

Metropolitan Council Environmental Services

SURVEY OF 2010 Municipal Residential Wastewater Rates

Andover	Dayton	Lake Elmo	Minnetrista	Saint Louis Park
Anoka	Deephaven	Laketown Township	Mound	Saint Paul
Apple Valley	Eagan	Lakeville	Mounds View	Saint Paul Park
Arden Hills	Eden Prairie	Landfall	New Brighton	Savage
Bayport	Edina	Lauderdale	New Hope	Shakopee
Birchwood	Empire Township	Lexington	Newport	Shoreview
Blaine	Excelsior	Lilydale	North Oaks	Shorewood
Bloomington	Falcon Heights	Lino Lakes	North St. Paul	South St. Paul
Brooklyn Center	Farmington	Little Canada	Oak Park Heights	Spring Lake Park
Brooklyn Park	Forest Lake	Long Lake	Oakdale	Spring Park
Burnsville	Fridley	Mahtomedi	Orono	Stillwater
Centerville	Gem Lake	Maple Grove	Osseo	Tonka Bay
Champlin	Golden Valley	Maple Plain	Plymouth	Vadnais Heights
Chanhassen	Greenfield	Maplewood	Prior Lake	Victoria
Chaska	Greenwood	Medicine Lake	Ramsey	Waconia
Circle Pines	Hastings	Medina	Richfield	Wayzata
Columbia Heights	Hilltop	Mendota	Robbinsdale	West St. Paul
Columbus	Hopkins	Mendota Heights	Rosemount	White Bear Lake
Coon Rapids	Hugo	Minneapolis	Roseville	White Bear Township
Cottage Grove	Independence	Minnetonka	Saint Anthony	Willernie
Crystal	Inver Grove Heights	Minnetonka Beach	Saint Bonifacius	Woodbury

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General Manager, Environmental Services Division

William G. Moore

The mission of the Metropolitan Council is to develop, in cooperation with local communities, a comprehensive regional planning framework, focusing on transportation, wastewater, parks and aviation systems, that guides the efficient growth of the metropolitan area. The Council operates transit and wastewater services and administers housing and other grant programs.

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This survey is intended to be helpful to customer communities and policymakers. We wish to thank all the customer communities that took the time to respond to our questionnaire and provide comments. Further comments and questions are welcomed.

I. BACKGROUND INFORMATION

Introduction

The Metropolitan Council

The Metropolitan Council is a regional agency serving the Twin Cities seven-county metropolitan area, providing essential services to the region. The Council works with local communities to provide these critical services:

- Operates the region's largest bus system and the light-rail system.
- Collects and treats wastewater.
- Engages communities and the public in planning for future growth.
- Provides affordable housing opportunities.
- Provides planning, acquisitions and funding for a regional system of parks and trails.

Under its *Development Framework* growth plan, the Council works to support development that makes the most efficient use of public resources and investments, protects natural resources, enhances livability and quality of life, and promotes economic competitiveness.

The *Framework* also integrates the "regional systems" including transportation, aviation, parks and open space, and water resources management.

More information about the Metropolitan Council can be found on the Council's Web site, www.metrocouncil.org.

Metropolitan Council Environmental Services

Metropolitan Council Environmental Services (MCES) is one of the public service divisions of the Metropolitan Council.

The mission of Metropolitan Council Environmental Services (MCES) is to provide wastewater services that protect the public health and environment while supporting regional growth.

Water resources management services provided by MCES ensure that:

- Wastewater collection and treatment services are provided in a cost- and quality-competitive manner.
- Sufficient sewer capacity exists to serve current and planned development.
- Local plans provide for adequate water supply, inflow and infiltration mitigation, and nonpoint pollution prevention in the region.

In order to provide these services to customer communities, MCES:

- Operates and maintains approximately 600 miles of regional sewers that collect flow from about 5,000 miles of sewers owned by 105 communities.
- Treats about 260 million gallons of wastewater daily at seven regional treatment plants.
- Continues to achieve near-perfect compliance with federal and state clean water standards.
- Establishes user fees that pay 100 percent of wastewater operations and debt service costs.

- Maintains wastewater service rates consistently below the national average.
- Works with approximately 800 industrial clients to substantially reduce the amount of pollution entering our wastewater collection system.
- Provide facilities that accept liquid wastes from industries, landfills, ethanol plants, groundwater cleanup, septic system pumping, and port-a-potties.
- Provides water resources monitoring and analysis for the region.

MCES's Rate System

A system of rates has been established to pay the costs incurred in meeting MCES's responsibilities. These rates are briefly defined and listed in order of their fiscal significance (Figure 1).

While the focus of this report is municipal wastewater rates, Section V provides more information on SAC and industry-specific charges. Information on all of MCES's rates, budget and procedure manuals can be found on the MCES Web site, www.metrocouncil.org/water.

Documents are also available by calling the Council's data center at (651) 602-1140.

Community Rates Addressed in this Study

Within the seven-county metropolitan area, there are 105 communities that are the customers (primary users) of the urban wastewater system. They are billed by MCES at a wholesale rate. In turn, each community bills property owners – residential, industrial and commercial users – for wastewater collection and treatment.

The focus of this report is on the municipal wastewater charges imposed by the 105 metropolitan communities on their single-family residential customers. This is a retail rate and includes the wholesale rate that MCES charges to each community.

Wholesale Rate per million gallons. The MCES wholesale rate is determined during the budget process in two steps: 1) top down: considering the competitiveness and affordability to customers of selected rate scenarios, and 2) bottom up: dividing the total municipal wastewater revenue needed for the year by the gallons of wastewater flow for the year ending the prior June 30th (Figure 2). The adopted rate reflects consideration for both of these steps.

Figure 1: Definition of MCES's Rates

- **Municipal Wastewater Rate:** The wholesale rate charged by MCES to communities for wastewater collection and treatment. Communities pay MCES based on the volume of wastewater treated.
- **Sewer Availability Charges (SAC):** Another wholesale rate charged by MCES to communities. This capacity fee is imposed for new connections or increased demand to the metropolitan wastewater system. A freestanding single-family residence is charged one SAC unit, which equals 274 gallons of maximum potential daily wastewater flow volume. Some communities add their own SAC fees on top of MCES's sewer availability charge.
- **Industrial Strength Charges:** These retail fees cover 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 and the volume of the discharge and are charged directly to industries.
- **Other Industrial Charges:** Included in this category are liquid waste hauler load charges, industrial discharge permit fees, add-on-service charges, self-monitoring report late fees, stipulation agreement payments and cost recovery fees.
- **Inflow and Infiltration (I/I) Surcharges:** Another wholesale charge to municipalities (begun in 2007) that is based on the estimated cost to eliminate observed excess inflow and infiltration over a 5-year period. Typically, communities avoid these charges by spending city funds to mitigate I/I.

