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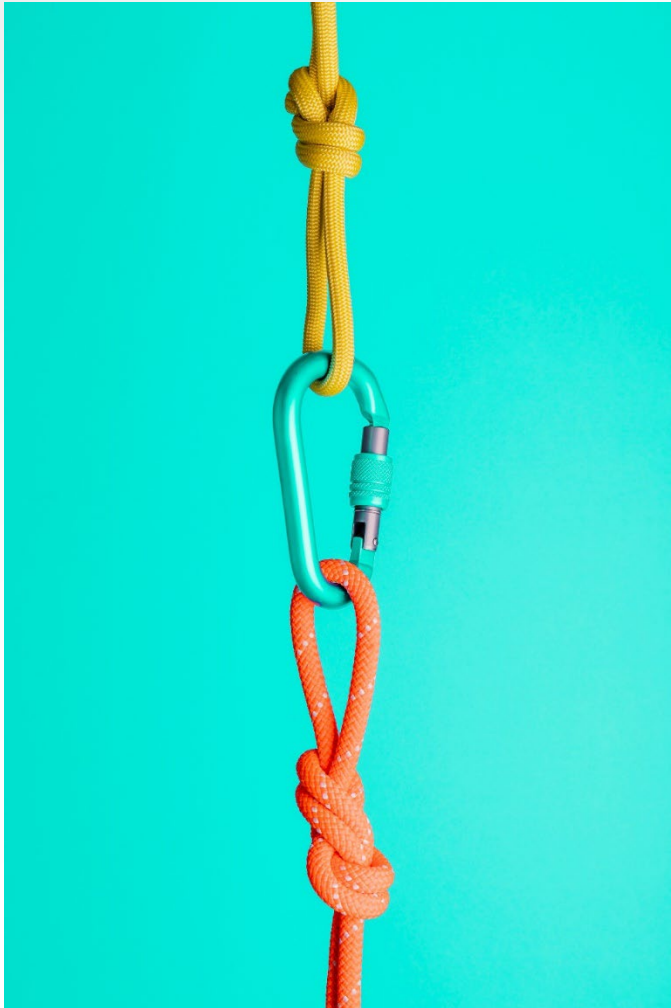
Minnesota Environmental Science
and Economic Review Board

Updating SIU Agreements for Modern Wastewater Challenges

Addressing PFAS and Complex Regulatory Issues

Daniel Marx

Roadmap



- Overview of issue
- Specific and common issues
- Best practices
- Discussion



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Why is this an issue?

Legacy relationships with SIUs

- Based on old agreements
- Previously informal frameworks
- Not updated to account or modern demands



Challenges and current issues

- Aging infrastructure and capacity limits
- Increasingly complex regulatory requirements
- Higher operational costs and liabilities
- Loose relationships beginning to fray



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How have SIU Agreements historically worked?

- City owns and operates major infrastructure
- Agreements can become outdated
- Service charges often not appropriate or proportional
- Violations frequently unenforced
- Major users often large employers that desire incentives
- Current rates often lower than actual costs

