

# E Environment Committee

## For the Metropolitan Council meeting of July 28, 2010

Item: 2010-252

### ADVISORY INFORMATION

Date Prepared: July 14, 2010

Subject: Adoption of MCES 2011 Wastewater Rates and Charges

### Proposed Action:

That the Metropolitan Council adopts the following wastewater rates and charges to be effective January 1, 2011:

- Municipal Wastewater Charge (annual) total of **\$172,784,609**,
- Sewer Availability Charge (SAC): **\$2,230** per Residence or Residential Equivalent Capacity,
- Temporary Capacity Charge (formerly "Add-on Service Charge"): **\$1.12** per thousand gallons,
- Industrial Strength Charge: **\$1.155** per excess pound of TSS (total suspended solids),
- Industrial Strength Charge: **\$0.0775** per excess pound of COD (chemical oxygen demand),
- Standard (septage) Load Charge: **\$48.99** per thousand gallons,
- Holding Tank Load Charge: **\$4.52** per thousand gallons,
- Portable Toilet Waste Load Charge: **\$62.12**, per thousand gallons,
- Collar County Load Charge: **\$61.49** per thousand gallons,
- Strength component of Industrial Load Charge **\$3.150** per excess pound of TSS,
- Strength component of Industrial Load Charge **\$1.1575** per excess pound of COD,
- Encroachment Application Fee: **\$600 per easement**
- Direct Connection Application Fee: **\$1,000 per application**
- Out-of-Region Load Charge Component for hauled waste: **\$12.50 per thousand gallons**
- Inflow & Infiltration Surcharge Exceedance Rate: **\$377,000** per mgd, and
- Industrial Permit Fees as shown on Attachment A.

Further, that the Metropolitan Council authorizes the SAC reserve fund exception for an economic downturn as stated in Council policy 3-2-5 *[Use of the minimum reserve shall be allowed only in an economic downturn or natural disaster and as approved by the Council]*.

### Summary of Committee Discussion / Questions:

Staff reviewed the public process. Comments read by MetroCities are included in the transcript of the June 18 public hearing. However, subsequent to the July 13 Environment Committee meeting, MetroCities requested that its June 23 letter also be included in this report to the full Council. Thus it is attached hereto.

Council Member Wulff noted in response to the Woodbury letter that the Council has raised SAC rates well in excess of the regular sewer charges so, hopefully, it is clear that the Council has done what it can and also in this budget, shared the pain.

Motion to approved proposed action was made, seconded, and passed unanimously.

# METRO CITIES

Association of Metropolitan Municipalities

June 23, 2010

Ms. Peggy Leppik, Chair  
Metropolitan Council Environment Services Committee  
390 North Robert Street  
Saint Paul, MN 55101

Dear Chair Leppik:

Thank you for the opportunity to comment on the proposed Sewer Availability Charge (SAC) "shift" for the 2011 budget. We appreciate the hard work by you and MCES staff over the last year to address the challenges associated with the decline in SAC revenues.

Metro Cities understands the Met Council's need for flexibility to address the decline in SAC and to alleviate instability in the SAC funding structure. Keeping the regional utility solvent is in the best interest of our region and its communities. The proposed shift for 2011 is significant, but we recognize that it includes budget saving mechanisms to try to limit the impact on existing users, and we appreciate the work by staff in this regard.

As you know, Metro Cities requested amendments to the SAC 'shift' legislation as it progressed this year. These amendments, all of which were supported by the Met Council and included in the legislation, provide for a sunset date of the legislation, a trigger provision that sets the process into motion and a 'shift back' mechanism to the wastewater charge once the SAC reserve is sufficient. The inclusion of these amendments are important to Metro Cities in that they help assure that this legislative authority will be used sparingly and judiciously and provide equity and balance by providing for a shift back to the MWC when the SAC fund is solvent. They will also assure that the SAC Task Force can continue the important work of making comprehensive recommendations for a long term SAC structure going forward.

An important goal for Metro Cities as deliberations on the SAC program continue, is that any changes to the SAC funding structure maintain a program that is fair and equitable for cities across the region. Historically, SAC has functioned relatively well in this regard. Maintaining a strong and equitable SAC program, one that accounts for potential declines in SAC revenues in the future, will be important task force outcomes for our organization.

