



Central Lake Region Sanitary District



**Public Improvement Hearing
May 31, 2008**

Central Lake Region Sanitary District Board/Staff

- Miltona Township – Jerome Haggemiller (Chair)
- Moe Township – Wayne Becker
- Brandon Township – Don Buse
- Carlos Township – Lynn Timm
- LaGrand Township – Gary Thoennes
- Leaf Valley Township – Mel Bump
- General Manager – Pat Conroy (218) 770-5956

Public Hearing Agenda

- CLRSD History
- Engineering
- Funding
- Financial
- Legal
- Question and Answer
- Comments and Opinions

The Need for Sewer

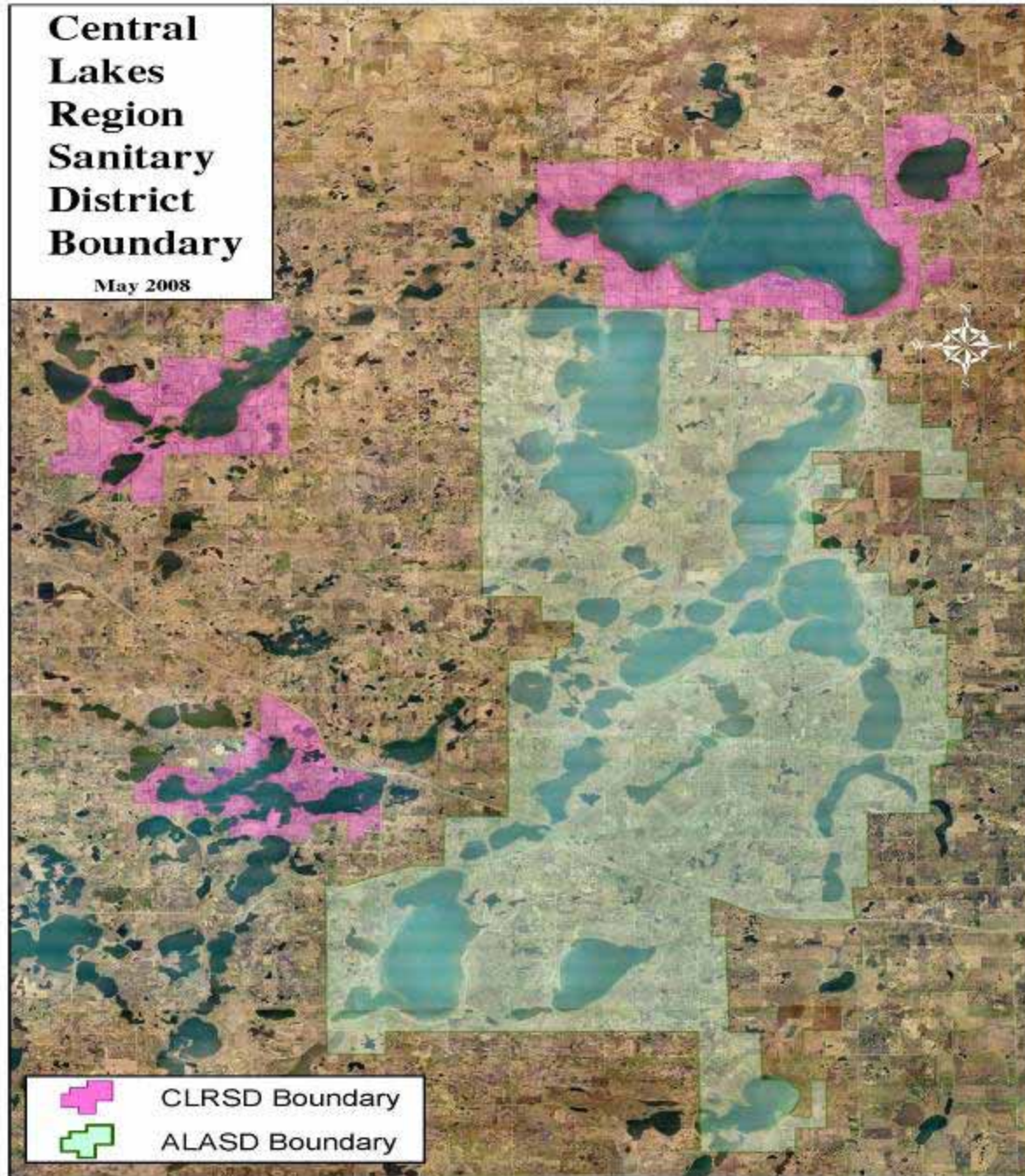
- The CLRSD was formed to address the existing pollution in surface and groundwater supplies and protect water resources from future growth.
- Analysis by the ALASD since 1977 shows improvement in area lakes quality due to sanitary sewer
- Evidence supports need for sanitary sewer in rural residential developments
- Central sewer will eliminate the possibility of enforcement actions by Douglas County for noncomplying septic systems
- Prospective home & property buyers prefer sewered areas
- Septic System – Average Life 10-20 years
- Current construction costs and funding available to CLRSD

CLRSD History/Formation – Pat Conroy

- CLRSD Boundary
- CLRSD Formation
- Joint Powers Agreement
- Special Legislation – 2003
- Purpose

**Central
Lakes
Region
Sanitary
District
Boundary**

May 2008



Engineering

Dan Folsom, P.E. – Widseth Smith Nolting

- Collection System Layout
- Easements
- Interceptor Sewer Layout
- Treatment Solutions
- Cost Estimate
- Tentative Schedule

Collection System

- A gravity collection system will be used to route wastewater to lift stations.
- A service stub will be run to the property line.
- The property owner will then be responsible for connecting the service to the main line.
- Pipes will be installed in public right-of-way where possible. If not in public right-of-ways, the CLRSD will obtain the necessary easements.

