

E Environment Committee

Meeting date: July 14, 2009

For the Metropolitan Council Meeting of July 22, 2009

ADVISORY INFORMATION

Date:	July 6, 2009
Subject:	Adoption of 2010 Wastewater Rates and Charges
District(s), Member(s):	All
Policy/Legal Reference:	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)
Staff Prepared/Presented:	Jason Willett 651-602-1196
Division/Department:	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, 2010:

- Municipal Wastewater Charge (annual) total of **\$166,290,108**;
- Sewer service Availability Charge (SAC): **\$2,100** per Residential Equivalent Connection;
- Add-on Service Charge (for temporary capacity use): **\$1.05** per thousand gallons;
- Industrial Strength Charge: **\$1.58** per excess pound of TSS (total suspended solids);
- Industrial Strength Charge: **\$0.079** per excess pound of COD (chemical oxygen demand);
- Standard (septage) Load Charge: **\$48.59** per thousand gallons;
- Holding Tank Load Charge: **\$3.01** per thousand gallons;
- Portable Toilet Waste Load Charge: **\$61.97**, per thousand gallons;
- Collar County Load Charge: **\$58.59** per thousand gallons;
- Strength component of Industrial Load Charge **\$0.3210** per excess pound of TSS;
- Strength component of Industrial Load Charge **\$0.1605** per excess pound of COD;
- Inflow & Infiltration Surcharge Exceedance Rate: **\$379,000** per mgd, and
- Industrial Permit Fees as shown on Attachment A.

Further, the Metropolitan Council authorizes the Service Availability reserve fund minimum balance exception for an economic downturn stated in Council policy 3-2-5, allowing the fund to go as much as \$21,000,000 under the minimum balance during the remainder of 2009 and through calendar year 2010.

Background

On May 12 and May 26, staff presented information to the Environment Committee on the 2010 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. A combined total of 66 customers attended the three customer meetings. A summary of the questions and comments are attached.

As noted in the proposed motion above, the revenue to be raised through Municipal Wastewater charges in 2010 is \$166,290,108 – a 3.1% increase from these charges in 2009. 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 capped at 25% (as was done for 2009 rates).

In the preliminary budget these rates are based upon, the total revenues increase 1.1% and total expenses increase 1.6%. Included in the budget is a transfer of \$2 million from the operating reserve fund to the operating fund for this budget. Capital Project expenses paid directly from operating revenues ("pay-as-you-go") are not increased but maintained at \$5 million.

The Service Availability Charge (SAC) fund continues to be under considerable pressure due to the recession. Numerous actions to mitigate that stress are included in this preliminary budget and proposed rates; however, legislative action may be necessary in 2010 to reduce the required SAC contribution towards reserve capacity. In addition, staff will bring to the Committee meeting additional analyses using higher increases in the SAC rate that will require use of less of the SAC reserve fund.

The Inflow/Infiltration (I/I) Surcharge Exceedance Rate has been increased 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 2010 budget is not yet adopted, the MCES portion of that budget will be substantially constrained by the revenue anticipated from these rates and charges.

The proposed 2010 "rate sheet" which includes a short description of these rates can be found on Attachment B. A summary of the preliminary budget for which these rates are based and a comparison to the 2009 budget is Attachment C. Public comments are on Attachments D, E and F.

Rationale

Wastewater service rates for 2010 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, debt service and capital expenses 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, with the exception of a letter included as Attachment E. Another letter (Attachment F) addresses a concern about MCES capital project processes and responsiveness.

2010 Industrial Discharge Permit Fees

		% increase
Quarterly Reporters (SIU>50 MGY)	\$5,575	6.2
Quarterly Reporters (SIU<50 MGY)	\$4,650	6.3
Semi-annual Reporters (SIU>10 MGY)	\$3,675	5.8
Semi-annual Reporters (SIU 5-10 MGY)	\$2,750	5.8
Semi-annual Reporters (SIU 2-5 MGY)	\$1,850	5.7
Semi-annual Reporters (SIU <2 MGY)	\$950	5.5
Semi-annual Reporters (Non-SIU)	\$950	5.5
Annual Reporters (Non-SIU > 1 MGY)	\$950	5.5
Annual Reporters (Non-SIU < 1 MGY)	\$600	4.3
Non Significant Categorical user (NSCIU)	\$600	4.3
Liquid Waste Hauler (> 1 MGY)	\$950	5.5
Liquid Waste Hauler (< 1 MGY)	\$600	4.3
Special Discharge Permit (quarterly reporter)	\$950	5.5
Special Discharge Permit (contingency/low impact)	\$600	4.3
General	\$50-500	0

SIU = Significant Industrial User - a federal designation.

