

METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO

User Charge Annual Certified Statement

RD-925

For the 2018 Reporting Year

Reporting Facility Information

2019 FEB 28 PM 12:15

User Account No.

26573

1. Name Vantage Oleochemicals
Address 4650 S. Racine Ave.
City, State, Zip Code Chicago, IL 60609
Telephone (773) 650-7611

Significant Industrial User (SIU): ☒ Yes ☐ No

If Yes, enter the number of Outlets in your Discharge Authorization (DA): 4

User Charge Classification:

☒ Large Commercial-Industrial User (LCIU) ☐ Tax-Exempt User (TXE)

2. Nature of Business: Oleochemical Manufacturing
3. a. No. of Employees: 140 b. No. of Workdays: 365 c. Operating on Weekends? ☐ Yes ☐ No
4. a. Number of Final Outlets (User Charge): 4 b. Number of Incoming Water Meters: 5
c. Does this facility have an APPROVED Flow Methodology? ☒ Yes ☐ No
5. Dates of User Charge Sampling: 5/1/18 - 5/7/18, 7/24/18 - 7/30/18, 10/16/18 - 10/22/18

Annual Quantities

		Total
6. Volume (gallons):		116,805,322 gal
7. 5-Day Biochemical Oxygen Demand (BOD):	mg/L	1,823,154 lbs
8. Suspended Solids (SS):	mg/L	81,323 lbs

User Charge Computation

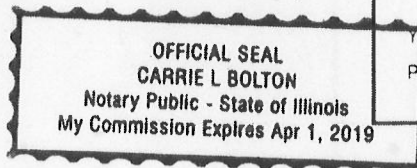
9. Total Annual Volume Charge:	Multiply Line 6 by \$0.00026428	\$ 30,869.31
10. Total Annual 5-Day BOD Charge:	Multiply Line 7 by \$0.22303	\$ 406,618.04
11. Total Annual SS Charge:	Multiply Line 8 by \$0.13648	\$ 11,098.96
12. Total Wastewater Loading Charge:	Sum Lines 9, 10, and 11	\$ 448,586.31
13. Administrative Cost Recovery (ACR) Charges:	Line 7 from the MPR Charge Worksheet	\$ 15,735.00
14. Total Gross User Charge:	Sum of Lines 12 and 13	\$ 464,321.31
15. Total Second Installment Property Taxes Paid to Metro Water Reclamation District:		\$ 13,048.36
16. Total Ad Valorem Tax Credit:	Multiply Line 15 by 0.301	\$ 3,927.56
17. Total Net User Charge:	Subtract Line 16 from Line 14	\$ 460,393.75
18. Total Payments Made (Year to Date):	Total of RD-913 Invoice Payments made for Reporting Year 2018	\$ 215,200.98
19. Total User Charge Remaining Due:	Subtract Line 18 from Line 17	\$ 245,192.77

Prepared By: Tony Massa
Company/Title: Vantage Oleochemicals / SSHE Manager
E-mail Address: tony.massa@vantagegrp.com Telephone No.: (773) 650-7611

Certification: The undersigned, being first duly sworn on oath, deposes and says that he/she has examined this statement and its supporting documentation and to the best of his/her knowledge and belief, same are true, correct, and complete

Signature of Officer/Owner: Tony Massa
PRINT Name & Title: Tony Massa, SSHE Manager
E-mail Address: tony.massa@vantagegrp.com Telephone No.: (773) 650-7611

Witnessed By: Carrie L Bolton
On: 02/13/19 (mm/dd/yy)



2018 User Charge Rates	
Volume:	\$264.28 per million gallons
5-Day BOD:	\$223.03 per thousand pounds
Suspended Solids:	\$136.48 per thousand pounds
OM&R Factor:	0.301

For District Use Only	
Year:	2018
Post Date:	2-14-19 MH

The completed RD-925 Form must be postmarked by February 20, 2019 and mailed to:
Metropolitan Water Reclamation District of Greater Chicago, P.O. Box 10687, Chicago, IL 60610-0687

Buco, Lora

From: MWRD-UCTS
Sent: Tuesday, March 12, 2019 3:31 PM
To: tony.massa@vantagegrp.com
Subject: Notification of Revision for the 2018 RD-925 – Vantage Oleochemicals, User No. 26573

Dear Mr. Massa:

The Metropolitan Water Reclamation District of Greater Chicago (District) has reviewed your 2018 User Charge Annual Certified Statement (RD-925). As a result of this review, the District has revised the Net User Charge (NUC) as follows:

2018 NUC as reported by the User	\$460,393.75
2018 NUC as revised by the District	\$497,892.71

Your annual wastewater discharge flow volume was recomputed and prorated to 365 days based on user discharge meter readings submitted for 2018.

