

TRANSMITTAL LETTER FOR BOARD MEETING OF AUGUST 4, 2016

COMMITTEE ON MONITORING AND RESEARCH

..Title

Request authority to adopt the Resource Recovery Ordinance (Ordinance O16-010) to provide for the recovery and beneficial reuse of resources admitted to the water reclamation plants and solids management areas under the jurisdiction of the Metropolitan Water Reclamation District of Greater Chicago

..Body

Dear Sir:

On July 16, 2014, the Governor signed P.A. 098-0731 into law, giving the Metropolitan Water Reclamation District of Greater Chicago (the "District") authority to recover renewable resources to enhance treatment processes and to generate additional usable products. These renewable resources include, but are not limited to, food waste, the organic fraction of solid waste, commercial or industrial waste, fats, oils and greases, and vegetative material.

This Ordinance O16-010 (the "Resource Recovery Ordinance") implements that legislation and provides the regulatory framework for the District's resource recovery programs. Under the Resource Recovery Ordinance's authority, the District plans to implement programs for accepting delivery of non-hazardous, high strength, carbonaceous materials used to produce energy in the form of biogas from anaerobic solids digestion processes and to enhance biological phosphorus removal; and develop a program for accepting delivery of vegetative and wood chip feedstock to enhance production of exceptional quality biosolids through composting.

As explained in the Ordinance, the Executive Director will designate District officers as program directors who will be responsible for creating and implementing the standard operating procedures and controls for each resource recovery program. In general, a program director will evaluate each resource sought to be brought to a District water reclamation plant (WRP) or solids management area and, if acceptable, issue a delivery authorization to an entity seeking to deliver recoverable resources to a District facility. The details of the resource recovery programs will be contained in program documents created by a program director. As the programs develop and receipt capability for the recovered resources expands, there will be a need for additional infrastructure already contemplated under the District's capital improvement plan and currently under planning and design.

The United States Environmental Protection Agency supports such resource recovery initiatives. The Ordinance provides the regulatory framework for initial application review and approval, delivery authorization issuance, program monitoring, delivery tracking, insurance, cost, and enforcement. Any delivery authorizations issued under the Ordinance are valid for a maximum of three years. There are controls in the Ordinance generally designed to ensure that there are no adverse impacts to the treatment processes and to ensure that the District continues to meet all of its permit requirements. These controls will also be explained in detail in the program documents.

The Resource Recovery Ordinance will not only relieve the District from the burden of purchasing certain treatment enhancing chemicals, but it also has the potential to generate a revenue stream. Moreover, this Ordinance furthers the goals of the District's strategic business plan by adding value, demonstrating excellence (optimizing chemical and energy intensive processes), furthering partnerships, and recovering resources. Under the Ordinance, recovered resources for these programs may also be obtained through contracts authorized by the Board of Commissioners and approved by the Director of Procurement. Recovered resources obtained in this fashion are exempt from the cost provisions of the Ordinance and would be subject to the cost provisions of the contract. Similarly,

intergovernmental agreements entered into between the District and other governmental entities are exempt from the Ordinance's cost provisions.

The Ordinance enables the District to maximize the beneficial reuse of recovered resources for the production of renewable energy resources, to allow for the recovery and resale of valuable resources, to reduce greenhouse gases, to promote a more sustainable society, and to assist or enhance treatment operations at, or the beneficial reuse of byproducts from, the District's WRPs. Enacting the Resource Recovery Ordinance will enable the District to join the ranks of other leading utilities in the wastewater industry who have adopted similar programs.

Attached is the "Resource Recovery Ordinance". We recommend adoption of the proposed Ordinance, which will be effective immediately.

Requested, Ronald M. Hill, General Counsel, Thomas C. Granato, Director of Monitoring and Research, and John P. Murray, Acting Director of Maintenance and Operations;
RMH:TCG:JPM:LEB:EMA:nm

Recommended, David St. Pierre, Executive Director

Respectfully Submitted, David J. Walsh, Chairman Committee on Monitoring and Research
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for August 4, 2016

Attachment