



Environment Committee

Item: 2009-247

For the Metropolitan Council meeting of July 22, 2009

ADVISORY INFORMATION

Date Prepared: July 15, 2009

Subject: Authorization to Hold Public Meeting on Proposed Service Availability Charge (SAC) Rate Design Change for Outdoor Spaces

Proposed Action:

That the Metropolitan Council authorizes staff to hold a public meeting to discuss a proposed change to the SAC rules for outdoor spaces and gather public input for Council consideration.

Summary of Committee Discussion / Questions:

Council Member Bowles commented on the need to review all the criteria for other business types that might qualify for the reduced outdoor SAC rate. Staff agreed. The full description of the proposal includes a statement on the non-applicability for the discount to stadiums/arenas and car washes.

Council Member Wittsack asked what staff's response will be if businesses that paid the higher full SAC rate ask about reimbursement. Staff's recommendation is to not go retroactive; the effective date is January 1, 2010.

Motion to accept the proposed action was moved, seconded and passed unanimously.

E Environment Committee
Meeting date: July 14, 2009

For the Metropolitan Council Meeting of July 22, 2009

ADVISORY INFORMATION

Date:	July 6, 2009
Subject:	Authorization to Hold Public Meeting on Proposed Service Availability Charge (SAC) Rate Design Change for Outdoor Spaces
District(s), Member(s):	All
Policy/Legal Reference:	Council Admin. Policy 3-2-5; Water Resources Management Policy Plan, Policy on Rates and Charges, and Minn. Statute 473.517 subd. 3
Staff Prepared/Presented:	Jason Willett (651-602-1196)
Division/Department:	MCES c/o William G. Moore (651-602-1162)

Proposed Action

That the Metropolitan Council authorizes staff to hold a public meeting to discuss a proposed change to the SAC rules for outdoor spaces and gather public input for Council consideration.

Background

MCES has received many complaints about the treatment of outdoor seating from restaurants, particularly since the advent of the state-wide indoor smoking ban. Currently and historically, outdoor seating areas are assessed SAC the same as indoor seating based on the rationale that on a peak service day both areas could be used at the same time and thus MCES must stand ready to serve that larger capacity. Some city staff feel this is hard to enforce, and many restaurant owners feel that this is unfair as the outdoor seating is used only during a small portion of the year and when it is used it represents a relocation of their customers more than additional capacity. MCES staff have developed an alternate SAC approach and per Council policy would like to solicit public comment at a meeting on August 11.

Rationale

Problematic demand on the metropolitan wastewater facilities is experienced only during significant wet weather events. During such events, the use of outdoor areas is significantly reduced thereby contributing little or no wastewater to the system's peaks. If SAC is based on maximum capacity demand *during a wet weather day* instead of any day, then it is reasonable to allow a discount for outdoor spaces that will have limited use and generate little or no wastewater demand during those wet times.

MCES staff may edit and clarify the rules and refine the engineering criteria without Council approval. However, in this instance we have not found good empirical data that indicates the frequency, duration and geographical coverage of historical rain events which might form a basis for the amount of discount allowed for such outdoor spaces. Even if available, such data would not reflect reduction of wastewater demand because customers were dissuaded by the threat of rain. Therefore, as a policy matter, staff propose a 50% reduction for all outdoor space use, including business types with outdoor uncovered seating areas, for which there is substantial likelihood that, in Council's opinion, there will be minimal use during rain events.

Funding

The SAC required in total is set by statute (on computed reserve capacity). A reduction in SAC collected for outside spaces will eventually require a small increase in the SAC rate.

Known Support / Opposition

Several communities and food and drink establishments have recently advocated for some kind of relief from SAC for outdoor seating space.