

Business Item

Environment Committee



Committee meeting date: June 9, 2026

For the Metropolitan Council: June 24, 2026

Business Item: 2026-78 JT

2026 Budget Amendment – 2nd Quarter

District(s), member(s):	All
Policy/legal reference:	2026 Unified Budget, Minnesota Statutes Section 473.13, Subdivision 1-Council Budget Requirements
Staff prepared/presented:	Adam Gordon, Manager, Interceptor Engineering, 651-602-4503
Division/department:	MCES c/o Leisa Thompson, 651-602-8101

Proposed action

That the Metropolitan Council amend the 2026 Budget – Authorized Capital Program (ACP) with a reallocation of \$13,000,000 as indicated and in accordance with the Capital Program – Environmental Services (Table 10) and the Capital Program Table – Attachment 3.

Background

The proposed amendment reallocates funding from one program to another. The amendment includes the following change to the Environmental Services ACP and Capital Improvement Program (CIP):

Reduce Authorization Funding for Program 8086, North Area Interceptor Improvements by \$13,000,000.

Increase Authorization Funding for Program 8088, St Paul Interceptor System Improvements by \$13,000,000.

Recent construction cost estimates combined with price escalation projections for the Grass Lake Interceptor Rehabilitation and 1-MS-100 Condition Assessment projects are more than the capital funding available to fund these projects in the St Paul Interceptor Systems Improvements program. Authorized Capital Program Funding will be reallocated from the North Area Interceptor Improvements program to the St Paul Interceptor Systems Improvements program to fully fund the construction of these two projects.

Rationale

This amendment is required for additional authorization funding for the St Paul Interceptor System Improvements program. This action is needed to minimize operational impacts and to ensure reliable wastewater service.

Thrive lens analysis

On Feb. 12, 2025, the Council adopted Imagine 2050, which builds on policy direction in Thrive MSP 2040. Under the Thrive lens, this action advances the Thrive outcomes of Stewardship and Sustainability. Public financial resources will be invested efficiently and effectively to maintain wastewater infrastructure which protects the region's natural resources.

Funding

The capital amendment will be funded by wastewater fees through Environmental Services' capital program.

Small business inclusion

The proposed action has no direct impact on small business contracting. The Office of Civil Rights and Small Business Programs will review the two projects referenced above for small business goals prior to advertisement.



**METROPOLITAN COUNCIL
CAPITAL PROGRAM
ENVIRONMENTAL SERVICES**

TABLE 10

(\$ in 000's)

	Authorized Capital Program (ACP)			Capital Improvement Plan (CIP)							ACP + CIP Combined
	2026 Current	Changes	2026 Amended	2026	2027	2028	2029	2030	2031	Total	
Treatment Plant Projects											
8059 - Metro Rehabilitation & Facilities Improve	62,610	-	62,610	-	-	-	-	-	-	-	62,610
8062 - Metro Solids Improvements	344,749	-	344,749	-	-	-	-	-	-	-	344,749
8074 - Empire Plant Solids Improvements	49,033	-	49,033	-	-	-	-	-	-	-	49,033
8078 - Regional Plant Improvements	85,498	-	85,498	-	-	2,000	18,300	19,800	20,000	60,100	145,598
8089 - MWWTP Asset Renewal	313,483	-	313,483	-	-	8,000	20,020	42,520	49,020	119,560	433,043
8091 - Wastewater Reclamation Facilities	1,634	-	1,634	-	250	250	250	-	-	750	2,384
8097 - Blue Lake Solids Processing	111,601	-	111,601	-	6,000	6,000	15,000	24,000	20,000	71,000	182,601
8099 - Crow River Wastewater Treatment Plant	30,160	-	30,160	-	22,000	32,000	32,000	32,000	32,000	150,000	180,160
8100 - Industrial Pretreatment Incentive Program	10,644	-	10,644	-	-	-	-	-	-	-	10,644
8101 - BPSI Allocation - Plants	2,964	-	2,964	-	-	-	-	-	-	-	2,964
8103 - Metro WRRF Renewal & Impr	3,000	-	3,000	-	-	3,500	7,000	7,000	-	17,500	20,500
8104 - Empire WRRF Renewal & Impr	2,000	-	2,000	-	-	-	1,000	1,000	-	2,000	4,000
TOTAL Treatment Plant Projects	1,017,375	-	1,017,375	-	28,250	51,750	93,570	126,320	121,020	420,910	1,438,285
	Authorized Capital Program (ACP)			Capital Improvement Plan (CIP)							ACP + CIP Combined
	2026 Current	Changes	2026 Amended	2026	2027	2028	2029	2030	2031	Total	
Interceptor Projects											
8028 - Blue Lake System Improvements	103,396	-	103,396	-	3,700	12,000	15,500	8,700	925	40,825	144,221
8041 - Hopkins System Improvements	6,802	-	6,802	-	-	-	-	-	-	-	6,802
8055 - Lift Station Improvements	149,448	-	149,448	-	1,000	12,000	25,350	38,350	33,200	109,900	259,348
8056 - Meter Improvements	41,832	-	41,832	-	-	-	500	500	500	1,500	43,332
8082 - St Bonifacius LS/FM Rehabilitation	24,221	-	24,221	-	-	-	-	-	-	-	24,221
8083 - Waconia LS/FM Rehabilitation	3,011	-	3,011	-	-	-	-	-	-	-	3,011
8086 - North Area Interceptor Rehabilitation	248,598	-13,000	235,598	-	-	-	23,500	29,000	19,000	71,500	307,098
8088 - St Paul Interceptor System Rehabilitation	39,271	13,000	52,271	-	-	-	9,840	43,110	67,110	120,060	172,331
8090 - Interceptor Rehabilitation - Program	72,673	-	72,673	-	-	15,500	18,800	3,800	1,900	40,000	112,673
8092 - Mpls. Interceptor 1-MN-340 Rehabilitation	132,486	-	132,486	-	-	-	5,000	7,000	7,000	19,000	151,486
8094 - Brooklyn Park L32	226,280	-	226,280	-	-	-	-	-	-	-	226,280
8095 - Coon Rapids-Fridley Area Inter	109,028	-	109,028	-	-	-	8,210	39,810	64,500	112,520	221,548
8102 - BPSI Allocation - Interceptors	2,964	-	2,964	-	-	-	-	-	-	-	2,964
TOTAL Interceptor Projects	1,160,011	-	1,160,011	-	4,700	39,500	106,700	170,270	194,135	515,305	1,675,316
Total ES Capital Program	2,177,386	-	2,177,386	-	32,950	91,250	200,270	296,590	315,155	936,215	3,113,601



