

VNP Clean Water Joint Powers Board Meeting

Wednesday September 16, 2020

10:00 a.m.

Kabetogama Community Center

AGENDA

1. Welcome and Introductions
2. Public comments
3. Approve minutes of the August 19, 2020 JPB meeting
4. Comprehensive Plan and 10 Year Funding Budget
5. S.E.H./Advisory Board Representative Updates
 - A. Kabetogama
 - B. Crane Lake
 - C. Koochiching
 - D. VNP
 - E. DNR
 - F. MPCA
6. Project Funding
7. Pay Invoices
8. Other Business
9. Next meeting date
10. Adjourn meeting

VNP CLEAN WATER JOINT POWERS BOARD MEETING
August 19, 2020

The monthly meeting of the VNP Clean Water Powers Board was held at the Crane Lake chapel on August 19, 2020. The meeting was called to order at 10:05 by Chairman Pavleck. Board members also present were Commissioner McDonald and Commissioner Nelson. Commissioner Pavleck welcomed everyone to the meeting. There were no public comments and all attendees introduced themselves.

A motion was made by Commissioner Nelson and supported by Commissioner McDonald to approve the July 15, 2020 minutes. All voted in favor.

Jeff Anderson provided a legislative update. He discussed the challenges during this legislative session. There is nothing definitive regarding funding applications and bonding bill. The good news is that the Clean Water Council is supporting our funding request.

Jason discussed the ongoing work on the Comprehensive Plan. The plan has been updated with the Crane Lake input and the other areas continue to be worked. Ash River input will be driven by the facility plan. Anticipate a major update in September. Commissioner Nelson emphasized that the plan needs to be worked with the local government entities.

Ash River. Work continues on the facilities plan. The sewer board is working through the easement process and rate structure options. The county continues to work the support funding for the project.

Kabetogama. Nothing new to report. The 5 new districts have been approved by referendum. Anticipate funding requests in 2021.

Crane Lake. ISTS installations are ongoing and work continues on the Management Program. There is a scheduled town and district meeting scheduled to discuss the proposed Kicker Blvd annexation. Continue to work with S.E.H. on the comprehensive plan.

Koochiching. Substantial completion and punch list items have been issued to the contractors. The contract retainage is being held until the contracts are fully completed.

DNR. Nothing to report.

MPCA. Nothing to report.

VNP. /The Superintendent provided an update on the Land and Water funding program.

There was a motion by supported by Commissioner Nelson and supported by Commissioner McDonald to pay the July Costin Group invoice (\$2500.00) and the June and July S.E.H. invoices (\$3259.30 and \$1921.09) All voted in favor.

The planned meeting is scheduled for 16 September at 10:00 at the Kabetogama Township Community Center.

A motion was made by Commissioner McDonald and supported by Commissioner Nelson to adjourn the meeting. All voted in favor. The meeting adjourned at 11:05.

Submitted by: Rob Scott, secretary

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MEMORANDUM

TO: Voyageur's National Park Clean Water Joint Powers Board (VNPCWJPB)

FROM: Jason J. Chopp, PE

DATE: September 16, 2020

RE: VNPCWJPB Update
Koochiching and St. Louis Counties, Minnesota
STLES 156438

Board Meetings

The last meeting was a virtual meeting held on August 19, 2020

Action Requested: Minutes for Approval

Comprehensive Plan Update

Draft plan sections for Crane Lake Kabetogama have been developed. SEH is waiting on Koochiching County to approve desired future service area before proceeding with that district evaluation. The Ash River portion of the plan will mirror the current facility plan and design that is underway. Further Updates should be expected in October.

Ash River

SEH submitted the work plan and schedule to the MPCA on September 11. The next district meeting is September 29, 2020. The district attorney will also be present at the September meeting to help assist with legal questions from the Board.

Action Requested: None

Kabetogama

Phase II

No updates

SEH did have conversations with John regarding the service areas so they could be included in the Comp. Plan Update.

Action Requested: None

Crane Lake Water & Sanitary District

The CLWSD anticipates the installation of at least 3 ISTS for the 2020 season. The district is evaluating the need for possible improvements at the WWTP. The District continues with the annexation process of Kicker Blvd. Letter from citizens in response to the September Annexation Public Hearing is included for discussion.

Action Requested: None

Island View Sanitary Sewer Expansion. All 3 contracts continue to inch closer to final completion. Contract retainage (5%) is being held until the contracts are fully complete.

