

Sewer Availability Charge (SAC) Overview

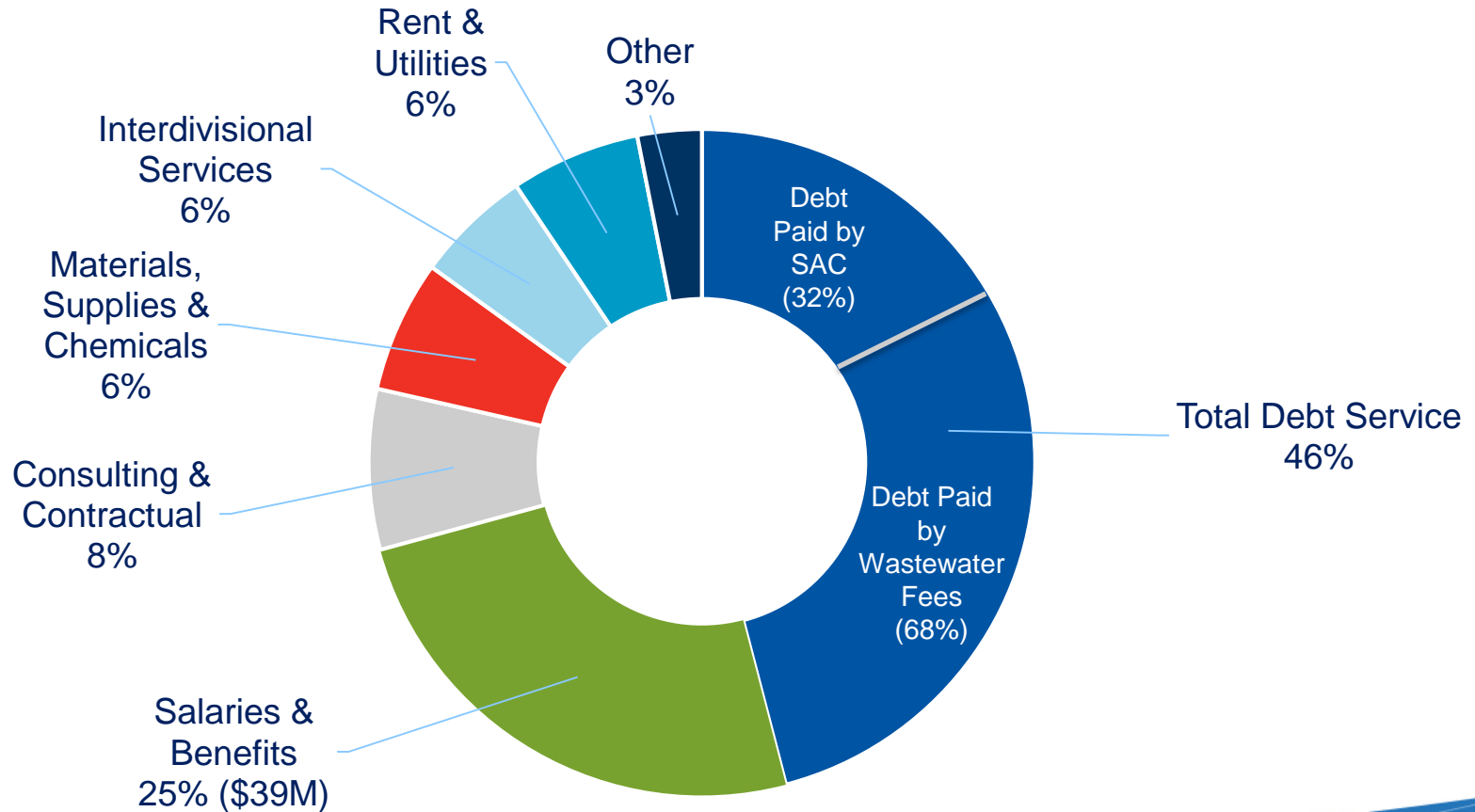
What is SAC?

- The Sewer Availability Charge, or SAC, is a one-time fee charged to local governments. (Some local governments also add additional fees to the SAC.)
- One single family home = 1 SAC unit
- Non-residential properties require a determination (or calculation) of the maximum potential wastewater capacity needed for the site.
- The Council charges SAC to local governments, who pass it on to business or property owners.



