

E Environment Committee

Meeting date: June 26, 2007

ADVISORY INFORMATION

Date:	June 19, 2007
Subject:	Direct Connection Application Fee
District(s), Member(s):	All
Policy/Legal Reference:	MN Statute 473.521 Subd. 2, 473.515 Subd. 3., 473.129, Subd. 11 / Council Policy 3-2-3
Staff Presented/Prepared:	Jason Willett, MCES Finance Director, 651-602-1196
Division/Department:	MCES c/o William G. Moore, General Manager, 651-602-1162

Discussion

It is proposed that a public meeting be held to provide information and gather public input on a proposed new fee; the Direct Connection Application Fee. If adopted the fee would be effective for all direct connections on and after January 1, 2008.

A direct connection application fee is proposed to recover administrative costs for time spent by MCES staff on a connection request (permitting, reviewing, modifying, drawing and inspecting). This fee applies when a request is made to connect directly to an MCES interceptor. Permits for connection are issued only to municipalities and the fee would be billed to them (however, the city or township may collect from private parties). On average, about 16 hours is spent by MCES staff on a direct connection request. Salary, benefits and overhead costs for 16 hours amounts to about \$900 and this is the proposed Direct Connection Application fee for 2008.

Since about half of MCES staff time spent administering a connection request occurs before the actual connection is approved, half of the proposed \$900 fee is not refundable regardless of whether or not the connection is made. If the application is denied, half of the fee will be refunded.

Charging for specific services provided improves our charge structure; the revenue collected will reduce (slightly) the revenue needed from municipal wastewater charges. We get about 20-30 direct connection requests each year.

With Environment Committee concurrence, a public meeting will be scheduled for mid-August to solicit input on this proposal. If this fee is adopted, communities will be notified by late September to give them at least three months' notice.