

Metropolitan Council Environmental Services

SURVEY OF 2008 Municipal Residential Wastewater Rates

June 2008

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

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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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CONTENTS

I. Background Information.....	1
Introduction	
MCES's Rate System	
Revenue Sources	
Factors That Influence Wastewater Pricing	
II. The MCES Cost Allocation System.....	5
Providing Regional Equity	
III. Twin Cities Area Residential Wastewater Charges.....	7
Average and Median Residential Charges	
Types of Rates	
Community Rate-Setting Practices	
How Community Residential Rates Were Compared	
IV. National Data and Trends.....	11
National Comparison	
National Trends	
V. Other Rates and Charges.....	13
MCES's Treatment-Related Rates and Charges	
VI. Next Steps.....	15

Exhibits

1. MCES 2008 Survey: Community Retail Sewer Charges — Annual Charges for One- and Two-Family Residences (1986 to 2008).....	17
2. 1998-2007 National Comparison: Average Annual Sewer Charges.....	20
3. State Law on Cost Allocation (Minnesota Statutes 473.517).....	21
4. State Law on Federal Water Pollution Control Act Amendments of 1972: System of Charges (Minnesota Statute 473.519).....	23

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 the regional planning agency serving the Twin Cities seven-county metropolitan area and 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 forecasts of the region’s population and household growth.
- Provides affordable housing opportunities.
- Provides planning, acquisitions and funding for a regional system of parks and trails.
- Provides a framework for decisions and implementation for regional systems.

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 planned development.
- Sufficient capital investments are made to preserve water quality in the region.
- Local plans provide for adequate water supply and nonpoint pollution prevention in the region.

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

- Owns and maintains approximately 600 miles of regional sewers that collect flow from 5,000 miles of sewers owned by 104 communities.
- Treats about 255 million gallons of wastewater daily at eight 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.
- 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 as well as their importance in this report (see Figure 1).

While the main 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 104 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 104 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. 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.
- **Service 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 service 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.

Figure 2. MCES Wastewater Treatment Rates/1 million gallons of flow

Year	Rate	Percent Change Prior Year
1998	1,350.00	4.0%
1999	1,257.00	-6.9%
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%

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. Note that 100,000 gallons of metered wastewater flow is assumed equivalent to 72,300 gallons of water consumption.

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.

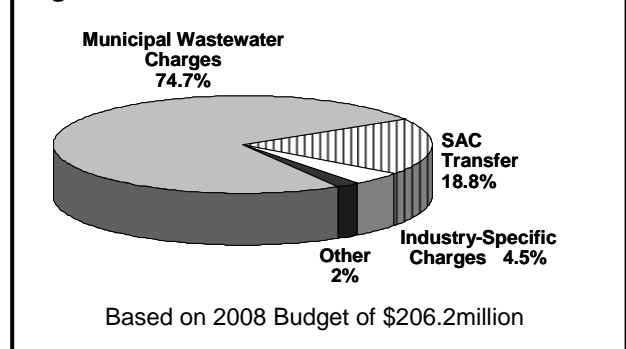
Exhibit 1 on page 17 lists the retail rates of MCES’s customer communities from 1988 to 2008. This biennial report fulfills a requirement of M.S. 473.519 to provide a review of the retail wastewater treatment rates charged by communities to their users (see Exhibit 4 on page 23).

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 21 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.

Figure 3. MCES’s Revenue Sources



As the graph in Figure 3 shows, 74.7 percent of MCES revenue is from *wholesale* municipal wastewater charges to customer communities.

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 (42.3 percent of the 2008 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. Utility costs, including sewer rates, are important for the quality of life of our residents and the economic competitiveness of our businesses.

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, and as we move into the future, maintenance, rehabilitation and meeting the needs of a growing metropolitan area are the primary issues.

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 monthly 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 of the prior year ending June 30th* (Figure 5).

