METROPOLITAN COUNCIL ENVIRONMENTAL SERVICES

Wastewater Reuse-Related Alternative Policy Amendments to the Water Resources Policy Plan

PUBLIC HEARING
Tuesday, March 13, 2018
2:30 p.m.

Metropolitan Council, Room LLA
390 Robert Street North, St. Paul, Minnesota

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PRESENT:

Wendy Wulff, Metropolitan Council Member
Metropolitan Council Member District 16
Metropolitan Council

Jeannine Clancy
Assistant General Manager of Technical Services
Metropolitan Council Environmental Services

Deborah Manning
Assistant Manager, Plant Engineering
Metropolitan Council Environmental Services

Tim O'Donnell
Senior Information Coordinator/Citizen Liaison
Metropolitan Council Environmental Services

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Adams Court Reporting, Inc.
(763) 421-2486
The following proceedings transpired.

MS. WULFF: Good afternoon, and welcome to this Metropolitan Council Environmental Services Public Hearing. I'm Wendy Wulff, and I am a Council member representing District 16U.

I'd like to thank Chris Petree for being here today. He's from the City of Lakeville and was a member of our Task Force.

The subject of this Public Hearing is the Wastewater Reuse-Related Alternative Policy Amendments to the Council's Water Resources Policy Plan.

This Public Hearing is to inform the public about and to receive comments on the three policy alternatives.

So what are we going to cover today? We're going to introduce you to our staff who are working on these policy alternatives.

We'll state the purpose of the Public Hearing, summarize the Alternative Policy Amendment, receive your comments on the policy alternatives, and cover the next steps in the policy development process.

Joining me to present the Wastewater Reuse Amendments and receive comments are Jeannine Clancy, Adams Court Reporting, Inc. (763) 421-2486
our Assistant General Manager from Technical Services,
Deborah Manning, Assistant Manager for Plant
Engineering, Tim O'Donnell, Senior Information
Coordinator and Citizen Liaison, and Michael Wind,
Engineer for Technical Services. Where'd Mike go?

MR. O'DONNELL: Mike's out at the table.

MS. WULFF: He's making copies of who wants
to speak today, so he's here. And Pam Cook (sic) from
Adams Court Reporting is recording this, and she's busy
using her fingers so I won't make her wave at the
crowd.

Thank you so many of you for showing up.
This is great to have this interest in what we're doing
at the Council.

At this time, I'd like to hear or like to
call the Public Hearing to order. And we will first
have a brief presentation about the Wastewater
Reuse-Related Policy Alternatives, and after that we'll
receive the comments.

MS. CLANCY: Well, good afternoon, everyone.
And again, thank you for coming on behalf of the
Metropolitan Council, particularly the Environmental
Services Division.

And I would also like to thank Chris Petree
from the City of Lakeville. For those of you who don't
know, wastewater reuse was identified in our 2040 Water Resources Policy Plan as a tool in the toolbox for water sustainability for the region.

There was a recognition in the Water Resources Policy Plan that water and the presence of it is the foundation to our quality of life and our economic vitality in the region.

So again, thank you for coming and thank you for your interest today. I'm going to do a brief introduction of the presentation, and then I'm going to turn it over to Deborah Manning who is the Project and the Program Manager for our Wastewater Reuse Project, if I can get this to work. So I'm going to have to use this, okay.

So our presentation today will cover, we'll bring you all up-to-date on our policy development to-date, provide you with a little bit of background about wastewater reuse in the Twin Cities area.

We'll also discuss with you our policy alternatives and how we've developed those to-date, and we'll give you some specific information and then, and share a case study with you about how this could be applied. And then give you our next steps in our policy development and adoption.

So this is our timeframe back in March of
2017, so almost a year ago, the Metropolitan Council authorized a Wastewater Reuse Policy Task Force. The Task Force was made up of our customer communities. So Environmental Services provides wastewater services to 109 customer communities in the region, cities, predominantly cities, a few townships in the region.

