

Minutes of the

REGULAR MEETING OF THE ENVIRONMENT COMMITTEE

Tuesday, May 12, 2020

Committee Members Present:

Peter Lindstrom, Chair; Wendy Wulff, Vice Chair; Kris Fredson; Susan Vento; Raymond Zeran

Committee Members Absent:

Phillip Sterner

CALL TO ORDER

A quorum being present, Committee Chair Lindstrom called the regular meeting of the Council's Environment Committee to order at 4:00 p.m. on Tuesday, May 12, 2020 with the following roll call:

Aye: 5 Lindstrom, Wulff, Fredson, Vento, Zeran
Nay: 0
Absent: 1 Sterner

APPROVAL OF AGENDA AND MINUTES

It was moved by Wendy Wulff, seconded by Susan Vento to approve the agenda.

Aye: 5 Lindstrom, Wulff, Fredson, Vento, Zeran
Nay: 0
Absent: 1 Sterner

Motion carried.

It was moved by Wendy Wulff seconded by Susan Vento to approve the minutes of the April 14, 2020, regular meeting of the Environment Committee.

Aye: 5 Lindstrom, Wulff, Fredson, Vento, Zeran
Nay: 0
Absent: 1 Sterner

Motion carried.

CONSENT BUSINESS

Approval of the Consent Agenda (Items 2020-130 JT, 2020-131 JT, and 2020-132 JT)

It was moved by Wendy Wulff, seconded by Susan Vento to approve the consent agenda business items.

Aye: 5 Lindstrom, Wulff, Fredson, Vento, Zeran
Nay: 0
Absent: 1 Sterner

Motion carried.

1. 2020-130 JT: Empire Township 2040 Comprehensive Plan and Comprehensive Sewer Plan, Review File 22176-1

Requests that the Metropolitan Council adopt the Advisory Comments and Review Record attached to the business item and take the following action:

Recommendations of the Environment Committee:

1. Approve Empire Township’s Comprehensive Sewer Plan.
 2. Advise the Township to implement the advisory comments in the Review Record for wastewater.
2. 2020-131 JT: City of Prior Lake 2040 Comprehensive Plan and Comprehensive Sewer Plan, Review File 22282-1
Requests that the Metropolitan Council adopt the Advisory Comments and Review Record attached to the business item and take the following action:

Recommendations of the Environment Committee:

1. Approve the City of Prior Lake’s Comprehensive Sewer Plan.
 2. Advise the City to implement the advisory comments in the Review Record for Wastewater.
3. 2020-132 JT: City of Carver 2040 Comprehensive Plan and Comprehensive Sewer Plan, Review File 22317-1
Requests that the Metropolitan Council adopt the Advisory Comments and Review Record attached to the business item and take the following action:

Recommendations of the Environment Committee:

1. Approve the City of Carver’s Comprehensive Sewer Plan.

NON-CONSENT BUSINESS

5. 2020-144: Extension of Metro 94 Facilities Leases
It was moved by Wendy Wulff, seconded by Kris Fredson that the Metropolitan Council authorizes the Regional Administrator to amend and execute a sole source contract extension of the Metro 94 facilities lease (Contract 09P158) for MCES business use with Bachmeier Corporation in an amount not to exceed \$1,300,000 for the term of July 1, 2020 until June 30, 2025.

Aye: 5 Lindstrom, Wulff, Fredson, Vento, Zeran
Nay: 0
Absent: 1 Sterner

Motion carried.

INFORMATION

1. The Design-Build Delivery Approach for Selected Metro Plant Capital Projects
Jeannine Clancy, Assistant General Manager, Technical Services, Dan Abelson, Office of the General Counsel, Rene Heflin, Manager, Plant Engineering, and Jody Jacoby, Director of Procurement, presented on the Design Build approach to project delivery. This approach will be utilized to construct the Services Building, the expansion of the Analytical Laboratory, and the Fourth Incinerator which are all planned in the Environmental Services Capital Improvement Program. The presentation included a schedule of related projects at the Metro Plant, an introduction to the design build method and its advantages, legal authority, Environmental Services’ experience with design build and the procurement processes.

Questions/Comments:

Committee Member Zeran stated this is a fantastic project and he can see that we've done our due diligence. Thank you.

Chair Lindstrom stated due to B3 guidelines any new facilities currently built will be 70% more energy efficient than those built 10 years ago.

Committee Member Fredson stated it was helpful to have been at the Metro Plant to see where this site is located. The visuals were helpful to understand the project. Look forward to getting back out to see the progress.

Committee Member Vento stated she has been seeing changes in businesses related to the pandemic. Is staff seeing any changes in the work setting going forward related to social distancing. Staff stated the impact of the pandemic and the social distancing requirements have caused the project team to evaluate the office space planning criteria.

2. MCES Budget Concepts, Rates, and Workshops

Ned Smith, Director of ES Finance and Revenue presented information for 2020 as follows:

- MCES overall Municipal Wastewater Charge (MWC) will increase 2.0% across the region.
- SAC will remain flat for the 8th year in a row at \$2,485 per unit. This is a result of the robust development seen for the past 6-8 years.
- Industrial Strength Charges will increase 2.4%.
- Permitting fees will increase 2.0%.
- The budget reflects a \$2.0M deficit to keep our rate increase as low as possible in these difficult times.
- Expense increases were mostly driven by debt service, labor, and materials.
- Overall outstanding debt for MCES peaked in 2018 at \$1.3B. it will level off at \$1.2B for the remainder of the 2020s.
- The debt service "bubble" will peak in 2021 and wind down through 2022 and 2023.
- Retail sewer rates in the region are 40% below the national average for peer agencies (per the 2017 National Association of Clean Water Agencies triennial survey).

