

**WORK SESSION AGENDA
COMMITTEE-OF-THE-WHOLE
APRIL 20, 2026
CITY HALL COUNCIL CHAMBERS**

Following the Council Meeting:

1. Financial Audit Update – CliftonLarsonAllen Representatives
2. Hormel Stipulation Agreement – Steven Lang
3. Point of Sale Update – Steven Lang
4. Administrative Report
5. Open Discussion
6. Adjourn

City of Austin
500 Fourth Avenue N.E.
Austin, Minnesota 55912-3773



Steven J. Lang, P.E.
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507-437-9949
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Memorandum

To: Mayor & Council
From: Steven J. Lang, P.E.
Date: April 16, 2026
Subject: Stipulation Agreement

The City of Austin has treated wastewater discharges from Hormel Foods at the Austin Wastewater Treatment Plant since 1925. Over that time, multiple discharge agreements have been established between Hormel and the City. Currently, an Individual Control Mechanism (ICM) agreement—covering the Industrial Plant and Domestic Plant—regulates the discharge of key parameters including flow, CBOD, ammonia, TSS, and pH. In addition, the City operates under a final effluent discharge permit issued by the MPCA, which governs the cumulative discharge from the Industrial, Domestic, and Combined portions of the WWTP.

The flow and strength of wastewater discharged from Hormel have a direct impact on the City's ability to meet its MPCA permit limits. Beginning on or about March 1, 2024, the WWTP received a high-strength discharge that resulted in violations of both the ICM agreement and the MPCA permit. In addition, sustained periods of elevated discharge strength were observed during March, April, June, August, September, October, and December.

These sustained high-strength discharges directly contributed to the City's effluent violations under its MPCA permit. As a result, the City received a Notice of Violation from the MPCA in April 2024 and an Administrative Penalty in May 2025. In response, the City adopted a revised ICM agreement with Hormel in July 2025, incorporating tighter discharge limits.

Before you today is a Stipulation Agreement outlining the responsibilities of both parties in relation to ICM violations and resulting plant effluent violations. This is another step in the process to work with our Industrial customers to improve the City's ability to comply with MPCA effluent limits. This agreement has been reviewed with the Hormel team, and staff respectfully requests Council approval.

Please feel free to reach out with any questions prior to the meeting.

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STIPULATION / ADMINISTRATIVE ACTION REGARDING INDUSTRIAL EFFLUENT DISCHARGE

Party Filing

Name: City of Austin
Department: Austin Wastewater Treatment Facility
Date: April 15, 2026

Respondent

Name: Hormel Foods Corporation
Facility: Austin Plant

1. Purpose

The purpose of this Stipulation is to establish mutually agreed-upon actions to address observed and documented concerns related to industrial effluent discharge from the above-referenced facility. This agreement is intended to ensure compliance with applicable environmental regulations and to protect receiving waters, public infrastructure, and public health.

2. Background

Based on daily monitoring, inspections, and sampling events conducted from **July 1, 2025, to the present**, intermittent exceedances of permit limits have been observed due to elevated effluent strength. These exceedances have contributed to violations of the City of Austin's NPDES permit.

These findings indicate the need for corrective measures to ensure ongoing compliance with all applicable effluent discharge requirements, including but not limited to:

- NPDES Permit
- Industrial Control Mechanism (ICM) Agreement

3. Applicable Regulations

This Stipulation is executed in reference to the following:

- NPDES Permit No. Mn0022683
- Industrial Control Mechanism (ICM) Agreement between the City of Austin and Hormel Foods Corporation
- City of Austin Code of Ordinances § 3.30 (Rules and Regulations Relating to Sewer Use and Service Charge)

4. Agreed-Upon Corrective Actions

The Respondent shall take all necessary actions to promptly address violations and achieve compliance with applicable permit limits.

