

**S**ewer

**A**vailability

**C**harge

Procedure Manual  
January 2011

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The mission of the Metropolitan Council is to develop, in cooperation with local communities, a comprehensive regional planning framework, focusing on wastewater, transportation, parks and aviation systems that guide the efficient growth of the metropolitan area. The Council operates wastewater and transit services and administers housing and other grant programs.

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# Sewer Availability Charge (SAC) Procedure Manual

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# 1. MCES CONTACT LIST FOR SAC QUESTIONS

www.metrocouncil.org, search word "SAC"


## SAC Program Administration

*Local Government Unit reporting forms and procedures; General SAC policies and procedures*


	E-mail	Phone/Fax
 Jessie Nye, SAC Program Administrator	jessica.nye@metc.state.mn.us	(651) 602-1378 (651) 602-1030 fax

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*Determinations (Non-Residential); SAC criteria; Use of Determination Application forms*

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*Determination Reviews*

 Kelly Barnebey, SAC Assistant	kelly.barnebey@metc.state.mn.us	(651) 602-1421 (651) 602-1030 fax
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*Contact for submittal requirements, ordering additional forms & manuals, and Determination status*

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## MCES Industrial Waste

*Industrial discharges; Third-year permit reviews; Contaminated groundwater*

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## MCES Finance

*SAC policy and authority*

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## 2. DEFINITIONS

**Add-on Service Charge:** Previous name for what now is called the Temporary Capacity Charge.

**Apartment:** A suite of rooms designed as a residence and generally located in a multi-dwelling unit building. A qualifying discounted apartment is a building with 4 or more dwelling units with no plumbing for individual laundry facilities in any of the units.

**Assigned SAC Baseline:** The Baseline number figured by MCES for each Permitted Industrial User that represents the total allotted wastewater discharge capacity for the wastewater flow from a Site.

**Baseline:** Used for Industrial Properties only, the Baseline was the flow documented at the end of 1991 if the industry flow was discharged into the Metropolitan Disposal System (MDS) in 1991 under a permit issued by MCES (then known as Metropolitan Waste Control Commission (MWCC)). An industry flow discharged under a permit issued by MCES is referred to in these procedures as a “permitted” use.

**Campus:** A specific contiguous geographic location that can be identified by a particular address, or addresses, or property identification description(s) with a single owner. It may be an entire campus of buildings such as a corporate campus, college/university, fairgrounds or Permitted Industrial User. MCES approves all SAC designations as Campus properties. (Note: malls, retail centers, multi-tenant buildings are not considered Campuses.)

**Capacity Demand:** Permitted Industrial Users’ discharge volume.

**Capacity Demand Review:** Every three years MCES reviews Permitted Industrial Users and compares their current discharge volume (Capacity Demand) with their Assigned SAC Baseline. If a Permitted Industrial User whose discharge exceeds their Assigned SAC Baseline does not reduce its water discharge, additional SAC is assessed against the Local Government Unit within which the Permitted Industrial User is located.

**City-Wide Credit:** A SAC Credit that the Local Government Unit uses anywhere within the municipality to offset current SAC payments that would otherwise be due. No additional City-Wide Credits were generated after December 31, 2009.

**Commercial Property:** Any property connected either directly or indirectly to the MDS that is not a Residential or Industrial Property. This includes governmental and institutions, such as schools, hospitals, churches, etc.

**Community Review:** An audit-like review by MCES of a Local Government Unit’s SAC records and payments. SAC training of Local Government Unit staff is also available upon request. MCES reviews all Local Government Units SAC records and payments at least once every three years.

**Comprehensive Plan:** The Comprehensive Plan and all plan amendments of each Local Government Unit described in Minnesota Statutes 473.858 to 473.862.

**Condominium:** A multi-dwelling unit building in which the units are individually owned.

**Customer Communities:** This is the term used in the Waste Discharge Rules mostly for Local Government Units served by the MDS. See “Local Government Unit.”

**Credit:** A SAC Credit is an MCES unit of measurement of capacity that has been freed up within the jurisdiction of a Local Government Unit. If SAC was paid during the Look-Back Period, SAC Credits are determined by using the applicable criteria at the time SAC was paid; i.e. the highest gross SAC determined and paid is the SAC Credit. If SAC was not paid during the Look-Back Period and the current use was in existence prior to the Look-Back Period, Credit will be

determined using the criteria that were applicable the year before the beginning of the Look-Back Period; i.e. in 2011, the year before the beginning of the Look-Back Period is 2003. Note: No new City-Wide Credits were generated after December 31, 2009. Only those existing prior to that date are available for use off the Site from which they were generated.

**Demolition:** A Demolition (for SAC purposes) occurs when a building or structure is torn down, destroyed or moved off site. To preserve the potential for Credits, the Demolition Declaration (Form SAC-D) is required to document all Demolition activity and must be submitted to MCES by January 31 of the year following the calendar year in which the Demolition occurred. Demolition Declarations received by MCES after January 31 will not be considered.

**Determination:** The computation of SAC unit(s) assigned to a property. A Determination should be completed by MCES or the Local Government Unit when a modification is made to the use of the property or a new use occurs on the property.

**Determination Letter:** If MCES completes a Determination review, a letter will be sent to the Local Government Unit and a copy to the Determination submittal applicant that states the Net SAC. The letter will include the name and location of the project, SAC charge and Credit calculations and the Net SAC.

**Direct Connection Fee:** When private entities are permitted to directly connect to an MCES interceptor or other facility, a fee may be required to cover the engineering and administration of the connection. This Direct Connection Fee is separate from SAC that is levied against the Local Government Unit for capacity requirements.

**Dwelling Unit:** A building (or portion thereof) designated as a Residence for a single family.

**Full-Time Equivalent (FTE):** Hours of regular employment in a year divided by 2080. This is limited to employees as defined by the IRS. Contractors of any type are not considered employees.

**Good Faith:** Good faith is usually demonstrated by fulfilling the expected roles and responsibilities of the Local Government Unit that are listed in Section 4.2, including but not limited to: 1) filing SAC reports on time (without repeated errors); 2) resolving Community Review findings within 60 days of the date of the Community Review letter; and 3) following through on commitments to MCES staff to improve Local Government Unit SAC practices and procedures.

**Industrial Property:** Any property that is discharging Industrial Wastewater either directly or indirectly to the MDS. Note that many businesses commonly termed “industries” are not Industrial Properties for SAC purposes. MCES considers these to be Commercial Properties. MCES will make the final Determination regarding Industrial Property classifications consistent with its Waste Discharge Rules.

**Industrial Wastewater:** Any solid, liquid or gaseous wastes, excluding domestic waste, resulting from any industrial, manufacturing, Commercial, institutional or business activity, or from the development, recovery, or processing of a natural resource. Any waste that is transported by a liquid waste hauler and disposed into public sewers is Industrial Wastewater. Any Leachate, contaminated groundwater, or surface water with the exception of Inflow and Infiltration disposed into public sewers is Industrial Wastewater.

***Inflow and Infiltration (I/I):*** Infiltration is clear groundwater that seeps into sewer pipes through cracks or joints in the pipes and inflow typically originates from a single point, i.e. sump pumps, foundation drains, or storm water entering openings in the sewer access covers. MCES design standards allow for a certain amount of I/I; the remainder is excess I/I that reduces the capacity of the MDS and is subject to surcharge by MCES. See [www.metrocouncil.org/environment/ProjectTeams/I-I-Home.htm](http://www.metrocouncil.org/environment/ProjectTeams/I-I-Home.htm) for more information.

***Leachate:*** Liquid that has originated within or has percolated through refuse or through the protective cover of a landfill.

***Local Government Unit:*** Any entity within the area served by the MDS that is authorized to issue building permits, sewer connection permits or equivalent.

***Local SAC:*** The actual total fee paid by the property owners to the Local Government Unit, which may include Metropolitan Council SAC passed on by the Local Government Unit and any local add-on charges. These fees vary widely between Local Government Unit's and could add *substantially* to the total SAC costs of a property or business owner.

***Look-Back Period:*** The period of time prior to a Determination that MCES looks at to determine applicable Credits when a SAC Determination occurs. The Look-Back Period is the seven full years prior to the new SAC Determination or permit issuance and that part of the current year up to the Determination or permit issuance. For example, if a permit is issued in July 2011, the Look-Back Period will go back to January 1, 2004 (seven calendar years plus the portion of the year 2011).

***Maximum Demand:*** For Commercial properties it is the highest capacity demand in SAC units within the Look-Back Period. For example, if in the Look-Back Period there had been a 4-SAC, 7-SAC, and 5-SAC demand, the Maximum Demand in the Look-Back Period is the 7-SAC Determination. However, if SAC should have been paid during the Look-Back Period but was not, no Credit is allowed for that unpaid SAC. For Permitted Industrial Users it is the highest of the recognized demand determined during the third year Capacity Demand Reviews during the Look-Back Period or any special reviews that resulted in additional SAC being paid.

***Metropolitan Area:*** The seven county Metropolitan Area over which the Council has statutory jurisdiction pursuant to Minnesota Statutes section 473.121, as may be amended from time to time. Hanover and Rockford (in Hennepin County), New Prague (in Scott County), and Northfield (in Dakota County) are currently excluded from the Metropolitan Area.

***Metropolitan Council Environmental Services (MCES):*** The division of the Metropolitan Council (Council) responsible for the regional wastewater conveyance and treatment operations, industrial wastewater management, water quality monitoring and water supply planning.

***Metropolitan Disposal System (MDS):*** All facilities (e.g. pipes, meters, lift stations or wastewater treatment plants) that are part of MCES' sewer service area and owned by the Council. These are generally the wastewater treatment plants and related conveyance systems in the Metropolitan Area.

***Modified Baseline:*** Used for active Permitted Industrial Users only, the Modified Baseline is the value determined during the last third year review plus any additional SAC paid since that review.

***Net Credit:*** SAC Credit over the amount needed on a Site being redeveloped. These were allowed to be accumulated throughout the Local Government Unit (City-Wide Credit) or retained for the future use on a Site (Site-Specific) through December 31, 2009.

**Net SAC:** The gross SAC Determination charge for the use being permitted less any applicable Credits or Baseline applied. Net SAC units are rounded to the nearest whole number (i.e. 2.49 is rounded to 2, while 2.50 is rounded to 3).

**New Use:** The redevelopment of a property for a different use, evidenced by a building permit or other type of permit issued by a Local Government Unit, certain other official governmental actions, subject to MCES approval. Previously approved actions and the evidence presented to MCES have included: 1) expenses to pave a Site as a parking lot; 2) a resolution by a Local Government Unit to designate a Site as park land; 3) approval as a right-of-way for a road; 4) evidence that the Site is unbuildable under local government codes; 5) zoning and Comprehensive Plan changes for a Site that limit the future use; and 6) water-use restrictions that limit the use of the property approved by City Council resolution or City Ordinance.

**Permitted Industrial User:** Any user of the MDS who discharges Industrial Wastewater is subject to MCES permitting requirements. The user should complete an Industrial Discharge Permit application. MCES staff reviews each application and determines if a permit is needed.

**Phased Development:** Any area where the Local Government Unit or developer is redeveloping a defined contiguous area with multiple properties over an extended period of time.

**Phased Development Plans:** These plans generally must include: the geographical area being redeveloped; the number, type and location of the properties; number of potential Credits; type of development planned; and the expected year of development for each phase/area.

**Public Housing:** Publicly-owned housing or housing that qualifies for public subsidy of rents based on resident's income.

**Publicly-Owned Treatment Plant:** A wastewater treatment plant owned by the Local Government Unit that it services. This does not include cluster systems, 201 systems, septic systems of any type, and similar treatment works that are not available to the general public in the service area.

**Public Water Supply System:** A system for the provision to the public of water for human consumption as further defined in the Federal Safe Drinking Water Act, United States Code, title 42, Section 300f, Clause (4).

**Rebate Program:** January 1, 1973, through December 31, 1986, MCES' predecessors collected SAC on all development, even where and when sewer availability was uncertain. During 1987 through 1989, MCES allowed Local Government Units to receive rebates on those properties that were not connected to sanitary sewer on a voluntary basis for these paid but unused SAC.

**Residential Property:** A property that is used exclusively for permanent human living space, including single family homes, apartments, attached homes, townhouses, cooperative housing, condominiums, and manufactured homes. Does not include motels/hotels, camps, nursing homes, senior housing, or prisons.

**Rural Growth Center:** The Council's definition of certain Local Government Units outside the traditional urban area, but within the Metropolitan Area, for comprehensive planning purpose.

**Service Availability Charge:** This is the previous use of the SAC acronym; it means the same thing as Sewer Availability Charge.

**Sewer Availability Charge (SAC):** The MCES charge to Local Government Units for their portion of reserved capacity in the MDS.

**Site:** A specific, contiguous geographic location that can be identified by a particular address, or addresses, or property identification description(s). It may be a multi-tenant building or retail mall.

**Site-Specific Credit:** A SAC Credit restricted to future use only for the benefit of the specific Site or campus for which a Local Government Unit paid SAC. Any properties for which unused Site-Specific Credits were on the books as of January 1, 2010 were deemed Phased Developments and thus will expire on December 31, 2019. No additional Site-Specific Credits were accumulated after December 31, 2009, except as permitted for approved Phased Developments. Demolitions are indicative only of *potential* Credits not actual Credits.

**Temporary Capacity Charge:** For Commercial Properties, the Temporary Capacity Charge is an option available to a Local Government Unit, as a substitute for SAC, when a temporary use of a property occurs for 36 months or less. For Permitted Industrial Users, it is an option in select circumstances. Payment of a Temporary Capacity Charge by a Local Government Unit does not commit the Council to providing permanent capacity. Payment of the Temporary Capacity Charge is analogous to a temporary rental of MDS reserved capacity due to the temporary nature of the service.

**Vacant (Vacancy):** Properties that are not occupied, as evidenced by the absence of flow-based sewer fees on the property beyond any minimum administration charge and/or minimum flow charge, for the entire Look-Back Period. However, properties for which Local Government Units paid SAC prior to 1987 and were never connected to the MDS and for which the Local Government Unit did not participate in the SAC Rebate Program during 1987-1989, are not considered Vacant and the SAC that was paid is creditable.

**Waste Discharge Rules:** The Council's adopted rules for use of the MDS as authorized by Minnesota Statutes chapter 473, including sections 473.504, subdivision 4; 473.511, subdivision 2; 473.515; 473.5155; and 473.517.

**Water Treatment Facilities:** Any facility (public or private) intending to discharge an Industrial Waste from a water supply system into the MDS. Water Treatment Facilities are subject to SAC for the discharge demand.

### **3. DESCRIPTION OF THE SAC SYSTEM**

The Metropolitan Environmental Services (MCES) Sewer Availability Charge (SAC) is a charge to Local Government Units for the reserved capacity costs of the Metropolitan Disposal System (MDS). SAC has been levied since 1973 by MCES, and its predecessor agencies, for new capacity demand or increased volume use to the MDS. This method for allocating future costs is authorized by Minnesota Statutes section 473.517 subdivision 3. The regional SAC rate is periodically set by Metropolitan Council (Council) action (and is usually increased effective each January 1<sup>st</sup>).

SAC is assessed based upon the estimated maximum potential daily wastewater flow, which is in turn based upon the usage of individual properties. Single family houses, townhouses, condominiums, duplex units and most apartments each equal one SAC per Dwelling Unit. For non-Residential Properties, one SAC unit is defined as 274 gallons of daily wastewater capacity. Commercial Properties are assessed SAC units based on estimated maximum potential daily wastewater proportionate to 274 gallons per day. Industrial Properties are assessed SAC units based on maximum normal daily wastewater capacity separately for process areas and maximum potential daily wastewater capacity for Commercial areas.

#### **3.1 History of the SAC Program**

While SAC has been levied by MCES since 1973, it was not part of the original rate structure. MCES, then called the Metropolitan Sewer Service Board, was created in 1969 by Minnesota Statutes chapter 473C with mandates to provide service for the rapidly growing population in the Metropolitan Area and to clean up the area's rivers and lakes. At the time the law was passed, Local Government Units in the Metropolitan Area struggling to keep up with rapid growth were operating about 35 treatment plants. Many treatment plants served limited local areas and they often caused serious water quality problems in the lakes and rivers which received their effluent. Heavy capital costs were inevitable as the Metropolitan Sewer Service Board needed to expand and improve treatment and collection capacity for the area to serve a population that grew 20 percent in the 1950s and 23 percent in the 1960s. The legislation establishing the Metropolitan Sewer Service Board originally was codified at Minnesota Statutes chapter 473C. It has been amended over time and subsequently was re-codified at Minnesota Statutes chapter 473.

The question facing the Metropolitan Sewer Service Board in the early days was how to pay for the share of capital projects reserved for future users. Then, as now, the "reserved" share represents excess capacity built into the current capital projects, so that treatment plants and interceptors provide capacity not only for today's population but for the population growth expected over the next 20 to 50 years. This reserved capacity does not include capacity for the amount of allowed inflow and infiltration (I/I) (allowed I/I is considered used capacity). However, excess I/I does take up reserved capacity that should be available for growth.

The practice of building in reserved capacity is based upon experience and economy. The physical Sites of sewer pipes and treatment plants seldom change, so major land acquisition occurs only once per Site. Further economies of scale in construction make it more cost effective to provide some reserved capacity in these facilities at the time the facility is first built, rather than to make small, frequent expansions in capacity.

In 1971 and 1972, its first two years of operation, the Metropolitan Sewer Service Board allocated the cost of reserved capacity to individual Local Government Units based on each unit's projected demand. However, many Local Government Units, particularly those in the early stages of development, found it difficult, if not impossible, to pay lump-sum charges for reserved capacity. These developing Local Government Units often had neither the population nor the tax base to finance the cost of capacity they would need in future years. It quickly became apparent that an alternative method of paying for reserved capacity had to be developed. Following intensive study

and discussion with Local Government Units, the SAC system of paying for reserved capacity was developed and instituted in 1973.

