

# Business Item 2018-26 SW: Wastewater Reuse-Related Amendments to the Water Resources Policy Plan

Jeannine Clancy

Assistant General Manager, Technical Services

Environment Committee: January 23, 2018



# Wastewater Reuse



Supports  
sustainable  
water  
management



Supports  
orderly,  
economical  
development  
of the region



Relies on  
institutional  
arrangements  
and cost of  
service  
approach

# Wastewater Reuse Policy Task Force Purpose



To review the Council's existing wastewater reuse policies and recommend clarifications needed to respond to opportunities for wastewater reuse.

*Approved by Metropolitan Council, March 22, 2017*

# Task Force Focus



Do wastewater reuse projects have a regional benefit?



If so, should the region, through MCES' municipal wastewater charge, contribute a regional cost share?



How should MCES partner with local communities or water utilities for wastewater reuse projects?

\*Regional cost share: a fraction of the capital and operating cost of the facilities MCES would need to build and operate to provide reclaimed water service



# Task Force Findings

## Consensus Items:

- ✓ Reasons for wastewater reuse program
  - ✓ Responsive approach
  - ✓ Cooperation and partnership rather than competition
  - ✓ Cost-of-service basis for reclaimed water rate
  - ✓ Regional benefit evaluation
  - ✓ Funding from non-Council funds
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- ✓ If Council moves ahead with regional cost share, implement a pilot wastewater reuse program with: caps on cost share, user agreement, public input process, Council decision making

## Non-Consensus Items:

- ✓ Regional cost share



## Summary of Wastewater-Reuse Related Amendments to the Water Resources Policy Plan Alternatives

The following summarizes the alternative amendments to the *Water Resources Policy Plan's* chapter on "An Integrated Strategy for Water Resources", after the Finance section on page 43:

Item	Alternative 1: No Regional Cost Share	Alternative 2: Includes Regional Cost Share <u>Based on Regional Environmental and Development Benefits</u>	Alternative 3: Includes Regional Cost Share <u>Based on Regional Wastewater System Benefit Only</u>
<b>Wastewater Reuse Policy</b>	<ul style="list-style-type: none"> <li>• Reclaimed water cost: cost-of-service, case-by-case basis; no regional cost share</li> <li>• Cooperate and partner with local communities</li> <li>• Pursue sources of non-Council funding</li> <li>• Project is consistent with host community's comprehensive plan</li> <li>• Council may enter into a joint powers or other agreement with the host community for the reclaimed water service</li> <li>• Council shall enter into a long-term reclaimed water service agreement with each user</li> </ul>	<ul style="list-style-type: none"> <li>• Reclaimed water cost: cost-of-service, case-by-case basis</li> <li>• Cooperate and partner with local communities</li> <li>• If regional environmental and development benefits exist, implement a regional cost share</li> <li>• Cap the cumulative regional cost share of all reuse projects at maximum of 0.75% of total annual municipal wastewater charges (approximately \$1.65M or \$1/REC)</li> <li>• Pursue sources of non-Council funding</li> <li>• Project is consistent with host community's comprehensive plan</li> <li>• Council may enter into a joint powers or other agreement with the host community for the reclaimed water service</li> <li>• Council shall enter into a long-term reclaimed water service agreement with each user</li> </ul>	<ul style="list-style-type: none"> <li>• Reclaimed water cost: cost-of-service, case-by-case basis</li> <li>• Cooperate and partner with local communities</li> <li>• If regional wastewater system benefit exists, implement regional cost share</li> <li>• Cap the cumulative regional cost share of all reuse projects at maximum of 0.75% of total annual municipal wastewater charges (approximately \$1.65M or \$1/REC)</li> <li>• Pursue sources of non-Council funding</li> <li>• Project is consistent with host community's comprehensive plan</li> <li>• Council may enter into a joint powers or other agreement with the host community for the reclaimed water service</li> <li>• Council shall enter into a long-term reclaimed water service agreement with each user</li> </ul>
<b>Regional Benefit Criteria &amp; Process</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Regional environmental and development benefits of reuse project:               <ol style="list-style-type: none"> <li>(1) increases region's wastewater reuse capability</li> <li>(2) fosters region's environmental sustainability, and</li> <li>(3) fosters regional economic development (job creation and/or uniquely adding to the region's industrial/business portfolio) that would not happen without reclaimed water.</li> </ol> </li> <li>• Council public hearing to obtain public input prior to final determination on regional benefit and regional cost share.</li> </ul>	<ul style="list-style-type: none"> <li>• Regional wastewater system benefit from a wastewater reuse project:               <ol style="list-style-type: none"> <li>(1) regional wastewater system has been built to serve long-term growth in a sub-regional service area and the Department of Natural Resources has stated that issuance of a water appropriation would involve a complex and protracted process due to concerns about the area's long-term water supply, and/or</li> <li>(2) project reduces MCES' surface water discharge, delaying capital improvements to meet more stringent regulatory requirements</li> </ol> </li> <li>• Council public hearing to obtain public input prior to final determination on regional benefit and regional cost share.</li> </ul>

**Text highlighted in yellow is different from Alternative 1**

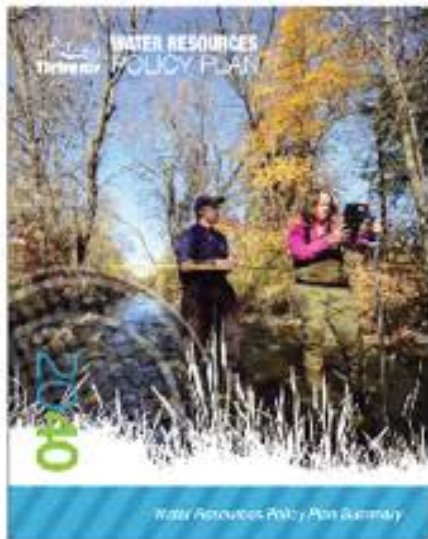


# Thrive Lens Analysis



## Thrive MSP 2040 Plan

Pursue wastewater reuse where economically feasible as a means to promote sustainable water resources.



## 2040 Water Resources Policy Plan



**Work with our partners**



**Promote a more sustainable region**



**Maximize regional benefits from regional investments**



**Provide efficient, high-quality, sustainable wastewater services**

# Proposed Action

- That the Metropolitan Council authorize a public hearing to gather public input on alternative wastewater reuse-related amendments to the Water Resource Policy Plan.



# Questions