Sincerely,



Patricia A. Nauman  
Executive Director

Cc: Jason Willett, Finance Director, MCES

# E Environment Committee

Meeting date: July 13, 2010

For the Metropolitan Council Meeting of July 28, 2010

## ADVISORY INFORMATION

<b>Date:</b>	June 30, 2010
<b>Subject:</b>	Adoption of MCES 2011 Wastewater Rates and Charges
<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	MS 473.517; Water Resources Policy Plan (pages 43-44); and Council Administrative policies 3-2-3 (re. municipal wastewater charges), 3-2-4 (re. industrial charges), and 3-2-5 (re. SAC)
<b>Staff Prepared/Presented:</b>	Jason Willett, 651/602-1196
<b>Division/Department:</b>	MCES c/o William G. Moore, 651/602-1162

### Proposed Action

That the Metropolitan Council adopts the following wastewater rates and charges to be effective January 1, 2011:

- Municipal Wastewater Charge (annual) total of **\$172,784,609**,
- Sewer Availability Charge (SAC): **\$2,230** per Residence or Residential Equivalent Capacity,
- Temporary Capacity Charge (formerly "Add-on Service Charge"): **\$1.12** per thousand gallons,
- Industrial Strength Charge: **\$1.155** per excess pound of TSS (total suspended solids),
- Industrial Strength Charge: **\$0.0775** per excess pound of COD (chemical oxygen demand),
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- Inflow & Infiltration Surcharge Exceedance Rate: **\$377,000** per mgd, and
- Industrial Permit Fees as shown on Attachment A.

Further, that the Metropolitan Council authorizes the SAC reserve fund exception for an economic downturn as stated in Council policy 3-2-5 *[Use of the minimum reserve shall be allowed only in an economic downturn or natural disaster and as approved by the Council]*.

### Background

On May 11 and June 8, staff presented information to the Environment Committee on the 2011 preliminary budget and rates. In June, this information was shared with community customers at two municipal Customer Forums and with industrial customers at an Industrial Customer Forum. Also, a public hearing was held on June 16th in regard to the proposal to shift some of the ordinary SAC responsibility, as required by law. A combined total of 90 customers attended the four meetings. A summary of the questions and comments are attached.

The revenue to be raised through all Municipal Wastewater charges in 2011 is \$172.8 million, a 3.2% increase from these charges in 2010 (although individual city results will vary depending on flows). This increase, together with the other rate changes, comply with the Council policy that charges should enable MCES to: meet wastewater regulatory requirements, implement MCES infrastructure rehabilitation and repair needs, and provide wastewater capacity for growth consistent with the Council's 2030 Regional Development Framework.

Charges and rates are based on a regional cost-of-service philosophy, the preliminary budget and formulas we have used for many years, with the exception that the increase on the holding tank load charge is limited to a 50% increase (note that after the increase, this charge remains less than half the cost of this service).

These rates are based on the preliminary budget which has total revenues decreasing 1.1% and total expenses decreasing .9% (note these decreases would be higher but for an anticipated \$2 million pass through of state funds for I/I grants to cities). Included in the budget is use of \$2.5 million from the operating reserve fund for this budget. Debt service is reduced by a substantial reduction (about 25%) in the proposed Capital Improvement Program. Capital Project expenses paid directly from operating revenues instead of debt ("pay-as-you-go") are maintained at \$1 million.

The SAC fund continues to be under considerable pressure due to the recession. On April 1, 2010 legislation was passed allowing Council the flexibility to temporarily reduce the SAC transfer and shift this amount to Municipal Wastewater Charges. The legislation requires a public hearing which was held on June 16 (see Attachment B for public comments). The SAC shift included in these proposed rates is \$4.5 million. Without the SAC shift the Municipal Wastewater charges would only be increased 0.5%. The I/I Surcharge Exceedance Rate has been changed only by inflation (the CPI for the Twin Cities metropolitan area) as anticipated in the program.

Once charges are approved and the flow measurements finalized, staff will notify customer communities and businesses. It is important to note that while the Council's 2011 budget is not adopted, the MCES portion of that budget will be substantially constrained by the revenue anticipated from these rates and charges.

The proposed 2011 "rate sheet" which includes a short description of these rates can be found on Attachment C. A summary of the preliminary budget for which these rates are based and a comparison to the 2010 budget is Attachment D. Public Comments from the customer forums are on Attachment E.

### **Rationale**

Wastewater service rates for 2011 need to be set well in advance to allow communities time to revise their ordinances and businesses time to revise their pricing structures.

### **Funding**

100% of wastewater operations, maintenance, and debt service are funded by these rates. Revenue from these rates and charges are not used for non-wastewater purposes.

