

Minutes of the

REGULAR MEETING OF THE ENVIRONMENT COMMITTEE

Tuesday, September 13, 2016

Committee Members Present:

Sandra Rummel-Chair, Marie McCarthy, Harry Melander, Lona Schreiber, Wendy Wulff-Vice Chair, Edward Reynoso

Committee Members Absent:

CALL TO ORDER

A quorum being present, Committee Chair Rummel called the regular meeting of the Council's Environment Committee to order at 4:02 p.m. on Tuesday, September 13, 2016.

APPROVAL OF AGENDA AND MINUTES

It was moved by Wendy Wulff, seconded by Lona Schreiber to approve the agenda. **Motion carried.**

It was moved by Wendy Wulff, seconded by Lona Schreiber to approve the minutes of the August 23, 2016 regular meeting of the Environment Committee. **Motion carried.**

BUSINESS

2016-164 JT: Authorization to Amend the 2016 Unified Budget

It was moved by Wendy Wulff, seconded by Lona Schreiber, that the Metropolitan Council authorizes the amendment of the 2016 Unified Budget by increasing the Environmental Services operating budget revenues and expenses by \$1,750,000 and amending its Authorized Capital Program (ACP) as indicated and in accordance with the tables attached to the business item. **Motion carried.**

2016-183: 2016 Stormwater Grant Remaining Fund Allocation

It was moved by Harry Melander, seconded by Marie McCarthy, that the Metropolitan Council authorize its Regional Administrator to award and execute three stormwater management grants described in Attachment A of the business item in the total amount of \$100,713. **Motion carried.**

INFORMATION

1. Proposed 2017-2022 Capital Program and 2017 Capital Budget:

Kyle Colvin, Manager, Engineering Programs provided an update on the proposed 2017-2022 capital program and the 2017 capital budget. Topics covered included the capital program which reflects the total of the Authorized Capital Program and is a multi-year authorization to spend on projects where funding has been secured and the Council has given final approval to proceed, and the Capital Improvement Plan or (CIP) which reflects the 6-year capital investment plan where funding sources have been identified but not yet secured nor authority given by the Council to spend. The second half of the discussion pertained to the annual appropriation of the capital budget from the Authorized Capital Program that the Council authorizes to be spent.

The Capital Program strives to meet three primary objectives;

1. To preserve the approximately \$7 Billion in infrastructure investments that the metropolitan area has made in the regional wastewater collection and treatment system.

2. To provide regional wastewater services commensurate to a community's request for service as expressed in their approved Comprehensive Sewer Plan. In situations where a community is requesting service for the first time, or indicates the need for an additional level of service, the Council will plan for, and time the necessary system capacity improvements to accommodate their planned service level need.
3. To reinvest in the regional system to make cost effective performance improvements in response to regulatory requirements, cost savings, and safety concerns.

The Capital program includes investments at both our wastewater treatment facilities as well as in our conveyance systems.

Projects identified in the 6-year Capital Program include major projects at our Metropolitan, Empire and Seneca treatment facilities.

Projects identified in our Capital Program include major projects at many of our conveyance related facilities throughout the Metropolitan area. The Capital Program focuses on system renewal and preservation system inspection and condition assessment program and the diminished need for system expansion to accommodate growth.

It is anticipated that an informational item will be presented at a future Environment Committee to provide greater detail on specific proposed projects and our efforts in community outreach on ES construction projects.

Staff shared a graph of prior year expenditures for 2004 to 2014, 2016 estimated expenditure, and proposed capital expenditures for the 2017-2022 period.

Beginning in 2013 an increase in expenditures occurred which reflected an increase in system preservation and renewal efforts in the conveyance system. This was somewhat offset by the reduction in growth related projects, however the net impact was still an increase in annual expenditures.

This increase in expenditures is anticipated to continue through 2019 at which time the majority of the conveyance system will have been inspected and improvements completed.

Graphical depiction of the 6-year capital program was provided broken down in to project objectives of asset preservation, system expansion to accommodate growth, and system improvements for regulatory responses, efficiencies and safety.

Authorized capital program requests reflect:

- One new project for Brooklyn Park-Champlin Interceptor renewal
- Adjustments to existing projects
- Projects to be deleted from the program include
 - Minneapolis Interceptor 1-MN-310/320 Diversion
 - Small system improvement projects

Summary of authorized capital program changes:

- Current Authorizations: \$967,130,085
- Adjustments – existing projects: \$148,259,145
- New project: \$16,000,000
- Completed/Deleted projects: -\$207,249,230
- Proposed 2017 authorization: \$924,140,000

Capital Improvement Plan Additions and Adjustments

- New interceptor projects
 - Brooklyn Park-Champlin Interceptor Renewal
 - Brooklyn Park L32
 - Coon Rapids-Fridley Area Interceptor Renewal
 - Coon Rapids L34
- Increased funding for rehabilitation of the Minneapolis and St Paul interceptor systems
- Increased funding for asset renewal at the Metropolitan Wastewater Treatment Plant

Proposed 2017 capital budget \$183 Million.

Capital Program Schedule:

- August 10 – “Big Picture” Operating and Capital Budget
- August 24 – Adoption of Preliminary Unified Operating and Capital Budget and Levies
- September 13 – MCES Capital Program and Budget
- October 26 – Adoption of Public Comment Draft Budgets
- December 14 – Adoption of Final 2017 Budget and Levies

Comments/Questions:

- An inquiry was made regarding the number of isolated locations rated as Condition 4 in corrosion severity. Referring to the map of the Brooklyn Park – Champlin Interceptor Rehabilitation project, the reason for this is that the facility was constructed under two separate projects. The southern portion of the project was constructed in 1963 by the City of Brooklyn Park, later acquired by the Metropolitan Sewer Board, and the northern portion, completed in 1985 by the Metropolitan Waste Control Commission. The isolated areas of corrosion do not appear to be related to the age of the pipe, but rather changes in the hydraulic conditions (elevation drops, steep slopes, large local flow connections, etc.) which causes turbulence in the flow. In these situations hydrogen sulfide gases can be released which in turn forms sulfuric acid which can corrode the concrete pipe.
- Secondly, the X's on the map of the Brooklyn Park – Champlin interceptor rehabilitation project represent project limits. Staff indicated that the project would address all system deficiencies that were identified through the condition assessment process. The X's on the map appear to correlate with the condition four sections of pipe. The Facility Plan for this project will be presented to the Environment Committee in the near future. A better definition of the project limits will be included.
- Lastly an inquiry was made as to how accurate the \$1.4 billion capital program estimate was for the project. What is it based on and is inflation taken into account? The estimated capital program is based on a list of identified projects that have already gone through preliminary planning and design phases (Authorized Capital Program) and those that have been identified further out in the 6-year capital planning period (Capital Improvement Program). Both sets of identified projects have cost estimates associated with them. As we move through the 6-year program, project scopes change, projects get added, deleted, or deferred further out, cost of improvements change with market conditions, etc. The Council includes a 3% per year inflation in its cost estimations for future projects in its Capital Program. At \$1.4 billion, the annual level of spending for the 6-year capital program is approximately \$240 Million. This includes some higher than anticipated cost estimates. To put this in perspective, the requested 2017 Capital Program Budget is \$183 Million.

2. General Managers Report:

- Platinum award recognition is occurring at the six plants who were recognized for compliance. Leisa Thompson and Mike Mereness are attending each to thank staff and celebrate accomplishments.

ADJOURNMENT

Business completed, the meeting adjourned at 4:52 p.m.

Susan Taylor
Recording Secretary