

PUBLIC HEARING
CITY OF CROSSLAKE
SATURDAY, JUNE 13, 1998
10:00 A.M. - CITY HALL

The Council for the City of Crosslake met in the Council Chambers of City Hall on Saturday, June 13, 1998. The following Councilmembers were present: Mayor Robert Scott, Charles Miller, Raymond Smyth and Richard Upton. Absent was Donna Keiffer. Also present was City Administrator Thomas Swenson, City Engineers Dave Reese and Mark Hallan, Pat Conroy of C&C Consultants, Zoning Administrator Teri Hastings, Deputy Clerk Darlene Roach and Reporter Tom Waller. (Sign-in sheet attached and a part of the minutes.)

Mayor Scott called the public hearing to order and stated that the purpose of the meeting was to hear public input on the City's proposed wastewater system. Everyone was reminded to list their name and address on the sign-in sheet provided.

The meeting was turned over to City Engineer Mark Hallan who gave a brief history of the wastewater project which started over two years ago with an engineering plan to determine its feasibility. This study led to Phase 1 which consisted of the downtown business district area and the implementation of stabilization ponds on the East side of the City. The original study was projected at a cost between \$8 to \$9 million dollars. The City Council requested that the engineers re-define the project and a revised plan was presented which would cost approximately \$4.3 million dollars. The revised plan was then submitted to the Minnesota Pollution Control Agency.

The meeting was turned over to Pat Conroy of C&C Consultants. He stated that there are two sources of funding available to the City. The first source would be federal funding through USDA Rural Development. The second source would be through the Public Facilities Authority, a State agency with a wastewater infrastructure fund known as WIF. Both agencies offer grant and loan funding. If the City was able to obtain the maximum amount available under a grant from Rural Development (45% or \$1,935,000) and \$1,365,000 from WIF, a loan of 1,000,000 would be required to fund the project. Mr. Conroy explained how these agencies determine affordable local share for repayment of loans. In 1990, the median household income in the City was \$22,834. This amount multiplied by 1.7% equals an annual amount of \$388 per household. This amount multiplied times the number of users, which has been determined to be approximately 225 in Phase 1, totals \$87,340. Of the amount collected, approximately \$35,000 would be used for annual operation and maintenance of the system with a remaining balance of \$52,340 for repayment of the loan. With an annual payment of \$52,340, repayment of a \$1,000,000 loan would take twenty years.

Mr. Conroy stated that the City Council is required to set the wastewater fees and determine how money for the loan payment will be collected each year. The loan can be repaid through user fees or assessments.

The meeting was opened to the audience for comments.

Mr. Charlie Schwartz asked what the difference was between a user fee and an assessment. It was explained that a user fee is the monthly fee for using the system and an assessment is an amount levied with taxes. He also asked how the 225 users were determined. The City Engineer stated that the users were determined by the number of lots in Phase 1 including businesses. Commercial lots, such as a restaurant, may contain eight ERU's (estimated residential units) versus 1 ERU for a residential lot.

Mr. Allen Eliason asked what size pipe would be used in Phase 1 and what the capacity of the pipe would be. The City Engineer stated that a 12" line would run along CSAH #66 delivering wastewater to the main lift system with the ability to add on additional pipe at a later date. The remainder of the lines would be 10" gravity lines.

City Administrator Swenson asked if the City would have the option to bond for any money that doesn't come through in grants or loans. Mr. Conroy replied that the City could issue general obligation bonds for some of the cost if necessary.

Mr. Jim Trautman asked if all residents and businesses could pay the cost of the wastewater system rather than just those in Phase 1 since it appears the entire City will ultimately utilize the system.

City Engineer Mark Hallan commented that the current plan is based on a capacity of 100,000 gallons per day with the initial usage around 50,000 per day. He stated that plans for growth and expansion have been included in the plan. The City could have as many as three or four phases over a period of time.

Mayor Scott commented that residents need to consider the future of septic systems and what the County's plan may be in regards to these systems. He also stated that residents needed to consider the cost of a new septic system in comparison to the user fees.

Mr. Allen Eliason asked how many ERU's the church's would be rated. City Engineer Reese stated that both the Lutheran Church and Catholic Church were rated as two ERU's. He also stated that the City could look at water metering for some commercial operations to make charges as fair and equitable as possible for all users.

Mr. Roger Roy asked how soon the City could get sewer if everything fell into place. City Engineer Hallan stated that the applications are due by October 1, 1998 and a reply should be back to the City in January, 1999. In the Spring of 1999, mapping and design could take place and bidding and construction in the year 2000. Mr. Roy also asked about water lines and City Engineer Hallan stated that the City Council would need to

make a decision on whether water lines are constructed at the same time the streets are under construction for the sewer lines.

Mr. Ron Hughes asked the City Administrator how long residents would have to hook up to the central sewer system. City Administrator Swenson stated that the City Council would need to decide this issue since the monthly fee is based on all 225 users hooking up to the system. The operation and maintenance of the system would require the revenue generated from the 225 users. Mr. Hughes inquired if State land in Section 38 could be donated by the State and DNR for the treatment plant. Mr. Hughes also asked what would happen to Big Pine Lake since the Corp of Engineers Campground also discharges into the Pine River. City Engineer Hallan commented that the Minnesota Pollution Control Agency will look at Big Pine Lake and Pine River for phosphorous limits. The MPCA has taken into account what the Corp is spilling into the river when looking at the City's plan. City Administrator Swenson stated that the City met with DNR officials in Brainerd last Fall regarding possible use of State land for a wastewater treatment site. At that time, the DNR officials at that meeting were not supportive of giving up State land for a treatment site.

Mrs. Charlie Schwartz asked if one lot had three guest cabins would the property owner pay 1 ERU or 3 ERU's. City Engineer Hallan stated that the City will need a sewer ordinance to address these issues. Mrs. Schwartz asked why the 1990 medium income was used to determine affordable local share.

Mr. Roger Roy asked on commercial lot splits if the ERU was determined by business or by lot split. The City Engineer stated that with a sewer system the City can have higher density to help pay the cost of the system.

Mr. Ron Hughes asked if the \$4.3 million dollars included road repairs and he was informed that it did.

At this point there were no further questions or comments from the audience.

MOTION PH62-01-98 WAS MADE BY RAY SMYTH AND SECONDED BY RICHARD UPTON TO ADJOURN THIS PUBLIC HEARING AT 11:15 A.M. MOTION CARRIED UNANIMOUSLY.

Recorded and transcribed by:



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Public Hearing - 6-13-98

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