

## Wastewater Conveyance and Treatment Costs

MCES owns and operates nine wastewater treatment plants and over 600 miles of sewer pipe that convey wastewater to the treatment plants from 110 communities in the Twin Cities metropolitan area. These nine plants treat a combined total of nearly 250 million gallons of wastewater each day. Operation and maintenance costs of these treatment plants and the conveyance system are funded entirely by user fees paid by businesses and homes that are connected to the sanitary sewer. Sewer Availability Charge (SAC) and Industrial Capacity Charge (ICC), Strength Charge, and permit fees are the main fee types that MCES charges industrial users.

### Sewer Availability Charge (SAC)

SAC is a fee for use of capacity in MCES' wastewater conveyance system. SAC funds are used to pay for new sewer pipe and treatment plants, rehabilitation of existing infrastructure, and equipment to meet new environmental regulations. MCES collects SAC from served communities for new connections and increased capacity demand. While SAC is assessed to communities, it is calculated based on the capacity demand of each specific residential home or business. Each paid SAC unit allows for discharge capacity up to 274 gallons per operating day. Payments are made by the property or business owner to the city where the property is located.

### Industrial Capacity Charge (ICC)

ICC is a fee charged directly to permitted industrial users for any volumes that exceed a permitted industrial user's ICC threshold during a reporting period. The ICC threshold is the volume of wastewater equivalent to the facility's assigned SAC baseline multiplied by the number of operating days. This value changes each reporting period based on operating days. To calculate a potential ICC, the threshold is compared to the reported discharge for that period. If the reporting period discharge is at or below the existing threshold, no ICC charges will be incurred. For every 1,000 gallons discharged above the threshold, ICC will be assessed and invoiced. ICC is paid directly to MCES and does not increase a facility's SAC baseline. Industries have the option of paying SAC in lieu of ICC, which will increase their baseline.

### Strength Charge

Wastewater treatment plants are designed to treat typical domestic strength waste. Any waste with strength greater than typical domestic waste results in increased energy and treatment costs. Strength is determined by measuring the Chemical Oxygen Demand (COD) and Total Suspended Solids (TSS) concentrations of the wastewater. Industries on permit with MCES who discharge COD and TSS concentration levels above typical domestic waste are required to pay a strength charge based on COD, TSS and volume. Industries that have COD and TSS concentrations at or below domestic waste levels do not pay a strength charge. Strength charges are assessed and invoiced each reporting period.

### Permit fees

Each industry on permit with MCES pays an annual permit fee based on their permit type, significant industrial user status, reporting frequency and volume of discharge. These permit fees are cost-recovery fees for administering the Industrial Pretreatment Program.