MCES holds wastewater rate increase to 2% for 2021

The regional municipal wastewater charge and industrial user rates and fees will rise only 2% overall in 2021.

“When we started our budget planning in February, we were committed to our promise to keep the annual increase to less than 4% through 2022,” said Ned Smith, director of Finance and Revenue for MCES. “We were looking at 3.7% for 2021, and then the pandemic hit, and we knew that our customers would be facing budgetary challenges. So, we made some adjustments to ease what is likely to be a tough year in 2021.”

To hold the increase to 2%, MCES will transfer additional funds from the Sewer Availability Charge (SAC) reserve fund to help pay directly for capital improvements, as well as draw $2 million from our general reserve fund.

The per-unit SAC, the second largest source of revenue for the regional wastewater treatment system, is proposed to remain flat for the seventh consecutive year.
SAC reserve fund in good shape

The Sewer Availability Charge (SAC) is made to residential, commercial, and industrial properties that connect to the regional wastewater system for the first time or that expand or change use in a way that increases demand for capacity in the wastewater system. The regional SAC has remained at $2,485 per unit since it was last raised on January 1, 2014. SAC revenues are put into a reserve fund to pay a portion of the debt service for the wastewater system.

SAC revenue has grown from 6,653 units purchased at a low point in 2009 to 25,308 units in 2019, the greatest number in the last two decades. The SAC reserve fund is healthy, making it a good tool “to help us through the coming slowdown,” Smith said.

The number of SAC units that builders and remodelers are requesting is down about 15% so far this year, but some indicators show there will be less of a reduction in residential construction, he said.

Wastewater operations funded entirely by user fees

<table>
<thead>
<tr>
<th>%</th>
<th>Description</th>
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<tbody>
<tr>
<td>74%</td>
<td>Municipal Wastewater Charges (MWC)</td>
</tr>
<tr>
<td>3%</td>
<td>Other</td>
</tr>
<tr>
<td>5%</td>
<td>Industrial Waste Charges</td>
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<tr>
<td>18%</td>
<td>Sewer Availability Charge</td>
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</tbody>
</table>

MCES proposes $323 million in revenue for 2021, nearly three-quarters (74%) of which is the municipal wastewater charge. Another 18% will come from the SAC reserve fund, 5% from industrial waste charges, and 3% primarily from interest payments and use of reserves.

The regional wastewater collection and treatment system is entirely funded by user fees. Wastewater revenues, by law, cannot be spent on any other Council functions. Conversely, transit fares or other Council revenues cannot support wastewater operations or capital improvements.

Nearly half (48%) of the MCES budget is for debt service, and another 23% for salaries and benefits for the 666 full-time equivalent jobs. Additional spending (6% each) is for consulting and contractual services; materials, supplies, and chemicals; interdivisional services (like procurement and human resources); rent and utilities. The remainder of expenses are cash payments for capital projects (3%) and other (2%).

Council invests in asset preservation

Debt service is the largest portion of the budget because MCES spends, on average, about $150 million annually to preserve, improve, and expand its estimated $7 billion in wastewater infrastructure — regional sewer interceptor pipes, lift stations, flow meters, and nine wastewater treatment plants.

Capital spending will increase in the next three years to $175-180 million annually because of a large project associated with solids management at the Metro Plant in Saint Paul. In addition, MCES is improving solids management capacity and increasing energy recovery at the Empire Plant, among many other treatment plant and interceptor rehabilitation projects.

Capital projects are financed by a combination of low-interest (1.5% most recently) Public Facilities Authority loans, Council general obligation bonds, and a small portion of cash payments. The Council has a AAA bond rating and receives low interest rates on its bond payments, 1.65% for the most recent $80 million bond sale.

Rates continue about 40% below the national average

Our regional wastewater system provides great value to customers, Smith noted. The most recent survey of retail rates for households in the Council’s wastewater service area shows that combined regional and local wastewater fees for Twin Cities area retail customers average $274 annually. That’s 40% below the national average for agencies that treat more than 100 million gallons per day, according to the National Association of Clean Water Agencies.

Protecting public health and water quality 365 days a year

Twenty-four hours a day, 365 days a year, and now through the COVID-19 pandemic, MCES workers are on the job to protect public health and the environment.

They are maintaining wastewater pipes, meters and pump stations; operating our wastewater treatment plants; managing sewer repair and replacement construction projects; monitoring water quality in our lakes, rivers, streams, and industrial discharges; testing water and wastewater samples in our laboratory, and more.

