

Minutes of the

REGULAR MEETING OF THE ENVIRONMENT COMMITTEE

Tuesday, November 13, 2018

Committee Members Present:

Sandra Rummel-Chair, Cara Letofsky, Marie McCarthy, Wendy Wulff-Vice Chair

Committee Members Absent:

Harry Melander, Edward Reynoso, Lona Schreiber

CALL TO ORDER

A quorum being present, Committee Chair Rummel called the regular meeting of the Council's Environment Committee to order at 4:03 p.m. on Tuesday, November 13, 2018.

APPROVAL OF AGENDA AND MINUTES

It was moved by Wendy Wulff, seconded by Marie McCarthy to approve the agenda. **Motion carried.**

It was moved by Wendy Wulff, seconded by Cara Letofsky to approve the minutes of the October 23, 2018 regular meeting of the Environment Committee. **Motion carried.**

Audience members were reminded to complete the sign in sheet located on the table outside the Chambers if they wished to address the Committee. There being no visitors wishing to speak, business items were addressed.

BUSINESS

2018-309: Minnehaha Park Area Sewer Improvements Real Property Acquisition and Condemnation

It was moved by Cara Letofsky, seconded by Marie McCarthy, that the Metropolitan Council adopt Resolution 27 authorizing the acquisition and condemnation of permanent and temporary easements for Emergency Relief Structure 04 & 1MN344 Tunnel Rehabilitation, MCES Project No. 807629.

Motion carried.

2018-310: Full Service Interceptor Engineering Master Contracts

It was moved by Cara Letofsky, seconded by Wendy Wulff, that the Metropolitan Council authorize the Regional Administrator to award and execute five master contracts at \$4,000,000 each, totaling \$20,000,000 to the following firms: Brown and Caldwell, Bolton and Menk, Stantec Consultants, TKDA and SEH, Inc.; contracts 18P187A, B, C, D, and E. **Motion carried.**

2018-311: Ratification of Declaration of Emergency for Repair of Eagles Point Outfall

It was moved by Cara Letofsky, seconded by Wendy Wulff, that the Metropolitan Council ratifies the attached Emergency Declaration for repair of the outfall pipe from the Eagles Point Wastewater Treatment Plant in the estimated amount of \$6,000,000. **Motion carried.**

2018-312: Request for Public Hearing on Acquisition of Rogers Wastewater Treatment Plant (Rogers WWTP)

It was moved by Wendy Wulff, seconded by Marie McCarthy, that the Metropolitan Council authorize a public hearing to gather public input on the proposed acquisition of the Rogers WWTP. **Motion carried.**

INFORMATION

1. Towerside Sewage Thermal Energy Recovery (STER) Potential Project:

Technical Services staff Jeannine Clancy, Assistant General Manager and Deborah Manning, Assistant Manager, Plant Engineering presented about the staff's evaluation of Ever-Green Energy's proposed Towerside STER project in the context of Thrive, the Water Resources Policy Plan, and MCES' ongoing energy goals. MCES' progress towards its energy goals in the areas of energy generation, heat recovery, pursuing additional technology, and improving operational sustainability was reviewed. Staff presented findings about the following aspects of the potential Towerside STER project: Council authority, policy, risk management, regulatory compliance, point of handoff, construction, financial, operational, and performance information. Staff concluded that the proposed Towerside STER project is inconsistent with MCES' mission and policy. Next steps are: (1) to conclude review of and further discussion about participating in the project and (2) to continue investigating and implementing energy recovery from wastewater for the benefit of Council's wastewater facilities.

Comments / Questions:

Committee Member Letofsky expressed appreciation in the delay of this presentation to allow her to attend. She has been involved in this and the proposed project is in her district. She stated she has relationships with some of the stakeholders. She further shared Council members received copies of letters from a variety of supporters of the project. There are 3 or 4 letters from the University of Minnesota, the Towerside Innovation District, Council members of Minneapolis. She received one from a Council member in St. Paul. The letters discuss the benefits of doing a project like this. We have a climate change issue in the country and have to do everything we can to reduce emissions and this is one pilot idea that there might have promise. While she appreciates the presentation and ways that it could be approached differently, she encourages the collaborative exploration process and referenced a letter of ways the project could be approached different. She also drew attention to a letter from Sara Harris, Managing Director of University of Minnesota, Foundation Real Estate Advisors and Tom Fisher, Director of Minnesota Design Center at the University of Minnesota that "we understand concerns of functionality, and there are concerns about resources and concerns about policies. They are asking for us to be partners with them as they work through some of the issues.