While the SAC system proved acceptable to Local Government Units in the early stages of development, other Local Government Units challenged the SAC system in court. In a District court ruling, later upheld by the Minnesota Supreme Court, the SAC system was found consistent with state law authorizing SAC.

In 1986, the Metropolitan Waste Control Commission (MWCC), predecessor of MCES, again addressed the question of who should pay SAC. Discussions centered on the fact that some Local Government Units had not extended their sewers to all properties for which SAC had been paid. As a result, beginning in January 1987, a new SAC policy exempted SAC for those buildings that did not have sewer service available. Local Government Units would pay SAC for exempted properties when hookup to the MDS became possible. The MWCC also approved a SAC Rebate Program that made rebates available to Local Government Units that paid SAC when buildings were not yet connected directly or indirectly to the interceptor pipes or treatment facilities. The program was optional. If Local Government Units accepted the Rebate Program, they were rebated the amount originally charged for service. Those not receiving rebates could still receive Credit when the buildings were connected to the MDS. Local Government Units had from January 1, 1987, through December 31, 1989 to apply for rebates.

In 2006, the Council adopted new rules for SAC Credits, but after discussion with Local Government Units the effective date of the rules was delayed until January 1, 2010. The two major changes were: 1) Credits for a change of use (e.g. remodeling) will be based on the highest use in the Look-Back Period, instead of the prior grandparent and SAC payment history; and 2) no Net Credits from redevelopment of a Site will be allowed (except that approved Phased Development Plans allow a Credit-like reservation for delayed-but-planned development). Further information is available at [www.metrocouncil.org](http://www.metrocouncil.org).

In 2010, the Minnesota state legislature amended Minnesota Statute 473.517, subdivision 3 to recognize that occasionally the wastewater reserved capacity fund may not be able to pay the share anticipated, and some of the SAC requirement may need to be temporarily “shifted” from SAC to the municipal wastewater charges. This authority will sunset in 2015.

### **3.1.5 SAC Policy & Rule Changes Pending**

In late 2010, the Council adopted the recommendations of a year-long task force of SAC stakeholders. The primary change is to the methodology used to determine how much SAC should pay overall toward wastewater costs, which, while material financially, will not impact these procedures in this SAC Procedure Manual. In addition, the action provided for a) a new Temporary Capacity Charge as a voluntary (Local Government Unit choice) and temporary substitute for SAC for temporary wastewater demand, b) a change from two restaurant criteria to one, and c) a change from two day care facility criteria to one. These changes are incorporated in this manual. The full report of the task force is available on line at: [www.metrocouncil.org/environment/RatesBilling/SAC\\_Program.htm](http://www.metrocouncil.org/environment/RatesBilling/SAC_Program.htm)

It is expected that in 2011, Local Government Unit compliance with the SAC policies and procedures will be made an explicit requirement of the Council Waste Discharge Rules (WDR). This inclusion in the WDRs is for the purpose of putting all MDS user requirements in one place and is not expected to entail any substantive changes. For SAC matters, the WDR will be subordinate to the SAC policies and procedures.

### **3.2 SAC Determinations**

MCES is a wholesaler of wastewater services for the MDS. MCES collects SAC from, and grants SAC Credit to, Local Government Units. If they wish to do so, the Local Government Units may pass on their SAC costs to property owners. Local Government Units are responsible for paying SAC to the Council whether they charge Local SAC or not. Generally, Local Government Units issue the permits (building, sewer connection or plumbing permits) or business license indicating that development or redevelopment is occurring and that the demand for sewage service is likely to change. The change in demand triggers a SAC Determination. MCES makes all Determinations for Industrial Properties, while Local Government Units make all Residential Determinations and may make Commercial Determinations based on MCES criteria and guidance. MCES will assist Local Government Units in SAC Determinations or conduct them upon request, and will make the final decisions regarding the correct number of SAC units to assess. SAC Determination Application forms are attached as Appendix B.

### **3.3 SAC Revenue**

SAC revenue collected by MCES is used to finance the reserved capacity portion of the capital costs of the MDS, either directly (“pay-as-you-go” funding) or as debt service payments. The remaining portion of the capital costs, representing currently used capacity, is paid by the Local Government Units through a portion of their monthly municipal wastewater charges. Some think of SAC as paying for a piece of the wastewater infrastructure, making sewer service available, while regular sewer bills pay to maintain the MDS.

The per-unit SAC is determined and approved by the Council. The base rate is dependent on various factors, including the annual SAC requirement, the amount of the pay-as-you-go funding anticipated, the SAC reserve balance, and the number of SAC units forecast to be collected.

The 2030 Regional Development Framework and the Water Resources Management Policy Plan allow the Rural Growth Centers that meet certain criteria to request that MCES acquire their wastewater treatment plants or build one to provide service to the Rural Growth Center. The Council establishes separate and higher SAC rates for the Rural Growth Centers that choose to be served by the Council’s MDS. These rural SAC rates will be separate from the current SAC that all current (urban) Local Government Units are charged, and will pay for the reserved capacity portion of the debt service for each individual Rural Growth Center as specified in a contract.

### **3.4 SAC Credits for Previous Use**

As of January 1, 2010, MCES stopped recognizing new Net Credits. SAC Credits are for the benefit of the Local Government Unit only and are limited to the amount needed on a Site for the New Use. Property owner or occupants are not charged SAC by MCES and are not eligible for SAC Credits.

As of January 1, 2010, SAC Credits are granted based on the prior wastewater demand on the Site, in SAC units, over the Look-Back Period. (See Section 5.2.2.) If a property is Vacant for the entire Look-Back Period, no Credits will be granted to the Local Government Unit.

Properties for which a Local Government Unit paid SAC prior to 1987 and were never connected to the MDS and the Local Government Unit did not participate in the SAC Rebate Program during 1987-1989, are not considered Vacant and the SAC that was paid is Creditable.

Phased Development Plans are given ten years to use the Credits, possibly more in situations deemed extraordinary in the discretion of MCES and pre-approved by MCES.

## **4. ROLES OF MCES AND LOCAL GOVERNMENT UNITS**

### **4.1 MCES**

- Performs Determinations for Commercial Properties upon request of the Local Government Unit. However, MCES prefers that Local Government Unit staff complete basic SAC Determinations using the SAC criteria as found in Appendix A.
- Performs all Determinations for Industrial Properties and administers a third-year Capacity Demand Review process for Industrial Properties.
- Assists in explaining the SAC program to Local Government Unit staff or property owners at the request of Local Government Unit.
- Collects SAC from all Local Government Units connected to the MDS and grants eligible Credits to Local Government Units when a New Use is established.
- Reviews Local Government Unit SAC records and payments at least once every three years.
- Reserves the right to interpret and change SAC rules, subject to authorizing legislation, case law and Council approval.
- Maintains regional SAC records.
- Sets Metropolitan Council SAC rates.
- Receives Local Government Unit Phased Development Plans and determines adequacy for reservation of potential SAC Credit use on Site.

### **4.2 Local Government Unit**

- Reports all SAC-related activity (including Demolitions) to MCES in accordance with reporting deadlines and procedures.
- Makes Determinations for Residential Properties according to criteria set by MCES.
- Verifies accuracy of MCES Commercial Determinations at final inspection to ensure the proper number of SAC units has been allocated to the property. Notifies MCES if the final building or plumbing plan changed after the initial Determination was made.
- Assesses Local SAC, as appropriate, within the Local Government Unit. Building inspection departments generally perform this function, based upon building permits or utility connection permits.
- Informs MCES of any new Industrial Properties for which MCES has not issued permits.
- Collects Local SAC that may include a fee to cover MCES SAC, in a manner that works best for the Local Government Unit pursuant to Minnesota Statutes sections 444.075 and 473.521, subdivision 3 or other fund raising authority of the Local Government Unit. Additional charges may be included in the Local SAC bill (e.g., water availability charges and connection fees) as long as the MCES SAC charges are identified separately to avoid the appearance of varying SAC among Local Government Units.
- Remits SAC to MCES in a timely manner and according to reporting timelines.
- Keeps Local SAC records, including building permit activity and detail, available for Credit Determinations for a minimum of eight years to cover the Look-Back Period.
- Cooperates with and resolves all Community Review findings within the stated time frame.

## **5. SAC RULES**

All Local Government Unit properties discharging or intending to discharge to the MDS are assessed SAC by MCES. There are different rules for different types of properties: i.e., Residential, Commercial and Industrial (see Definitions in Section 2).

### **5.1 Residential Properties**

SAC Determinations for Residential Properties, which are made by the Local Government Unit, are generally triggered by building, foundation, plumbing, or utility connection permit. Examples include the construction of a house, connecting a house to the central sewer for the first time, increasing the number of dwelling units or converting a discounted unit into a full unit. The Local Government Unit liability for SAC occurs at the time the Local Government Unit issues the permit or license.

#### **5.1.1 SAC Determination – Residential Properties**

##### **5.1.1.1 SAC Assignment**

All Residential Properties shall be assigned one SAC unit per dwelling unit (unless otherwise noted in Section 5.1.3 Discounts).

##### **5.1.1.2 Remodeling**

Remodeling that changes the number of dwelling units causes a Determination, which is generally triggered by the building permit for the remodeling.

##### **5.1.1.3 Additions**

Additions that change the number of dwelling units trigger a Determination.

##### **5.1.1.4 Apartment and Condo Conversions**

When a dwelling unit changes from a discounted apartment for SAC purposes to a condominium or non-discounted apartment, an additional SAC (20% of the current SAC rate) will be collected. The 20% SAC will be due at the time of permitting or other official governmental knowledge of the change, and at the then current SAC rate.

#### **5.1.2 SAC Credits – Residential Properties**

##### **5.1.2.1 Previous Dwelling Units**

If the property previously held a Residence, one Credit will be assigned, provided that:

- the building was connected to a central sewer now connected to the MDS; and
- the Local Government Unit filed a Demolition report (Form MCES SAC-D) with MCES within the required time period, the demolition occurred within the Look-Back Period and the property was in use during the Look-Back Period.

No Credit will be assigned to Residential Properties:

- where a SAC was paid but rebated as part of the MCES Rebate Program;
- where no Demolition report was filed with MCES within the required time period;
- that were Vacant for the entire Look-Back Period (as evidenced by Local Government Unit sewer bills showing no *substantial* sewer use submitted with Form MCES Affidavit-C);
- that were not in the SAC program due to the Council's 2000–2003 Inclusionary Housing SAC Waiver Program, or had SAC waived for any other reason;

- where SAC Credits were previously taken for capacity represented by the highest use in the Look-Back Period or for any other reason;
- for which SAC should have been paid in the Look-Back Period but was not.

Properties that were discounted categories will receive a discounted Credit.

### 5.1.2.2 Non-Dwelling Units

If the property was previously classified as Commercial or Industrial and is changing to Residential, or if those facilities paid SAC **and** had a Demolition report filed with MCES and the Demolition occurred within the Look-Back Period, additional Credits may be available to offset the current SAC charge.

### 5.1.2.3 Credit Examples

The following Residential Property examples are for illustration purposes only:

*Example R-1:* A single family dwelling is remodeled into a duplex. One SAC is due.

*Example R-2:* An existing single family home is remodeled into four apartment units with common laundry facilities and no individual laundry connections in the units. Four SAC units are due at 80% of the SAC rate (to account for the four new Dwelling Units), and one Credit will be issued at 100% of the SAC rate (to account for the removal of the single family home).

*Example R-3:* A new home is built in City A, but because City B owns the local pipe in the street, the sewer fees are due to City B. As the issuer of the permit, City A is ultimately responsible for the collection and reporting of the SAC, unless the cities have a Joint Powers Agreement to the contrary.

*Example R-4:* A discounted apartment is converted into a condominium. An additional 20% of the SAC rate is due for each condominium.

## 5.1.3 Discounts

Residential Properties are eligible for certain discounts, as described below:

### 5.1.3.1 Apartment / Conservation Discount

Property Types	SAC	Requirements	Discount
Apartments with a minimum of 4 units. Those with less than 4 units are not allowed the discount.	One per unit	1) No plumbing for laundry facilities in any unit (generally evidenced by common laundry facilities). <b>- and -</b> 2) Prior written approval from MCES.	20% reduction in base fee <b>Base Fee</b> .....\$2,230 <b>20% A/C Discount</b> .....-\$446 <b>A/C Discounted SAC</b> .....\$1,784

### 5.1.3.2 Public Housing / Conservation Discount

Property Types	SAC	Requirements	Discount
Multi-dwelling public housing units with a minimum of 4 units. Those with less than 4 units are not allowed the discount.	One per unit	1) No plumbing for garbage disposals or for dishwashers; 2) Housing owned by a Local Government Unit or publicly subsidized low income units; <b>- and -</b> 3) Prior written approval from MCES.	25% reduction in base fee (or reduction in discounted fee if the discount discussed above also applies). <b>Base Fee</b> .....\$2,230 <b>25% PH/C Discount</b> .....-\$557.50 <b>Subtotal</b> .....\$1,672.50 <b>20% A/C Discount</b> .....-\$334.50 <b>PH/C &amp; A/C Discounted SAC</b> ...\$1,338

## 5.2 Commercial Properties

A Commercial Property, for SAC purposes, is broadly defined to include any property that is not a Residential or Industrial Property. This includes governmental, institutional, non-profit and some properties that are likely thought of as “industrial” for other purposes (See Definitions in Section 2).

### 5.2.1 SAC Determinations – Commercial Properties

#### 5.2.1.1 Basis

The SAC Determination is based on the Commercial Property’s estimated *maximum* wastewater flow potential. MCES will use the criteria in Appendix A for determining the SAC units for identified types of Commercial Properties. These criteria are based upon the recommendations and standards developed by the Minnesota Department of Health, building and plumbing code and are supported by actual maximum flow data from similar facilities in the Metropolitan Area. Local Government Unit officials should contact MCES for assistance in any situation they are unsure of or not clearly identified in Appendix A.

#### 5.2.1.2 Minimum Charge

There is a minimum charge of one SAC unit for each new building or connection. Note that this minimum charge is per building, not per business occupying the building. Local Government Units may not assign a minimum charge for each individual business occupying a building.

#### 5.2.1.3 Shell Buildings (Speculative)

The SAC Determination of Commercial property is based on the new use of the building. In the case of a shell building that will be occupied by multiple tenants, with the exact use of each space not known, the SAC is determined and collected based on the speculative use of the shell building. SAC is due to MCES when the building is built, regardless if the tenant spaces have been leased. As the tenants occupy the building, the only time that a new SAC Determination has to be made is when the tenant’s use changes from the speculative use. Those speculative buildings that are charged with more than one criterion (i.e. speculative 30% office and 70% warehouse) need a SAC Determination for each tenant build-out.

For shell buildings calculated using the fixture unit criteria, fixture rough-ins count towards the total SAC Determination calculation.

#### 5.2.1.4 Multipurpose Areas

For a multipurpose area (or room) the Determination is based on the use that would generate the most flow. For example, a church with removable pews, where the space doubles as a banquet hall, will be charged as a banquet hall.

#### 5.2.1.5 Determinations

A Determination is required whenever there is a change or increase in use or an official acknowledged change in sewer demand (e.g. issuance of a business permit for which SAC has not been paid), whether or not a Demolition is involved. Examples that require a Determination include: a change from retail to restaurant, tenant build-out of a speculative office/warehouse space, most physical changes in the building that requires a building and/or plumbing permit (unless it fits exclusion criteria in 5.2.1.6), and any tenant changes that differ from the previous use of the space (as defined for SAC purposes).

Temporary new uses are assigned SAC units in the same manner as permanent new uses, unless they qualify for a Temporary Capacity Charge (see Section 5.2.1.12).

When the use of the space is calculated using fixture unit criteria, fixture rough-ins count toward the total SAC Determination calculation. In types of building use that do not use fixture units to calculate the SAC charge (e.g. office building or salon) a rough-in for a shower will count towards the total SAC charge Determination.

When a new tenant moves into a retail shopping center and the use is changed, an updated tenant listing should be supplied to MCES as part of the Determination process. The listing should include a current list of all tenants and suite numbers.

#### 5.2.1.5.1 Determination Submittal

Requesting MCES to complete a Determination will require submission of Form MCES Transmittal-A (SAC Determination Application) and any other form applicable that can be found in Appendix B along with scalable floor plans. The floor plans submitted to MCES must be the same ones submitted to the Local Government Unit for their review. Scalable, electronic (e.g. PDF) floor plans are preferred.

#### 5.2.1.5.2 Determination Letters

MCES will make Determinations for Commercial Properties upon request of the Local Government Unit. However, MCES prefers that Local Government Unit staff complete basic SAC Determinations using the SAC criteria as found in Appendix A. A Determination Letter will be sent to the Local Government Unit with a copy to the applicant that states the Net SAC. The Determination Letter will include the name and location of the project, SAC charge and Credit calculations and the Net SAC. The Determination Letter will expire two years from the date of the letter. If the Local Government Unit permit has not been issued before the Determination Letter expiration date, the Determination Letter is void. If the building plans change in any way before the Local Government Unit permit has been issued, the Determination Letter is void and a new Determination must be completed. If MCES completes the Determination, the Local Government Unit is responsible for verifying accuracy of MCES Commercial Property Determination at final inspection to ensure the proper number of SAC units have been allocated to each property.

