



Legislation Text

File #: 24-1506, **Version:** 1

Resolution to Approve a Memorandum of Agreement with Tri-County Regional Planning Commission and Other Municipal Utility Partners to Complete a Mid-Michigan Regional Lime Calciner Feasibility Study (Not-to-Exceed \$38,025.00)

This memorandum and resolution requests approval of a Memorandum of Agreement with Tri-County Regional Planning Commission, City of Jackson, Lansing Board of Water & Light, East Lansing Meridian Water & Sewer Authority, Plainfield Charter Township, City of Owosso, City of Mt. Pleasant, City of Howell, Marion-Howell-Oceola-Genoa Sewer & Water Utilities, and City of Fenton to complete a Mid-Michigan Regional Lime Calciner Feasibility Study. Approval is also sought to delegate staff from the Water Treatment Services Unit to represent Ann Arbor during the completion of the study.

Ann Arbor Water uses lime in the drinking water treatment process to reduce hardness. This process, called lime softening, requires trucking of pebble lime to the water treatment facility and disposal of lime solid residuals generated during the softening process. The Ann Arbor Water Resource Recovery Facility also uses lime in the wastewater treatment process. Ann Arbor Water is genuinely concerned with security needs, competitive bids, cradle to grave product management, environmental impacts and potential regulatory changes related to lime supply and residual disposal.

Municipal water utilities that utilize lime in their treatment process face similar challenges with procurement and disposal. Several years ago, the ten water utilities listed above, with support from the Tri-County Regional Planning Commission, began discussing these shared challenges and identified the need for a study to evaluate the feasibility, including cost, logistics, environmental and economic impacts, and water utility operational needs, of building a lime calciner facility. A facility such as this would recycle lime for reuse.

The eleven participating local water utilities and the Tri-County Regional Planning Commission believe there are substantial benefits that can be derived by exploring the potential for building a lime calciner in the mid-Michigan area. A facility of this nature would assist local water utilities in the disposal of lime sludge in a reliable, effective, and cost-efficient manner, and allow for the continual recycling and reuse of lime for drinking water softening with a higher quality of supply. A regional calciner would advance our A2Zero circular economy goals and create a national example in the drinking water sector through a collaborative and interregional approach.

The Tri-County Regional Planning Commission was recently awarded a \$750,000.00 EGLE Affordability and Planning grant to complete the Mid-Michigan Regional Lime Calciner Feasibility Study. \$75,000.00 of the grant award will be used by Tri-County for project management and \$675,000.00 will be used for consulting services to complete the study. Tri-County Planning Commission, with feedback and support from the water utilities, issued an RFP, completed interviews and selected a consultant team for the project. The participating water utilities, including Ann Arbor, will be part of the project team and must now enter into a formal Memorandum of Agreement to participate in the study. The Agreement includes a detailed cost share for completion of the study,

should the project costs exceed the contracted \$675,000.00 budget. The breakdown of the percentage cost share of the participating utilities for all future expenses is based on each utility's percentage of lime utilized and lime sludge generated relative to the total of all participating utilities. Ann Arbor's cost share relative to the total of all participating utilities is 15.21%. We are seeking Council approval for the Memorandum of Agreement including authorizing a not-to-exceed amount of \$38,025.00 to ensure Ann Arbor's share of any extra contract costs are covered. We are also seeking Council approval for the Ann Arbor Water Treatment Services Manager to represent Ann Arbor in this project, with the Assistant Water Treatment Services Manager serving as a secondary representative.

Budget/Fiscal Impact: Funding is available in the approved FY25 Water Supply System Operations and Maintenance Budget.

Prepared by: Molly Maciejewski, Water Treatment Services Unit Manager

Reviewed by: Sue F. McCormick, Interim Public Services Area Administrator

Approved by: Milton Dohoney Jr., City Administrator

Whereas, the City uses lime in its water treatment process and at the water resource recovery facility and is interested in exploring alternatives to purchasing lime from private contractors as well as reducing lime disposal and transport costs;

Whereas, The City is participating in a regional effort with the Tri-County Regional Planning Commission and ten other municipal water utilities to examine the feasibility of constructing a regional lime calciner;

Whereas, a regional calciner would contribute to the City's circular economy goals by recycling lime residuals into a reusable product for regional water systems, including Ann Arbor;

Whereas, the Tri-County Planning Commission received an EGLE grant for \$750,000.00 to complete the Mid-Michigan Regional Lime Calciner Feasibility Study;

Whereas, Tri-County Regional Planning Commission and the participating water utilities have selected a consultant to complete the study;

Whereas, Ann Arbor must enter into a formal Memorandum of Agreement to participate in the Mid-Michigan Regional Lime Calciner Feasibility Study and commit to sharing in any added project costs, should the project costs exceed the approved grant amount;

Whereas, Ann Arbor's share of any additional project costs would be 15.21% of the total project overage costs, at a not-to-exceed amount of \$38,025.00;

Whereas, Ann Arbor must designate staff representatives to participate on behalf of Ann Arbor during completion of the study; and

Whereas, Funding is available in the approved Water Supply System Operating budget;

RESOLVED, That City Council approve the Memorandum of Agreement with the Tri-County Planning Commission for completion of a Mid-Michigan Regional Lime Calciner Feasibility Study;

RESOVED, that The City Council delegate the Water Treatment Services Manager to represent Ann Arbor during the completion of the study, and the Assistant Water Treatment Services Manager to serve

as a secondary representative;

RESOLVED, That the City Council approve as needed project funding not-to-exceed \$38,025.00 to cover any project costs in excess of the approved EGLE grant amount for the project;

RESOLVED, That the City Administrator be authorized to take all necessary administrative actions to implement this resolution including execution of any changes or amendments; and

RESOLVED, That the funds be available for the life of the project without regard to fiscal year.