

Business Item

Environment Committee



Committee Meeting Date: June 13, 2023

Management Committee: June 14, 2023

For the Metropolitan Council: June 28, 2023

Business Item: 2023-102

2023 Unified Budget Amendment – 2nd Quarter.

District(s), Member(s):	All
Policy/Legal Reference:	2023 Unified Budget, Minnesota Statutes Section 473.13, Subdivision 1-Council Budget Requirements
Staff Prepared/Presented:	Ned Smith, Director of Pretreatment and Finance, 651-602-1162 and Adam Gordon, Manager, Interceptor Engineering, 651-602-4503
Division/Department:	MCES c/o Leisa Thompson, 651-602-8101

Proposed Action

That the Metropolitan Council amend the 2023 Unified Budget – Authorized Capital Program (ACP) with a reallocation of \$15,000,000 and an increase of \$29,000,000 as indicated and in accordance with the Capital Program – Environmental Services (Table 10) and the Capital Program Table – Attachment 3.

Background

The proposed amendment reallocates funding from one program to another. The amendment includes the following change to the Environmental Services ACP and Capital Improvement Program (CIP):

Reduce Authorization Funding for Program 8063, South Washington County (SWC) Interceptor – Lake Elmo Connections by \$15,000,000.

Increase Authorization Funding for Program 8086, North Area Interceptor Rehabilitation by \$40,000,000.

Recent construction cost estimates combined with price escalation projections for the Southwest Lake Elmo Service Connection and L77 Improvements projects are more than the capital funding available to fund these projects in the SWC Interceptor – Lake Elmo Connections program. Funding is only sufficient to fund one of the projects, not both. These two projects will be moved to the North Area Interceptor Rehabilitation program, and funding adjusted to fully fund the construction of these two projects.

The Hastings Collection System Modifications for the New Wastewater Treatment Plant (WWTP) project currently has a \$8,000,000 budget for planning design, and construction consulting services. This budget needs to be increased to \$12,000,000 to cover the proposal costs received from the recently publicly solicited consultant proposals.

The proposed amendment changes the total 2023 budget for ACP and the anticipated

Environmental Services current year expenditures. Furthermore, this action increases the overall six-year Capital Program to \$1,292,266,758.

Rationale

This amendment is required for additional authorization funding for the North Area Interceptor (NAI) Improvements program [and the Hastings WWTP program](#). This action is needed to minimize operational impacts and to ensure reliable wastewater service.

Thrive Lens Analysis

This action advances the Thrive outcomes of Stewardship and Sustainability. Public financial resources will be invested efficiently and effectively to maintain wastewater infrastructure which protects the region's natural resources.

Funding

The capital amendment will be funded by wastewater fees through Environmental Services' capital program.

Small Business Inclusion

The proposed action has no direct impact to the small business community. The Office of Equity and Equal Opportunity will review the two projects referenced above for small business goals prior to advertisement.



2023 Unified Budget - Capital Program - 2nd Quarter Budget Amendment

Environmental Services Committee - (06/13/2023)
 Management Committee - (06/14/2023)
 Metropolitan Council - (06/28/2023)

**Business Item: 2023-102
 Capital - Attachment #3 (Project Detail)**

Project #	Family	Description	CURRENTLY AUTHORIZED				PROPOSED CHANGES				AMENDED				2023 Budget	Multi-Year Authorization	
			Regional	PFA	Pay-Go	Total	Regional	PFA	Pay-Go	Total	Regional	PFA	Pay-Go	Total			
ENVIRONMENTAL SERVICES															Original Adopted	\$ 243,453,000	\$ 1,263,266,758
															After Prior Amendments	\$ 243,453,000	\$ 1,263,266,758
															After This Amendment	\$ 240,133,000	\$ 1,292,266,758
Administrative Adjustments																	
Closing Projects / Reallocate Authorized Funding																	
Section Subtotal			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Closed and Removed from Authorized Capital Program											\$ -	\$ -	\$ -				
New Authorized / Increase Authorized Funding / Reduce Authorized Funding																	
806325	8063	Lake Elmo West Connection/I94 Crossing	\$ 15,972,218			\$ 15,972,218	\$ (15,000,000)	\$ -	\$ -	\$ (15,000,000)	\$ 972,218	\$ -	\$ -	\$ 972,218	\$ (4,270,000)	\$ (15,000,000)	
808600	8086	North Area Interceptor Rehabilitation	\$ 24,117,939			\$ 24,117,939	\$ 40,000,000	\$ -	\$ -	\$ 40,000,000	\$ 64,117,939	\$ -	\$ -	\$ 64,117,939	\$ 950,000	\$ 40,000,000	
809800	8098	Hastings WWTP	\$ 19,492,626			\$ 19,492,626	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000	\$ 23,492,626	\$ -	\$ -	\$ 23,492,626	\$ -	\$ 4,000,000	
Section Subtotal			\$ 59,582,783	\$ -	\$ -	\$ 59,582,783	\$ 29,000,000	\$ -	\$ -	\$ 29,000,000	\$ 88,582,783	\$ -	\$ -	\$ 88,582,783	\$ (3,320,000)	\$ 29,000,000	
TOTAL			\$ 59,582,783	\$ -	\$ -	\$ 59,582,783	\$ 29,000,000	\$ -	\$ -	\$ 29,000,000	\$ 88,582,783	\$ -	\$ -	\$ 88,582,783	\$ (3,320,000)	\$ 29,000,000	

