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HOUSE FILE NO. 2949

FIRST COMMITTEE ENGROSSMENT

February 15, 2010

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The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections

Referred by Chair to Local Government Division.

March 8, 2010

Returned to the Committee on State and Local Government Operations Reform, Technology and Elections as Amended.

1.1 A bill for an act
1.2 relating to metropolitan government; modifying provisions for the allocation of
1.3 treatment works and interceptors reserved capacity costs; amending Minnesota
1.4 Statutes 2008, section 473.517, subdivision 3.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2008, section 473.517, subdivision 3, is amended to read:

1.7 Subd. 3. **Allocation of treatment, interceptor costs; reserved capacity.** (a)

1.8 In preparing each budget the council shall estimate the current costs of acquisition,
1.9 betterment, and debt service, only, of the treatment works in the metropolitan disposal
1.10 system which will not be used to total capacity during the budget year, and the percentage
1.11 of such capacity which will not be used, and shall deduct the same percentage of such
1.12 treatment works costs from the current costs allocated under subdivision 1. The council
1.13 shall also estimate the current costs of acquisition, betterment, and debt service, only, of
1.14 the interceptors in the metropolitan disposal system that will not be used to total capacity
1.15 during the budget year, shall estimate the percentage of the total capacity that will not be
1.16 used, and shall deduct the same percentage of interceptor costs from the current costs
1.17 allocated under subdivision 1. The total amount so deducted with respect to all treatment
1.18 works and interceptors in the system shall be allocated among and paid by the respective
1.19 local government units in the metropolitan area ~~for which system capacity unused each~~
1.20 ~~year is reserved for future use, in proportion to the amounts of such capacity reserved for~~
1.21 ~~each of them.~~ through a metropolitan sewer availability charge for each new connection
1.22 or increase in capacity demand to the metropolitan disposal system within each local
1.23 government unit. Amounts collected through the metropolitan sewer availability charge
1.24 (SAC) must be deposited in the council's wastewater reserve capacity fund. Each fiscal

2.1 year an amount from the wastewater reserve capacity fund shall be transferred to the
2.2 wastewater operating fund for the reserved capacity costs described in this paragraph. For
2.3 the purposes of this subdivision, the amount transferred from the wastewater reserve
2.4 capacity fund to the wastewater operating fund shall be referred to as the "SAC transfer
2.5 amount."

2.6 (b) If, after appropriate study and a public hearing, the council determines for the
2.7 next fiscal year that a reduction of the SAC transfer amount is necessary or desirable to
2.8 ensure adequate funds remain in the wastewater reserve capacity fund, based on a goal
2.9 of maintaining at least the next year's estimated SAC transfer amount in the wastewater
2.10 reserve capacity fund, the council may reduce the SAC transfer amount for that fiscal year.
2.11 If the council reduces the SAC transfer amount for the next fiscal year, the council must
2.12 then increase the metropolitan sewer availability charge not less than the greater of six
2.13 percent or the annual percentage change in the Consumer Price Index for the metropolitan
2.14 region for the previous year plus three percentage points. For the purposes of this
2.15 subdivision, any reduction in the SAC transfer amount shall be referred to as the "SAC
2.16 transfer deficit." The provisions of this paragraph expire at the end of calendar year 2015.

2.17 (c) The council will record on a cumulative basis the total SAC transfer deficit. In
2.18 any year that the wastewater reserve capacity fund has a year-end balance of at least two
2.19 years' estimated SAC transfer amount, the council shall increase the subsequent annual
2.20 SAC transfer amount in excess of the amount required by paragraph (a) with the goal
2.21 of eliminating the cumulative total SAC transfer deficit. The annual amount by which
2.22 the council increases the SAC transfer amount shall be determined by the council after
2.23 appropriate study and a public hearing.

2.24 **EFFECTIVE DATE.** This section is effective the day following final enactment
2.25 and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and
2.26 Washington.