Figure 2. MCES Wastewater Treatment \$ Rate/million gallons of flow

Year	\$Rate	Percent Change Prior Year
2000	1,200.00	-4.5%
2001	1,180.00	-1.7%
2002	1,230.00	4.2%
2003	1,300.00	5.7%
2004	1,340.00	3.1%
2005	1,464.56	9.3%
2006	1,544.33	5.4%
2007	1,526.60	-1.15%
2008	1,696.81	11.15%
2009	1,754.29	3.4%
2010	1,980.74	12.9%
2011	2,025.75	2.3%

These rates are significantly impacted by system flow. See description on page 6.

MCES’s rates are quoted in million gallons of wastewater flow. Communities base their wastewater charges on metered water consumption. This rate varies substantially due to changes in overall system flow received at MCES plants.

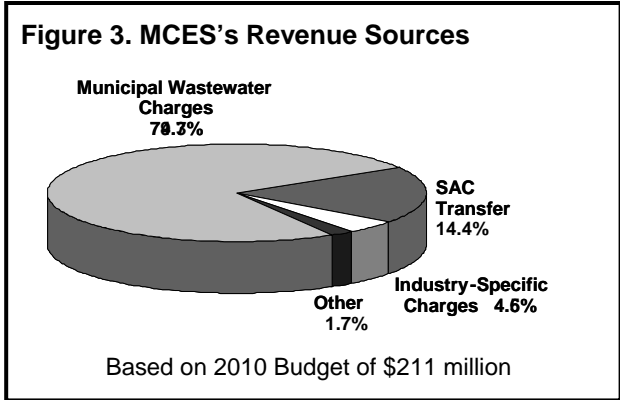
Retail Rate. The fee a municipality charges its customers – residential, commercial or industrial – for wastewater flow is a retail rate. This fee covers the wholesale cost from MCES as well as funds needed to administer and maintain the local conveyance system.

Exhibit 1 on page 17 lists the retail rates of MCES’s customer communities in 2010 along with several years of history. This biennial report fulfills a requirement of M.S. 473.519 to provide a review of the retail wastewater treatment rates charged by communities to their users (see Exhibit 4 on page 23).

Revenue Sources

MCES’s sole revenue source for wastewater operations and debt service is fees from users of the system (primarily the municipal wastewater charges). These fees, or charges, are established through a systemwide cost allocation process that distributes the annual cost of developing and operating the system among users. Refer to Exhibit 3, State Law on Cost Allocation: Minnesota Statutes 473.517, on page 20 for the legislation, which defines costs and the allocation of those costs.

In addition to municipal wastewater charges, most of the remaining revenue comes from the SAC fees and industry-specific charges.



Maintaining competitive rates and a high level of performance are priorities for MCES and the health of the region.

Factors That Influence Wastewater Pricing

Comparing wastewater treatment charges among communities, both locally and nationally, is one indicator of relative cost and efficiencies. Many factors other than cost and efficiency have a strong influence on wastewater pricing. These factors include, among others, such variables as the:

- level of treatment (primary, secondary, or tertiary),
- age of the system,
- amount of infiltration and inflow (influenced by proximity to water table),
- climate in the locale of the system,
- customer composition,
- inclusion of debt service in sewer service charges,
- size and density of urban area, and
- system size.

For example, MCES pays all its debt service (43 percent of the 2010 Annual Budget) from

its fee revenue, while in some comparably-sized metropolitan areas, debt service is paid from property taxes and not reflected in fees. The level of treatment can also cause large variances among otherwise comparable metropolitan areas. MCES (near the source of the Mississippi River) has some of the most stringent environmental regulations in the Midwest.

The range and variety of factors that influence operations mean that rates alone are insufficient data from which to draw conclusions regarding the efficiency and effectiveness of wastewater operations.

Section IV, beginning on page 11, explores national data and trends in the wastewater collection and treatment industry and defines criteria for comparing MCES's competitive position on a national level.

II. THE MCES COST ALLOCATION SYSTEM

Providing Regional Equity

In the 1970s the Metropolitan Council and the Metropolitan Waste Control Commission (a predecessor agency to MCES), acting under statutory direction, took a regional approach to the cost of wastewater treatment. As a result, a community's bill does not depend on the size of the nearest treatment plant (and its unit cost of treatment); rather, the costs of the system are pooled and allocated across all communities. In 1992 the regional approach was also applied for the costs of construction of interceptors and conveyance of wastewater.

The regional approach was reaffirmed by a 1995 customer-based Sewer Rates/Cost Allocation Task Force, which said:

*A uniform sewer service rate is the most equitable way to allocate costs throughout the Metropolitan Disposal System (MDS) for sewage requiring a normal level of treatment because the system is designed to maximize **regional** efficiency and **regional** water quality goals.*

Regional treatment provides cost savings not available with local treatment. In general, the larger the plant, the lower the unit cost of treatment. The regional approach also provides equity in costs and service throughout the region and enhances environmental quality by allowing service decisions to be made at the regional level.

Over time, the facilities that make up the metropolitan disposal system have gone through several phases of development. In the early years the focus was on consolidating and regionalizing the system – decommissioning small inefficient plants, especially those which were discharging into lakes rather than rivers. A primary focus was on bringing the entire system into compliance with evolving federal and state environmental standards.

Later, expansion and upgrade of several larger regional plants was completed to meet the demands of growth and of increased regulation. In the current phase, maintenance, rehabilitation and efficiencies are the primary focus.

Systemwide Cost Allocation System

While the facilities and operation of MCES were being updated and made efficient, so too was MCES's system of setting wastewater service charges undergoing changes. The result of this evolution is that today MCES has a rate system that charges on a utility-like basis and reflects only the cost of providing service and the volume of use. The rate is set in advance and billings are based on use of the system, which facilitates the planning and budgeting processes for MCES and its customers.

The Council uses a two-step process to determine **annual** bills. First, the fixed rate is established by dividing the total amount to be raised for the year from the wastewater service charge by the flows. Estimated flows are derived by using actual (firm) most recent flows of the prior year ending June 30th (Figure 4). MCES began using this “firm flow” method in 2005. With this method, the cost of service is allocated based on actual known flow from the most recently available 12 month period available when the rates are set.