#### 5.2.1.5.3 End of Calendar Year Determinations

To pay the previous year's SAC rate, all Determination requests for MCES must be submitted with complete documentation no later than December 21 so MCES has time to complete the Determination and the Local Government Unit permit must be issued no later than December 31. (i.e. To pay the 2011 SAC rate, all Determination requests must be submitted no later than December 21, 2011 and the Local Government Unit permit must be issued no later than December 31, 2011.)

#### 5.2.1.6 Exclusions from Determination Requirements

If a property is being remodeled or rebuilt (e.g. after a fire) but is not changing use and size, no SAC Determination is necessary, and no SAC will occur. If a property is changing size but not use, additional SAC will be required on the incremental capacity demand. The fire rebuild must be properly reported on Form SAC-D Demolition Declaration (see Section 5.5.5).

#### 5.2.1.7 Outdoor Spaces

Peak demand on the MCES wastewater conveyance and treatment facilities is experienced typically during significant wet weather events. During these events, the use of outdoor areas is significantly reduced thereby contributing little or no wastewater to MDS peaks. A 75% reduction is given to certain outdoor spaces for which there is potential for minimal or no use during rain events. This includes driving ranges, golf courses including mini-golf (a club house is not eligible for the reduction), park shelters, outdoor seating areas for food and drink establishments, outdoor pools and water parks, drive-in restaurants and theaters, outdoor tennis courts, and outdoor public areas such as

zoo exhibits. This does not include arenas or stadiums which may only delay the event or where they may be used in the rain (e.g. football games). Outdoor areas with structural roofs of any type will only qualify for the discount if, in the discretion of MCES staff, the demand for the space or transit to it (e.g. gazebo) is exposed to weather and will be predominantly reduced during wet weather days.

The 75% discount does not apply to existing outdoor spaces where SAC should have been paid prior to October 1, 2009.

#### 5.2.1.8 Restaurants

MCES will base the SAC criteria charge for restaurants on criteria as stated in Appendix A. Form MCES Affidavit-A is required to be submitted along with the items stated on Form MCES Transmittal-A (SAC Determination Application).

##### 5.2.1.8.1 Outdoor Patios

SAC is calculated using the same criteria as inside seating for outdoor seating on patios or sidewalks. For example, if the interior portion is calculated as a restaurant with dining, the outside seating is also calculated as a restaurant with dining and a 75% reduction on the outdoor space is given. Outdoor areas with structural roofs of any type will only qualify for the discount if in the discretion of MCES staff the demand for the space or transit to it (e.g. gazebo) is exposed to weather and the use will be predominantly reduced during wet weather days.

The 75% discount does not apply to existing outdoor spaces where the SAC should have been paid prior to October 1, 2009.

If the Local Government Unit restricts food and/or drink from being consumed on the outdoor space and designates the space as “smoking only”, documentation, such as an ordinance or a copy of the business license issued by the Local Government Unit that states the restriction, may be submitted to MCES. If such documentation is supplied, this outdoor space is excluded from the SAC Determination.

#### 5.2.1.9 Retroactive SAC

MCES will retroactively assess SAC when appropriate Determinations should have, but did not occur within the Look-Back Period. In such a situation, if the Local Government Unit has a proven record of acting in good faith, MCES may, at its discretion, collect SAC at the rate it should have paid (in the prior years), or in special circumstances forego the collection of the retroactive SAC, based on a Local Government Unit appeal.

##### 5.2.1.10 Determination Appeal

A Local Government Unit can request an appeal review of a SAC Determination. A formal letter must be sent, detailing the facts of the situation and providing supporting documentation, to the MCES Finance Director. After completion of the appeal review and consultation with the Local Government Unit involved, a written decision will be sent to the Local Government Unit. Appeals will not be accepted if sent directly to the Council or MCES by the property or business owner.

##### 5.2.1.11 Fraudulent Declarations

If any fraudulent declarations or plans are discovered, MCES will exercise its discretion and deny appeals and retroactive SAC relief, and, in addition, may apply any other penalties or measures that are permitted by law.

##### 5.2.1.12 Temporary Capacity Charge

A temporary use on a Commercial Property may qualify for a Temporary Capacity Charge *in lieu of* SAC, at the Local Government Unit’s discretion. To qualify for the Temporary Capacity Charge, the

temporary use must have a predetermined end date, with a maximum duration of 36 months. (Note: Local Government Units are responsible for determining whether they have authority to, and want to, recover from property owners the amount of the Temporary Capacity Charge paid to MCES by the Local Government Unit.)

The Temporary Capacity Charge is a one-time charge which the Local Government Unit must pay to MCES at the time that SAC would ordinarily be paid (usually at the issuance of a building, sewer connection or business permit). The number of Temporary Capacity Charge units to be assessed will be determined in the same manner as SAC units are determined and Credits shall be available in the same manner as SAC Credits would be for a Site. The Temporary Capacity Charge rate is 1/20<sup>th</sup> of the then current SAC rate per year, or 1/240<sup>th</sup> per month.

*Example:* A school temporarily occupies a strip mall (while permanent facilities are being built). The school enters a lease on the strip mall Site for 26 months. A SAC Determination shows the school use equates to 27 SAC units. If the Local Government Unit chooses the Temporary Capacity Charge approach, the Temporary Capacity Charge will be: 27 units x 26 months x Temporary Capacity Charge rate (current SAC rate/240).

The Temporary Capacity Charge is not considered a commitment of capacity by MCES, rather a rental of the reserve capacity due to the temporary nature of the service. The Temporary Capacity Charge will not be considered a partial SAC payment, nor used to calculate a higher use during the Look-Back Period for future SAC Determinations on the Site. Temporary Capacity Charge payments generate no new SAC Credits. When a permanent use of the Site (that held the temporary use) occurs, the Credit that was used to determine the Temporary Capacity Charge will be allowed as SAC Credit for the New Use.

A temporary use of a space by the same or subsequent party on a Site that utilized the Temporary Capacity Charge, and that would extend the temporary use beyond the 36 month limit, will not qualify for the Temporary Capacity Charge and a new SAC Determination is required and additional SAC may be due by the Local Government Unit.

## **5.2.2 SAC Credits – Commercial Properties**

### **5.2.2.1 Credits for Previous Use**

All Credits, like the SAC itself, are between MCES and the Local Government Unit, albeit based on demand required by specific Sites or properties. All Commercial Credit Determinations are subject to the review and approval of MCES.

Effective January 1, 2010, the SAC Credit for a property is based on the prior demand in the Look-Back Period, in SAC units, pursuant to Section 5.2.2.4. If SAC should have been paid during the Look-Back Period but was not, no Credit is allowed for that unpaid SAC. When a redeveloping property's New Use requires lower wastewater capacity than what was demanded at any time in the Look-Back Period, Net Credits will not occur. In other words, a property redeveloping at the same or lesser wastewater demand will not generate a SAC liability. If redeveloping at a higher wastewater demand, a SAC payment will be required for only the capacity increment above the Maximum Demand in the Look-Back Period.

If SAC Credits were previously taken offsite by the Local Government Unit for some of the capacity represented by the highest use in the Look-Back Period, those Credits are no longer available to offset the current SAC charges.

Credits do not occur at the time of Demolition or when a business shuts down. These circumstances only establish a *potential* for Credits when a New Use occurs on the Site. The potential Credits will become available to offset charges for the New Use that occurs on the Site, only if the previous use

occurred within the Look-Back Period (i.e. If a demolition occurred 9 years ago, no Credit is available for the New Use.)

Phased Developments will be allowed Credits pursuant to Section 5.4.3.

#### 5.2.2.2 Reporting Requirements

All Demolitions must be reported by January 31 of the year following the calendar year during which the Demolition occurred, in order for the prior use to retain eligibility for potential Credit(s) on the property. For example, if a building is demolished in September 2011, the Demolition must be properly reported to MCES by January 31, 2012. **Monthly reporting of all Demolitions is recommended.** This establishes the potential Credit that may be allowed when a New Use occurs on the Site.

#### 5.2.2.3 No Credit Determination

No SAC Credit will be assigned to Commercial Properties or tenant spaces within properties:

- that were not previously connected to a central sewer now connected to the MDS;
- that were not in the SAC program due to the Council's 2000-2003 Inclusionary Housing SAC Waiver Program, or had SAC waived for any other reason;
- if a SAC was paid but rebated to the Local Government Unit as part of the MCES Rebate Program;
- for which SAC should have paid in the Look-Back Period but was not;
- where the building(s) are gone and no Demolition report was filed with MCES within the required time period (see Section 5.5.5);
- for which a Temporary Capacity Charge was paid in lieu of SAC; or
- that were Vacant for the entire Look-Back Period (as evidenced by Local Government Unit sewer bills showing no *substantial* sewer use submitted with Form MCES Affidavit-C).

#### 5.2.2.4 Credit Criteria

For Commercial Properties, where the above no-Credit conditions do not apply, prior wastewater demand is calculated in the Look-Back Period by: 1) if SAC was paid during the Look-Back Period, using the applicable criteria at the time SAC was paid; i.e. the highest gross SAC determined and paid is the SAC Credit, or 2) if SAC was not paid in the Look-Back Period and the current use was in existence prior to the Look-Back Period, using the criteria that were applicable the year before the beginning of the Look-Back Period; i.e. in 2011, the year before the beginning of the Look-Back Period is 2003. If the property use is unknown, documentation of the use in the year before the beginning of the Look-Back Period and going into the Look-Back Period must be submitted as part of the SAC Determination process (i.e. Building permit, dated building plans, business license, etc.). If documentation is not provided, and MCES has no SAC history, the Credit will be Determined based on a minimal use (warehouse, office, and/or retail). If detailed plans are not available, 80% of gross square footage is used to calculate Credit (this is the assumed usable space). If the square footage is not provided, one Credit per building will be assigned. Local Government Units may not assign a minimum charge for each individual business occupying a building. All Credit Determinations are subject to review and approval of MCES.

#### 5.2.2.5 Merging or Splitting Properties

If properties are merged into a single legal description, the potential SAC Credit for the newly created parcel is the sum of the individual properties' potential Credit.

If properties are split into multiple parcels, a logical division of the SAC Credit potential will be determined by MCES. The potential SAC Credits will be based on the most detailed development plan available, allocating the original parcel's potential Credits based on either the: 1) expected building use (i.e. retail, office, warehouse, etc.); 2) square footage of the buildings; or 3) lot acreages compared to the original parcel. The potential SAC Credits will be rounded to the nearest whole number on each of the parcels.

#### 5.2.2.6 Credit Examples

The following Commercial Property examples are for illustration purposes only:

*Example C-1:* A 20-SAC functioning office building is demolished (and properly reported) in 2010. A 15-SAC restaurant is built on the Site in 2011. No additional SAC would be paid and no Net Credit would be created.

*Example C-2:* A 15-SAC functioning restaurant is demolished (and properly reported) in 2010 and a 20-SAC office building is built on the Site in 2011. Five SAC would be payable in 2011 when the new permit is issued for the 20-SAC office.

*Example C-3:* A 15-SAC restaurant that had been Vacant for eight or more years is demolished (and properly reported) in 2010 and a 20-SAC office building is built on the Site. Twenty SAC would need to be paid. Even though the demolition occurred within the Look-Back Period, the building had been Vacant for the Look-Back Period.

*Example C-4:* A 4-SAC functioning retail tenant space is vacated in 2009 and in 2010 another similar retail tenant occupies the same space. No SAC would need to be paid and no Determination is required since there is no change of use.

*Example C-5:* A 4-SAC functioning retail tenant space is vacated in 2009 and that same year a 6-SAC salon moves into the space. Two SAC were due for the change of use but were inadvertently not collected. In 2011, the existing salon goes out of business and a different 6-SAC salon takes the space and remodels, causing a re-Determination. The SAC Credit for the Look-Back Period does not include SAC that should have been paid but was uncollected for the original 6-SAC salon. Therefore, there are 2 SAC due.

*Example C-6:* In 2011, a functioning 6-SAC salon is replaced by a 5-SAC restaurant. No SAC is due and no Net Credit occurs. In 2014, the 5-SAC restaurant is replaced by a new 6-SAC use. No SAC is due, even though the New Use exceeds the SAC criteria of the previous use, because the Maximum Demand within the Look-Back Period is based upon the original 6-SAC salon.

*Example C-7:* A 12-SAC functioning restaurant burns down (and properly reported) in 2010 and a replacement restaurant (the same-size and seat count) is built the next year. No SAC is due. However, if the owner decides to increase the size of the replacement to a 16-SAC restaurant, 4 SAC would need to be paid.

*Example C-8:* In 2001, a 14-SAC office/warehouse building is remodeled into a 13-SAC office/warehouse building and the Local Government Unit left the one Credit as Site-Specific for future use. This Credit will be available to offset charges through December 31, 2019 at the Site because existing Site-Specific Credits are honored as Phased Developments.

*Example C-9:* A federal post office is built and connected to the central sewer without a local building permit. SAC is due per the same criteria as other Commercial Properties as defined in Appendix A and is collected on issuance of the sewer connection permit.

*Example C-10:* A new restaurant was built in 2008 with 80 indoors seats and 16 outdoor seats, 12 SAC were paid. In 2011, the restaurant adds 16 outdoor seats. No additional SAC are due as the entire restaurant will be evaluated using the new outdoor space discount and current criteria. The new

Determination would be 80 indoor seats or 8 SAC and 32 outdoor seats or 0.80 SAC for a total of 9 SAC. Twelve SAC were paid in the Look-Back Period so no additional SAC would be due.

### **5.3 Industrial Properties**

Industrial has a special meaning for SAC purposes. Many businesses commonly referred to as “industrial” are Commercial Properties for SAC purposes. (See Definitions in Section 2).

#### **5.3.1 SAC Determination – Industrial Properties**

##### **5.3.1.1 Determinations**

MCES makes all Industrial Determinations. Permitted Industrial Users must contact MCES whenever a Determination is needed. The Local Government Unit should inform MCES of any substantial wastewater-producing industries for permitting evaluation, including municipal Water Treatment Facilities.

##### **5.3.1.2 Basis for Determinations**

Initial Determinations for Industrial Properties are derived by adding two components: 1) Commercial criteria (see Appendix A) for non-process areas, and 2) the normal maximum Industrial Waste for process areas.

##### **5.3.1.3 Determinations**

Non-process area Determinations can be triggered by the Commercial criteria described in Section 5.2.1 (e.g., building permits and changes in use) and are subject to Commercial rules.

For process areas, a SAC Capacity Demand Review of Permitted Industrial Users is done at least every third year to account for process flow changes (e.g., the flow was significantly increased by a change such as expanding the work day or increasing the rate of the process, but no building permit was issued).

Local Government Unit liability for SAC occurs when the Capacity Demand Review indicates that the discharge volume of a Permitted Industrial User exceeds the Assigned SAC Baseline for the property. SAC liability incurred as a result of a third year review may be paid by the Local Government Unit at any time prior to permit renewal, but always at the SAC rate in effect at the time of payment.

##### **5.3.1.4 Assigned SAC Baselines**

MCES Permitted Industrial Users shall have their discharge demand reviewed for SAC purposes every third year. Their discharge demand will be compared with their Assigned SAC Baseline. Any capacity utilized above their current Assigned SAC Baseline will incur a potential SAC liability for the Local Government Unit in which the Permitted Industrial User is located. No Credits will be issued for the unused capacity below their Assigned SAC Baseline, but that capacity remains available to the Local Government Unit for that Permitted Industrial User in the future.

##### **5.3.1.5 Transfer of Assigned SAC Baseline**

An Assigned SAC Baseline is set for a specific MCES permit and Permitted Industrial User. An Assigned SAC Baseline in continuous use under a MCES Industrial Discharge Permit will continue to provide capacity to the Local Government Unit. However, the Assigned SAC Baseline is not transferable unless: 1) the MCES permit is transferred to the new owner *and* 2) other conditions are met pursuant to 5.3.1.5.2.

#### 5.3.1.5.1 Assigned SAC Baseline is Non-Transferable

If the MCES permit is terminated due to any reason (e.g. a company closing; process changes or process discontinuation make the permit unnecessary; or a sale or merger of the company) the Assigned SAC Baseline is lost. If the company inadvertently loses its MCES permit but stays in continuous operation, and the Local Government Unit appeals, the Site *may* be granted the old Assigned SAC Baseline from the old permit if, in the discretion of the MCES Finance Director, the Local Government Unit has acted in good faith in the matter. If the Assigned SAC Baseline for a Site is lost, the Local Government Unit liability for the new business may still have available Credits pursuant to Section 5.3.2.

#### 5.3.1.5.2 Assigned SAC Baseline Transferable

If the business ownership of a Permitted Industrial User changed due to a sale, reorganization after bankruptcy or merger and the MCES permit and the industrial process is maintained, the Assigned SAC Baseline may remain with the MCES permit. For the MCES Assigned SAC Baseline to transfer, the sale must be legally defined as the sale of the entire business. If the sale is assets only, where the new owner does not assume all liabilities of the prior business, the Assigned SAC Baseline is lost. If lost, any Credit for the New Use of the Site will be based on the maximum documented demand of the third-year Capacity Demand Reviews within the Look-Back Period, pursuant to Section 5.3.2.

#### 5.3.1.6 Landfills Connected to MDS

Landfills experience a short-term peak in wastewater flow as active cells generate Leachate followed by decreasing wastewater flow until the landfill is closed, permanently capped and Leachate generation stops. The time period from start-up to closure/capping can vary, but generally is less than 20 years. The peak period will typically last 3-5 years. Once a landfill is closed, the land is not suitable for redevelopment due to the unstable nature of the fill material.

Due to the unique life-cycle of a landfill, an industrial Temporary Capacity Charge is not considered a form of SAC and is assessed by MCES to the Permitted Industrial User for which the connected landfill resides. All connected landfills must be permitted by MCES.