### **Known Support / Opposition**

The public forums did not elicit statements of significant concern or opposition about the rates.

## 2011 Industrial Discharge Permit Fees

Quarterly Reporters (SIU>50 MGY)	\$6,025
Quarterly Reporters (SIU<50 MGY)	\$5,025
Semi-annual Reporters (SIU>10 MGY)	\$3,975
Semi-annual Reporters (SIU 5-10 MGY)	\$2,975
Semi-annual Reporters (SIU 2-5 MGY)	\$2,000
Semi-annual Reporters (SIU <2 MGY)	\$1,025
Semi-annual Reporters (Non-SIU)	\$1,025
Annual Reporters (Non-SIU > 1 MGY)	\$1,025
Annual Reporters (Non-SIU < 1 MGY)	\$650
Non Significant Categorical user (NSCIU)	\$650
Liquid Waste Hauler (> 1 MGY)	\$1,025
Liquid Waste Hauler (< 1 MGY)	\$650
Special Discharge Permit (quarterly reporter)	\$1,025
Special Discharge Permit (contingency/low impact)	\$650
General	\$275

SIU = Significant Industrial User - a federal designation



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June 11, 2010

Mr. Dan Schueller  
390 N Robert Street  
St. Paul, MN 55101

**Re: Comments for public hearing regarding SAC transfer amounts**

Dear Mr. Schueller:

The City of Woodbury requests this letter be entered into the public comments record regarding the proposed Service Availability Charge (SAC) transfer amount for the 2011 MCES budget.

Over the past five years, Woodbury's MCES flow charges have increased by an average of 8% a year, significantly above the rate of inflation during that time period. The City Council has not felt comfortable with passing through such large increases directly to our users and, therefore, have only increased city rates by an average of 5% a year in the past five years while absorbing the difference in our enterprise fund. In the context of these significant historical flow rate increases, now the Met Council is considering shifting a portion of the SAC charge to the general operations budget funded by the flow charge. While the city understands that declining development has significantly impacted SAC revenues and reserves, it opposes the shift away from the long-standing "growth pays for growth" funding philosophy to one that would distribute additional burden to existing users.

This situation has decreased Woodbury's sewer utility revenues over the past five years and shifting additional burden to the existing utility users will only exacerbate this situation. The city knows the trade-off is that SAC rates would need to increase significantly which may inhibit development in the region, but the city believes it must also help to maintain the health of existing developments and utility users. We are concerned that shifting the financial burden off of SAC fees would simply cause the flow rate to escalate even more dramatically.

Therefore, the city's position is that the Met Council should not increase Municipal Wastewater Charges for the purposes of reducing the SAC transfer amount. At the very least, the wastewater increase should be as small as possible to meet the needs of MCES and to limit the impact to existing users.

If you have any question or concerns please feel free to contact me at (651) 714-3421.

Sincerely,

A handwritten signature in black ink, appearing to read "Clinton Gridley", is written over a light blue circular stamp.

Clinton Gridley  
City Administrator

C: Mayor and Council  
Sherry Broecker, Metropolitan Council Member, District 12  
Patricia Nauman, Executive Director, Metro Cities

**Public Hearing comments (only one from Patty Nauman from Metro Cities):**

Chair, Members, thank you for the opportunity to speak.

My name is Patricia Nauman. I'm the executive director of Metro Cities. For those of you who are not familiar with our organization, we represent cities across the metro area before both the Met Council and the legislature. We were created basically when the Met Council was created to serve as both a watch dog and liaison to the Council. I appreciate the opportunity to speak today.

This is a very important issue for all of us, not just for the Met Council, but also for communities, and I want to say that we really appreciate the challenge that you've had and we appreciate the work by the staff and by you, Madam Chair, on the issues concerning SAC. We do believe that it is in the best interest, of course, for cities as well as the Council to have the regional utility remain solvent. We recognize the challenges, the significant challenges that you're facing here. I want to just touch on the legislation and our appreciation for the fact that you did work with us to try to get some amendments to this as the legislation went forward, and I do want to have that be stated for the public record.

When the Council was looking at having this legislation go forward this year, while we did recognize the challenges, we wanted to make sure that the legislative authority was not overly permissive. And that -- to that extent, we did ask for language that would precisely define the trigger allowing this kind of process to go forward, we did ask for the sunset provision in 2015, and we also asked for language that would allow for a shift back or restoration of the funds to the wastewater charge once the SAC fund again becomes solvent, which we all hope is sooner rather than later. Those amendments were included in the legislation, in the final bill, and that gave us more comfort with this idea and with this process.