If you have any questions regarding how the NUC was calculated, please contact Ms. Lora Buco, Environmental Specialist, at (312) 751-5912, or you may direct your email response to mwrducs@mwrdd.org.

If you have any questions regarding overpayments or balances due on your account, please contact Mr. Mete Hachim, Supervising Accountant of the District's Finance Department, at 312-751-6516, or you may direct your email response to usercharge@mwrdd.org. Please note that in accordance with Section 7d of the User Charge Ordinance, interest on unpaid User Charges shall accrue from the February 20, 2019, due date.

Edwin P. Ignacio
Supervising Environmental Specialist
Industrial Waste Division
Metropolitan Water Reclamation District of Greater Chicago
(312) 751-3000

EPI:LB:lk
U26573/#0196
UC41-E

This email notification replaces the District's correspondence by US mail and has been prepared to reduce paper and to address the subject in a prompt manner. Please keep a copy for your files.



4650 S. Racine Avenue • Chicago, Illinois 60609 • Phone 773-376-9000 • Fax 773-376-7428 • www.vantageoleo.com

May 10, 2019

Mr. Mathew Joseph
Assistant Director of Monitoring and Research
Metropolitan Water Reclamation District of Greater Chicago
Industrial Waste Division
111 East Erie Street
Chicago, Illinois 60611-3154

Subject: Vantage Oleochemicals - User 26573
2018 RD-925 Net User Charge Revision

2019 MAY 17 AM 10:51
RECEIVED DISTRICT OF GREATER CHICAGO
INDUSTRIAL WASTE DIVISION

Dear Mr. Joseph,

Vantage Oleochemicals (User No. 26573) is submitting this letter to you in response to the March 12, 2019 e-mail sent to Tony Massa from Edwin Ignacio with the MWRDGC. We wish to appeal the District's revision of our 2018 RD-925 Net User Charge based on the fact that erroneously very high flow data is used during the two time periods identified below in May and July.

The March 12, 2019 e-mail from Mr. Ignacio had the subject: *Notification of Revision for the 2018 RD-925 for Vantage Oleochemicals*. The e-mail indicated that the NUC (Net User Charge) reported by the User (Vantage) was \$460,393.75 and the NUC as revised by the District is \$497,892.71 (i.e. \$37,498.96 more owed to the District). The e-mail goes on to explain that the *"annual wastewater discharge flow volume was recomputed and prorated to 365 days based on user discharge meter readings submitted for 2018"*.

As suggested in the e-mail, I contacted Ms. Lora Buco with the MWRDGC to have her explain why the annual discharge flow volume was recomputed to come up with the revised NUC value. She explained that our adjusted 1A Outfall effluent flow meter readings for two time periods during the year were not accepted by the District. Instead, the District decided to use the abnormally very high actual flow meter readings in computing the revised NUC. Vantage Oleochemicals strongly disagrees with the District's decision to use the high flow meter readings on the basis the readings were completely erroneous. This letter will now go on to present our case as to why the readings were erroneous and why an alternative approach to accurately estimating flows during these two time periods was the proper and reasonable thing to do.

May 24th – 30th, 2018 Time Period

On May 23, 2018, at 12:36 pm our consultant with Environmental Monitoring Technologies (EMT) performed the monthly required calibration on the 1A Outfall flow meter. According to the meter strip chart (see attached Exhibit 1), the technician

unknowingly made a mistake and adjusted the meter calibration from - 0.486 ft to 0.000 ft, and this is what caused erroneous high flow meter readings for the next several days.