Figure 4. MCES's Rate Determination: Step 1	
	Total Annual Budget Expense
-	Transfer from SAC Fund
-	Other Revenues & Use of Reserves
<hr/>	
=	Total Municipal Wastewater Charges Required

These tentative overall charges are analyzed for competitiveness and affordability, and are compared to prior MWCs and prior projections of MWCs. Adjustments are made by putting pressure on the total annual budget. During this process (Step 1) of budgeting and rate setting, the MCES management team, Council administration and staff, and municipal and industrial customers interact to discuss and determine the best way to meet the region's water resource and wastewater collection and treatment needs.

The second step of the process determines an individual community's bill by multiplying the total municipal wastewater charges by the community's percent of the total system flow for the prior year (Figure 5). Monthly billings are simply the annual bill/12.

Figure 5. MCES's Rate Determination: Step 2	
	Total Wastewater Service Charges
X	Community's Percent of Total Flow
<hr/>	
=	Community's Annual Bill

Impact of System Flow on Wholesale Rate

Flows can vary significantly as a consequence of weather and climate cycles. Therefore, while MCES' total revenue remains the same, the rate charged per volume of flow varies. For example, total charges of \$146,000,000 and a system flow of 100 billion gallons yield a rate of \$1,460.00 per million gallons. Should the system flow drop to 95 billion gallons, the rate would be \$1,536.80 per million gallons. The dollars that needs to be collected by MCES remains almost the same at either flow level.

III. TWIN CITIES AREA RESIDENTIAL WASTEWATER CHARGES

Weighted Average per Household

In 2010, the weighted average retail community wastewater charge for a single-family residence in the Twin Cities area was \$216 per household per year, a 10.9 percent increase from 2008. The household cost is based on each community's rates for a household with consumption of 5,000 gallons per month. These are then weighted based on the number of single-family customer households served by each community.

Prior to 1998, the rate studies used a community average, which added all community charges and divided that sum by the number of communities with no consideration for the number of residential households in each community. The number of one and two-family households served by MCES varies from 1 in Lilydale to 75,813 in Minneapolis. Therefore, MCES believes a weighted average is the most accurate reflection of rates for the purpose of this study (weighted average is used since 1998).

See Exhibit 1 on page 17 for individual community charges.

Figure 7. Twin Cities Metropolitan Area Weighted Average Retail Charge per Household

	Weighted Average Charge	Two-year Percent Change	Median Charge	Two-year Percent Change
2000	\$171	2.4%	\$168	1.2%
2002	\$177	3.5%	\$172	2.4%
2004	\$186	5.1%	\$180	4.7%
2006	\$181	-2.7%	\$185	2.7%
2008	\$195	7.7%	\$200	8.1%
2010	\$216	10.9%	\$223	11.6%

Average/Median per Community

Also included in Exhibit 1 are median charges for the years 1990 through 2010. Weighted average and median charges for the metropolitan area communities from 2000 to 2010 are summarized in Figure 7.

Types of Rates

Communities in the Twin Cities area reported several types of rates for charging residential customers.

- 27 use flat rates;
- 14 use a uniform rate;
- 47 use a base/uniform rate;
- 9 use a base/increasing block rate;
- 1 uses a base/declining block rate;
- 3 use an increasing block rate; and
- 1 uses a declining block rate.
- 3 do not charge residential wastewater rates

These rate types used by MCES customer communities are defined as follows.

The **flat rate** for residential customers is a fixed dollar amount for each residential unit, regardless of use. It is generally structured on several assumptions: that volume varies little among single-family houses; that system access or availability is the principal consideration in costs; that revenue from flat rates is more predictable than from volume-based rates; or that a flat rate system is easier to administer. Also, flat rates are charged where water use is not metered.

Environmentalists generally discourage this methodology as it encourages consumption and discourages conservation.

Uniform rates are set so that each gallon of metered water use is charged the same rate. Bills are often based on usage of water during the winter quarter so that homeowners are not charged sewerage fees based on water used in lawn and garden care.

The **base/uniform rate** combines a fixed dollar charge (generally, per month or per quarter) with a volume charge. The fixed dollar charge ranges widely. In some cities, the fixed portion equates to a service charge or billing fee and the total is modest. In other cities, the fixed portion equates to the total fee for a typical single-family residence.

Base/increasing block means that like the base/uniform, there is a fixed dollar charge combined with a volume charge. The difference is that the volume rate increases as the volume used increases. For example, the first 5,000 gallons might be \$2 per thousand gallons and the second 5,000 gallons might be \$3 per thousand gallons.

Base/declining block is similar to base/increasing, above, except that the volume rate decreases with higher use.

Increasing block charges for sewer service based on metered water use, but charges more as water use increases. The higher charges are set incrementally, often 5,000 to 10,000 gallon blocks.

Declining block rates are also based on volume but are set so that the rate is lower as more water is used.

Community Rate-Setting Practices

Communities served by MCES and its interceptor sewers and wastewater treatment plants have the authority to set their own retail rates, but they must be consistent with pertinent laws and regulations. Pursuant to MN Statutes, section 473.519 (Exhibit 4), each unit of government must adopt a system of charges sufficient to pay its share of the cost allocated to it by the Council.

For volume-based rates, the principal pertinent law is the federal requirement that users pay their proportionate share of costs; in other words, rates are not reduced for high-volume users.

Proportionality Requirement

Under Environmental Protection Agency (EPA) regulation 35.929-1, the Council is required to review its system of user charges biennially. All user-charge systems (municipalities) are required to submit information for a biennial review of their operation and maintenance charges. Municipalities must maintain proportionate distribution of costs among users and user groups. For example, municipalities cannot charge a rate to one group of customers that does not cover the wholesale cost. The result of one group underpaying is another group being overcharged or money taken from unrelated funds to compensate for the revenue lost.

For municipalities to comply with the proportionality requirement, their lowest retail rate must be higher than MCES's wholesale rate. For municipalities with rates that decrease as volume usage grows, the lowest possible rate was used for the proportionality calculation. As long as that lowest rate exceeds MCES's rate, the EPA's requirement is satisfied.

