

## Environment Committee

Meeting date: May 13, 2014

**Subject:** Public Meetings on Preliminary 2015 Rates and Charges

**District(s), Member(s):** All

**Policy/Legal Reference:** Council Policy 3-2-3; Water Resources Management Policy Plan; MN Statute 473.517

**Staff Prepared/Presented:** Jason Willett, 651-602-1196; John Atkins, 651-602-1020

**Division/Department:** MCES c/o Leisa Thompson, 651-602-8101

### Background

Staff will hold two public meetings for customers regarding the preliminary proposed 2015 rates and charges (Attachment A) and other strategic matters (Attachment B – meeting brochure). This information item is to brief Committee members on the rates we will discuss. Customers want to know MCES rates as soon as possible: municipalities for their rate setting (which sometimes require ordinance changes) and total cost-of-government computations (which some give to their constituents with their proposed levies) and businesses so they know the cost of this service in setting their pricing for 2015.

Staff will bring a summary of the customer input back to the Committee in July. The public meetings scheduled are:

May 22: Municipal Customer Forum at Golden Valley City Hall at 9:00 a.m.

May 29: Municipal Customer Forum at League of Minnesota Cities Building in St. Paul at 1:30 p.m.

June 5: Industrial Waste Forum at Metro 94 at 8:00 a.m.

### Funding

The preliminary budget on which these rates are based (Attachment C) and is information only. Budget adoption proceeds separately but is materially constrained by the rates and charges.

Funding for the meeting expenses is not material.

### Known Support / Opposition

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

**Preliminary Rates and Charges**

	<u>2014</u>	<u>2015</u>	<u>Increase</u> <u>(%)</u>
1. Metropolitan Wastewater Charge (MWC)	184,188,500	190,710,000	3.5
2. Sewer Availability Charge (SAC)	2,485	2,535	2.0
Temporary Capacity Charge (per 1,000 gallons)	1.25	1.28	2.4
3. Strength Charge (excess pounds of TSS)	\$0.185	\$0.190	2.7
Strength Charge (excess pounds of COD)	\$0.0925	\$0.0950	2.7
4. Load Charges:			
Standard Load Charge (per 1,000 gallons)	\$54.71	\$56.31	2.9
Holding Tank Load Charge (per 1,000 gallons)	\$9.60	\$9.39	-2.2
Collar County Load Charge (per 1,000 gallons)	\$69.71	\$71.31	2.3
Portable Toilet Load Charge (per 1,000 gallons)	\$70.26	\$72.49	3.2
Industrial Strength Component (excess TSS)	\$0.373	\$0.388	4.0
Industrial Strength Component (excess COD)	\$0.1865	\$0.1940	4.0
5. Permit Fees (\$/year)			
<u>Quarterly Reporters</u>			
Significant industrial User (SIU) >50 m gal	7,400	8,025	8.4
SIU <50 m gal	6,175	6,700	8.5
<u>Semi-annual reporters</u>			
SIU > 10m gal	4,875	5,300	8.7
SIU 5-10 m gal	3,675	4,000	8.9
SIU 2-5 m gal	2,450	2,650	8.2
SIU < 2m gal	1,250	1,350	8.0
Non SIU	1,250	1,350	8.0
<u>Annual reporters</u>			
non SIU >1m gal	1,250	1,350	8.0
non SIU <1m gal	775	850	9.7
NSCIU (non sig. categorical industrial user)	775	850	9.7
<u>Liquid Waste Haulers</u>			
> 1m gal	1,250	1,350	8.0
< 1m gal	775	850	9.7
<u>Special Discharges</u>			
General - quarterly reporters	1,250	1,350	8.0
Contingency/low impact	775	850	9.7
General Permits	100-500	100-500	
6. Other Fees:			
Encroachment Application Fee (per easement)	600	600	0
Direct Connection Application Fee (per application)	1,000	1,000	0
I/I Exceedance Rate (per excess mgd)	407,000	444,000	1.9

# WHAT'S NEW

## PERFORMANCE

All seven MCES wastewater treatment plants continue to perform at a high level, achieving perfect or near-perfect compliance with federal and state clean water discharge permits.

The Hastings and St. Croix Valley Plants are 2 of the top 10 wastewater treatment facilities in the country for consecutive years of full compliance with clean water discharge permits.

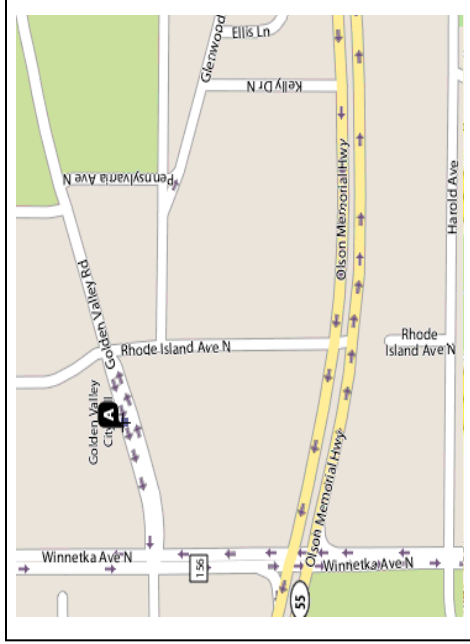
In 2014, six MCES treatment plants will receive the National Association of Clean Water Agencies (NACWA) Platinum Award for 5 or more consecutive years of compliance through 2013:

- Hastings, 23 years
- St. Croix Valley, 22 years
- Seneca, 13 years
- Blue Lake, 8 years
- Eagles Point, 8 years
- Empire, 6 years

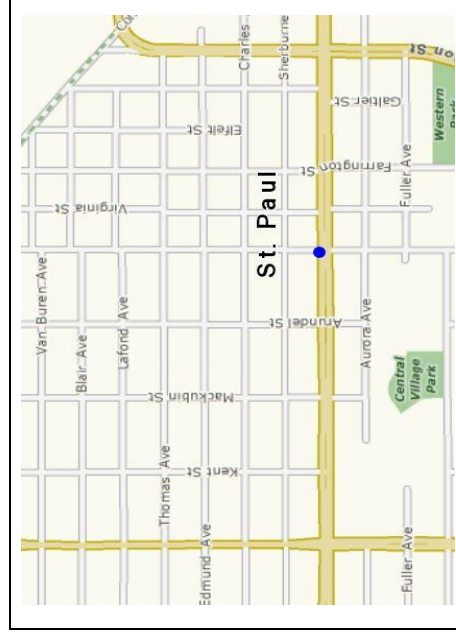
Additionally, all seven MCES treatment plants received 2013 Certificates of Commendation from the Minnesota Pollution Control Agency.

Learn more about MCES at [www.metrocouncil.org/Wastewater-Water](http://www.metrocouncil.org/Wastewater-Water)

Golden Valley City Hall Chambers  
7800 Golden Valley Road, Golden Valley



League of Minnesota Cities  
145 University Ave. West, St. Paul



# MCES Customer Forum



MCES and partners monitored water quality at 225 river, lake and stream locations in 2013.

# MUNICIPAL CUSTOMER FORUM

## When, Where

**Thursday, May 22, 9:00 a.m.**  
Golden Valley City Hall Chambers  
7800 Golden Valley Road, Golden Valley  
(map on back of brochure)

--OR--

**Thursday, May 29, 1:30 p.m.**  
League of Minnesota Cities  
145 University Ave. West, St. Paul  
(map on back of brochure)

## About

The annual Municipal Customer Forum provides the MCES municipal communities' staff with an opportunity to discuss and provide input on MCES's current topics, services and upcoming fiscal year budget and rates.

## Questions?

For questions and comments about the *Municipal Customer Forum*, feel free to contact **Jason Willett**, MCES Financial Management Director, at: [jason.willett@metc.state.mn.us](mailto:jason.willett@metc.state.mn.us) or 651-602-1196.

## RSVP

To attend the *Municipal Customer Forum*, contact **Kelly Barnebey** at: 651-602-1016 or [kelly.barnebey@metc.state.mn.us](mailto:kelly.barnebey@metc.state.mn.us).

## Topics

General Manager's Comments  
Water Supply Issues  
Preliminary 2015 Budget & Rates  
*Thrive MSP 2040*  
Your Questions Answered

# INDUSTRIAL CUSTOMER FORUM

## When, Where

**Thursday, June 5, 8 a.m.**  
Metro 94 Business Center, Suite 32  
455 Etna Street, St. Paul

## About

The annual Industrial Customer Forum provides MCES's 800+ **industrial** customers a chance to share their ideas and concerns on issues that may affect their businesses.

Topics include preliminary 2015 budget and rates, regulatory issues, relevant emerging concerns and water supply information.

## Questions?

Please direct questions and comments about the *Industrial Customer Forum* to **Leo Hermes** in Industrial Waste/Pollution Prevention, at: [leo.hermes@metc.state.mn.us](mailto:leo.hermes@metc.state.mn.us) or 651-602-4701.

## RSVP

To attend the *Industrial Customer Forum*, contact **Melissa Roberts** at: [melissa.roberts@metc.state.mn.us](mailto:melissa.roberts@metc.state.mn.us) or 651-602-4703.

**Rate Setting (Preliminary) Budget**

	2014 Adopted <u>Budget</u>	2015 Preliminary <u>Budget</u>	Change <u>(%)</u>
REVENUE & Other Sources: (\$s in thousands)			
Metropolitan Wastewater Charge	\$184,188	\$190,710	3.5
SAC Fund Transfer	31,262	33,368	6.7
SAC Fund Shift-back	4,400	2,700	-38.6
Industrial Charges	14,020	14,266	1.8
Other Source	<u>5,156</u>	<u>4,170</u>	<u>-19.1</u>
Total Revenue/Sources	\$239,026	\$245,214	2.6
EXPENSES & Other Uses: (\$s in thousands)			
Wastewater Debt Service	102,967	109,000	5.9
MCES Labor	65,221	61,269	-6.1
Non-Labor	58,203	58,165	-.1
Interdivisional	11,135	12,280	10.3
Pay-as-You-Go for Capital Projects	<u>2,000</u>	<u>5,000</u>	<u>150.0</u>
Total Expenses	239,526	245,714	2.6
SURPLUS/(DEFICIT) to (from) Op. Reserves	(\$500)	(\$500)	