And I want to say that also I think the most important thing I see is we want to make sure that there is equity in this program going forward. This has been a pretty successful program in the past, and so to that end, the SAC task force that was established last summer at our recommendation, really has an opportunity, given the sunset on the bill and just the parameters of the bill, to take a long-term look at the program. As I said, our goal is to make sure that this program going forward is fair and equitable, and we think that the task force is the best venue to take a look at what kind of changes we'd want to make going forward. I will say, I really appreciate the work that you've done here to try to keep this as low as possible. It's a significant hit on wastewater charges and, as you know, cities have been under the same economic strains that the Council has been under and all of us have been under and the state has been under, and we're going to be keeping a very close eye on this as it goes forward just to see how it plays out. So, again, I appreciate the work that you've done, and look forward to continuing to work with you on long-term changes to this program. Thank you.

# Metropolitan Council Environmental Services' (MCES) 2011 Charges

- 1. Municipal Wastewater Charge:** The charge by MCES to communities for sewer service treatment. All customer communities pay MCES an allocated portion of MCES Municipal Wastewater Charges based on the volume of wastewater treated. Most communities cover their own sewer costs by charging a higher “retail” rate to residents and businesses (these rate “mark-ups” are specific to each city).

<b>2011 Municipal Wastewater Charges</b>	
Total MCES Municipal Wastewater Charges in 2011:	\$172,784,609
(Allocation of these charges to communities is based on flow)	
Total system flow for 2011 charges: in million gallons (mg)	
(based on estimated flow for July 1, 2009 - June 30, 2010):	85,000 mg
Approximate rate per million gallons:	<b>\$2,032.76</b>

- 2. Municipal Sewer Availability Charge (SAC):** The sewer availability charge to communities is imposed by MCES for new connections or increased demand to the metropolitan wastewater system. Generally, one SAC unit equals 274 gallons of maximum potential daily wastewater flow capacity. A freestanding single-family residence is charged one SAC unit. Other types of buildings pay a prorated SAC fee, based on the estimated capacity of wastewater required.

<b>2011 Sewer Availability Charges</b>		
	Discount	SAC Rate
Base Unit Fee (Single-Family Dwelling):		<b>\$2,230.00</b>
Apartment (without individual laundry facilities)	20%	\$1,784.00
Multi-Dwelling Public Housing (without garbage disposals or dishwashers)	25%	\$1,672.50
Outdoor Space Discount:	75%	\$557.50
Commercial: Base unit fee times number of residential equivalent connections (RECs) where the number of RECs is based on an estimated maximum daily capacity by use type.		
Industrial: Base unit fee times number of RECs where the number of RECs is based on maximum normal process flow plus RECs for commercial spaces.		

- 3. Industrial Strength Charge:** Strength charges are MCES fees directly to connected industries for the additional treatment costs caused by industrial wastewater that has more pollutants than typical residential wastewater. Industrial strength charges are based on the concentration of pollutants (as measured by Total Suspended Solids (TSS) and Chemical Oxygen Demand (COD)) and the volume of the discharge. Industrial Users are also subject to normal municipal wastewater charges and SAC through their host communities.

<b>2011 Industrial Strength Charges:</b>	
Cost per excess pound of Total Suspended Solids (TSS)	\$0.1550
Cost per excess pound of Chemical Oxygen Demand (COD)	\$0.0775



**4. Liquid Waste Load Charge:** Liquid waste haulers pay MCES directly for septage, leachate and other hauled wastes that are discharged (at approved MCES disposal sites). The load charges combine a strength charge component, a volume component that is based on the MCES municipal wastewater rate and a special facilities component for the discharge sites. Also out-of-region waste is assessed an administrative service component.

2011 Liquid Waste Load Charges (per 1,000 gallons)	
Standard Load Charge	<b>\$48.99</b>
Portable Toilet Waste Load Charge	<b>\$62.12</b>
Holding Tank Load Charge	<b>\$4.52</b>
Collar County Load Charge	<b>\$61.49</b> (for 10 counties surrounding the Region)
Industrial Load Charge (\$ per excess lb.)	<b>\$.3150TSS and .1575 COD plus \$4.52/1,000 gal. volume charge</b> (plus \$12.50/1000g service fee for loads generated out of the metropolitan region)

**5. Industrial Discharge Permit Fee:** Those Industrial Users issued a permit must also pay annual permit fees to MCES, which recover a portion of the costs to administer the industrial pretreatment program. Permit fees are based on permit type, annual volume of wastewater, Significant Industrial User (SIU) status, and self-monitoring reporting frequency. First-year permit fees for Liquid Waste Haulers and Special Dischargers are required at the time of permit application.