Action Requested: None

Advisory Board Representative Updates

- Voyageurs National Park
- MN Department of Natural Resources
- Minnesota Pollution Control Agency

If you have any questions regarding these items, please do not hesitate to contact any of us.

Jason Chopp	Colin Marcusen	Mike Larson	Gary Cerkvenik
218.305.4733	320.229.4359	218.305.4722	218.741.0139
jchopp@sehinc.com	cmarcusen@sehinc.com	mlarson@sehinc.com	gcerk@me.com

Cc: VNPCWJPB Advisory Committee, Koochiching and St. Louis County Environmental Services staff, Project Area residents (upon request)

Att: SEH Invoice, The Costin Group Invoice

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September 10, 2020

Wade Paveleck
Chair - Voyageurs National Park Clean Water Joint Powers Board

Paul McDonald
St. Louis County Joint Powers Board Representative

Crane Lake Water and Sanitary District Board Members

Dear Mr. McDonald, Mr. Paveleck and Crane Lake Water and Sanitary District Board Members:

We, the undersigned, are writing to inform you of serious concerns on the need, motives and process with respect to the Crane Lake Water and Sanitary District's ("CLWSD") proposed annexation of Kicker Blvd.

First and foremost, it was surprising to learn at the September 2, 2020 CLWSD Meeting (the "Meeting") that there was no environmental impact study or water quality study conducted to specifically assess the potential need to annex Kicker Blvd on the basis of environmental impact or the public health and welfare. There is actually evidence to support that water quality along Kicker Blvd. is not only high, but potable. The owners of 737 Kicker Blvd. tested water pulled from the lake this year and found that it was safe to drink. It is hard to imagine there is a water quality issue on Kicker Blvd. when owners are pulling potable water directly from the lake.

Secondly, a major selling point of this proposed annexation seems to be the promise of a "free" septic system with membership. As a citizen astutely pointed out in the Meeting, the all in first year costs of installing a septic system under the CLWSD's current program approaches over 50% of the cost of a typical system and then the owner of that system is on the hook for annual payments of roughly \$1,200/year thereafter for life. We request that a fulsome disclosure of all the costs of installing, maintaining, and operating a septic system under the CLWSD ordinances for the life of a system should be provided. This analysis should also (i) clearly illustrate a range of additional costs outside of the CLWSD charges for which a property owner is expected to be liable and (ii) incorporate any special or new charges anticipated by the CLWSD to service properties on Kicker Blvd since it is not connected to the centralized system and only accessible by water.

Third, having the "option" to join a sewer district for the price of \$7,500 plus over \$1,000/year in annual fees for a property owner that already has a working septic system is not really an option at all. Literally, no services are provided to such a property owner by the CLWSD in exchange for a rather large sum of money. Hopefully, it is clear that such a situation is inequitable. There is also no reason for even creating the aforementioned situation because Minnesota Statute 442A.05 Subd. 1 subpart (b) expressly states that an annexation can be effected on "*. . . an area or a group of two or more adjacent areas, whether contiguous or separate, . . .*" Given this express ability to annex non-contiguous areas, there appears to be no logical reason to annex any property that does not want to be annexed. The only requirement it seems from the Statutes is that there would be at least two parcels annexed. This course

of action is further supported by the fact that there is no infrastructure connecting the proposed area(s) to any centralized system. There is not even a road connecting the individual parcels. No good reason was given at the meeting as to why individual parcels could not be annexed by choice.

Fourth, the fee and tax structure of the proposed district is not equitable. Taxing properties in the district for administrative expenses on the basis of property values for a sewer and sanitary district is not equitable. The electric company does not assess a fee for service based on the value of properties, why should the sewer and sanitary district be any different? The administrative fees should be based on something like Equivalent Domestic Units as such term is defined in the CLWSD ordinances. Additionally, it appears that properties that choose to join the CLWSD are charged a monthly fee year-round. This type of fee structure strikes us as extremely inequitable for seasonal cabins that are not even physically hooked up to the centralized sanitary system. Furthermore, it seems preposterous to charge the same monthly fee to the owner of a septic system as for an owner hooked up to the centralized system. The CLWSD is not really providing the owner of a septic system any monthly service. The entire idea of Kicker Blvd. "hooking up" to the CLWSD system seems to be nothing more than a legal fiction.

