

Environment Committee

For the Metropolitan Council meeting of February 14, 2018

Subject: Reclaimed Water Agreements with Enerkem

Proposed Action

That the Metropolitan Council authorize staff to negotiate a Memorandum of Understanding and a Design Cost Deposit Agreement with Enerkem related to reclaimed water service.

Summary of Committee Discussion/Questions

Staff clarified Enerkem would pay for the design of the pipe, treatment and storage facilities, and would pay for the cost of construction through the service agreement. MCES would own the pipe, treatment and storage facilities.

A portion of the reclaimed water Enerkem would use would be discharged and treated at the Metro plant. Much of the water will evaporate rather than going back in to the wastewater system. Enerkem is not proposing to use groundwater for its industrial processes.

Staff does not anticipate bringing back the Memorandum of Understanding because it is non-binding. Staff will bring the Design Cost Deposit Agreement back to this Committee and the Council for review and approval. In addition, a Final Service Agreement with Enerkem for reclaimed water is anticipated and would be brought back to the Council at a later date.

Council indicated it would anticipate the facilities be constructed in accordance with Council practices.

Environment Committee

Meeting date: February 13, 2018

For the Metropolitan Council meeting of February 14, 2018

Subject: Reclaimed Water Agreements with Enerkem

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 staff to negotiate a Memorandum of Understanding and a Design Cost Deposit Agreement with Enerkem related to reclaimed water service.

Background

Enerkem, a Canadian firm developing a solid waste-to-fuel project in Inver Grove Heights, has expressed interest in obtaining reclaimed water service from MCES. Enerkem anticipates that its facility will need approximately 1.6 million gallons per day (mgd) of reclaimed water for process and cooling water. MCES and Enerkem have been discussing potential reclaimed water service for over a year. MCES will need to construct and operate treatment and pipeline facilities in Dakota County in order to provide the reclaimed water service. At this time, MCES and Enerkem desire to memorialize their understandings and expectations of the developing project in a non-binding Memorandum of Understanding. Additionally, to move forward to the next phase of the project, MCES would need assurance of payment from Enerkem for the predesign and design work. The Design Cost Deposit Agreement between Enerkem and MCES would address this issue.

Rationale

The Council staff request authority to negotiate these Agreements.

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. Working with Enerkem on this potential wastewater reuse project aligns 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

None