Figure 5. MCES's Rate Determination: Step 1

Total Annual Budget (Rate Base)
- Transfer from SAC Fund
- Other Revenues
<hr/>
= Total Wastewater Service Charges

This tentative rate is analyzed for competitiveness and affordability. 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 a community's bill by multiplying the fixed rate by the community's percent of the total system flow for the prior year (Figure 6).

Figure 6. 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 the Wholesale Rate

The wastewater service charge revenue required for the following year is determined on the estimated costs of labor, non-labor and debt service. Those wastewater charges are allocated to customers based on their measured share of the total system flow.

Flows can vary significantly as a consequence of weather cycles. Therefore, while the total revenue to MCES 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 escalate to \$1,536.80 per million gallons. The revenue due to MCES remains the same at either flow level.

*MCES began using the "firm flow" method in 2005. With this method, the cost of service is allocated based on actual known (firm) flow from the most recently available period. For example, for 2008 service and billings, the flow period is the year July 1, 2006 through June 30, 2007. That is the latest data available when rates were set for 2008.

III. TWIN CITIES AREA RESIDENTIAL WASTEWATER CHARGES

Average and Median Residential Charges

Average/Median per Community

In 2008, the weighted average community wastewater charge for a single-family residence in the Twin Cities area was \$195 per household per year, a 7.7 percent increase from 2006. This average is based on charges for 5,000* gallons of water consumption per month and is weighted by the number of single-family customer households served by each community.

Weighted Average per Household

The weighted average weights community rates by the number of sewerred households in each community to arrive at an average regional cost per single-family household in the Twin Cities area. 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 4 in the city of Columbus to 80,000 in the city of Minneapolis.

See Exhibit 1 on page 17 for individual community charges from 1986 to 2008.

Figure 7. Twin Cities Metropolitan Area Community Retail Sewerage

Based on 5,000 gallons of water consumption per month

	Average Charge**	Two-year Percent Change	Median Charge	Two-year Percent Change
1998	\$167	na	\$166	4.4%
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%

Also included in the study are median charges for the years 1988 through 2008. Available average and median charges for the metropolitan area communities from 1996 to 2008 are listed in Figure 7.

Therefore, MCES believes a weighted average is the most accurate reflection of rates for the purpose of this study.

*Using previously collected data and information from this year's surveys, residential customers served by MCES use, on an average, 5,000 gallons of water per month.

**1986-1996 are averages of rates charged by all communities regardless of size. 1998 to 2008 are weighted averages.

The weighted average regional cost per household is figured as follows:

Community rate
x # of households in community (served by MCES)
= Total individual community cost
Total of all individual communities costs
= Total regional cost
÷ # of MCES households served
= Average regional cost per household (annual charge for single-family house)

Types of Rates

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

- 31 use flat rates;
- 14 use a uniform rate;
- 44 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.

While all 104 communities responded to our survey, the above list totals 103. This question was not applicable for one community that does not charge directly for wastewater service.

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 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 2008 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

In most cases, the biggest part of a community's cost is the charge from MCES, which typically changes each year. Further, local expenses can be expected to vary with price increases and specific local needs. While the surveys do 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 portion of an average household retail rate that is needed to cover the cost of MCES's wholesale rate.

Figure 8. MCES's Portion of Retail Rates

Year	Avg. Household Cost*	MCES's Portion of Retail Rate**	MCES's Percent of Retail Rate
1998	\$167	\$111.91	63%
2000	\$171	\$99.48	56%
2002	\$177	\$101.96	58%
2004	\$186	\$111.08	60%
2006	\$181	\$128.02	71%
2008	\$195	\$140.66	72%

**5,000 gallons per month of water consumption = 82,896 gallons of wastewater per year.

How Community Residential Rates Were Compared

Local Comparisons

To compare rates across communities in the Twin Cities metropolitan area, MCES requested information from their customer communities. All 104 communities responded and provided the information.

For the volume-based charges, the estimated average annual wastewater rate is based on 5,000 gallons per month or 60,000 gallons per year of metered water volume. The 5,000 gallon per month volume is a typical winter usage. Most cities bill customers' sewer charges based on winter month experience.