Metropolitan Council Environmental Services' (MCES) 2010 Charges

1. **Municipal Wastewater Charge (MWC):** This “wholesale” charge by MCES to communities connected to the regional sewer system if for standard sewer service. 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. Those rates are specific to each community.

2010 Municipal Wastewater Charges

Total MCES Municipal Wastewater Charges in 2010	\$166,290,108
(Allocation to individual communities is based on percent of system wide flow)	
Total <i>preliminary</i> system flow for 2010 charges:	in million gallons
(based on estimated flow for July 1, 2008 - June 30, 2009)	84,700 mg
Approximate rate per million gallons (preliminary)	\$1,963.28

2. **Municipal sewer Service Availability Charge (SAC):** This “wholesale” charge to communities is imposed by MCES for new connections or increased capacity demanded in the regional wastewater system. A freestanding single-family residence is charged one SAC unit. Other types of buildings pay a prorated SAC fee, based on the estimated volume of wastewater they could generate in a day.

2010 Service Availability Charges

	Discount	SAC Rate
Base Unit Fee (Single-Family Dwelling):		\$2,100
Apartment (<i>without individual laundry facilities</i>)	20%	\$1,680
Multi-Dwelling Public Housing (<i>without garbage disposals or dishwashers</i>)	25%	\$1,575
Commercial: Base Unit Fee times number of residential equivalent connections (RECs) where the number of RECs is based on an estimated <i>maximum</i> potential flow.		
Industrial: Base unit fee times number of RECs where the number of RECs is based on <i>maximum</i> normal process flow volume.		

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

2010 Industrial Strength Charges:

Cost per excess pound of Total Suspended Solids (TSS)	\$0.158
Cost per excess pound of Chemical Oxygen Demand (COD)	\$0.079

Continued

4. **Liquid Waste Load Charges:** Liquid waste haulers pay MCES “retail” fees for septage, leachate and other hauled wastes that are discharged (at approved MCES disposal sites). Each load charge combines a strength charge component, a volume component that is based on the MCES municipal wastewater rate and a special facilities component for liquid waste discharge facilities.

2010 Liquid Waste Load Charges (per 1,000 gallons)

Standard (septage) Load Charge	\$48.59
Portable Toilet Waste Load Charge	\$61.97
Holding Tank Load Charge	\$3.01
Collar County Load Charge	\$58.59 (for counties adjacent to the metro Region)
Industrial Load Charge (\$ per excess lb.)	\$.321 TSS and .1605 COD plus \$3.01/1,000g volume charge and facilities component (and if applicable, \$10/1000g service fee for loads generated outside the metropolitan region)

5. **Industrial Discharge Permit Fee:** Industrial Users issued a permit must also pay annual permit fees, 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.

2010 Industrial Discharge Permit Fees:

(MGY=million gallons per year)

Volume (MGY)	>50	<50	>10	5-10	2-5	<2	>1	<1
Quarterly Reporters	\$5,575	\$4,650						
Semi-annual Reporters			\$3,675	\$2,750	\$1,850	\$950		
Annual Reporters and Liquid Waste Haulers							\$950	\$600

6. **Add-on-service Charge:** A charge assessed in lieu of SAC, due to the temporary nature of the capacity requirement. The most common application is assessed to special discharge permittees for disposal of treated, contaminated groundwater.

2010 Add-on-service Charge: \$1.05 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.

2010 Late Report Fees: \$100-\$1,000 per report (see Web site for 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 party responsible for additional costs incurred by MCES. Related to industrial wastewater these include costs associated with spill or enforcement responses, non-routine data requests, special discharge requests, orders to appear, or notices of violations. Related to the interceptor system these include the Encroachment Application Fee (\$500/impacted easement) and the Direct Connection Application Fee (\$900).