Finally, we note that the Meeting failed to provide all the information as expressly required by Minnesota Statute 442A.05 Subd. 2 subpart (b). Minnesota Statute 442A.05 Subd. 2 subpart (b) states that: *"At the meeting, information must be provided, including a description of the existing sanitary district's structure, bylaws, territory, ordinances, budget, and charges; a description of the existing sanitary district's territory; and a description of the territory of the proposed annexation area."* Information we would like to be provided, includes, but is not limited to, (1) evidence of CLWSD's financial and managerial resources to deliver adequate and efficient sanitary sewer services as required by the Statutes, (2) balance sheet as of December 31, 2019, statement of revenues, expenditures, and changes in fund balances for the years 2017-2019, budget to actual comparisons for previous 5 years, 2020 budget schedule and five year capital plan, (3) a fully executed copy of the current ordinances in effect and (4) a copy of the bylaws for the CLWSD.

Based on the above there seems to be a lot of work that still needs to be done before the CLWSD could legally, and in good faith, even consider drafting a petition under the Minnesota Statutes proposing the annexation of Kicker Blvd. At this time, we respectfully request that the CLWSD discontinue any efforts to move forward with annexing Kicker Blvd. If the CLWSD were to move forward at all, it should only be with those property owners willing to be annexed using the "non-contiguous" clause of the Statutes.

We respectfully request your response prior October 1, 2020, or prior to any such rescheduling of a meeting to correct the information deficiency of the meeting that took place on September 2, 2020. Thank you.

Respectfully,

Jay Kanive - 737 Kicker Blvd
Alyssa Kanive – 737 Kicker Blvd
Louise Kanive – 737 Kicker Blvd
Ryan Kanive – 737 Kicker Blvd
Rebecca Kanive – 737 Kicker Blvd

John Kanive – 737 Kicker Blvd
Sara Kanive – 737 Kicker Blvd
Terry R Huggins – 736 Kicker Blvd
Katherine S Huggins – 736 Kicker Blvd
Davis Huggins – 736 Kicker Blvd

Alaina Huggins – 736 Kicker Blvd
Bruce Siville – 736 Kicker Blvd
Margaret R Klava – 736 Kicker Blvd
Emil F. Klava Jr. – 736 Kicker Blvd
Paul Yerkes – Lot 27 (742 Kicker Blvd)
Connie Yerkes – Lot 27 (742 Kicker Blvd)
Bruce Yerkes – Lot 27 (742 Kicker Blvd)
Tanya Yerkes – Lot 27 (742 Kicker Blvd)
Mark Yerkes – Lot 27 (742 Kicker Blvd)
Melodi Yerkes – Lot 27 (742 Kicker Blvd)
June Yerkes – Lot 27 (742 Kicker Blvd)
Ron Gilman – Lot 14 (718 Kicker Blvd)
Kathy Gilman – Lot 14 (718 Kicker Blvd)
Cal Gilman – Lot 14 (718 Kicker Blvd)
Zach Gilman Lot 14 (718 Kicker Blvd)
John Sorteberg – 740 Kicker Blvd
Christina Kennedy – 740 Kicker Blvd
Bill Sorteberg – 740 Kicker Blvd
Deb Sorteberg – 740 Kicker Blvd
Thomas Gay – 711 Kicker Blvd
Vickie Gay – 711 Kicker Blvd
Brian Gay – 711 Kicker Blvd
Alison Martin – 711 Kicker Blvd
Sandy Sterle – 713 Kicker Blvd
Craig Sterle – 713 Kicker Blvd
David Kuehn – 713 Kicker Blvd
Craig Harris – 713 Kicker Blvd
Stephanie Birenbaum – 706 & 707 Kicker Blvd
Mike Birenbaum – 706 & 707 Kicker Blvd
Alex Field – 706 & 707 Kicker Blvd
Rus Poser – 706 & 707 Kicker Blvd
Zachary Field – 706 & 707 Kicker Blvd
Robyn Field – 706 & 707 Kicker Blvd

Don Udelhoven – 745 Kicker Blvd
Karen Udelhoven – 745 Kicker Blvd
Karla Sears – 745 Kicker Blvd
Don Slycord – 745 Kicker Blvd
Kathy Slycord – 745 Kicker Blvd
Chuck Gerlach – 721 Kicker Blvd
Teresa Gerlach – 721 Kicker Blvd
Dan Gerlach – 723 Kicker Blvd
Lisa Gerlach – 723 Kicker Blvd
John Nayden – 710 Kicker Blvd
Carol Nayden – 710 Kicker Blvd
Mike Nayden- 710 Kicker Blvd
Mark Nayden – 710 Kicker Blvd
Max Nayden – 710 Kicker Blvd
Cathy Gannet – 710 Kicker Blvd
Courtney Kanive – 738 Kicker Blvd
Brad Beebe -722 Kicker Blvd
Mary Mehus – 725 Kicker Blvd
Roger Mehus – 725 Kicker Blvd
Adrian Mehus – 725 Kicker Blvd
Kimberly Reed – 717 Kicker Blvd
Trevor Reed – 717 Kicker Blvd
John Blazevic – 724 Kicker Blvd
Steve Blazevic – 724 Kicker Blvd
David Blazevic – 724 Kicker Blvd
Mark Schmidt – 709 Kicker Blvd
Becky Schmidt – 709 Kicker Blvd

