

# **Business Item 2012-350: Adoption of Sewer Availability Charge (SAC) Procedure Changes**

Presented to the Environment Committee

by Jason Willett, Director, MCES Finance & Energy Management

November 13, 2012



# Schedule Summary

- 2011 Metro Cities request for work group
- 2012 St. Paul and Minneapolis requests
- Work group meetings (7/16, 8/13, 8/27, 9/17, 10/1)
- 10/9/12: EC direction to hold a public meeting
- 10/23/12: Public meeting
- 11/2/12: Written comment period ended
- 11/13/12: EC recommendation for adoption

# SAC Work Group Recommendations

## *Summary*

- SAC paid at any time (1973-present) is sufficient evidence in generating potential SAC credits
  - In such cases, net credits can occur that can be used community-wide or left site-specific at community's option
- Look-Back period and vacancy rules would no longer apply

# SAC Work Group Recommendations

## *Summary*

- Non-conforming credits (where SAC was not paid) would be available, but limited
  - If community shows either grandparented or continuous demand on a site, those credits will be available to offset SAC charge but only on that site
  - No net credits would be available
- Allowing for minor SAC credit transfers, when determination is **10 or less**

# SAC Work Group Recommendations

## *Summary*

- MCES to develop SAC loan program specifically to assist communities in helping small businesses whose SAC determination is 10 SAC or less
- Community Reviews limited to review of SAC activity no more than 3 years to date of review initiation
- MCES to provide regular training opportunities for community staff
- MCES is requested to provide alternate language versions of SAC brochure

# Public Meeting Notification

- *Star Tribune, Pioneer Press* and designated legal newspapers for the seven counties
- Metropolitan Council Website and newsletter
- Letter to City contacts (City Finance, Building, Public Works and Community Development officials), followed by email notice
- Email notice to 2011 SAC work group members
- Email to frequent SAC contacts (customers who submit for determination)
- Metro Cities newsletter

# Public Meeting – October 23

- Chaired by Council Member Gary Van Eyll
- Attended by
  - Council Member Sandy Rummel
  - 32 stakeholders (excluding MCES staff)
- No voiced objections to overall recommendations, but:
  - 1) Request for clarification/change on unused credits from grandparented demand
  - 2) Request to retroactively reinstate net credits missed since 1/1/10 (at least for public properties)
  - 3) Additional unspecified service issues

# Outstanding Issues

- Preservation of unused grandparented non-conforming credits
  - Pro: In 1973, communities were told all existing sewered properties would have current capacity reserved for future credit on site; it may be unfair to take away potential credit
  - Pro: Likely only small number of impacted properties (must not have had a determination since 1973)
  - Con: Other people may feel since property has not paid SAC to fund reserve capacity, credit should not continue



# Outstanding Issues

- Non-conforming credits (where SAC was not paid) would be available but limited
  - If community shows either grandparented or continuous demand on a site, credits available to offset SAC charge but only on that site
  - ~~No net credits would be available.~~
  - Net credits would be available
    - Only on site and
    - Only for 5 more years (from determination)
- No other changes proposed

# Questions?



**SAC Work Group Final Report:**

[www.metrocouncil.org/environment/RatesBilling/SAC\\_Program.htm](http://www.metrocouncil.org/environment/RatesBilling/SAC_Program.htm)

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**Motion: Adopt changes to SAC procedures which are in substantially final form.**