IV. 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 *2007 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.

While retail rates are the focus of this report, MCES also considers other criteria when comparing competitive levels and this quality information cannot be ignored when comparing overall efficiencies and effectiveness.

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

National Trends

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 Service 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 1998 through 2008. Beginning in the year 2001, there was no differentiation between the charge for communities with and without interceptors. Prior to that, a few communities (those without interceptor service) received a lower SAC fee per unit.

For more information on MCES's service availability charges, refer to the SAC Procedures Manual, which can be found on the MCES Web site or ordered by calling the Council data center at (651) 602-1140.

Figure 9. MCES SAC (per Residential Equivalent Connection)

1998 Base SAC.....	\$1,000
1999 Base SAC.....	\$1,050
2000 Base SAC.....	\$1,100
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

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 service availability charges.

Of the approximately 800 permitted Industrial Users, slightly more than 350 pay strength charges to MCES.

Figure 10. Industrial Strength Charge Rates	
	<u>2008 Rate</u>
Cost per excess pound of TSS	\$.148
Cost per excess pound of COD	\$.074

***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>2008 Rate</u>
Cost per excess pound of TSS	\$.295
Cost per excess pound of COD	\$.193

Liquid Waste Hauler Load Charge

Liquid waste haulers pay MCES for septage, leachate and other hauled wastes that are discharged to approved MCES disposal sites. The load charge combines a strength charge component with a volume component. The volume component is based on the MCES municipal wastewater rate. In addition, a \$50 per load service charge applies to hauled wastes originating outside the seven-county metropolitan area.

The Council is currently accepting domestic septage and holding tank waste generated in the 10 counties surrounding the Council’s seven-county area (at the higher rate that recovers the full cost of treatment).

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.

Add-On-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 negotiated monthly and daily penalties are intended to negate the economic advantage of noncompliance with federal pretreatment standards or local limits.

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.

For more information on MCES’s industrial strength charges, refer to the MCES Web site, www.metrocouncil.org/water.

Inflow and Infiltration (I/I) Surcharge

Starting in 2007 some communities that have had measured excess I/I are charged an extra fee, based on the excess rate of flow and an estimated cost to mitigate the I/I. To date, all communities 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.

VI. NEXT STEPS

MCES thanks its 104 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 Dale Ulrich at dale.ulrich@metc.state.mn.us or call him at (651) 602-1020. When appropriate, your comments and suggestions will be incorporated into our 2010 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 2008 Survey

Community Retail Sewer Charges — Annual Charges for One- and Two- Family Residences Based on 5,000 metered gallons of water consumption per month

NOTE: See section titled “Types of Rates” on page 8 for explanation of column three (Method of rate).