For more information, visit our Web site at: <http://www.metrocouncil.org/environment/RatesBilling/index.htm>

Last Updated: July 6, 2009

Rate Setting Budget

	2009 Adopted <u>Budget</u>	2010 Preliminary <u>Budget</u>	<u>Change</u>
REVENUE & Other Sources: (\$s in thousands)			
Municipal Wastewater Charges	\$ 161,322	\$ 166,290	3.1%
SAC Transfer	37,860	35,485	-6.3%
Industrial Charges	9,997	9,665	-3.3%
Other Sources	<u>3,530</u>	<u>3,663</u>	<u>3.8%</u>
Total Revenue/Sources	\$ 212,708	\$ 215,103	1.1%
EXPENSES & Other Uses: (\$s in thousands)			
Debt Service	90,479	92,147	1.8%
MCES Labor	59,275	60,301	1.7%
Interdivisional	10,635	10,054	-.1%
Non-Labor	48,319	49,601	1.0%
Pay-as-You-Go for Capital Projects	<u>5,000</u>	<u>5,000</u>	<u>0%</u>
Total Expenses	213,708	217,103	1.6%
SURPLUS/(DEFICIT) to (from) Reserves	(\$1,000)	(\$2,000)	
STATISTICS:			
Flow (billions of gallons)	92.0	84.7*	-7.9%
Municipal Charges per million gallons	\$1,754.29	\$1,963.28*	11.9%*
Employees (Full Time Equivalents)	695	695	0%

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

**Staff Note Summary from MCES Customer Forum
Golden Valley: Brookview Community Center
June 11, 2009**

(22 attendees including Council Members Leppik, Scherer, Wittsack and Wulff and 5 staff)

Questions/Answers:

Q. Regarding Inflow and Infiltration work, for those communities that have expended the surcharge money required, how do they know they've made a difference when it's been so dry?

A. MCES has not said that the "surcharge" amounts will be adequate to resolve all I/I issues, communities should look to their staff or consultants for that information. However, neither the communities nor MCES will be able to confirm definitely that the efforts have been successful until we have a heavy rain.

Q. Will the I/I grant program be continued?

A. This program had special funding and now all \$700,000 has been exhausted. Communities that didn't have an I/I problem or that did and have now solved it may object to our using general wastewater funding to continue the program. Note: MCES staff asked if other communities would want to use regional funding to continue and no other community indicated that they did.

Q. How much of SAC goes to operating costs?

A. Zero. SAC is statutorily required to be used for the reserve capacity portion of capital costs.

Q. What is our SAC rate comparatively?

A.: It's difficult to gauge because there isn't a lot of information available and communities charge these type costs using many different approaches, including connections costs, area or road front assessments, impact fees as well as SAC. We have heard there are some high rates in smaller Minnesota communities.

Q. Will deferred capital projects be reflected in SAC?

A: Reductions in capital projects do impact future SAC requirements and hence future SAC rates. However, most of the current SAC is for reserve capacity that is already built, but for which we still need to pay debt service.

Q. Does MCES have a comprehensive asset management finance plan?

A: We do have a capital finance plan that plans for the financing of the Capital Improvement Plan (CIP) that is approved by the Council. The CIP identifies the capital projects that are expected to be needed to meet regulations, provide new service and maintain assets within the system. MCES and other wastewater utilities use the "Asset Management" terminology to refer to our efforts to make good data-driven decisions, including business case evaluations that include risk for capital projects, reliability centered maintenance plans for expensive and risky assets and facility level accountability. These efforts are being worked on continuously within MCES.

**Staff Note Summary from MCES Customer Forum
St. Paul: League of Minnesota Cities Building
June 16, 2009**

(34 attendees including Council Member Sersland-Beach and 6 staff)

Questions/Answers:

Q. If the trend of low flows continues, would this affect MCES costs and future rates?

A: Unfortunately, MCES costs are pretty much fixed (for example, debt service and labor are our biggest costs). The few costs that are variable vary mostly with the strength of the waste not the volume so reductions in volume will not slow the cost and rate pressures.