A. Operational and Engineering Controls

The Respondent shall complete one or all the following per each occurrence as necessary:

- Implement necessary operational adjustments, equipment maintenance, and/or process modifications to achieve compliance
- Evaluate the need for additional pretreatment systems and implement such systems or process optimizations as required
- Document all corrective measures taken and make such documentation available to the City upon request

5. Enforcement and Penalties

Failure to comply with the terms of this Stipulation may result in enforcement actions under applicable regulatory authority, including but not limited to administrative orders, monetary penalties, permit modifications, or other corrective directives.

A. ICM and Plant Effluent Violations

- The City shall submit a **quarterly summary report** within approximately **30 days** following the end of each calendar quarter.
- Each report shall include:
 - The total number of ICM violations during the reporting period
 - Identification of any industrial pass-through events, these events will be evidenced in the Hope Street Report
- Penalty Structure:
 - For every **ten (10) ICM violations**, a monetary penalty of **no less than \$1,000** shall be assessed
 - **Industrial pass-through events** that result in an effluent violation for the City shall be assessed at **no less than \$1,000 per occurrence**

6. Duration of Stipulation

This Stipulation shall remain in effect until all required corrective actions have been completed and compliance with ICM and NPDES limits has been achieved and verified by the City of Austin or other applicable regulatory authority.

7. Signatures

City of Austin, Minnesota

Hormel Foods Corporation

By: _____
Steve King, Mayor

By: _____
Joe Muzik, Plant Manager

Date: _____

Date: _____

By: _____
Craig Clark, City Administrator

Date: _____

2025 3rd Qtr

ICM Violations **86** **\$8,600.00**

\$12,600.00 **Total Penalty**

NPDES Violations **4** **\$4,000.00**

2025		Limit	Result
July	Average Monthly Total Suspended Solids Concentration	30 mg/L	45 mg/L
	Maximum Calendar Week Total Suspended Solids Average Concentration	45 mg/L	128 mg/L
	Calendar Month Average Total Suspended Solids Kg/day	961 Kg/day	1,413 Kg/day
	Maximum Calendar Week Average Kg/Day	1,442 Kg/day	4,216 Kg/day

2025 4th Qtr

ICM Violations **31** **\$3,100.00**

\$3,100.00 **Total Penalty**

NPDES Violations **0** **\$0.00**

2026 1st Qtr

ICM Violations **43** **\$4,300.00**

\$12,300.00 **Total Penalty**

NPDES Violations **8** **\$8,000.00**

2026		Limit	Result
January	Average Monthly Total Suspended Solids Concentration	30 mg/L	50 mg/L
	Maximum Calendar Week Total Suspended Solids Average Concentration	45 mg/L	187 mg/L
	Calendar Month Average Total Suspended Solids Kg/day	961 Kg/day	1,065 Kg/day
	Maximum Calendar Week Average Kg/Day	1,442 Kg/day	3,975 Kg/day
	Total Suspended Solids Percent Removal	85%	81%
February			
	Average Monthly Total Suspended Solids Concentration	30 mg/L	36 mg/L
	Maximum Calendar Week Total Suspended Solids Average Concentration	45 mg/L	86 mg/L
	Maximum Calendar Week Average Kg/Day	1,442 Kg/day	1,743 Kg/day



Point of Sale Program 45-Day Update

Sump Pump Program

From 2018–2024, the City completed its sump pump inspection program. As of April 2025, 110 properties were still being assessed the \$100 monthly non-compliance fee, primarily due to missed inspections or unresolved failed inspections.

While 27 properties became compliant in the past year, 83 remain non-compliant, with some accruing charges since 2018.

