

2016-2017 SAC Task Force: Meeting 2

December 20, 2016



Meeting 2 Overview

Patricia Nauman, Metro Cities



Meeting 2 Overview

- Approve minutes
- Finish Issue 1 – Outdoor Seating Policy
- Begin Issue 2 – Discounts for Manufactured Homes

Review Issue 1

Ned Smith, MCES Director of Finance & Revenue

Review Issue 1

- Science
 - Tradeoff rain vs. full capacity
- Policy/Equity
 - Task Force Feedback – No Subsidies
 - Current rule was developed by previous work group
 - Decided by work group not legislature
- Politics
 - Proposed 50% Discount → Approved 75% Discount
 - 75% > 0% (rather have some development than none)
 - Follow legislative proposal to keep SAC out of the 2017 session

Tenets of SAC

- SAC is about capacity demand (not flow)
- Highest potential use
- SAC revenue is fixed
 - Any exemptions paid by other users
- Not just based on building and plumbing code alone
- SAC is about “the one day”

Elected Official Perspective

Andrew Johnson, Minneapolis Council Member



Last Meeting Outdoor Suggestions

- Exempt 100%
 - Argument: Customers just shift to outdoors (no increase in customers)
- Prorate
 - Argument: Customers only sit outside a few months of the year



Last Meeting Outdoor Suggestions

– cont'd

- Charge full SAC (no discount)
 - Argument: Maximum potential for indoor and outdoor customers
- Change outdoor seating criteria (e.g., 40 seats) – Argument:
 - Simplify criteria (<19 still applies and easier to understand)
 - Eliminate “discount”
 - Grant relief for partial-year and/or rain impact
 - Capacity still demanded; still paid for
 - Cost of service model preserved (no one paying for other uses)
 - Still encourages growth
 - Aligned with past task force

Final Discussion and Vote

Next steps: Issue 1

- MCES staff will draft summary and distribute to Task Force
- Task Force will review with interested staff and submit requested edits
- MCES will summarize edits and distribute prior to meeting 3
- Meeting 3 for final approval

Issue 2: Manufactured Housing

Manufactured Housing – Background

- A few communities transitioning to Metropolitan Disposal System (MDS)
 - Includes Manufactured Home parks
 - SAC can be a material burden on manufactured home homeowners, who are often at or below poverty levels
- Community Development issued a report in Fall 2016 requesting analysis of manufactured home discharge
 - If data support it, re-rating categories is common
- Prior task force has expressed “no-exemption” SAC policy (issue was affordable housing)
- Current solutions:

Manufactured Housing Flow Review

- Manufactured Home Park Flow Data Review
 - ✓ Limited data available state wide
 - ✓ Parks with treatment facilities required to report
 - ✓ Limited reporting requirements
 - ✓ Inconclusive results
 - ✓ Maximum Peak day varied greatly
 - ✓ Data points during suspected high flow days missing
 - ✓ Other factors influencing peak day flow
 - ✓ Poor system maintenance - I/I
 - ✓ Running taps during winter

Pros and Cons – Manufactured Homes SAC Credit

Pros	Cons
Some Mfg. Homeowners are at or below poverty and cannot afford \$2,485	Prior taskforces have expressed “no exemptions” policy
SAC is a material burden, especially for converting homes	Less revenue for SAC; will be distributed across paying base
Encourage mfg. parks with environmentally underperforming treatment facilities to convert to cleaner MDS	1 residence = 1 SAC Most mfg. home parks have overall owner: SAC benefit not necessarily shared with homeowners

Potential Outcomes

- Continue flow study and modify criteria as data supports
 - Notify task force members of result
- Manufactured home exemption or discount
- No change
 - Promote deferral program with community assistance on tenant-benefit enforcement
 - Pursue non-MCES funded affordability grants

Discussion

**Next Meeting:
Tuesday, January 10, 2017**