Staff shared the budget, capital, and other MCES programs at the upcoming Budget Workshop Webinars, scheduled for May 21 and June 11.

Questions/Comments:

Chair Lindstrom is looking forward to the customer forums.

Committee Member Fredson inquired what do we expect to hear from customers. When will we be able to share the 18 month "out" with Committee Members? Staff stated we have been in contact with customers with 10% or higher increases. Many were expecting the increase due to growth in the area. Traditional Inflow and Infiltration areas were expecting higher rates as well. Some who have made consistent investments in mitigating their Inflow and Infiltration saw less of an increase. SAC scenarios will be shared at a future meeting.

Committee Member Fredson asked what the relationship is between this proposal and the other budget related matters of the Council. Staff stated we are fiscally separated from other areas of the Council by statute. We are fee for service. 100% of our operating fees come from our customers (MWC's, SAC, and Industrial Waste). Revenue issues in other areas of the Council do not directly affect Environmental Services. We may see an impact from Regional Administration shared services if they modify their service model to be sensitive to the challenges of other areas of the Council, but fee-for-service allocation models will continue.

Chair Lindstrom inquired if a surcharge is made to cities with excessive inflow and infiltration. Staff stated that we have never implemented the surcharge. Instead, MCES identifies high Inflow and Infiltration municipalities and work with them to insure they are investing in their infrastructure to address excess inflow and infiltration. *Additional Note (not discussed at meeting) – MCES also works with the cities to execute pass-through Inflow and Infiltration bond funding.*

Committee Member Wulff thanked Ned for the work on the presentation. Great job. Comfortable with the approach and too early to forecast what will happen in the future.

3. Contaminants of Emerging Concern, MCES Research Update

Larry Rogacki, Assistant General Manager, George Sprouse, Manager, Processing Engineering, and Steve Balogh, Principal Research Scientist presented an update on research within MCES. In January, an Information Item was presented to the Environment Committee regarding an important group of emerging wastewater contaminants called perfluorinated alkyl substances (PFAS). This Information Item brought additional emerging contaminants to the attention of the Committee, including “Pharmaceuticals/Personal Care Products” and “Microplastics.” Staff stated substantial uncertainties remain around the potential impacts of these substances on human and ecological health when discharged in treated effluents or biosolids. While they are not yet regulated, they are currently receiving attention from responsible agencies and could someday be controlled. In addition to the brief introduction, late-breaking information was presented on how MCES is joining with wastewater utilities across the US to measure the SARS-CoV-2 virus in raw wastewater and how this data might supplement COVID-19 clinical testing data and provide actionable information on viral prevalence and infection trends in our communities.

Questions/Comments:

Committee Member Vento stated the presentation was great. What observations do staff have regarding the Omnibus Environmental Bill. How will it affect future presentations? Staff are not familiar at this time. Larry Rogacki is vaguely familiar. Staff will refer this to Judd Schetnan for follow up.

Chair Lindstrom is interested in the topic as well.

Committee Member Wulff asked why the cost of the Biobot testing went up significantly. Staff stated it is unclear and was not expressed initially. We are re-evaluating the Biobot project and having conversations with the University of Minnesota regarding alternative testing opportunities.

Chair Lindstrom asked if there was an option to submit samples less frequently? Staff stated we have not explored that at this time.

Chair Lindstrom stated he appreciates the update.

4. General Manager Report
2020 MCES Customer Budget Webinars

What: MCES hosts an annual meeting with the municipalities we provide wastewater service to in order to discuss the upcoming year’s budget, the municipal wastewater charge (MWC), and the capital improvement program. Normally it is a wonderful time to gather with our customer communities, but this year we will be hosting the event online.

Format: This year’s workshops will be hosted via WebEx Events. We’ll have introductions by Chair Zelle (May 21) and Councilmember Lindstrom (June 11), a presentation by MCES staff including Jeannine Clancy, Kyle Colvin, and Ned Smith, and time for a Q&A with our customers. Meeting

materials will be made available online after the events for more information or for those who are unable to attend.

Dates: The events will be held Thursday, May 21, 2020 at 9:00 AM and Thursday, June 11 at 2:00 PM.

Committee members are encouraged to attend as schedules allow.

COVID Update: Virtual town halls with Environmental Services staff. More than 50% of staff attended. We continue to expand on efforts and figuring out ways to best communicate with staff. ES has had one confirmed COVID case but has since returned to work. We continue to deliver wastewater services while addressing the needs related to the pandemic. Key goals are to prevent the spread of COVID in the workplace, reduce the risk of essential service disruption, and support employee well-being.

Committee Member Fredson asked about the potential for flooding. Leisa stated flood risk as diminished.

If Committee members have items they would like brought before this committee, please let leisa.thompson@metc.state.mn.us know.

ADJOURNMENT

Business completed the meeting adjourned at 5:55 p.m.

CERTIFICATION

I hereby certify that the foregoing narrative and exhibits constitute a true and accurate record of the Environment Committee Meeting of May 12, 2020.

Susan Taylor
Recording Secretary