Q. Regarding SAC, if net credits are no longer available after Jan. 1 will cities still get some credit?

A: The Council passed a major change to the SAC credit system in 2005 that will be implemented in 2010. Communities will still get credit on a site for up to the demand (in SAC units) that was being used there in a 7-year look-back period. Credit for released capacity above that required by the new use will no longer be booked and available to the City to offset charges elsewhere. However, all City-wide credits that are booked at 1/1/10 will be allowed to be used until exhausted.

Q: Can a city purchase SAC credits?

A: For years we've said no, but there is now a potential transfer of credit for development of significant economic value to the state and where a number of criteria are met. This has only occurred once but is generally available. Rules and regulations are on the Web.

Q: What is the status of the I/I Surcharge?

A: There are around 40 communities on the list. No actual surcharges have yet been imposed. This is preferred by MCES as we don't want to take money and give it back. We recognize that serious efforts and much progress has been made. The surcharge was about assuring that effort and progress occurred. The future Demand charges are expected to recover the costs that MCES incurs for the continuation of excess I/I after 2013. As described in the presentation now we're looking for input and a fair way to implement Demand Charges. Any community that would like to be on that task force should contact Jason Willett.

Q: The Grants Program hasn't been well synchronized with Minneapolis's plans in the past.

A: We had \$700,000 in special funding from a prior non-point source grant obligation. Unfortunately, that opportunity is over as funds were exhausted by the end of May.

Q: Where are you in revising the SAC calculations process?

A: Given the SAC fund pressures we took a careful look at the methodology and derived a couple of improvements in how we compute the reserve capacity. We had an independent technical review of these changes as well, and have incorporated those changes into the preliminary budget and proposed rates. Without those changes the SAC rate increases would be substantially higher.

Q: Smaller communities are looking at the proposed 5% SAC increase—this is significant to development in our communities. Do you consider the impact on smaller communities?

A: Some SAC charges have gotten acrimonious throughout the metro region. And we are looking at some improvement in the determination area as well. But, the law constrains what we can do. We must charge future users and transfer the reserve capacity portion of capital costs to relieve what current users pay. Cities don't have to charge what MCES charges, however. Some communities charge "WAC" in addition to SAC, some add on to our SAC, and some don't give as generous credits as we do.

Q: What about delaying the Demand Charge?

A: The 2013 implementation date has been approved by Council in current policy. We'd have to take action to change it via public hearing. We do expect there to be discussion of this in the upcoming task force.

Q: How big will the task force be?

A: Between 10-20 people with balanced representation: communities with I/I problems, those that have solved them and those that haven't experience excess I.I; original task force and new members public works and finance staff. Communities should let us know if they wish to be considered. The Council will likely appoint the members in August.

Q: The Surcharge Program's proposed work is the minimum or the pace you expect cities to complete the work. If you apply Demand Charge in 2013, you're double-penalizing some cities. Can any adjustments be made or do you have other suggestions for those communities?

A: The Surcharge is about effort. We have not said that level of effort would be sufficient to fix the entire problem. What we have to balance is EPA regulations and large capital projects decisions that are looming. We might have a little more time because of the [economic] slow-down. This can also be a topic of discussion at the task force,

Q: Do you know what the Demand charges will look like? One-day fine or annual fine?

A: We wouldn't use the term "fine." The charge will be to cover the costs that MCES will incur if a community continues to demand service for what we consider excessive I/I. But none of the details are developed; they will be developed within the next year by the task force.

Q: The SAC fees for sidewalk cafes seem unfair. I urge the Council to review it in light of the smoking ban and surge in outdoor seating.

A: Outdoor seating has historically been charged SAC on the same basis as indoor seating. We acknowledge a lot of acrimony about this and are taking a careful look at what we can do. We hope to have a proposal for public input sometime this year.