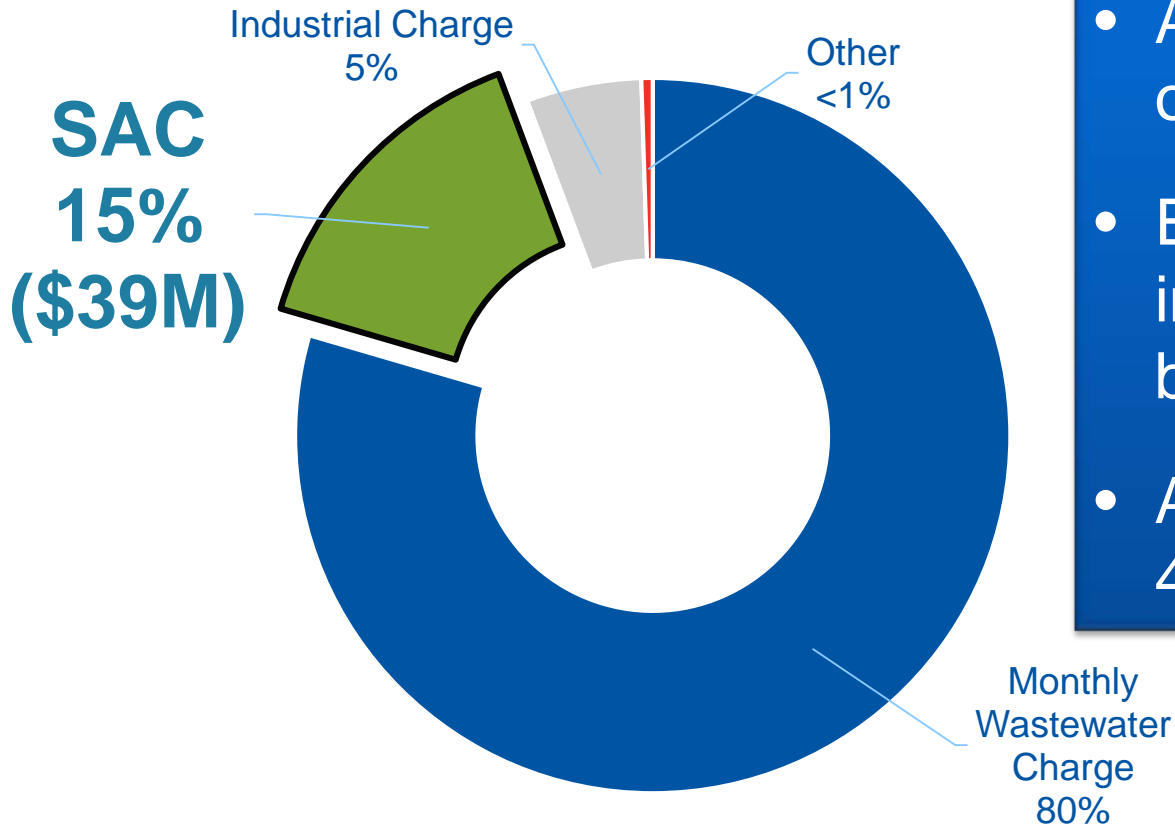
SAC pays ~1/3 of Total Debt Service

Uses (2017 Budget)



SAC is a critical revenue source

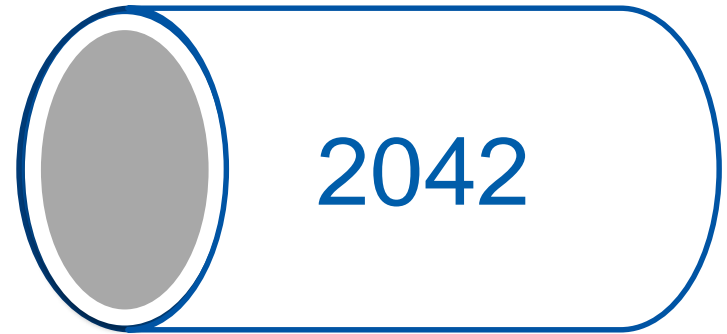
Sources (2017 Budget)



- A material component of waste water fees
- Elimination would increase monthly fees by ~20%
- Accrued benefits over 44 years

SAC allows MCES to build for the future, & charge in the future

- MCES builds pipes in anticipation of future growth, but distributes the cost over time and generations.
- SAC future-proofs our system, allowing *all* communities to grow



