

# Info Item 3:

## **Lake Elmo Wastewater Inefficiency Fee (WIF) Update**

**Environment Committee**

**February 28, 2012**

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# Presentation Outline

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## ■ Background

- Framework
- Memorandum of Understanding
- Council actions/resolutions

## ■ Wastewater Inefficiency Fee (WIF)

- Purpose
- Housing market performance measures
- WIF implementation extensions



# 2020 Framework

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## ■ 1995 System Statement

- Identifies sewered households by 2010
- City submits update with no sewered households
- Metropolitan Council requires plan modification
- City sues Council – Supreme Court
- Court reaffirms Council's authority to require modifications to City's proposed Plan Update



# Original MOU

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## ■ Memorandum of Understanding

- **January 27, 2005:** MOU signed
- **June 15, 2005:** 1998 Comprehensive Plan Update due
- **2030:** Calls for 6,600 sewerer REC deadline



# Plan Update Submittal Deadline Extension

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## ■ **Metropolitan Council Resolution 2005-20**

- **Sept. 30, 2005 – Extended deadline for Comprehensive Plan Update completion**
- **Calls for 515 sewerage REC's by 2010**
- **Outlines Wastewater Inefficiency Fee (WIF) if sewerage REC counts not realized.**
- **Includes provision for City to petition relief of WIF**
  - **Severe reduction in housing construction activity in Region due to protracted downturn in the economy or long-term recession.**



# WIF Purpose

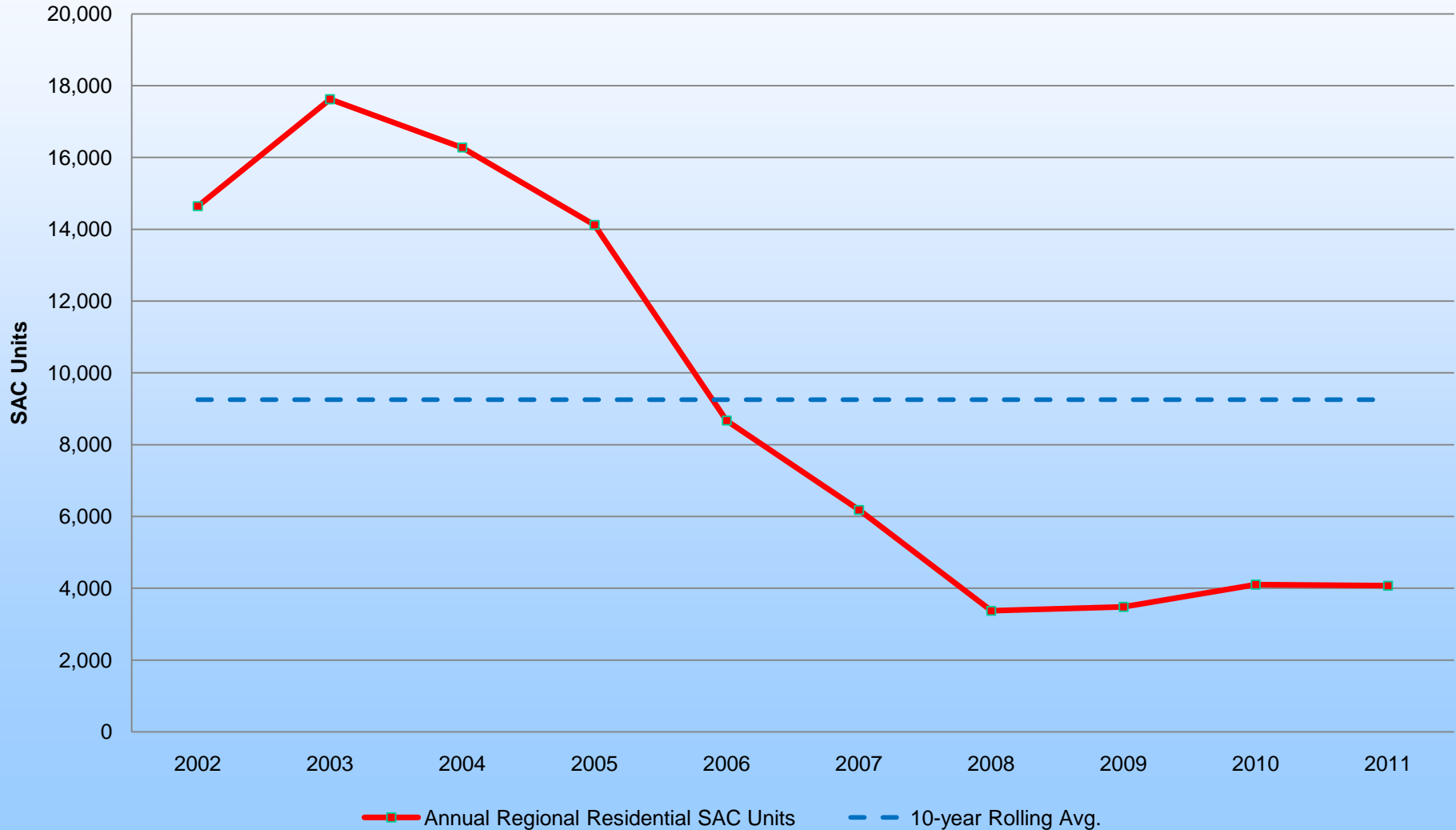
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## ■ Wastewater Inefficiency Fee (WIF)