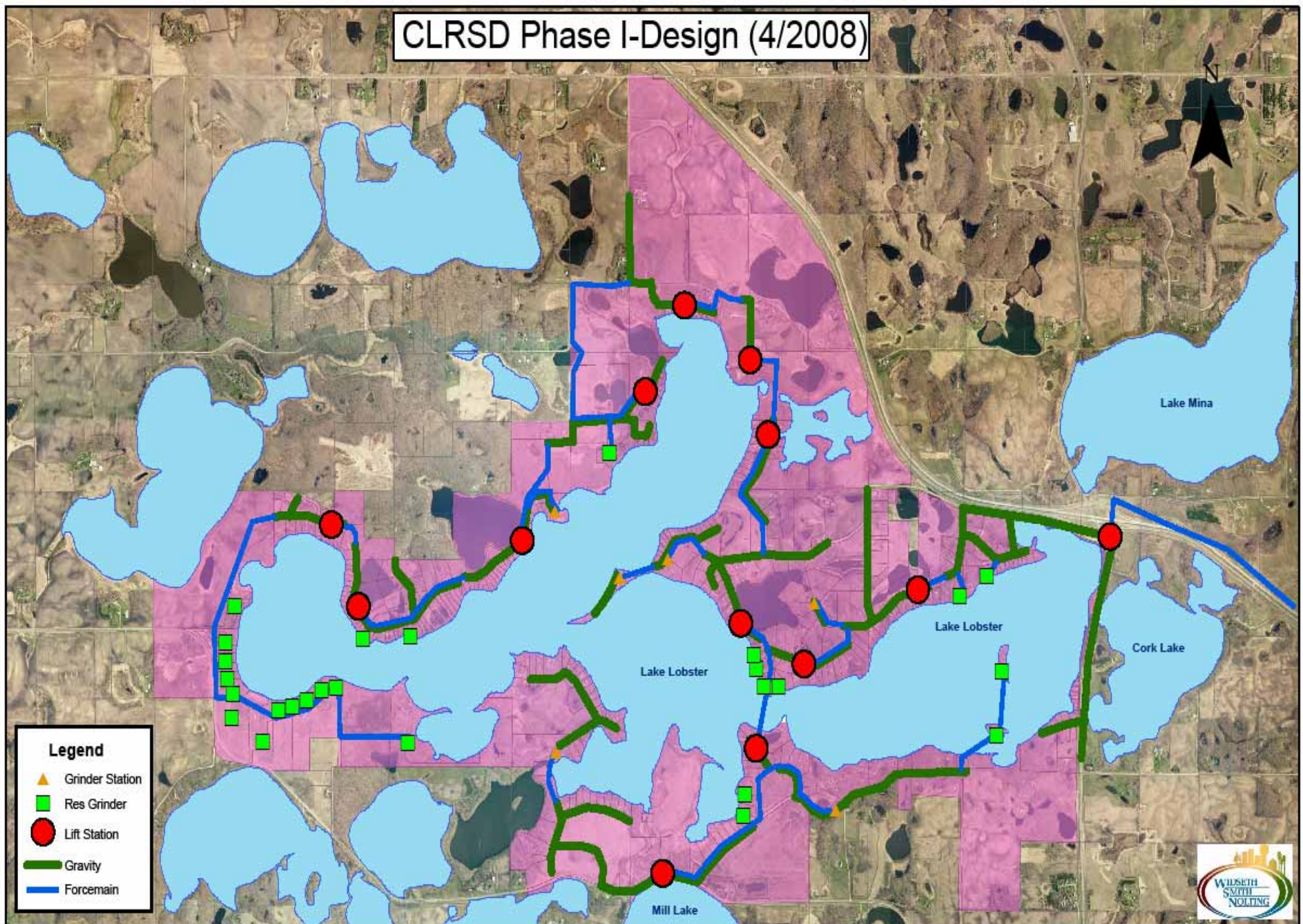
Easements

- 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

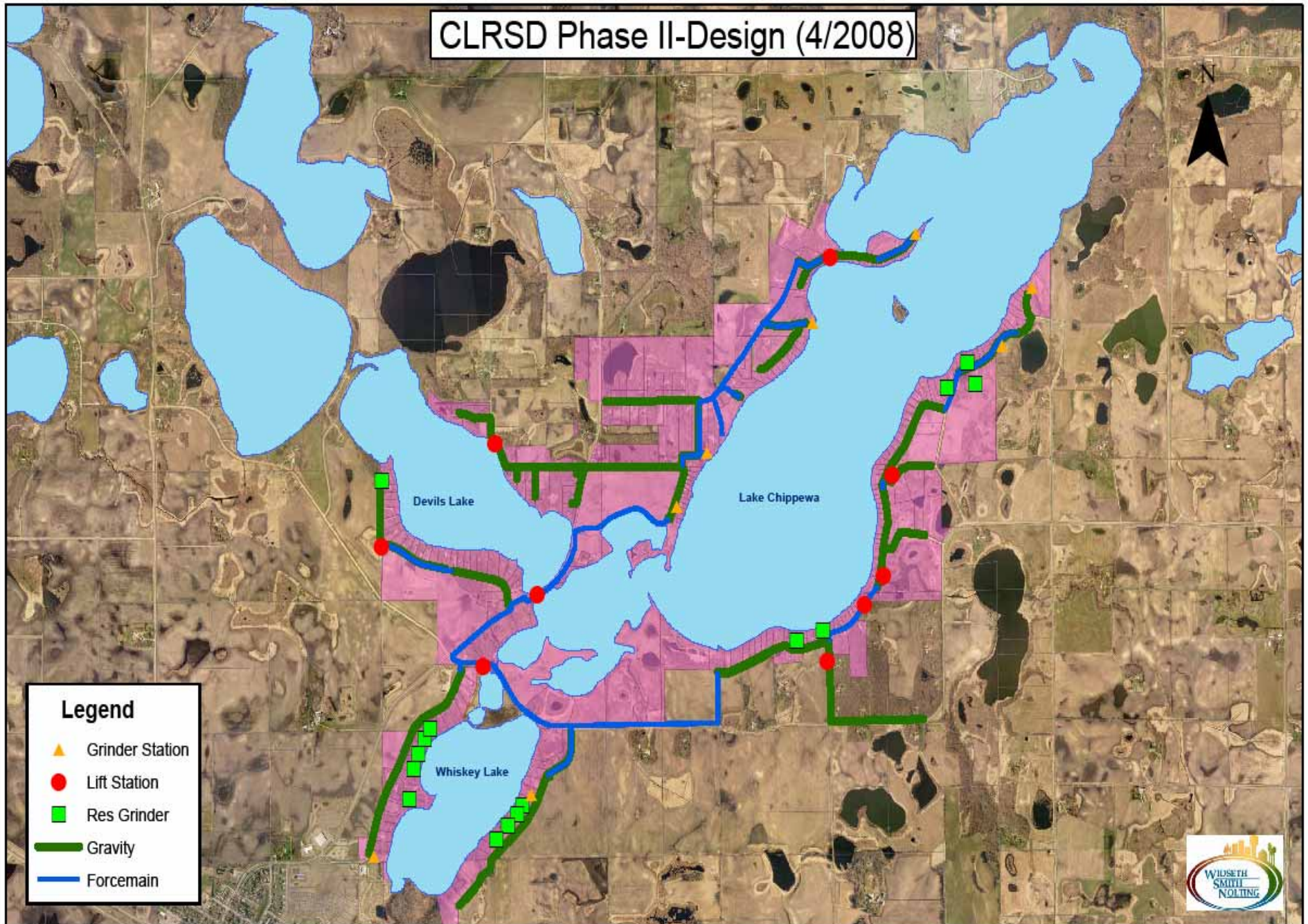
Service Stubs

- 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.