What was built in 1982



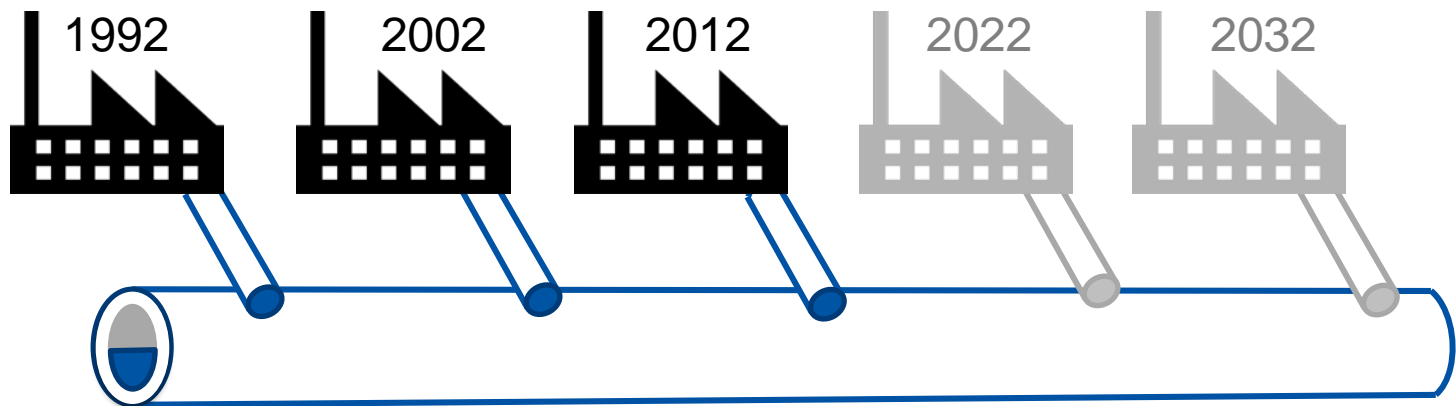
What was paid for in 1982



What was paid for in 2012

SAC serves the community

- Acts as a savings program: capacity built up front, users only pay when additional capacity is needed
- Promotes regional growth: development can occur anywhere in the region



- *Frequent meetings with stakeholders to verify the program serves its constituents*

2016-2017 Task Force Members

Chair

Wendy Wulff, *Metropolitan Council Member*

Community Government

James Dickenson, *Andover City Administrator*

Ron Hedberg, *Apple Valley Finance Director*

Sue Virnig, *Golden Valley Finance Director*

Merrill King, *Minnetonka Finance Director*

Katrina Kessler, *Minneapolis Public Works Director*

Kyle Klatke, *Brooklyn Park Plans Examiner*

Loren Olson, *Minneapolis Government Relations*

Kevin Schmieg, *Eden Prairie Building Official*

Brian Hoffman, *St Louis Park Building Official*

Bob LaBrossee, *Cottage Grove Building Official*

David Englund, *Roseville Building Official*

Steve Ubl, *St Paul Building Official*

Patricia Nauman, *Executive Director of Metro Cities*

Business Groups

Dan McElroy, *MN Hospitality representative (MN Restaurant Association)*

Tom Thomasser, *MN Chamber of Commerce representative (Summit Brewing)*

SAC is about providing capacity for the busiest day of the year

Consider TCF Stadium:

- Capacity (pipe size) needed for average flow VS.
- Capacity needed during a Gophers-Badger game

Result: 526 SAC



Average Flow

Gophers-
Badgers
game

SAC is about providing capacity for the busiest day of the year

Or Kieran's Irish Pub:

- Capacity (pipe size) needed for average flow VS.
- Capacity needed on 70^o Saturday St. Patrick's Day

Result: 41 SAC

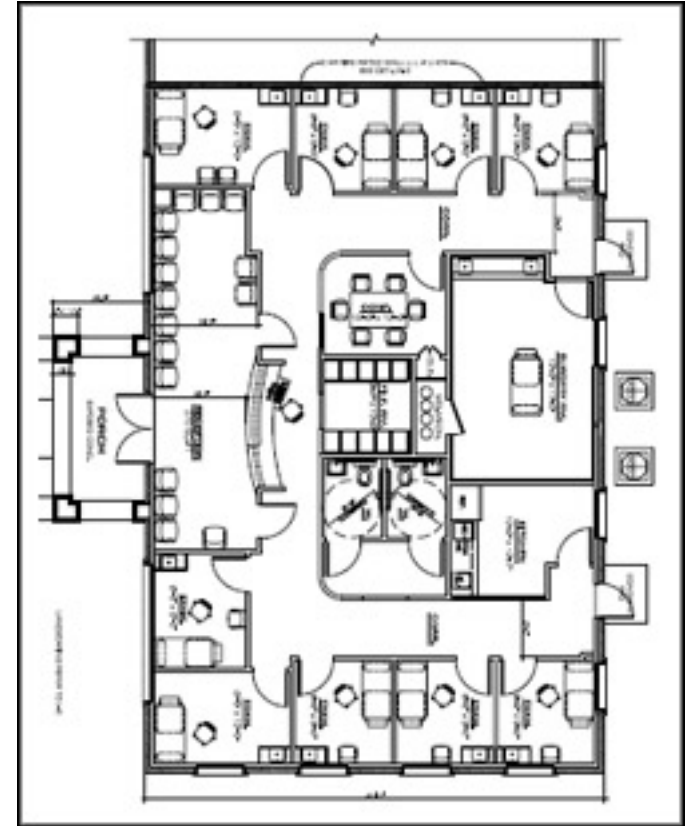
 Average Flow

 St.
Patrick's
Day



SAC is only charged for increased capacity

- SAC is only charged when a new or existing business increases the capacity demand on the system
 - New construction
 - Remodel adds more seats
 - Remodel changes use to higher demand (e.g., bookstore to restaurant)
- There are programs to help small to medium businesses defer the cost of SAC



Questions?