



City of Biwabik

321 North Main Street
P.O. Box 529, Biwabik, MN 55708
(218) 865-4183 Fax: (218) 865-4580

August 29, 2025

Commissioner Katrina Kessler
Minnesota Pollution Control Agency
520 Lafayette Road N
St. Paul, MN 55155-4194

RE: Support for Industrial Wastewater Variance – Keetac

Commissioner Kessler:

In May 2025, U.S. Steel requested a variance from Minnesota's sulfate water quality standard for water released into areas that produce wild rice. The Minnesota Pollution Control Agency (MPCA) issued a preliminary denial. On behalf of the City of Biwabik, I urge you to reconsider and approve this site-specific standard and variance.

Minnesota must demonstrate that it can both attract new industry and sustain the viability of existing employers. At the same time, the state must ensure that regulation does not effectively regulate our current industrial base out of existence. There is significant concern about regulatory overreach disproportionately harming rural communities and undermining their economic foundations.

Municipalities and taconite producers alike face steep financial and technical challenges in complying with an outdated standard—developed decades ago on a limited technical foundation and not reflective of current science. To that end, the Biwabik City Council passed a resolution supporting the site-specific standard and variance request, which is enclosed for your review.

Mining on the Iron Range generates local production tax revenues that benefit cities, townships, counties, and school districts. Mining also funds the University Trust, the Tax Forfeited Trust, and more than 90% of the Permanent School Fund, benefiting public school students across Minnesota.

We urge the MPCA to expand its economic analysis to consider what happens if this facility is curtailed or idled. This analysis must include not only the direct employment impact but also the ripple effects on vendors and service providers. Furthermore, it must account for reduced tax benefits to local governments, school districts, counties, and the many statewide trusts that rely on mining contributions. Currently, this analysis is incomplete.

Rural communities such as ours already operate with limited resources. Imposing additional disproportionate regulatory costs without appropriate relief or reform is inequitable and unsustainable.

The sulfate standard has not been meaningfully updated since the 1970s, and wild rice health is influenced by many factors beyond water quality. The MPCA's own rulemaking from 2011–2018 highlighted inconsistencies in the historical standard and failed to incorporate modern peer-reviewed science. That process was abandoned, after which the Legislature barred enforcement. In 2018, an administrative law judge rejected MPCA's proposed revision, and in 2022, the EPA warned that MPCA was out of compliance. Biwabik urges renewed engagement with the Legislature and the EPA to clarify and resolve this situation collaboratively.

Biwabik also urges the MPCA to revisit rulemaking. During the previous rulemaking effort, agency staff themselves acknowledged the process was imprecise. Since 2018, no further effort has been made, and an explanation is warranted.

While the state has created an inventory of water bodies believed to produce wild rice, it is unclear how the criteria were developed or whether they are being applied consistently.

We also do not know what compliance would cost other taconite plants—or municipalities and industries across Minnesota, including the Twin Cities. For example, DNR fish hatcheries, which also hold NPDES permits, would be required to comply. What will be the cost of mitigation and taxpayer-funded remediation at these and other state-owned facilities? Before enforcement, MPCA must produce a statewide site inventory that includes anticipated costs and impacts across both public and private sectors. Any investment should clearly support thriving wild rice growth. As it stands, the current approach does not.

This issue is not limited to mining. The sulfate standard also affects pulp and paper mills, food processors, and municipal wastewater systems. The MPCA's multi-discharger variance for municipalities acknowledges the standard is not realistically achievable. Yet industrial dischargers receive no such accommodation.

Biwabik supports reasonable regulation of industry. This decision is bigger than one variance. We urge you to make the right choice—for Keetac, and for the future of northeastern Minnesota.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Biondich", with a stylized, flowing script.

Steve Biondich
Mayor

cc: Minnesota Pollution Control Agency
c/o Stephanie Handeland
Minnesota Pollution Control Agency
520 Lafayette Road N
St. Paul, MN 55155