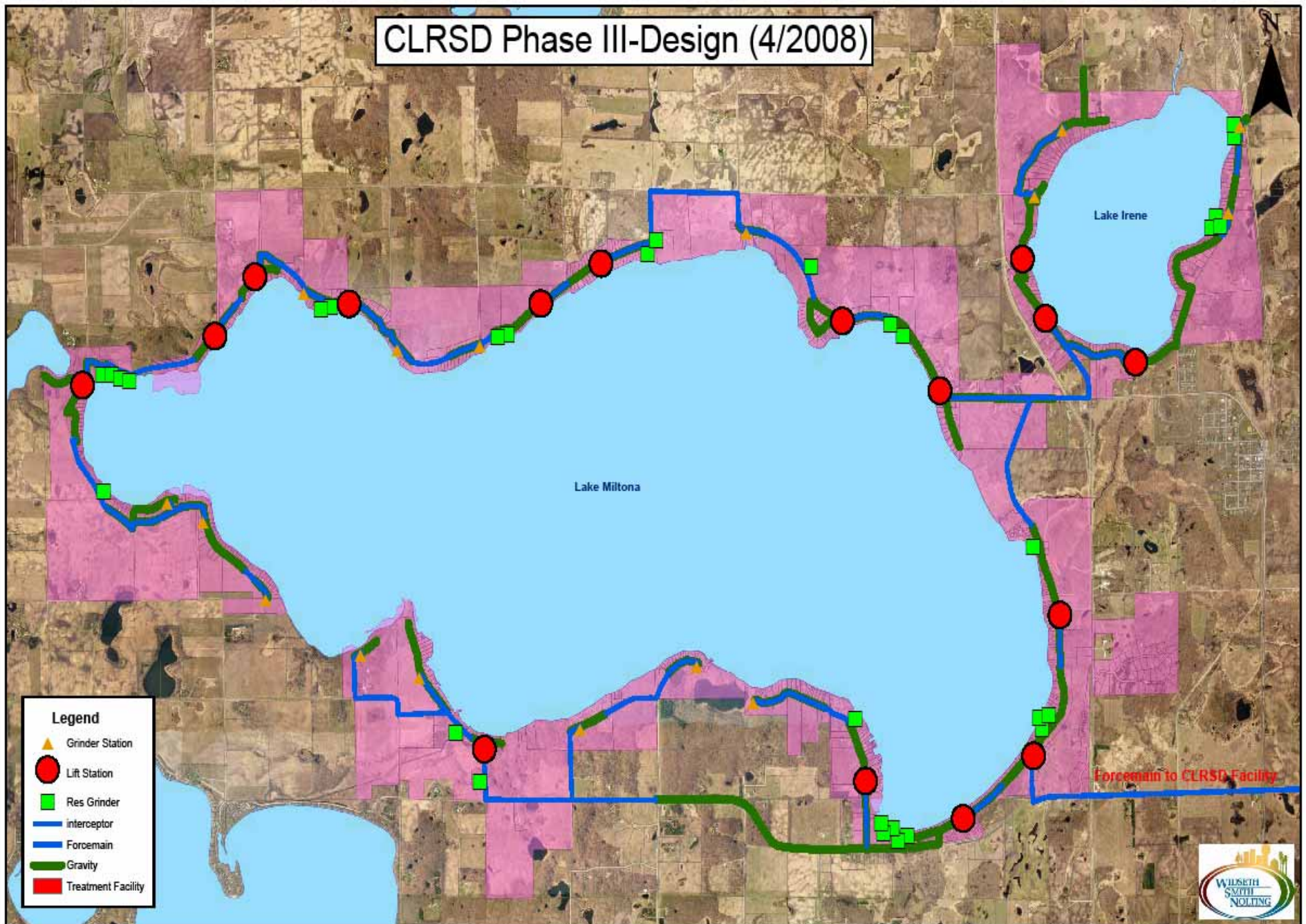
CLRSD Phase I-Design (4/2008)



CLRSD Phase II-Design (4/2008)



CLRSO Phase III-Design (4/2008)