To fulfill this review requirement from the EPA, the 2010 MCES survey asked all customer communities to indicate the lowest sewer service charge applied to any commercial/ industrial user per 1,000 gallons (133.97 cubic feet) of water. *No customer indicated charging less than the current MCES wholesale rate*

Residential Rate Changes

While the surveys does not reveal the reasons for rate increases, data and information from city officials attending MCES's budget meetings indicate a preference on the part of some communities to keep the increases as infrequent as possible. A substantial increase in a single year often provides sufficient revenue to fund the system for several years.

Figure 8 illustrates the approximate portion of an average household retail rate that has been needed to cover the average city's cost of MCES's wholesale charges.

Figure 8. MCES's Portion of Retail Rates

Year	Avg Wghtd. Household Cost	MCES's Portion of Retail Rate*	MCES's Percent of Retail Rate
2000	\$171	\$84	49%
2002	\$177	\$87	49%
2004	\$186	\$94	51%
2006	\$181	\$108	60%
2008	\$195	\$119	61%
2010	\$216	\$139	64%

** Based on 60,000 gallons of water sold - which is equates to 70,200 gallons of wastewater due to inflow/infiltration (I/I) that is estimated to be 17% of wastewater flow.*

NATIONAL DATA AND TRENDS

National Comparison

Comparing MCES's performance and competitiveness with sewerage agencies in other areas of the country is important to the Council. While not perfect, analyzing national data and comparing levels of service, rates, operating and maintenance costs, and debt service with similar agencies helps MCES assess its competitive position.

For this study, MCES used the annual survey prepared by the National Association of Clean Water Agencies (NACWA) as its primary authority on the expenses, revenues and rates of other agencies across the nation. NACWA members represent the majority of sewered population in the United States and collectively treat more than 18 billion gallons of wastewater per day.

The most current NACWA survey, the *2009 NACWA Index*, contains rate data from 1986 to 2007 with projected data through 2012. There were 192 member agencies that completed this NACWA survey. The annual retail wastewater charges for these communities increased, on an average, 5.7 percent from the 2006 survey, which included responses from 192 members.

Exhibit 2 on page 20 compares the NACWA retail average, the Twin Cities metro retail average and the MCES average wholesale rate.

Interpretation of National Survey Data

Interpretation of survey data is difficult. Survey data may differ because of survey wording and wording of responses, unique rate-setting and operational strategies, and other factors not covered by generic survey forms. NACWA mentions that some agencies, when responding to a current survey, will modify answers to previous surveys; others respond to some of the questions but not all. MCES found the same to be true for its regional survey.

However, even with the disparities and not always perfect responses, survey information remains useful for comparative purposes and as an indicator of trends in wastewater finance.

The self-selecting nature of surveys must also be noted. As an example, the Boston area, which was frequently the highest cost city in the survey for many years, has declined to participate in the latest survey.

National Trends

The NACWA survey also provides information on the current trends in the wastewater industry across the nation

Many wastewater agencies have experienced cost increases two times greater than inflation over the past several years. To meet these increased cost challenges, wastewater agencies have implemented programs to become more efficient, including:

- Cost-saving energy recover initiatives,
- Implementation of asset management programs,
- Increased provision of reclaimed water services,
- Implementation of utility management/excellence programs, and
- Enhanced treatment.

V. OTHER RATES AND CHARGES

MCES's Treatment-Related Rates and Charges

Other MCES rates and charges related to treatment of wastewater are summarized in this section. Communities also have related charges, such as sewer connection and/or city SAC fees. This study does not include information on other community charges; that information is most reliable if received from individual communities.

MCES Sewer Availability Charge (SAC)

Since 1973, MCES has levied this capacity charge for new connections or increased capacity demand to the metropolitan wastewater system. One SAC unit equals 274 gallons of maximum potential daily wastewater flow volume. 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 they may demand.

The dollar value of a single SAC is set by the Metropolitan Council and is the subject of a periodic study. Figure 9 shows the SAC for the years 2001 through 2010.

Figure 9. MCES SAC (per Residential Equivalent Connection)

2001 Base SAC.....	\$1,150
2002 Base SAC.....	\$1,200
2003 Base SAC.....	\$1,275
2004 Base SAC.....	\$1,350
2005 Base SAC.....	\$1,450
2006 Base SAC.....	\$1,550
2007 Base SAC.....	\$1,675
2008 Base SAC.....	\$1,825
2009 Base SAC.....	\$2,000
2010 Base SAC.....	\$2,100

Industrial Strength Charge

Industrial strength charges reflect additional treatment costs caused by industrial wastewater which 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. Strength charge rates are determined annually by the Council, based on operational expenses at wastewater treatment plants for treating TSS and COD in excess of normal residential wastewater. Industrial users are also subject to normal municipal wastewater and sewer availability charges.

Figure 10. Industrial Strength Charge Rates

	<u>2010 Rate</u>
Cost per excess pound of TSS	\$.158
Cost per excess pound of COD	\$.079

Industrial Strength Charge: Outside the Region

This strength charge applies to customers outside the Council's seven-county area. It reflects the full cost of treatment (including debt service).

Figure 11. Out-of-Region Industrial Strength Charge Rates

	<u>2010 Rate</u>
Cost per excess pound of TSS	\$.315
Cost per excess pound of COD	\$.1575

Liquid Waste Hauler Load Charges

Liquid waste haulers pay MCES for septage, leachate and other hauled wastes that are discharged to MCES disposal sites. The load charge combines a strength charge component, a volume component, and a special facilities component. In addition, a \$10 per load service charge applies to hauled wastes originating outside the seven-county metropolitan area.

Industrial Discharge Permit Fee

Industrial users of the Metropolitan Disposal System must apply for a permit from MCES to discharge wastewater. Those industrial users issued a permit are subject to 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.

Temporary Capacity Service Charge

This charge is assessed to special discharge permittees for disposal of treated, contaminated groundwater and is assessed in lieu of SAC.

Self-Monitoring Report Late Fee

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

Stipulation Agreement Payment

These rare penalties are charged to negate the economic advantage of noncompliance with federal pretreatment standards or local limits. Only 2 have been charged in the last decade.

Cost Recovery Fees

These fees are used to recover costs from any responsible party associated with spill or enforcement responses or non-routine data requests.

Inflow and Infiltration (I/I) Surcharge

Starting in 2007, communities that have had measured excess I/I are assessed an extra fee, based on the excess rate of flow and an estimated cost to mitigate the I/I. Through 2009, all but one community charged these fees have had credits or adjustments applied, based on their own expenditures to eliminate excess I/I, and the MCES surcharges have been canceled. One city was levied a surcharge beginning in 2010, but they came into compliance and the surcharge collected was rebated to them. A 2010 Task Force determined this surcharge process has been successful in focusing attention and funds on I/I improvements and recommended continuation. See Council website for more information.