We convened a task force of public works directors, city engineers, city finance directors, and some city managers, who provided us with advice on policy, proposed policy amendments to the existing policy plan regarding wastewater reuse.

From April to November of last year, we had Task Force meetings. And then in December, the Metropolitan Council accepted the Task Force Report. In January, the Metropolitan Council authorized the Public Hearing on the policy amendments.

We held workshops in the last few weeks regarding the policy amendments. We had pretty light attendance. At one meeting, we had about ten members of the public, and at another one, we had about five members of the public.

And then of course today we're here to talk and to have, give you, share some information. And then hold the Public Hearing on the Alternative Policy
When we're done with that, the public, we will have a public comment period that will extend until March 23, and I'll provide you with some more information about that public comment period in just a moment.

By the end of March, staff will summarize all the comments that we receive from interested members of the public for our Council's consideration. And then in late April, early May, we would like our Metropolitan Council to consider the amendments and decide on our policy amendment.

So in the packet, I think that all of you have a packet before you. You will see on three alternatives, the first alternative which Deborah will go into in more detail, the first alternative identifies no regional cost share.

So no portion of the metropolitan waste, excuse me, the Metropolitan Municipal Wastewater Charge, thank you, no portion of the Municipal Wastewater Charge would be used to help pay for wastewater reuse. That would be Alternative 1.

Alternative 2 includes a regional cost share based on regional, environmental, and economic benefits. And then Alternative 3 would include a
regional cost share based on regional wastewater system benefit only.

And I know on this I just emphasize the cost sharing, but the policy plan also recognized the need to identify to better define what our institutional relationships with the communities that we serve when we're in the process of considering a wastewater reuse project.

So why do we have three alternative policy amendments? Well, first of all, we understand that there is a very wide range of opinions on this policy issue. We had some really great conversations at the task force level.

We also, Deborah and I, also reached out to some of our customer communities and we got some really divergent views and opinions on which policy amendment, which language was the appropriate language to advance to the Council.

We wanted to get feedback and comments on a range of alternatives. Staff didn't want to just select one and offer just one for our Council. And then finally we wanted to hear feedback that could help shape the final policy language.

So with that, I'll turn it over to Deborah Manning.
MS. MANNING: Thank you. I'm not going to use a microphone either unless people say they can't hear me, and in that case raise your hand or something and I will.

First, when the Council talks about wastewater reuse, what we're talking about is taking our effluent from our wastewater treatment plants and treating it to a higher level that's needed by regulatory guidance for use by some user.

When we treat the wastewater to that higher level, we call it reclaimed water. And it can be used for such uses as industrial processed water or cooling or irrigation or toilet flushing, those sort of non-potable uses.

In our case, that's what we're talking about, and I use the term "reclaimed water" for that wastewater that's treated to that higher level.

The Council does have that, the authority to provide reclaimed water service for under Minnesota State Statute listed there.

And by that Statute, we have the authority to construct, equip, operate, and maintain interceptors and treatment works needed to implement the Council's Comprehensive Plan for collection, treatment, and disposal of sewage in the metro area.
And so there's two components there that are important, reusing effluent qualifies as treatment and disposal of sewage. And the reuse is consistent with the Council's Comprehensive Plan which are included in the Thrive document and our Water Resources Policy Plan.

We don't have statutory authority to provide retail water service, and so if we are providing reclaimed water, we need to have some sort of an agreement with the local community or local water provider in order to do that in that community. And we're prohibited from giving gifts.

As I mentioned, our Thrive Comprehensive Plan provides guidance about our role, the Council's role in wastewater reuse. It states that we will pursue wastewater reuse where economically feasible as a means to promote sustainable water resources.

That direction is taken further in our Water Resources Policy Plan, and it's really three main areas of policy around wastewater reuse; that we need to work with our partners, that we need to maximize regional benefits from regional investments, and that we need to provide efficient, high quality, sustainable wastewater services.

