

## Environment Committee

Meeting date: July 8, 2014

For the Metropolitan Council meeting of July 23, 2014

**Subject:** Adoption of MCES 2015 Wastewater Rates and Charges

**District(s), Member(s):** All

**Policy/Legal Reference:** MS 473.517; Water Resources Policy Plan (pages 43-44); and Council Administrative policies 3-2-3 (re. municipal wastewater charges), 3-2-4 (re. industrial charges), and 3-2-5 (re. SAC)

**Staff Prepared/Presented:** Jason Willett, 651-602-1196

**Division/Department:** MCES c/o Leisa Thompson, 651-602-8101

### Proposed Action

That the Metropolitan Council adopts the following wastewater rates and charges to be effective January 1, 2015:

- Metropolitan Wastewater Charge (total of municipal wastewater charges) of **\$190,710,000**;
- Sewer Availability Charge (SAC): **\$2,485** per Residence or Residential Equivalent Capacity;
- Temporary Capacity Charge : **\$1.25** per thousand gallons;
- Industrial Strength Charge: **\$.190** per excess pound of TSS (total suspended solids);
- Industrial Strength Charge: **\$.095** per excess pound of COD (chemical oxygen demand);
- Standard Load Charge: **\$56.31** per thousand gallons;
- Holding Tank Load Charge: **\$9.39** per thousand gallons;
- Portable Toilet Waste Load Charge: **\$72.49** per thousand gallons;
- Collar County Load Charge: **\$71.31** per thousand gallons;
- Strength component of Industrial Load Charge **\$.388** per excess pound of TSS;
- Strength component of Industrial Load Charge **\$.194** per excess pound of COD;
- Out-of-Region Load Charge Component for hauled waste: **\$15.00** per thousand gallons;
- Industrial Permit Fees as shown on Attachment A; and
- I/I Surcharge Exceedance Rate: **\$415,000** per million gallons /day (rate of maximum measured flow within an hour over allowed flow rate).

### Background

On May 13, staff presented information to the Environment Committee on the 2015 preliminary budget and rates. In late May and early June, this information was shared with community customers at two Municipal Customer Forums and with industrial customers at an Industrial Customer Forum. In addition a special meeting was requested by the City of Minneapolis (and also attended by Metro Cities) a combined total of 60 customer representatives attended the customer meetings. A staff summary of customer questions and comments are on Attachment D.

The revenue to be raised through the Metropolitan Wastewater Charge in 2015 is a 3.5% increase from this charge in 2014 (although this increase will vary for each city depending on their flow). This increase and the other rate changes, together comply with the Council policy that wastewater charges should enable MCES to meet wastewater regulatory requirements, implement MCES infrastructure rehabilitation and repair needs, and provide wastewater capacity for growth. Further, by Council policy, charges and rates are based on a regional cost-of-service philosophy.

Rates are based on the preliminary or "rate-setting" budget which has total revenues of \$249.5 million and total expenses of \$250.4 million of expenses, with the \$.9 million difference, if it occurs, to be funded from the wastewater operating contingency reserve. This rate-setting budget is further detailed in Attachment C. It is important to note while the Council's 2015 budget is not adopted by this action, the MCES portion of that budget will be substantially constrained by the revenue anticipated from these rates and charges.

The SAC fund continues to recover from the recession and receipts to date indicate sufficiency in the longer term barring any new economic downturn. The initial staff proposal of a 2% SAC rate increase has been changed to 0% based on customer comments and healthy receipts and determinations in the 2 months since the initial staff proposal. With sufficient SAC units as projected, the SAC reserve will stay above the Council's minimum target by policy, although if receipts falter, a higher SAC rate increase might be needed in 2016.

Once charges are approved and flow measurements finalized, staff will notify customer communities and businesses.

The proposed 2015 "rate sheet" description of rates can be found on Attachment B.

The connection of MCES' budget and rates to Thrive will be discussed at the Environment Committee meeting.

### **Rationale**

Wastewater service rates for 2015 need to be set well in advance to allow communities time to plan their budget, rates revise their ordinances, and allow businesses time to revise pricing structures for 2015 proposals.

### **Funding**

100% of wastewater operations, maintenance, and debt service are funded by these rates. Revenue from these rates and charges are not used for non-wastewater purposes.

### **Known Support / Opposition**

The public forums did not elicit significant statements of concern regarding the proposed rates, although there were mixed opinions on the SAC rate increase.

