



ALEXANDRIA LAKE AREA SERVICE REGION-MINUTES
Assessment Hearing – May 28, 2024– 7:00 P.M.

Members Present: Joel Dahlheimer-Chair (Alex Twp.), Bill Krivanek (Carlos Twp.), Greg Bowen (La Grand Twp.) and Jeff Tvrdik (Hudson Twp.)
Others Present: Scott Gilbertson, Executive Director ALASD, Bryan Bye, P.E. Widseth, Brad Timm, Collection Supt., Jo Kluver, Office Manager
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Chair Dahlheimer called the Assessment Hearing to order at 7:00 p.m.

Chair Dahlheimer introduced the ALASR Board members and ALASD staff.

ALASD Executive Director Gilbertson, Bryan Bye, P.E. Widseth, and Office Manager Kluver gave a presentation on the ALASR 2024 Sanitary Sewer Extensions Project and Assessment.

- ALASD vs ALASR
- ALASR service areas
- ALASR 2024 Sanitary Sewer Extension Project to date
- Advertisement for bids which were received on May 16th, 2024. Six (6) qualified bidders with a low bid from Kuechle Underground for \$6,163,344.97.
- Total cost of project with subsidies from ALASR and ALASD was broken down.
 - Total project cost: \$7,579,700.00
 - ALASR contribution (26%): \$2,000,000.00
 - ALASD contribution (32%): \$2,433,600.00
 - Assessment contribution (42%) \$3,146,100.00
- Property owner costs – assessment will be \$28,000.00 at project completion in October of 2025. Terms of 20 years at 6% interest. Property owner can pay assessment in full without penalty.
- ALASD WTEF fee is \$2,500 at time of connection and paid with sewer construction permit.
- The costs for private service line between residence and stub at property line and cost for abandoning the existing septic system are property owner’s responsibility.
- Office Manager Jo Kluver reviewed eligibility requirements for assessment deferrals for senior citizens, people with disabilities, and active military. Also covered when the deferred assessments would end and all accumulated amounts, including interest, become due. All requests for deferred assessments must be submitted in writing by 7/31/24, are kept confidential, ALASD staff will meet with each applicant individually, and the ALASR board will do final approval of qualifying deferred assessments via resolution.
- Sewer connection ordinance was reviewed stating there is a mandatory connection policy and parcels will get 1-3 years to connect - unless a septic system is new or certified septic system, then will get 5-7 years to connect.
- Bryan Bye, P.E. Widseth, reviewed sewer service stubs, which will be installed on all property parcels included in this project and Widseth will work with property owner

on location to minimize cost. Stubs installed at sufficient depth to provide gravity service wherever practical.

- Surface restoration will be restored to pre-disturbed condition. Sewer will be placed in public right-of-way whenever feasible. When sewer infrastructure needs to be placed on private property a permanent and/or temporary easement is obtained and the property owner will be paid for the value.
- Project schedule and milestones. Contractor will submit a schedule after contract is awarded.

Chair Dahlheimer gave an overview of the public hearing guidelines and allotting 3 minutes for each speaker. Opened the hearing for public comment.

Public comment main questions/answers:

- What will be the amortization amount and who calculates it? *County calculates the amortization amount and will be approximately \$2,400.00/tax year which is based on the \$28,000.00 at 6% interest for 20 years.*
- Required to connect? *Every property will receive a stub and be required to connect.*
- A property owner recently built a new sewer septic system under impression sewer wasn't coming to his property for 15+ years. He spent a lot of money on his system and wanted to know how this will affect him. Will he have to pay interest on the assessment until he connects? *Executive Director Gilbertson reviewed how the areas in ALASR territory were selected, and the feasibility report was completed. Property owner can submit a request for a deferred assessment and state his reasons.*
- Does the cost of the project and assessment get lowered if more connections are added? *No, only if there is a significant increase in added hookups, such as 30 more hookups and then the assessment would be reevaluated. At this time, there is no development of the project to show a significant change in hookups.*
- Empty parcels that are raw land, do they need to participate and receive a stub? At last Improvement Hearing, it was stated that property owner could state no stub and no assessment, how has that changed? *Every parcel included in this project will receive a stub. If a property owner has multiple properties, and some are raw land or non-sewer generating, a stub will still be installed, and assessment will happen at connection. ALASD will work with these property owners who own multiple parcels.*
- Own 2 properties will they both get a stub? *Yes, a stub will be installed for each property.*
- Property owner stated he had a shed on his lot and did not produce waste, he does not want the assessment. *A stub will be placed to the property and will be assessed.*
- Hwy 29 property owner not included in the project but is getting a stub – what umbrella do they fall under and how much do they pay? *Property owners not included on the project but receiving a stub will have a connection charge of \$28,000.00 due at the time of connection or sewer construction permit. This can be paid in full or assessed on the same terms as the project assessment terms.*
- Odd property for his sewer to connect, 250 ft from his house to street and needs to curve around his house, can someone help with his sewer connection design to try and get gravity flow? *Widseth will meet with the owner and help design and layout his*

sewer connection for him. Owner needs to contact Widseth.

- What will the schedule for the project be? *Project is starting with County Road 82. A schedule will be posted on the ALASD website once received from contractor. Note that the schedule will change due to weather conditions and the pace of the project.*
- Orange flags on their property? *Those can be removed. New locates will be called prior to starting in their areas.*
- Property on Co Rd 82, how will they get the stub? *Stubs will be bored under the road to the property line and this cost is included in the project.*
- A resident will be building a future home and may need a grinder as the depth of their basement will be deep. Who provides the grinder? *ALASD will provide the grinder, homeowner will own the grinder station and be responsible for future repairs and maintenance. Bryan Bye, P.E. Widseth, asked the homeowner to meet with him directly to review the property.*
- Why a 6% interest rate when the bond is at 3.9%? *Executive Director Gilbertson explained there are other contingencies on the bond that brings the Debt Service rate up to 6%. The assessment amount, interest rate and terms were calculated to fund the 42% assessment contribution amount.*
- How much will the sewer bill be per month? *The 2024 rate is \$40.81/month.*
- Cost to hookup? *WTEF construction permit is \$2,500.00. A resident stated it's about \$40-\$50/lineal foot to install sewer. Property owner is responsible for abandoning their current septic system. Licensed contractors know the MPCA codes for abandoning septic systems.*
- When will the assessment start? *When the property has been benefitted with sewer service.*
- What if the property is sold, what happens with the assessment? *If a house is sold, the assessment can be paid off or negotiated between buyer and seller.*
- Property owner brought up that the state caps how much can be charged on an improvement and it's 30%, why is this project being assessed at \$28,000.00? *Project can be assessed up to 100% of the cost of the project as long as the assessment is not over the value of the improvement it brings to the property.*

Chair Dahlheimer closed the public comment.

Improvement Hearing was adjourned at 8:45 p.m.


ALASR Chairman-Joel Dahlheimer


ALASR Secretary-Jo Kluwer