We have been implementing, moving forward
really, with wastewater initiative, reuse initiative, and it's been in a few steps.

First, we've done a number of studies looking often at response to questions that we've had from member communities about how might wastewater reuse fit in their water supply picture or their total water management picture, and so we've done some studies in that regard.

We built a wastewater treatment plant that in part is a demonstration project for wastewater reuse. It treats our wastewater in the East Bethel area to a higher level than in any of our other wastewater treatment plants to the level that the PCA guidance requires for it.

We take that reclaimed water and filtrate it under the ground into this superficial groundwater aquifer.

Also in our treatment plants themselves, we've been reusing wastewater for a number of years for things like tank wash down, and we are currently designing treatment facilities at the Metro Plant for a portion of the wastewater there to treat it to a higher level so we can do more wastewater reuse and reduce our dependence on ground water.

We also in the last few years have been
getting inquiries from industries or businesses that
are interested in reclaimed water service. Sometimes
these come through DEED; sometimes they come directly
from a potential user.

And we have found in responding to those
inquiries that we really needed to do a policy review.

So the Task Force that Jeannine mentioned is
really in recognition that we needed to review our
policies in order to better respond to inquires.

The Task Force's purpose was to review our
existing policies around wastewater reuse and recommend
clarifications needed to respond to those
opportunities, really focused on three areas.

Do wastewater reuse projects have a regional
benefit, and if they do, should the Council through
municipal wastewater charges that we collect contribute
a regional cost share to those projects.

Now regional cost share would be for capital
and O&M costs associated only with MCES' cost to
provide that reclaimed water service. It wouldn't be a
cost share for the industries or the business
facilities.

The third area was how should MCES partner
with local communities or water utilities for
wastewater reuse projects.
Through the Task Force activities, we developed an assessment methodology for that regional benefit. And I won't go through all of this because we're, I'm going to show a case study.

But we had criteria for what would the regional benefit consist of. And we really drew on tax-increment finance-type analysis and environmental information worksheet-type analysis for what those criteria would be.

The Task Force had a number of findings. It came to a consensus around a number of issues, such as an agreement with the Council's reasons for developing a wastewater reuse program.

However, they made sure that we were, would be doing it in a responsive approach. They didn't want us out marketing reclaimed water in competition with water suppliers. That wasn't the idea.

The idea is to cooperate and to partner with rather than be in competition.

Also, any cost for the reclaimed would need to be based on the individual cost of service for that particular user. So that means if the user is near a treatment facility say, the conveyance costs might be less, less cost of service.

Some utilities who provide reclaimed water
have a set flat rate no matter where somebody's located
or what their level of treatment needed.

That wasn't the direction the Task Force recommended. They wanted a cost of service based on
individual use.

They also recommended that we do this
regional benefit evaluation to understand the project
better and that we pursue funding from non-Council
sources as well.

The Task Force didn't get to consensus on the
regional cost share issue. There, as Jeannine
mentioned, there were divergent opinions about that,
and the Task Force said that no, they felt that that
should be a Council decision.

And so they recommended the Council pursue
this sort of a public process and they set a decision
on that.

And then they did say though if the Council
moves ahead with a regional cost share, that it be
implemented on a pilot program basis.

So they want us to kind of test this out and
that there'd be a cap on the cost share, and I'll talk
about that in a minute, that we develop user agreements
for the particular users, and we have a public input
process anytime we're considering a regional cost
share. And that again must be Council decision-making.

Out of the Task Force findings, these alternatives developed. As Jeannine said, Alternative 1 has no regional cost share; Alternative 2, a regional cost share included based on regional, environmental, and economic benefits; and then Alternative 3 includes a regional cost share based on the wastewater system benefits only.

And there are, the type is really small, I know you've got the handout.

I'm going to try to read it from where I stand, I can't. But the three alternatives have common elements, and they really parallel. They really parallel the findings of the Task Force that I just mentioned.

