

Minutes

Environment Committee



Meeting Date: September 27, 2022

Time: 4:00 PM

Location: 390 Robert Steet

Members Present:

Chair, Peter Lindstrom D11
 Vice Chair, Wendy Wulff D16

Raymond Zeran, District 9
 Susan Vento, District 11

Kris Fredson, District 14
 Phillip Sterner, District 15
 = present, E = excused

Call to Order

A quorum being present, Committee Chair Lindstrom called the regular meeting of the Environment Committee to order at 4:00 p.m.

Agenda Approved

With one modification to the agenda, the minutes for approval are from August 23, 2022, the agenda was approved by consensus. **Motion carried.**

Approval of Minutes

It was moved by Committee Member (CM) Wulff, seconded by CM Sterner to approve the minutes of the August 23, 2022 regular meeting of the Environment Committee. **Motion carried.**

Consent Business

None at this time.

Non-Consent Business

1. 2022-204: Wastewater Treatment Plant PLC Renewal (Rene Heflin 651-602-1077)

It was moved by CM Wulff and seconded by CM Sterner to authorize the Regional Administrator to award and execute Contract 21P328 with Carollo Engineers for programmable logic controller renewal design, implementation, and construction support services in an amount not to exceed \$10,400,000.

CM Sterner asked if we are taking out 150 PLC's is there any recycle value to that and if so, is the Council capturing that or is that part of the bid with the engineering group.

Staff replied there is not any salvage value with PLC's; they usually last about 14 years and are not reprogrammable because the technology is changing so quickly.

Chair Lindstrom asked if Carollo takes the old PLC's and recycles them.

Staff replied that the PLC's will be disposed of.

CM Wulff asked to clarify whether this is for services specifically and there is a separate contract for the actual devices.

Staff replied that is correct. This contract isn't purchasing equipment this contract is for professional services, construction support, and inspection services.

Chair Lindstrom noted that we may see the contract for the PLC equipment in a later Environment Committee (EC) Meeting. Staff concurred.

Motion carried.

Information

1. 2023-2028 Capital Program (Kyle Colvin, 651-602-1151; Rene Heflin, 651-602-1077 Adam Gordon, 651-602-4503)

- **MCES 2023 Capital Program**
- **Capital Program Info Item**

The staff from the Wastewater Planning and Capital Project Delivery Department presented an overview on the 2023-2028 Environmental Services (ES) Capital Program. Updates were provided on some of the program inputs that are considered in the development of the program, highlights from the Wastewater Treatment Plant areas and Interceptor Project areas. At the end of the presentation a schedule was provided for ES Capital Program and the Councils overall Unified Capital Program which will be adopted by the Council at the last meeting of the year in December.

Discussion

Kyle Colvin, Manager of Wastewater Planning & Community Programs, wanted to recognize a member on their team, Cory McCullough, Program Administrator, who is responsible for getting information from multiple project managers that are in the department, getting updates on projects, in addition to keeping team members on task and on schedule to ensure that deadlines are met.

CM Wulff asked: If the rates are so good on the PFA loans and you can get up to \$64 million at the lowest interest rate, why aren't we asking for \$64 million?

Staff responded: Traditionally the Council has requested \$50 million. This level has been set as an upper limit to acknowledge its competitive nature, and other outstate needs. Both the Public Facilities Authority (FPA) and the Pollution Control Agency recognizes that the Council has additional projects that could qualify for funding, but also appreciates limiting its request so that more funding can be made available to outstate projects. The loan limit for the lowest available interest rate fluctuates each year between \$45 and \$50 million. The \$64 million for the 2023 program was a greater amount than what historically has been set. It was noted that the application for project funding was submitted in March prior to the amount being set by the PFA.

CM Wulff responded stating: I understand that, but our capital expenditures are going up dramatically so I'm just wondering why we don't think about the amount we do in PFA.