Lift Station



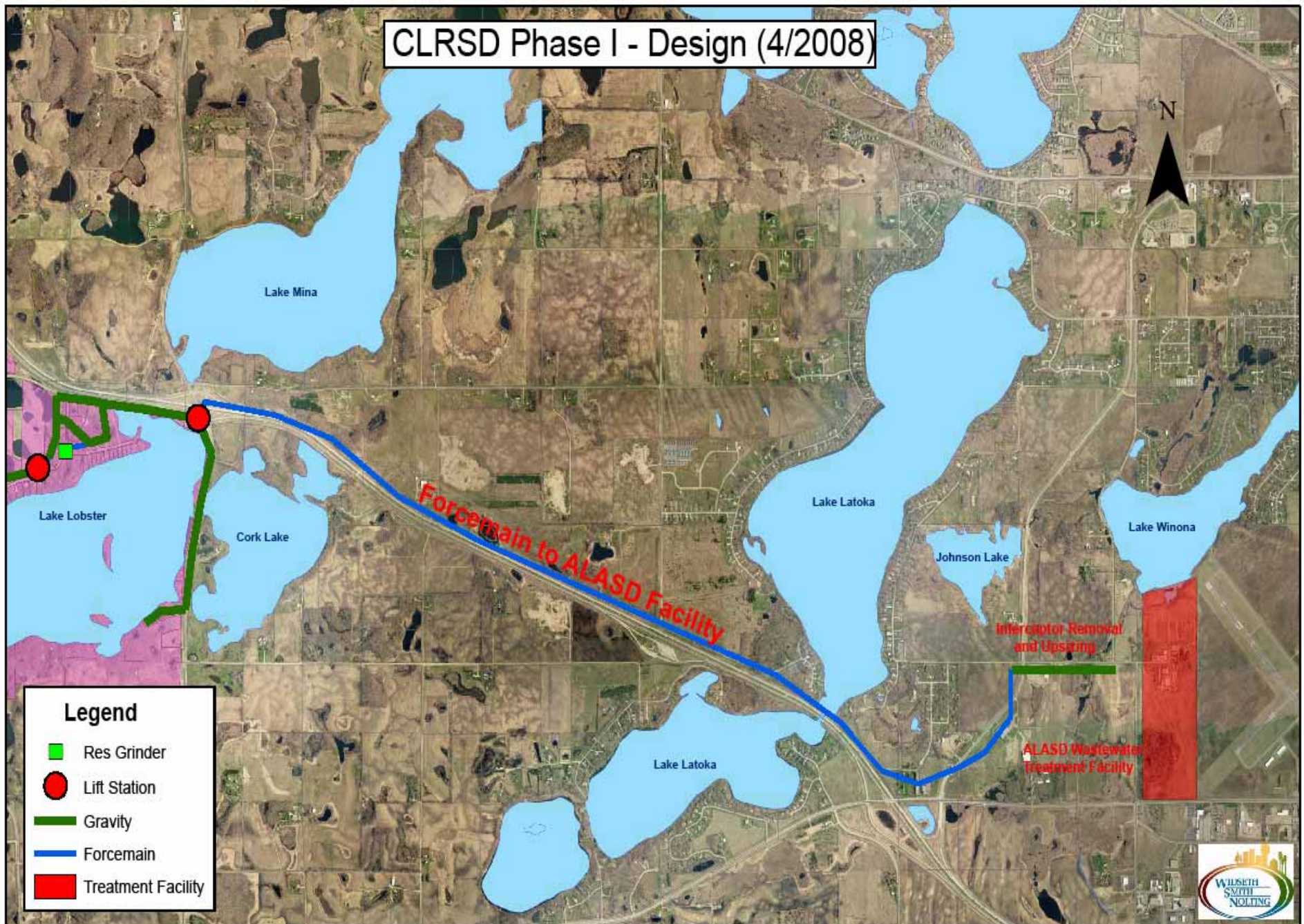
Residential Grinder Stations



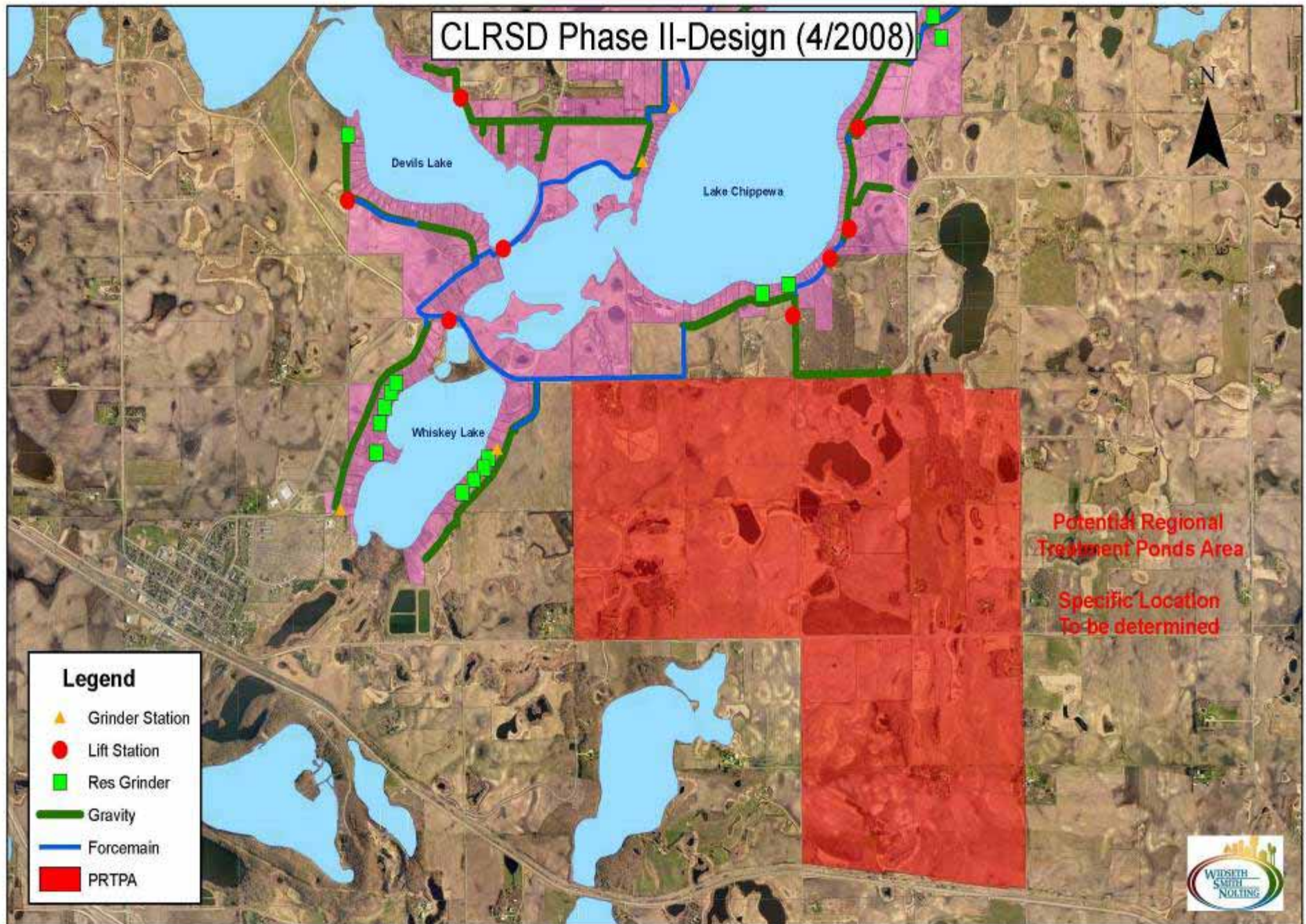
Treatment Solutions

- Phase I
 - Connection to the Alexandria Lake Area Sanitary District (ALASD)
 - Agreement with ALASD has been signed
- Phase II
 - Stabilization ponds with spray irrigation
- Phase III
 - New mechanical wastewater treatment plant on the Long Prairie River
 - Awaiting permit from the MPCA