So I'm using cost of service basis, cooperating with our partner communities and local water providers, pursuing non-Council funding. It's really what I just mentioned. So that's consistent across the alternatives.

Alternate 2 would have that regional cost share based on environmental and economic benefits. And the bottom of the page there shows those criteria. They're summarized really into three.

It would increase, the potential project
would increase the region's wastewater reuse capability, foster the region's environmental sustainability and foster economic growth for a prosperous region. Net growth would not happen without the reclaimed water. So it's kind of a "but" for reclaimed water. The potential project wouldn't take place.

The Alternative 3, the criteria are based on wastewater system benefits, and we're really seeing two areas there where the regional system has been built to serve the long-term growth needs in the sub-regional area.

And the regulatory agencies, such as the DNR, are communicating that issuance of a water appropriation permit would involve a complex and protracted process due to concerns about the area's long-term water supply, or the project would help MCES, reduce our surface water discharge from our treatment plants, and that will help us delay capital improvements needed to meet more stringent regulatory requirements.

In both the cases of Alternative 2 and 3, these alternatives include a cap on the regional cost share, and that cap is set for all projects so it cumulative of 0.075 percent of our total annual
municipal wastewater charges.

And we're using recent values for municipal wastewater charge that equates to about $1.65 million per year, or about one dollar per residential equivalence. So that's about one dollar per household in the region. So that's the cap that is included in these alternatives.

I wanted to give some examples then of projects under the Alternative 2 and Alternative 3.

As I mentioned, we've been getting inquiries from DEED and from greater MSP about businesses or industries that would like to locate in the Twin Cities area, and is better reclaimed water service available, and we do respond to those inquiries.

We could foresee some of those projects having these economic or environmental benefits.

The City of Cottage Grove is developing a business park, and they have concerns about how ground water contamination in that area might complicate their water source alternatives. And so they're interested in reclaimed water service in that case.

And then SKB Environmental and Enerkem a partnership, have been communicating with us and working with us about a potential waste fuel project in Dakota County.
And they've stated that they have concerns about water appropriation permitting in that area and having a reliable water source and see reclaimed water as factoring into that potential project.

Using them as a case study as we did with the Task Force, we used SKB Environmental as a case study, really three water supply alternatives of Inver Grove Heights' city water, which is ground water, or a separate ground water appropriation, or reclaimed water from MCES from us.

And there's a lot of information there. I'm just going to focus on that reclaimed water service wouldn't involve a water appropriation permitting process, and has a known regulatory process to provide that reclaimed water service.

The cost, however, not as inexpensive as ground water. And in the range of municipal, of Inver Grove Heights' city water, but reclaimed water would likely need more treatment on SKB/Enerkem's group.

We developed a concept for how we would provide the reclaimed water service and that would be through our Empire wastewater treatment plant in Dakota County.

That plant has an effluent line which is the route that is shown in that green line coming up from
the box, probably can't read it, but it's in the box.

That line conveys about 10 million gallons a day right now, and we have a lift station, a pump station that provides raw wastewater from Rosemount to the Empire plant.

The point there is that we have some land available at that location where we might be able to site a satellite treatment facility to provide that additional treatment needed for reclaimed water service, so that's included in the satellite treatment at that location.

And then a pipeline taking the reclaimed water from that location up to SKB/Enerkem's potential site in Inver Grove Heights.

We ran through that assessment methodology for are there any regional benefits to this project, and just quickly running through that, there was a assessment that yes, using $1.6 million gallons a day of reclaimed water versus ground water would extend or supplement surface water, ground water.

And mitigating contamination, not so much; restoring habitat, not so much, but likely positive in terms of providing a new energy source since this is a waste-to-fuel project producing methanol and ethanol products.
Also likely positive in terms of fostering the region's economy. We did an analysis there similar again to an economic-type analysis, and the economic benefit of an estimated $8.8 million per year to the State, $5.5 million of that coming to the region was seen as an economic benefit.

