

**To: HONORABLE MAYOR AND CITY COUNCIL.**

**FROM: Dave Maroney, Director of Economic Development.**

**SUBJECT: *Lorentz Meats Memorandum of Understanding (MOU)***

**DATE: November 9, 2018.**

**BACKGROUND.**

Lorentz Meats has begun construction of an approximately 15,000 square foot expansion, largely consisting of additional production space. Among other outcomes, the expanded operations will create increased wastewater discharged to the Cannon Falls wastewater facility for treatment. Prior to the increased flow being discharged and the effluent being tested, Staff recommends that the accompanying Memorandum of Understanding be executed by and between the City of Cannon Falls and Lorentz Meats. The Public Works Commission recommends approval of the MOU.

**REQUESTED COUNCIL ACTION.**

The City Council is asked to approve the Memorandum of Understanding and authorize the Mayor and Interim City Administrator to execute the document on behalf of the City of Cannon Falls.

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by the **CITY OF CANNON FALLS**, a Minnesota Municipal Corporation ("City") and **LORENTZ ETC., INC.**, a Minnesota business corporation, d/b/a Lorentz Meats ("Lorentz").

1. **PURPOSE.** This Memorandum of Understanding (MOU) sets forth the understanding between Lorentz and the City to monitor the flow and content of wastewater discharged from Lorentz to the Wastewater Treatment Facility of the City.

2. **BACKGROUND.** Due to the recent building permit application submitted by Lorentz for a 15,000 square foot expansion, largely consisting of additional production space, the City requested a meeting with Lorentz. The City was concerned about increased wastewater flow containing high concentrations of CBODs, TSS, phosphorous and FOG. The parties have met twice to work together on maintaining a healthy balance in discharge content and flow for the wastewater treatment facility. At these meetings, the parties agreed:

- a. The parties wish to maintain the good relationship and continue open, transparent conversations, helping each perform effectively;
- b. These discussions are in anticipation of flow changes associated with the building expansion;
- c. The City has capacity available well beyond the flow increase anticipated and, as such, the parties will not be considering limits for flow at this time or within this MOU; and
- d. The pH level of the discharge of Lorentz has consistently tested within the range stated in Chapter 53 of the City Code and will also not be considered at this time or within this MOU.

The City's concern was also based on tests performed in 2017, showing significantly high levels of the above effluents. Lorentz believes the cause of the high results was largely due to a default of the company hired to clean the facility's grease traps. A new company has been in place since November 2017. Lorentz conducted several tests in July and August 2018 and reports numbers at or below the residential limits established in Chapter 53 of the City Code for both TSS and FOG. CBODs continue to run high and the expansion plans include great efforts to reduce the CBODs specifically.

Lorentz presented the plans in the building expansion for wastewater pretreatment at the facility. The expansion includes a new slaughter floor, doubling current capacity. The new slaughter floor will have a trench to catch the blood from carcasses during bleeding. The blood will then be directed to a separate tank, collected to be sold for rendering or other use. This will eliminate most, but not all, of the blood going to the City's sanitary sewer system. Also, wastewater from all production floors will now be sent to a lift station, pumped through a

rotoscreen, measuring 3/100ths. From there, the wastewater will be directed to a tank where the flow meter will be installed and then to a grease trap before being sent to the City. The new process should greatly reduce the current effluent numbers.

The Lorentz facility has two wastewater connections to the City's sanitary sewer – one on the north end of the facility, removing welfare area water (toilets) and clean water used for thawing, and the other at the south end of the facility removing all production wastewater. Lorentz will be installing a flow meter on the discharge tank from the rotoscreen for the south end production wastewater so an accurate volume of the effluents of concern can be determined.

While Lorentz is expecting significant improvement in the amount of effluents discharged, the actual burden on the City's treatment facility cannot be known until the expansion is complete and in use. The parties agree that an initial monitoring program should be in place at that time to test the new space and determine future monitoring structure, necessity for limits and any potential fees. This MOU is presented to define the expectations and responsibilities of both parties moving forward.

### **3. REPORTING/EVALUATION.**

- a. Lorentz will install the pretreatment functions as presented and a flow meter for the southern discharge connection.
- b. Lorentz will notify the Public Works Administrator when the building expansion is complete and in use.
- c. The City will perform weekly composite tests as described in the notes below for the first two months (or the equivalent of at least 8 weekly tests) and share the results with Lorentz. Both parties may agree more frequent tests are necessary during this period.
- d. After the two months, Lorentz and the City will discuss the results of the tests and the City will determine testing frequency for the following 10 months (ex., if the tests are relatively consistent, testing may only be needed monthly).
- e. After the first 12 months the new expansion is in use, Lorentz and the City will determine ongoing testing needs and if an Industrial Discharge Agreement should be established.

### **4. NOTES.**

- a. Solid or viscous substances that may cause an obstruction or interfere with the operation of the lift station or wastewater treatment plant are prohibited.

- b. Loads are based on flow and the following domestic strength concentrations: CBOD=250mg/L; TSS=245 mg/L; TP=10 mg/L.
- c. Composite tests will test for: CBOD, TSS, FOG and TP.
- d. Expectations are based on current flow of approximately 21,000 gallons/day and current concentrations of CBODs (approx.1470 mg/L), TSS (approx. 209 mg/L), and TP (approx. 14 mg/L). Improvement in the effluent concentrations is anticipated. The City should request an immediate meeting with Lorentz if initial test results show increases in the concentrations. If necessary during the duration of this MOU, the City may impose a surcharge according to City Resolution No. 2283 for concentrations in excess of the current concentrations listed in this Note 4 and the flow meter installed by Lorentz for the southern discharge connection. If so imposed, the parties agree to quarterly assessments and billing.
- e. Lorentz will be billed by the City for the tests for CBOD, TSS, FOG and TP. These tests currently total \$132.50 (CBOD at \$27, TSS at \$16.50, FOG at \$69, and TP at \$20). The City will provide Lorentz reasonable notice if these fees change.

**5. CONTACT INFORMATION.**

City of Cannon Falls  
City Administrator  
918 River Road  
Telephone: 507-263-9300  
Fax: 507-263-5843  
E-mail: [lendres@cannonfallsmn.gov](mailto:lendres@cannonfallsmn.gov)

Lorentz Etc., Inc., d/b/a Lorentz Meats  
Robert Lorentz, COO  
705 Cannon Industrial Blvd.  
Telephone: 507-263-3618  
Fax: 507-263-8219  
E-mail: [rlorentz@lorentzmeats.com](mailto:rlorentz@lorentzmeats.com)

**6. DURATION.** Either party may terminate this Memorandum of Understanding upon written notice to the other party.

**IN WITNESS WHEREOF,** the parties hereto have executed this document effective the date first set forth above.

**CITY OF CANNON FALLS**

BY: \_\_\_\_\_  
Robby Robinson, Mayor

AND \_\_\_\_\_  
Lanell Endres, Interim City Administrator

**LORENTZ ETC., INC., D/B/A LORENTZ MEATS**

BY: \_\_\_\_\_  
Robert Lorentz, COO