



Request for Board Action

Attachment 6.6

Agenda Item: Approval of the Southern Regional Treatment System Agreement and the 1st Amendment to the Upper Harbor REOA

Presenter: D. Kalmon

Meeting Date: 12 March 2024

Flexibility: ☐ Yes ☒ No

Estimated Time: ☐ Consent Agenda ☐ 10 Min. ☒ 15 Min. ☐ 30 Min. ☐ 45 Min. ☐ 1 Hour

Action Request: ☐ Information/Review ☒ Motion to approve ☐ Budget Change ☐ Other

Board Action: ☐ Approved ☐ Denied ☐ Tabled ☐ Accepted Report ☐ Other

Date of Action: 12 March 2024

Background

See ATT 6.6.1 – Southern Regional Treatment System Agreement
ATT 6.6.2 - 1st Amendment to the Upper Harbor REOA

At the January 9 Board of Commissioners meeting, staff provided a brief update on the Southern Regional Treatment System (SRTS) Agreement that Minneapolis Public Works and MWMO staff were in the midst of writing and reviewing.

The SRTS agreement is closely tied to the Upper Harbor District System Reciprocal Easement and Operating Agreement (REOA), which is the primary agreement guiding all design, build, funding, operations and maintenance between parcel owners at Upper Harbor.

Easements for the SRTS were identified on Parcel 5, as a part of the Upper Harbor design process (2019–2022) and finalized with the titling of the REOA in 2023. The REOA also included funding commitments by MWMO and Minneapolis Public Works for estimated capital and operations and maintenance costs.

MWMO staff began writing the Southern Regional Treatment System (SRTS) Agreement with Minneapolis Public Works, once the facility's design reached 60 percent in May of 2023. This SRTS Agreement is now substantially complete along with a companion amendment to the REOA that recognizes completion of the SRTS's Agreement, design, construction start date, and the water it will supply to the District System. Approvals and signatures for both documents are being requested from all parties prior to May 1st 2024 notice to proceed date.

The primary roles and responsibilities within the SRTS's Agreement between the MWMO and the City of Minneapolis to are as follows:

Partner Goals

The City's goals for the Southern Regional Treatment System are to provide a regional stormwater treatment system to effectively and efficiently improve water quality prior to discharge to the Mississippi River. The City's goal is also to have a regional stormwater treatment system that is comparable to or more efficient on a cost per pound basis than the City's other stormwater treatment facilities.

The MWMO's goals for the Southern Regional Treatment System are to provide a primary source of treated water that will improve the quality, functionality, and performance of the Upper Harbor's District System, with an emphasis on the water volume, quality, flow rate, and temperature needed to establish and maintain the living ephemeral stream system's macroinvertebrates taxa, including mayflies, dragonflies, and damselflies, which will intermittently be discharged directly into the Mississippi River.

MWMO

- Monitors the performance of the Southern Regional Treatment System
- Provides a project manager for oversight of the construction and inspections
- Coordinates with the City on any changes to the approved SRTS Plan

MWMO pays for:

- Professional services related to engineering, design, and construction administration
- The construction of the Southern Regional Treatment System
- The construction of the Common Reuse System
- Annual O&M exceedances that go beyond a \$120,000 annual cost cap (ends January 1, 2045)

- Modifications to the Southern Regional Treatment System needed to achieve agreed upon meet upon performance benchmarks

MWMO receives:

- Water quality treatment for 75 urban acres in North Minneapolis
- Water volume discharging from the Southern Regional Treatment System
- Rights to additional treatment gained through the District system treatment train
- City agrees it will not unreasonably divert water from the District System after this Agreement terminates
- Stormwater runoff volume or pollution reduction credits may be generated the additional water volume that goes into the District System

Minneapolis

- Provides land for the Southern Regional Treatment System and Common Reuse System
- Provides a project manager for oversight of the construction and inspections
- Coordinates with the MWMO on any changes to the approved SRTS Plan

Minneapolis pays for:

- After commissioning in 2025, Minneapolis owns the Southern Regional Treatment System and pays for all costs associated with the facility. Except for any annual operations and maintenance cost that exceed \$120,000, before January 1, 2045.

Minneapolis receives:

- Water quality treatment for 75 urban acres in North Minneapolis
- A turn key Southern Regional Treatment System

MWMO Staff are requesting Board approval of this Southern Regional Treatment System Agreement between the MWMO and the City of Minneapolis and the related approval of a 1st Amendment to the Upper Harbor REOA.

Mississippi Watershed Management Organization

RESOLUTION 2024-013

A RESOLUTION APPROVING THE SOUTHERN REGIONAL TREATMENT SYSTEM AGREEMENT

- WHEREAS, The MWMO's 10-Year Plan has established a goal to protect and improve the Mississippi River with implementation actions that improve habitat structure and ecosystem function within highly urban settings; and
- WHEREAS, The water from the Southern Regional Treatment System will improve habitat and aquatic ecosystems located in the Mississippi River Corridor Critical Area; and
- WHEREAS, The Southern Regional Treatment System will capture stormwater from 75 acres and effectively and efficiently improve water quality prior to discharge to the Mississippi River; and
- WHEREAS, Approvals and signatures for both the Southern Regional Treatment System Agreement and the related 1st Amendment to the Upper Harbor REOA are being requested from all parties prior to the May 1st 2024 notice to proceed date; and
- WHEREAS, The City and MWMO's staff have no substantial objections to the current Southern Regional Treatment System Agreement and the 1st Amendment to the Upper Harbor District System Reciprocal Easement and Operating Agreement; and
- WHEREAS, The MWMO Board has received and approved a final bid to construct the Southern Regional Treatment System; and
- WHEREAS, MWMO Staff recommends the Board of Commissioners approve the Southern Regional Treatment System Agreement and the 1st Amendment to the Upper Harbor District System Reciprocal Easement and Operating Agreement.

NOW THEREFORE BE IT RESOLVED, the MWMO Board of Commissioners approves Southern Regional Treatment System Agreement and the 1st Amendment to the Upper Harbor District System Reciprocal Easement and Operating Agreement and authorizes MWMO staff to take all necessary administrative actions to implement the resolution.

Adopted this the 12th day of March, 2024.

Review for the Board: _____

Randy Stille, Chair

Review for Administration: _____

Kevin Reich, Executive Director