VNPCWJPB Funding Tracker

KOOCHICHING COUNTY				
Project	Project Cost	No. of EDUs	Project Status	Land Concerns/Comments
Island View Sanitary Sewer Extension	\$19,500,000	365	Under Construction, Awarded to Wagner and USA	County Responsible, multiple easements
	Funding Option	Funding Amount	Funding Status	Other Notes
	Koochiching County	\$30,000	Received	
	Koochiching County	\$400,000	Received	Used to complete design work
	State Bonding Bill, 2010	\$100,000	Received	
	State Bonding Bill, 2014	\$7,817,800	Secured	
	MN Legacy Funds 2015	\$1,000,000	Secured	\$2m awarded, \$940,000 Kab, \$60k Crane
	2016 US Army Corp (\$4.5m, \$100k to Corp)	\$4,400,000	Secured	
	State Bonding Bill, 2017	\$2,000,000	Secured	
	Mn Legacy Funds 2018/2019	\$1,200,000	Secured	\$2m awarded, \$50k Kab, \$450k to Ash, \$300k to Crane
	anticipated assessment	\$3,600,000		

KABETOGAMA TOWNSHIP				
Project	Project Cost	No. of EDUs	Project Status	Land Concerns
Puck's Point San Swr & WWTF	\$4,500,000	80	Design Complete, Project has been bid twice. Bids are too high	
	Funding Option	Funding Amount	Funding Status	Other Notes
	IRRRB, 2009	\$50,000	Secured	
	State Bonding Bill, 2010	\$0	Secured	
	IRRRB, 2010	\$129,349	Secured	
	PFA, 2013	\$0	Secured	
	DEED - Small Communities Program, 2013	\$274,619	Secured	Loan @ 1% over 20 years
	DEED - Small Communities Program, 2013	\$1,098,476	Secured	Grant
	MN Legacy Funds 2015	\$940,000	Secured	\$850k approve but not used. Interim financing used
	Mn Legacy Funds 2018/2019	\$50,000	Secured	
	MN Rural Water Loan	\$0	Secured	
	MPFA PSI Grant	\$1,864,929	Secured	
	DNR Capital Contribution	\$70,248	Secured	
	Other Levied Township Sources	\$42,944	Secured	

ASH RIVER - CURRENTLY UNORGANIZED				
Project	Project Cost	No. of EDUs	Project Status	Land Concerns
	\$5,500,000			
	Funding Option	Funding Amount	Funding Status	Other Notes
	State Bonding Bill, 2010	\$10,000	Secured	
	Mn Legacy Funds 2018/2019	\$450,000	Secured	
	St. Louis County	\$90,000	Secured	
	Clean Water Legacy	\$950,000	Pending	

CRANE LAKE WATER & SANITARY DISTRICT- CLWSD				
Project	Project Cost	No. of EDUs	Project Status	Land Concerns
CSAH 24	\$3,000,000			Construction Complete 6/11
	Funding Option	Funding Amount	Funding Status	Other Notes
	Taconite Property Tax Relief, 2010	\$99,887	Received	
	State Bonding Bill, 2010	\$150,000	Received	
Handberg Marine				
	Funding Option	Funding Amount	Funding Status	Other Notes
	MN Legacy Funds 2015	\$60,000	Secured	
	Bonding Bill, 2014	\$750,000	Secured	
	Taconite Homestead Funds, 2013	\$687,000	Secured	
ESA & Bear Island				
	Funding Option	Funding Amount	Funding Status	Other Notes
	MPCA National Park Grant Program, 2014	\$1,500,000	Secured	ESA & Bear Island
	Mn Legacy Funds 2018/2019	\$300,000	Secured	
Managed ISTS	Clean Water Legacy	\$600,000	Pending	

\$26,942,308 Outside Funding Source Funds