

Business Item 2018-346 SW: Reclaimed Water Agreements with Enerkem

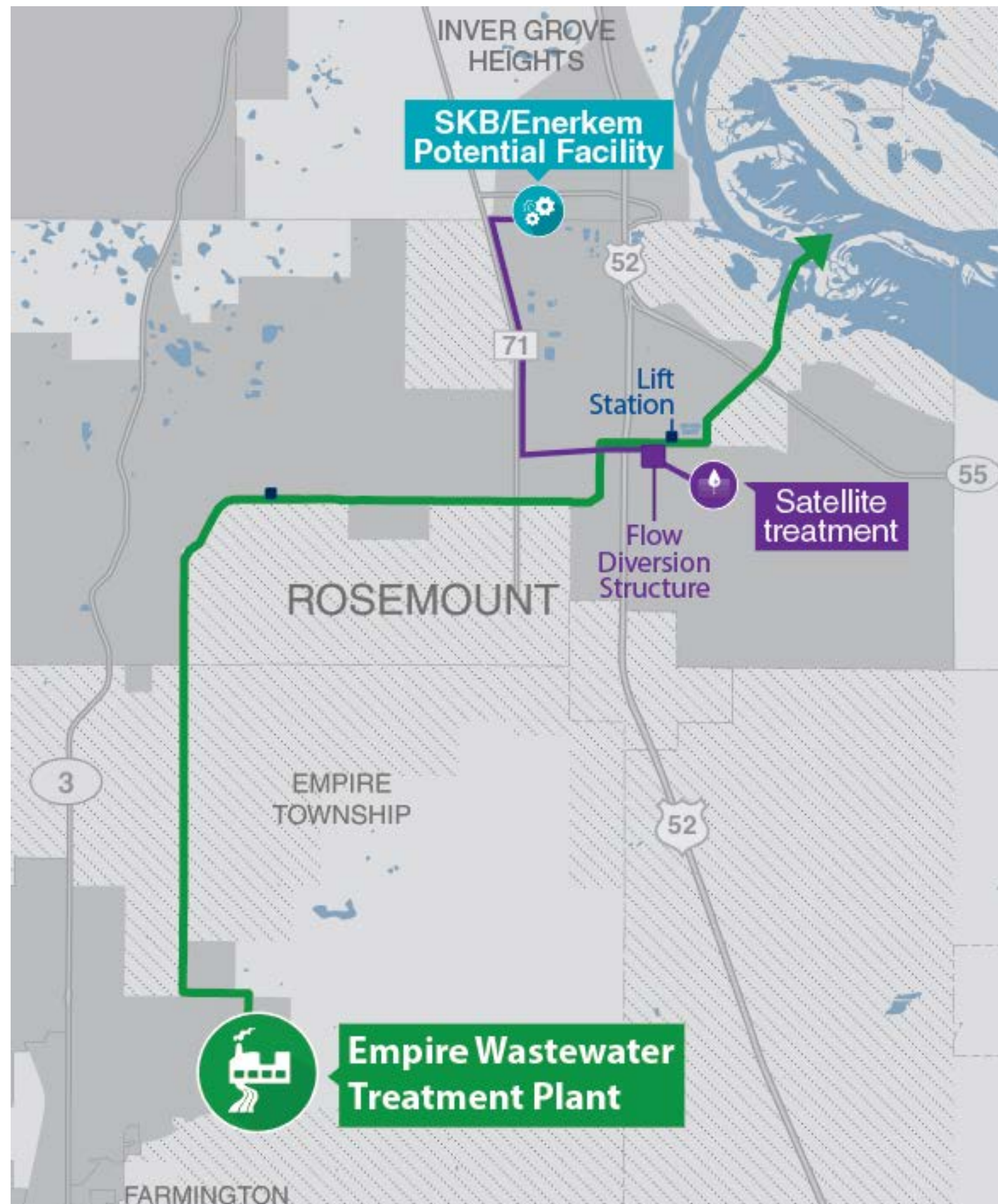
Jeannine Clancy, Assistant General Manager, Technical Services