Community	2008 Annual Cost ⁽¹⁾	Method of Rate	# of Sewered Households ⁽²⁾	2006	2004	2002	2000	1998	1996	1994	1992	1990	1988	
Andover	\$224	Flat	6,483	\$207	\$191	\$184	\$178	\$174	\$168	\$156	\$144	\$144	\$102	
Anoka	\$228	Base/Uniform	4,425	\$213	\$205	\$199	\$199	\$193	\$191	\$185	\$177	\$160	\$132	
Apple Valley	\$186	Base/Inc Block	10,237	\$170	\$170	\$166	\$163	\$163	\$121	\$104	\$93	\$88	\$88	
Arden Hills	\$271	Base/Uniform	2,446	\$246	\$204	\$204	\$208	\$216	\$216	\$208	\$151	\$125	\$125	
Bayport	\$194	Base/Uniform	786	\$194	\$194	\$194	\$194	\$194	\$190	\$176	\$142	\$120	\$90	
Birchwood	\$240	Flat	380	\$240	\$240	\$220	\$220	\$220	\$200	\$188	\$157	\$132	\$120	
Blaine	\$179	Flat	15,453	\$179	\$179	\$179	\$179	\$179	\$179	\$148	\$132	\$120	\$88	
Bloomington	\$147	Flat	24,627	\$135	\$122	\$117	\$117	\$124	\$116	\$111	\$101	\$90	\$75	
Brooklyn Center	\$250	Flat	7,464	\$238	\$222	\$210	\$190	\$181	\$175	\$170	\$143	\$108	\$93	
Brooklyn Park	\$153	Base/Uniform	17,495	\$147	\$138	\$143	\$143	\$142*	\$130	\$128	\$128	\$128	\$128	
Burnsville	\$193	Base/Uniform	14,579	\$185	\$185	\$179	\$162	\$161	\$135	\$115	NR	\$86	\$81	
Centerville	\$212	Flat	1,270	\$212	\$196	\$196	\$168	\$156	\$156	\$144	NR	\$144	\$164	
Champlin	\$196	Base/Uniform	7,264	\$187	\$177	\$172	\$172	\$182	\$194	\$156	\$156	\$150	\$150	
Chanhassen	\$207	Base/Uniform	6,355	\$186	\$164	\$156	\$156	\$156	\$156	\$156	\$144	\$124	\$124	
Chaska	\$169	Uniform	5,569	\$153	\$152	\$211	\$211	\$211	\$194	\$133	NR	\$102	\$89	
Circle Pines	\$240	Base/Uniform	1,854	\$180	\$168	\$150	\$136	\$136	\$159	\$132	\$132	\$132	\$132	
Columbia Heights	\$178	Base/Uniform	6,032	\$152	\$126	\$127	\$127	\$114*	\$145	\$101	\$101	\$75	\$75	
Columbus	\$169	Uniform	4	\$0										
Coon Rapids	\$206	Flat	19,235	\$196	\$188	\$180	\$176	\$168	\$148	\$140	\$120	\$80	\$80	
Cottage Grove	\$171	Inc Block	9,907	\$153	\$162	\$144	\$126	\$126	\$122	\$102	\$141	\$114	\$106	
Crystal	\$180	Flat	7,581	\$180	\$180	\$168	\$173	\$164	\$159	\$145	\$120	\$104	\$96	
Deephaven	\$260	Flat	1,435	\$260	\$240	\$200	\$200	\$180	\$180	\$180	\$120	\$120	\$100	
Eagan	\$143	Base/Uniform	17,868	\$125	\$119	\$114	\$117	\$121	\$115	\$104	\$89	\$89	\$75	
Eden Prairie	\$150	Base/Uniform	17,808	\$142	\$117	\$142	\$142	\$142	\$142	\$164	\$145	\$139	\$127	
Edina	\$205	Uniform	14,050	\$187	\$167	\$150	\$146	\$140	\$140	\$122	\$93	\$104	\$131	
Empire Township	\$180	Base/Uniform	589	\$182	\$144	\$180	\$180	\$180	\$152	\$100	NR	\$100	\$72	
Excelsior	\$241	Base/Uniform	500	\$231	\$220	\$203	\$191	\$172	\$172	\$164	\$140	\$128	\$109	
Falcon Heights	\$180	Flat	1,246	\$156	\$140	\$140	\$140	\$140	\$140	\$140	\$108	\$88	\$88	
Farmington	\$154	Base/Inc Block	5,589	\$153	\$150	\$150	\$150	\$261	\$254	\$221	\$191	\$191	\$174	
Forest Lake	\$310	Base/Uniform	5,139	\$310	\$170	\$166	\$166	\$173	\$100	\$135	NR	\$105	\$105	
Forest Lake Township	Merged w/Forest Lake						\$264	\$264	\$240	\$240	\$240	\$216	\$216	
Fridley	\$181	Uniform	7,386	\$152	\$145	\$137	\$132	\$150	\$150	\$100	\$113	\$99	\$99	
Gem Lake	\$172	Flat	49	\$172	\$120	\$112	\$112	\$112	\$112	\$100	\$80	\$70	\$60	
Golden Valley	\$224	Base/Uniform	6,800	\$204	\$198	\$184	\$172	\$156	\$136	\$112	\$88	\$80	\$80	
Greenfield	\$213	Flat	53	\$444	\$444	\$408	\$408	\$408	\$408	\$408	\$408	\$315	\$315	