### 2015 Industrial Discharge Permit Fees

Quarterly Reporters (SIU>50MGY)	\$8,025
Quarterly Reporters (SIU<50 MGY)	\$6,700
Semi-annual Reporters (SIU>10 MGY)	\$5,300
Semi-annual Reporters (SIU 5-10 MGY)	\$4,000
Semi-annual Reporters (SIU 2-5 MGY)	\$2,650
Semi-annual Reporters (SIU <2 MGY)	\$1,350
Semi-annual Reporters (Non-SIU)	\$1,350
Annual Reporters (Non-SIU > 1 MGY)	\$1,350
Annual Reporters (Non-SIU < 1 MGY)	\$850
Non Significant Categorical user (NSCIU)	\$850
Liquid Waste Hauler (> 1 MGY)	\$1,350
Liquid Waste Hauler (< 1 MGY)	\$850
Special Discharge Permit (quarterly reporter)	\$1,350
Special Discharge Permit (contingency/low impact)	\$850
General	\$100-\$500

SIU = Significant Industrial User - a federal designation.

# Metropolitan Council Environmental Services' (MCES) 2015 Charges

1. **Municipal Wastewater Charge:** MCES charges communities for sewer service and treatment. All customer communities pay an allocated portion of the Metropolitan Wastewater Charge which is their Municipal Wastewater Charge based on their annual volume of wastewater treated. Most communities cover their own sewer costs by charging a higher "retail" rate to residents and businesses (these rate "mark-ups" are specific to each city).

## 2015 Municipal Wastewater Charges

Total Metropolitan Wastewater Charge in 2015:	\$190,710,000
Allocated based on system flow: in million gallons (mg) (based on estimated flow for July 1, 2013 - June 30, 2014):	89,200 mg
Approximate rate per million gallons:	\$2,138.00

2. **Metropolitan Sewer Availability Charge (SAC):** The sewer availability charge to communities is imposed for new connections or increased demand to the metropolitan wastewater system. Generally, one SAC unit equals 274 gallons of maximum potential daily wastewater flow capacity. A freestanding single-family residence is charged one SAC unit. Other types of buildings pay a prorated SAC fee, based on the estimated capacity of wastewater required. Communities may also include a "mark-up" on this fee to cover their own costs.

## 2015 Sewer Availability Charges:

	SAC Rate
Base Unit Fee (Single-Family Dwelling)*:	<b>\$2,485.00</b>
Apartment (without individual laundry facilities)	20% discount
Multi-Dwelling Public Housing (without garbage disposals nor dishwashers)	25% discount
Multi-Dwelling Public Housing (w/o laundry, garbage disposals nor dishwashers)	40% discount
Commercial: Base unit fee times number of residential equivalent connections (RECs) where the number of RECs is based on an estimated maximum daily capacity by use type.	
Outdoor Space Discount:	75% discount
Industrial Process Flow: Base unit fee times number of RECs where the number of RECs is based on maximum normal process flow plus RECs for commercial spaces	

\* Note: Elko New Market, East Bethel and New Germany have higher base SAC rates set by contract.

3. **Industrial Strength Charge:** Strength charges are MCES fees assessed directly to connected industries for the additional treatment costs caused by industrial wastewater that has more pollutants than typical residential wastewater. Industrial strength charges are based on the concentration of pollutants (as measured by Total Suspended Solids (TSS) and Chemical Oxygen Demand (COD)) and the volume of the discharge. Industrial Users are also subject to normal municipal wastewater charges and SAC through their host communities.

## 2015 Industrial Strength Charges:

Cost per excess pound of Total Suspended Solids (TSS)	\$0.1900
Cost per excess pound of Chemical Oxygen Demand (COD)	\$0.0950

4. **Liquid Waste Load Charge:** Liquid waste haulers pay directly for septage, leachate and other hauled wastes that are discharged at MCES disposal sites. The load charges combine: i) a strength charge component, ii) a volume component that is based on the MCES metropolitan wastewater rate and iii) a special facilities component for the discharge sites. Also, iv) out-of region waste is assessed an administrative service component.

