MCES ICC Assessment and Payment Options June 2020

What is SAC?

SAC (Sewer Availability Charge) is a fee the Metropolitan Council charges directly to local governments when a residential, commercial, industrial or institutional property first connects to the regional wastewater (sewer) system. We may also charge SAC when a business grows or a property changes use in a way that creates more demand on the wastewater system.

What is ICC?

ICC (Industrial Capacity Charge) is a fee charged directly to permitted industrial users for any volume that exceeds the permitted industrial user's ICC threshold at each reporting period.

How ICC assessments work

Your business's capacity demand is reviewed and assessed each reporting period. With each Reporting Period Information SMR you submit, we will multiply your facility's existing SAC baseline (the number of commercial and industrial SAC units previously paid for) by your reported operating days to determine the SAC threshold for the reporting period. We then compare the threshold to the gallons discharged. For discharges 1,000 gallons or more over the threshold, your business will be invoiced ICC at the rate for the reporting period. Any discharges less than 1,000 gallons over the threshold will not be invoiced.

SAC threshold calculation for reporting period

Facility's SAC baseline units \times (1 SAC unit) $\frac{274 \text{ gallons}}{1 \text{ day}} \times Operating \text{ days} = SAC \text{ threshold gallons}$

ICC calculation

Gallons over threshold (minimum 1,000) $\times \frac{\$ ICC \text{ rate for reporting period}}{1,000 \text{ gallons}} = \$ ICC \text{ owed}$

SAC calculation

 $\frac{Gallons \ over \ threshold}{Operating \ days} \times (1 \ SAC \ unit) \ \frac{1 \ day}{274 \ gallons} \times SAC \ unit \ rate = \$ \ SAC \ owed$

Payment options

- Pay ICC for the reporting period.
- Pay SAC in lieu of ICC and increase your baseline. (One SAC unit = 274 gallons per day)
- Pay a combination of ICC and SAC.

Which payment option is best for you?

You choose the payment option that works best for your business. If your process flows fluctuate as business fluctuates, or you intend to implement water reduction measures, you may choose to pay ICC for each reporting period that you discharge above your baseline. If you are confident that your business will be discharging the higher volume of wastewater for more than 12 years*, you may decide to pay a one-time SAC payment at the current rate and permanently increase your baseline. If your discharge increases are steady, but the SAC payment is too large, you may choose to pay a combination of ICC and SAC.

*It is estimated that a one-time SAC payment is equivalent to between 12 to 17 years of ICC payments depending on the number of operating days per year. ICC is not a payment plan for SAC and does not increase your SAC baseline.

Are you moving or opening a new facility?

All new or moving businesses applying for SAC will be required to have or acquire enough SAC units to cover the commercial SAC determination (based on square footage and use), and up to three additional SAC units to cover the potential industrial discharge. Businesses with greater than 960 gallons per day of industrial discharge, will be required to attain an MCES Industrial Discharge Permit and be assessed ongoing ICC each reporting period. Permittees have the option to pay SAC to increase their baseline, which can reduce or eliminate future ICC payments.

Questions?

If you have questions, please contact your MCES permit engineer or Nanette Ewald at 651-602-4767 or <u>nanette.ewald@metc.state.mn.us</u>

Current Rates & Fees

To see the current industrial user rates and fees go to: <u>https://metrocouncil.org/Wastewater-Water/Services/Industrial-Waste/Industrial-Waste-Rates-Fees.aspx</u>

