Program 8100  
Industrial Pretreatment Incentive Program

Description:
Industrial Pretreatment Incentive Program (IPIP) provides financial incentives to assist high-strength industrial wastewater dischargers to pretreat the wastewater at their site, reducing or eliminating the high-strength discharge and reducing Metropolitan Council Environmental Services' (MCES) cost to treat that discharge.

Purpose and Justification:
This innovative public-private partnership yields benefits to MCES ratepayers, private industry, and the environment. The Council and its ratepayers benefit by: avoiding operating costs (e.g., energy) to treat high-strength waste; improve ability to generate electricity by better handling of high-strength waste; potentially delay or eliminate the need for wastewater treatment plant expansion. Industries benefit by: having access to low-cost loans to install treatment equipment; reducing or eliminating strength charges; enhancing ability to grow.

Program Location:
The active projects within this program are in the following Council Districts: Industries in all Districts were invited to apply; current active project is Northern Star (Michael Foods) in District 4.
Active Projects in Program:

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Title</th>
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<tbody>
<tr>
<td>810010</td>
<td>IPIP – Northern Star</td>
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</tbody>
</table>

MCES 2021 – 2026 Capital Program:

- **Authorized Capital Program (ACP)**: $12,957,000
- **Capital Improvement Plan (CIP)**: $0

Estimated Program Cash Flow 2021 - 2026:

![Graph showing cash flow](image)

Note: The ACP is the total amount of all past and present authorizations including Pre-2021 Expenses.
IPIP – Northern Star

Project Location:
Council District # 4
City of Chaska

**PROJECT TYPE:**
Industrial Pollution Incentive Program (IPIP)

**OBJECTIVES:**
Improvement

**CUSTOMER LEVEL OF SERVICE:**
Minimize Impacts, Lead By Example, Meet Capacity Needs, Engage Customers, Coordinate With Others, and Charges & Fees

**SCOPE:**
Construction of pretreatment facilities at Northern Star. The company discharges to Blue Lake WWTP. Using a low-interest loan from MCES, Northern Star is installing additional pretreatment equipment. The company will pay back the loan over time. The equipment will reduce the strength of Northern Star’s wastewater discharge and will enable Northern Star to recycle its wastewater. At the end of 10-year loan payback, Northern Star will own the pretreatment equipment.

**PROJECT NEED:**
Northern Star wishes to reduce its high-strength waste charge. A side benefit for MCES is that this IPIP project may reduce corrosion and odors in the interceptor system.

**PROJECT SCHEDULE**

- **Planning:** Complete
- **Design:** Complete
- **Construction:** 2018 - 2021

**FINANCIAL ANALYSIS**

<table>
<thead>
<tr>
<th>2021 Cash Flow</th>
<th>Current ACP</th>
<th>2021 – 2026 Cash Flow</th>
<th>Total Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$11,300,000</td>
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