

SUBJECT

BOARD RESOLUTION NO. 16-824

Pertaining to a Stipulation Agreement with the Minnesota Pollution Control Agency for operation of emergency back-up generators at the McCarrons Water Treatment Plant.

BACKGROUND INFORMATION

Two diesel generators were constructed at the Plant and began operations in May 2005. Because they were to be used infrequently and only for back-up and time-of-day power cycling purposes, staff believed no permit from the MPCA would be required.

In 2015, the generators were retrofitted to bring them into compliance with regulations. At that time, staff submitted an application to the MPCA for an Option D Registration Permit it believed was necessary because of those modifications. The MPCA denied the application because the facility's potential to emit exceeded the permit threshold for that particular permit. As part of its review of the application, the MPCA determined that the utility should have obtained a permit prior to initial operation in 2005 and also should have submitted annual emission inventory report for each year since.

The MPCA determined the utility did not intentionally fail to obtain the necessary permit in 2005 and determined that a fine of \$15,000 be issued for the failure. The Stipulation Agreement establishes the fine and permitting requirements going forward.

Staff is currently working with the MPCA to obtain its required Total Facility Operating Air Permit.

See attached Agreement.

RECOMMENDATION

Approval is recommended.