Exhibit 1 (continued)

Community	2008 Annual Cost	Method of Rate	# of Sewered House-holds	2006	2004	2002	2000	1998	1996	1994	1992	1990	1988
Greenwood	\$260	Flat	320	\$260	\$240	\$180	\$180	\$180	\$180	\$180	\$120	\$120	\$120
Hastings	\$174	Uniform	6,416	\$159	\$147	\$141	\$141	\$140	\$135	\$120	\$100	\$95	\$86
Hilltop	\$180	Base/Uniform	12	\$120	\$116	\$120	\$120	\$116	\$120	\$80	\$48	\$48	NR
Hopkins	\$168	Uniform	3,000	\$150	\$135	\$135	\$135	\$150	\$165	\$155	\$150	\$105	\$95
Hugo	\$212	Base/Inc Block	2,634	\$212	\$185	\$144	\$136	\$168	\$168	\$168	\$168	\$128	\$128
Independence	\$561	Flat	192	\$545	\$529	\$360	\$303	\$303	\$303	\$243	\$243	\$243	\$243
Inver Grove Heights	\$194	Base/Uniform	7,054	\$181	\$167	\$158	\$148	\$138	\$128	\$128	\$105	\$75	\$75
Lake Elmo	\$260	Flat	33	No residential customers									
Laketown Township	\$220	Flat	165	\$200	\$392	\$356	\$356	\$400	\$300	\$261	\$228	\$228	\$180
Lakeville	\$166	Base/Uniform	16,315	\$159	\$155	\$146	\$146	\$146	\$130	\$116	\$116	\$116	\$120
Landfall	\$174	Base/Uniform	302	\$174	\$174	\$174	\$174	\$174	\$203	\$155	NR	NR	NR
Lauderdale	\$168	Flat	643	\$170	\$168	\$160	\$156	\$164	\$164	\$122	\$112	\$96	\$96
Lexington	\$175	Flat	753	\$162	\$162	\$162	\$162	\$154	\$145	\$145	NR	\$132	\$132
Lilydale	\$160	Flat	5	\$150	\$135	\$125	\$125	\$115	\$100	\$100	NR	\$100	\$70
Lino Lakes	\$228	Base/Uniform	4,324	\$228	\$268	\$224	\$204	\$200	\$192	\$176	NR	\$144	\$120
Little Canada	\$180	Base/Uniform	2,049	\$180	\$180	\$150	\$150	\$150	\$150	\$150	\$136	\$130	\$116
Long Lake	\$336	Base/Uniform	637	\$292	\$221	\$218	\$214	\$215	\$197	\$136	\$117	\$117	\$117
Mahtomedi	\$256	Base/Uniform	2,395	\$242	\$217	\$206	\$206	\$206	\$205	\$200	\$194	NR	NR
Maple Grove	\$147	Base/Uniform	19,771	\$147	\$147	\$147	\$147	\$147	\$137	\$137	\$131	\$128	\$124
Maple Plain	\$367	Base/Uniform	535	\$183	\$156	\$137	\$137	\$137	\$137	\$137	NR	\$137	\$137