### 5.3.2 SAC Credits – Industrial Properties

#### 5.3.2.1 Credits in General

All Credits, like the SAC itself, are between MCES and the Local Government Unit, albeit based on demand required by the Site. All Industrial Property Credit Determinations based on process flow are subject to the review and approval of MCES. Credit for the capacity previously used on the Site occurs only when a New Use is established on the Site during the Look-Back Period and only for the purpose of reducing the SAC for the New Use. Credits cannot be taken at the time of Demolition or when a business shuts down until a New Use is permitted.

If SAC Credits were previously taken by the Local Government Unit for capacity represented by the highest use in the Look-Back Period, those Credits are no longer available to offset current SAC.

#### 5.3.2.2 No Credit Determination

No SAC Credit will be assigned to Industrial Properties or tenant spaces within properties:

- that were not previously connected to a central sewer now connected to the MDS;
- that were not in the SAC program due to the Council's 2000-2003 Inclusionary Housing SAC Waiver Program, or had SAC waived for any other reason;
- where the building(s) are gone and no Demolition report was filed with MCES within the required time period (see Section 5.5.5);

- were Vacant for the entire Look-Back Period (as evidenced by Local Government Unit sewer bills showing no *substantial* sewer use submitted with Form MCES Affidavit-C);
- if a SAC was paid but rebated to the Local Government Unit as part of the MCES Rebate Program;
- for which Temporary Capacity Charges were paid in lieu of SAC; or
- for which SAC should have paid in the Look-Back Period but was not.

### 5.3.2.3 Credit Criteria

For Industrial Properties, where the above no-Credit conditions do not apply, Credit for prior wastewater demand is calculated using both Commercial and Industrial criteria. All such Credit Determinations are subject to review and approval of MCES.

Where the prior use was Commercial and for Commercial areas within a Permitted Industrial User Site or Campus, the prior wastewater demand is calculated in the Look-Back Period by: 1) if SAC was paid during the Look-Back Period, using the applicable criteria at the time SAC was paid; i.e. the highest gross SAC determined and paid is the SAC Credit, or 2) if SAC was not paid in the Look-Back Period and the current use was in existence prior to the Look-Back Period, using the criteria that were applicable the year before the beginning of the Look-Back Period; i.e. in 2011, the year before the beginning of the Look-Back Period is 2003.

If the property use is unknown, documentation of the use in the year before the beginning of the Look-Back Period and going into the Look-Back Period must be submitted as part of the SAC determination process. If detailed plans are not available, 80% of gross square footage is used to calculate Credit as warehouse criteria. If the square footage is not provided, one Credit per building will be assigned. Local Government Units may not assign a minimum charge for each individual business occupying a building.

Where the prior use was a MCES Permitted Industrial User, the process area Assigned SAC Baseline of the old business use for this property may be retained pursuant to Section 5.3.1.5. If the Assigned SAC Baseline is not transferred, the Credit for the old use will be the Maximum Demand recognized during the highest third year Capacity Demand Review (plus any additional SAC paid since the most recent third year review) conducted within the Look-Back Period. This excludes growth in demand since the last third year review, as that has not yet been charged SAC. If the permit was not active during the Look-Back Period, the Credit will be determined using the Commercial criteria as stated above.

If SAC Credits were previously taken by the Local Government Unit for capacity represented by the highest use in the Look-Back Period, those Credits are no longer available to offset the current SAC.

### 5.3.2.4 Reporting Requirements

All Demolitions or substantial process changes that may impact the original Assigned SAC Baseline New Use, the Assigned SAC Baseline New Use or creditable SAC must be reported by January 31 following the calendar year during which the Demolition or change occurred, in order for the prior use to be eligible for any Credit on the property. For example, if a building is demolished in September 2011, the Demolition must be reported to MCES by January 31, 2012. **Monthly reporting of all Demolitions is recommended.** This establishes the potential Credit(s) that may be allowed when a New Use occurs on the Site within the Look-Back Period.

### 5.3.2.5 Merging or Splitting Properties

If properties are merged into a single legal description, the potential SAC Credit for the newly created parcel is the sum of the two individual properties' potential Credit.

If properties are split into multiple parcels, a logical division of the SAC Credit potential will be determined by MCES. The potential SAC Credits will be based on the most detailed development plan available, allocating the original parcel's potential Credits based on either the: 1) expected building use (i.e. retail, office, warehouse, etc.); 2) square feet of the buildings; or 3) lot acreages compared to the original parcel. The potential SAC Credits will be rounded to the nearest whole number on each of the parcels.

#### 5.3.2.6 Credit Examples

The following Industrial Property examples are for illustration purposes only:

*Example I-1:* SAC has been paid by the Local Government Unit for 30 SAC units for a Permitted Industrial User that has an Assigned SAC Baseline of 50 SAC units. The Permitted Industrial User adds a third shift to increase production and a Determination indicates 75 SAC units are needed. The Local Government Unit would be liable to pay MCES for only the 25 new SAC units. Upon payment by the Local Government Unit, the Permitted Industrial User would have an Assigned SAC Baseline of 75 SAC units.

*Example I-2:* In example I-1, above, the same Permitted Industrial User two years later eliminates a manufacturing process and only needs an Assigned SAC Baseline of 50 SAC units. Its Assigned SAC Baseline would remain at 75 SAC units for the Look-Back Period, because even if there was a permanent process change, no Net Credits are generated.

*Example I-3:* A Permitted Industrial User with an Assigned SAC Baseline of 150 SAC units had a permanent process change that resulted in the Local Government Unit taking 50 Credits off-site to use City-Wide in 2009. The Assigned SAC Baseline becomes 100 SAC units. In 2014, the Permitted Industrial User vacates the property and a New Use is established. The Maximum Demand in the Look-Back Period is the highest demand recognized during the third year Capacity Demand Reviews by the prior Permitted Industrial User (150 in this example) less any Credits taken off-site by the Local Government Unit (50). The potential Credit for the New Use is 100.

### 5.3.3 Determination Extensions

#### 5.3.3.1 Extensions

Time extensions to implement wastewater reduction measures to reduce SAC liability for the Local Government Unit in which the Permitted Industrial User is located based on the third-year Capacity Demand Reviews are only considered for Permitted Industrial Users.

#### 5.3.3.2 Requesting Extensions

The Permitted Industrial User must request extensions in writing to MCES (with a copy to the Local Government Unit in which the Permitted Industrial User is located), including:

- a detailed explanation of the circumstances leading to the request,
- a projected timetable to address the demand difference (between the Assigned SAC Baseline and SAC for the new demand), and
- an agreement to pay SAC to the Local Government Unit (at the SAC rate in effect at the end of the extension) should the wastewater demand continue to exceed the Assigned SAC Baseline.

#### 5.3.3.3 Review and Approval of Extension Requests

Unless the Local Government Unit objects, the extension request will be subject to the review and approval of MCES. MCES will notify the Local Government Unit in which the Permitted Industrial User is located of any approved extension requests.

#### 5.3.3.4 Term of Extension

The total length of the extension shall not exceed 2 years.

#### 5.3.3.5 Temporary Capacity Charge – Industrial Users

For approved extensions longer than a 6 month grace period, the Permitted Industrial User will be assessed a Temporary Capacity Charge for all reported volume discharged above the Assigned SAC Baseline value. Note: The Local Government Unit of which the Permitted Industrial User is located will also continue to be subject to all other charges assessed by MCES.

### 5.3.4 SAC Facility Definitions

#### 5.3.4.1 Industrial Discharge Permits

Industrial discharge permits may be issued to Permitted Industrial Users occupying part of a building, a single building or multiple building properties. The following information provides guidance during the Capacity Demand Review conducted by MCES staff as part of the permit renewal process.

#### 5.3.4.2 Part of a Building

A Permitted Industrial User occupying part of a single building, (e.g. renting a bay in a warehouse or renting a floor in a multi-story building), is required to accurately determine wastewater discharged from its operations. SAC for increases in wastewater demand must be paid by the Local Government Unit for the Permitted Industrial User—unless there are existing SAC Credits at a different location within in the building and the building owner gives written consent and MCES approves a SAC reassignment within the building. MCES will not approve such a reassignment if the Local Government Unit objects. No portion of the building can have its SAC allocation (potential for Credits) reduced to less than its square footage requirement for its designated use. For example, if an industrial tenant had a SAC calculation of 6 SAC units vacated a 14,000 square foot warehouse space, only 4 SAC units could be transferred to another space within the building. Two SAC units would remain to cover the warehouse use of that space. (See Appendix A for our SAC criteria calculations.)

#### 5.3.4.3 One Single Building

Permitted Industrial Users occupying an entire building, whether owned or rented, will be responsible to the Local Government Unit in which the Permitted Industrial User is located for SAC for the total wastewater demand from the building. Assigned SAC Baseline values will be used to determine if a SAC liability to the Local Government Unit exists.

#### 5.3.4.4 Multiple Buildings

An Industrial discharge permit may be issued for the total wastewater demand from a Campus of several buildings within the same Local Government Unit if the property meets one of the following definitions:

- One parcel of property contains two or more buildings and all buildings must be totally occupied by the Permitted Industrial User,
- Two or more separate parcels of property with contiguous borders and all buildings must be totally occupied by the Permitted Industrial User, or
- Two or more parcels of property that are separated only by a body of water (e.g. stream or river), utility easement or a transportation route (e.g. road, state trail or railroad) and all buildings must be totally occupied by the Permitted Industrial User.

The properties may be owned or rented by the Permitted Industrial User. Local Government Units, on behalf of Permitted Industrial Users, may be allowed to informally transfer SAC units from one

building to another within the Campus to satisfy SAC liabilities resulting from the MCES' Capacity Demand Review. The transfer of Credits is subject to the following conditions:

- Each building on the property must maintain the minimum number of SAC units to match its intended use for that space (See Appendix A for our SAC criteria calculations),
- Each building must maintain the minimum usage (i.e. warehouse criteria) or at least 1 SAC unit (i.e. Vacant buildings),
- Each transfer of Credits must be approved by MCES and by the property owner(s) on a form provided by MCES,
- In case of the sale of all or part of the property, MCES will assign SAC Credits to individual buildings as it deems appropriate, and
- If another business shares a building with a Permitted Industrial User, Credits are not allowed to be transferred to another building or within the same building.

Credit reassignments between buildings on a Campus will be available for Credit for SAC liability discovered as a result of MCES' Capacity Demand Review. SAC liability as a result of building additions or new construction will be Determined using the Commercial criteria as found in Appendix A.

Note: A Local Government Unit has no right to transfer SAC Credits if a Permitted Industrial User moves operations to a new location off the Site except if the transfer has been approved as part of a SAC Credit Transfer as described in Section 5.7.

## 5.4 Local Government Credit System

### 5.4.1 Legal Description

#### 5.4.1.1 No Financial Obligation

SAC Credits are a MCES unit of measure that accounts for capacity freed up within a Local Government Unit, on which MCES will forego future SAC. **This does not constitute a financial obligation on the part of MCES and Local Government Units may not barter, sell or otherwise treat SAC Credits as a commodity.** MCES will not honor any agreements between Local Government Units and third parties that purport to barter, sell or otherwise treat SAC Credits as a commodity.

#### 5.4.1.2 Sale of Credits Prohibited

Local Government Units may not sell SAC Credits, and SAC Credits may not be exchanged in any manner unless part of an approved SAC Credit Transfer, as described in Section 5.7.

#### 5.4.1.3 Credits and Assigned SAC Baseline are for Informational Purposes

Credits and Assigned SAC Baselines are for the information of MCES and the Local Government Unit only and imply no benefit of any type whatsoever for particular property owners or any other third parties.

### 5.4.2 Use of Credits

#### 5.4.2.1 Generation of Credits

As of January 1, 2010, no new Net Credits were generated for Local Government Units. Credit is still assigned for a New Use on a Site up to the demand of the old use on that Site (i.e. the Maximum Demand paid during the Look-Back Period).

If SAC Credits were previously taken for capacity represented by the highest use in the Look-Back Period, those Credits are no longer available to offset the current SAC.

#### 5.4.2.2 Existing City-Wide Credits

All City-Wide Credits that were generated prior to January 1, 2010, will remain available, until depleted, to the Local Government Unit for use to offset other SAC at other Sites within the Local Government Unit. No SAC may be paid to MCES if there are existing City-Wide Credits that can first be used (i.e. The Credits are required to be used by the Local Government Unit at the first opportunity.)

#### 5.4.2.3 Existing Site-Specific Credits

Any Site-Specific Credits on MCES books that were generated prior to January 1, 2010, will be honored for use on the specific Site where they were generated. However, these Credits are treated as Phased Developments, meaning all Site-Specific Credits generated prior to January 1, 2010, will expire on December 31, 2019. Demolitions reported are not considered Site-Specific Credits. If Site-Specific Credits exist, they must be used prior to payment being sent to MCES for a use on the Site.

### 5.4.3 Phased Developments

The SAC Credits for approved Phased Developments will be available for 10 years from the date of the MCES Credit Determination and Phased Development Plan submission with Form MCES Phased Development-A. MCES approves all Credit Determinations. The Credits are to be used only on the specific planned development Site on a first come-first served basis. If buildings continue to be in use and have the potential to change use, those properties will not be included as part of the approved Phased Development Plan Credit Determination.

Phased Development Plans must be consistent with approved Comprehensive Plans for the Local Government Unit and at a minimum be specific about the geographical area involved, the number, type and location of the properties being developed, number of potential Credits, type of development planned and the expected year of development for each phase/area. The plan must be approved by the City Council or other official delegated authority.

### 5.4.4 Withdrawal from the MCES Service Area

SAC treatment for a withdrawal from the MCES service area is subject to negotiation with the Council.

## 5.5 Local Government Unit Payments and Reporting

### 5.5.1 Payments

#### 5.5.1.1 Regular SAC Payments

Each Local Government Unit is required to pay any SAC due, according to reporting deadlines (Section 5.5.2.1), with the submittal of Form MCES SAC-A. The SAC rate to be charged is the rate in effect at the time of permit issuance and payment by the applicant to the Local Government Unit and payment by the Local Government Unit to MCES, regardless when the permitting process began. (i.e. If a permit is issued December 2010 but the Local Government Unit does not pay MCES for the permit until the January 2011 SAC Activity Report when they received payment by the permittee, the 2011 rate applies.) SAC is not to be prepaid in advance of the Local Government Unit permit issuance. (Note: SAC may be collected on a foundation permit. However, if the plans change between the foundation permit and building permit process, a new Determination is required. It is the Local Government Unit's responsibility to ensure that the final Determination is correct; that is, based on what is actually built.) The Local Government Unit is responsible for remitting the SAC within 30 days of the end of the month in which the SAC liability occurred.

To pay the previous year's SAC rate, all Determination requests for MCES must be submitted with complete documentation no later than December 21 in order for staff to have time to complete the

Determination and the Local Government Unit permit must be issued no later than December 31. (i.e. To pay the 2011 SAC rate, all Determinations must be submitted no later than December 21, 2011 and the Local Government Unit permit must be issued no later than December 31, 2011.)

#### 5.5.1.2 Interest Charges

At the discretion of the MCES Finance Director, MCES may add interest to any unpaid SAC balances, as permitted by law.

#### 5.5.1.3 Past Due SAC

When unremitted SAC charges from prior years are discovered (e.g., in a Community Review), the Local Government Unit is responsible for remitting any amounts due to MCES within 60 days from the date of the Community Review letter or date of the discovery of the omission. If the Local Government Unit can provide additional information or has a dispute with any of the findings, the Local Government Unit must respond in writing within 60 days of the date of the Community Review letter decision or date of the discovery of the omission to preserve the Local Government Unit's legal rights. All undisputed portions of the review findings must be paid within 60 days. In an extraordinary situation, the Local Government Unit may request more time via a written appeal to the MCES Finance Director. Note: The liability for unpaid SAC is the Local Government Unit's responsibility regardless of collection of Local SAC from property owners.

##### 5.5.1.3.1 Good Faith Efforts and Use of Earlier SAC Rate

Where the Local Government Unit has acted in good faith in the opinion of the MCES Finance Director, MCES may accept a payment based on an earlier SAC rate and/or without interest accrual. The earlier SAC rate is that rate that was in effect at the time the SAC should have been submitted to MCES. Acceptance of the earlier rate is contingent on payment within 60 days from the date of the Community Review letter or date of the discovery of the omission (or longer in extenuating circumstances, at the discretion of the MCES Finance Director). Note: The Local Government Unit's payment liability to MCES is not contingent on the Local Government Unit receiving payment from the property owner.

#### 5.5.1.4 Collection of Unpaid SAC

MCES reserves the right to collect any unpaid SAC using any mechanisms provided by law, including the use of a Deficiency Levy as provided in Minnesota Statutes §473.521(4) which requires the County Auditor to levy an ad valorem tax on all properties within the Local Government Unit. The prompt payment discount is not allowed to be taken on any adjustments made from prior reporting periods.

#### 5.5.1.5 Discount for Prompt Payment

The Local Government Unit is allowed to retain 1% of the net amount due for current charges to MCES as a discount for prompt payment. However, the Local Government Unit may not take this discount if all the reporting forms and payments are not remitted to MCES within 30 days of the end of the month (or quarter if quarterly reporting is approved by MCES). The prompt payment discount is not allowed to be taken on any adjustments made on the SAC report.

#### 5.5.1.6 Payment Deferrals

For issues of Metropolitan Area-wide significance, SAC payments by Local Government Units may be amortized over a period of up to ten years. Payments must include interest and a guarantee of payment by the Local Government Unit. Contact MCES for further information and list of conditions.

## **5.5.2 Form MCES SAC-A - Activity Summary Report**

Form MCES SAC-A is a summary of information from the supporting Activity Report forms.

