

Environment Committee

For the Metropolitan Council meeting of April 11, 2018

Subject: Southeast Metro Water Reclamation Facilities Facility Plan Public Hearing Authorization

Proposed Action

That the Metropolitan Council authorize a public hearing to gather public input on the Facility Plan for the Southeast Metro Water Reclamation Facilities.

Summary of Committee Discussion/Questions

Clarification was made that the facility plan normally needs to be submitted to the Minnesota Pollution Control Agency and Public Facilities Authority by the beginning of March each year.

An inquiry was made if the project is ready for public comment. There is a possibility that the project may not proceed at all, or according to schedule, or may change in some way. The concept for MCES' facilities has remained steady for some time.

Environment Committee

Meeting date: April 10, 2018

For the Metropolitan Council meeting of April 11, 2018

Subject: Southeast Metro Water Reclamation Facilities Facility Plan Public Hearing Authorization

District(s), Member(s): All

Policy/Legal Reference: 2040 Water Resources Policy Plan

Staff Prepared/Presented: Deborah Manning, 651-602-1114

Division/Department: MCES c/o Leisa Thompson, 651-602-8101

Proposed Action

That the Metropolitan Council authorize a public hearing to gather public input on the Facility Plan for the Southeast Metro Water Reclamation Facilities.

Background

The Southeast Metro Water Reclamation Facility would divert 2 million gallons per day (mgd) of effluent from the Empire Wastewater Treatment Plant effluent pipe and treat it to the higher level needed for wastewater reuse. The reclaimed water from the Southeast Metro Water Reclamation Facility would be distributed via pipeline to a potential waste-to-fuel facility being developed by the partnership with SKB Environmental and Enerkem in Inver Grove Heights.

Rationale

Council's authorization is needed to hold a public hearing.

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 Southeast Metro Water Reclamation Facilities would 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

The Water Reuse Policy Task Force and public comments from several of Council's wastewater customers recommended that the Council pursue sources of non-Council funds for the Southeast Metro Water Reclamation Facilities. Staff are pursuing the following funding sources:

- Public Finance Administration loan funds: to obtain a loan, the Council must have an approved Facility Plan.
- Minnesota Pollution Control Agency reuse grant: a \$300,000 matching grant was authorized by the Legislature. Council staff is working with the Agency to finalize the agreement for this grant which can be used for Facility Plan-related work.
- Design Deposit from Enerkem: Per the Council's authorization, Council staff is negotiating a Design Deposit Agreement with Enerkem through which Enerkem would provide funds for design activities such as developing the Facility Plan.

Until these funding sources are obtained, Council staff will use a minimal amount of capital funds that have been authorized and programmed for wastewater reuse activities.

Known Support / Opposition

MCES customers and stakeholders have stated support for MCES' wastewater reuse initiative. A policy amendment to the Water Resources Policy Plan that provides guidance regarding the institutional and financial arrangements for wastewater reuse projects is in process.