

LOBSTER LAKE SEWER UPDATE

May 3, 2008

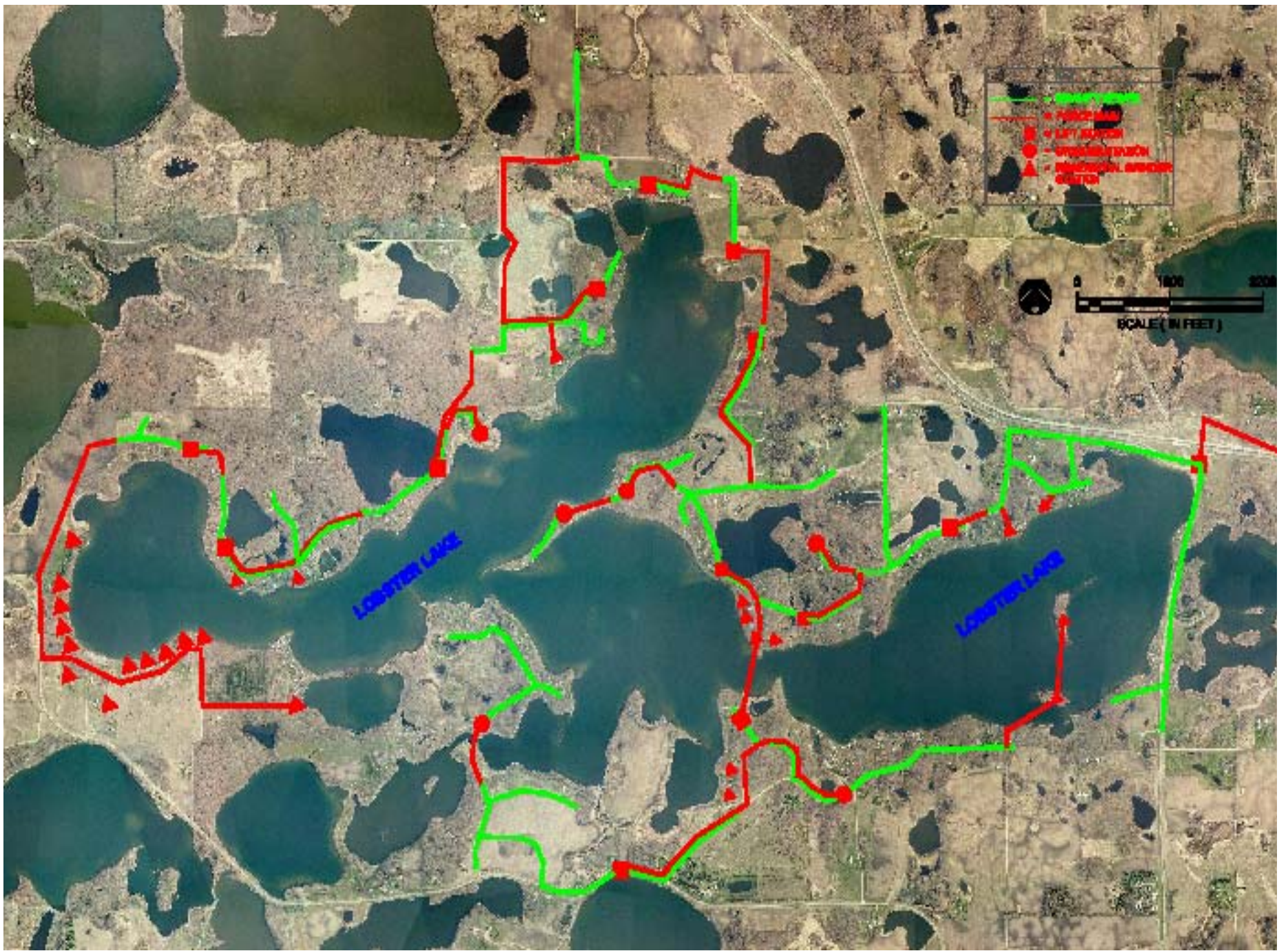


Project to Date

- WSN was authorized by the CLRSD Board to proceed with design of sewer system around Lobster Lake
- WSN & CLRSD are hoping to open bids on the project late summer or early fall
- Construction should begin this fall, but most will occur in 2009

