

# FOR BOARD ACTION

Agenda Item # 6

Meeting Date:

2/24/04

**SUBJECT:** Annual Water Use Fee -- Silver Lake Plant Water Appropriation Permit

**PREPARED BY:** Joseph S. Hensel, Manager of Environment & Facilities

ITEM DESCRIPTION:

The appropriation of surface and ground water in the State of Minnesota is regulated by Minnesota Statutes 103G.271 and Minnesota Rules Chapter 6115. Subp. 6 of the statute prescribes the fees for annual water use. Revenue from these fees are paid to the State of Minnesota to support much of the cost of the MN/DNR-Division of Water's Water Appropriation Program.

The fee paid for the water utility ground water use was \$38,195.75 based on over 5 billion gallons of ground water pumped from 30 municipal water supply wells.

The electric utility also has several water appropriation permits that cover the Silver Lake Plant ground water wells and surface water use for once-through condenser cooling. Due to high plant utilization and an increase in the fee rate, the annual fees for Silver Lake Plant water use significantly exceeds the \$50,000 approval threshold. Thus, the payment of this fee requires Board Action.

Various environmental fees, including an estimate of the fee for water use, were included in the Year 2004 budget approved by the Board and Council.

The following is a summary of water use fees from 2001-2004:

FEE PAYMENT YEAR	YEAR OF USE	VOLUME (million gallons)	FEE RATE (\$/million gallons)	ANNUAL FEE
2004	2003	10,544.5	max. \$7.50	\$78,522
2003	2002	5,609.6	max. \$4.50	\$24,873
2002	2001	9,297.3	max. \$4.50	\$41,435
2001	2000	8,173.7	max. \$4.50	\$36,623

UTILITY BOARD ACTION REQUESTED:

Utility Board approval of the resolution authorizing payment of the Silver Lake Plant water use fee in the amount of \$78,521.70, payable to DNR-Waters.

Reviewed 2-19-04 WNS

  
General Manager

2-19-04  
Date



## RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to authorize payment of the Silver Lake Plant water use fee in the amount of \$78,521.70 for 2004, payable to DNR-Waters.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 24<sup>th</sup> day of February, 2004.

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President

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Secretary