- **“To help pay for the operation, maintenance, and capital costs of underutilized regional wastewater infrastructure and the costs of providing regional sewer service for development elsewhere in the region that would have occurred within the City.”**



# Economic Downturn/WIF





# Economic Downturn/WIF

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- **City requests temporary relief of WIF citing prolonged downturn of economy**
- **Metropolitan Council Resolution 2010-08**
  - **Extends WIF 1 year when annual residential SAC is less than 50% of 10-year rolling average SAC**
  - **Identifies annual SAC for 2007, 2008 & 2009 below 50% of 10-year rolling average.**





# WIF Extensions: Summary

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Year	Annual % of Residential SAC to Regional 10-year Avg.	Extension
2007	45.7	2011
2008	26.9	2012
2009	30.9	2013
2010	40.0	2014
2011	44.0	2015

- **Extension requires 515 sewerer RECs by Dec. 31, 2015**
- **Payment due to Council Jan. 2016 for any deficient sewerer RECs at \$2,600/REC**



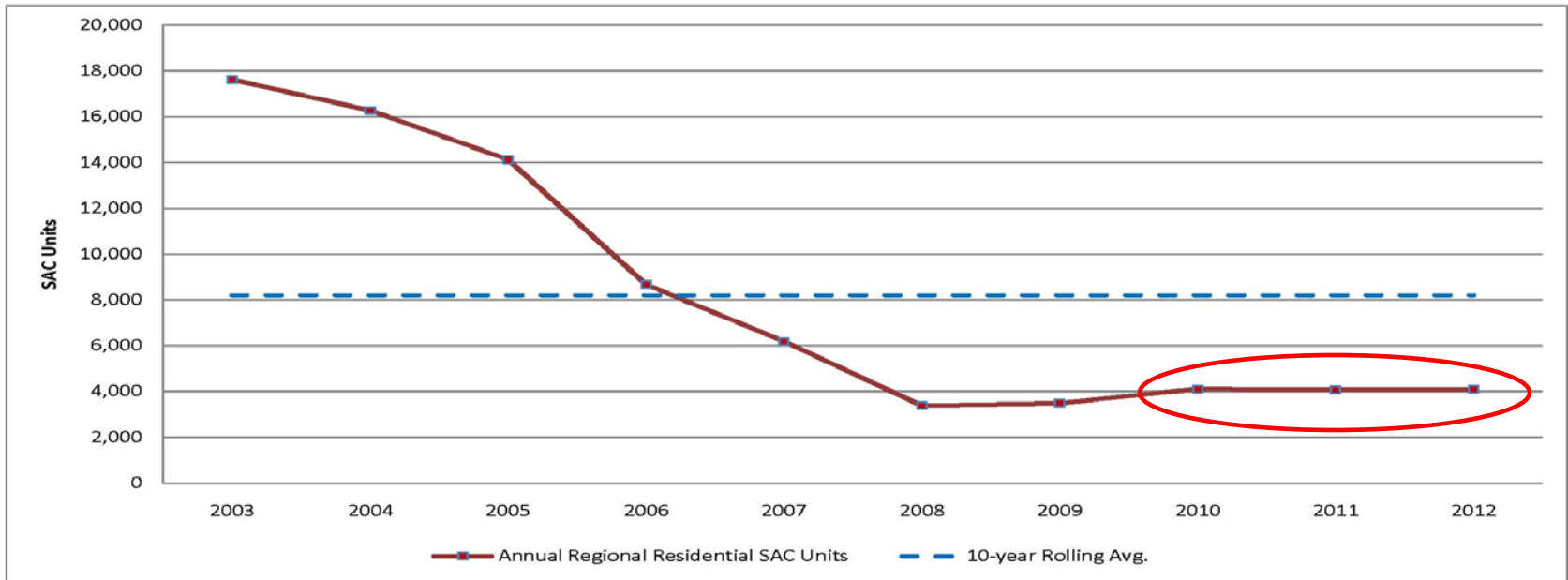
# 2012 Residential REC Threshold

Calculated Annual "Residential" SAC Threshold for Lake Elmo WIF  
February 8, 2012

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>10-Year Avg.</u> <u>2003-2012</u>
17,623	16,277	14,121	8,672	6,184	3,373	3,482	4,103	4,072	<b>4,100</b>	8,201

2012 SAC to Rolling 10-Year Avg. (2003-2012):

**49.994%**





# Questions

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