

Other Business

For the Council Meeting of February 13, 2013

ADVISORY INFORMATION

Date:	January 18, 2013
Subject:	Appointments to Sewer Availability Charge (SAC)/Reserve Capacity Study Work Group
District(s), Member(s):	All
Policy/Legal Reference:	Metropolitan Council Bylaws; Water Resources Management Policy Plan; Council Admin. Policy 3-2-5 / M.S. 473.517 subd. 3
Staff Prepared/Presented:	Susan Haigh, Chair
Division/Department:	Office of the Chair

Proposed Action

That the Metropolitan Council approves Chair Haigh's recommendation to make the following appointments to a Work Group for a high-level and comprehensive review of options related to how the Council pays for the reserve capacity in the metropolitan wastewater system and related Sewer Availability Charge (SAC) issues:

Patricia Nauman, Executive Director for Metro Cities, as the chair, and Metropolitan Council member **Jon Commers** as the co-chair of the SAC / Reserve Capacity Study Work Group, and the following members: Metropolitan Council members **Gary Cunningham**, **Gary Van Eyll** and **Wendy Wulff**, as well as **Mike Gamache**, Mayor-Andover (or City Administrator Jim Dickinson as designee); **Sandy Colvin Roy**, Councilmember-Minneapolis; **Myron Bailey**, Mayor-Cottage Grove, **Terry Schneider**, Mayor-Minnetonka; and **Frank Boyles**, City Manager-Prior Lake.

Background

SAC program background can be found on the Council's web site at:

http://www.metrocouncil.org/environment/RatesBilling/SAC_Program.htm

Rationale

While the Council has appointed or participated in SAC Task Forces and Work Groups in 2009/10, 2011 and 2012, all of which led to customer-recommended improvements adopted by the Council, these efforts have focused on specific questions about the SAC program. In part, due to questions at Thrive listening sessions; and because the SAC program is now 40 years old, and generates quite a bit of administrative effort for both MCES and communities, I am appointing a Work Group to review the bigger questions. Most importantly how should the Council pay for the reserve capacity built into the wastewater system, how is reserve capacity to be built determined, and is the SAC program worth the administrative burden.

It is important to note that the regional wastewater system, managed by MCES is performing very well, producing both a high level of environmental compliance and competitive rates. Continuing to build some reserve capacity into system for future users is good engineering planning as it is much less costly than adding incremental capacity at a later date.

The first stage of the Work Group's work will be to develop a scope for review of the above questions. The scope may include developing options and a survey of peer wastewater agencies practices related to reserve capacity. Thrive information on regional trends and from scenarios

being developed is anticipated to inform but be separate from the study. Council staff will provide technical assistance.

Funding

Costs related to the Work Group itself are expected to be immaterial.

However, the expected study will require hiring a consultant which was not included in the 2013 MCES budget. Depending on the developed scope and timing it may require a budget amendment to make those funds available.

Known Support / Opposition

Metro Cities supports this review, has recommended the non-Council members for appointment and has helped develop the initial thinking.