

TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 4, 2010

COMMITTEE ON INDUSTRIAL WASTE AND WATER POLLUTION

Mr. Richard Lanyon, Executive Director

..Title

Request Authority to Amend the User Charge Ordinance of the Metropolitan Water Reclamation District of Greater Chicago

..Body

Dear Sir:

An in-house review of the Metropolitan Water Reclamation District of Greater Chicago's (District) User Charge Ordinance (UCO) established the need to amend certain provisions of the UCO.

The amendments are summarized as follows:

1. Section 6 of the UCO is amended to provide new User Charge rates applicable for 2011. The 2011 billing rates for flow, biochemical oxygen demand (BOD) and suspended solids (SS) are as follows:

	2010 Rates	Recommended 2011 Rates
Commercial-Industrial Users:		
(1) Liquid	\$262.44 per million gallons	\$243.99 per million gallons
(2) 5-day BOD	\$270.68 per thousand pounds of BOD	\$247.48 per thousand pounds of BOD
(3) SS	\$200.33 per thousand pounds of SS	\$194.18 per thousand pounds of SS
Tax-Exempt Users:		
(1) Liquid	\$269.25 per million gallons	\$250.31 per million gallons
(2) 5-day BOD	\$277.70 per thousand pounds of BOD	\$253.89 per thousand pounds of BOD
(3) SS	\$205.53 per thousand pounds of SS	\$199.21 per thousand pounds of SS

Operations, Maintenance and Replacement (OM&R) Factor:

0.557

0.473

The rates for 2011 decreased from the 2010 rates because of the decreased operation, maintenance and replacement costs that must be recovered through the User Charge system, as reflected in the District's 2010 Budget.

2. The above rates for Commercial-Industrial Users do not include the cost to administer the District's Sewage and Waste Control Ordinance (SWCO) and the UCO. The administrative costs are recovered under Appendix E of the UCO as Minimum Pretreatment Requirement (MPR) charges and the User Charge Verification (UCV) charges, and as noncompliance enforcement (NCE) charges under Appendix F of the SWCO. The MPR and UCV charges reflect the costs incurred by the District under programs 4666 and 4663, respectively. The change in the District's OM&R cost also impacts these administrative costs. Since the total OM&R cost has decreased by 12 percent from \$425,444,642 in 2009 to \$374,102,175 in 2010, it is recommended that the 2011 MPR, UCV and NCE charges be decreased by 12 percent over the 2010 charges. Therefore, Appendix E of the UCO is amended to revise the MPR charges and UCV charges to account for decreased District administrative costs. Amendments to the SWCO are submitted under separate letter.

Attached is "An Ordinance to Amend the User Charge Ordinance of the Metropolitan Water Reclamation District of Greater Chicago, As Amended." We recommend adoption of the proposed Ordinance amendments. These Ordinance amendments will take effect on January 1, 2011.

Requested, Louis Kollias, Director of Research and Development, LK:TG:PLK:JAS:pk

Frederick M. Feldman, General Counsel

Jacqueline Torres, Clerk/Director of Finance

Respectfully Submitted, Patricia Horton, Chairman Committee on Industrial Waste and Water Pollution
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for November 4, 2010

Attachment