

2011 Performance Report

Presented to the Environment Committee
January 24, 2012

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Goals and Objectives

- 1. Continue operation of wastewater collection and treatment system**
- 2. Implement key capital improvements**
- 3. Provide effective customer service**
- 4. Effectively manage annual and capital budgets**
- 5. Provide a productive and safe workplace environment**



Goal 1 – WWTP operation

- **NPDES compliance 99.8% or greater**
 - **One exceedance during 2011 – 99.9%**



Goal 1 – WWTP operation

■ Wastewater Treatment Plant Compliance

— Hastings	20 years
— St. Croix Valley	19 years
— Seneca	10 years
— Blue Lake	6 years
— Eagles Point	6 years
— Empire	5 years



Goal 1 – WWTP operation

■ Air emissions permit compliance

- Metro and Seneca passed all stack tests

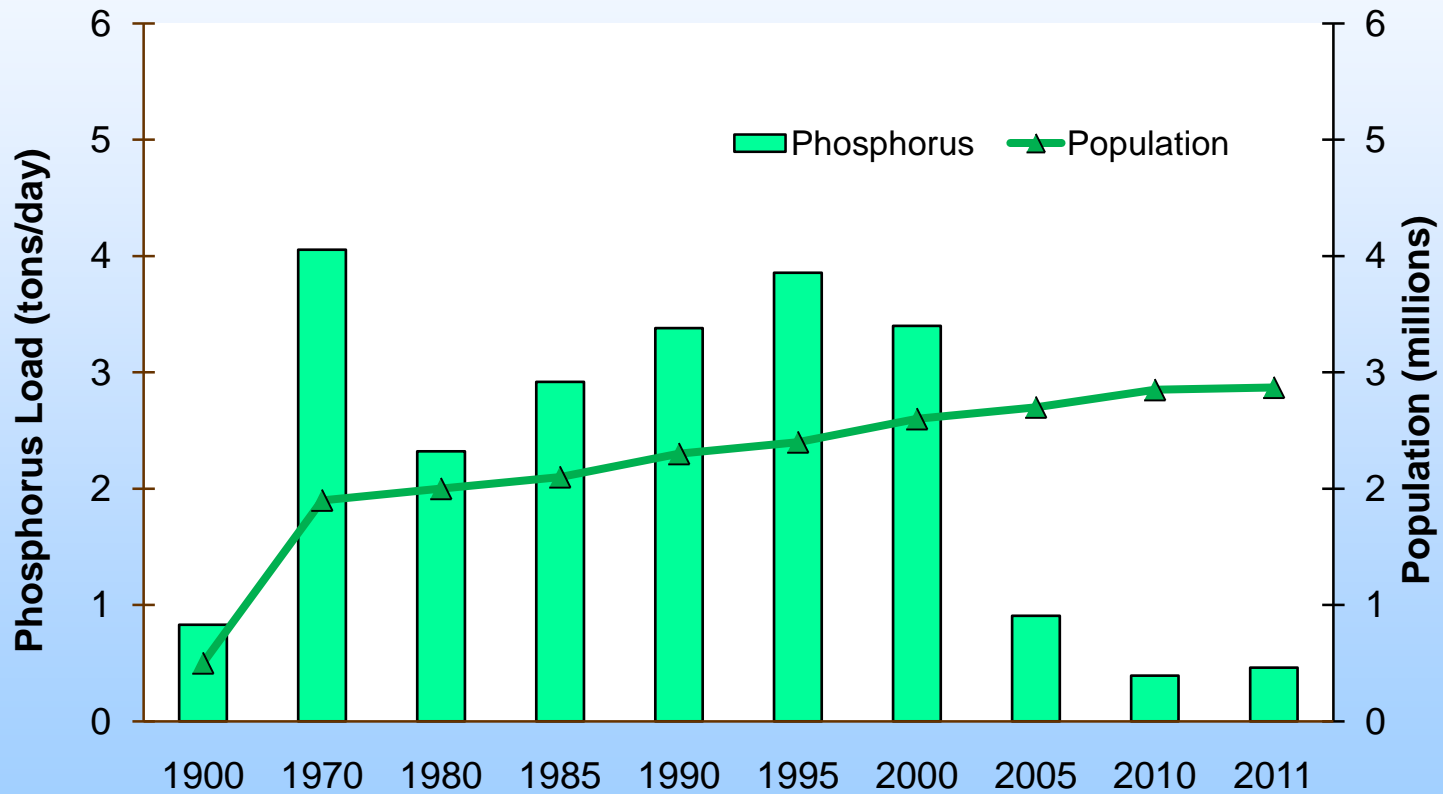
■ Collection system

- 4 interceptor spills in 2011 totaling 2,201 gallons (8 spills in 2007; 7 in 2008; 9 in 2010)
- 0 combined sewer overflows (CSOs) in 2011



Goal 1

Wastewater Phosphorus Loads and Population Twin Cities Metropolitan Area in Select Years



Note: During 2010 and 2011, volume of wastewater treated = 242 mgd and 259 mgd, respectively. Concentration of total phosphorus was approximately 0.4 mg/l both years.



