

1 METROPOLITAN COUNCIL ENVIRONMENTAL SERVICES
2 Wastewater Reuse-Related Alternative Policy Amendments to
3 the Water Resources Policy Plan

4 PUBLIC HEARING
5 Tuesday, March 13, 2018
6 2:30 p.m.

7 Metropolitan Council, Room LLA
8 390 Robert Street North, St. Paul, Minnesota

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10 PRESENT:

11 Wendy Wulff, Metropolitan Council Member
12 Metropolitan Council Member District 16
13 Metropolitan Council

14 Jeannine Clancy
15 Assistant General Manager of Technical Services
16 Metropolitan Council Environmental Services

17 Deborah Manning
18 Assistant Manager, Plant Engineering
19 Metropolitan Council Environmental Services

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

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(The following proceedings transpired.)

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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,

1 our Assistant General Manager from Technical Services,
2 Deborah Manning, Assistant Manager for Plant
3 Engineering, Tim O'Donnell, Senior Information
4 Coordinator and Citizen Liaison, and Michael Wind,
5 Engineer for Technical Services. Where'd Mike go?

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

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

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

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

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

24 And I would also like to thank Chris Petree
25 from the City of Lakeville. For those of you who don't

1 know, wastewater reuse was identified in our 2040 Water
2 Resources Policy Plan as a tool in the toolbox for
3 water sustainability for the region.

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

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

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

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

25 So this is our timeframe back in March of

1 2017, so almost a year ago, the Metropolitan Council
2 authorized a Wastewater Reuse Policy Task Force.

3 The Task Force was made up of our customer
4 communities. So Environmental Services provides
5 wastewater services to 109 customer communities in the
6 region, cities, predominantly cities, a few townships
7 in the region.

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

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

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

23 And then of course today we're here to talk
24 and to have, give you, share some information. And
25 then hold the Public Hearing on the Alternative Policy

1 Amendments.

2 When we're done with that, the public, we
3 will have a public comment period that will extend
4 until March 23, and I'll provide you with some more
5 information about that public comment period in just a
6 moment.

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

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

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

23 Alternative 2 includes a regional cost share
24 based on regional, environmental, and economic
25 benefits. And then Alternative 3 would include a

1 regional cost share based on regional wastewater system
2 benefit only.

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

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

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

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

24 So with that, I'll turn it over to Deborah
25 Manning.

1 MS. MANNING: Thank you. I'm not going to
2 use a microphone either unless people say they can't
3 hear me, and in that case raise your hand or something
4 and I will.

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

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

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

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

21 And by that Statute, we have the authority to
22 construct, equip, operate, and maintain interceptors
23 and treatment works needed to implement the Council's
24 Comprehensive Plan for collection, treatment, and
25 disposal of sewage in the metro area.

1 And so there's two components there that are
2 important, reusing effluent qualifies as treatment and
3 disposal of sewage. And the reuse is consistent with
4 the Council's Comprehensive Plan which are included in
5 the Thrive document and our Water Resources Policy
6 Plan.

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

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

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

25 We have been implementing, moving forward

1 really, with wastewater initiative, reuse initiative,
2 and it's been in a few steps.

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

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

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

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

25 We also in the last few years have been

1 getting inquiries from industries or businesses that
2 are interested in reclaimed water service. Sometimes
3 these come through DEED; sometimes they come directly
4 from a potential user.

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

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

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

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

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

23 The third area was how should MCES partner
24 with local communities or water utilities for
25 wastewater reuse projects.

1 Through the Task Force activities, we
2 developed an assessment methodology for that regional
3 benefit. And I won't go through all of this because
4 we're, I'm going to show a case study.

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

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

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

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

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

25 Some utilities who provide reclaimed water

1 have a set flat rate no matter where somebody's located
2 or what their level of treatment needed.

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

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

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

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

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

21 So they want us to kind of test this out and
22 that there'd be a cap on the cost share, and I'll talk
23 about that in a minute, that we develop user agreements
24 for the particular users, and we have a public input
25 process anytime we're considering a regional cost

1 share. And that again must be Council decision-making.

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

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

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

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

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

25 It would increase, the potential project

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

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

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

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

1 municipal wastewater charges.

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

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

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

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

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

22 And then SKB Environmental and Enerkem a
23 partnership, have been communicating with us and
24 working with us about a potential waste fuel project in
25 Dakota County.

1 And they've stated that they have concerns
2 about water appropriation permitting in that area and
3 having a reliable water source and see reclaimed water
4 as factoring into that potential project.

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

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

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

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

24 That plant has an effluent line which is the
25 route that is shown in that green line coming up from

1 the box, probably can't read it, but it's in the box.

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

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

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

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

21 And mitigating contamination, not so much;
22 restoring habitat, not so much, but likely positive in
23 terms of providing a new energy source since this is a
24 waste-to-fuel project producing methanol and ethanol
25 products.

1 Also likely positive in terms of fostering
2 the region's economy. We did an analysis there similar
3 again to an economic-type analysis, and the economic
4 benefit of an estimated \$8.8 million per year to the
5 State, \$5.5 million of that coming to the region was
6 seen as an economic benefit.

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

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

14 As a hypothetical case in terms of regional
15 cost share, if there was a regional cost share of about
16 25 percent of the cost of MCES' reclaimed water
17 operating costs or capital and O&M costs, we estimate
18 that our increase in annual wastewater customer rate
19 would be about 0.18 to 0.21 dollars per year for
20 residential at that point. That's the impact on our
21 rate to the user.

