

Business Item

Environment Committee



Committee Meeting Date: November 8, 2022

For the Metropolitan Council: November 30, 2022

Business Item: 2022-280 JT

2022 Budget Amendment

District(s), Member(s):	All
Policy/Legal Reference:	Council Admin Policy 3-1 and Procedure 3-1a / MN Statute 473.13-Council Budget Requirements, and 473.517- Wastewater fees and reserve authority MN Statutes Section 473.13, Subd. 1
Staff Prepared/Presented:	Matt Gsellmeier, 651-602-1802
Division/Department:	MCES c/o Leisa Thompson, 651-602-8101

Proposed Action

That the Metropolitan Council authorizes the amendment of the 2022 Unified Operating Budget as indicated in Attachment A, Table B-1 to increase wastewater expenses by \$7.925M and increase wastewater revenues by \$3.825M

Background

The adjustments to Environmental Services operating budget are highlighted in Table B-1.

Changes to Revenues:

- **Add \$3.2M to industrial waste revenue** for a large customer who corrected monitoring issues that resulted in significantly higher strength charges.
- **Add \$625k for State Appropriated Water Efficiency Grants**, due to legislature calendar and greater appropriations.

Changes to Expenses:

- **Add \$6M for chemicals and utilities**, largely due to high inflation.
 - \$2.4M for chemicals, primarily polymers (\$1.5M), but also nitrate salts and sodium hypochlorite/bleach (\$.9M).
 - \$1.9M for natural gas; the price has doubled.
 - \$1.7M for electric, mostly due to inflation but also to a capital project causing additional blower use at the Metro Plant.
- **Add \$1.3M for Materials and Supplies**, largely due to high inflation.
- **Add \$625k for Water Efficiency Grants**, offsetting State appropriation revenue.

Rationale

This amendment authorizes the planned receipt and use of Water Efficiency grants. In addition, the amendment authorizes higher chemical, utility, and material expenses that are mainly due to unusually high inflationary increases.

Thrive Lens Analysis

This amendment advances financial stewardship by ensuring that proper investments are made for the

ongoing operation and preservation of the Metropolitan Disposal System.

Funding

Funds to pay for the Water Efficiency grants will come from increased State appropriations. Higher utility and chemical costs will be paid from operating funds, but this will not cause the operating reserve to fall below the Council Target Reserve Balance level.

Attachments

A - Table B-1 – Environmental Services Division Operating Budget as amended through November 8, 2022