Need for Sewer

- 1) Sanitary sewer will help protect water quality in Lobster Lake and drinking water aquifers
- 2) Sanitary Sewer is a long term capital improvement that will benefit future generations
- 3) Prospective home & property buyers & lenders prefer sewerred areas
- 4) Sanitary sewer will prevent enforcement actions by Douglas County for non-complying septic systems
- 5) Grant funds available & low interest costs through funding agencies



Service Stubs

- Service stubs are installed as part of the project to the property line or the end of the easement
- Location will be determined by inspector and property owner during construction
- Contractor will install riser pipe to assist finding stub when property owner connects
- Stubs installed at sufficient depth to provide gravity service wherever practical
- Future structures will need to be built to consider the depth of public sewer if gravity service is desired

Service Line Installation

- Installation of service line from the structure by licensed contractor to the sewer stub is property owner's responsibility and cost
- Connection to existing line leaving the home, prior to the septic tank
- State of Minnesota requires removal or backfill of existing septic tank
- Cost Variables
 - Approximately \$15 - \$20 per foot for excavation
 - Soil type, water table, length & depth of line affect cost per foot
 - Directional Boring of service line also possible, but more expensive

Mandatory Connection

- Within one year of sewer's availability
- Necessary for the CLRSD to make debt service payments to USDA Rural Development
- Necessary for CLRSD to make Operation & Maintenance payment to ALASD
- New structures built within CLRSD boundaries must connect prior to occupancy regardless of distance

Lift Stations

- Necessary to pump sewage from one area to another
- CLRSD will control odors by venting and/or chemical addition if odors are present
- Fans provide active venting and will create as much noise as an air conditioner
- May require the purchase of property if sufficient room in right-of-way is not available



Residential Grinder Stations

- Needed where it is not economical to serve a residence with gravity
- Owned, operated, and maintained by the CLRSD
- Require easement from benefiting property owner
- Do not generate odors
- Noise is minimal to non-existent



Easements

- Necessary to facilitate the installation, operation, and maintenance of the sewer system
- Temporary easements are for construction purposes only and will no longer be valid once construction is completed
- Permanent easements are necessary for construction and future operation and maintenance of the sewer and will be recorded with Douglas County

Project Construction

- Will be awarded to lowest responsible bidder that has property and liability insurance
- Contractor proceed at reasonable speed
- Inspection performed by WSN personnel

Estimated Project Costs

- \$14,025,000 Estimated total project cost
 - \$9,970,000 Estimated construction cost
 - \$1,275,000 ALASD connection fee
 - \$ 997,000 Contingency (5%)
 - \$1,354,000 Design engineering/easements/
construction observation/staking
 - \$ 329,000 Legal, fiscal, and administrative
 - \$ 100,000 Land and Easements

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Funders

	RD Loan	RD Grant	WRDA	PFA SRF	PFA WIF	TOTAL
Lobster	\$12 m	??	\$2 m	-	-	\$14 m
Chippewa	\$12.5 m	??		-	-	\$12.5 m
Miltona	-	-		\$23.5 m	\$2.5 m	\$26 m
TOTAL						\$52.5 m

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Costs per user

HOME VALUE	\$200,000	\$300,000	\$400,000
Assessment	\$707	\$707	\$707
Taxes	155	243	324
User Fee	449	449	449
Annual	1,310	1,399	1,480
Monthly	109	117	123
Monthly, assmt. pd. off	50	58	64

Public Questions/Comments

- Questions relating to engineering, funding, and end-user costs will be addressed. After there are no more questions the floor will be open for public comment.

Thank you for attending