2011 Industrial Discharge Permit Fees:								
Volume (MGY)	>50 m.	<50 m.	>10 m.	5–10 m.	2–5 m.	<2 m.	>1 m.	<1 m.
Quarterly Reporters	\$6,025	\$5,025						
Semi-annual Reporters			\$3,975	\$2,975	\$2,000	\$1,025		
Annual Reporters and Liquid Waste Haulers							\$1,025	\$650
General Permits	\$275							

**6. Temporary Capacity Charge:** A charge assessed to industrial permittees for temporary use of the metropolitan system (e.g. disposal of treated, contaminated groundwater). This charge is assessed in lieu of SAC, due to the temporary nature of the service – essentially renting capacity in the system.

**2011 Temporary Capacity Charge: \$1.12 per 1,000 gallons**

**7. Late Report Fee:** A fee assessed to permittees who fail to submit a complete self-monitoring report on a timely basis. The late fee amount is based on the frequency and severity of late reports.

**2011 Late Report Fees: \$100–\$1,000 per report (see Web site below for more detail)**

**8. Stipulation Agreement Payment:** These are negotiated monthly payments and daily penalties intended to negate the economic advantage of noncompliance with federal pretreatment standards or local limits.

**9. Cost Recovery Fees:** These fees are used to recover costs from any responsible party associated with spill or enforcement responses, non-routine data requests, special discharge requests, orders to appear, or notices of violations. Two administrative cost recovery fees are the Encroachment Application Fee (\$600) and the Direct Connection Application Fee (\$1,000). Both of these fees are assessed to recover administrative costs for time spent by MCES staff.

***Rate Setting Budget***

	2010 Adopted <u>Budget</u>	2011 Preliminary <u>Budget</u>	<u>Change</u>
REVENUE & Other Sources: (\$s in thousands)			
Municipal Wastewater Charges	\$ 167,410	\$ 172,785	3.2%
SAC Transfer	30,365	24,951	-17.8%
SAC Shift	0	(4,500)	
Industrial Charges	9,665	11,472	11.5%
Other Sources	<u>3,601</u>	<u>4,016</u>	<u>3.8%</u>
Total Revenue/Sources	\$ 211,041	\$ 208,724	-1.1%
EXPENSES & Other Uses: (\$s in thousands)			
Debt Service	92,147	92,500	.4%
MCES Labor	60,301	59,742	-9%
Interdivisional	10,054	9,745	-3.1%
Non-Labor	49,539	48,237	-1.0%
Pay-as-You-Go for Capital Projects	<u>1,000</u>	<u>1,000</u>	<u>0%</u>
Total Expenses	213,041	211,224	-9%
SURPLUS/(DEFICIT) to (from) Reserves	(\$2,000)	(\$2,500)	25%
STATISTICS:			
Flow (billions of gallons)	84.5	85.0*	.6%
Employees (Full Time Equivalents)	695	670	-3.6%

\* Flow is estimated, the final flow and rate will not be available until August.

**Staff Note Summary from MCES Customer Forum  
St. Paul: League of Minnesota Cities Building  
June 15, 2010  
(23 public attendees plus Council Members Wittsack and Scherer and staff)**

**Questions/Answers:**

Q: What is your best guess for rate increases beyond 2011?

*A: We haven't tied those down at this point but we are looking at some larger increases for debt service than we had this year. There are lots of variables, including the economy (that could require a large SAC shift), that make it hard to predict. We are trying to tighten in 2010 and 2011 and will try to keep rates down, if we had to guess maybe 4-5% increases each year, but we cannot commit to that.*

Q: The SAC shift could be as high as requiring a 5% MWC increase?

*A: If the economy goes bad and SAC can't pay anything, it could require a 15-20% increase but we don't expect that and think we are likely to be able to stay at or below a 5% increase per year.*

Q: When will the SAC shift determination be final?

*A: We will present all customer feedback to the Environment Committee July 13 and then based on the outcome, we will ask the Council to approve the rates, which includes the proposed shift, on July 28.*

Q: Where did the 6,500 SAC unit assumption come from? Is this being used in other Council planning?