Committee Member Wulff stated that staff was very thorough of their analysis (of the project). I understand the frustration of the people who want to do this, but I think it is important for us to look for the best bang for our buck and that heat has a value to us in energy recovery and if the most efficient way to use that is after the effluent comes out of our plants, we owe it to our customers to go for the most effective place to get the energy out. I understand the desire, but it is a really tough spot to do a project and there is a whole bunch of brand new construction there that would have to be torn up in order to this. The one place they did do it, it costs much more than other sources of energy. I don't understand where the dollars would come from to get energy that costs more and put more risk on us. The idea that we can't put the risk on them legally is very problematic for us. If they wanted to cover all the costs and all of the problems, that is one thing, but we need to use that energy for all of our customers in the most cost-effective manner that we can.

Committee Member Letofsky acknowledged the challenges with this (project), but I also recognize that I feel the conversation between the Council and project team is not be over yet. We have someone out there that wants to be a partner with us. She encouraged to let that negotiation and conversation go a little bit further. Especially now that we've got the Cities weighing in and asking us to be partners on these things. I have a feeling they might be going to the legislature; it might open up doors or open up complications for us.

Chair Rummel stated innovation is certainly the name of the game right now. When we first got on the Council I remember as we struggled through some of our policy things such as sustainability or energy, I think this Council as a whole really appreciates the desires of Every-Green Energy and the STER project represent. As I read the letters, it became clear to me that there are other areas both in Minneapolis and St. Paul that are aiming for similar types of innovation and energy reduction and so the new information for me today is the impact it would have on our system. Could we do it for just one entity? It concerns me a great deal that we still have use for the heat that is in the effluent for our own system. I have concerns about diverting the resource that is ours and that we've been maintaining. Not that these aren't good ideas and who knows where the technology will lead us. The implications from me in your presentation that it would be very expensive if we added additional innovative districts starts putting us in a position where it seems we would be giving away something that we should be using. If we continue with our own customers and our own facilities to reduce our energy, we are meeting the same goals that Every-Green is trying to make, but we are doing it in a cost-effective, systematic way that fits our system. We have a lot on our plate to handle right now. We have been in this conversation for 3 years, unless there is some remarkable new information, I do not see the potential to move forward at this point. I appreciate what they are trying to do.

Committee Member Wulff agreed and appreciated what is trying to be done. She stated it doesn't seem to be the right fit, right now. If they want to pursue legislation to make things possible, if there are technical advances that change over time, those are all things to be considered, but with current technology and state laws we currently have, we can't really justify spending Council resources lobbying the legislature or doing all these other things that need to happen to make that feasible. It isn't in our best interest to do that.

Committee Member Letofsky stated she respectfully disagrees. It does meet several things mentioned in Thrive in terms of partnership, in terms of reusing resources. There is no action in front of us and it is hopeful a door can remain open for the conversation to continue. I don't think the conversation will end, so I hope that staff can keep their eyes open a little bit.

General Manager Thompson stated we will be looking very closely at the technology around sewage thermal. Our answer is yes, it is a good thing to reduce carbon emissions and since we have common ground, but right now the feasibility looks better for us to focus within our system to do that and that's primarily where we will focus. If something changes in the future, we will entertain, at this time the most productive way is for us to look within our system. The challenges we have around One Water and the complexity of the problems because of the multiple systems that play in to the picture. We see a lot of need to put our energy and efforts in to that in the near future. We see changes going on with our flow because of higher efficiency fixtures and addressing inflow and infiltration which are all good things but changes the flow that we treat, and we have to be responsive to that to make sure our plants can handle that efficiently and effectively so that we can pay for some of the other water challenges that are needed and still remain affordable to the home owner. Us wringing out \$\$ on the energy end adds up to more money to put toward water solutions and is an important piece for us to keep our eye on as well.

2. General Manager Report

No report at this time.

ADJOURNMENT

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

Susan Taylor
Recording Secretary