

Environment Committee

For the Metropolitan Council meeting of January 24, 2018

Subject: Wastewater Reuse-Related Amendments to the Water Resources Policy Plan

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.

Summary of Committee Discussion/Questions

Discussion occurred regarding each of the three alternatives.

Committee Member Wulff stated she would prefer alternatives one and three be presented for public hearing. She stated the Council's economic prosperity goals would be achieved with alternative one (no regional cost share) and three (regional cost share based on a wastewater system benefit) and that alternative two was not necessary.

Committee Member Schreiber inquired if Metro Cities has taken a position on the alternatives. Staff stated Metro Cities was part of the task force and has not provided a specific position at this time. No other organizations have taken a position.

Committee Member Letofsky stated there was not a clear consensus from council members present at Committee of the Whole as to which alternative should be considered. She further made a suggestion to update the verbiage in alternative two to more closely align with the Council's mission. Suggested modifications have been reflected in the attachment.

Committee Member Melander inquired about next steps in the process. Staff stated public feedback will be obtained, analyzed and brought back to this committee for a decision.

Environment Committee

Meeting date: Jan. 23, 2018

For the Metropolitan Council meeting of Jan. 24, 2018

Subject: Wastewater Reuse-Related Amendments 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 Leisa Thompson, 651-602-8101

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.

Background

Alternative amendments to the Water Resources Policy Plan are an outgrowth of the Wastewater Reuse Policy Task Force. The Task Force's purpose was to review the Council's existing wastewater reuse policies and recommend clarifications needed to respond to requests for wastewater reuse. The task force was chaired by Sandy Rummel and consisted of staff from 10 communities that are MCES wastewater customers and a representative from Metro Cities. The task force has completed its work. Members reached consensus on a number of policy clarifications and did not reach consensus on the issue of a regional cost share for wastewater reuse projects with a regional benefit.

Alternative policy amendments are reflected in the attached table.

Rationale

The Council must authorize a public hearing on the alternative policy amendments.

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 alternative amendments represent different approaches to wastewater reuse that align with Thrive MSP 2040's goals by developing wastewater reuse capability in a collaborative manner, setting the stage for reuse-dependent job and economic growth, while advancing resource recovery from solid waste and generation of renewable energy.

Funding

None

Known Support / Opposition

As noted above, the Wastewater Reuse Policy Task Force reached consensus on a number of policy clarifications and did not reach consensus on the issue of a regional cost share for wastewater reuse projects with a regional benefit.

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 Based on Regional Environmental and Development Economic Benefits	Alternative 3: Includes Regional Cost Share Based on Regional Wastewater System Benefit Only
Wastewater Reuse Policy	<ul style="list-style-type: none"> • Reclaimed water cost: cost-of-service, case-by-case basis; no regional cost share • Cooperate and partner with local communities • Pursue sources of non-Council funding • Project is consistent with host community's comprehensive plan • Council may enter into a joint powers or other agreement with the host community for the reclaimed water service • Council shall enter into a long-term reclaimed water service agreement with each user 	<ul style="list-style-type: none"> • Reclaimed water cost: cost-of-service, case-by-case basis • Cooperate and partner with local communities • If regional environmental and development economic benefits exist, implement a regional cost share • 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) • Pursue sources of non-Council funding • Project is consistent with host community's comprehensive plan • Council may enter into a joint powers or other agreement with the host community for the reclaimed water service • Council shall enter into a long-term reclaimed water service agreement with each user 	<ul style="list-style-type: none"> • Reclaimed water cost: cost-of-service, case-by-case basis • Cooperate and partner with local communities • If regional wastewater system benefit exists, implement regional cost share • 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) • Pursue sources of non-Council funding • Project is consistent with host community's comprehensive plan • Council may enter into a joint powers or other agreement with the host community for the reclaimed water service • Council shall enter into a long-term reclaimed water service agreement with each user
Regional Benefit Criteria & Process	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Regional environmental and development economic benefits of reuse project: <ol style="list-style-type: none"> (1) increases region's wastewater reuse capability (2) fosters region's environmental sustainability, and (3) fosters regional economic development growth for a prosperous region (job creation and/or uniquely adding to the region's industrial/business portfolio) that would not happen without reclaimed water. • Council public hearing to obtain public input prior to final determination on regional benefit and regional cost share. 	<ul style="list-style-type: none"> • Regional wastewater system benefit from a wastewater reuse project: <ol style="list-style-type: none"> (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 (2) project reduces MCES' surface water discharge, delaying capital improvements to meet more stringent regulatory requirements • Council public hearing to obtain public input prior to final determination on regional benefit and regional cost share.

Text highlighted in yellow is different from Alternative 1