**Staff Notes from MCES Industrial Waste Forum
St. Paul (Metro 94 Building)
June 18, 2009
(28 Industrial users present)**

Questions/Comments:

Q. If legislation is achieved in shifting some SAC costs to Municipal Wastewater Charges, how soon will this come about?

A. If we get 2010 legislation that would allow the Council some discretion in this area, it could be applied in 2011.

Q: How much effort is made to find new users to permit?

A: We have done surveys, used electronic databases, and worked with cities to locate additional industrial users. Most businesses identified are small and too insignificant to require permitting.

Letter Received from Bob Norris, President of Nor-ell Inc.:

6-16-09

To the Committee Panel Members of The Industrial Waste Customer Forum:

First I want to apologize for not being able to come to this session. We have a 2 day quality Audit by one of our customers that I am unable to reschedule. I am not sure of the scope of this meeting but I can only guess it relates to fees and tightening restrictions. There are only a few points I would like the committee to consider in this regard.

1. Given the current state of manufacturing in the United States and particularly in Minnesota, the committee should not move to increase costs to permit holders, in fact they should look for opportunities to reduce operating costs and be more efficient like all of the rest of us businesses. We in the private sector are bombarded with letters wanting 10-15% cost reductions. Fundamentally there is no basis for this request only a request. Typically if not complied with, any work that is being done by the firm goes out for bid. Usually there is always someone who is hungrier or ignorant of what needs to be done to take a lower price. This fact, keeps us at razor thin margins so that at least we know if we loose the work , someone will pay for it. This also puts the lid on any opportunity for price increases. Price increases in our world are non-existent. If someone dares to raise their general costs, it will go through a committee review and open all products up for competitive bid. So our motto is "Do More with Less". This is not just our firm but every manufacturing firm in the private sector. We are doing products profitably for the same price we were 10-15 years ago. Now with that being said, Government feels that they have a higher "mission" and should not be held to the same standards. Every year 3%, 4%, 5% higher and higher, without regard to "WHY" they need the money or the efficiency of how the money is spent. Our employees have not had significant raises for several years, most are happy that they have a job and benefits. Increasing taxes to cover automatic increases, in my view is fundamentally wrong unless all other options are exercised first. I would ask the committee to soul search and ask themselves the question. How many times has a governmental agency submitted a budget "lower" than the previous year? This would make newspapers and the persons responsible given awards.

My request for consideration is to put in place the structure for change, to lower costs, become more efficient and still maintain the high standards we all have come to expect. This is what you should be meeting about.

2. My second point is one I hear all of the time and I would like to dispel. The notion that the higher taxes are justified by "quality of life". People in this State are deaf to the fact that we are not immune to the effects of high taxes. All we have to do is run down the list of companies that have moved entire operations out of this State because of the general tax "Burden". 3M, Northwest/Delta, Honeywell..Cornelius...the list goes on and on. If the business and tax environment were more favorable we would see a next influx of corporate entities. This is not the case. Companies that have 25, 50, 100 yrs of operating history do not just

appear out of know where. Increasing fees, increasing regulation translates to more cost, more cost means less profit, less investment, less competitiveness. These are all critical to the success of what businesses we have left. They are also serious considerations for any company able to move geographically that can result in higher profits. The State of Minnesota has let our neighbors pick our industrial pockets and this will hurt the State long term. So we are not immune to these pressures and there are other places where the quality of life is just as acceptable. Wake up and look around.

3. The last point which is not popularly held gets back to another fundamental question the concerning the "Green Movement". How do we know how far we should go here? Do we make regulations so stiff that the general costs go up so high, that now green technology makes sense? Or do we make the green technology so good that its cost is on Par with other more dirty technology? The irritating condition for business is that the rules are not evenly applied and these added costs are detrimental to our cost structure. Secondly, the fact that more pollution comes from household waste than from regulated business waste is an issue. My point here is the Public waste treatment is already designed to handle much of this waste and so where is the sense in more restrictions, unless its designed to raise more revenue or if there is a real safety concern. I have heard statements like "Our water is now ___% cleaner than it was 10 years ago". My question is at what cost? What is the returned value? In a sense using the Public treatment system

maybe considered a subsidy but in relative terms the cost spread over a larger population is small in compared to the targeted entity. Businesses should be treated as Gems some better than others admittedly. None the less they all have a multiplier affect, and the taxes paid far out weigh the benefits they might obtain from this kind of situation. Keep in mind only as late as the 80's was their any regulation of domestic waste. Decisions must be made in terms of cost and context. Anything that keeps business competitive is good for this State. Non of us want to be polluters, in fact many of us want to be an example of how it should be done, but we all want a modicum of common sense applied.

