

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Metropolitan Council; allocation of metropolitan disposal system costs

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This bill is a request of the Metropolitan Council.

Metropolitan area wastewater collection and treatment is provided at the wholesale level to local governments in the region. It is user financed. Current costs cover operations, maintenance, and debt service. To cover costs of having built excess capacity in the system to accommodate growth but not place the entire burden of that excess capacity on current users, a portion of the current costs that is proportionate to the amount of reserved capacity is paid for with the sewer availability charge (SAC)—a charge for a new connection to the system or an increase in capacity within a local government's area. SAC goes into the wastewater reserve capacity fund, from which an amount is transferred to the operating fund to help pay current costs.

This bill provides the council temporary authority to reduce SAC in one year if the next year has sufficient reserves. The difference in the amount transferred from the reserve capacity fund in year one would be made up with higher charges to local governments. The bill requires the council to increase the SAC charge in the next year. When the council has a two-year balance in the wastewater reserve capacity fund, the SAC transfer to the operating fund must be increased to make up for prior reductions. This means that charges to local governments would be less than they otherwise would have been.

This authority expires December 31, 2015.