**2015 Liquid Waste Load Charges:** (per 1,000 gallons)

Standard Load Charge	<b>\$56.31</b>	
Portable Toilet Waste Load Charge	<b>\$72.49</b>	
Holding Tank Load Charge	<b>\$9.39</b>	
Collar County Load Charge	<b>\$71.31</b>	(for 10 counties surrounding the Region)
Industrial Load Charge (\$ per excess lb.)	<b>\$.3880 TSS and .1940 COD plus \$9.39/1,000 gal. volume</b>	(plus \$15.00/1000 gal. service fee for loads generated out of the Council's jurisdiction)

5. **Industrial Discharge Permit Fee:** Those Industrial Users issued a permit must also pay annual permit fees, which recover a portion of the costs to administer the industrial pretreatment program. Permit fees are based on permit type, annual volume of wastewater, Significant Industrial User (SIU) status, and self-monitoring reporting frequency. First-year permit fees for Liquid Waste Haulers and Special Dischargers are required at the time of permit application.

**2015 Industrial Discharge Permit Fees:**

Volume (MGY)	>50 m.	<50 m.	>10 m.	5-10 m.	2-5 m.	<2 m.	>1 m.	<1 m.
Quarterly Reporters	\$8,025	\$6,700						
Semi-annual Reporters			\$5,300	\$4,000	\$2,650	\$1,350		
Annual Reporters and Liquid Waste Haulers							\$1,350	\$850
General Permits	\$100-\$500							

6. **Temporary Capacity Charge:** A charge assessed for temporary use of the metropolitan system (e.g. capacity for disposal of contaminated groundwater). This charge is assessed in lieu of SAC, due to the temporary nature of the service – essentially renting capacity in the system.

<b>2015 Temporary Capacity Charge:</b>	<b>\$1.25 per 1,000 gallons</b>
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7. **Late Report Fee:** A fee assessed to permittees who fail to submit a complete self-monitoring report on a timely basis. The late fee amount is based on the frequency and severity of late reports.

<b>2015 Late Report Fees:</b>	<b>\$150-\$800 per report (more detail available on website)</b>
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8. **Stipulation Agreement Payment:** These are negotiated monthly payments and daily penalties intended to negate the economic advantage of noncompliance with federal pretreatment standards or local limits.

9. **Cost Recovery Fees:** These fees are used to recover costs from any responsible party associated with spill or enforcement responses, non-routine data requests, special discharge requests, orders to appear, or notices of violation. Two administrative cost recovery fees are the Encroachment Application Fee (\$600 per easement) and the Direct Connection Application Fee (\$1,000 per connection). Both of these fees are assessed to recover administrative costs for time spent by MCES staff.

## Rate Setting Budget

	2014 Adopted Budget* \$\$s in thousands	2015 Preliminary Budget \$\$s in thousands	Change %
REVENUE & Other Sources:			
Metropolitan Wastewater Charge	184,189	190,710	3.5
SAC Transfer (incl. Shift Backs, \$2.7M in 2015)	35,662	36,068	1.1
Industrial & Hauler Charges	14,020	14,266	1.8
Other Sources	<u>5,155</u>	<u>8,457</u>	<u>64.1</u>
Total	239,026	249,501	4.4
EXPENSES & Other Uses:			
Wastewater Debt Service	102,734	109,000	5.9
MCES Labor	65,221	64,761	- 0.7
Non-Labor	58,325	58,959	1.1
Interdivisional Charges	11,199	12,646	13.6
Pay-as-You-Go for Capital Projects	<u>2,000</u>	<u>5,000</u>	<u>150.0</u>
Total	239,526	250,366	4.5
SURPLUS/(DEFICIT) to (from) Op. Reserve	(500)	(865)	42.3

\* Before carry-over budget amendments.

**MCES Staff Notes**  
**MCES Customer Forum**  
**Golden Valley City Hall Chambers – May 22, 2014**

Water Supply Planning

**Comment:** I have a concern about there not being extra water in the River and Minneapolis' intake close to being exposed. The City of Crystal is drilling three wells as backup because of the concern. Multiple times in the past 20 years the River has been close to running low. Not sure about relying on it going forward for growing infrastructure.

**Question:** How has conservation helped the Council's water supply planning, and has the Council performed studies to know?

**Answer:** MCES is starting to do studies. Education of the public is also important.

**Comment:** We should also take into consideration that more appliances are water efficient or low flow.

**Comment:** The City of Lakeville found it helpful to restrict water usage during certain times of day but found some residents were not following the restriction. So they increased the fine after each offense - which made a difference.

