obtain customer and public input prior to making a final determination on regional benefit and regional cost share.**
- **Implementation of each wastewater reuse project shall be consistent with the comprehensive plan of the community in which the reclaimed water user is located.**
- **Council shall enter into a joint powers agreement with the community in which the reclaimed water user is located to define the reclaimed water service institutional arrangements and to avoid competition with municipal water suppliers.**
- **Council shall enter into a long-term reclaimed water service agreement with each user, using a cost-of-service approach, including a potential regional cost share where appropriate.**
- **Council shall pursue sources of non-Council funding to complement Council funding of wastewater reuse projects, including Clean Water Legacy Funds, state bond funds, and reuse grants.**
- **Council shall report about the wastewater reuse pilot program at Council's annual budget outreach meetings.**

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Finance

Wastewater System Finance Policy:

The Council will continue to implement regional wastewater service fees and charges based on regional cost of services and rules adopted by the Council.

Implementation Strategies:

- Metropolitan wastewater charges will be allocated among local government units based on volume of wastewater treated.
- Industrial wastewater strength charges will be based on actual or average discharge strength above domestic wastewater strength.
- Load charges for septage, portable-toilet waste, holding-tank wastewater and out-of-region wastes will be uniform for each type of load, and based on the volume of the load, the average strength of the types of loads, and the costs of receiving facilities.
- Sewer availability charges (SAC) will be uniform within the urban area based on capacity-demand classes of customers and the SAC Procedure Manual. Sewer availability charges for a rural center will be based on the reserve capacity and debt service of facilities specific to the rural center.
- Other fees recovering costs of specific services may be imposed, as approved by the Council.
- Cost-sharing between the Council and a local governmental unit may be used when construction of regional wastewater facilities provides additional local benefits for an incremental increase in costs.

- Facilities that are no longer a necessary part of the regional wastewater system will be conveyed to the benefiting local governmental unit, or will be abandoned or sold, pursuant to related statutes.
- The Council will seek customer input prior to, and give at least three months notice of, any material changes in the design of charges.
- The Council will continue efforts to work to simplify and improve SAC and to communicate to customers
- **The Council shall report about the wastewater reuse pilot program funding at Council's annual budget outreach meetings.**

Appendix D – Summary of Policies and Implementation Strategies
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Policy on Water Conservation and Reuse:

The Council will work with our partners to identify emerging issues and challenges for the region as we work together on solutions that include the use of water conservation, wastewater and stormwater reuse, and low-impact development practices in order to promote a more sustainable region.

Implementation Strategies:

- Identify and pursue options to reuse treated wastewater to supplement groundwater and surface water as sources of water to support regional growth, when economically feasible.
- Promote water supply resiliency through the use of stormwater best management practices that minimize aquifer impacts and maximize groundwater recharge, where practical.
- Promote water conservation measures, including tool development and outreach.
- Encourage low-impact development, land uses, and cooperative water use practices that minimize impacts on aquifers.
- Investigate reusing treated wastewater, and when cost-effective, implement reuse.
- Provide research and guidance on best management practices to use for effective surface water management.
- In partnership with others, research and promote the development of innovative best management practices, including low-impact development technologies and agricultural best practices.
- Install and monitor innovative practices to reduce nonpoint-source pollution at Council facilities and support economically feasible projects that demonstrate new technologies and their effectiveness.
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