22 For Alternative 3, we came up with two
23 examples to present here, our Empire Wastewater
24 Treatment plant, and the other is future nutrient
25 reduction regulations.

1 Our Empire Wastewater treatment plant was
2 expanded in 2009 to from 12 million gallons a day to
3 24 million gallons a day, based on projections of
4 growth in that area.

5 We then constructed a net fall for that level
6 of service, 24 million gallons a day, and that was in
7 2007, and we currently, have a flow of 10 million
8 gallons a day.

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

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

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

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

25 I do just want to mention because it's not

1 here, we do see reclaimed water as potentially helping
2 us meet future nutrient reduction requirements. We are
3 able to offload water reclaimed water that has some
4 nitrogen and phosphorus, for example, in it.

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

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

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

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

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

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

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

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

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

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

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

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

23 If you have not yet signed in, I will again
24 ask at the end. So if you change your mind in the
25 middle and are desperately wanting to provide some

1 comment, we'll give you the opportunity to do so.

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

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

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

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

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

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

25 MR. O'GARA: Ryan O'Gara with SKB

1 Environmental. Address 251 Starkey Street, St. Paul.
2 Is there anything else?

3 MS. WULFF: No, that's it.

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

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

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

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

20 Alternatives 2 and 3 provide for a cost share
21 that the enable that to happen. As far as preference,
22 you know, we think both 2 and 3 are good alternatives
23 and seem to have pretty prudent criteria to evaluate
24 projects. We certainly think our project fits into just
25 about all these criteria.

1 And so with that, I kind of want to be brief,
2 leave time for everybody else. But again, really
3 appreciate all the effort that's gone into this and
4 time that's gone into this, and we look forward to
5 continuing to work with Met Council on what we think is
6 a pretty exciting project not just for us, but for the
7 region.

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

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

12 MS. WULFF: Thank you. Don Mullin?

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

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

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

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

24 But we just ask you to please consider to use
25 the Alternatives 2 and 3. We think it's important as

1 we start to build these great projects that we look for
2 all the alternatives. So thank you very much.

3 MS. WULFF: Thank you. Katrina Kessler?

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

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

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

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

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

24 So the conceptually, the reuse of wastewater
25 aligns well with the City of Minneapolis' visions and

1 goals.

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

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

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

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

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

1 ability to do that.

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

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

15 Not to say that the project isn't great and
16 an awesome opportunity to grow that practice here, but
17 I think that what they've shown is that there's a
18 substantial benefit to the entire state, and the state
19 should be the ones to put the money forward because if
20 I understand it correctly, the investment of up to
21 0.75 percent of the municipal wastewater charge is for
22 20 years. So when you commit to a project, you're
23 committing for 20 years of municipal wastewater
24 charges.

25 So if the city, the City recommends that if

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

10 Thanks.

11 MS. WULFF: Thank you. Patricia Naumau?

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

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

23 And first of all, I want to say thank you for
24 the opportunity, thank you to Jeannine, to Wendy, to
25 Council Member Wulff, Bryce and Deborah and Lisa

1 Thompson back there, everyone at MCES for including
2 Metro Cities in the work of the Task Force and for the
3 various meetings that we've had with you along the way.
4 We really appreciate that.

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

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

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

20 Fee proceeds should be used to fund regional
21 services or programs for which they are collected, and
22 the use of fees to fund regional projects is supported
23 as long as the benefit on the region is proportional to
24 the fee or tax and the fee or tax is comparable to the
25 benefit received by cities.

1 I will just say in addition to that that
2 Metro Cities does take policy very seriously. I know
3 with respect to SAC policy, we've had conversations
4 about the use of those fees, and have very, you know,
5 specific policies about how those fees should be used.

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

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

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

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

25 With respect to the third amendment which

1 would set the criteria essentially for that regional
2 benefit, Metro Cities would first of all recognize and
3 ask the Council to proceed with caution given that
4 there was not a consensus position by the Task Force on
5 use of the regional wastewater fee for this purpose,
6 and to certainly, if you do go in that direction, we
7 would support, certainly ask for additional public
8 process, additional analysis on the benefit of the use
9 of the wastewater regional fee.

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

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

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

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

23 MS. WULFF: Address?

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

1 Rosemount, Minnesota 55068.

2 We strongly support. We represent about
3 13,500 construction workers in the state, heavy
4 equipment operators. We also represent some of your
5 employees at the Met Council that deal with wastewater
6 everyday.

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

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

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

23 I don't think I have too much else to add
24 other than I did bring a letter with me from the
25 chairman, Chairman Gerlofflilo (sic), the chairman of

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

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

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

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

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

23 To echo somewhat of what Jason said, the
24 700 jobs, construction jobs, over three years, plus the
25 200 direct and indirect jobs would be a huge boom to

1 the area, and coming from the general area in southern
2 Minnesota myself, I know there's limited job
3 opportunities for young people to get into the
4 construction trades. These are good paying jobs with
5 good benefits and retirement security.

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

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

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

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

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

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

25 * * *

1 STATE OF MINNESOTA)
)
2 COUNTY OF SHERBURNE)

3

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5 Be it known that the foregoing Metropolitan
6 Council Environmental Services Public Hearing proceedings
7 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.

8

9

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

12

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

16

17

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

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21

Heather Eckstein
Court Reporter

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