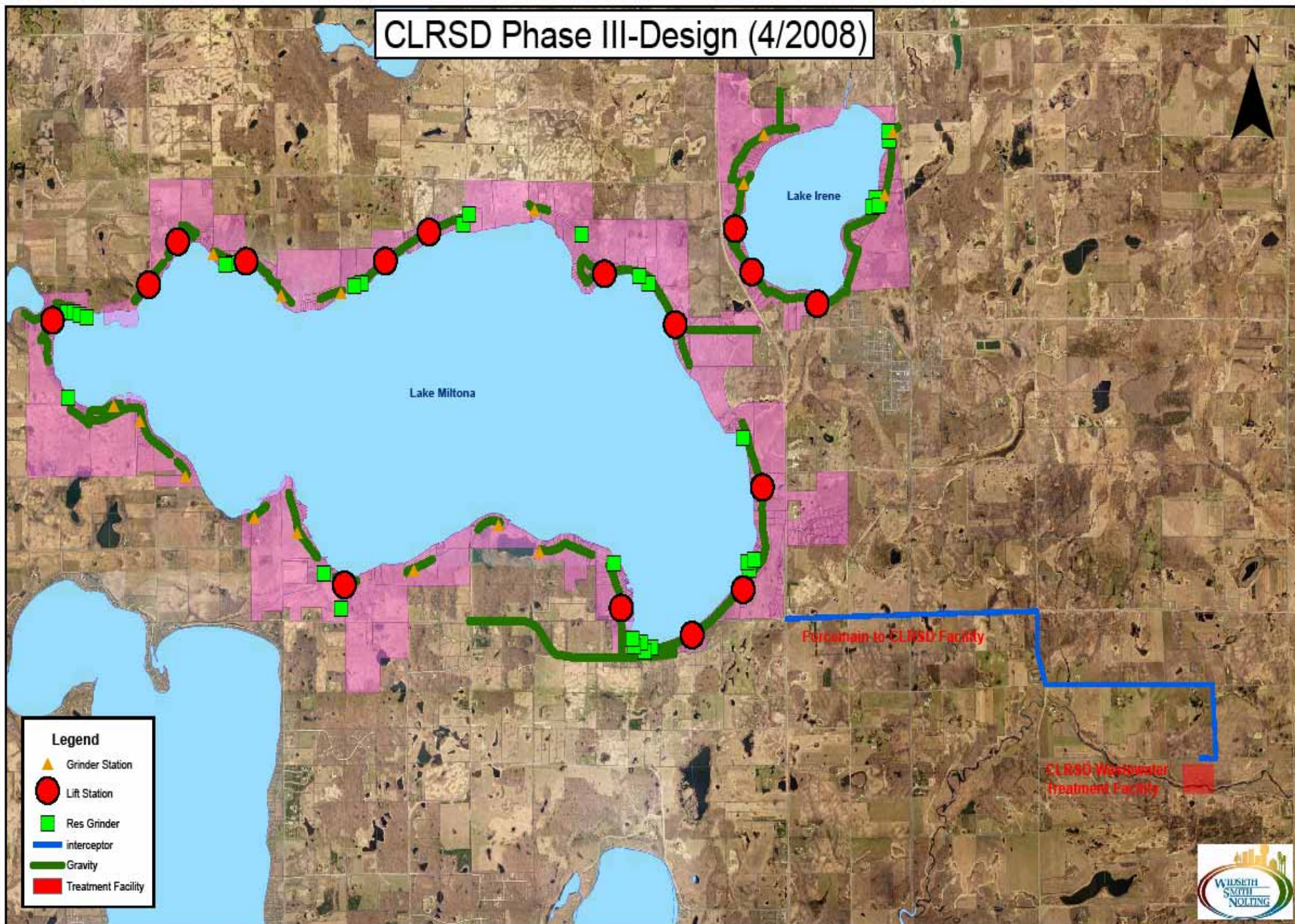
CLRSD Phase I - Design (4/2008)



CLRSD Phase II-Design (4/2008)



CLRSD Phase III-Design (4/2008)



