

E Environment Committee
Meeting date: June 14, 2011

For the Metropolitan Council Meeting of June 22, 2011

ADVISORY INFORMATION

Date: June 6, 2011
Subject: Direction to Hold Public Meetings on preliminary 2012 rates and charges.
District(s), Member(s): All
Policy/Legal Reference: Council Policy 3-2-3; Water Resources Management Policy Plan; MN Statute 473.517
Staff Prepared/Presented: Jason Willett 651-602-1196
Division/Department: MCES c/o William G. Moore 651-602-1162

Proposed Action

That the Environment Committee directs staff to hold two public meetings for municipal customers and one for industrial customers regarding the preliminarily proposed 2012 rates and charges (Attachment A).

Background & Rationale

Customers want to know MCES rates as soon as possible: municipalities for their rate setting and total cost-of-government computations, and businesses so they know the cost of this service in setting their pricing for 2012. In order to meet our usual schedule where the Council approves the rates in July, public input needs to be received in June. Staff will bring a summary of the input back to the Committee at its first meeting in July. The public input schedule is:

- June 21: Industrial Waste Forum at Metro 94 at 8:00 am.
- June 23: Municipal Customer Forum at Seneca Plant in Eagan at 12:30 (with optional 2:00 plant tour)
- June 28: Municipal Customer Forum at League of Minnesota Cities Building in St. Paul at 8:30 am.
- June 28: Public hearing on "SAC shift" at 2:30 (this was previously authorized)
- July 8: Last day for written comments on SAC shift

Funding

The preliminary budget on which these rates are based is Attachment B (this is info only; budget adoption proceeds separately but is materially constrained by the rates).

Funding for the meeting expenses is not material.

Known Support / Opposition

Holding these meetings to get customer input (prior to Committee action) has been our typical practice in recent years and they have been well attended and seem to be appreciated by our customers.

Preliminary Rates and Charges

	<u>2011</u>	<u>2012</u>	<u>increase</u>
1. Municipal Wastewater Charges (MWC)	172,785,000	173,649,000	0.5%
2. Sewer Availability Charge	2,230	2,365	6.1%
Temporary Capacity Charge (per 1,000 gallons)	1.12	1.18	5.4%
3. Strength Charge (excess pounds of TSS)	\$0.155	\$0.160	3.2%
Strength Charge (excess pounds of COD)	\$0.078	\$0.0800	3.2%
4. Load Charges:			
Standard Load Charge (per 1,000 gallons)	\$48.99	\$49.97	2.0%
Holding Tank Load Charge (per 1,000 gallons)	\$4.52	\$6.78	50%
Collar County Load Charge (per 1,000 gallons)	\$61.49	\$64.97	5.7%
Portable Toilet Load Charge (per 1,000 gallons)	\$62.12	\$63.73	2.6%
Industrial Strength Component (excess TSS)	\$0.315	\$0.330	4.8%
Industrial Strength Component (excess COD)	\$0.1575	\$0.1650	4.8%
5. Permit Fees (\$/year):			
<u>Quarterly reporters</u>			
Significant Industrial User (SIU) >50 m gal	6,025	6,350	5.4%
SIU <50 m gal	5,025	5,300	5.5%
<u>Semi-annual reporters</u>			
SIU > 10m gal	3,975	4,200	5.7%
SIU 5-10 m gal	2,975	3,150	5.9%
SIU 2-5 m gal	2,000	2,100	5.0%
SIU < 2m gal	1,025	1,075	4.9%
non SIU	1,025	1,075	4.9%
<u>Annual reporters</u>			
non SIU >1m gal	1,025	1,075	4.9%
non SIU <1m gal	650	675	3.8%
NSCIU (non sig. categorical industrial user)	650	675	3.8%
<u>Liquid waste haulers</u>			
> 1m gal	1,025	1,075	4.9%
< 1m gal	650	675	3.8%
<u>Special Discharge</u>			
General - quarterly reporters	1,025	1,075	4.9%
Contingency/low impact	650	675	3.8%
General	50-500	100-500	
6. Other Fees:			
Encroachment Application Fee (per easement)	600	600	0%
Direct Connection Application Fee (per application)	1,000	1,000	0%

Rate Setting Budget

	Adopted Budget	Preliminary Budget	Change (%)
REVENUE & Other Sources: (\$s in thousands)			
Municipal Wastewater Charges	172,785	173,649	.5
SAC Transfer	24,951	27,400	9.8
SAC Shift	(4,500)	(4,300)	-4.5
Transfer from operating reserve for SAC shift		4,300	
Industrial Charges	11,472	12,745	11.1
Other Sources	4,016	3,016	-24.9
Total Revenue Sources	208,724	216,810	3.9
EXPENSES & Other Uses: (\$s in thousands)			
Wastewater Debt Service	92,500	97,000	4.9
MCES Labor	59,742	61,620	3.1
Interdivisional	9,745	10,213	4.8
Non-Labor	48,237	46,977	-2.6
Pay-as-You-Go for Capital Projects	1,000	1,000	0
Total Expenses	211,224	216,810	2.6
SURPLUS/(DEFICIT) to (from) Op. Reserves	(\$2,500)	(0)	
STATISTICS:			
Flow (billions of gallons)	85.3	94.0*	10.2
Employees (Full Time Equivalent)	670	676	.9

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