Point of Sale Program

Challenges

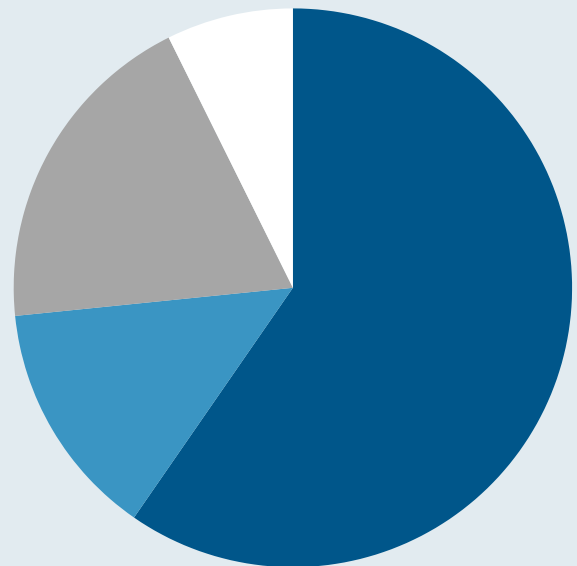
- Enforcement with condominium associations is slow to resolve.
- Program growth has made it the primary focus of Joel’s workload.
- Time required to complete Data Entry, Organization, and Coordinating with realtors, plumbers, and homeowners.
- HomeServe Launch delayed till July due to changes in their terms of Service.

Successes

- Identified only 15 Failed Inspections out of 109 Reviewed.
- Majority of inspections completed by Mower County plumbers and televisors (99%), supporting local businesses.

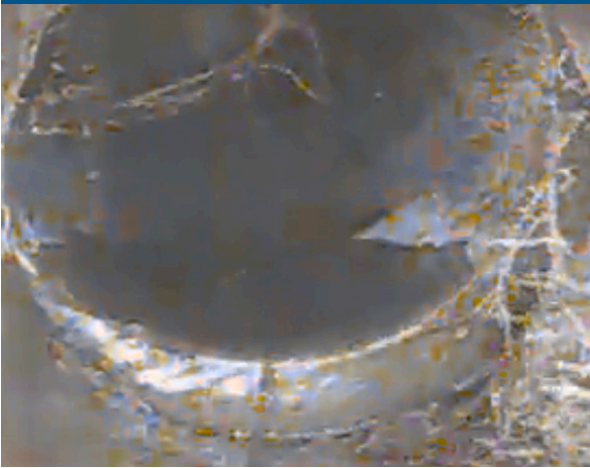
Point of Sale Inspections

- Passed Inspections (59.6%)
- Failed Inspections (13.8%)
- Information Requested (19.3%)
- Non-Compliant (7.3%)



Month	Inspections Received
February	24
March	55
April 1 st to 16 th	45

Offset Joint & Roots



Illicit Sump Pump



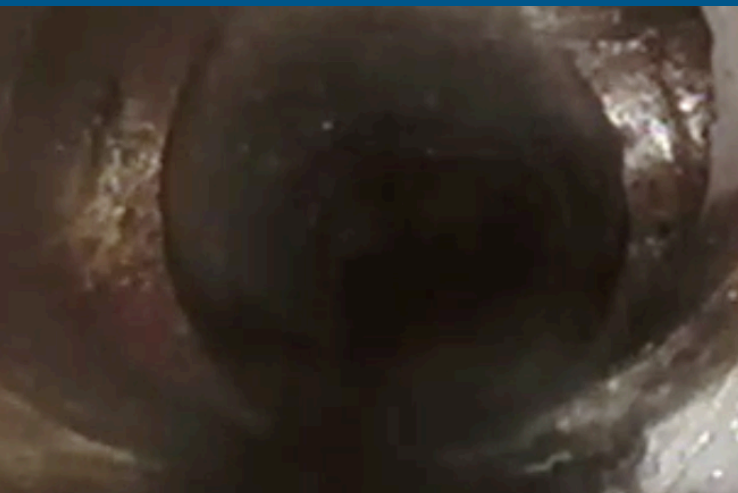
Hole in Sidewall of Pipe



Tapped-In Drain Tile



Double Wye to Drain Tile



Rock Punched Hole in Pipe