**METROPOLITAN COUNCIL
CAPITAL PROGRAM
ENVIRONMENTAL SERVICES**

TABLE 10

(\$ in 000's)

	Authorized Capital Program (ACP)			Capital Improvement Plan (CIP)							ACP + CIP Combined
	2023 Current	Changes	2023 Amended	2023	2024	2025	2026	2027	2028	Total	
Treatment Plant Projects											
8059 - Metro Rehabilitation & Facilities Improve	109,911	-	109,911	-	-	-	-	-	-	-	109,911
8062 - Metro Solids Improvements	220,313	-	220,313	-	-	-	-	10,000	10,000	20,000	240,313
8074 - Empire Plant Solids Improvements	46,909	-	46,909	-	-	-	-	-	-	-	46,909
8078 - Regional Plant Improvements	59,825	-	59,825	-	-	-	8,500	10,000	10,100	28,600	88,425
8089 - MWWTP Asset Renewal	230,802	-	230,802	-	-	-	19,740	37,200	35,200	92,140	322,942
8091 - Wastewater Reclamation Facilities	6,637	-	6,637	-	-	-	30,000	30,000	40,000	100,000	106,637
8097 - Blue Lake Solids Processing	80,820	-	80,820	-	-	25,000	35,000	20,000	20,000	100,000	180,820
8098 - Hastings WWTP	27,868	4,000	31,868	-	-	5,000	25,000	30,000	30,000	90,000	121,868
8100 - Industrial Pretreatment Incentive Program	13,706	-	13,706	-	-	-	100	100	100	300	14,006
TOTAL Treatment Plant Projects	796,790	4,000	800,790	-	-	30,000	118,340	137,300	145,400	431,040	1,231,830
Interceptor Projects											
8028 - Blue Lake System Improvements	58,133	-	58,133	-	-	7,459	6,490	10	10	13,969	72,102
8041 - Hopkins System Improvements	9,381	-	9,381	-	-	-	-	-	-	-	9,381
8055 - Lift Station Improvements	49,798	-	49,798	-	-	12,500	21,850	21,850	24,350	80,550	130,348
8056 - Meter Improvements	18,224	-	18,224	-	-	5,000	6,500	6,500	6,500	24,500	42,724
8063 - SWC Interceptor - Lake Elmo Connections	25,584	-15,000	10,584	-	-	-	-	-	-	-	10,584
8076 - Mpls. Interceptor System Rehabilitation	33,937	-	33,937	-	-	-	-	-	-	-	33,937
8082 - St Bonifacius LS/FM Rehabilitation	24,785	-	24,785	-	-	-	-	-	-	-	24,785
8083 - Waconia LS/FM Rehabilitation	6,727	-	6,727	-	-	-	-	-	-	-	6,727
8086 - North Area Interceptor Rehabilitation	44,699	40,000	84,699	-	-	-	610	600	7,500	8,710	93,409
8088 - St Paul Interceptor System Rehabilitation	29,914	-	29,914	-	-	-	210	210	10	430	30,344
8090 - Interceptor Rehabilitation - Program	86,053	-	86,053	-	-	-	20,031	45,011	45,011	110,053	196,106
8092 - Mpls. Interceptor 1-MN-340 Rehabilitation	44,204	-	44,204	-	-	-	6,000	6,000	1,020	13,020	57,224
8093 - Brooklyn Park-Champlin Inter	9,033	-	9,033	-	-	2,500	2,500	-	-	5,000	14,033
8094 - Brooklyn Park L32	5,994	-	5,994	-	3,000	11,000	12,010	12,010	19,010	57,030	63,024
8095 - Coon Rapids-Fridley Area Inter	18,280	-	18,280	-	-	-	10	10	10	30	18,310
8096 - Northwest Area Interceptor Imp	1,730	-	1,730	-	-	-	8,500	12,500	12,500	33,500	35,230
TOTAL Interceptor Projects	466,477	25,000	491,477	-	3,000	38,459	84,711	104,701	115,921	346,792	838,269
Total ES Capital Program	1,263,267	29,000	1,292,267	-	3,000	68,459	203,051	242,001	261,321	777,832	2,070,099