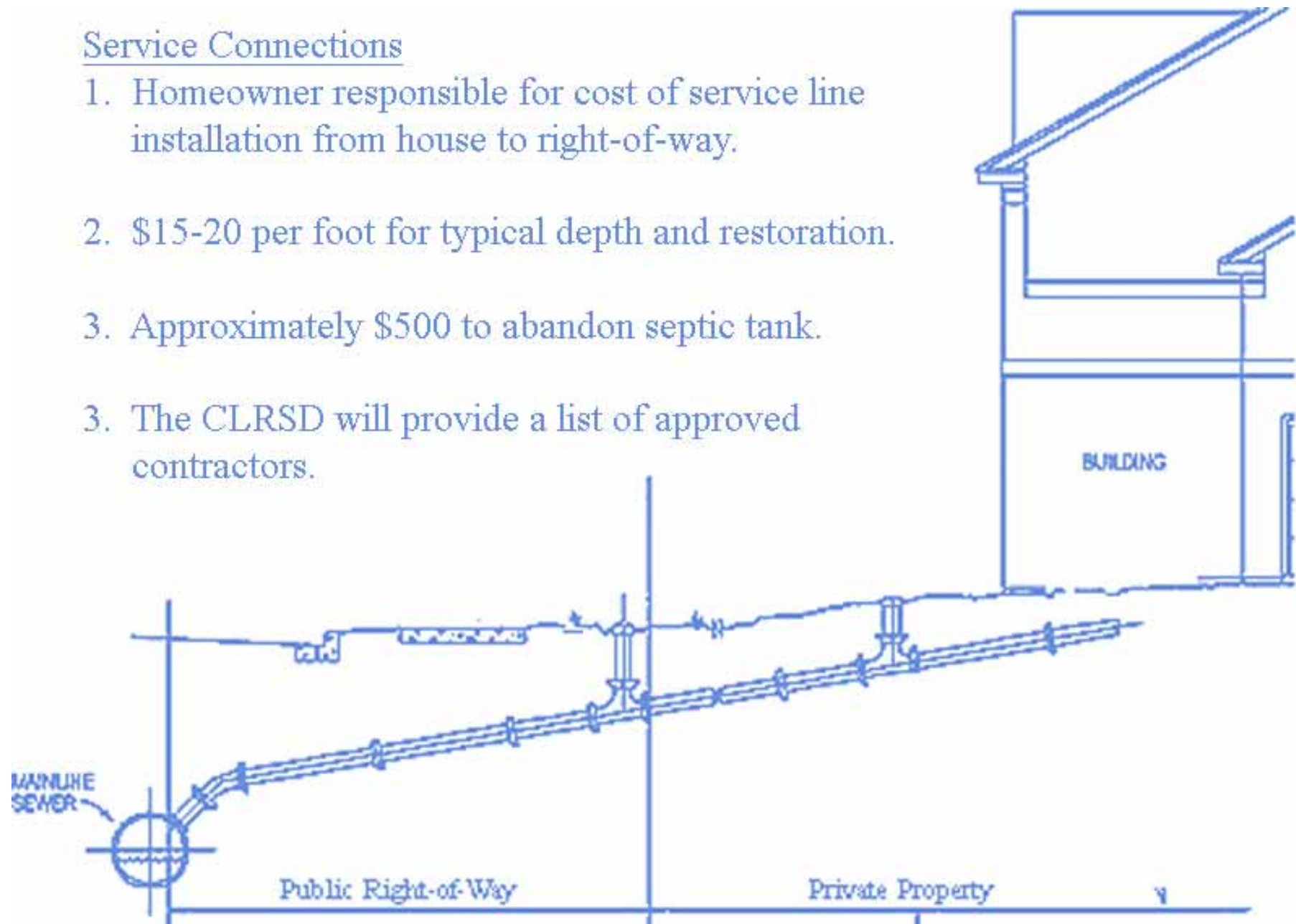
Project Cost Estimate

ESTIMATED PROJECT COST	\$52,500,000
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****Estimates include Contingency, Engineering, Land Acquisition, Legal, Fiscal, and Administration Costs**

Service Connections

1. Homeowner responsible for cost of service line installation from house to right-of-way.
2. \$15-20 per foot for typical depth and restoration.
3. Approximately \$500 to abandon septic tank.
3. The CLRSD will provide a list of approved contractors.



Project Status and Tentative Schedule

- Phase I
 - Design complete and easement acquisition in progress
 - Construction to start Fall 2008 and completed 2010
- Phase II
 - Design to begin Fall 2008
 - Construction to start Fall 2009 and completed Spring 2011
- Phase III
 - Design complete and easement acquisition in progress
 - Construction to start Fall 2008 and completed 2010

Project Funders

Pat Conroy – CLRSD General Manager

	RD Loan	RD Grant	PFA SRF	PFA WIF	WRDA Grant	TOTAL
Phase I (Lobster)	\$12 m	??			\$2 m	\$14 m
Phase II (Chippewa)	\$12.5 m	??				\$12.5 m
Phase III (Miltona)			\$23.5 m	\$2.5 m		\$26 m
TOTAL						\$52.5 m

Financial

Patty Kettles, Springsted, Inc.