**METROPOLITAN COUNCIL
SUMMARY BUDGET
ENVIRONMENTAL SERVICES DIVISION
FY26**

Table B-1

(\$ in 000s)

	Treatment Services	Interceptors	Support Services	Maintenance Services	Capital Design & Delivery	Water Resources Planning	Planning	GM Office	ES Wide	Total Operating	Debt Service	Passthrough Grants	Memo Total	SAC Reserves
Revenues:														
State Revenues	-	-	-	-	-	1,281	-	-	-	1,281	-	12,000	13,281	-
Federal Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Wastewater Charges	-	-	-	-	-	-	-	-	210,600	210,600	104,022	-	314,622	-
Industrial Wastewater Charges	-	-	-	-	-	-	-	-	21,058	21,058	604	-	21,662	-
Sewer Availability Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	44,374
Investment Earnings	-	-	-	-	-	-	-	-	2,500	2,500	-	-	2,500	-
Other Revenues	-	-	100	275	-	651	-	111	-	1,137	-	-	1,137	-
Total Revenues	-	-	100	275	-	1,932	-	111	234,158	236,576	104,626	12,000	353,202	44,374
Expenses:														
Salaries & Benefits	51,326	10,695	17,527	8,294	3,802	4,074	3,078	6,827	(3,673)	101,950	-	-	101,950	-
Consulting & Contractual Services	12,731	996	2,618	4,044	16	2,590	365	1,421	490	25,271	-	-	25,271	-
Materials & Supplies	9,689	1,129	1,894	1,193	63	193	7	154	474	14,796	-	-	14,796	-
Fuel	218	70	17	28	13	9	-	-	-	355	-	-	355	-
Chemicals	11,075	6,167	1	-	-	-	-	-	-	17,243	-	-	17,243	-
Utilities	20,794	2,785	-	153	-	15	-	-	175	23,922	-	-	23,922	-
Printing	-	1	-	-	-	17	1	7	22	48	-	-	48	-
Travel	70	34	173	62	79	93	92	205	-	808	-	-	808	-
Insurance	40	-	-	-	30	-	-	-	3,630	3,700	-	-	3,700	-
Operating Capital	610	27	177	800	-	-	-	-	2,283	3,897	-	-	3,897	-
Governmental Grants	-	-	-	-	-	57	-	-	1,250	1,307	-	-	1,307	-
Other Expenses	151	31	621	44	12	6	38	479	4,352	5,734	-	-	5,734	-
Passthrough Grants	-	-	-	-	-	-	-	-	-	-	-	12,000	12,000	-
Debt Service Obligations	-	-	-	-	-	-	-	-	-	-	149,000	-	149,000	-
Total Expenses	106,704	21,935	23,028	14,618	4,015	7,054	3,581	9,093	9,003	199,031	149,000	12,000	360,031	-
Other Sources and (Uses):														
Interdivisional Allocation	-	-	-	-	-	-	-	-	(32,862)	(32,862)	-	-	(32,862)	-
SAC Transfers In	-	-	-	-	-	-	-	-	3,000	3,000	44,374	-	47,374	(47,374)
Transfers From Other Funds	-	-	-	-	-	400	-	-	-	400	-	-	400	-
Transfer in from OPEB	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers To Other Funds	-	-	-	-	-	-	-	-	(13,000)	(13,000)	-	-	(13,000)	-
Net Other Sources and (Uses)	-	-	-	-	-	400	-	-	(42,862)	(42,462)	44,374	-	1,912	(47,374)
Change in Fund Balance	(106,704)	(21,935)	(22,928)	(14,343)	(4,015)	(4,722)	(3,581)	(8,982)	182,293	(4,917)	-	-	(4,917)	(3,000)

Project #	Family Proj	Description	CURRENTLY AUTHORIZED				PROPOSED CHANGES				AMENDED				2026	Multi-Year	
			Regional	PFA	Pay-Go	Total	Regional	PFA	Pay-Go	Total	Regional	PFA	Pay-Go	Total	Budget	Authorization	
ENVIRONEMENTAL SERVICES															Original Adopted	\$ 405,725,000	\$ 2,177,385,981
															After Prior Amendments	\$ 405,725,000	\$ 2,177,385,981
															After This Amendment	\$ 405,725,000	\$ 2,177,385,981
<u>Administrative Adjustments</u>																	
<u>Closing Projects / Reallocate Authorized Funding</u>																	