It would also add to the region's economic portfolio, and part of that economic benefit obviously is jobs.

It wouldn't so much enable MCES to avoid or delay capital improvements at this time, but it definitely would advance MCES' wastewater reuse practice.

As a hypothetical case in terms of regional cost share, if there was a regional cost share of about 25 percent of the cost of MCES' reclaimed water operating costs or capital and O&M costs, we estimate that our increase in annual wastewater customer rate would be about 0.18 to 0.21 dollars per year for residential at that point. That's the impact on our rate to the user.

For Alternative 3, we came up with two examples to present here, our Empire Wastewater Treatment plant, and the other is future nutrient reduction regulations.
Our Empire Wastewater treatment plant was expanded in 2009 to from 12 million gallons a day to 24 million gallons a day, based on projections of growth in that area.

We then constructed a net fall for that level of service, 24 million gallons a day, and that was in 2007, and we currently, have a flow of 10 million gallons a day.

There is some concern in Dakota County area that ground water use and future use may impact surface water features, negatively impact them.

And so there's some concern about how would this growth occur without impacting surface water features if ground water was the water supply.

We think reclaimed water could help supplement that ground water supply in that reclaimed water might be used instead of as appropriate instead of ground water, and we would be able to get the benefit of that investment in treatment capacity and treatment pipe.

So that's one way that we see reclaimed water use as affecting or affecting the regional wastewater system. And that just actually says what I just said so I'm not going to repeat that.

I do just want to mention because it's not
here, we do see reclaimed water as potentially helping us meet future nutrient reduction requirements. We are able to offload water reclaimed water that has some nitrogen and phosphorus, for example, in it.

That would enable us to meet our load limits and our effluent, treatment plant discharge, without having to develop build additional treatment and would enable the region to grow without having to do that.

MS. CLANCY: Okay, well, thank you, Debra. So again, if we look at the timeline, and today we're having this Public Hearing.

Council Member Wulff in just a few minutes will conduct the Public Hearing. We'll close the public comment period on March 23.

And then by March 30, staff intends to summarize all of the comments and present them to the Metropolitan Council for their consideration.

And then in late April or early May, staff would be present some, the comments, and decide on the policy amendment, present that information to the Council Members and ask that they decide on a policy amendment.

So if we just move on, so here is how you submit public comments. You can certainly submit your public comments today at the Public Hearing or you an

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submit written comments to Tim O'Donnell. Tim is the person sitting in the front of the room. You can either send them to him via fax, e-mail, or U.S. Postal Service.

You can also record comments on our comment line, and the phone number is there as well as those with assisted listening devices.

So with that, I'm going to turn the Public Hearing over to Wendy Wulff, Council Member Wulff.

MS. WULFF: Thank you. Because this is a formal, legal Public Hearing whose purpose is to receive your comments, we can't respond to questions or comments. We'll be taking the comments, and then staff will be compiling them and there will be a formal response to all of the comments.

So if you signed up on our list or you provide comments, you will receive all of those answers. They will also be posted on the Website.

Before we start with the actual Public Hearing portion, I just want to point out that if you want to comment, you'll be called upon to speak in the order in which you have signed in.

If you have not yet signed in, I will again ask at the end. So if you change your mind in the middle and are desperately wanting to provide some
comment, we'll give you the opportunity to do so.

Each speaker should stand up and state their name, address, the organization that you represent, if any, because this is being recorded for the public record. Written statements, of course, are always welcome with plenty of ways to do that.

If you're an individual, you get three minutes to offer your remarks. If you're a representative who is designated for a group or organization, you have five minutes to present your comments.

And at this time, go down the list and call people up. It'd be nice if you stand over here so everybody can see and hear you. If you're not comfortable standing, you can come up here and take a chair and sit by me. But we want you to be comfortable while you're doing this.

So the first person on the list is, looks like Brian Winkelaar? I can't read your --

MR. WINKELAAR: Yep. I didn't realize I, we could submit them written. I'll have my boss submit a written letter.

