

VNP Clean Water Joint Powers Board Meeting

Wednesday April 20, 2016

9:30 a.m.

Cook Land Building

AGENDA

1. Welcome and Introductions
2. Public comments
3. Approve minutes of the March 16, 2016 JPB meeting
4. S.E.H./Advisory Board Representative Updates
 - A. Kabetogama
 - B. Ash River
 - C. Crane Lake
 - D. Koochiching
 - E. VNP
 - F. DNR
 - G. MPCA
5. Project Funding Status
6. Pay Invoices
7. Other Business
8. Next meeting date
9. Adjourn meeting



MEMORANDUM

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

FROM: Sara Christenson, Randy Jenniges, and Gary Cerkvenik

DATE: April 20, 2016

RE: VNPCWJPB Update Information - April 2016
Koochiching and St. Louis Counties, Minnesota
STLCO 124128

Board Meetings

The last meeting held was at 9:30 A.M. at the St. Louis County Land Department building on March 16, 2016. See the attached draft meeting minutes for details.

Action Requested: Motion to approve the minutes of the March meeting.

Kabetogama

The construction portion of the project is taking shape.

- Dispersal contractor, Viita's Excavating has cleared trees in dispersal and pretreatment areas. Dispersal and Pretreatment work will begin late May or early June.
- Collection system work has begun with directional drilling of common pipe near Arrowhead Lodge. Pipe work will progress through DNR/school trust property in the vicinity of the treatment site and down the County Road. After this pipe work is complete, collection system work will be delayed until fall, when pipes on private property will be installed.

Agreement has been executed for Legacy Funds. First request for disbursement has been made and 10% of grant should be given to the Township shortly.

A letter has been sent to the DNR explaining the DNR's responsibility for capital payment as related to the Pucks Point Collection, Pretreatment, and Dispersal projects. (Current capital cost fee estimate is \$64,175.56 for Woodenfrog Campground)

Ash River

The soil analysis from Matrix Soils is complete for the potential treatment site and the data looks favorable. We request that the land swap between the County and DNR continue to proceed based on this information.

Crane Lake Water & Sanitary District

Phase 2 will include connections and extensions as funding dollars allow along Handberg Road in Area T, however Phase 1 of the Handberg Road Extension must be completed and the Handberg Road CAR recommendations must be known before the PFA Funding agency would approve any work in Phase 2. Phase 1 and the CAR will be fully completed when the frost is out of the ground, perhaps in May. The remaining CAR work involves soil tests.

Island View

Randy Jenniges to comment.

Comprehensive Plan

Board to discuss the path in which they would like to continue to move forward on.

Project Funding Status

Gary Cerkenik to discuss.

Advisory Board Representative Updates

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

Meeting Dates

- Action Requested: Propose and approve an upcoming meeting date for May.

Invoices

- Action Requested: Propose and approve the SEH Inc. and Costin Group Invoices.

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

Randy Jenniges
320.229.4378
rjenniges@sehinc.com

Gary Cerkenik
218.741.0139
gcerk@me.com

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

Att: VNPCWJPB Minutes from March 16, 2016, SEH Invoice, The Costin Group Invoice

VNP CLEAN WATER JOINT POWERS BOARD MEETING March 16, 2016

The monthly meeting of the VNP Clean Water Powers Board was held at the Cook Land Department on March 16, 2016. The meeting was called to order at 9:30 by Chairman Pavleck. Board member present were Commissioners McBride, Rukavina, and Pavleck. There were no comments from the public.

A motion was made by Commissioner McBride to approve the minutes of the January 20, 2016 JPB meeting. Commissioner Rukavina supported and all voted in favor.

A teleconference was convened with Gary Cerkvenik. He discussed the USACE \$4.5 million dollar grant for the Island View project. There is still a \$1.5 million shortfall. The State Bonding Bill \$6.0 million dollar request is still in work. If awarded it will require a 25% match. There is still a need for the additional funds to continue the work outlined in the Comprehensive Plan. DNR has been very supportive of the Kabetogama project and Gary recommended that a letter be sent to DNR from the JPB. Commissioner Rukavina made a motion to draft a letter for the chair to sign and supported by Commissioner McBride. All voted in favor.

Kabetogama. The construction portion of the project is taking shape. The preconstruction meeting was held on February 26, 2016. DNR executed a lease agreement with Kabetogama for the treatment site. A meeting will be held in Grand Rapids with DNR to discuss the Kabetogama project. John Stegmeir discussed the challenge to get a licensed operator to run the treatment plant. Rob Scott added that at Crane Lake they are experiencing the same problem. Dale Olson said he would assist.

Koochiching. With the awarding of the \$4.5 million dollar grant from the USACE there is still a \$1.5 million dollar shortfall. The current plan, as discussed by Gary Cerkvenik, was to get the additional funds for the project from the State Bonding Bill. If funding falls into place the target date for construction is spring of 2017.

Ash River. The soil testing results look promising for construction of the treatment plant. There is a meeting scheduled with DNR to discuss the Ash River project and DNR lands.

Crane Lake. Rob Scott discussed the status of the Handberg Road extension. Work continues on the CAR and some punch list items. Both will be done in the spring. Phase II of the project is in work with summer of this year the target to complete. He also discussed the East Bay management program and the Kicker Boulevard annexation. The county will review the area for a possible expansion of the Comprehensive Plan scope of work.