On May 29, 2018, after the long Memorial Day weekend, it was observed that the daily 1A Outfall flows for the previous several days were abnormally very high. Specifically, the 1A Outfall metered flows during this entire 5/24/18 to 5/30/18 time period were as seen in Table 1 below. Table 1 also highlights how much less the daily incoming city water flows were compared with the 1A Outfall flows (i.e. an average of 615,000 gpd less).

Table 1

Date	1A Outfall Flow (gal/day)	Total Influent City Water Flow (gal/day)
5/24/18	796,000	297,000
5/25/18	1,060,000	359,000
5/26/18	1,118,000	360,000
5/27/18	974,000	279,000
5/28/18	1,003,000	320,000
5/29/18	1,029,000	316,000
5/30/18	560,000	301,000
Average	934,286	318,857

To help put in perspective just how high the 1A Outfall flows were, through the first 4.8 months of the year, the average daily 1A Outfall flow had been 254,518 gal/day with a maximum flow of 519,000 gal/day. These results compare with the 934,286 gal/day average flow and 1,118,000 gal/day max flow seen above. Elevated daily flows are seen from time to time and are normally caused by rain events, but during these 7 days there was little to no rain with a total precipitation of less than 3/16^{ths} of an inch or 0.18 inches. The far right column of Table 1 above shows just how much lower the incoming city water flows were during this time period. This is further evidence that the 1A Outfall daily flows were erroneously very high.

For all the reasons stated above, there was no other plausible explanation for the very high daily 1A flow results other than the mistaken calibration performed on May 23, 2018.

As a result of determining the flow meter was not reading correctly for the previous several days, it was recalibrated using a staff gauge that same day on May 29, 2018 at 3:21 pm. Specifically, it was adjusted from 0.7812 ft to 0.2900 ft according the meter strip chart (see attached Exhibit 2). Interestingly, as further evidence that the meter was miss-calibrated back on May 23, 2018, one can look at how much the meter was adjusted on May 23rd compared with May 29th. On May 23rd, the meter was adjusted up by a total of 0.486 ft (negative [-] 0.486 ft to 0.000 ft). For comparison, on May 29th the meter was adjusted back down by almost the exact same amount or 0.491 ft. (0.7812 ft to 0.2900 ft). In other words, when the meter was adjusted or recalibrated back by almost the exact same amount according to the physical height measurement using the staff gauge (~0.49 ft), the meter was right back to reading correctly and normally.

On June 4, 2019, Tony Massa notified Franklin Hayes, Environmental Specialist, when he was on site that there had a recent problem with the 1A flow meter and the company planned on using incoming city water flows during that time period instead.

July 14th – 18th, 2018 Time Period

On July 13th, 2018, our consultant with EMT replaced the ultrasonic head on the 1A Outfall flow meter since it had shown a potential problem with signal strength. Once the new ultrasonic head was replaced later that day on the 13th, EMT would have normally calibrated the meter right away. However, since there was temporarily no wastewater flowing over the 1A Outfall rectangular weir right at that time (i.e. no flow), the decision was made to come back in a few days and get the meter calibrated. Because it took a few days before the meter was finally calibrated on July 17th, there were several days where the daily flow totals were erroneously very high (see Table 2). For comparison purposes, the much lower incoming city water flows are also listed at the far right in the table. This further emphasizes the point that the 1A Outfall flows were erroneously high.

During these five days below, there was some rainfall, but very little. Specifically, there was less than a total of one-half of an inch of rain (0.45 inches) during this time period. In other words, there was no reason to believe the 1A Outfall flow would be so drastically different than the incoming city water flows for those days.

Table 2

Date	1A Outfall Flow (gal/day)	Total Influent City Water Flow (gal/day)
7/14/18	1,133,000	376,100
7/15/18	1,602,000	352,100
7/16/18	1,648,000	368,000
7/17/18	655,000	335,000
7/18/18	654,000	335,300
Average	1,138,400	353,300

On Monday, July 17, 2018, the meter was finally recalibrated when it was adjusted down by a total of 0.351 ft according to the strip chart and staff gauge measurements (see attached Exhibit 3).