Goal 2 – Capital Improvements

■ Major Capital Projects

- Metro
- Blue Lake
- South Saint Paul Forcemain
- Hopkins Forcemain
- Shakopee Interceptor
- Victoria Interceptor
- Richfield Interceptor



Goal 2 – Capital Improvements

■ Major Capital Projects (continued)

— New service

- Elko / New Market
- Carver
- East Bethel



Goal 3 – Customer Service

- **Customer forums**
- **2011 public hearing on SAC shift for 2012 rates**
- **2011 SAC work group and SAC outreach to private sector**



Goal 3 – Customer service

- **Inflow/Infiltration (I/I) Program**
 - **41 communities complete**
 - **6 have approved extension**
 - **Phase II begins in 2013**



Goal 3 – Customer Service

- **Water Supply Planning Accomplishments**
 - **Created Stormwater Reuse guide**
 - **Completed Regional mapping project**
 - **Initiated the following projects:**
 - **Impact of stormwater infiltration on groundwater quality;**
 - **Explore opportunity for water conservation by private industrial users;**
 - **Update regional recharge & groundwater models**



Goal 4 - Budgets

	<u>\$ in millions</u>
2011 Actual Capital Budget	142
2011 Estimated Capital Expenses	95
2011 Annual Amended Budget	212
2011 Estimated Annual Expenses	207
- \$3 million use of reserve avoided	
- \$2 million surplus	



Goal 4 – Budgets

- Reduce energy purchases by 25% of 2006 purchases **by 2015** and 50% **by 2020**
- Reduced annualized energy use by approximately 51,000MWh in 2011
- Received approximately \$400,000 in financial incentives
 - Rebates
 - Tariff reductions



Goal 4 - Budgets

Effective capital financing, includes:

- **\$70 million PFA loan closed in January 2011**
 - Record low 1.77% interest rate
 - \$6.5 million NPV savings over Council BABs
 - \$11 million NPV savings over Council bonds

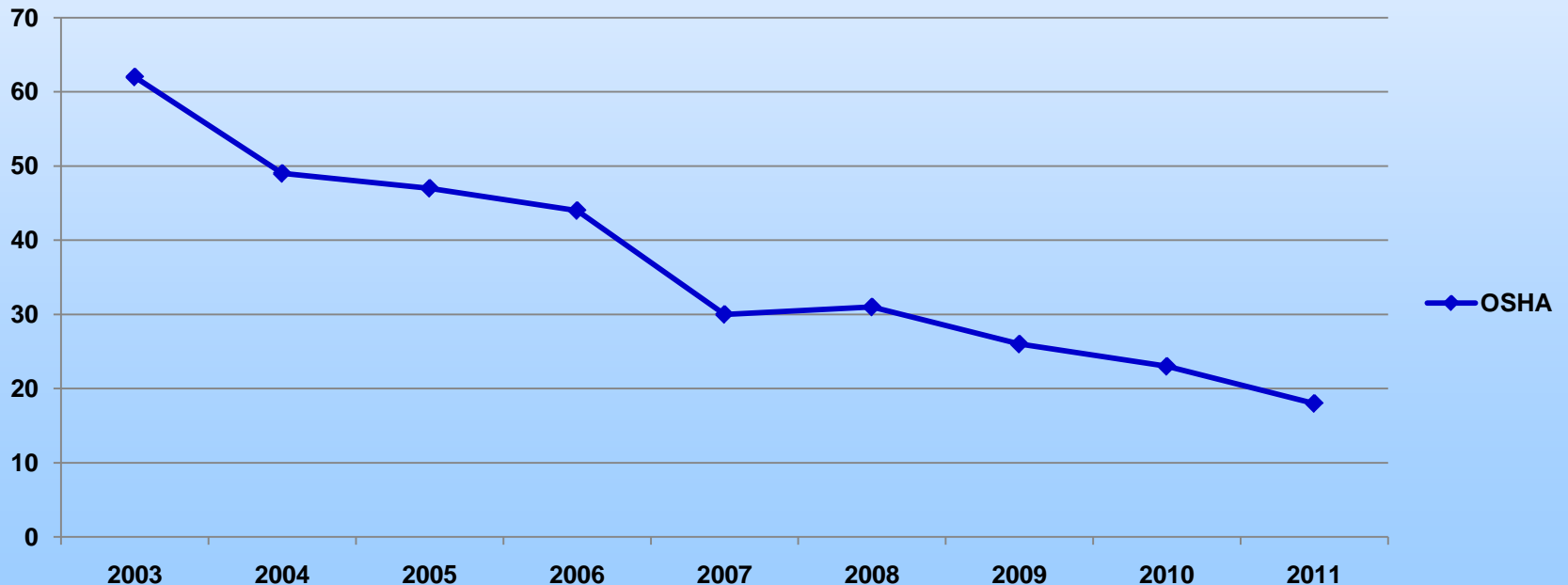
- **\$60 million PFA loan planned closing Feb. 2012**
 - Record low 1.60% interest rate (locked in 12/21/11)
 - \$8.3 million NPV savings over Council bonds