A motion was made by Commissioner Rukavina to pay the Costin Group January and February 2016 invoices. It was supported by Commissioner McBride and all voted in favor. A motion was made by Commissioner Rukavina to pay the S.E.H. January and February 2016 invoices. It was supported by Commissioner McBride and all voted in favor.

The next meeting is scheduled for April 20th at 9:30 at the Cook Land Office. The meeting was adjourned at 10:40.

Submitted by: Rob Scott, secretary



Building a Better World
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April 4, 2016

RE: Kabetogoma Township, MN
Puck's Point Sanitary Sewer District
SEH No. KABET 114902/136102 14.00

Mr. Tom Landwehr, Commissioner
Minnesota Department of Natural Resources
500 Lafayette Road
PO Box Box 37
St. Paul, MN 55155-4037

Dear Mr. Landwehr:

A meeting was held on March 28, 2016 at the DNR Headquarters in Grand Rapids to discuss the Puck's Point Sanitary Sewer Collection, Pretreatment, and Dispersal projects in relation to DNR lands and parks. A topic of discussion at this meeting was the DNR's responsibility for paying capital costs related to the construction of this infrastructure. There was a misunderstanding regarding the currently estimated fee and this letter is intended to provide clarification. The capital cost fee for Woodenfrog Campground is currently estimated at **\$64,175.56**.

Woodenfrog Campground is part of the Puck's Point Subordinate Service District, the entity completing the improvements for the betterment of their community. As such, the Campground (or DNR), is being charged capital fees just as the other members of the District. The estimated fee is based on 10 equivalent dwelling units (EDUs) for the Campground and totalized capital fees over the 20-year loan term. The fee is subject to change based on the amount of grant available to the project, which is currently under discussion at the Minnesota State Legislature. Billing will be finalized during the summer of 2016. The current estimated sources and uses of funds for the project are summarized in the attached table.

Payment of the capital portion of the fees and connection of the Campground to the new treatment system were further emphasized by law written into Bonding Bills in 2013 and 2014. Kabetogoma Township will accept partial payment, monthly payments, or payment in full of the capital portion of the costs related to construction of this infrastructure when billing is finalized.

We will update your office after we are notified of changes to the project funding. Please let me know if you have any questions related to the billing for the project. I can be reached at cmarcusen@sehinc.com or 320.229.4359.

Engineers | Architects | Planners | Scientists

Short Elliott Hendrickson Inc., 1200 25th Avenue South, P.O. Box 1717, St. Cloud, MN 56302-1717
SEH is 100% employee-owned | sehinc.com | 320.229.4300 | 800.572.0617 | 888.908.8166 fax

Mr. Tom Landwehr
April 4, 2016
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Sincerely,

SHORT ELLIOTT HENDRICKSON INC.



Colin Marcusen, PE
Project Manager

clm/djg

Enclosure

c: Lori Dowling-Hanson, DNR (w/enclosure)
Trina Zieman, DNR (w/enclosure)
Scott Kelling, DNR (w/enclosure)
Joe Rokala, DNR (w/enclosure)
Patty Thielen, DNR (w/enclosure)
John Stegmeier, Kabetogama Township (w/enclosure)
Mary Manninen, Kabetogama Township (w/enclosure)
VNP Clean Water Joint Powers Board

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Kabetogama Township - Puck's Point Sanitary Sewer Project
Sources and Uses of Funds

	Terms	Amount	TOTAL
Sources of Funds			
Small Community Wastewater Program - Loan	(1.00%/20yr)	\$ 400,000.00	
Township GO Bond (MN Rural water)	(3.20%/15yr)	76,824.44	
Small Community Wastewater Program - Grant		1,600,000.00	
MPFA PSI Grant		1,161,200.00	
IRRRB Grant		179,349.00	
Legacy Funds Grant		940,000.00	
Other Levied Township Sources		48,598.20	
DNR Capital Fee (see Footnote)		64,175.56	
Total Sources of Funds			\$ 4,470,147.20
Uses of Funds			
Treatment		\$ 1,378,650.00	
Collection		1,782,370.00	
Dispersal		495,000.00	
Construction Contingency		182,801.00	
Engineering Design		270,400.00	
Construction Administration		212,400.00	
Other Project Costs (Legal, Administrative, Loans and Insurance)		85,026.20	
Land		63,500.00	
Total Uses of Funds			\$ 4,470,147.20

Assumes DNR capital contribution is not remitted at the onset of the project.

Other Levied Township Sources have been used to pay SEH for project design work and other upfront costs.

Assumes that Other Levied Township Sources will not be repaid from Project fee revenues.

Other Project Costs include the following:

<i>Legal (Fryberger)</i>	<i>\$ 55,000.00</i>
<i>Financial Consulting (EFG)</i>	<i>10,000.00</i>
<i>MN RW Loan Fees</i>	<i>8,040.00</i>
<i>Administrative and Insurance</i>	<i><u>11,986.20</u></i>
	<i>\$ 85,026.20</i>

DNR Capital Fee based on 10 EDUs / 84.3 EDUs (11.9%) of non-grant funded project capital cost

Subject to change depending on final grant funding