

CITIZENS LEAGUE REPORT

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Metropolitan Sanitary District

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APPROVED
BOARD OF DIRECTORS
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THE PROPOSED BILL FOR A METROPOLITAN SANITARY DISTRICT

PURPOSE OF REPORT

On December 29, 1960, the Citizens League's Board of Directors on recommendation of the League's Metropolitan Area Study Committee endorsed an interim report on water supply and sewage disposal for the metropolitan area. This report supported legislation for expansion of the Minneapolis-St. Paul Sanitary District (MSSD) so as to provide adequate sewage disposal facilities for the Twin Cities metropolitan area. The support was contingent upon the League's being satisfied with the proposed legislation as to (a) representation on the controlling body of the expanded sanitary district, (b) financing, (c) boundaries, powers and duties of the district, and (d) a reasonable timetable for construction of expanded sewage disposal facilities.

The Metropolitan Area Study Committee, Edwin H. Allen, Jr., Chairman, was asked to conduct further research to suggest more detailed League positions with respect to the four above conditions. In doing this, the committee concentrated mainly on keeping informed on the progress of bill-drafting being conducted by the several official and semi-official groups most directly concerned.

A bill has now been drafted and introduced into both houses of the Legislature, and this report is an analysis of and recommendations on this bill as amended. This report relies heavily on the work of the Metropolitan Area Study Committee.

DRAFTING OF BILL FOR METROPOLITAN SANITARY DISTRICT

A bill was filed on March 2 as H.F. 1053 and S.F. 932, essentially the product of conferences and negotiations among representatives and staff of the central cities and four groups: the Twin Cities Metropolitan Planning Commission, the Minneapolis-St. Paul Sanitary District, the Legislative Interim Commission on Municipal Laws, and the Water Resources Committee of the League of Minnesota Municipalities. Also present at the conference meetings were a representative of the six north suburban communities who probably felt the most immediate urgency in pushing in this legislative session for a sanitary district to serve their group, and other near and far suburbs.

SUMMARY OF BILL

Territory: The bill provides for the Twin Cities Metropolitan Sanitary District (TCMSD) to succeed the Minneapolis-St. Paul Sanitary District. Its territory is to include all the territory of Ramsay County and specified parts of Anoka, Dakota, Hennepin, Scott and Washington Counties. Territory may be annexed or detached from the district by order of the State Water Pollution Control Commission upon following a prescribed statutory procedure.

Board of Trustees: There shall be eleven trustees. Minneapolis and St. Paul are each to have the same representation on TCMSD as they have on the present sanitary district: one councilman, one layman appointed by the Council, and the Mayor or his delegate. One trustee shall be elected by the district at large. Within 60 days after the effective date of the act, the Governor shall appoint four qualified electors residing in the suburban area to serve as temporary trustees, no more than two of whom are from the same political party. At least one temporary trustee shall be a resident of each of Ramsey and Hennepin Counties, and at least one a resident of the other four counties. Temporary trustees' terms expire in December 1962. At the November 1962 election, four trustees are elected at large by residents of the suburban area.

Terms are for four years. Vacancies in office of appointed trustees shall be filled by the appointing authority, and vacancies in office of the elected trustees shall be filled by the Governor. Provision is made for payment of actual expenses of trustees, and a per diem not to exceed \$50 per diem for board meetings or \$2,600 per year.

Officers and employees: Trustees elect their own chairman, for a two year term. The board shall appoint a chief engineer, who shall be the chief executive officer, an executive secretary, treasurer, and other employees as needed. All appointees shall serve at the pleasure of the board.

Powers and duties of Board of Trustees: The bill re-enacts most technical provisions of the original MSSD act (Laws of Minn., C 445) as to powers needed to acquire or condemn land for rights of way, construction procedures, regulation and control of sewage discharge, adoption of a comprehensive plan, etc. A new provision is that the TCMSD and component municipalities must submit their individual comprehensive plans to the Twin Cities Metropolitan Planning Commission for review and report on an advisory basis.

The bill has modified the original act's section on contracts by increasing the limits for purchases under informal bidding, from \$1,000 to \$2,000, and by increasing from \$5,000 to \$10,000 the limit on purchases which may be made in an emergency without advertising for bids.

Acquisition of existing facilities of Minneapolis-St. Paul Sanitary District: Within three years, the district shall acquire, by payment to the owning municipalities, all municipally-owned interceptor and trunk sewers serving territory within more than one municipality, and similarly all existing disposal plants. The bill says the payment shall be on present worth, less the appropriate amount contributed by the Federal Government. The bill defines the method of determining the present worth of facilities to be acquired, prescribes how payments shall be allocated, and method of apportioning costs.