Maplewood	\$192	Uniform	10,000	\$169	\$157	\$130	\$115	\$119	\$146	\$140	\$135	\$125	\$112
Medicine Lake	<i>No user charge for utilities</i>		170										
Medina	\$264	Base/Uniform	872	\$233	\$211	\$201	\$201	\$201	\$201	\$201	\$201	\$201	\$201
Mendota	\$160	Flat	65	\$160	\$160	\$160	\$160	\$160	\$160	NR	\$160	NR	NR
Mendota Heights	\$140	Base/Uniform	3,647	\$140	\$140	\$140	\$140	\$140	\$140	\$140	\$105	\$105	\$105
Minneapolis	\$196	Uniform	80,000	\$168	\$275	\$253	\$230	\$201	\$175	\$152	\$130	\$115	\$98
Minnetonka	\$159	Uniform	15,350	\$147	\$141	\$123	\$111	\$102	\$93	\$87	\$72	\$66	\$60
Minnetonka Beach	\$232	Flat	225	\$192	\$192	\$192	\$192	\$192	\$170	\$170	\$170	\$170	\$170
Minnetrissa	\$300	Flat	1,435	\$300	\$300	\$300	\$300	\$260	\$240	\$232	\$192	\$180	\$180
Mound	\$308	Base/Uniform	3,349	\$267	\$254	\$220	\$210	\$210	\$171	\$155	\$147	\$135	\$135
Mounds View	\$190	Base/Uniform	2,923	\$190	\$190	\$188	\$182	\$182	\$182	\$172	\$165	\$153	\$123
New Brighton	\$163	Base/Uniform	5,800	\$156	\$142	\$137	\$141	\$137	\$135	\$127	\$105	\$100	\$106
New Hope	\$246	Base/Inc Block	5,310	\$236	\$181	\$180	\$164	\$149	\$149	\$149	\$121	\$97	\$97
Newport	\$160	Inc Block	1,000	\$160	\$155	\$155	\$148	\$141	\$172	\$112	\$112	\$112	\$98
North Oaks	\$200	Flat	157	\$201	\$152	\$176	\$180	\$156	\$88	NR	NR	\$148	NR
North St. Paul	\$283	Base/Inc Block	3,527	\$280	\$260	\$246	\$246	\$226	\$176	\$167	\$149	\$151	\$151
Oak Park Heights	\$200	Base/Uniform	1,134	\$200	\$188	\$168	\$149	\$126	\$126	\$106	\$92	\$92	\$80
Oakdale	\$208	Base/Inc Block	8,200	\$203	\$200	\$197	\$188	\$184	\$177	\$155	\$151	\$146	\$135
Orono	\$410	Flat	2,172	\$386	\$365	\$346	\$327	\$307	\$288	\$266	\$205	\$126	\$126
Osseo	\$180	Base/Uniform	651	\$160	\$140	\$140	\$140	\$160	\$160	\$143	NR	\$143	\$125
Plymouth	\$210	Base/Uniform	19,491	\$191	\$170	\$152	\$152	\$152	\$139	\$139	\$112	\$129	\$123