### **5.5.2.1 Reporting Deadline**

Local Government Units with a prior-year activity level exceeding 36 SAC units are required to submit Form MCES SAC-A within 30 days of the end of each month. Local Government Units with a prior-year activity level of no more than 36 SAC units and where the previous reports have been submitted by the report deadline may report on a quarterly basis (within 30 days of the end of the quarter) if the Local Government Unit has received prior approval from MCES. (See Section 5.5.6)

### **5.5.2.2 No Activity**

If there is no SAC activity for the reporting period, a Local Government Unit may write “no activity” on the form and mail or fax it to MCES. An e-mail report is acceptable. The e-mail must state the name of the Local Government Unit, the reporting period and year, “no activity”, and the contact name and information. If the Local Government Unit has any City-Wide Credits, the amount of City-Wide Credit should be listed on the report or in the body of the email.

### **5.5.2.3 Activity without SAC Due**

If there was SAC activity during the month or quarter, even if no SAC was due, the detail must be included in the SAC report on the appropriate forms or other MCES approved formats.

### **5.5.2.4 Voided Permits**

Local Government Units may obtain a Credit of SAC paid to MCES for a permit that has been canceled or voided after fees were paid to MCES. The Local Government Unit must attach a copy of the permit, marked “void,” to the SAC-A form (and indicate the Credit in the SAC adjustment area of the form). The Credit is in the amount of what was actually paid to MCES. (i.e. If the Local Government Unit paid \$2,079 (2010 SAC rate of \$2,100/unit less 1% prompt payment discount) for a single family dwelling in 2010, the amount of the Credit is \$2,079.)

## **5.5.3 Form MCES SAC-B - Residential Detail Report**

### **5.5.3.1 Documentation of New Use Residential Activity**

Form MCES SAC-B is required to document all New Use activity for Residential properties. All Residential activity must be shown on the Form MCES SAC-A submittal.

### **5.5.3.2 Computerized Reporting Standards**

For the “New Use” part of this form, the Local Government Unit may substitute a computerized listing as long as it clearly includes the following information: building permit number, issue date, address, type of dwelling, and SAC units charged. All Residential activity must be shown on the Form MCES SAC-A.

### **5.5.3.3 Requirements for Credits**

Credits are available (to be reported in the “Previous Use” part of the form) when a New Use is being established on the Site and the prior use is currently being Demolished or was Demolished and properly reported to MCES. Current Demolitions must still be reported on Form MCES SAC-D. *No Credits are allowed without a declared New Use on this form. Demolitions that occurred in a prior calendar year and have not been correctly reported on MCES Form SAC-D are not eligible for Credits.*

#### 5.5.3.4 Approval for Discounts

Discounts, pursuant to section 5.1.3, require prior written approval of MCES. This written approval must be attached to Form MCES SAC-B.

### 5.5.4 Form MCES SAC-C – Commercial Detail Report

#### 5.5.4.1 Documentation of New Use Commercial Activity

Form MCES SAC-C is required to document all New Use and change of use activity for Commercial properties (including non-profit, governmental and institutional). A MCES SAC Determination Letter may be substituted for this form if it includes an address, building permit number, issue date and pertinent Credit information. All Commercial activity must be shown on the Form MCES SAC-A submittal.

#### 5.5.4.2 Requirements for Credits

Credits are available (to be reported in the “Previous Use” part of the form) when a New Use is being established on the Site and the prior use is currently being remodeled, currently being Demolished or was Demolished and properly reported to MCES. Current Demolitions must still be reported on Form MCES SAC-D. *No Credits are allowed without a declared New Use on this form. Demolitions that occurred in a prior calendar year and have not been correctly reported on MCES Form SAC-D are not eligible for Credits.*

#### 5.5.4.3 Approval for Discounts

Discounts, pursuant to Section 5.1.3, require prior written approval of MCES. This written approval must be attached to Form MCES SAC-C.

### 5.5.5 Form MCES SAC-D - Demolition Declaration Report

#### 5.5.5.1 Demolished Properties without a New Use

Form MCES SAC-D is required to document all Demolition activity. This form establishes a potential future Credit and is required to be submitted by January 31 of the year following the calendar year in which the Demolition occurred. For example, if a building is demolished in September 2011, the Demolition must be properly reported to MCES by January 31, 2012. Demolitions must be reported to be creditable. If Form MCES SAC-D is not submitted within the required time period, the property is not eligible for a future Credit. **Monthly reporting is recommended.**

#### 5.5.5.2 Required Attachments

Form MCES SAC-D is not valid without the following attachments:

- Commercial Demolitions must be accompanied by Form MCES SAC-C or a MCES SAC Determination Letter;
- Industrial Property Demolitions must be accompanied by a MCES SAC Determination Letter; and
- the date of Vacancy must be reported on Form MCES SAC-D. Form Affidavit-C (Affidavit of Vacancy) may be request by MCES to be completed by the Local Government Unit.

#### 5.5.5.3 Declarable Credits

Declarable potential Credits are subject to the following:

- Effective January 1, 2010, the SAC Credit for a property is based on the prior demand in the Look-Back Period, in SAC units. No Credit will be allowed if the property should have paid

SAC in the Look-Back Period but did not or if the property sat Vacant for the entire Look-Back Period.

- Properties that paid SAC prior to 1987 and were never connected to the MDS, and for which the Local Government Unit did not participate in the SAC Rebate Program during 1987-1989, are not considered Vacant and the SAC that was paid will continue to be Creditable.
- If a discount or a waiver was applied during the Look-Back Period, the Credits will be correspondingly reduced. For example if an apartment complex received a 20% discount, then the potential Credit is 0.8 SAC for each unit Demolished.
- No Credits are available if the property participated in the Council's 2000-2003 Inclusionary Housing SAC Waiver Program, or for any reason had SAC waived.
- No Credit is allowed if the building was not connected to a central sewer now connected to the MDS.
- No Credit is allowed if the Demolition was done in a prior year and not properly reported. For example if the Demolition was done in 2009 and a report is submitted after January 31, 2010, the Credit will not be eligible.

#### 5.5.5.4 Demolition Permit Required

There must be a Demolition permit or other verifiable documentation to support the Credit claim.

#### 5.5.6 Quarterly Approval Form

All Local Governments Units with a prior-year activity level of no more than 36 SAC units that have submitted the previous year's reports by the report deadline are eligible for quarterly reporting. Those that qualify will receive a "Quarterly Approval" form in the beginning of the calendar year that must be signed and returned by the end of February to be eligible. This allows the Local Government Unit the option of reporting monthly or quarterly. If the Local Government Unit chooses to report quarterly, any time the Local Government Unit exceeds 36 units, or if the quarterly report is submitted late, the quarterly reporting approval is revoked. The Local Government Unit must then report on a monthly basis.

### 5.6 SAC Collection for Local Government Discharging to the MDS for the First Time

A Local Government Unit within the Metropolitan Area is required to collect SAC according to the rules in this SAC Procedures Manual beginning at the SAC trigger date described in three different circumstances below.

The Council will make the sole Determination of the applicable date and notify the Local Government Unit(s) unless such notice is implicit in an acquisition or service agreement. Note that where the trigger date and the related liability occurs on a projected date one-year prior to service, a delay in completion of the project may not change the liability to pay SAC to MCES.

#### 5.6.1 Existing Publicly-Owned Treatment Plant to be Acquired by MCES

If the service area has an existing publicly-owned treatment plant that is to be acquired by MCES and the SAC liability start is not defined in the agreement, the SAC trigger date shall be the later of: 1) the date of the acquisition agreement or 2) one year prior to the transfer of ownership to the Council pursuant to an acquisition agreement or Minnesota Statutes section 473.511.

All properties being serviced by the local treatment plant prior to the SAC trigger date will be grandparented into the MDS at the demand at the time of the SAC trigger date and the Local Government Unit will not normally owe SAC for those properties. The only exception to this grandparenting provision is where the Local Government Unit debt to be assumed by the Council, pursuant to Minnesota Statutes section 473.511 subdivision 2, is disproportionate to the reserved

capacity of the system being acquired. In such a case, at the sole discretion of the Council, SAC will be due to the Council to make up the disproportionately.

In order to grant the grandparent Credits, the Local Government Unit shall provide an inventory of all addresses being serviced by the local treatment plant (e.g. a current list of all customers currently paying for sewer service from the Local Government Unit). This inventory should identify Commercial and Industrial users and their current wastewater demand at the trigger date. If the inventory is not provided by the Local Government Unit to MCES by the SAC trigger date, then the grandparent Credits shall not be applied.

After the SAC trigger date, SAC shall be collected on new construction in compliance with all of the rules in this manual. If a building permit was issued prior to the SAC trigger event, but the SAC trigger date occurs prior to sewer hook-up, the SAC liability to MCES occurs with the hook-up.

### **5.6.2 Existing Publicly-Owned Treatment Plant Not to be Acquired by MCES**

If the new service area has an existing publicly-owned treatment plant that is not being acquired by the Council, the Council will serve the area through an interceptor; unless the SAC trigger date is identified in the agreement, the SAC trigger date shall be one year from the time the Council projects that service will be available.

All properties being serviced at the SAC trigger date by a local publicly-owned treatment plant that is being phased out due to the MCES service will normally be grandparented into the MDS at the demand at the time of the SAC trigger date and the Local Government Unit will not owe SAC for those properties.

In order to be granted the grandparent Credits, the Local Government Unit shall provide an inventory of all addresses being serviced by the local treatment plant (e.g. a current list of all customers currently paying for sewer service from the Local Government Unit). This inventory should identify Commercial and Industrial users and their current wastewater demand at the SAC trigger date. If the inventory is not provided by the Local Government Unit to MCES by the SAC trigger date, then the grandparent Credits shall not be applied.

After the SAC trigger date, SAC shall be collected on new construction in compliance with all of the rules in this manual. If a building permit was issued prior to the SAC trigger event, but the SAC trigger date occurs prior to sewer hook-up, the SAC liability to MCES occurs with the hook-up.

### **5.6.3 Service Area not Previously Served by Publicly-Owned Treatment Plant**

If the service area has not been previously served by a publicly-owned treatment plant and will be served by MCES through an interceptor, by a new MCES treatment plant or connected to another Local Government Unit's sewer trunk line which is connected to the MDS, the SAC trigger date shall be one year from the time the Council projects that service will be available.

SAC liability shall accrue whenever a building or connection permit is issued which either directly or indirectly connects property to the MDS. Normally the liability occurs with the building permit, however, if a building permit has been issued more than a year prior to the connection of service, the liability to MCES occurs with the sewer hook-up (and at the SAC rate in effect at that time).

In this circumstance no grandparenting of SAC applies (that is, all properties connecting shall accrue a liability for SAC due to MCES).

## **5.7 SAC Credit Transfer**

A SAC Credit transfer allows a transfer of SAC Credits between Local Government Units and between Sites within a Local Government Unit for substantial statewide economic development opportunities.

### **5.7.1 Requirements for a Credit Transfer**

SAC Credit transfers are allowed in situations where:

- The request originates either from the Local Government Unit or from the Department of Employee and Economic Development (DEED) for a business DEED determines would make a significant statewide economic impact if the business left the state. (It is expected that if DEED initiates the request, it will contact representatives of the Local Government Unit which may lose the business prior to, or as part of initial discussions, with the company proposing to move and/or the Local Government Unit where the transferred Credits may end up);
- The transferring entity is: 1) a standard Permitted Industrial User of MCES (excluding liquid waste haulers, special discharge permittees or general permittees); or 2) any other entity served by the MDS where at least 50 full-time equivalent (FTE) jobs are currently located on the Site to be moved;
- The entity moving is not a service or retail company (retail businesses include, but are not limited to: retail shopping stores, restaurants, salon/spas, and repair shops);
- The owner of the business or entity being moved is the property owner of the existing Site (or has the written consent of the property owner for the Credit transfer);
- MCES reviews and approves the availability of capacity in conveyance (lift stations and interceptor pipes) and treatment facilities for the new Site; and
- Written approval from each Local Government Unit involved has been received by MCES on approved forms.

### **5.7.2 Determination of Credits Available to Transfer**

The number of Credits that may be transferred is at the discretion of the Local Government Unit representing the existing Site of the business or entity, but limited to the amount potentially available at that Site. There is a minimum of one SAC unit per building that must be left at the current Site. If all buildings will be Demolished as part of this Credit transfer, this minimum requirement does not apply.

#### **5.7.2.1 Campus Credits**

The allocation of SAC units between buildings that will be retained for those businesses or entities that are considered Campuses for SAC purposes is at the reasonable discretion of MCES.

#### **5.7.2.2 Permitted Industrial Users**

For Industrial Properties permitted by MCES, the rules for potential SAC Credit availability are stated in Section 5.3.2. Any Assigned SAC Baseline value above the creditable capacity within the Look-Back Period is not transferable.

#### **5.7.2.3 Credit Balances from other Local Government Units**

Any Local Government Unit that has a City-wide Credit balance must use those Credits to offset the current charges on their SAC activity report. However, booked City-Wide Credits are available to be transferred to another Local Government Unit as part of a SAC Credit transfer if all of the requirements of section 5.7.1 are met.

### **5.7.3 Implementation of a SAC Credit Transfer**

### 5.7.3.1 Timing

SAC Credit transfers occur at the point of execution of the required documents by all parties. MCES will notify all parties when this is complete. Once the SAC Credit transfer occurs, these Credits become the reserved capacity for the Local Government Unit on the future Site for the business or entity. Once the SAC Credit transfer occurs, and the MCES Determination Letter for the new Site has been issued, the business or entity has up to 7 years from the date of the Determination Letter to complete the project. If the project does not occur within the 7-year period, the transferred Credits are lost.

### 5.7.3.2 Revocability

If either a building permit for the new Site has been issued or if a new use has been established on the old Site (the existing Site before the transfer), the Credit transfer is irreversible and irrevocable. Up to that point in time the Credit transfer may be reversed with the agreement of all Local Government Units.

### 5.7.3.3 Use of Credits after the Transfer

Once the SAC Credit transfer has occurred, the Credits are usable on the specific Site to which they were transferred. These units will be available only to offset SAC charges for the property related to the business or entity moving to the Site and only for the facilities built at the time of the move (or as a Phased Development).

For Permitted Industrial Users, SAC Credit transfer units are limited to the amount needed on the future Site for the new use that will be determined at the next MCES Capacity Demand Review. The review will determine how many additional SAC, if any, are required for the Permitted Industrial User's normal maximum discharge.

### 5.7.3.4 Local Government Unit Reporting

The Local Government Units are responsible for reporting the SAC Credit transfer on the SAC Activity Report. The Local Government Unit at the current Site is responsible for reporting the SAC Credits being transferred to the future Site. Once the local permit, as stated on Form MCES Credit Transfer – C2, has been issued, the Local Government Unit at the future Site is required to report the SAC Credit transfer on the next SAC Activity Report to MCES. SAC Credits transferred may only be applied up to the amount needed on the new Site for the New Use.

## 5.7.4 SAC Credit Transfer Forms

### 5.7.4.1 Form MCES Credit Transfer–A - DEED Checklist

Form MCES Credit Transfer – A is a checklist for DEED that includes the minimum requirements for a SAC Credit transfer.

### 5.7.4.2 Form MCES Credit Transfer–B - Submittal List

Form MCES Credit Transfer – B is a submittal list for the business or entity wishing to transfer available Credits to a new location. The legal owner of the business must sign and date this form.

### 5.7.4.3 Form MCES Credit Transfer–C1 - Local Government Form for the Current Site

Form MCES Credit Transfer – C1 is an approval form for the Local Government Unit representing the current Site. This form states the number of Credits that will be transferred. Only the Local Government Unit Finance Director or City Manager has the authority to sign this form.

#### 5.7.4.4 Form MCES Credit Transfer–C2 - Local Government Form for the New Site

Form MCES Credit Transfer – C2 is an approval form for the Local Government Unit representing the new Site. This form states what type of local permit will be issued to activate the SAC Determination on the new Site. This includes an acknowledgement that these Credits are only available on the specific Site to which they were transferred. Only the Local Government Unit Finance Director or City Manager has the authority to sign this form.

### 5.8 Community Reviews

#### 5.8.1 Basis for Community Reviews

MCES will review each Local Government Unit’s records at least once every three years to assure conformance and consistency to its SAC rules and procedures.

#### 5.8.2 Records Reviewed

During each review, MCES will look at all building activity including, but not limited to:

- New Residential permits;
- Residential addition permits that increase the number of dwelling units;
- New Commercial permits;
- Commercial remodel, addition, tenant finish, and build out permits; and
- Demolition permits.

MCES will also review the SAC reports during the review period and verify that the 1% prompt payment discount has been taken correctly.

#### 5.8.3 Community Review Payments and Reporting

##### 5.8.3.1 Past Due SAC

When unremitted SAC charges from prior years are discovered during a Community Review), the Local Government Unit is responsible for remitting any amounts due to MCES within 60 days from the date of the Community Review letter. If the Local Government Unit can provide additional information or has a dispute with any of the findings, the Local Government Unit must respond in writing within 60 days of the date of the Community Review letter decision to preserve the Local Government Unit’s legal rights. All undisputed portions of the review findings must be paid within 60 days. In an extraordinary situation, the Local Government Unit may request more time via a written appeal to the MCES Finance Director. Note: The liability for unpaid SAC is the Local Government Unit’s responsibility regardless of collection of Local SAC from property owners.

##### 5.8.3.2 Good Faith Efforts and Use of Earlier SAC Rate

Where the Local Government Unit has acted in good faith in the opinion of the MCES Finance Director, MCES may accept a payment based on an earlier SAC rate and/or without interest accrual. The earlier SAC rate is that rate that was in effect at the time the charges should have been submitted to MCES. Acceptance of the earlier rate is contingent on payment within 60 days from the date of the Community Review letter (or longer in extenuating circumstances, at the discretion of the MCES Finance Director). Note: The Local Government Unit’s payment liability to MCES is not contingent on the Local Government Unit receiving payment from the property owner.