“Despite the disruption of life that we’re enduring with the pandemic, our staff’s resourcefulness, perseverance, and dedication have helped us quickly set up a new normal to continue to get work done safely and keep essential work moving forward. We are continuing our award-winning wastewater treatment compliance record and delivering services to 110 communities every day,” said Leisa Thompson, MCES general manager.
**Permit requirement reminder: Communicating process changes in your industry**

MCES’s wastewater treatment plants are critical to the region's health. They use a biological process that can be disturbed by sudden changes to the waste stream, including increases or decreases in loadings. This makes maintaining two-way communication with our industrial permittees crucial. Just as we will keep you informed of any changes to our program during the pandemic and evolving situation, we ask that you contact us concerning any industrial process changes that may affect the characteristics or volumes of your wastewater discharge, as required in Section D. Part 12 of your permit.

If your facility has had or is planning process changes or you have questions, please email your [MCES permit engineer](mailto:MCESpermitengineer@metc.state.mn.us).

**Pre-entry health screenings and masks required at MCES facilities**

MCES has implemented pre-entry health and temperature screenings at its wastewater treatment plants and other facilities and is now requiring face masks be worn when on-site. The goal of these requirements is to maintain a safe environment for employees and the public and to avoid the spread of COVID-19.

Everyone who wishes to enter our facilities must pass the screening – Vactor haulers, contractors, vendors and suppliers will have the same screening as employees. The screening will be done in accordance with guidelines from the Equal Employment Opportunity Commission (EEOC) and the Centers for Disease Control and Prevention (CDC). Any information gathered will be treated as confidential medical information and will not be recorded or stored.

**Physical distancing and masks required at LWR facilities**

Passing a pre-entry health screening is not required to gain access to MCES Liquid Waste Receiving (LWR) facilities, as they are located outside the treatment plants. However, we are requiring that a mask be worn by anyone entering these facilities and that the recommended six feet of physical distancing is followed.

**Industrial Online Reporting System (IORS): virtual support and training**

To better serve our customers and continue to practice social distancing in the interest of public health, IORS training will be available by appointment. If you would like to schedule a training session with one of our IORS support team members, please send an email to MCESIndustrialOnlineReporting@metc.state.mn.us with your request. We will work with you to find a date, time, and place (by phone, Webex, or Microsoft Teams meeting) to conduct the training. You can also visit the [IORS webpage](https://metrocouncil.org/LWH.aspx) for instructions, videos, sample results templates, and other information.

If you need additional support, the support team is available Monday through Friday from 8 a.m. to 4 p.m.  
Phone: (651) 602-4789  
[MCESIndustrialOnlineReporting@metc.state.mn.us](mailto:MCESIndustrialOnlineReporting@metc.state.mn.us)

**New Microbrewery and Liquid Waste Hauler Program webpages**

We created new webpages for our Microbrewery and Liquid Waste Hauler programs that contain links to all the information you need to know regarding the programs and permit requirements. You can visit the sites at:

- Liquid Waste Hauler Program webpage: [https://metrocouncil.org/LWH.aspx](https://metrocouncil.org/LWH.aspx)

**Need a sump pumped or wastewater hauled from your business?**

We now provide a listing of all [MCES permitted Liquid Waste Haulers](https://metrocouncil.org/LWH.aspx) on our website for you to refer to when needing a grease or flammable trap cleaned, a sump pumped, or wastewater hauled away. This is not an endorsement of any of the listed businesses. You should always evaluate the services provided by a hauler and ensure that disposal methods for waste generated by your business comply with federal, state, and local regulations, including [MCES Waste Discharge Rules](https://metrocouncil.org/LWH.aspx). Also, it is your responsibility to get prior approval to have industrial waste hauled to MCES facilities. Contact your [MCES permit engineer](mailto:MCESpermitengineer@metc.state.mn.us) to start the approval process.
MnTAP offers virtual assistance

The Minnesota Technical Assistance Program (MnTAP) continues to connect with businesses during these difficult times by offering virtual assistance, along with their traditional assistance. You can now discover ways to improve process efficiency at your business and save money right from your desk. Attend the 2020 Virtual MnTAP Intern Symposium on August 19 to hear about the 21 waste reduction projects that interns worked on this summer, or visit www.mntap.umn.edu to learn more.

Alejandro Moris Figueroa – IWPP engineer intern

The Metropolitan Council internship program is designed to provide valuable experience in an environment where interns can develop skills and work on real and exciting projects at the council. Industrial Waste & Pollution Prevention (IWPP) was delighted to welcome Alejandro Moris Figueroa as our engineer intern in summer 2019 to spring 2020. Alejandro joined us all the way from Bayamon, Puerto Rico. He obtained a bachelor’s degree in environmental engineering from Polytechnic University of Puerto Rico.

Alejandro played an integral role in the Dental Office Amalgam Recovery Program, assisting engineers and technicians during dental office site-checks. He also assisted with inspections for the Microbrewery and Brewpub Wastewater Discharge Program.