Exhibit 1 (continued)

Community	2008 Annual Cost	Method of Rate	# of Sewered Households	2006	2004	2002	2000	1998	1996	1994	1992	1990	1988
Prior Lake	\$219	Uniform	7,124	\$219	\$189	\$171	\$171	\$171	\$171	\$138	\$126	\$84	\$84
Ramsey	\$249	Flat	3,230	\$242	\$242	\$242	\$288	\$213	\$184	\$160	NR	\$128	\$128
Richfield	\$157	Uniform	10,302	\$151	\$149	\$140	\$137	\$119	\$107	\$83	\$64	\$56	\$53
Robbinsdale	\$224	Base/Uniform	5,200	\$203	\$188	\$178	\$173	\$161	\$109	\$94	\$94	\$94	\$94
Rosemount	\$164	Base/Uniform	5,759	\$164	\$164	\$164	\$164	\$157	\$157	\$157	\$111	\$111	\$75
Roseville	\$146	Base/Uniform	9,899	\$130	\$122	\$122	\$121	\$130	\$128	\$118	\$116	\$102	\$91
Saint Anthony	\$198	Uniform	2,187	\$198	\$198	\$166	\$158	\$148	\$132	\$132	\$113	\$106	\$99
Saint Bonifacius	\$186	Base/Uniform	757	\$164	\$164	\$164	\$119	\$119	\$119	\$104	\$104	\$104	\$104
Saint Louis Park	\$193	Base/Uniform	12,687	\$179	\$166	\$153	\$157	\$150	\$142	\$128	\$117	\$107	\$97
Saint Paul	\$228	Declining Block	70,017	\$213	\$204	\$194	\$194	\$194	\$183	\$164	\$147	\$132	\$153
Saint Paul Park	\$152	Base/Uniform	1,668	\$152	\$152	\$138	\$125	\$125	\$125	\$117	\$114	\$114	\$77
Savage	\$111	Base/Uniform	8,159	\$102	\$193	\$187	\$187	\$208	\$200	\$158	\$131	\$119	\$101
Shakopee	\$189	Base/Uniform	9,501	\$180	\$168	\$172	\$182	\$188	\$193	\$133	NR	\$109	\$109
Shoreview	\$212	Base Declng Blk	9,771	\$210	\$191	\$174	\$168	\$169	\$157	\$144	\$137	\$128	\$117
Shorewood	\$280	Flat	2,800	\$280	\$280	\$240	\$240	\$260	\$260	\$260	\$262	\$199	\$116
South St. Paul	\$223	Uniform	6,310	\$187	\$168	\$168	\$168	\$179	\$168	\$173	\$150	\$122	\$122
Spring Lake Park	\$211	Flat	1,960	\$211	\$195	\$180	\$180	\$162	\$148	\$121	\$121	\$107	\$101
Spring Park	\$250	Base/Uniform	255	\$250	\$238	\$238	\$238	\$238	\$296	\$196	\$154	\$154	\$154
Stillwater	\$230	Base/Uniform	5,250	\$224	\$214	\$198	\$198	\$198	\$198	\$198	\$198	\$198	\$178
Stillwater Township	<i>Merged with Stillwater</i>								\$198	\$198	\$198	\$198	\$198
Tonka Bay	\$440	Flat	694	\$376	\$332	\$332	\$332	\$308	\$308	\$220	\$168	\$152	\$168
Vadnais Heights	\$209	Base/Uniform	3,754	\$200	\$188	\$188	\$183	\$178	\$168	\$160	\$148	\$140	\$128
Victoria	\$209	Base/Inc Block	2,100	\$216	\$204	\$192	\$192	\$152	\$152	\$152	\$152	\$152	\$152
Waconia	\$343	Base/Inc Block	3,191	\$320	\$243	\$228	\$252	\$198	\$190	\$165	\$165	\$155	\$155
Wazyata	\$243	Base/Inc Block	1,213	\$210	\$199	\$194	\$190	\$189	\$173	\$160	\$148	\$145	\$120
West St. Paul	\$225	Flat	5,128	\$196	\$185	\$176	\$164	\$157	\$157	\$145	\$118	\$110	\$110
White Bear Lake	\$176	Uniform	8,036	\$168	\$169	\$168	\$169	\$169	\$153	\$127	\$127	\$116	\$116
White Bear Township	\$220	Flat	4,389	\$209	\$209	\$209	\$209	\$196	\$186	\$182	NR	\$192	\$122
Willernie	\$192	Flat	226	\$192	\$192	\$168	\$168	\$168	\$128	\$128	NR	\$110	\$72
Woodbury	\$196	Inc Block	18,842	\$184	\$175	\$151	\$155	\$159	\$159	\$155	\$135	\$137	\$96
Median Rates	\$200			\$185	\$180	\$172	\$168	\$166	\$159	\$145	\$132	\$120	\$110
2-year % change				8.1%	2.7%	4.4%	2.4%	1.2%	4.4%	9.7%	9.8%	10.1%	9.1%
Weighted Avgs.⁽³⁾	\$195			\$181	\$186	\$177	\$171	\$167	n/a	n/a	n/a	n/a	n/a
2-year % change				7.7%	-2.7%	4.8%	3.4%	2.3%					
Previously Used Community Averages⁽⁴⁾									\$167	\$153	\$140	\$127	\$118

(1) Cost based on regular rates; senior rates not considered.