Apportionment of expenses: Costs of operation, maintenance and repair shall be apportioned among the component municipalities on the basis of annual average dry weather volume of sewage contributed by each. Construction expenses shall be apportioned to the component municipalities on the basis of percentage of capacity allocated to each municipality. The board may defer all or part of payment of any municipality where the territory has not been connected to the district sewers.

Annual budgets are to be submitted to each component municipality for review and comment.

To provide necessary funds, the board by vote of a majority plus two of all its members may issue general obligation bonds, payable primarily from net revenues derived from user charges or from other non-tax revenues pledged for their payment, or may issue special obligations payable solely from such revenues. If the board pledges the full faith and credit of the district to payment of such bonds, it may levy a property tax on the whole district to make up the deficiency in net revenues needed to pay principal and interest on such bonds, but such levies shall be repaid to component municipalities out of future net revenues.

The governing body of each municipality may raise its share of apportioned costs by sewer service charges, tax levies, special assessments, bond sales or any other means within the municipality's power. Each municipality may issue bonds to meet its obligations, regardless of charter or statutory limit and without a referendum. If a municipality fails to provide funds, the board shall certify the amount due to the county auditor who shall levy.

COMMENT

1. Composition and selection of board of trustees. The plan of added membership which retains the core cities' six appointees and adds four definitely suburban representatives with an at-large representative is in line with the population distribution between the central cities, on one hand, and the suburbs on the other. Should the at-large member come from the suburbs after the expiration in 1966 of the term of the present out-state Governor's appointee, it is likely to bolster the equity of representation.

The provision of district guide lines for the Governor's appointments from the suburbs seems fair. As indicated in the above summary, the bill provides that these representatives from the suburbs would run at large from the suburban area upon the expiration of the terms of the first Governor-appointed members. Indications were that this provision might be amended to continue district representation from the suburbs after these members become elected.

The League believes either of these arrangements is acceptable. The need for districting of the suburban representatives once they become elective does not seem critical to us, since by that time the major decisions affecting local areas will have been made by a well-representative Board in its first years, and, after that, when business operations will be paramount, there will not be as great a need for assuring representation from each suburban area.

As to the question of electing representatives from the core cities rather than appointing them as at present, it seems to the committee to be wise to continue the appointive system, in view of the present long ballots in Minneapolis and St. Paul and the satisfaction those cities feel with the present system.

We favor the reported move to modify the bill to add a provision for mandatory reapportionment of the board of trustees following future decennial censuses.

2. Administrative organization. The bill is brief on this subject and similar to the present sanitary district law. The new situation appears to us to require that the pattern be improved so as to separate the policy-making and administrative functions because of the enlarged responsibilities of the district and the elective nature of a portion of the board of trustees.

3. Purchase and contract procedure. The increase in dollar limits on informal purchasing and emergency purchasing without advertising is in line with current practice in most municipalities, brought about by inflation of costs.

RECOMMENDATIONS

1. The Citizens League is convinced of the great urgency of establishment of the Twin Cities Metropolitan Sanitary District as soon as possible, for the benefit of the health and orderly growth of the entire metropolitan area, and it therefore strongly urges passage of S. F. 932 - H. F. 1053 in substantially its present form at this session of the Legislature.

2. The League considers it inadvisable at this time to take a firm and adamant position regarding the formula for payment of equity for the acquisition of existing facilities, and the formula for apportionment of costs. These matters are now in process of negotiation, and there appears to be no good reason for failure to reach satisfactory compromise of the conflicting views.

3. The League opposes any effort to eliminate from the bill the requirement for mandatory referral of comprehensive plans to the Metropolitan Planning Commission. The commission's role is only advisory with respect to these plans, but mandatory referral provides basic assurance that the Metropolitan Sanitary District Board will have knowledge of the likely consequences for the area's future of its proposed plans construction.

4. Should it be possible to modify the bill without jeopardizing passage at this session of the Legislature, the League urges modification in the following two respects:

- (a) Make the Chief Engineer rather than the Board of Trustees responsible for appointing and directing administrative personnel other than consultants, agents and the attorney. Suggested language is as follows:

"The board shall appoint a chief engineer who shall be chief executive officer and an executive secretary-treasurer; all other officers, agents and employees as may be necessary shall be appointed by the chief executive officer under rules established by the board, except that consultants, agents, and the attorney shall be approved by the Board. Such officers, agents and employees shall perform such duties and receive such compensation as the board shall determine. The two officers named and the consultants and attorney shall serve at the pleasure of the Board."

- (b) Provide for mandatory reapportionment of Board after each decennial census.