MS. WULFF: Okay, thank you. Number 2 on the list is Ryan O'Gara.

MR. O'GARA: Ryan O'Gara with SKB Adams Court Reporting, Inc.
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Environmental. Address 251 Starkey Street, St. Paul.

Is there anything else?

MS. WULFF: No, that's it.

MR. O'GARA: Okay. Well, I'd like to start by thanking the Council and the Task Force and the staff that have not working on this. There's a lot of complex issues in dealing with reclaimed water, and we certainly appreciate that.

However, for SKB and for Enerkem, it's a little simpler issue in that if we don't have a water source, we can't bring our, you know, innovative project that we'd bring to the metro region.

And there's a lot that goes into it, but ultimately we see Alternative 2 and Alternative 3 as giving, giving us a path forward.

Ultimately we need a water source that's economical, and Alternative 1 unfortunately does not really provide a path forward for an economical source of the reclaimed water.

Alternatives 2 and 3 provide for a cost share that the enable that to happen. As far as preference, you know, we think both 2 and 3 are good alternatives and seem to have pretty prudent criteria to evaluate projects. We certainly think our project fits into just about all these criteria.
And so with that, I kind of want to be brief, leave time for everybody else. But again, really appreciate all the effort that's gone into this and time that's gone into this, and we look forward to continuing to work with Met Council on what we think is a pretty exciting project not just for us, but for the region.

And if we can do both the right thing with our waste and do the right thing with our wastewater, I think it's a win-win all around.

So that's all I had to say. Thank you.

MS. WULFF: Thank you. Don Mullin?

MR. MULLIN: I don't need the microphone if that's okay. I'm pretty loud.

MR. O'DONNELL: Okay, that's fine. Go right ahead.

MR. MULLIN: Thank you very much for the opportunity to come and submit public comment. My name is Don Mullin. I'm at 353 West 7th in St. Paul.

I represent a little over 10,000 workers in the St. Paul jurisdiction, construction workers. And we're calling, we're coming in definitely in support of the Enerkem project.

But we just ask you to please consider to use the Alternatives 2 and 3. We think it's important as
we start to build these great projects that we look for all the alternatives. So thank you very much.

MS. WULFF: Thank you. Katrina Kessler?

MS. KESSLER: I can be loud too. Thanks, my name is Katrina Kessler. I'm the Director of Service Water and Sewers for the Public Works Department in the City of Minneapolis, and I want to say thank you to Jeannine and Deborah and Michael and Bryce and everybody who served on the Task Force.

I've been on other Met Council Task Forces so I understand that that is a big commitment and appreciate that.

I also want to thank Jeannine for connecting me with David MacGillivray at Springsted. He was the economic consultants to the group, and he answered some follow-up questions I had.

So I appreciate all of the time and effort that has gone into this.

And with that, I'll just say that the City of Minneapolis is committed to sustainable growth, and the City's values include focus on the well-being of people and the environment as well as equitable economic opportunities.

So the conceptually, the reuse of wastewater aligns well with the City of Minneapolis' visions and
goals.

We treat Mississippi River water in the City of Minneapolis and distribute it through our water utility, and we are part of the Metro Area Water Supply Advisory Committee.

And I just want to note that as Deborah and Jeannine pointed out in the presentation, there's a much higher potential for reuse projects per the DNR's statements in areas of the metro area where we know there are ground water contamination concerns or ground water supply issues. So really the Dakota County, Washington County, part of the metro area.

Much of the metro area, including the City of Minneapolis, likely have little potential for one of these large-scale reuse wastewater projects.

So I think it's really important that we demonstrate a benefit to the regional wastewater system as a whole if we're going to justify the use of municipal wastewater charges from the entire metro area.

The municipal wastewater charges are a substantial part of city budgets, and they impact residential ratepayers. These charges are directly related to the cost of providing wastewater treatment services, and it's important that we maintain that
ability to do that.