*A: Council Planning staff gave us construction starts, commercial vacancy numbers and Regional Federal Reserve Bank projections with little recovery expected in the next few years. We've had some growth months this spring, but it has not been stable increases and we don't know whether we'll see a dip with the end of the federal tax credit for housing. We describe it as "partly cloudy". However, the Met Council has to prepare for whatever happens. 6,500 is a combination of this information and being conservative in this economy.*

*Council Planning doesn't use ES's SAC projections or actual SAC collections for their longer term planning cycle. Moreover, the sewer area (that pays SAC) is a subset of the entire Council region.*

**Staff Note Summary from MCES Customer Forum  
Golden Valley: Brookview Community Center  
June 22, 2010  
(23 public attendees plus staff)**

**Questions/Answers:**

Q: What structural changes made it possible for you to downsize 40% from 1995's 1,171 FTE's?

*A: Restructuring work assignments, jurisdictional changes with unions, consolidated to reduce the number of plants, automation, and combining jobs.*

Q: Have you got union agreement to pay freezes?

*A There are eight bargaining units with negotiations in varying stages. One union accepted, one rejected last week, one is voting today. This is a financial risk.*

Q: For 2012, will the rate increase 6%?

*A: The SAC rate is required to increase by at least 6% if we need to shift again. We will make every effort to keep Municipal Wastewater Charge increases under 5%, but can't commit as many things (like increasing regulation could cost us a lot and are largely out of our control).*

Q: Was there ever a time where wastewater was not 100% user fee funded?

*A: Not with this organization. For the record, we do occasionally have work that is not wastewater work and funded by other sources. For example, we have a small amount of expense for 3 employees for water supply but we do not use wastewater charges for this expense. We received some state Clean Water Funds for that and have also used the Council's general funds.*

Q: How did you get debt to this high level?

*A: We don't believe it is unreasonably high given that the system replacement cost is about \$4 Billion and that the wastewater industry in general is one of the most capital intensive industries around. Our competitive rates suggest we are not over spending. Also note that, up until the late 1980's, federal funds were available for most of the capital spending for waste water facilities. Now the only federal dollars available go to PFA. We don't usually get grants from them, although we do get lower-rate loan funds. You can come see the treatment plant to get a sense of the technology and scale involve – the Metro plant looks like a college campus.*

Q: Is the Golden Valley interceptor up to Highway 55 funded by SAC?

*A: Under the current method SAC pays a percentage of every capital project. If we change the SAC "reserve capacity" method to Growth Cost in 2012, SAC will pay for it, if it is growth. You can talk to Bryce about how much of it is classified as growth.*

**Staff Notes from MCES Industrial Waste Forum  
St. Paul (Metro 94 Building)  
June 17, 2010  
(29 Industrial users present and staff)**

**Questions/Comments:**

Q: How are you going to communicate the changes made to the Waste Discharge Rules?

*A: The revised Rules still need a number of approvals (e.g. legal, Environment Committee, MPCA) before they take effect. There will be a Public Meeting open to Industrial Users to discuss the changes. There will be correspondence from IW staff to IUs when the Rules take effect.*

A comment was made regarding the MCES PFC survey and needing more time to complete it.

*Keith Buttleman stated that MCES disagrees with the MPCA approach to PFC control. It is MCES' position that more research needs to be done before setting NPDES permit limits.*

Comment: It is expensive for the IUs to complete the survey.

*Response: We realize that, but MCES needs the information to be able to respond to MPCA.*

Comment: PFCs aren't even listed on MSDS because they are not recognized as hazardous.

Q: What would be the timeline to get PFC limits into Waste Discharge Permits?

*A: Depends in part on MCES success in dealing with MPCA. PFCs will most likely be part of the Metro Plant NPDES permit renewal. It may take two permit cycles (10 years) to get an enforceable limit in place.*

Comment: Industrial Users should be included in the discussions with MPCA regarding PFC regulation.

*Response: We appreciate your willingness to get involved.*

Staff stated that there is not enough data to justify limits in parts per trillion for wastewater effluent. The cost to treat wastewater to this limit at the treatment plant would be enormous. Treating at the source may be more effective. Some electroplaters have already changed to PFC free chemicals. Landfill leachate is another potential source of PFCs.

Q: Regarding the cost of the SAC shift proposal, how can I figure out the cost to my company?

*A: The annual cost will be about \$2.78 per REC. Each REC is about 100,000 gallons of wastewater a year.*