##### 5.8.3.3 Reporting Community Review Charges

Any amount due to MCES from the Community Review must be submitted in the “adjustment” section on Form MCES SAC-A. That is, the 1% prompt payment discount cannot be taken off any amount due.

# Appendix A: SAC Criteria for Commercial Properties

FACILITY	PARAMETER	SAC
<b>Animal Clinic</b> (humane societies, animal research, boarding, etc.); remainder use other criteria	*17 fixture units	1
<b>Animal Grooming</b> ; remainder use other criteria	4 stations	1
Animal Washing	1 tub	1
<b>Archery</b> (6 feet/lane); for remainder use other criteria	6 lanes	1
<b>Arena</b> (bleachers 18 inches/person); remainder use other criteria	110 seats	1
<b>Assisted Living</b> (see formula below to determine the number of residents)		
No washer/dryer in each unit	3 residents	1
Washer/dryer in each unit	2.5 residents	1
Calculate the number of residents as follows:		
Number of efficiency units x 1.0 resident/unit		
+ Number of one-bedroom units x 1.5 residents/unit		
+ Number of two-bedroom units x 2.0 residents/unit		
+ <u>Number of three-bedroom units x 3.0 residents/unit</u>		
Total number of residents for SAC calculation		
<b>Auditorium</b> (7 square feet/person)	110 seats	1
<b>Automobile Service</b> ; remainder use other criteria		
Fast service (less than 4 hours/car)	2 service bays	1
Major service (more than 4 hours/car)	14 service bays	1
Car dealership (charges for office, retail, etc. are separate at established rates)	2 service bays	1
Fast service (number of service bays x 30%)	2 service bays	1
Major service (Number of service bays x 70%)	14 service bays	1
<b>Bank</b> (exclude bank vault)	2,400 square feet	1
<b>Banquet Room</b> (15 square feet/person)		
Food catered	2,060 square feet	1
Food catered with dishwashing	1,180 square feet	1
Food catered with liquor	1,028 square feet	1
Food catered with dishwashing and liquor	750 square feet	1
Food preparation and dishwashing	825 square feet	1
Food preparation with dishwashing and liquor	590 square feet	1
<b>Bar</b> (no food service) (previously under <i>Cocktail Lounge</i> )	23 seats	1
Non-Fixed Seating (lineal feet of the bar @ 1.5 feet per seat)	23 seats	1
<b>Barber</b>	4 cutting stations	1
Shower	*17 fixture units	1
<b>Batting Cage</b> (10 feet/lane-pitching; 15 feet/lane-batting); for remainder use other criteria	6 lanes	1
<b>Beauty Salon</b>		
Hair Cutting	4 cutting stations	1
Manicure	9 stations	1
Pedicure/Facial	7 stations	1
Shower	*17 fixture units	1
<b>Bingo Hall</b> (used only for bingo)	1,650 square feet	1
<b>Boarding House</b> (dorm rooms; with food service)	5 beds	1
<b>Body Shop</b> (major service – more than 4 hours/car; vehicle washing additional)	14 service bays	1
<b>Bowling Alley</b> (for remainder use other criteria)	3 alleys	1

FACILITY	PARAMETER	SAC
<b>Cafeteria</b> (maximum number of meals prepared in 24 hours x 3 gallons/meal); <i>include meals prepared during business hours as well as after-hour events</i>	274 gallons	1
<b>Camp</b> (number of gallons x occupant or Site)		
Children's camps (central toilet and bath; overnight, primitive cabins; number of occupants x 50 gallons/occupant)	274 gallons	1
Day camps (no meals served; number of occupants x 10 gallons/occupant)	274 gallons	1
Labor/construction camps (number of occupants x 50 gallons/occupant)		
Resorts (housekeeping cabins; number of occupants x 60 gallons/occupant)	274 gallons	1
Travel trailer parks		
With water and sewer hookup (number Sites x 100 gallons/Site)	274 gallons	1
With central toilet and showers (number of Sites x 75 gallons/Site)	274 gallons	1
Sanitary dump (Sites without hookup; number of Sites x 10 gallons/Site)	274 gallons	1
<b>Card Room</b>	Contact MCES for Determination	
<b>Car Detailing</b> (see also <i>Car Wash</i> for vehicle washing bays)	14 employees	1
<b>Car Wash</b>		
Self-Serve; Other Car Wash Bays	1 Bay	3
Automatic (Roll-over, Conveyor/Pull-Through)	Contact MCES for Determination	
<b>Catering</b>	Contact MCES for Determination	
<b>Church</b> (for sanctuary, nave, chancel; 7 square feet/person seating area; sacristy and ambulatory at no charge); for remainder use other criteria	275 seats	1
Shower (if lockers use <i>Locker Room</i> criteria)	*17 fixture units	1
Ablution Room (# of people in sanctuary x 1.5 gallons/person)	274 gallons	1
<b>Clinic</b> (Also see <i>Hospital</i> ); <b>SAC is the greater of Clinic or Office/Meeting</b> ; remainder use other criteria		
Clinic	*17 fixture units	1
Office	2400 square feet	1
Meeting Room (Conference)	1,650 square feet	1
Sterilizer (4 hours x gallons per minute x 60 minutes)	274 gallons	1
X-ray film processor (4 hours x gallons per minute x 60 minutes)	274 gallons	1
Dental clinic vacuum device (4 hours x gallons per minute x 60 minutes)	274 gallons	1
Whirlpool, therapy (number of gallons to fill x 8 fills/day)	274 gallons	1
<b>Coffee Shop</b> (no food service)	23 seats	1
<b>College/University</b> (see <i>School</i> )		
<b>Condominiums</b>	1 unit	1
<b>Conference Rooms</b> (see <i>Meeting Room</i> )		
<b>Convention Center</b> (15 square feet/person)	14 people	1
<b>Correction Facility</b> (prison)	3 inmates	1
<b>Court Room</b>	1,650 square feet	1
<b>Dance Floor</b>		
With Beverage Service	350 square feet	1
Without Beverage Service	700 square feet	1
<b>Daycare</b> Facilities (Includes child and adult care; excludes home businesses)	620 square feet	1
Health Club, Bowling Alley, etc.	2,400 square feet	1
<b>Dialysis Center</b>	Contact MCES for Determination	

FACILITY	PARAMETER	SAC
<b>Dorm Room</b> (on and off campus; charge for classrooms is additional)	5 beds	1
<b>Dry Cleaner</b> (retail)	3,000 square feet	1
<b>Elder Housing</b> (see <i>Assisted Living</i> )		
<b>Exercise Area/Gym</b> (With Showers); (juice bars at no charge); for remainder use other criteria	700 square feet	1
No showers	2,060 square feet	1
<b>Exhibit Hall</b> (gross square feet x 45% usable space @ 7 square feet/person)	64 people	1
<b>Fire Station</b> (for remainder use other criteria)		
Hose Tower	1 tower	1
Vehicle Washing (3.5 gallons per minute x 20 minutes x # of vehicles)	274 gallons	1
Full time, overnight people (75 gallons/person)	274 gallons	1
Volunteer (occasional overnight stays)	14 volunteers	1
<b>Funeral Home</b> (charge for the viewing areas only: i.e., chapel); for remainder use other criteria	770 square feet	1
Shower	*17 fixture units	1
Apartment	1 apartment	1
<b>Game Room</b> (billiards, video and pinball games)		
With bar	590 square feet	1
Without bar	2,060 square feet	1
<b>Golf Course</b> (if facility has showers use Locker Room criteria); See <i>Section 5.2.1.7 for discount</i>		
18 hole		3
9 hole (par 3)		2
Miniature		3
Country club (private)		
Dining room (used only on evenings and weekends)	15 seats	1
Bar and grill (with bar and grill separate)		
Bar only	23 seats	1
Grill	15 seats	1
<b>Golf Dome or Driving Range</b> (for remainder use other criteria)	6 driving stations	1
<b>Greenhouse</b>		
Area not open to the public	15,000 square feet	1
Area open to the public	5,000 square feet	1
General retail area	3,000 square feet	1
<b>Group Home</b>		
Secondary treatment (residents leave during the day)	5 beds	1
Primary treatment (residents stay all day)	3 beds	1
<b>Guest Room</b> (in an apartment or condominium complex)		
Washer/dryer	100% of current SAC rate	
No washer/dryer	80% of current SAC rate	
No kitchen, washer/dryer	50% of current SAC rate	
<b>Handball and Racquetball Court</b>	1 court	2
<b>Hangars (Private Aircraft)</b>	1 Hangar	1
Plane/Vehicle Washing (3.5 gallons per minute x 20 minutes x # of Bays)	274 gallons	1
<b>Hospital</b> (licensed beds or baby cribs)	1 bed	1
Outpatient clinic	*17 fixture units	1
Sterilizer (4 hours x gallons per minute x 60 minutes)	274 gallons	1
X-ray film processor (4 hours x gallons per minute x 60 minutes)	274 gallons	1

FACILITY	PARAMETER	SAC
<b>Ice Arena</b>		
Shower (if lockers use <i>Locker Room</i> criteria)		
Team Room (plumbing fixture units)	*17 fixture units	1
Bleachers	110 seats	1
Ice resurfacers (if discharge goes to the sanitary sewer)	1 resurfacers	4
<b>Laundromat</b> (required water volume for cycle time x 8 cycles/day x # of washers)	274 gallons	1
<b>Library</b> (subtract book storage areas, file areas; charge for common plumbing fixture units in public areas)		
Reception, book checkout, office	2,400 square feet	1
Meeting room, board room	1,650 square feet	1
<b>Loading Dock</b>	7,000 square feet	1
<b>Locker Room</b> (if showers)	14 lockers/hooks	1
<b>Manufacturing</b> (for remainder use other criteria (i.e. <i>Office</i> criteria)		
Shower (if lockers use <i>Locker Room</i> criteria)	*17 fixture units	1
Process Discharge	Contact MCES for Determination	
<b>Marina</b> (Dumping Station)		
Areas Open to Public; <i>see other criteria</i>	1 station	1
<b>Massage Room</b>		
Shower	5 stations	1
	*17 fixture units	1
<b>Meals to Go</b> (prepared bulk meals)		
# meals prepared in one day x 1.5 gallons/meal ( <i>no dishwashing</i> )	274 gallons	1
<b>Meeting Room</b> (conference room)	1,650 square feet	1
<b>Memory Care</b> ( <i>see Nursing Home</i> )		
<b>Mini-storage</b> (storage area – no charge)		
Apartment	1 apartment	1
Public Area	*17 fixture units	1
<b>Mobile Home</b>		
<b>Motel and Hotel</b> (assume 2 people/room; no charge for pools, saunas, whirlpools, game rooms, or exercise rooms used exclusively by guests)		
Breakfast only (complimentary)	45 seats	1
Cocktail hour (complimentary)	55 seats	1
Kitchenette (number of kitchenettes x 10 gallons/day)	274 gallons	1
<b>Museum</b>	2,400 square feet	1
<b>Nail Salon</b> ( <i>See Beauty Salon</i> )		
<b>Nursing Home</b>	2 beds	1
<b>Office</b>		
General office (deduct mechanical rooms, elevator shafts, stairwells, and restroom areas)	2,400 square feet	1
Shower (if lockers use <i>Locker Room</i> criteria)	*17 fixture units	1
Meeting Room (conference room)	1,650 square feet	1
Dental and Doctor's office, <i>see Hospital, Outpatient Clinic</i>		
Liquor License ( <i>see Banquet Room</i> for the space covered under the liquor license)		
<b>Parking Garage</b> (if connected to sanitary sewer) Minimum 1 SAC; Otherwise use Floor Drain equivalent fixture units for Trench Drain base fixture unit assignments on outlet pipe(s) diameter.		
Vehicle Washing	*17 fixture units	1
	Contact MCES for Determination	1

FACILITY	PARAMETER	SAC
<b>Park Shelter</b> <i>See Section 5.2.1.7 for discount</i>	*17 fixture units	1
<b>Park Public Building</b> <i>(see specific criteria for each use); See Section 5.2.1.7 for discount</i>		
<b>Plane Washing</b>	Contact MCES for Determination	
<b>Police Station</b> (use <i>Office</i> criteria)		
Cells (overnight – jail)	3 inmates	1
Cells (holding area with no overnight stays)	14 inmates	1
<b>Private Vehicle Storage and Maintenance Bays</b>	7,000 square feet	1
Vehicle Wash (3.5 gallons/minute x 15 minutes x # of bays)	274 gallons	1
<b>Restaurant</b>		
Fixed Seating (actual number of seats; booth seating is 24"/seat)	10 seats	1
Non-Fixed Seating (square feet of dining area @ 15 square feet/seat)	10 seats	1
<b><u>Outdoor patios and sidewalk seating are counted same as inside seating.</u></b> <i>See Section 5.2.1.8.1 for discount</i>		
Drive-in ( <i>See Section 5.2.1.7 for discount</i> )	9 parking spaces	1
Take-out (no seating)	3,000 square feet	1
<b>Retail Store</b> (deduct mechanical rooms, elevator shafts, stairwells, escalators, restrooms and unfinished storage areas)	3,000 square feet	1
Shower	*17 fixture units	1
<b>Roller Rink</b> (skating area only)	825 square feet	1
<b>Rooming House</b> (no food service)	7 beds	1
<b>RV Dumping Station</b> (not in association with camp grounds)		1
<b>School</b> (teacher offices are included in the per student criteria; admin areas use separate criteria; music rooms are excluded in K-12 Schools without shower facilities)		
K-12 Schools (without shower facilities)	540 square feet	1
Library	1,650 square feet	1
K-12 Schools (with shower facilities)	420 square feet	1
Lab (includes computer, music, art and science)	700 square feet	1
Gym (if permanent bleachers)	110 seats	1
Library	1,650 square feet	1
College/technical/vocational	540 square feet	1
Lecture hall (no fixed seats)	270 square feet	1
Lecture hall (fixed seats)	18 seats	1
Lab	900 square feet	1
Gym (if permanent bleachers)	110 seats	1
Dorm rooms (on and off campus)	5 beds	1
Library ( <i>see Library criteria</i> )		
Liquor License ( <i>see Banquet Room</i> for the building with the largest combined area used for banquets)		
Music School (number of practice rooms x 2 people/room)	18 students	1
Nursery school ( <i>see Daycare</i> )		
House of worship nursery (used during worship service only; not daily parochial school)	1,650 square feet	1
<b>Service Station</b>		
Gas pumping		1
Convenience center	3,000 square feet	1
Service bays	2 bays	1
Car wash	Contact MCES for Determinations	
<b>Shooting Range</b> (rifle and handgun ranges, 6 feet/lane); for remainder use other criteria; <i>See Section 5.2.1.7 for discount</i>	6 lanes	1

FACILITY	PARAMETER	SAC
<b>Shop/Storage</b>	7,000 square feet	1
<b>Shower</b> (if lockers use <i>Locker Room</i> criteria)	*17 fixture units	1
<b>Swimming Pool</b> (non-Residential, swimming pool area only) No charge for private Residential, townhouse, apartments, condominiums, hotels, or motels used exclusively by residents of complex; <i>See Section 5.2.1.7 for discount on outdoor pool</i>	900 square feet	1
<b>Tanning Room</b>	3,000 square feet	1
Shower	*17 fixture units	1
<b>Tennis Court</b> (non-Residential, showers available); <i>See Section 5.2.1.7 for discount</i>	1 court	2
No showers available	5 courts	1
<b>Theater</b>	64 seats	1
Drive-in (parking spaces); <i>See Section 5.2.1.7 for discount</i>	55 spaces	1
<b>Treatment Center</b> (includes nursing care; inpatient only)	2 beds	1
<b>Vehicle Garage</b>	*17 fixture units	1
Employees stationed in garage	14 employees	1
Vehicle drivers (per day)	28 drivers	1
Vehicle washing wash bay	1 bay	3
Shower (if lockers use <i>Locker Room</i> criteria)	*17 fixture units	1
<b>Warehouse</b> (for remainder use other criteria (i.e. <i>Office, Meeting Room</i> criteria)	7,000 square feet	1
Office/warehouse (speculative – each tenant finish will need a determination completed)		
Minimum 30% office	2,400 square feet	1
Maximum 70% warehouse	7,000 square feet	1
Shower (if lockers use <i>Locker Room</i> criteria)	*17 fixture units	1
<b>Water Treatment Plants</b>	Contact MCES for Determination	

\*Asterisks in Appendix A denote which facilities, whose parameter is listed as fixture units, use the fixture unit calculations.