Rationale to Use Incoming City Water Flows

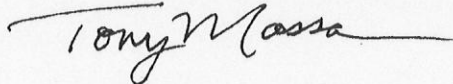
Since the daily 1A Outfall effluent flows were erroneously high during the May and June time periods highlighted earlier, we adjusted the 1A flows based on the incoming city daily water flows, less the 2A Outfall effluent flows. Please refer to Table 3 attached that shows all the days in question and how the daily adjusted 1A Outfall flows were calculated. This table was also included in the original RD-925 submittal as well.

We believe the information provided in this letter supports Vantage's position that the adjusted 1A Outfall flows provided in Table 3 much more accurately represent actual flows for those days in question. We believe in the past the District has applied a similar strategy of using incoming city water flows in situations where effluent flow

meters have temporarily been out of service or were obviously reading incorrectly. We do not believe that flow meter readings that are obviously incorrect should still be used to determine our annual user charge.

We appreciate the District's review of this matter and hope you will reconsider and accept the use of the adjusted 1A Outfall flows for the days in question towards the company's 2018 User Charge determination. If you have any questions or would like to schedule a meeting in person to further discuss this matter, please contact me at (773) 650-7611.

Sincerely,

A handwritten signature in black ink that reads "Tony Massa". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Tony Massa
SSHE Manager
Vantage Oleochemicals

Attachments

EXHIBIT 1

SITE 180 WEIR RECTANGULAR

23MAY18 04:00 1586683750 GAL

-0.00 - FT 1.00
LEVEL

REPORT A SITE 180 Vantage 1A #1358
INTERVAL: 22MAY18 07:00 TO 23MAY18 07:00
TOTAL VOLUME: 1586705670 GAL
INTERVAL VOLUME: 0000227390 GAL
FLOW RATE:

Ave	153.9 GPM	
Max	919.5 GPM	22MAY18 13:18
Min	0.000 GPM	22MAY18 07:23

LEVEL:

Ave	0.1946 FT	
Max	0.8144 FT	22MAY18 13:18
Min	-0.07703 FT	22MAY18 12:56

NUMBER OF SAMPLES: 0

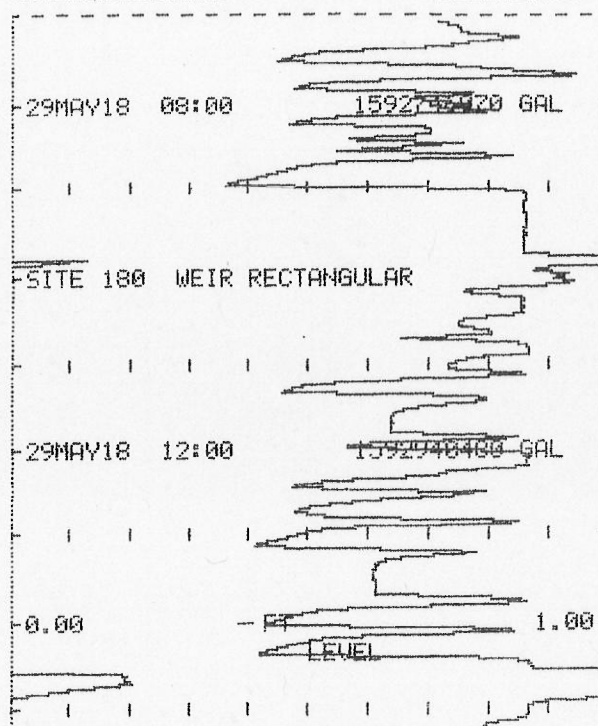
23MAY18 08:00 1586708750 GAL

SITE 180 WEIR RECTANGULAR

23MAY18 12:00 1586727500 GAL

23MAY18 12:36 LEVEL ADJUSTED
FROM -0.486 TO 0.000 FT

NUMBER OF SAMPLES: 0



29MAY18 15:21 LEVEL ADJUSTED
FROM 0.7812 TO 0.2900 FT

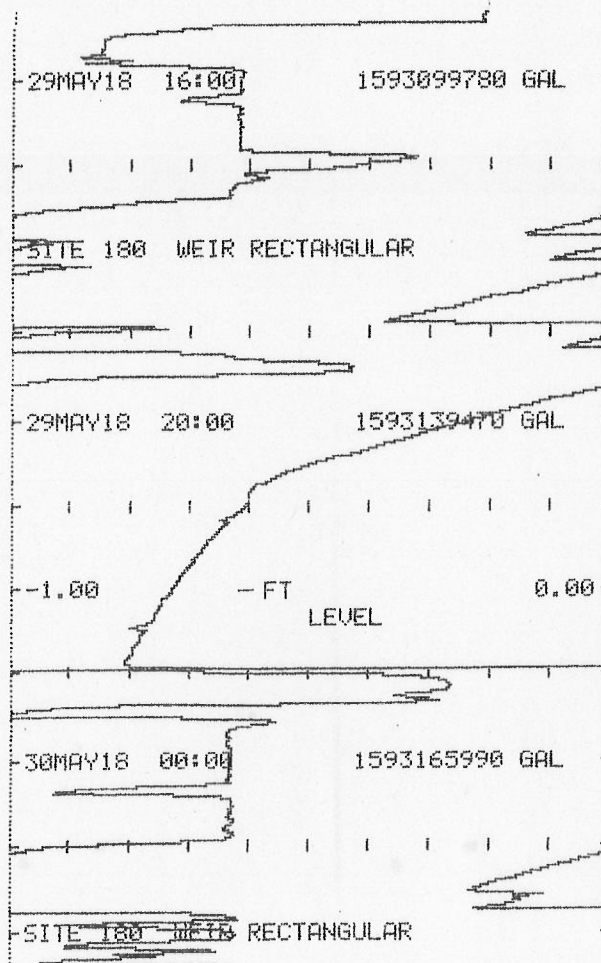
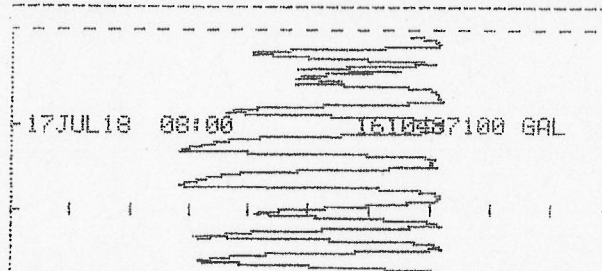


EXHIBIT 3

Min 138.1 GPM 17JUL18 02:30
 LEVEL:
 Ave 0.7142 FT
 Max 1.238 FT 16JUL18 14:46
 Min 0.2103 FT 17JUL18 02:30
 NUMBER OF SAMPLES: 0



17JUL18 10:08 LEVEL ADJUSTED
 FROM 0.6519 TO 0.2900 FT
 SITE 180 WEIR-RECTANGULAR

17JUL18 10:10 LEVEL ADJUSTED
 FROM 0.3301 TO 0.3900 FT

17JUL18 10:16 LEVEL ADJUSTED
 FROM 0.4085 TO 0.3600 FT

Adjusted
 DOWN
 TOTAL
 OF
 0.35/ft

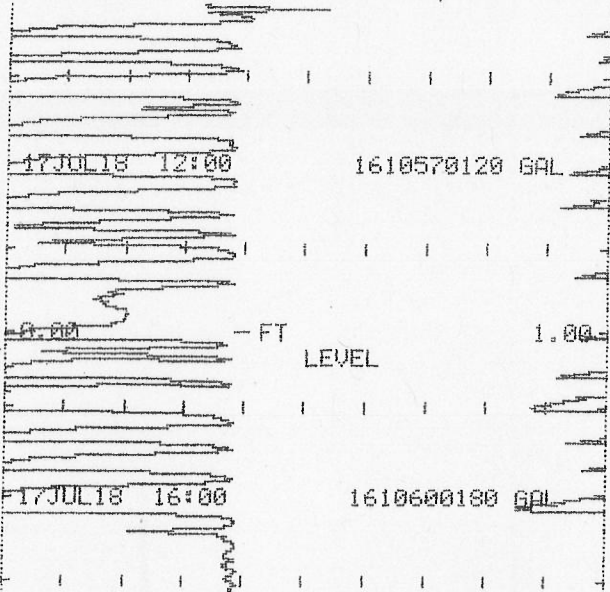


Table 3

COMMENTS

Protecting Our Water Environment

BOARD OF COMMISSIONERS

Kari K. Steele
President
Barbara J. McGowan
Vice President
Frank Avila
Chairman of Finance
Cameron Davis
Kimberly Du Buclet
Marcellino Garcia
Josina Morita
Debra Shore
Mariyana T. Spyropoulos