We asked him what his dream job is and why. He responded: “A career where I can use my knowledge acquired in my life as a student, professional, and as a person to use it to help others. Specifically, I would like to work in disaster relief efforts, remediation, or any type of work that I can see a positive change within the community and the environment.” There’s a bright future ahead for Alejandro and we wish him all the best.

Peter Berglund retires after 36-plus years

Peter Berglund, IWPP permit engineer and program development coordinator, retired in March after 36-plus years of service. During his time here, Peter coordinated one of two MCES mercury amalgam-related studies and became a national expert on issues pertaining to dental wastewater. Peter was instrumental in developing and leading the MCES Dental Office Amalgam Recovery Program, which led to a more than 60% reduction of mercury loading coming into our Metropolitan Wastewater Treatment Plant in Saint Paul. With Peter’s retirement, the program is now led by N. Jacob Bukingolts, IWPP permit engineer. Peter also worked as a liaison to local counties and MPCA for hazardous waste and healthcare issues and on program development projects such as rules revisions. Peter is passionate about the environment and plans to spend time in his retirement volunteering with Citizens' Climate Lobby to implement a carbon fee and dividend system at the national level.

Meet IWPP’s new environmental scientist – Ann Postera

In March, Ann Postera was promoted from senior industrial waste technician to IWPP environmental scientist to fill the vacancy left by Peter Berglund. Ann has a bachelor’s degree in biology and ecology from Winona State University. In addition to administering permits, Ann will represent MCES on the metro-area County Hazardous Waste Coordination Team and serve as a resource to the Industrial Waste Section for hazardous waste-related matters. She has previous hazardous waste experience through her jobs as an environmental health and safety technician at the University of Minnesota and as a chemical and hazardous waste technician for Hennepin County. When asked about her new position in the Industrial Waste Section, Ann says “I am really happy to be in a role that is helping to maintain and improve our water systems.”

Welcome Porter Sartor – industrial waste technician

Following the promotion of Ann Postera to environmental scientist, the IWPP Section needed to fill the vacant technician position. That vacancy was filled in July with the hiring of Porter Sartor. Porter is familiar with our Industrial Waste Program as he worked for the section as a temporary IWPP technician from May to December 2019. Porter graduated from Buena Vista University in spring 2019 with a degree in environmental science. Porter stated, “I’m very excited to be back in a professional setting with great co-workers. I enjoy working for an entity where every individual and their work is valued, as well as actively making a difference in the community.”
2021 Industrial User rates and fees

The 2021 Industrial User rates and fees were approved by the Council in July and are as follows:

Strength Charge rates for wastewater discharged on site will increase to:
- $0.260 per excess pound of total suspended solids (TSS)
- $0.130 per excess pound of chemical oxygen demand (COD)

Full-cost recovery rates for treatment of industrial wastewater hauled to MCES disposal sites will remain at:
- $0.413 per excess pound of TSS
- $0.2065 per excess pound of COD

Production-based strength charge for microbrewery and brewpub facilities on General Permit will increase to:
- $0.815 per beer barrel

Liquid Waste Hauler Load Charges:
- $60.24 per 1,000 gallons for Domestic Septage and Commercial wastes
- $11.29 per 1,000 gallons for Holding Tank wastes
- $77.46 per 1,000 gallons for Portable Toilet wastes
- $75.24 per 1,000 gallons for Collar County Domestic waste loads

Service fee for Out-of-Service Area loads to remain at $15.00 per 1,000 gallons.

Industrial Capacity Charge (ICC) will increase to:
- $2.18 per 1,000 gallons

Sewer Availability Charge (SAC) will remain at:
- $2,485 per SAC unit (1 SAC unit = 274 gallons per day). SAC is paid to the local community for use of the Metropolitan Disposal System (MDS) capacity.

The Temporary Capacity Charge (TCC) will remain at:
- $1.25 per 1,000 gallons (SAC paid directly to MCES for temporary use of the MDS capacity)

Permit Fees (paid annually):
- $1,075 to $10,550 depending on permit status for Industrial, Special and Liquid Waste Hauler permits
- $425 for Sewer Cleaning Waste Hauler General permits
- $475 for all other General permits

Visit [MCES Industrial User Rates and Fees site](#) for more information.

Let’s stay connected!

To make sure you receive important information regarding your MCES permit, add the following emails to your address book:
- MCESIndustrialOnlineReporting@metc.state.mn.us
- METC@public.govdelivery.com. (GovDelivery is a news delivery system. This is not an active email account.)

If you need to update your contact information, please contact your [MCES permit engineer](#) or email us at iwpp@metc.state.mn.us.