

October 21, 2022

TO: FINANCE OFFICIALS, BUILDING AND INSPECTION DEPARTMENTS
SUBJECT: SEWER AVAILABILITY CHARGE (SAC) RATE FOR 2023

The Metropolitan Council in July adopted a \$0 increase in the base metropolitan SAC rate **effective January 1, 2023**. In 2023, the *base metropolitan SAC rate will be \$2,485* for metropolitan customer communities connected to our system (same as it was from 2014 through 2022).

Pursuant to Minn. Statute 473.517 subd. 3, your community pays a metropolitan (or wholesale) SAC to the Council as users connect to the metropolitan wastewater system for the first time or as a user's maximum demand for sewer capacity increases. In addition, pursuant to Minn. Statutes sections 444.075 (3), or other State laws, your community may:

- Pass on the regional SAC charge to property or business owners
- Add on a local SAC charge
- Collect the fees in a different manner than the metropolitan SAC

In addition, credits may apply in varying ways from community to community.

As you may know, the SAC system was implemented metro-wide in 1973. The metropolitan SAC funds we collect pay for the capital costs associated with building reserve capacity into the metropolitan wastewater system to accommodate the needs of future users. The SAC program facilitates equity by imposing the costs of building reserve capacity on communities proportionate to their new capacity demand (from development or changes in use on specific properties) rather than imposing those costs on existing users. Moreover, the regional pooling of development risk and the SAC pay-as-you-build system has largely relieved communities of the economic risk of building major new wastewater infrastructure.

If you have any SAC procedural questions, please feel free to contact me at jessica.nye@metc.state.mn.us or 651-602-1378. If you have any questions on SAC funds or other finance questions, please contact Ned Smith at ned.smith@metc.state.mn.us or 651-602-1162. You can also find the SAC Procedure Manual on our website at www.metrocouncil.org/SACprogram.

Please share the information in this letter with your staff as appropriate. As always, we appreciate your cooperation.

Sincerely,

Jessie Nye

Manager, SAC Program

cc: Ned Smith, Director, MCEs Finance & Revenue