**Question:** What is the role of water conservation in the Council's rate setting?

**Answer:** We have seen a general trend of reduction in wastewater volume over many years (although not this year) and we think water conservation is one of the drivers. However, it does not really reduce our costs much, as that often means the concentration of solids in the water is stronger.

Preliminary 2015 Rates & Budget:

**Question:** Regarding the Metropolitan Wastewater Charge (MWC), why is the flow up?

**Answer:** Due to the weather; but this is opposite the long-term trend that has seen our flows decline significantly over about 15 years. Also keep in mind that we don't have May and June data yet, so the annual results may yet differ for the cost allocation between cities.

**Questions:** Why does the Council not use a 3 year average flow for MWC billings instead (because the frequency and intensity of storms contribute to issues)?

**Answer:** We have looked at that fairly recently and certainly would again, if multiple customer cities asked. However, last time we did study it, some finance directors expressed that they know about this variability and would rather manage it themselves. Also, using an average means that changes in a city - for example, from growth or effective I/I mitigation - won't impact the rates fully for 3 years, and there would be transition issues

**Comment:** I prefer annual billings because it can be reflected in the annual budget and cities can react to "the hit" more quickly and proactively.

**Question:** Are reliever projects paid for by SAC funds?

**Answer:** Yes, all wastewater debt service (and pay-as-you-go for capital projects) is paid in part by SAC. Historically this has averaged about 1/3.

**Question:** Is a chart of the communities that pay the most SAC available?

**Answer:** We do compile SAC information but do not generally distribute it because the list will change fairly dramatically from year to year depending on communities' permit activity. One of the benefits of being part of a region is that the diversification of development between communities dampens out the variability in this revenue source.

**Question:** Looking at the SAC rate increases over the last few years, what generally can the reserve fund be used for?

**Answer:** The state statute is definitive on the allowed use, that is, it's only for the reserve capacity portion of our capital project costs, and also a small piece is used to administer the SAC program.

**Question:** Do bond rating agencies pay close attention to the SAC reserve balance? How would they view the SAC reserves being at a minimum?

**Answer:** Definitely, they pay close attention to the reserve balance and in fact were relieved when the SAC shift legislation was passed a few years back, as this gave us a way to manage when the economy declines and SAC reserves and new revenues are stressed to pay the debt service portion the statute requires. The legislative authority for the “shift” ends in 2015, so this situation could occur again. Rating agencies would prefer if there was no sunset.

**Question:** Isn't the cost of growth for redevelopment higher than outside the core, and how does SAC reflect that?

**Answer:** The most recent SAC task force asked that same question, Ehlers Associates was asked to do a simple analysis and it showed that the costs were about the same.

## Staff Notes

### MCES Customer Forum

### League of Minnesota Cities – May 29, 2014

#### Water Supply Planning

**Question:** Why wasn't DNR given the authority to be in charge of the water conservation efforts? It seems as though there are “too many cooks in the kitchen” with the involvement of MCES. How do communities know who has ultimate authority? Where will the direction come from on this initiative?

**Answer:** The Master Water Supply Plan is a joint plan administered by both the DNR and Met Council. Met Council is doing the technical analysis, and DNR has the authority to act based on that analysis.

**Question:** So are you simply in an advisory role?

**Answer:** Yes. Our role is a bit unique in that we consider the orderly and economic impacts on the region.

**Question:** Has MCES looked at what surface water will be in 2040?

**Answer:** Yes, MCES has looked out that far and will continue to do so as part of *Thrive MSP 2040* initiatives.

**Question:** Are Metropolitan Area Water Supply Advisory Committee (MAWSAC) members a mixed group of staff and elected officials?

**Answer:** In addition to staff, it is comprised of mayors, city officials, and county commissioners.

#### Preliminary 2015 Rates & Budget:

**Comment:** Regarding how the MWC is calculated, I prefer it continue to be calculated as a 1-year average instead of a 3-year average, as some have suggested.

**Comment:** I would welcome a 0% increase for SAC and feel it is conservative because of the increasing SAC receipts.

**Reply:** Jason asked for a show of hands – who is in favor of the proposal to increase the SAC rate by 2% (versus 0%)?

**Answer:** Four of the eleven guests raised their hands.

**Question:** Is the SAC rate already locked in for East Bethel for 2015?

**Answer:** Jason explained the context of Rural Growth Centers and why they, including East Bethel, are contractually obligated to pay a higher SAC rate.

