

Environment Committee

For the Metropolitan Council meeting of November 30, 2016

Subject: Establish 2016-2017 Sewer Availability Task Force, Appoint Chair and Members

District(s), Member(s): All

Policy/Legal Reference: Water Resources Management Policy Plan (WRMPP)

Staff Prepared/Presented: Ned Smith, 651-602-1162

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

Proposed Action

That the Metropolitan Council approve Chair Duininck's recommendation to establish a 2016-2017 Sewer Availability Charge (SAC) Task Force to evaluate and make specific recommendations about the existing SAC Program, and to discuss, study, and recommend programmatic changes in order to ensure fair and equitable collection of SAC fees in the metropolitan area. Furthermore, that the following members be appointed with Council Member Wendy Wulff as Chair of the Task Force:

<u>Community</u>	<u>Name</u>	<u>Title</u>
1. St. Louis Park	Brian Hoffman	Inspections Director
2. Cottage Grove	Bob LaBrosse	Chief Building Official
3. Roseville	David Englund	Building Codes Coordinator
4. Brooklyn Park	Al Peterson	Building Official
5. Eden Prairie	Robert Ellis	Public Works Director
6. St. Paul	Steve Ubl	Senior Building Inspector
7. Minneapolis	Loren Olson	Gov't Relations Representative
8. Minneapolis	Katrina Kessler	Director, Surface Water and Sewers
9. Andover	Jim Dickinson	City Administrator
10. Apple Valley	Ron Hedberg	Finance Director
11. Minnetonka	Merrill King	Finance Director
12. Golden Valley	Sue Virnig	Finance Director
13. Metro Cities	Patricia Nauman	Executive Director

Pending Representative Selection

14. MN Manufacturers Association	Pending Selection
15. MN Restaurant Association	Pending Selection
16. MN Chamber of Commerce	Pending Selection

Background

When appropriate, Metropolitan Council Environmental Services (MCES) convenes a customer group to examine and evaluate general and specific issues surrounding MCES' Sewer Availability Charge (SAC) process, policy, and procedures. In 2016, a bill was introduced in the Minnesota House and Senate to exclude outdoor seating from SAC Charges. The bill did not pass. In response to the proposed legislation, MCES committed

to convene a task force to review the policy with SAC customers. While this issue was examined and completed as part of a 2009 SAC Task Force, it is a valuable exercise to check in with SAC customers again on the outdoor seating policy, currently offered at a 75% discount. In addition, there are several other policies that have risen that merit customer review.

The 2016-2017 SAC Task Force (Task Force) will be convened by a joint effort of MCES and Metro Cities. Task Force members were selected to ensure representation across the region and include business and various city functions. The Task Force will review current policies, examine different approaches, conduct financial and other impact analyses, and make final recommendations. MCES will then work with its staff and the Council as needed to implement the Task Force Recommendations.

Scope

- Provide report to Legislature by end of January on outdoor seating approach
- Evaluate options for manufactured home SAC affordability issues
- Explore options to simplify SAC application process for business owners
- Explore options to simplify credit verification for communities

Rationale

SAC is a critical revenue sources for MCES.

- SAC collects approximately \$40 Million each year
- SAC pays 35-40% of MCES debt service
- SAC allows the council to build in anticipation of additional capacity and then collect as capacity demand occurs

A critical component of SAC is that it is a service-based fee that is applied equally and equitably across all users of the Metropolitan Disposal System.

- It ensures new or expanding users pay the new portion of the capacity demanded.
- It ensures existing users only pay for the debt service portion of the system that they are using.

It is important that MCES frequently obtain customer input via Task Forces to ensure all customers are treated equitably and are heard in developing SAC criteria and procedures.

Funding

Task Force administrative costs will be minimal and will be managed within MCES' adopted 2016 operating budget.

Known Support / Opposition

Generally, community staff and Metro Cities have expressed support for the Task Force and its mission. In addition, the bill introduced during the 2016 session that did not pass requested the Metropolitan Council and Metro Cities to further explore the outdoor seating policy.