

Resolution No.4430, Second Series
A Resolution in Support of Chloride Reduction in Water
Discharged to the Redwood River

Whereas, the City of Marshall (City) operates a wastewater treatment facility that treats the community's wastewater prior to its discharge into the Redwood River, pursuant to a National Pollutant Discharge Elimination System (NPDES) Permit issued by the Minnesota Pollution Control Agency (MPCA). The City's NPDES permit contains a chloride (salt) limitation that must be achieved by 2024. The City and Marshall Municipal Utilities (MMU) have been in discussion about methods to attain the reduction in chloride (salt) discharged into the Redwood River; and

Whereas, City and MMU have each retained the services of qualified consultants to provide analysis and recommendations regarding the most cost efficient methods to attain compliance with the required chloride limits as set forth by the MPCA permit. That analysis has included both a review of upgrades to the existing water treatment plant and has also included a review of retrofitting the City's wastewater treatment plant; and

Whereas, the City and MMU desire to coordinate the planning between the community's water utility and its wastewater treatment facility by developing a process to lower the wastewater treatment facility's chloride discharge. Based upon the consultant's analysis, it has been determined that the most significant measure to lower the chloride is to provide softer water from MMU's Water Treatment Plant. In an attempt to achieve the permit's required result, upgrades to the existing Water Treatment Plant would have to occur at a cost of \$9,043,000 (2019 dollars) as estimated by MMU's water engineering consultant, AE2S. As part of this coordination agreement, MMU applied for a \$7,000,000 Minnesota Public Facilities Authority Point Source Implementation Grant (PSIG) and received notice the PSIG will not be awarded to MMU in 2018; and

Whereas, in order to have the highest chance of grant award in the next funding cycle, MMU and City staff have been advised that a project design needs to be completed and submitted to the Minnesota Department of Health (MDH) for its review and certification prior to the next PSIG process; and

Whereas, MMU has received, from its consultant AE2S, an engineering proposal to develop a design agreement for the Water Treatment Plant Softening System Improvements Project in the amount of \$815,000; and

Whereas, contingent upon the City Council's approval of this Resolution of Support, MMU would enter into the Engineering Agreement design phase of the project with AE2S.

Now Therefore Be It Resolved, the City requests MMU to reapply for the PSIG until funding is secured in order to make the improvements to MMU's Water Treatment Plant.

Be It Further Resolved, the City hereby:

1. Commits to funding 90% of \$815,000 or \$733,500 to MMU on or about January 8, 2018 for the engineering and design of the Water Treatment Plant Softening System Improvements Project.
2. Commits to all measures required to attain NPDES Chloride compliance including the measures as outlined in the City's August 3, 2017 report prepared and submitted by their consultant, Bolton & Menk, as set forth below:
 - a. Support Marshall Municipal Utilities further softening of the community water supply quality to 5-8 grains using Lime/Soda Ash Softening to reduce Ion Exchange softening brine discharge.

- b. Establish chloride surcharge on customers of the City of Marshall wastewater treatment facilities that have an industrial treatment agreement. Remit revenue collected from the surcharge to MMU in support of their further softening.
 - c. Authorize MMU adding chloride surcharge to the monthly utility bill for wastewater (sewer) customers invoiced by MMU. MMU is authorized to collect and retain said revenue.
 - d. Public and Industry education to reduce chlorides at the source.
 - e. Potential incentive program to set all softeners to the most efficient settings.
 - f. Set industrial limits in SIU Agreements.
 - g. Apply for MPCA Variance on chloride limit.
 - h. If all of the above measures have been implemented and chloride limits are not met; the City should, by ordinance, end the practice of Ion Exchange softening, if needed to reach final limit.
3. Commits to making a capital contribution to the project in an amount reflecting the project costs minus any grant funds received and minus the amount MMU would otherwise spend on softening system improvements currently estimated at \$900,000. *(As an example, had MMU received the PSIG grant of \$7,000,000, the City's commitment would have been \$1,143,000. (Project cost of \$9,043,000 less PSIG received of \$7,000,000 less MMU's committed expenditure of \$900,000)).*
4. Upon request by MMU Commission, indicates City's willingness to authorize and approve the sale of G.O. backed public utility revenue bonds by the City, with MMU making payment on the bonds. If issued, the bonds would be 15 year in length and the bond size would not exceed the project cost minus any grant funds received by MMU for the project.

After the PSIG amounts are known and final project estimates are developed, if the amount of City's commitment is greater than \$1,715,000 *(150% of the estimated \$1,143,000)*, the City reserves the right to request that the MMU Commission not award the contract to construct.

Upon vote being taken thereon, the following Council Members voted in favor:

and the following voted against the same:

whereupon the resolution was declared passed and adopted this _____ day of _____, 2017.

Robert J. Byrnes, Mayor

ATTEST:

Jane DeVries
Its: City Clerk

This Instrument Drafted by:
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