And I think that, I mostly want to say that municipal ratepayers should not subsidize unrelated activities for the benefit of an industry or one private entity.

I believe in wastewater reuse, but I think what's been shown here is that there's a huge potential for the entire state for this project, and I think I would agree with the Task Force that I would say that the Met Council should seek state funding through the Clean Water Act or other grants to pursue this opportunity to build the wastewater practice and then report back on how that benefit might be spread amongst the region.

Not to say that the project isn't great and an awesome opportunity to grow that practice here, but I think that what they've shown is that there's a substantial benefit to the entire state, and the state should be the ones to put the money forward because if I understand it correctly, the investment of up to 0.75 percent of the municipal wastewater charge is for 20 years. So when you commit to a project, you're committing for 20 years of municipal wastewater charges.

So if the city, the City recommends that if
Met Council decides to pursue the amendments that it seek alternative funding sources, and that if they decide to pursue Alternatives 2 or 3, that they select one pilot project with the commitment to comprehensively evaluate the benefits and report back to the municipal wastewater charge payers, and that future maintenance of pipes and treatment facilities built to serve reuse customers be borne by the reuse customer and not by the Met Council ratepayers.

Thanks.

MS. WULFF: Thank you. Patricia Naumau?

MS. NAUMAU: Thank you. My name is Patricia Naumau. I'm the Executive Director of Metro Cities. Metro Cities represents 90 member cities in the metropolitan region, and we have the distinction of representing cities not just at the legislature, but the Metropolitan Council. So for those of you who are not familiar with our organization, that's what we do.

Thank you today for the opportunity to comment on the proposed amendments to the Water Resource Policy Plan that are under consideration following the work of the Wastewater Reuse Task Force.

And first of all, I want to say thank you for the opportunity, thank you to Jeannine, to Wendy, to Council Member Wulff, Bryce and Deborah and Lisa...
Thompson back there, everyone at MCES for including Metro Cities in the work of the Task Force and for the various meetings that we've had with you along the way. We really appreciate that.

Before I speak specifically to the amendments, and I just want to say that Metro Cities' policies are explicit with how the organization views the funding of regional services and the user fees that are set for providing regional services and infrastructure.

Specifically, Metro Cities' policies do stipulate that the Metropolitan Council continue to fund regional services through user fees, property taxes, and state and federal grants, and that it should set such fees through an open process.

The policies of Metro Cities further state that any fees should support effective and efficient public services based on industry standards and should allow for sufficient funding reserves.

Fee proceeds should be used to fund regional services or programs for which they are collected, and the use of fees to fund regional projects is supported as long as the benefit on the region is proportional to the fee or tax and the fee or tax is comparable to the benefit received by cities.
I will just say in addition to that that Metro Cities does take policy very seriously. I know with respect to SAC policy, we've had conversations about the use of those fees, and have very, you know, specific policies about how those fees should be used.

In considering the amendments today, Metro Cities would oppose at this time the, I believe it's Alternative Number 2 that would set any criteria for use of the wastewater fee based on such benefits as environmental benefits and economic development benefits.

While the organization's policies certainly do contain general support for furthering those goals, including those criteria in the use of the regional fee would seem to be outside the nexus for which that fee for the purposes of the wastewater fee.

As you consider these amendments, Metro Cities would say that certainly Alternative Number 1, where there's opportunity, we do support exploring opportunities for wastewater reuse.

We support local partnerships with the Metropolitan Council in exploring those opportunities. And so certainly regional or certainly the amendment, the first amendment, we would support.

With respect to the third amendment which
would set the criteria essentially for that regional benefit, Metro Cities would first of all recognize and ask the Council to proceed with caution given that there was not a consensus position by the Task Force on use of the regional wastewater fee for this purpose, and to certainly, if you do go in that direction, we would support, certainly ask for additional public process, additional analysis on the benefit of the use of the wastewater regional fee.