<u>Type of Fixture, including Rough-ins</u>	<u>Fixture Unit Value (f.u.)</u>
<b>Drinking Fountain</b>	1
<b>Floor Drain</b> (1 f.u. per inch drain)	
2" waste	2
3" waste	3
4" waste	4
<b>Trench drain:</b> per each 6-foot section	2
<b>Sinks</b>	
Exam room, bathroom	1
Kitchen and others	2
Surgeon	3
Janitor/Service	3
<b>Urinal</b>	3
<b>Water closet</b>	6
<b>Shower</b>	
Stall	2
Gang (per head)	1
<b>Note: 17 Fixture Units (f.u.) = 1 SAC</b>	

# **Appendix B: SAC Determination Application Forms**



Environmental Services

## Sewer Availability Charge (SAC) Determination Application

*Please Type or Print Clearly and Complete In Full*

<b>PROJECT TYPE:</b> <input type="checkbox"/> New Building <input type="checkbox"/> Addition <input type="checkbox"/> Remodel <input type="checkbox"/> Tenant Finish			
<b>NEW</b>	Business Name		Type of Business
	Site Address (if address not assigned – street intersections in lieu of street address)		City Name
	Site Location (ex. Mall of America, Oaktown Office Park, etc.)	Suite Number	Date of Occupancy From:                      To:
	Project Description		
<b>PREVIOUS</b>	Business Name (at this location)		Type of Business
	Site Address	Suite Number	Date of Occupancy From:                      To:
	Original building construction date		Parcel Identification Number (PID)
<b>CONTACT</b>	Contact Name		Phone Number
	Company Name		
	Complete Mailing Address		
	Email Address		

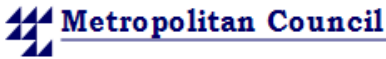
### SUBMITTAL CHECKLIST

**Include**

- Complete SAC Determination Application Transmittal
- Architectural Floor Plans – 1 set; PDF floor plans are preferred (**No Spec Books**)
  - Must be same plan as submitted to City for their review
  - Scalable or with individual room dimensions for each room/space
  - Room Schedule, showing room use (if not specified on plan)
  - Seating layout (if restaurant, bar or theater) – Indoor and outdoor seating
  - Plumbing fixture layout (if clinic, hospital or parking garage)
- Demolition Plans (if existing or remodel) – 1 set- include room schedule
- SAC Affidavit, Reclaim, Transmittal-B and/or Transmittal-C forms (if applicable)

*See "Additional Submittal Requirements" page for further submittal requirements*

Submit all of the above to SAC Technician at the address on the bottom of page or by PDF document to  
**kelly.barnebey@metc.state.mn.us**



Environmental Services

**Sewer Availability Charge (SAC)  
Additional Submittal Requirements**

\*\*If applicable, please check the boxes that pertain to your business and submit with items listed on Transmittal-A\*\*

Business Name:	Business Owner	
Business Site Address:	Street	City

**Apartment Building**

Is there a parking garage present?  No -or-  Yes, See *Parking Garage Below*

**Banquet Rooms**

Is the food:	Is liquor served:	Is the dishwashing:
<input type="checkbox"/> Catered in	<input type="checkbox"/> Yes	<input type="checkbox"/> On-site
<input type="checkbox"/> Prepared on-site	<input type="checkbox"/> No	<input type="checkbox"/> Off-site

**Barber/Beauty Salon**

Number of hair stations? _____	Number of massage/treatment stations? _____
Number of manicure stations? _____	Number of pedicure stations? _____

**Cafeteria/Catering/Meals-to-Go**

What is the maximum number of meals that can be made on the busiest day of the year? \_\_\_\_\_  
*(Include breakfast, lunch, dinner, and after-hours events)*

**Car Wash (automatic)**

Submit specification sheets that show the gallons per car water consumption for each wash type.  
*Reclaim systems will have further submittal requirements. Please see "Reclaim-Conveyor" or "Reclaim-Rollover" under 'SAC Determination Forms' on the main SAC*

**Church**

The classroom usage is:  
 Daily -or-  Weekly

**Clinic/Dental/Hospital**

Number of gallons/minute discharge for: Sterilizers _____	Dental Vacuum _____
Number of gallons to fill: Whirlpool: _____	X-ray Film Processors _____
Number of licensed beds? <i>(submit copy of license or license application)</i> _____	

**Parking Garage**

Which floors are connected to the sanitary sewer? \_\_\_\_\_ What size are the floor drains? \_\_\_\_\_  
Is there a car wash bay/port?  Yes -or-  No

**Service Station/Vehicle Garage**

The type of service is:  
 Fast service (less than 4 hours per car) -or-  Major service (more than 4 hours per car)

I hereby certify that I have read and understood every question in this transmittal and that the answers to every question are true to my knowledge and belief. I further understand that the giving of false information in this affidavit constitutes fraud and is also cause for the immediate redetermination of any charges and I will be held responsible for any additional SAC fees.

***If agent signs, must submit letter from business owner stating agent can sign on his/her behalf.***

Print Name of Business Owner: \_\_\_\_\_  
(Must Be Legible)

Signature of Business Owner: \_\_\_\_\_ Date: \_\_\_\_\_

**Sewer Availability Charge (SAC)  
 Temporary Capacity Charge Agreement**

<b>Local Government Unit:</b>
<b>Business Name:</b>
<b>Business Site Address:</b>
<b>Parcel Identification Number:</b>

The Temporary Capacity Charge is not considered a commitment of capacity, rather a rental of the capacity due to the temporary nature of the service. To qualify for the Temporary Capacity Charge, the temporary space must have a predetermined end date, with a maximum term of 36 months.

1. What is the expected term of the temporary use for the above business?

Begin: \_\_\_\_\_ End: \_\_\_\_\_

2. Has a SAC determination been completed for the project?

- No      A SAC Determination is required. Submit items as stated on Transmittal-A  
 Yes      SAC Determination Letter Reference Number: \_\_\_\_\_

3. What is the expected Temporary Capacity Charge? \_\_\_\_\_

By signing below, I certify that I understand that: 1) If the temporary use exceeds 36 months, SAC is due in full for the site; 2) If the temporary use exceeds the expected duration, but not 36 months, additional Temporary Capacity Charge will be due; 3) This Temporary Capacity Charge provides no SAC Credit against a future SAC at this site; and 4) This temporary capacity use will not increase the use in the Look-Back Period for SAC purposes.

I am the:  City Manager  
 Finance Director  
 Other Director

Print Name of Government Official: \_\_\_\_\_  
 Signature of Government Official: \_\_\_\_\_  
 Title of Government Official: \_\_\_\_\_ Date: \_\_\_\_\_



Environmental Services

### Sewer Availability Charge (SAC) Affidavit of Business Use Food/Drink Establishments

This form is to be submitted along with the other items listed on the Transmittal-A form if the business use is a food/drink establishment.

Business Name:	
Business Owner:	
Business Site Address: <small>Street</small>	<small>City</small>
Federal Tax ID:	Minnesota Tax ID:

*\*\*\* Please check all boxes that pertains to your business \*\*\**

**TYPE OF SERVICE (check all that apply):**

**Restaurant - Food Prepared and/or Served**

- Yes
- No

**Drinks Only - No Food Prepared**

- Yes
- No

**Take Out Only - No Food or Drink Served**

- Yes
- No

**TYPE OF DINING:**

- Indoor Dining**
- Outdoor Dining**
- Indoor and Outdoor Dining**

*If outdoor area is smoking only and no food or drink can be consumed, submit copy of City approved ordinance or City issued business license stating the restriction of food or drink from being consumed. If drinks can be consumed but no food, submit said copy of City approved ordinance or City issued business license stating the restriction.*

I hereby certify that I have read and understood every question in this affidavit and that the answers to every question are true to my knowledge and belief. I further understand that the giving of false information in this affidavit constitutes fraud and is also cause for the immediate redetermination of any charges and I will be held responsible for any additional SAC fees.

*If agent signs, must submit letter from business owner stating agent can sign on his/her behalf.*

Print Name of Business Owner: \_\_\_\_\_  
(Must Be Legible)

Signature of Business Owner: \_\_\_\_\_ Date: \_\_\_\_\_



Environmental Services

### Sewer Availability Charge (SAC) Affidavit of Business Use Manufacturing

This form is to be submitted along with the other items listed on the Transmittal-A form if the business use is a manufacturing establishment.

Business Name:
Business Owner:
Business Site Address: <span style="float: left; margin-left: 100px;">Street</span> <span style="float: right; margin-right: 100px;">City</span>
Federal Tax ID: <span style="float: right;">Minnesota Tax ID:</span>

*\*\*\* Please check all boxes that pertain to your business \*\*\**

**TYPE OF FACILITY:**

Existing Facility(s)                      - or -                       New Facility

**Multi-Tenant Facility or Campus**

Yes  
 No

**Permitted Industry Through MCES Industrial Waste Division**

Yes                      Permit # \_\_\_\_\_  
 No

**TYPE OF MANUFACTURING PROCESS:**

**Dry Process** - no process water discharges into the sanitary sewer

**Wet Process** - process water discharges into the sanitary sewer  
Maximum potential process discharge into the sanitary sewer  
 gallons per day

I hereby certify that I have read and understood every question in this affidavit and that the answers to every question are true to my knowledge and belief. I further understand that the giving of false information in this affidavit constitutes fraud and is also cause for the immediate redetermination of any charges and I will be held responsible for any additional SAC fees.

*If agent signs, must submit letter from business owner stating agent can sign on his/her behalf.*

Print Name of Business Owner: \_\_\_\_\_  
(Must Be Legible)

Signature of Business Owner: \_\_\_\_\_ Date: \_\_\_\_\_

**Sewer Availability Charge (SAC)  
Affidavit of Vacancy**

Vacancy can be described as: Properties that are not occupied, as evidenced by the absence of flow based sewer fees on the property beyond any minimum administration charge and/or minimum flow charge, for the entire Look-Back Period.

Property Address:
Local Government Unit:
Parcel Identification Number:
Date of Vacancy*:

\* \* \* *Please check the box for the type of property* \* \* \*

**RESIDENTIAL:**

- Single Family Dwelling
- Townhome/Condominium
- Multi-Family Dwelling
- Apartment with no Individual Laundry Plumbing Connections
- Apartment with Individual Laundry Plumbing Connections
- Public Housing

**NON-RESIDENTIAL:**

- Commercial
- Institutional
- Governmental
- Industrial

\* Documentation, such as the sewer bill showing the absence of flow based sewer fees, of the date of vacancy may be requested by MCES.

I hereby certify that I have read and understood every question in this affidavit and that the answers to every question are true to my knowledge and belief. I further understand that the giving of false information in this affidavit constitutes fraud and is also cause for the immediate redetermination of any charges and I will be held responsible for any additional SAC fees.

Print Name of Government Official: \_\_\_\_\_

Signature of Government Official: \_\_\_\_\_

Title of Government Official: \_\_\_\_\_ Date: \_\_\_\_\_



*Environmental Services*

### Sewer Availability Charge (SAC) Affidavit of Property Use

This Affidavit of Property Use is to verify the use on this property for SAC purposes prior to the Look-Back Period if no SAC records are available. The Look-Back Period is the 7 full years plus the portion of the current year prior to the SAC Determination and/or permit issuance.

Property Address:	
Local Government Unit:	
Parcel Identification Number:	
SAC Look-Back Period:	through

We certify that City staff has researched the above property and have found none of the items listed below for activity at this address during the Look-Back Period (or the year prior):

- Building Plan(s)
- Building Inspection record(s) stating the actual use of the property
- Lease Agreement(s) listing details of the building use
- Business License(s)
- Building Assessment Record(s)

Although no written proof exists, we believe the use of this property includes (if more than one use include the amount of square feet for each specific use):

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and was used in this manner prior to the beginning date of the Look-Back Period.

We hereby certify that we have read and understood this affidavit and that the statements are true to our knowledge and belief. We further understand that the giving of false information in this affidavit constitutes fraud and is also cause for the immediate redetermination of any charges. We have no conflict of interest in this matter.

Print Name of Government Official: \_\_\_\_\_  
City Building Official

Signature of Government Official: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name of Government Official: \_\_\_\_\_  
Manager of Building Official

Signature of Government Official: \_\_\_\_\_ Date: \_\_\_\_\_



## Sewer Availability Charge (SAC) Phased Development Plan

Phased Development Name:
Local Government Unit:

**CHECKLIST:**

1. \_\_\_\_\_ List of all properties involved in the phased development plan including: address, property identification number, and type of property (single family, duplex, commercial, etc.).
2. \_\_\_\_\_ List of all properties involved in the phased development plan potential SAC credits (attach copy of SAC Determination Letter).
3. \_\_\_\_\_ Narrative describing the type of development planned for the site.
4. \_\_\_\_\_ Timeline for phased development site for each area and phase.
5. \_\_\_\_\_ Map showing the phased development site and the properties involved.
6. \_\_\_\_\_ Statement from Local Government Unit official stating phased development plan is consistent with approved Comprehensive Plans for the Local Government Unit.
7. \_\_\_\_\_ Copy of approval from City Council or other governmental officially delegated authority.

\* \* \* \* \*

MCES must approve all Phased Development Plan submittals for potential SAC Credits. Approved SAC Credits will be available for 10 years from the date of the MCES Credit Determination and Phased Development Plan submission. The SAC Credits are to be used only on the specific planned development site. Any Phased Developments that were in existence prior to January 1, 2010 may be submitted during 2010 to receive the SAC Credit availability for 10 years.

\* \* \* \* \*

I hereby certify that I have read and understood every question in this affidavit and that the answers to every question are true to my knowledge and belief. I further understand that the giving of false information in this affidavit constitutes fraud and is also cause for the immediate redetermination of any charges and I will be held responsible for any additional SAC fees.

Print Name of Government Official: \_\_\_\_\_

Signature of Government Official: \_\_\_\_\_

Title of Government Official: \_\_\_\_\_ Date: \_\_\_\_\_

**Sewer Availability Charge (SAC)  
Reclaim Conveyor Carwash Systems  
Submittal List**

Business Name:	
Business Owner:	
Business Site Address: <small>Street</small>	<small>City</small>
Federal Tax ID:	Minnesota Tax ID:

1. \_\_\_\_ If recycling is required under a local ordinance then a copy of said ordinance shall be submitted.
2. \_\_\_\_ A letter from the city including a statement that the city is willing to inspect the facility to ensure the equipment is installed properly and that no cross connections or bypass features exist which would allow the wash system to function without reclaimed water usage. Agreement from the city to periodically inspect the facility to ensure that the reclaim equipment is being utilized properly, and that the actual water usage conforms to the original SAC determination.
3. \_\_\_\_ A letter from the business owner indicating that they are committed to the continued use of the reclaim process and that the facility will and cannot operate without the reclaim system.
4. \_\_\_\_ Detailed plumbing plan that highlights the tanks, method of connection to sanitary sewer, location and size of reclaim supply line, and location, elevation and size of interconnection(s) between tanks. The plan should include sufficient detail to show that no cross connects or bypass features exist which would allow the wash system to function without reclaim water usage.
5. \_\_\_\_ Detailed floor plan of wash area that shows and identifies each piece of equipment within vehicle wash bay.
6. \_\_\_\_ Detailed plumbing plans that shows freshwater supply from entrance into building to equipment connection(s). Note: Freshwater supply line should be sized so that it is insufficient to deliver adequate water pressure or flow rate to operate wash system without the use of reclaimed water. Freshwater supply lines should only be connected to the rinsing equipment.
7. \_\_\_\_ Specification sheet stating water delivered (gpm) for each piece of equipment and operation cycle (prewash, wash, repeat wash, rinse, etc.) Identify which pieces of equipment are using reclaim.
8. \_\_\_\_ Calculations or specifications which gives the duration (seconds) of each piece of equipment cycle time per vehicle (i.e. undercarriage sprayer, 10 seconds). For pull-through/conveyor wash system we need conveyor speed (vehicles/hour) and total "wash/rinse" time per vehicle (minute/vehicle).

\* \* \*

For vehicle reclaim consideration, please send all of the above information along with the SAC Commercial/Institutional & Industrial Determination Transmittal to the attention of SAC Technician at the address on the bottom of this form. Please allow at least one week review period for your project.



## Sewer Availability Charge (SAC) Reclaim Rollover Carwash Systems Submittal List

Business Name:	
Business Owner:	
Business Site Address: <small>Street</small>	<small>City</small>
Federal Tax ID:	Minnesota Tax ID:

1. \_\_\_\_ If recycling is required under a local ordinance then a copy of said ordinance shall be submitted.
2. \_\_\_\_ A letter from the city including a statement that the city is willing to inspect the facility to ensure the equipment is installed properly and that no cross connections or bypass features exist which would allow the wash system to function without reclaimed water usage. Agreement from the city to periodically inspect the facility to ensure that the reclaim equipment is being utilized properly, and that the actual water usage conforms to the original SAC determination.
3. \_\_\_\_ A letter from the business owner indicating that they are committed to the continued use of the reclaim process and that the facility will and cannot operate without the reclaim system.
4. \_\_\_\_ Detailed plumbing plan that highlights the tanks, method of connection to sanitary sewer, location and size of reclaim supply line, and location, elevation and size of interconnection(s) between tanks.
5. \_\_\_\_ Detailed floor plan of wash area that shows and identifies each piece of equipment within vehicle wash bay.
6. \_\_\_\_ Detailed plumbing plans that shows freshwater supply from entrance into building to equipment connection(s). Note: Freshwater supply line should be sized so that it is insufficient to deliver adequate water pressure or flow rate to operate wash system without the use of reclaimed water. Freshwater supply lines should be connected to a separate manifold that feeds fresh water only during the appropriate cycles. The plan should include sufficient detail to show that no cross connects or bypass features exist which would allow the wash system to function without reclaim water usage.
7. \_\_\_\_ Specification sheet stating water delivered (gpm) for each piece of equipment and operation cycle (prewash, wash, repeat wash, rinse, etc.) Identify which pieces of equipment are using reclaim.
8. \_\_\_\_ Calculations or specifications that gives the duration (seconds) of each piece of equipment cycle time per vehicle (i.e. undercarriage sprayer, 10 seconds).

\* \* \*

For vehicle reclaim consideration, please send all of the above information along with the SAC Commercial/Institutional & Industrial Determination Transmittal to the attention of SAC Technician at the address on the bottom of this form. Please allow at least one week review period for your project.

