



MEMORANDUM

TO: Kabetogama Town Board Members

FROM: Sara Lindberg & Colin Marcusen
Project Engineers

DATE: June 28, 2013

RE: Puck's Point SSD Engineering Updates
SEH No. KABET 119468 14

This memo shall serve to provide you with updates on the PPSSD engineering items for the regular meeting on July 2, 2013.

Project Costs

Discussion:

The overall estimate of project costs is \$2,366,100, not including land acquisition costs. Although the DNR has given us estimates of leasing amounts for the land needed for dispersal, they could not give us a final cost on the land at this time. The land that the DNR controls in that area is trust fund land, and therefore the land cannot actually be sold. It has to be either auctioned or leased. The current design requires roughly 12 acres of the land controlled by the DNR. The DNR has an obligation to the trustees to maximize the value of the land. Right now, that means that the land can be leased annually for no less than 7.25% of the land value. If we assume the land value to be \$3,000/acre, the lease will be \$2610 annually or approximately \$50,000 over 20 years. They said that if we are looking at grant funds or a low interest loan, the 20 years of lease payments could be made up front, which is great news for us. Once the mound designs have progressed further, land acquisition discussions will continue with the DNR. These discussions have been scheduled for the middle of July.

Funding

Discussion:

The Minnesota Public Facilities Authority application form has been completed with the new budget but is still being processed. Once the amount of funding is received, the numbers will be given to the project's financial advisor, Scott Harder, who will prepare the new funding and rate structure analysis for the Town Board.

Sewer District Costs

Discussion:

Several property owners question if they will be charged sewer district fees if they are not connected to the sewer. Some show interest in being connected if they are forced to pay fees regardless of whether they are connected or not.

Recommendations:

Construct a decision if the fees will or will not be waived for the properties in the sewer district not receiving sewer service.

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

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Cc: Mary Manninen, Township Clerk and Jill Kiner, Township Treasurer
Enc: Probable Costs