- Assumptions
 - Base connections provided; new connections in the District based on historical growth
 - 3.0% growth in taxable values annually
 - Initial assessment \$10,000 amortized over 30 years
 - User Fees \$20/month in 2010, increase annually
 - Property Taxes used to fill the gap, projected to end in year 20

Average Annual Cost per Residential User (over 30-year period)

HOME VALUE	\$50,000 Vacant Lot	\$200,000 Home	\$300,000 Home	\$400,000 Home	\$600,000 Home
Assessment	\$707	\$707	\$707	\$707	\$707
Taxes	47	187	280	379	608
User Fees	<u>0</u>	<u>449</u>	<u>449</u>	<u>449</u>	<u>449</u>
Annual	754	1,343	1,436	1,535	1,764
Monthly	63	112	120	128	147
Monthly, assmt. paid off	4	53	61	69	88

Legal

Morey Grover, CLRSD Attorney

- Assessment Policy
- Minnesota Statute §429
- Preliminary Connection Policy
- Preliminary User Rate Policy

Assessment Policy

1. The per unit assessment is determined by dividing the total project cost, less any grant or township contribution by the number of units.
2. The total number of units is determined by applying the assessment policy against all lots and parcels contained within project area and proposed to receive a benefit from the improvement by the provision of sanitary sewer.
3. One unit = 1 assessment
4. Each platted lot shall be assigned a unit value = 1. This includes vacated lots that were vacated with the express purpose of avoiding assessment.
5. Any lot with a structure generating wastewater shall be defined as developed.
6. A commercial establishment (campground, restaurant, service station, etc.) licensed as such by Douglas County shall be assigned a unit value = 2.5.

Assessment Policy (cont.)

7. A resort shall be assigned a unit value = 2.5. A resort is defined as a commercial enterprise whose income is solely derived from the rental of housing units, boats, motors, supplies and recreational equipment. The units and associated equipment must be available for rent to the general public during the period from May 15 to September 1 of each year at reasonable rates as compared to other enterprises of the same character in Douglas County, Minnesota.
8. Each unit in an association without individual land ownership will be assigned a unit value = 0.5.
9. Each unit within a Residential Planned Unit Development (P.U.D.) with a land area of 2,500 square feet or more shall be assigned a unit value = 1.
10. Each unit within a P.U.D. with a land area of less than 2,500 square feet shall be assigned a unit value = 0.5.
11. Each undeveloped tract of 10 acres, or less, shall be assigned a unit value = 1.

Assessment Policy (cont.)

12. Each of two platted lots, with one owner, developed in such a manner that there is effectively one lot shall be assigned a unit value = 0.5 each.
13. Platted lots split between two property owners shall have no effect on assessment determination to benefit and may be a temporary condition.
14. County Parcel Number designation shall have no effect on assessment determination since it has no relationship to benefit.
15. Each of two or more adjacent non-conforming lots, that together create a buildable lot shall be assigned a unit value = 0.5.
16. When a wastewater generating structure is greater than 300 feet from the sewer main line, the property will be assigned a unit value of one, but the mandatory hook up requirement will be waived.

Minnesota Statute §429

- Gives the CLRSD authority to levy special assessments
- Statutory Requirements for special assessments
 - Order & Receive Feasibility Study
 - Order and Hold Improvement Hearing
 - Order the Improvement
 - Competitive Bidding
 - Prepare Assessment Roll
 - Order and Hold Assessment Hearing

Preliminary Connection Policy

- Connection to sanitary sewer is required one year after sewer becomes available for structures within 300' of the sewer main line
- Necessary for the CLRSD to make debt service payments to funding agencies
- Necessary for CLRSD to Operate & Maintain the collection system and treatment facilities
- New structures built within CLRSD boundaries must connect prior to occupancy regardless of distance

Preliminary User Rate Policy

- Residential users will be charged \$20 per month.
- Large users (resorts, restaurants, etc.) will be charged a user rate based on the number of cabins, seats, etc.
- Commences at the time of connection to sewer.
- User charge will increase over time to reflect increased operation and maintenance costs.

Next Steps

- CLRSD will consider the input from the public hearing.
- CLRSD must order a project within 6 months of this hearing or hold another public hearing.
- The scope of the project may not be increased without another public hearing.

Question and Answer

- Who determined what areas would get sewer?
- I've been told that the sewer is going to cost me \$40,000. Why do you keep talking about a \$10,000 assessment?
- Does the public get a chance to vote on this?
- Have you looked into alternative treatment systems?

Question and Answer

- I've been told that the lakes have improved in the past 10 years. Why do we need this sewer anyway?
- Why aren't we kept more informed about this project?
- I've been getting taxed on my real estate taxes for the CLRSD. I don't have sewer yet, so what is that for?

Question and Answer

- I just put in a new septic system. Why do I have to hookup to the sewer?
- What is your definition of feasible?

Question and Answer

Rules for Question/Answer/Comment Sessions:

- Discussions will be limited to the stated purpose of the hearing.
- No person may speak a second time until everyone has had an opportunity to speak.
- No speaker shall speak more than twice.
- Each speaker will be limited to approximately three minutes for each opportunity to speak.
- No applause, interruptions, abusive language, personal attacks will be allowed.
- All comments by the public must be directed to the moderator.
- Each speaker must state their name and Township or lake area.

Public Comment & Opinion

Thank you for attending!

For Copies of the Presentation:

www.lobsterlake.org

www.chippewalake.org

For Access to the Financial Impact Calculator:

www.springsted.com/default.asp?app=clrstdptc