[www.metrocouncil.org](http://www.metrocouncil.org)  
390 Robert Street North • St. Paul, MN 55101-1805 • (651) 602-1118 • Fax (651) 602-1030 • TTY (651) 291-0904  
*An Equal Opportunity Employer*

# **Appendix C: SAC Activity Reporting Forms**

## Sewer Availability Charge (SAC) ACTIVITY SUMMARY REPORT

Local Government Unit \_\_\_\_\_

Reporting Period (month or quarter) \_\_\_\_\_ Year \_\_\_\_\_

Attach Form MCES	<b>SECTION 1 - Full SAC Rate</b>	Building/Sewer Permit Units(a)	Credit Units(b)	Net SAC Units(a-b) Net Credits Do Not Occur
<b>SAC-B</b>	Single Family Dwelling			
	Multi-Family (includes duplex, townhome, condo, assisted living)			
	Apartment (with individual laundry connections or no central laundry)			
<b>SAC-C</b> <small>or Determination Letter</small>	Residential/Commercial Combination (residential and commercial mixed building)			
	Commercial			
	Institutional/Governmental			
	Industrial (with MCES permit only)			
<b>Sub-Total SAC Units Section 1:</b> _____				

Attach Form MCES	<b>SECTION 2 - Discounted SAC Rate</b>	Building/Sewer Permit Units(a)	Credit Units(b)	Net SAC Units(a-b) Net Credits Do Not Occur
	<small>Must receive prior written approval from MCES</small>			
<b>SAC-B</b> <small>and MCES Approval</small>	Apartment (without individual laundry connections)			
	<b>x 80%</b> (to receive 20% discount): = _____			
	Public Housing (without garbage disposals or dishwashers)			
	<b>x 75%</b> (to receive 25% discount): = _____			
	Public Housing (without individual laundry connections, garbage disposals or dishwashers)			
<b>x 60%</b> (to receive 40% discount): = _____				
	Apartment/Condo Conversion (converting a discounted apartment to a condominium or non-discounted apartment)			
<b>x 20%</b> : = _____				
<b>Sub-Total SAC Units Section 2:</b> _____				

Net SAC Units from Section 1 + Section 2: \_\_\_\_\_

Net SAC Unit Credit Balance from Previous Reporting Period: - \_\_\_\_\_

Sub-Total SAC Units: \_\_\_\_\_

Enter Current SAC Rate: x \_\_\_\_\_

Sub-Total SAC Amount Due: \_\_\_\_\_

 Check if paying within 30 days of the end of the approved reporting period.

1% Discount for Prompt Payment: - \_\_\_\_\_

Sub-Total SAC Amount Due: \_\_\_\_\_

Adjustments (attach explanation): + \_\_\_\_\_

**TOTAL AMOUNT DUE:** \_\_\_\_\_

(If Total Amount Due is a negative number, this is the net credit balance to carry forward on your next Activity Report.)

FOR MCES USE ONLY	
Invoice No. _____	
Customer No. _____	
Check No. _____	
Date _____	
Amount Paid \$ _____	

Activity Report prepared by:	
(Name)	(Date)
(Title)	(Phone)
(E-mail Address)	



**Sewer Availability Charge (SAC)  
COMMERCIAL DETAIL REPORT**

Local Government Unit \_\_\_\_\_

Reporting Period (month or quarter) \_\_\_\_\_ Year \_\_\_\_\_

<b>N E W  U S E</b>	Proposed Occupant _____		Type of Business _____	<b>Attach Additional Pages If Necessary; Or Submit Copy of Building Permit and SAC Determination Letter</b>	
	Site Address _____				
	Building Permit Number _____	Issue Date _____	Gross Square Feet _____		
	<b>CALCULATION OF SAC CHARGES:</b>				
	<b>Use</b>	<b>Quantity/Size</b>	<b>SAC Units</b>		
	Office _____	Sq. ft. @ 2,400 sq. ft. Per SAC = _____	_____		
	Retail _____	Sq. ft. @ 3,000 sq. ft. Per SAC = _____	_____		
	Warehouse _____	Sq. ft. @ 7,000 sq. ft. Per SAC = _____	_____		
	Other _____	_____	_____		
	Determination made by: _____ Date: _____		<b>Total Charge:</b> _____		
	<small>(If completed by MCES, attach Determination Letter)</small>			<small>(in units)</small>	

<b>P R E V I O U S  U S E</b>	Previous Occupant _____		Type of Business _____	
	Site Address _____			
	Demolition Permit Number _____	Demolition Date _____	Gross Square Feet _____	
	<b>CALCULATION OF SAC CREDITS:</b>			
	Was this building Vacant during Look-Back Period? <input type="checkbox"/> Yes or <input type="checkbox"/> No? Date of Vacancy: _____			
	<small>(Vacancy Affidavit may be requested to show flow based sewer fees.)</small>			
	Original Building Permit Number: _____		Issue Date: _____	
	Actual SAC paid for space involved: (choose one) <input type="checkbox"/> Entire Building <input type="checkbox"/> Portion of Building = _____			
	Additional SAC paid for space involved: Building Permit _____		Date: _____	= _____
	<b>Total Credit =</b> _____			
	<b>Use</b>	<b>Quantity/Size</b>	<b>SAC Units</b>	<small>(in units)</small>
	Office _____	Sq. ft. @ 2,400 sq. ft. Per SAC = _____	_____	
	Retail _____	Sq. ft. @ 3,000 sq. ft. Per SAC = _____	_____	
	Warehouse _____	Sq. ft. @ 7,000 sq. ft. Per SAC = _____	_____	
	Other _____	_____	_____	
	Determination made by: _____ Date: _____		<b>Total Credit:</b> _____	
	<small>(If completed by MCES, attach Determination Letter)</small>			<small>(in units)</small>
	<b>*AS OF 1/1/2010, NET CREDITS DO NOT OCCUR.*</b>			<small>(x.5 rounds up to whole number in units)</small>
	<b>Net SAC Units:</b> _____			



# **Appendix D: SAC Credit Transfer Forms**



### Sewer Availability Charge (SAC) Credit Transfer

#### Department of Employee and Economic Development (DEED) Checklist

Business Name:	
Business Owner:	
Current-Site Address: <small>Street</small>	City
Future-Site Address: <small>Street</small>	City

**QUESTIONS:**

1. \_\_\_\_ **Is this a Permitted Industry Through MCES' Industrial Waste Division?**  
 No  
 Yes, Permit # \_\_\_\_\_
2. \_\_\_\_ **Does the current location has 50 or more full-time equivalent (FTE) jobs?**  
 No  
 Yes, Number of Employees (FTEs) \_\_\_\_\_
3. \_\_\_\_ **Who owns the real estate at the businesses current location?**  
 This business owns the real estate at the current location.  
 This business is a tenant of the property owner and has approval to transfer credits to new location.

**DEED hereby states that this credit transfer is a significant state-wide economic development issue and requests that the Metropolitan Council allows the transfer of SAC credits from one location to another. The state is providing other economic incentives, among which include:**

\* \* \* \* \*

I hereby certify that I have read and understood this form and that the answers are true to my knowledge and belief. I understand that "but for" DEED providing a benefit package and the approval of the SAC Credit Transfer we believe that the current business will move out of state.

Print Name of DEED Commissioner: \_\_\_\_\_ Phone: \_\_\_\_\_

Signature of DEED Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_



**Sewer Availability Charge (SAC)  
Credit Transfer  
Submittal List**

Business Name:	
Business Owner:	
Current-Site Address: <sup>Street</sup>	City
Future-Site Address: <sup>Street</sup>	City

1. \_\_\_ Transmittal-A (SAC Determination Application Form)
2. \_\_\_ Affidavit-B (Affidavit of Business Use - Manufacturing) *for permitted industries or manufacturing companies*
3. \_\_\_ Credit Transfer-C forms (Approval forms from both local governments at current- and future-site locations)
4. \_\_\_ Credit Transfer-A form (DEED Checklist requesting the credit transfer)
5. \_\_\_ Approval from MCES (as to available capacity in conveyance and treatment plant facilities at new location)
6. \_\_\_ One set of scalable, architectural floor plans with room schedule

**QUESTIONS:**

**Is this a Permitted Industry Through MCES' Industrial Waste Division?**

- No
- Yes, Permit # \_\_\_\_\_

**Does the current location have 50 or more full-time equivalent (FTE) jobs?**

- No
- Yes, Number of Employees (FTE's) \_\_\_\_\_

**Who owns the real estate?**

- This business owns the real estate at the current location.
- This business is a tenant of the property owner and has approval to transfer credits to new location. (Provide approval letter from property owner)

\* \* \* \* \*

I hereby certify that I have read and understood this form and that the answers are true to my knowledge and belief. I attest that "but for" the approval of the SAC Credit Transfer and the associated benefit package from DEED, we will move our business out of state. I further understand that the giving of false information in this affidavit constitutes fraud and is also cause for the immediate redetermination of any charges and I will be held responsible for any additional SAC fees.

*If agent signs, must submit letter from business owner stating agent can sign on his/her behalf.*

Print Name of Business Owner: \_\_\_\_\_ Title: \_\_\_\_\_

Signature of Business Owner: \_\_\_\_\_ Date: \_\_\_\_\_



*Environmental Services*

**Sewer Availability Charge (SAC)  
Credit Transfer  
Current-Site Local Government Form**

Current-Site Local Government: \_\_\_\_\_

Future-Site Local Government: \_\_\_\_\_

Current-Site Address:
Future-Site Address:
Business Name:
Business Owner:

**QUESTIONS:**

**What is the number of potential SAC units to transfer (as determined by MCES):**

\_\_\_\_\_ SAC

**What is the number of actual SAC units local government will agree to transfer:**

\_\_\_\_\_ SAC

**What is the number of current city-wide credit balance units local government will transfer:**

\_\_\_\_\_ SAC

\* \* \* \* \*

I hereby certify that I have read and understood this form and that the answers are true to my knowledge and belief. I further understand that by transferring these credits we are giving up reserved capacity in the Metropolitan Disposal System and that this transfer is irrevocable. I understand that if redevelopment of the site requires more SAC units than what remain after the transfer, our local government will be required to pay SAC for the difference at the current SAC rate at the time of development.

Print Name of Government Official: \_\_\_\_\_ I am the:  City Manager  
 Finance Director/CFO

Signature of Government Official: \_\_\_\_\_ Date: \_\_\_\_\_



*Environmental Services*

**Sewer Availability Charge (SAC)  
Credit Transfer  
Future-Site Local Government Form**

Current -Site Local Government: \_\_\_\_\_

Future-Site Local Government: \_\_\_\_\_

Current-Site Address:
Future-Site Address:
Business Name:
Business Owner:

**QUESTIONS:**

**What is the number of transferred SAC units accepted (as approved by MCES)?**

\_\_\_\_\_ SAC

**What will be the type of permit issued to activate the SAC Credit Transfer?**

*Local Government will report project to MCES on current monthly report after permit issuance.*

- Certificate of Occupancy
- Utility Connection Permit
- Other, specify: \_\_\_\_\_

\* \* \* \* \*

I hereby certify that I have read and understood this form and that the answers are true to my knowledge and belief. I further understand that the use of these credits off this project site is denied; that is, there will not be any net SAC credits allowed to be applied elsewhere in the City. The transferred credits will stay on site for up to 5 years after the issuance of the SAC determination letter approving the credit transfer.

Print Name of Government Official: \_\_\_\_\_ I am the:  City Manager  
 Finance Director/CFO

Signature of Government Official: \_\_\_\_\_ Date: \_\_\_\_\_

# **Appendix XX: Revisions Made to SAC Procedure Manual After Printing**

**List of Revisions Made After Printing of SAC Procedure Manual:**

<b>Date of Revision</b>	<b>Section</b>	<b>Original Text</b>	<b>Revised Text</b>
12/29/10	3.4	Heading: SAC Credits for Redevelopment	Heading: SAC Credits for <i>Previous Use</i>
12/29/10	3.4	Paragraph: As of January 1, 2010, SAC Credits for redevelopment no longer are based on SAC payments or grandparenting.	Paragraph: As of January 1, 2010, SAC Credits for <i>New Use</i> no longer are based on SAC payments or grandparenting.
12/29/10	5.3.1.5.2	Paragraph: If lost, any Credit for the redeveloped Site will be based on the maximum documented demand of the third-year Capacity Demand Reviews within the Look-Back Period, pursuant to Section 5.3.2.	Paragraph: If lost, any Credit for the <i>New Use</i> of the Site will be based on the maximum documented demand of the third-year Capacity Demand Reviews within the Look-Back Period, pursuant to Section 5.3.2.
12/29/10	5.3.1.6	Paragraph: Due to the unique life-cycle of a landfill, an industrial Temporary Capacity Charge is assessed to the Local Government Unit for which the connected landfill resides in lieu of SAC.	Paragraph: Due to the unique life-cycle of a landfill, an industrial Temporary Capacity Charge is <i>not considered a form of SAC and is assessed by MCES</i> to the <i>Permitted Industrial User</i> for which the connected landfill resides.
12/29/10	5.3.3.5	Paragraph: For approved extensions longer than a 6 month grace period, the Local Government Unit in which the Permitted Industrial User is located will be assessed a Temporary Capacity Charge for all reported volume discharged above the Assigned SAC Baseline value. Note: The Local Government Unit of which the Permitted Industrial User is located will also continue to be subject to all other charges assessed by MCES.	Paragraph: For approved extensions longer than a 6 month grace period, the <i>Permitted Industrial User</i> will be assessed a Temporary Capacity Charge for all reported volume discharged above the Assigned SAC Baseline value.

1/10/11	2	Definition Credit: A SAC Credit is an MCES unit of measurement of capacity that has been freed up within the jurisdiction of a Local Government Unit.	Definition Credit: A SAC Credit is an MCES unit of measurement of capacity that has been freed up within the jurisdiction of a Local Government Unit. <i>If SAC was paid during the Look-Back Period, SAC Credits are determined by using the applicable criteria at the time SAC was paid; i.e. the highest gross SAC determined and paid is the SAC Credit. If SAC was not paid during the Look-Back Period and the current use was in existence prior to the Look-Back Period, Credit will be determined using the criteria that were applicable the year before the beginning of the Look-Back Period. (i.e. In 2011, the year before the beginning of the Look-Back Period is 2003.)</i>
1/10/11	2	Definition Maximum Demand: For Commercial properties it is the highest capacity demand within the Look-Back Period...	Definition Maximum Demand: For Commercial properties it is the highest capacity demand <i>in SAC units</i> within the Look-Back Period...
1/10/11	3.4	Paragraph: Credits will be granted based on the prior demand, in SAC units, over the Look-Back Period prior to the year of permitting. As of January 1, 2010, SAC Credits for redevelopment no longer are based on SAC payments or grandparenting.	Paragraph: <i>As of January 1, 2010, SAC Credits are granted based on the prior wastewater demand on the Site, in SAC units, over the Look-Back Period. (See Section 5.2.2.)</i>
1/10/11	5.2.1.5	Paragraph: A Determination is required whenever there is a change in use or an official acknowledged change in sewer demand...	Paragraph: A Determination is required whenever there is a change <i>or increase</i> in use or an official acknowledged change in sewer demand...
1/10/11	5.2.1.5.1	Paragraph: Scalable, scanned (e.g. PDF) floor plans are preferred.	Paragraph: Scalable, electronic (e.g. PDF) floor plans are preferred.

1/10/11	5.2.2.1	Paragraph: Effective January 1, 2010, the SAC Credit for a property is based on the prior demand in the Look-Back Period, in SAC units.	Paragraph: Effective January 1, 2010, the SAC Credit for a property is based on the prior <i>wastewater</i> demand in the Look-Back Period, in SAC units, <i>pursuant to Section 5.2.2.4.</i>
1/10/11	5.2.2.4	Paragraph: For Commercial Properties, where the above no-Credit conditions do not apply, wastewater demand is calculated using the Commercial criteria in Appendix A of this SAC Procedure Manual. If MCES completes the SAC Determination, SAC Credit will be based on the highest SAC paid use in the Look-Back Period. If SAC history is not known, documentation of the highest use in the Look-Back Period must be submitted as part of the SAC Determination process.	Paragraph: For Commercial Properties, where the above no-Credit conditions do not apply, <i>prior</i> wastewater demand is calculated <i>in the Look-Back Period by: 1) if SAC was paid during the Look-Back Period, using the applicable criteria at the time SAC was paid; i.e. the highest gross SAC determined and paid is the SAC Credit, or 2) if SAC was not paid in the Look-Back Period and the current use was in existence prior to the Look-Back Period, using the criteria that were applicable the year before the beginning of the Look-Back Period; i.e. in 2011, the year before the beginning of the Look-Back Period is 2003. If the property use is unknown, documentation of the use in the year before the beginning of the Look-Back Period and going into the Look-Back Period must be submitted as part of the SAC Determination process.</i>

1/10/11	5.3.2.3.	<p>Paragraph: Where the prior use was Commercial and for Commercial areas within a Permitted Industrial User Site or Campus, the Commercial criteria in Appendix A of this SAC Procedure Manual will be used for Credit Determination.</p>	<p>Paragraph: Where the prior use was Commercial and for Commercial areas within a Permitted Industrial User Site or Campus, <i>the prior wastewater demand is calculated in the Look-Back Period by: 1) if SAC was paid during the Look-Back Period, using the applicable criteria at the time SAC was paid; i.e. the highest gross SAC determined and paid is the SAC Credit, or 2) if SAC was not paid in the Look-Back Period and the current use was in existence prior to the Look-Back Period, using the criteria that were applicable the year before the beginning of the Look-Back Period; i.e. in 2011, the year before the beginning of the Look-Back Period is 2003.</i></p> <p><i>If the property use is unknown, documentation of the use in the year before the beginning of the Look-Back Period and going into the Look-Back Period must be submitted as part of the SAC determination process.</i></p>
1/10/11	5.3.2.3	<p>Paragraph: If the permit was not active during the Look-Back Period, the Credit will be determined using the Commercial criteria as found in Appendix A.</p>	<p>Paragraph: If the permit was not active during the Look-Back Period, the Credit will be determined using the Commercial criteria as <i>stated above.</i></p>



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