Deborah Manning, Assistant Manager, Plant Engineering, Technical Services

Metropolitan Council: December 12, 2018

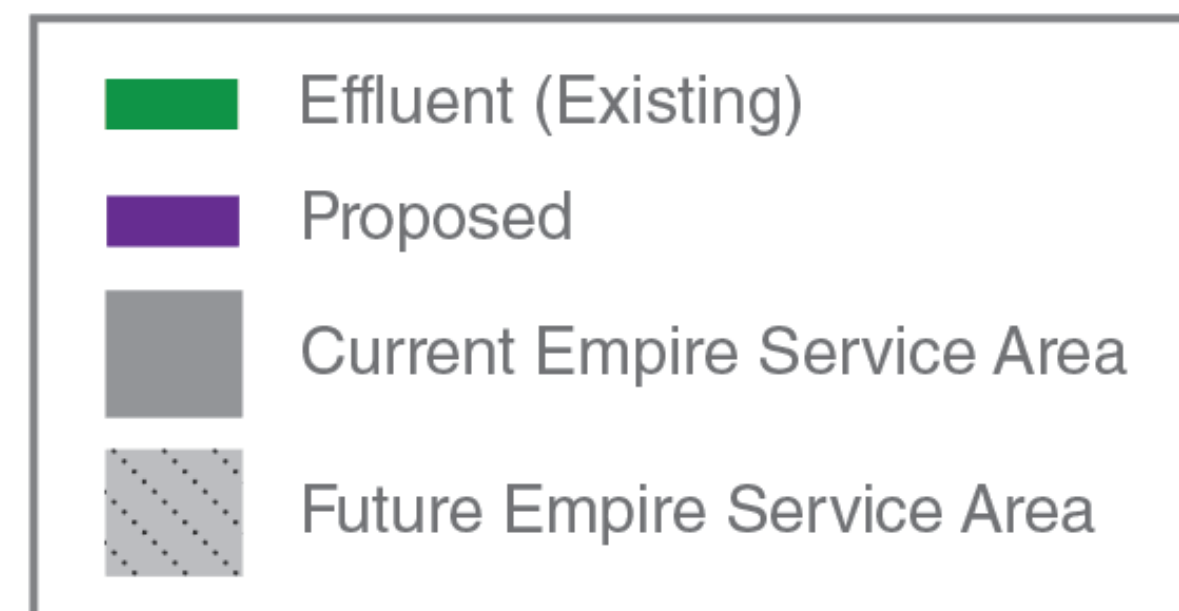


Proposed SE Metro Water Reclamation Facility



Reclaimed water:

Effluent that has received additional treatment to make it suitable for specific reuse applications or beneficial use.



Key Project Dates

Timeframe	Activity
March 1, 2017	Enerkem submitted letter of interest in reclaimed water
February 14, 2018	Council authorized staff to negotiate memorandum of understanding & design deposit agreement with Enerkem
April 11, 2018	Council authorized public hearing for Southeast Metro Water Reclamation Facility Facility Plan
May 31, 2018	Public hearing for Southeast Metro Water Reclamation Facility Facility Plan
June 27, 2018	Council adopted Southeast Metro Water Reclamation Facility Facility Plan
July 3, 2018	Submitted Southeast Metro Water Reclamation Facility Facility Plan to MPCA for PFA funding review
September 13, 2018	MPCA granted preliminary approval for Southeast Metro Water Reclamation Facility Facility Plan
December 12, 2018	Request Council authorization to execute memorandum of understanding and preliminary design deposit agreement with Enerkem

Reclaimed Water Agreements with Enerkem

- Non-Binding Memorandum of Understanding – Memorializes joint understandings and expectations of developing project
- Design Deposit Agreement for Preliminary Design – Defines commitment of and method for Enerkem’s payment of preliminary design costs

Memorandum of Understanding: Key Points

- Non-binding
- Establishes Enerkem's method of payment for Council activities (design, construction and operation of Southeast Metro Water Reclamation Facility)
- Southeast Metro Water Reclamation Facility Facility Plan: basis for preliminary design
- Enerkem waste-to-biofuels facility costs: Enerkem's responsibility
- Key terms for future Reclaimed Water Service Agreement: delivery, quality, quantity, use, Sewer Availability Charge (SAC), Industrial Waste discharge fee, service interruption, service fees, Enerkem financial guarantee, permits, insurance, term, default, dispute resolution, termination

Design Cost Deposit Agreement: Key Points

- Binding
- Enerkem to pay for Council's preliminary design work via deposit
- Payment schedule tied to work products; amount reduced if Council receives Minnesota Pollution Control Agenda (MPCA) grant
- Maximum preliminary design cost: \$600,000; potential MPCA reuse grant of \$300,000
- Coordination of work via a technical coordination team comprised of Enerkem & Council key project staff

MPCA Reuse Grant

- Council's wastewater reuse policy states Council will pursue non-Council funds for wastewater reuse projects
- Council has worked to receive a \$300,000 MPCA reuse grant authorized by Legislature in 2017
- Grant will be applied to preliminary design cost (\$300,000 MPCA grant + \$300,000 Enerkem deposit = \$600,000 preliminary design cost)
- Grant must be used by 6/30/19

Preliminary Design Schedule

Timeframe	Activity
January 2019	Begin preliminary design: concept review & information exchange with Enerkem
February – May 2019	Preliminary design tasks
June 2019	Preliminary design report
June 30, 2019	MPCA reuse grant: work complete deadline

Overall Project Schedule (Tentative)

Timeframe	Activity
January - June 2019	Preliminary design
Summer 2019	Regional investment (cost share) public process
June 2019	Preliminary design report
June 30, 2019	MPCA reuse grant: work complete deadline
July – December 2019	Detailed design
January – April 2020	Construction contract bid & award
May 2020 – October 2021	Construction
October – December 2021	Commissioning & Startup

Thrive MSP 2040 Lens

Council's role as stated in 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**



**Maximize regional
benefits from
regional
investments**



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

Proposed Action

- That the Metropolitan Council authorize staff to execute a Memorandum of Understanding and a Design Deposit Agreement for Preliminary Design with Enerkem related to reclaimed water service.

Questions