Please consider these point when making your policy decisions.

Thank you for your time.

Regards,

Bob Norris
Nor-ell Inc.

Letter read at June 16 Customer Forum by Kim Roden, City of Victoria, about the situation on Smithtown Road construction project:

Thank you for allowing me to address this customer forum of the Metropolitan Council.

My name is Kim Roden and I serve on the Victoria City Council.

I am here today to educate those at the Met Council in both appointed and staff positions that there appear to be some serious flaws in your customer relations efforts in conjunction with large scale construction projects.

Over the last two years, the Met Council and its contractor worked to replace a culvert as part of a sewer project in Victoria which connects Lake Virginia to Lake Minnetonka.

There were numerous accidents at the site, including two crane accidents and two fires. Homeowners still have claims pending related to the project and one has been forced to hire an attorney.

As the Met Council begins work on the next phase of this project on Rolling Acres Road, also in Victoria, I am unlikely to support this project unless and until the first phase has been properly finished and that includes resolving the three pending claims that still are in effect along Smithtown.

Our council has a study session on June 22nd with your staff to discuss this next phase. Be advised that I will have many questions and a need for enhanced customer relations and dispute resolution mechanisms for the people who will be affected by the project. If the Smithtown Road project is any indication of the quality of construction standards, contractor accountability, complaint resolution and timely conclusions to a project, I am very concerned about a repeat set of problems for these residents.

The next phase involves installing 72" wide facilities to accommodate the sewer expansion. This will be very disruptive. Rolling Acres Road is one of only a few north/south corridors in Victoria and connects Highway 5 with Highway 7. The concerns I have are construction disruptions for residents, emergency access, dispute resolution, one-call customer relations with standards for resolution including return phone call standards, mechanisms for disputes with Met Council attorneys, and a willingness to really understand how problematic it is to have the Met Council hire contractors who have substandard safety mechanisms, old equipment that breaks down and no accountability to hold the contractors accountable once they have been hired.

I urge you to review the Pete and Ethel Nelson file. I have a CD rom with me with all the pictures, dates, letters, emails and other correspondence related to the problems they faced. They could not be here today so I am here to let you know you need to take the time to understand this -- FROM THEIR PERSPECTIVE AS CUSTOMERS.

The residents call their council members when they have problems like this. We are their last point of contact and they look to us to hold other government agencies accountable when we have granted a permit. That is why I am here today. You need -- it appears to me -- a complete overhaul of your processes for dealing with construction complaints. Not to mention the odor control failures in this area that have also led to numerous complaints of our residents.

I read the editorial in the Star Tribune today about the need for the Met Council to extend courtesies to those affected by their projects. If you have not read this editorial, I urge you to do so and take it seriously.

One of the problems with the Met Council is that is unelected. This makes it hard for you to be accountable as you never have to face the voters like we do in local government. I urge you to consider doing what MNDOT recently decided to do -- hire a customer ombudsman. This might help

you and certainly would help residents when they have complaints and are stonewalled by staff and contractors.

I cannot have a repeat performance along Rolling Acres as what we had on Smithtown Road. It is unacceptable, unnecessary and unprofessional. My husband is in the commercial construction business and has been for 40 years. When he learned of two crane accidents at one site, he was shocked that the contractor was even permitted to continue on the job.

Also, your contractors responsible for watering sod and new trees is also ineffective. Large amounts of public dollars had to be respent to resod and replant trees on Smithtown as well due to this ineffectiveness.

The bottom line is, your processes appear broken, you do not have good contractor oversight, you have an ineffective method for constituent complaint resolution and repeated problems with odor control, replanting and many related issues.

I look to you to better understand and address these problems before I could ever support the next phase of this sewer project on Smithtown Road. Thank you.