

E Environment Committee

Item: 2013-382

For the Metropolitan Council special meeting of December 19, 2012

ADVISORY INFORMATION

Date Prepared: December 12, 2012

Subject: Authorization to Negotiate and Execute Amendment to Construction
Cooperation and Cost Sharing Agreement with the City of East Bethel

Proposed Action:

That the Metropolitan Council authorizes its Regional Administrator to negotiate and execute an amendment to the construction cooperation and cost sharing agreement with the City of East Bethel.

Summary of Committee Discussion / Questions:

Motion to approve proposed action was made, seconded and passed unanimously.



Environment Committee

Meeting date: December 11, 2012

For the Council Meeting of December 19, 2012

ADVISORY INFORMATION

Date:	December 3, 2012
Subject:	Authorization to Negotiate and Execute Amendment to Construction Cooperation and Cost Sharing Agreement with the City of East Bethel
District(s), Member(s):	District 9, Ed Reynoso
Policy/Legal Reference:	MN Statutes 473-504; Policy 3-3, Expenditures
Staff Prepared/Presented:	Bryce Pickart 651-602-1091
Division/Department:	MCES c/o Leisa Thompson 651-602-8101

Proposed Action

That the Metropolitan Council authorizes its Regional Administrator to negotiate and execute an amendment to the construction cooperation and cost sharing agreement with the City of East Bethel.

Background

Wastewater service to the City of East Bethel is being provided under the Metropolitan Council's Rural Growth Center policy.

The City and the Council have entered into a construction cooperation and cost sharing agreement for pipelines south of Viking Blvd. The City is the contracting agent for the Council's interceptor sewer to the treatment plant and the treated water pipeline to land application basins. Because the interceptor sewer also serves as a local trunk sewer, the agreement provides for cost sharing by the City, i.e. 43% of the interceptor sewer cost along Highway 65 and Viking Avenue. The agreement provides for a 30-year payment schedule beginning in 2013.

The region is beginning to recover from a serious recession, but the likelihood is that growth in East Bethel for the next several years will be significantly lower than forecast when the comprehensive plan was approved in 2006. MCES staff is discussing modifications to the cost sharing agreement which provide some financial relief to the City of East Bethel for the initial years of wastewater service, while maintaining the financial integrity of the agreement. For example, initial payments can be deferred for a period of years (with interest accruing) so that the City can develop a larger user base.

Rationale

The City has asked the Council for assistance in addressing the City's financial challenges.

Funding

None required.

Known Support / Opposition

The City of East Bethel supports this action.