Goal 5 – Workplace Environment

- **Safety: 22% decrease in OSHA recordable accidents in 2011 vs. 2010**
- **41% decrease in accidents in the last 5 years**

MCES
OSHA Accident Comparison 2011

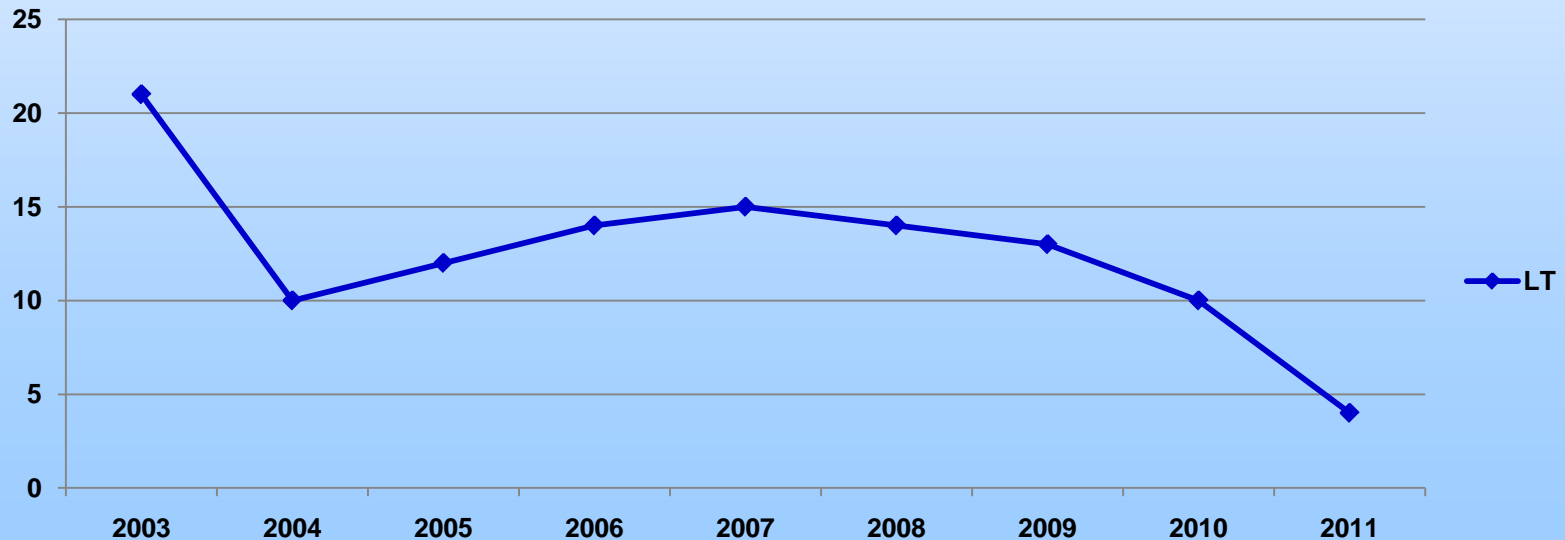




Goal 5 – Workplace Environment

- **Safety: 60% decrease in OSHA lost time accidents in 2011 vs 2010**
- **Safety: 73% reduction of lost time accidents in in the last 5 years.**

MCES
Lost Time Injury Reduction 2003 - 2011





Goal 5 – Workplace Environment

■ **Plant Operator Trainee Recruitment Program**

- **937 applications received**
- **Intensive screening process**
- **6 month process ended with pool of 194 qualified candidates**
- **1st class of 12 trainees began November 2011**
- **Positive feedback on quality of new employees in training**





2012 Challenges

- **Metro Plant Permit**
- **CSO Permit**
- **Infiltration/Inflow**
- **Energy Conservation**
- **SAC Fund**
- **Metro Solids**