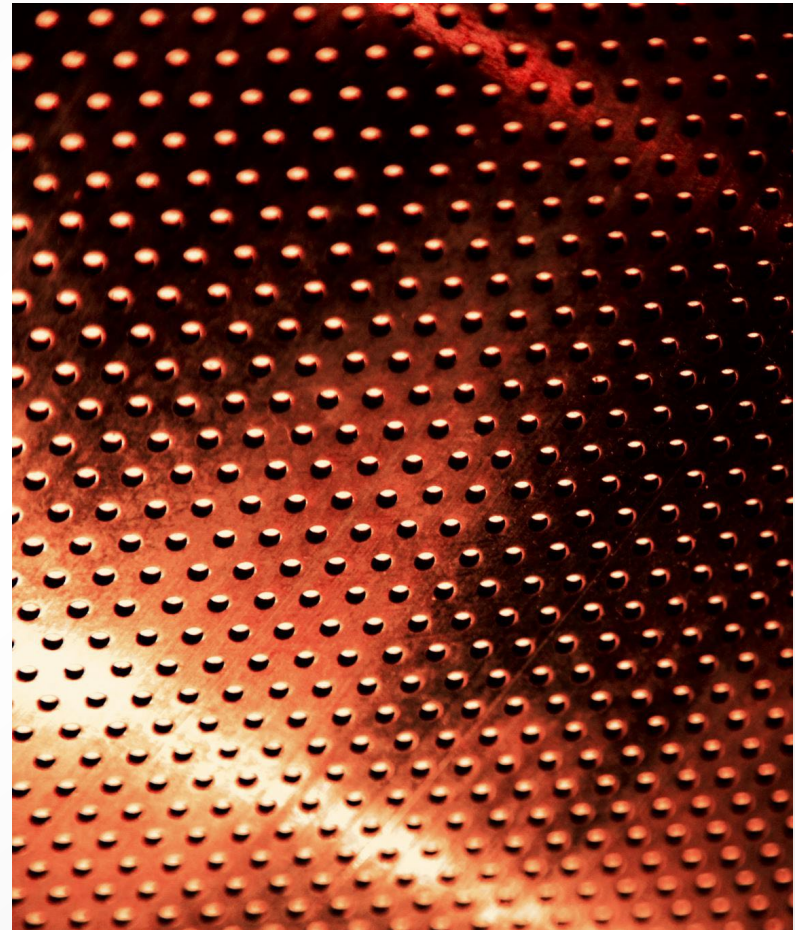


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Specific issues

- PFAS & Chloride
 - The real issue with both is source reduction.
 - The onus should be on SIUs to do and pay for most of this work; they are the sources.

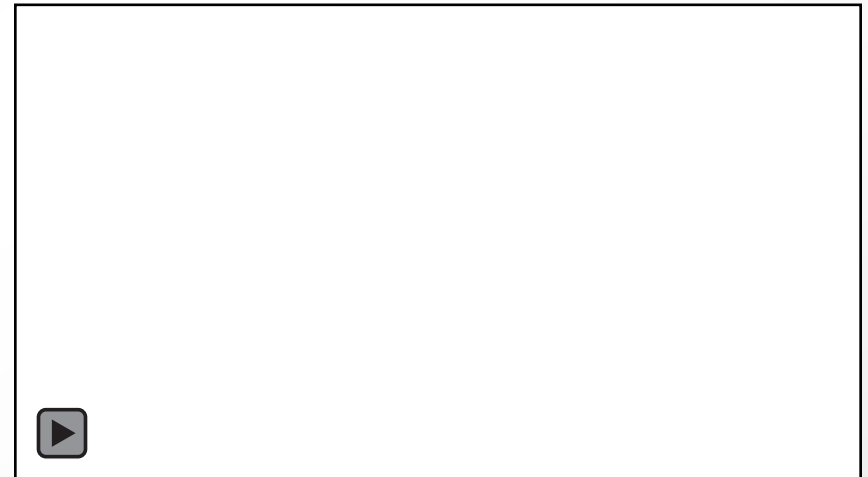


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PFAS & Chloride

- Incorporate PMPs, variance requirements & compliance schedules into agreements
- Require monitoring from SIU's
- Update indemnification language to protect City



Key Challenges

- Increasing costs
- Aging infrastructure
- Workforce procurement and development
- Funding of infrastructure
- Increasingly complex and restrictive regulatory landscape
- Balancing the need to comply with law and to provide a good and cost-effective service
- Complex political dynamics of local business interests



Best Practices

- Make sure that SIU permit and/or and agreement is consistent with current ordinances.
- Contracting principals
 - Automatic renewal is convenient, but it's dangerous
 - Include contract guard-rails for bad-acting users
 - Encourage continuous improvement and review
- Clear processes consistent with ordinances for updating user charges regularly
 - Must be reasonable *and* sufficient to invest in infrastructure improvement



Best Practices, continued

- There should be clear enforcement mechanisms
- Indemnification (shared liability) is important in the context of contamination and environmental harm resulting from the relationship.
- Clear dispute resolution processes
- Good language about modification, with regular updates and powerful authority to enforce
- When is the last time you did a rate study?



What to do...



- If you realize your SIU agreement is not working:
 - Provide advance notice to the SIU
 - Start a conversation with your SIU, meet with their representatives
 - Evaluate all options, approaching the issue collaboratively



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Discussion

- What specific challenges have you faced with outdated SIU agreements?
- What lessons have you learned from dealing with those outdated agreements?
- Are there any success stories about updating SIU agreements?
- What benefits have you observed after updating your agreements, or what do you expect?



Questions?



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Thank you!

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