Metropolitan Water Reclamation District of Greater Chicago

INDUSTRIAL WASTE DIVISION

111 EAST ERIE STREET CHICAGO, ILLINOIS 60611-2893 p: 312.751.3044 p: 312.751.3000

Edward W. Podczewinski, P.E.
Director of Monitoring and Research

July 17, 2019

Mr. Tony Massa
SSHE Manager
Vantage Oleochemicals
4650 South Racine Avenue
Chicago, IL 60609

Dear Mr. Massa:

Subject: Appeal No. 19D-004 – Revision of the 2018 Net User Charge in the Amount of \$497,892.71

The Metropolitan Water Reclamation District of Greater Chicago (District) makes reference to the meeting of June 18, 2019, regarding the subject appeal. In attendance at the meeting representing Vantage Oleochemicals (Vantage) were you, and Messrs. Mark Steuer and Charlie Diamos of Environmental Monitoring & Technologies, Inc. Representing the District were Messrs. Edwin Ignacio, Edmund Okoli, Saeed Patel, Franklin Hayes and Ms. Lora Buco of my staff.

Vantage filed its User Charge Annual Certified Statement (RD-925) for the 2018 reporting year on February 14, 2019, and reported a Net User Charge (NUC) of \$460,393.75. In the supporting documents submitted with the RD-925, Vantage noted two periods of abnormally high daily discharge volumes recorded by a flowmeter at Outlet No. 1A. The two periods were from May 24 through May 30, 2018, and from July 14 through July 18, 2018, which coincided with calibrations of the flowmeter during these periods. Vantage stated that the high daily discharge volumes recorded during the first period were caused by the flowmeter being calibrated incorrectly and that the high daily discharge volumes recorded during the second period were caused by its decision to delay calibration of the flowmeter after replacement of its flow measurement probe. For each day of the two periods, Vantage calculated the daily discharge volume at Outlet No. 1A by subtracting the daily discharge flow volume recorded by a flowmeter at Outlet No. 2A from the daily metered incoming water volume measured by municipal intake water meters. Except for the two periods in question, Vantage reported the User Charge liability for all outlets based on a wastewater flow distribution methodology approved by the District in its letter dated August 3, 2012 (copy enclosed).

In an email on March 12, 2019, the District notified Vantage that the District revised the NUC reported in Vantage's 2018 RD-925 from \$460,393.75 to \$497,892.71. Based on its records, the District found no written correspondence from Vantage notifying the District of the abnormally high daily discharge volumes for the two periods referenced in Vantage's filing. Therefore, the District calculated Vantage's 2018 User Charge liability based on the methodology outlined in the District's August 3, 2012, letter.

July 17, 2019

Subject: Appeal No. 19D-004 -- Revision of the 2018 Net User Charge in the Amount of \$497,892.71

In its letter dated May 10, 2019, and in accordance with Section 9.a.(1)(a) of the User Charge Ordinance (Ordinance), Vantage appealed the subject revision. In the letter and during the appeal meeting, Vantage provided details and documentation supporting its claim that the abnormally high daily discharge volumes recorded by the flowmeter at Outlet No. 1A during the two periods were erroneous and should not be used by the District in calculating Vantage's 2018 User Charge liability.

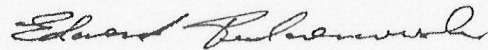
As outlined in Appendix A of the Ordinance, the District requires wastewater flow measurement to be continuous and requires Users to notify the District immediately upon discovering any issues affecting the meters' continuous operation and accuracy, such as when a meter is broken, removed or no longer being used. A further review of our records indicated that on June 11, 2018, you notified a District field representative regarding the flowmeter malfunction that occurred during the May 2018 period. Even though the notification was not done in a timely manner, the District will accept Vantage's request to nullify the use of the daily discharge volumes recorded by the flowmeter at Outlet No. 1A from May 24 through May 30, 2018. Since the District did not receive any notifications when the flowmeter was claimed to have malfunctioned during the July 2018 period, the District will not accept Vantage's request to nullify the use of the daily discharge volumes recorded by the flowmeter at Outlet No. 1A from July 14 through July 18, 2018. In the future, please adhere to the District's meter notification requirement.