#### Open Forum

**Question:** How can communities assure that I&I is from their pipes and not from MCES pipes?

**Answer:** The 2010 Demand Charge Task Force examined this question, and as a result, MCES changed the I&I formula for what is allowed. We make an adjustment now reducing city exposure for an assumed portion of the measured I/I coming from MCES pipes - it works out to the communities' benefit. You can contact MCES Technical Services with questions about flow or that computation.



**Question:** Is there a uniform formula for how I&I is calculated, or is it different for each city? Does MCES take into account rehab projects on the pipes?

**Answer:** There is one uniform way it is calculated.

**Question:** If the SAC rate does not increase in 2015, should communities expect that future rates will increase?

**Answer:** Not necessarily. The most important factor is the number of SAC Units paid to MCES, and that will impact future rate increases.

**Question:** Can you clarify that 5% is the estimated increase for MWC charges in future years?

**Answer:** Yes, roughly we are projecting 5% increases annually in the near future; however we will continue to try and keep them as low as possible without sacrificing the assets or the environment

**Question:** Can you explain why Industrial Permit fees are increasing at 8%?

**Answer:** A decision was made years ago that these fees should recover the directly related program costs (but no indirect costs) and we have been phasing up to that for many years. In recent years, MCES has simply added 5% to the proposed MWC increase, and then rounds the numbers. That is how the proposed rates were determined. 5%.

## Comments & Questions from Industrial Waste Customer Forum June 5, 2014

### Water Supply Planning

**Question:** Regarding water plants treating for radium, is this a new treatment?

**Answer:** Radium is a naturally occurring element in groundwater and geology, and is expressed as radon gas in showers. A number of cities in the Minneapolis-St Paul metropolitan area have detected radium in the water supply and are treating to removing it.

**Question:** What are the possible solutions to lakes and streams drying out?

**Answer:** A critical part of the water supply plan will be balancing the sources of drinking water to attain groundwater recharge. Some cities will continue to draw from the aquifers, while others will draw from rivers. Currently, we are only using 2% of the river's capacity (in normal conditions) for our water supply, so there is room to expand that to allow the aquifers to recharge.

**Question:** Can you clarify the relationship between MCES and the DNR?

**Answer:** The DNR is the regulatory authority. MCES has been instructed by the legislature to complete the analysis and provide recommendations to DNR on how to proceed. Out of this will come joint plans, such as the East Metro Water Supply Plan which is now being used to address issues in White Bear Lake and other surrounding lakes with extremely low water levels.

### Preliminary 2015 Rates & Budget:

**Question:** Can you clarify how the temporary capacity charge relates to industry?

**Answer:** The TCC is for capacity use, essentially rented, and carries about 1/20<sup>th</sup> the cost of a SAC unit. This applies mainly to sites that temporarily discharge to the sanitary sewer, such as landfills and contaminated groundwater pump-outs. TCC is also used in cases where a company is trying to reduce its water usage permanently to avoid having to make SAC payments.

**Question:** How is credit given for permanently reducing discharge?

**Answer:** There is a rule that allows a permanent process change by an industry to create credits in some circumstances. However, by Statute, SAC is paid to us by the City, so all credits go to the city, not directly to the industry. Note that, the temporary capacity charge is for rented capacity, so that is charged directly to companies.

**Question:** Do you have more information on IPIP [Industrial Pretreatment Incentive Program]?

**Answer:** Jason explained the significant aspects and goals of IPIP:

As an example, MCES may need to install and operate a fourth incinerator at the Metropolitan WWTP, which may cost \$100 million and raise rates for all users, and IPIP could help delay this project. As a result, IPIP is being crafted as a win-win-win for MCES, participating companies and the environment. The premise is that MCES finances pretreatment technology (e.g. digesters) at an industry site. The company pays MCES a lease payment that is between 70% and 100% of the debt service cost, with the discount based on the success level of reducing wastewater strength. In addition to this discount, the company benefits from reduced strength charges paid to MCES.

The balance between this program's risks and benefits is something that has been getting careful consideration as well as working on legal and procurement issues. The earliest that MCES would be taking IPIP applications is fall 2014.