VI. NEXT STEPS

MCES thanks its customer communities for their cooperation and responses to our survey. We hope that the information presented in this study is of interest and value to our customers and stakeholders.

We welcome the readers' feedback on this issue and suggestions for future studies. Please e-mail comments to Dan Schueller at dan.schueller@metc.state.mn.us or call him at (651) 602-1624. When appropriate, your comments and suggestions will be incorporated into our 2012 rate study and will provide assistance in setting goals and planning budgets.

Wastewater treatment agencies are one of the stewards of the health and environment (quality of life) of the nation's communities. MCES embraces this stewardship with goals that continue to ensure a sustainable environment within the context of providing competitive, quality service to the region's residents.

Exhibit 1

MCES 2010 Survey

Community Retail Sewer Charges — Annual Charges for One- and Two- Family Residences
Based on 5,000 metered gallons of water consumption per month. See Pg. 8 for explanation of Column 3 Rate Method.

Community	2010 Annual Cost (1)	2010 #1 & 2 Family Homes (2)	2010 Method of Rate	2008	2006	2004	2002	2000	1998	1996	1994	1992	1990
Andover	\$231	6,957	Flat	\$224	\$207	\$191	\$184	\$178	\$174	\$168	\$156	\$144	\$144
Anoka	\$244	4,451	Base/Uniform	\$228	\$213	\$205	\$199	\$199	\$193	\$191	\$185	\$177	\$160
Apple Valley	\$198	10,297	Base/Inc Block	\$186	\$170	\$170	\$166	\$163	\$163	\$121	\$104	\$93	\$88
Arden Hills	\$299	2,451	Base/Uniform	\$271	\$246	\$204	\$204	\$208	\$216	\$216	\$208	\$151	\$125
Bayport	\$211	688	Base/Uniform	\$194	\$194	\$194	\$194	\$194	\$194	\$190	\$176	\$142	\$120
Birchwood	\$240	379	Flat	\$240	\$240	\$240	\$220	\$220	\$220	\$200	\$188	\$157	\$132
Blaine	\$179	15,969	Flat	\$179	\$179	\$179	\$179	\$179	\$179	\$179	\$148	\$132	\$120
Bloomington	\$154	23,375	Flat	\$147	\$135	\$122	\$117	\$117	\$124	\$116	\$111	\$101	\$90
Brooklyn Center	\$255	8,453	Flat	\$250	\$238	\$222	\$210	\$190	\$181	\$175	\$170	\$143	\$108
Brooklyn Park	\$163	21,277	Base/Uniform	\$153	\$147	\$138	\$143	\$143	\$142*	\$130	\$128	\$128	\$128
Burnsville	\$209	14,757	Base/Uniform	\$193	\$185	\$185	\$179	\$162	\$161	\$135	\$115	NR	\$86
Centerville	\$225	1,274	Flat	\$212	\$212	\$196	\$196	\$168	\$156	\$156	\$144	NR	\$144
Champlin	\$225	7,324	Base/Uniform	\$196	\$187	\$177	\$172	\$172	\$182	\$194	\$156	\$156	\$150
Chanhassen	\$229	6,765	Base/Uniform	\$207	\$186	\$164	\$156	\$156	\$156	\$156	\$156	\$144	\$124
Chaska	\$188	5,423	Uniform	\$169	\$153	\$152	\$211	\$211	\$211	\$194	\$133	NR	\$102
Circle Pines	\$270	1,950	Base/Uniform	\$240	\$180	\$168	\$150	\$136	\$136	\$159	\$132	\$132	\$132
Columbia Heights	\$191	6,040	Base/Uniform	\$178	\$152	\$126	\$127	\$127	\$114*	\$145	\$101	\$101	\$75
Columbus	\$346	4	Uniform	\$169									
Coon Rapids	\$236	19,290	Flat	\$206	\$196	\$188	\$180	\$176	\$168	\$148	\$140	\$120	\$80
Cottage Grove	\$180	10,088	Incr Block	\$171	\$153	\$162	\$144	\$126	\$126	\$122	\$102	\$141	\$114
Crystal	\$180	7,477	Flat	\$180	\$180	\$180	\$168	\$173	\$164	\$159	\$145	\$120	\$104
Dayton	\$309	330	Base/Uniform										
Deephaven	\$300	1,470	Flat	\$260	\$260	\$240	\$200	\$200	\$180	\$180	\$180	\$120	\$120
Eagan	\$168	17,490	Base/Uniform	\$143	\$125	\$119	\$114	\$117	\$121	\$115	\$104	\$89	\$89
Eden Prairie	\$157	17,614	Base/Uniform	\$150	\$142	\$117	\$142	\$142	\$142	\$142	\$164	\$145	\$139
Edina	\$226	13,316	Base/Uniform	\$205	\$187	\$167	\$150	\$146	\$140	\$140	\$122	\$93	\$104
Empire Township	\$182	600	Base/Uniform	\$180	\$182	\$144	\$180	\$180	\$180	\$152	\$100	NR	\$100
Excelsior	\$435	502	Base/Uniform	\$241	\$231	\$220	\$203	\$191	\$172	\$172	\$164	\$140	\$128
Falcon Heights	\$222	1,246	Flat	\$180	\$156	\$140	\$140	\$140	\$140	\$140	\$140	\$108	\$88
Farmington	\$162	5,770	Base/Inc Block	\$154	\$153	\$150	\$150	\$150	\$261*	\$254	\$221	\$191	\$191
Forest Lake	\$264	5,563	Base/Inc Block	\$310	\$310	\$170	\$166	\$166	\$173	\$100	\$135	NR	\$105

