



**Request for City Council Committee Action
From the Department of Regulatory Services**

Date: 10/05/04
To: Dan Niziolek, Chair
Public Safety and Regulatory Services Committee

Subject: New policy for Sewer Availability Charges (SAC) and Fees.

Recommendation: That the Committee:

1. Rescind Resolution 76R-397, entitled Establishing Sewer Service Availability and Connection Charge to pay reserve capacity costs of Metropolitan Waste Control Commission (formerly Metro Sewer board) as to Construction Commencing on or After January 1, 1977, in its entirety due to it being out of date.
2. Pass a resolution setting new policy for sewer service availability and connection charge to pay reserve capacity costs of Metropolitan Council Environmental Services in accordance with current Metropolitan Council policy.

Previous Directives

Previous resolution of January 1, 1977 Sewer Service Availability and charges.

Prepared or Submitted by: Michele Bliss, Records Management Specialist, 612/673-5829

Approved by:

Merwyn Larson, Director, Inspections

Rocco Forte, Assistant City Coordinator
Regulatory Services and Emergency Preparedness

John Moir
City Coordinator

Presenters in Committee: Clara Schmit-Gonzalez, Deputy Director,
Administration
Michele Bliss, Records Management Specialist

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain): Allows transfer of unused SAC credit to the City after 3 years. Since few credits likely remain in most circumstances, this will have a small positive impact on the Sewer Fund.

Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact:

Neighborhood Notification

City Goals:

Comprehensive Plan

Zoning Code

Other

Background/Supporting Information Attached

The former resolution, 76R-397, was passed in 1976 and needed to be updated. The new resolution brings the City's Service Availability Charge (SAC) policies and procedures into compliance with the Metropolitan Council Environmental Services criteria.

A review of current Metropolitan Council Environmental Services policies and procedures and other cities' practices, with staff from CPED, Finance, Regulatory Services, City Coordinator, City Attorney and Metropolitan Council Environmental Services, culminated in the attached proposed resolution.

The addition of the clause in the resolution, "If application and permits for a new use are applied for within 3 years of issuance of a demolition permit the City may choose to recognize previous sewer usage unit credits", was included to encourage redevelopment quickly after a building is torn down.

2004R-

**RESOLUTION
OF THE
CITY OF
MINNEAPOLIS**

By Niziolek

Rescinding Resolution No. 76R-397 entitled Establishing Sewer Service Availability and Connection Charge to pay reserve capacity costs of Metropolitan Waste Control Commission (formerly Metro Sewer board) as to Construction Commencing on or After January 1, 1977.

Resolved by The City Council of the City of Minneapolis:
That the above-entitled resolution be and is hereby rescinded.

2004R-
RESOLUTION
of the CITY OF
MINNEAPOLIS
By Niziolek

Establishing sewer service availability and connection charges to pay reserve capacity costs in accordance with Metropolitan Council Environmental Service Division policy and pricing.

Whereas, the Metropolitan Council Environmental Services Division has determined to reserve unused capacity in the metropolitan disposal system each year commencing in 1973 for local government units in which new buildings to be connected to the system or increased volume connections to the system are commenced during such year; and to allocate the debt service costs of such unused capacity for the year among such local government units; and

Whereas, in order for the City to pay such costs allocated to it each year, it is necessary to establish sewer service availability and connection charges for all buildings and uses;

Now, Therefore Be It Resolved by the City Council of the City of Minneapolis:

That for the purpose of paying costs of reserve capacity allocated to the City each year by the Metropolitan Council Environmental Services Division, the Council hereby adopts by reference the Metropolitan Council Environmental Services Division pricing for sewer availability charges (SAC). The charge for each building or structure shall be equal to the number of units of sewage volume which it will discharge, and shall be subject to the conditions and rates set by the Metropolitan Council Environmental Services Division.

Be It Further Resolved that this charge shall be collected prior to the issuance of a building permit or water and/ or sewer connection permits.

Be It Further Resolved that, if permits for a new use are issued within 3 years of issuance of a demolition permit, credit may be given against this charge for any demolition credit units previously reported to the Metropolitan Council Environmental Services Division by the City. In no case shall the credit to be received exceed the charges imposed under this resolution on any permit.

Be It Further Resolved that the Regulatory Services Department shall be responsible for the administration of the program and shall prepare or revise building permit or sewage connection permit application forms to provide information necessary for the computation of the number of units assignable to the building, structure, or use in question, and shall collect the applicable charge before issuance of a permit. The Regulatory Services Department is required to make such information available to the Metropolitan Council Environmental Services Division. If upon filing a report covering

such permit with the Metropolitan Council Environmental Services Division, the Commission determines that a greater number of units is assignable to the building, structure, or use in question, any additional amount of cost allocated to the City as a result shall be paid by the person or company to whom the permit was granted.

Be It Further Resolved that the Regulatory Services Department is further directed to place receipts of this charge in the Sewer Rental Fund and to bill all collection and administrative costs they incur for this resolution to the Sewer Rental Fund on a periodic basis.

The three year credit provision shall become effective on January 1, 2006, while all other provisions are effective upon passage of this resolution.