**Minneapolis**  
City of Lakes

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July 2, 2014

Sandy Rummel  
Chair, Environment Committee  
Council Member, Metropolitan Council  
390 Robert Street North  
St. Paul, MN 55101

Dear Chair Rummel and Committee Members:

I'm writing on behalf of the City of Minneapolis regarding the proposed 2015 Metropolitan Council wastewater rates which are expected to come to the Environment Committee on July 8, and the full Council on July 23. Feedback was sought at customer forums held this spring and we appreciate the chance to comment. We request that the Met Council not raise Sewer Availability Charge (SAC) rates in 2015 and that the Met Council "shift back" the full remainder of funds owed to the Metropolitan Wastewater Charge (MWC) fund in 2015.

### **Sewer Availability Charge**

Based on a conservative outlook provided by MCES staff, maintaining current SAC rates will provide the funding needed for all identified needs of the SAC capital investment program and debt service. SAC is a service, and as such, we expect rates to have a direct relationship to the cost of the service provided and to not substantially exceed those costs. Even in the most conservative and unlikely scenario presented by MCES staff, with 0% increase in rates and slowed growth, SAC would still achieve the Met Council minimum balance in 2015, 2016 and 2017. In that scenario, there would be time to make adjustments if deemed necessary.

Keeping SAC rates flat in 2015 would encourage the growth and development that both Minneapolis and the Met Council would like to see. Furthermore, SAC has seen substantial rate increases in recent years during times of hardship and just as burdens were shared, fairness dictates that benefits of improved conditions are also shared.

### **Municipal Wastewater Charge**

During the economic downturn, the SAC reserve essentially borrowed from the Municipal Wastewater Charge (MWC) fund in order to make required



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payments on debt service. The circumstances were unusual and the Legislature authorized this shift on temporary basis. We are very pleased that Met Council is now in a position to re-pay the MWC fund.

MCES staff have presented a plan to repay the remainder over 4 years. We would advocate for paying back the full remainder in 2015 in order to correct the balance between the funds without delay. During the downturn, MWC faced higher rates and took on a greater burden of system costs. Now that we are experiencing sustained levels of recovery, the “shift-back” should be done as quickly as feasible.

Minneapolis is the largest Met Council wastewater customer and paid about 34.5 million dollars last year. The rates that we charge our customers are based on cost of service, and MWC is by the far the most substantial factor in that cost (about 75%). MWC rates have a direct impact on the bottom-line for businesses and residents in the city.

A shift-back that would result in a reduction in 2015 MWC rates, would restore balance and benefit all communities in the metro. Funds that are retained by local governments can be used for investments like maintenance and the reduction of inflow and infiltration.

Thank you for your consideration.

Sincerely,

Kevin Reich

Council Member, City of Minneapolis

Chair, Transportation & Public Works Committee

Cc: Council Member Marie McCarthy, Vice Chair  
Council Member Wendy Wulff  
Council Member Harry Melander  
Council Member Edward Reynoso  
Council Member Lona Schreiber  
Council Member Gary Van Eyll  
Jason Willett, Director, MCES Finance & Energy



Good morning Jason –

Regarding the proposed SAC rate for 2015, Metro Cities would recommend leaving the rate flat, or at most, at a 1% increase, for next year. In reviewing the materials from the recent MCES municipal forum, the SAC reserve fund (based on a low-receipt scenario) would still be above the Council's required balance for the next couple years. In addition, SAC receipts have increased and projected to continue this trend. The SAC rate has been increased each year - at times significantly - since 2002, so it may be wise to take a pause after many years of increases. Metro Cities policies continue to emphasize equity, transparency and lower rates for SAC.

Metro Cities commends the Met Council for its policy response to the downturn in SAC receipts during the recession, a policy that we would support extending.

When the original SAC "shift" legislation was put into place in 2010, Metro Cities supported a 2015 sunset date to give the new policy a chance to function. This provision was enacted into law, and the date of the sunset is now approaching. Given the prudent response by the Council around the shift and payback to the wastewater fund ahead of schedule, Metro Cities would support extending this policy should the Council need it in the future.

The SAC rate is revisited each year, and having a policy mechanism in place to address an unexpected downturn in SAC receipts should provide the Council with sufficient room to leave the rate at its current level. In summary, given the level of the reserve, the continued projection for increases in receipts, and the fact that the rate has had significant increases for several years serve to justify leaving the SAC rate at its existing level, or at most a 1% increase, for now.

Thank you for your consideration.

Sincerely,

Patricia Nauman, Executive Director  
Metro Cities