Forest Lake Township (merged w/ Forest Lake				\$0	0	0		\$264	\$264	\$240	\$240	\$240	\$216
Fridley	\$229	7,487	Base/Uniform	\$181	\$152	\$145	\$137	\$132	\$150	\$150	\$100	\$113	\$99
Gem Lake	\$172	54	Flat	\$172	\$172	\$120	\$112	\$112	\$112	\$112	\$100	\$80	\$70
Golden Valley	\$224	8,000	Base/Uniform	\$224	\$204	\$198	\$184	\$172	\$156	\$136	\$112	\$88	\$80
Greenfield	\$533	53	Base/Uniform	\$639	\$444	\$444	\$408	\$408	\$408	\$408	\$408	\$408	\$315
Greenwood	\$300	322	Flat	\$260	\$260	\$240	\$180	\$180	\$180	\$180	\$180	\$120	\$120
Hastings	\$189	6,697	Uniform	\$174	\$159	\$147	\$141	\$141	\$140	\$135	\$120	\$100	\$95
Hilltop	\$180	12	Base/Uniform	\$180	\$120	\$116	\$149	\$120	\$116	\$120	\$80	\$48	\$48
Hopkins	\$240	2,978	Uniform	\$168	\$150	\$135	\$135	\$135	\$150	\$165	\$155	\$150	\$105
Hugo	\$232	2,614	Base/Uniform	\$212	\$212	\$185	\$144	\$136	\$168	\$168	\$168	\$168	\$128
Independence	\$596	220	Flat	\$561	\$545	\$529	\$360	\$303	\$303	\$303	\$243	\$243	\$243
Inver Grove Heights	\$208	6,577	Base/Uniform No residential customers	\$194	\$181	\$167	\$158	\$148	\$138	\$128	\$128	\$105	\$75
Lake Elmo	\$261	33		\$260	\$0	NA							
Laketown Township	\$228	271	Flat	\$220	\$200	\$392	\$356	\$356	\$400	\$300	\$261	\$228	\$228
Lakeville	\$204	13,517	Base/Uniform	\$166	\$159	\$155	\$146	\$146	\$146	\$130	\$116	\$116	\$116
Landfall-only charge association for 300 unit mfg home park				\$174	\$174	\$174	\$174	\$174	\$174	\$203	\$155	NR	NR
Lauderdale	\$169	643	Flat	\$168	\$170	\$168	\$160	\$156	\$164	\$164	\$122	\$112	\$96
Lexington	\$186	566	Base/Uniform	\$175	\$162	\$162	\$162	\$162	\$154	\$145	\$145	NR	\$132
Lilydale	\$210	1	Flat	\$160	\$150	\$135	\$125	\$125	\$115	\$100	\$100	NR	\$100
Lino Lakes	\$228	4,405	Base/Uniform	\$228	\$228	\$268	\$224	\$204	\$200	\$192	\$176	NR	\$144
Little Canada	\$186	2,018	Base/Uniform	\$180	\$180	\$180	\$150	\$150	\$150	\$150	\$150	\$136	\$130
Long Lake	\$354	635	Base/Uniform	\$336	\$292	\$221	\$218	\$214	\$215	\$197	\$136	\$117	\$117
Mahtomedi	\$269	2,460	Base/Uniform	\$256	\$242	\$217	\$206	\$206	\$206*	\$205	\$200	\$194	NR
Maple Grove	\$147	20,150	Base/Uniform	\$147	\$147	\$147	\$147	\$147	\$147	\$137	\$137	\$131	\$128
Maple Plain	\$367	535	Base/Uniform	\$367	\$183	\$156	\$137	\$137	\$137*	\$137	\$137	NR	\$137
Maplewood	\$206	11,680	Uniform	\$192	\$169	\$157	\$130	\$115	\$119	\$146	\$140	\$135	\$125
Medicine Lake	\$0	171	No user charge for utilities		\$0	NA							
Medina	\$277	955	Uniform	\$264	\$233	\$211	\$195	\$201	\$201	\$201	\$201	\$201	\$201
Mendota	\$160	68	Flat	\$160	\$160	\$160	\$160	\$160	\$160	\$160	NR	\$160	NR
Mendota Heights	\$200	3,718	Base/Uniform	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$105	\$105
Minneapolis	\$236	75,813	Uniform	\$196	\$168	\$275	\$253	\$230	\$201*	\$175	\$152	\$130	\$115
Minnetonka	\$177	15,377	Uniform	\$159	\$147	\$141	\$123	\$111	\$102	\$93	\$87	\$72	\$66
Minnetonka Beach	\$232	228	Flat	\$232	\$192	\$192	\$192	\$192	\$192	\$170	\$170	\$170	\$170
Minnetrissa	\$340	1,530	Flat	\$300	\$300	\$300	\$300	\$300	\$260	\$240	\$232	\$192	\$180
Mound	\$327	3,188	Base/Uniform	\$308	\$267	\$254	\$220	\$210	\$210	\$171	\$155	\$147	\$135
Mounds View	\$197	2,812	Base/Uniform	\$190	\$190	\$190	\$188	\$182	\$182	\$182	\$172	\$165	\$153
New Brighton	\$185	5,800	Uniform	\$163	\$156	\$142	\$137	\$141	\$137	\$135	\$127	\$105	\$100
New Hope	\$269	5,068	Base/Uniform	\$246	\$236	\$181	\$180	\$164	\$149	\$149	\$149	\$121	\$97
Newport	\$203	1,000	Inc Block	\$160	\$160	\$155	\$155	\$148	\$141*	\$172	\$112	\$112	\$112