I think Ms. Kessler from Minneapolis articulated that well that it would need to benefit the entire region, and we would just ask that you take that, use those parameters if you are going to consider using the regional wastewater fee for this purpose.

Thank you. Again, I will be providing a written comment as well if that's all right, and I appreciate the opportunity to comment.

MS. WULFF: Thank you. Jason, it looks like George?

MR. GEORGE: Yep, you got it. I don't need that either. Thank you. Jason George with the International Union of Operating Engineers, Local 49.

MS. WULFF: Address?

MR. GEORGE: I'll talk slower. Are you typing this? Okay, address 13361 Coachford Avenue in
Rosemount, Minnesota 55068.

We strongly support. We represent about 13,500 construction workers in the state, heavy equipment operators. We also represent some of your employees at the Met Council that deal with wastewater everyday.

And we strongly support this project in general and really urge you to look at Options 2 and 3. That's the only way this project is going to get done.

There's many entities around the country we deal with all the time, this competitive environment where great companies go to places and they can either build or not.

It's a competitive environment. I think we need to respect that, and I think we need to figure out a way to get this project done. It's going to create over 700 construction jobs which are much needed in our area for our members and all the other members you see here, and really encourage the Met Council to take a look at this project and do Option 2 or 3. This kind of public-private partnership is exactly what you all should be doing in our opinion.

I don't think I have too much else to add other than I did bring a letter with me from the chairman, Chairman Gerlofflilo (sic), the chairman of Adams Court Reporting, Inc.

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the committee that oversees these issues in the legislature, and he's in full support of this, Options 2 and 3.

Also, I think you have letters from Regina Barr who represents this district who's in full support of this. The local area representatives, including the city, are all supportive of this, and so is local labor. So we encourage you to get this done. Thank you.

MS. WULFF: Thank you. That brings me to the end of my list of people who wrote "yes" on the sign-up sheet. Is there anybody else who would like to make a comment? Come on up.

MR. O'REILLY: Hi, my name is Nate O'Reilly. I'm with the Iron Workers Local 512, 851 Pierce Butler Route, St. Paul, Minnesota.

Again, I would like to encourage the Council to support Alternatives 2 or 3. And thank you, Council, for their consideration in holding this Hearing today. Also to thank Enerkem and SKB for bringing this innovative project here, proposing it for this area.

To echo somewhat of what Jason said, the 700 jobs, construction jobs, over three years, plus the 200 direct and indirect jobs would be a huge boom to
the area, and coming from the general area in southern Minnesota myself, I know there's limited job opportunities for young people to get into the construction trades. These are good paying jobs with good benefits and retirement security.

So again, I would encourage the Council to go with Alternatives 2 or 3. Thank you.

MS. WULFF: Thank you. Is there anybody else who would like to come up and speak? Last chance?

Okay, since there are no further comments at this time, I'd like to remind you that the Public Hearing record will remain open until 5:00 p.m. on Friday, March 23, 2018, and you can submit comments by any of the ways shown on the screen there.

E-mail, postal mail, fax, comment line, or TTY-text telephone. Those instructions are all on the back of your agenda as well if you need to refer to them later.

Last chance, anybody else want to make a comment? Okay, seeing no further comment, we will adjourn the Public Hearing. Thank you all, to all of you for coming and for making your comments on this project.

(The proceedings were concluded at 3:15 p.m.)

* * *
Be it known that the foregoing Metropolitan Council Environmental Services Public Hearing proceedings were taken by Heather Eckstein, Court Reporter, on the 13th of March, 2018, at the Metropolitan Council, Room LLA, 390 Robert Street North, St. Paul, Minnesota.

That I was then and there a Notary Public in and for the County of Sherburne, State of Minnesota;

That the proceedings were recorded in stenotype by myself and transcribed into writing by computer-aided transcription, and that the transcript is a true and accurate record of the proceedings to the best of my ability;

Dated and signed the 19th day of March, 2018.

___________________________
Heather Eckstein
Court Reporter

Adams Court Reporting, Inc.
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