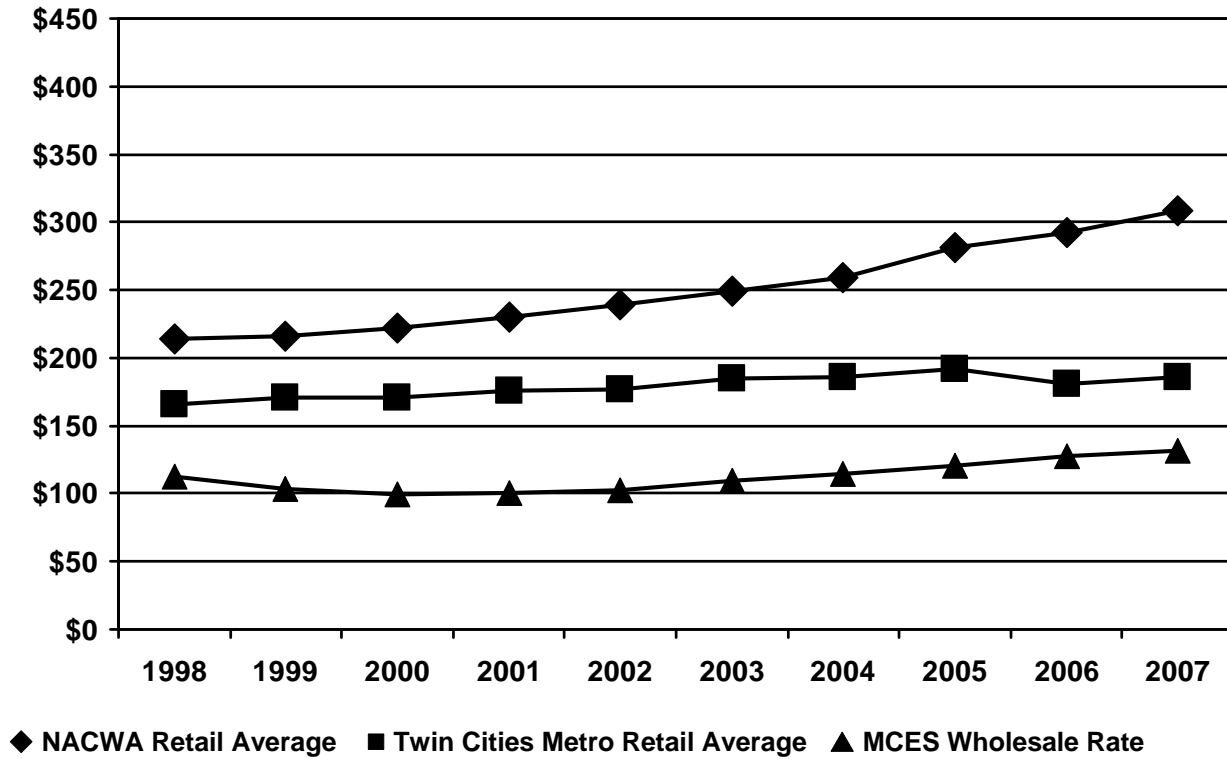
(2) Number of residential (one- and two-family) households served by MCES as reported on surveys.

(3) The weighted average of each community's retail rate, weighted for the number of households served (see page 7 for further explanation).

(4) The simple average of each community's retail rate, without regard to the number of households.

Exhibit 2

1998-2007 National Comparison: Average Annual Sewer Charges



Source: 2007 National Association of Clean Water Agencies (NACWA) Index
Web address: www.nacwa.org

Exhibit 3

State Law on Cost Allocation (Minnesota Statutes 473.517)

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. 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 for which system capacity unused each year is reserved for future use, in proportion to the amounts of such capacity reserved for each of them.

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 therefor. 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

Exhibit 3 (continued)

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

HIST: 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

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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