Staff responded: There is a certain amount of capacity we have to deliver projects, historically we have been able to utilize previous loan requests within the 12-month program year, before the next year's applications are due. However, staff did state that revisiting the maximum loan requests is worth considering for future asks.

CM Wulff asked: What is the timing on the of the Savage Interceptors?

Staff responded: The City of Credit River has indicated that they plan on building local infrastructure and connecting existing septic systems in the community by 2024. Immediate terms of the service will be covered under a community agreement with Savage, up until 2030.

Chair Lindstrom asked: What's the status or timing of parallel line in Blaine?

Staff member answered: We are just in the initial phases of planning. However, the Council has committed to having the capacity in place to accommodate Lino Lakes growth by 2030.

Chair Wulff asked: You talked about 1-MN-310, but the list of projects has a pretty substantial one for 1-MN-320, is that another major one?

Staff responded: We presented that last year, the status of the 1-MN-320 project is that we are close to securing some property. We are still planning and presenting the Facility Plan this fall for those facilities which will include a pump station and a new gravity interceptor pipe.

CM Fredson asked: Is there any Covid impact on Environmental Service capital?

Staff responded: We haven't seen anything significant due to the changes in work and work relationships in the Twin Cities.

CM Wulff asked: With the much larger per year capital projects that we are looking at, what is that going to do long term to our rates?

Staff responded: Included in our development process for the Capital Program, we spoke with ES Finance, Dan Schueller, who looked at the potential rate impact that the higher levels would have. Assuming that we achieve our 80% goal of trying to hit the annual expenditures, it would be about a 5-5 1/2% increase for each year. This includes assumptions related to non-Capital Expenditures as well (Operational).

2. Private Property Inflow/Infiltration (I/I) Grant Task Force (Kyle Colvin, 651-602-1151; Ned Smith 651-602-1162)

Kyle Colvin, Manager of Wastewater Planning & Community Programs and Ned Smith, Director of Pretreatment and Finance presented updates on the Private Property Inflow/Infiltration (I/I) Grant Task force. A timeline of historical I/I efforts helped showcase how local and regional investments help with the reduction of I/I.

Discussion

CM Vento noted: I want to applaud the efforts to include and expand the participation. I'm pleased that the Council has helped play a role in this.

CM Stern asked: What method are you using to recruit people for the Grant Task Force?

Staff responded: We reviewed the list of past I/I Task Force participation and we also reached out verbally. Minneapolis and St. Paul being the two largest contributors of wastewater in the system agreed to provide representatives. St. Anthony expressed an interest in serving on the taskforce in 2021.

CM Wulff noted: I would like volunteer to serve on the taskforce. She recommended reaching out to West Saint Paul to be involved since they have significant experience in private I/I.

CM Fredson asked: You referenced some communities that are outside of the metro and I'm curious to know to what extent this Task Force will be working with representatives of those communities?

Staff answered: the Task Force will help guide the Council in the guidelines, one of the considerations might be that since the funds are coming from a portion of revenues collected from our Municipal Wastewater Charges, the availability for the funds might be restricted to the 112



communities that are contributing to that funding source.

Chair Lindstrom asked: Is that part of the Task Force, to find out where the funds are coming from?

Staff answered: The source of the funding has already been airmarked as being PAY-GO. The PAY-GO is a dedicated reliable set aside funds that we feel we can utilize for the program. The amount will be discussed at the Task Force, the funding level will be a part of the discussion.

Reports

Leisa Thompson, General Manager of Environmental Services (ES) noted that: Given the items we just heard presented, the I/I, I want to emphasize that it was the region looking at this as a whole and not ultimate outcome so we can make a decision that everyone benefits from. She highlighted the importance of living up to our vision, "Clean water for future generations"

Adjournment

Business completed; the meeting adjourned at 5:17 p.m.

Certification

I hereby certify that the foregoing narrative and exhibits constitute a true and accurate record of the Environment Committee meeting of September 27, 2022.

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