North Oaks	\$125	157	Flat	\$200	\$201	\$152	\$176	\$180	\$156*	\$88	NR	NR	\$148
North St. Paul	\$300	4,343	Base/Inc Block	\$283	\$280	\$260	\$246	\$246	\$226*	\$176	\$167	\$149	\$151
Oak Park Heights	\$228	1,126	Base/Inc Block	\$200	\$200	\$188	\$160	\$149	\$126	\$126	\$106	\$92	\$92
Oakdale	\$221	7,500	Base/Uniform	\$208	\$203	\$200	\$197	\$188	\$184	\$177	\$155	\$151	\$146
Orono	\$439	2,110	Flat	\$410	\$386	\$365	\$346	\$327	\$307	\$288	\$266	\$205	\$126
Osseo	\$180	642	Base/Inc Block	\$180	\$160	\$140	\$140	\$140	\$160	\$160	\$143	NR	\$143
Plymouth	\$174	18,572	Base/Uniform	\$210	\$191	\$170	\$152	\$152	\$152	\$139	\$139	\$112	\$129
Prior Lake	\$219	7,323	Uniform	\$219	\$219	\$189	\$171	\$171	\$171	\$171	\$138	\$126	\$84
Ramsey	\$260	3,473	Flat	\$249	\$242	\$242	\$242	\$288	\$213	\$184	\$160	NR	\$128
Richfield	\$188	10,302	Uniform	\$157	\$151	\$149	\$140	\$137	\$119	\$107	\$83	\$64	\$56
Robbinsdale	\$247	4,680	Base/Uniform	\$224	\$203	\$188	\$178	\$173	\$161	\$109	\$94	\$94	\$94
Rosemount	\$170	5,759	Base/Uniform	\$164	\$164	\$164	\$164	\$164	\$157	\$157	\$157	\$111	\$111
Roseville	\$168	11,400	Base/Uniform	\$146	\$130	\$122	\$122	\$121	\$130	\$128	\$118	\$116	\$102
Saint Anthony	\$210	2,100	Uniform	\$198	\$198	\$198	\$166	\$158	\$148	\$132	\$132	\$113	\$106
Saint Bonifacius	\$210	815	Base/Uniform	\$186	\$164	\$164	\$164	\$119	\$119	\$119	\$104	\$104	\$104
Saint Louis Park	\$223	12,767	Base/Uniform	\$193	\$179	\$166	\$153	\$157	\$150	\$142	\$128	\$117	\$107
Saint Paul	\$266	57,480	Declining Block	\$228	\$213	\$204	\$194	\$194	\$194	\$183	\$164	\$147	\$132
Saint Paul Park	\$200	1,668	Base/Uniform	\$152	\$152	\$152	\$138	\$125	\$125	\$125	\$117	\$114	\$114
Savage	\$117	8,305	Base/Uniform	\$111	\$102	\$193	\$187	\$187	\$208	\$200	\$158	\$131	\$119
Shakopee	\$203	10,441	Base/Uniform	\$189	\$180	\$168	\$172	\$182	\$188	\$193	\$133	NR	\$109
Shoreview	\$275	9,078	Base Declining Block	\$212	\$210	\$191	\$174	\$168	\$169	\$157	\$144	\$137	\$128
Shorewood	\$280	2,820	Flat	\$280	\$280	\$280	\$240	\$240	\$260	\$260	\$260	\$262	\$199
South St. Paul	\$223	6,347	Uniform	\$223	\$187	\$168	\$168	\$168	\$179	\$168	\$173	\$150	\$122
Spring Lake Park	\$222	1,959	Flat	\$211	\$211	\$195	\$180	\$180	\$162	\$148	\$121	\$121	\$107
Spring Park	\$360	254	Base/Uniform	\$250	\$250	\$238	\$238	\$238	\$238*	\$296	\$196	\$154	\$154
Stillwater	\$230	5,545	Base/Uniform	\$230	\$224	\$214	\$198	\$198	\$198	\$198	\$198	\$198	\$198
Tonka Bay	\$480	700	Flat	\$440	\$376	\$332	\$332	\$332	\$308	\$308	\$220	\$168	\$152
Vadnais Heights	\$228	4,000	Base/Inc Block	\$209	\$200	\$188	\$188	\$183	\$178	\$168	\$160	\$148	\$140
Victoria	\$239	2,319	Base/Uniform	\$209	\$216	\$204	\$192	\$192	\$152	\$152	\$152	\$152	\$152
Waconia	\$360	3,407	Base/Inc Block	\$343	\$320	\$243	\$228	\$252	\$198	\$190	\$165	\$165	\$155
Wayzata	\$294	1,223	Base/Inc Block	\$243	\$210	\$199	\$194	\$190	\$189*	\$173	\$160	\$148	\$145
West St. Paul	\$304	5,116	Base/Uniform	\$225	\$196	\$185	\$176	\$164	\$157	\$157	\$145	\$118	\$110
White Bear Lake	\$213	7,982	Uniform	\$176	\$168	\$169	\$168	\$169	\$169	\$153	\$127	\$127	\$116
White Bear Township	\$220	4,402	Flat	\$220	\$209	\$209	\$209	\$209	\$196	\$186	\$182	NR	\$192
Willernie	\$192	229	Flat	\$192	\$192	\$192	\$168	\$168	\$168	\$128	\$128	NR	\$110
Woodbury	\$220	19,417	Inc Block	\$196	\$184	\$175	\$151	\$155	\$159	\$159	\$155	\$135	\$137
Total		692,007											
Median Cost	\$223			\$200	\$185	\$180	\$172	\$168	\$166	\$159	\$145	\$132	\$120
2 yr % Change	11.6%			8.1%	2.7%	4.4%	2.4%	1.2%	4.4%	9.7%	9.8%	10.1%	9.1%

Weighted Average (3)	\$216	\$195	\$181	\$186	\$177	\$171	\$167
2 yr % Change	10.9%	7.7%	-2.7%	4.8%	3.4%	2.3%	
Simple Average Previously Used (4)							\$167 \$153 \$140 \$127

- (1) Cost based on regular rates (any senior discounts are not considered).
- (2) Number of one and two family homes served by MCES as reported on surveys (excludes condos and apts).
- (3) The weighted average of each community's retail rate, weighted for the number of households served.
- (4) The simple average of each community's retail rate, without regard to the number of households.
- (5) Service for these communities new to MCES is being built. Elko/New Market, Corcoran, and Carver. However, they were not served in 2010 and, thus, are not included in this survey.

Exhibit 2

2000-2010 National Comparison: Average Annual Sewer Charges

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Average Annual Residential Sewer Service Charge(\$)*	222.31	229.63	238.95	249.44	259.00	281.27	291.93	304.52	318.28	346.90	372.94
Increase	3.1%	3.3%	4.1%	4.4%	3.8%	8.6%	3.8%	4.3%	4.5%	9.0%	7.5%
CPI	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%	3.2%	2.8%	3.8%	-.4%	1.6%

* Based on the National Association of Clean Water Agencies (NACWA) annual Service Charge Index survey which gets a survey response from about 200 wastewater agencies nationwide.

Source: 2010 National Association of Clean Water Agencies (NACWA) Index
 Web address: www.nacwa.org

State Law on Cost Allocation (Minnesota Statutes 473.517)

473.517 ALLOCATION OF COSTS

Subdivision 1. **Allocation method.** Except as provided in subdivision 3, the estimated costs of operation, maintenance, and debt service of the metropolitan disposal system to be paid by the council in each fiscal year, and the costs of acquisition and betterment of the system which are to be paid during the year from funds other than bond proceeds, including all expenses incurred by the council pursuant to sections 473.501 to 473.545, are referred to in this section as current costs, and shall be allocated among and paid by all local government units which will discharge sewage, directly or indirectly, into the metropolitan disposal system during the budget year according to an allocation method determined by the council. The allocated costs may include an amount for a reserve or contingency fund and an amount for cash flow management. The cash flow management fund so established must not exceed five percent of the council's total waste control operating budget.