The District has revised Vantage's 2018 User Charge liabilities based on determination stated above. The changes resulted in a revised NUC of \$477,341.27. The calculations and data are presented on the enclosed Table 1. This closes the subject appeal.

In accordance with Section 9.b. of the Ordinance, if the User does not concur with the determination of this office, it may petition the District's Board of Commissioners (Board) for a hearing. Any such request for a hearing by the Board shall be made within 30 days after receipt of this letter.

If you have any questions regarding this matter, please contact Ms. Lora Bucu, Environmental Specialist, at (312) 751-5912.

Very truly yours,



Edward W. Podczerwinski, P.E.

Director

Monitoring and Research Department

EWP:LB:lk

Enclosures

Certified No. 7018 1830 0001 4764 4585

cc: Mr. Mark Steuer
Mr. Charlie Damos
Mr. Greg Yarnik
Mr. Edwin P. Ignacio
Mr. Edmund Okoli
Mr. Saeed Patel
Mr. Franklin Hayes

U26573/#0546

METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO

TABLE 1

DISTRICT RECOMPUTATION OF 2018 USER CHARGE

FOR
VANTAGE OLEOCHEMICALS
4650 SOUTH RACINE AVENUE
CHICAGO, ILLINOIS 60609

PARAMETERS	OUTLET NO. 1A	OUTLET NO. 2A	OUTLET NOS. 3A & 4A	TOTALS
Volume (gal) ¹	110,118,196	8,159,354	2,574,218	120,851,768
5-Day BOD (mg/L) ²	2,051	96	119	
5-Day BOD (lbs)	1,883,609	6,533	2,555	1,892,697
SS (mg/L) ²	80	102	168	
SS (lbs)	73,471	6,941	3,607	84,019
Total Annual Volume Charge				\$ 31,938.71
Total Annual BOD Charge				\$422,128.21
Total Annual SS Charge				\$ 11,466.91
Minimum Pretreatment Requirement Charge				\$ 15,735.00
Total Annual Gross User Charge				\$481,268.83
Less Total Ad Valorem Tax Credit				\$ 3,927.56
Total Net User Charge ³				\$477,341.27

¹ Annual discharge volume based on submitted water meter readings including the deduction of 4,928,000 gallons for Outlet No. 1A, due to calibration errors from May 24 through May 30, 2018, which was reported to field staff in June 2018.

² Flow-weighted average wastewater concentrations from User and District's sampling studies conducted in 2018 at Outlet Nos. 1A and 2A and standard domestic waste strength concentrations for Outlet Nos. 3A and 4A.

³ Applicable interest charge not included.

U26573/#0546(1)

UC80 4/23/09



4650 S. Racine Avenue • Chicago, Illinois 60609 • Phone 773-376-9000 • Fax 773-376-7428 • www.vantageoleo.com

DIRECTOR OF WAR

6 AUG 13 AM 11:40

CHGO.

August 7, 2019

President of the Board of Commissioners
Metropolitan Water Reclamation District of Greater Chicago
100 East Erie Street
Chicago, IL 60611

Mr. Edward W. Podczerwinski, P.E.
Director of Monitoring and Research
Metropolitan Water Reclamation District of Greater Chicago
Industrial Waste Division
111 East Erie Street
Chicago, Illinois 60611-3154

Subject: Request an Appeal to the Board of Commissioners

To Whom It May Concern,

Vantage Oleochemicals (User No. 26573) located at 4650 S. Racine Ave, Chicago, IL 60609, is requesting an appeal to the Board of Commissioners as per Section 9b of the User Charge Ordinance. Vantage is requesting this appeal because it does not agree with the appeal determination recently made by the Director outlined in the District's letter sent to Vantage dated July 17, 2019.

We look forward to the hearing with the Board of Commissioners.

Sincerely,

A handwritten signature in black ink that reads "Tony Massa".

Tony Massa
SSHE Manager
Vantage Oleochemicals

2019 AUG 14 PM 3:31