Subd. 2. [Repealed by amendment, 1997 c 181 s 2]

Subd. 3. **Allocation of treatment, interceptor costs; reserved capacity.** (a) In preparing each budget the council shall estimate the current costs of acquisition, betterment, and debt service, only, of the treatment works in the metropolitan disposal system which will not be used to total capacity during the budget year, and the percentage of such capacity which will not be used, and shall deduct the same percentage of such treatment works costs from the current costs allocated under subdivision 1. The council shall also estimate the current costs of acquisition, betterment, and debt service, only, of the interceptors in the metropolitan disposal system that will not be used to total capacity during the budget year, shall estimate the percentage of the total capacity that will not be used, and shall deduct the same percentage of interceptor costs from the current costs allocated under subdivision 1. The total amount so deducted with respect to all treatment works and interceptors in the system shall be allocated among and paid by the respective

local government units in the metropolitan area through a metropolitan sewer availability charge for each new connection or increase in capacity demand to the metropolitan disposal system within each local government unit. Amounts collected through the metropolitan sewer availability

charge (SAC) must be deposited in the council's wastewater reserve capacity fund. Each fiscal year an amount from the wastewater reserve capacity fund shall be transferred to the wastewater operating fund for the reserved capacity costs described in this paragraph. For the purposes of this

subdivision, the amount transferred from the wastewater reserve capacity fund to the wastewater operating fund shall be referred to as the "SAC transfer amount."

(b) If, after appropriate study and a public hearing, the council determines for the next fiscal year that a reduction of the SAC transfer amount is necessary or desirable to ensure adequate funds remain in the wastewater reserve capacity fund, based on a goal of maintaining at least the next year's estimated SAC transfer amount in the wastewater reserve capacity fund, the council may reduce the SAC transfer amount for that fiscal year. If the council reduces the SAC transfer

amount for the next fiscal year, the council must then increase the metropolitan sewer availability

charge not less than the greater of six percent or the annual percentage change in the Consumer Price Index for the metropolitan region for the previous year plus three percentage points. For the purposes of this subdivision, any reduction in the SAC transfer amount shall be referred to as the "SAC transfer deficit." The provisions of this paragraph expire at the end of calendar year 2015.

(c) The council will record on a cumulative basis the total SAC transfer deficit. In any year that the wastewater reserve capacity fund has a year-end balance of at least two years' estimated SAC transfer amount, the council shall increase the subsequent annual SAC transfer amount in

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excess of the amount required by paragraph (a) with the goal of eliminating the cumulative total SAC transfer deficit. The annual amount by which the council increases the SAC transfer amount

shall be determined by the council after appropriate study and a public hearing.

Subd. 4. [Repealed, 1987 c 53 s 8]

Subd. 5. [Repealed, 1987 c 53 s 8]

Subd. 6. **Deferment of payments.** The council may provide for the deferment of payment of all or part of the allocated costs which are allocated by the council to a local government unit in any year pursuant to subdivision 3, repayable at such time or times as the council shall specify, with interest at the approximate average annual rate borne by council bonds outstanding at the time of the deferment, as determined by the council. Such deferred costs shall be allocated to and paid by all local government units in the metropolitan area which will discharge sewage, directly or indirectly, into the metropolitan disposal system in the budget year for which the deferment is granted, in the same manner and proportions as costs are allocated under subdivision 1.

Subd. 7. [Repealed, 1987 c 53 s 8]

Subd. 8. [Repealed, 1994 c 628 art 3 s 209]

Subd. 9. **Advisory committees.** The council may establish and appoint persons to advisory committees to assist the council in the performance of its wastewater control duties. If established,

the advisory committees shall meet with the council to consult with such members concerning the acquisition, betterment, operation and maintenance of interceptors and treatment works in the metropolitan disposal system, and the allocation of costs therefore. Members of the advisory committee serve without compensation but must be reimbursed for their reasonable expenses as determined by the council.

Subd. 10. **Direct charging of industrial users.** (a) The term "industrial discharger" for the purposes of this subdivision means a recipient of wastewater treatment services that is required by

council rules or procedures to have a permit issued by the council in order to discharge sewage to the metropolitan disposal system.

(b) The council may directly impose on all or any category of industrial dischargers all or any portion of the costs that would otherwise be allocated among and paid by local government units under subdivision 1. Any amounts imposed directly on industrial dischargers by the council under this subdivision must be deducted from the amounts to be allocated among and paid by local government units under subdivision 1, and any charges imposed by a local government unit

for the same purpose are of no further force and effect from and after the effective date of the council's direct charges. Charges imposed under this subdivision are in addition to any other charges imposed on industrial dischargers by a local government unit and must be paid by the industrial discharger at such intervals as may be established by the council. The council may impose interest charges upon delinquent payments.

(c) Charges by the council to industrial dischargers under this subdivision including any interest charges, as well as any other charges or related fees owed by the industrial discharger pursuant to a discharge permit issued by the council for the subject property, are a charge jointly and severally against the owners, lessees, and occupants of the property served. The council may certify such unpaid amounts to the appropriate county auditor as a tax for collection as other taxes are collected on the property served. The proceeds of any tax collected pursuant to the council's certification must be paid by the county treasurer to the council when collected. Copyright © 2010 by the Office of the Revisor of Statutes, State of Minnesota. All Rights Reserved.

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Certification does not preclude the council from recovery of delinquent amounts and interest under any other available remedy.

History: 1975 c 13 s 83; 1987 c 53 s 2-5; 1994 c 628 art 3 s 166-170; 1997 c 181 s 2; 1Sp2003 c 16 s 8; 2010 c 212 s 1

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Exhibit 4

State Law on Federal Water Pollution Control Act Amendments of 1972: System of Charges (Minnesota Statute 473.519)

Each local government unit shall adopt a system of charges for the use and availability of the metropolitan disposal system which will assure that each recipient of waste water treatment services within or served by the unit will pay its proportionate share of the costs allocated to the unit by the council under section 473.517, as required by the federal Water Pollution control Act amendments of 1972, and any regulations issued pursuant thereto. Each system of charges shall be adopted as soon as possible and shall be submitted to the council. The council shall review each system of

charges to determine whether it complies with the federal law and regulations. If it determines that a system of charges does not comply, the adopting unit shall be notified and shall change its system to comply, and shall submit the changes to the council for review. All subsequent changes in a system of charges proposed by a local government unit shall also be submitted to the council for review.

HIST: 1975 c 13 s 84; 1994 c 628 art 3 s 171

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