

**Pump Station Outlet to Otter Tail River-
North Route Alternate**

429 Assessment - Project Hearing

**Little McDonald, Kerbs & Paul
Lake Improvement District**

September 26, 2015

**PACC
Perham , MN**

Welcome

Our Agenda – Public Hearing

- Introductions
 - Project Review
 - Project Financial Review
 - Your Questions and Comments
-
- This Project Public Hearing for the Little McDonald-Kerbs and Paul Lakes Improvement District is now open.

Little McDonald, Kerbs & Paul LID Board

- Roger Neitzke- Chair
- Jim Nigg- Vice Chair
- Bill Putnam- Treasurer
- Mark Plencner- Secretary
- Ardell Wiegandt
- Glenn Schreier
- Dan Gleason
- Les Konley
- Joe Esser

Consultants:

- Engineers: Moore Engineering, Inc.
 - Mike Opat, PE
- Attorney: Ohnstad Twichell, P.C.
 - John Shockley
- Project Coordinator (Administrator):
 - Pat Downs (Moore Engineering, Inc.)

Project Review

- Mike Opat – Moore Engineering

Lake Levels

Little McDonald/Kerbs

- 36" over OHW
- 9/22/15
- 1358.66' Elevation
- OHW – 1355.60'

Paul Lake

- 36" over OHW
- 8/31/15
- 1359.72' Elevation
- OHW – 1356.70'



Filtration

- LMKP Lakes is included on DNR's List of Infested Waters → Zebra mussels
 - Kerbs, Paul & Rusch tested positive (2012)
 - veligers (larvae) found 1 year (2012); no adults
 - Negative tests since: 2013-2014-2015
 - Little McDonald – Negative tests 2012-2013-2014-2015
 - Testing again next July 2016.
- Cannot transfer water from infested waters without filtration and/or treatment
- Filters like this are in place elsewhere

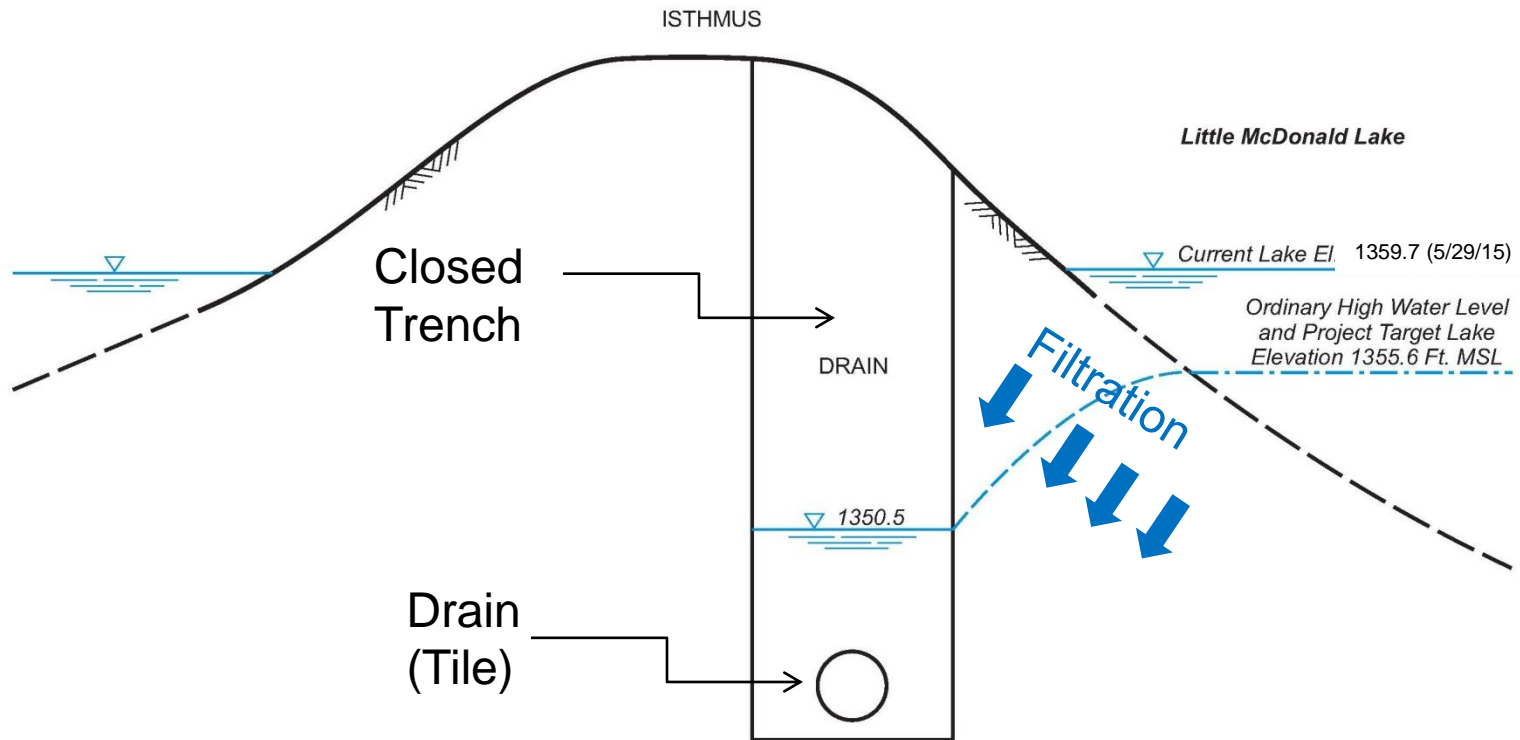
Collection/Filtration

- Horizontal drain filter
 - Filter lake/groundwater through DNR approved system
 - No direct connection to surface water
 - Proposed filtration system has been approved by DNR
 - Reviewed and approved by DNR & University of Minnesota invasive species experts
 - Similar filtration systems utilized successfully around the world

Collection/Filtration: Horizontal Drain



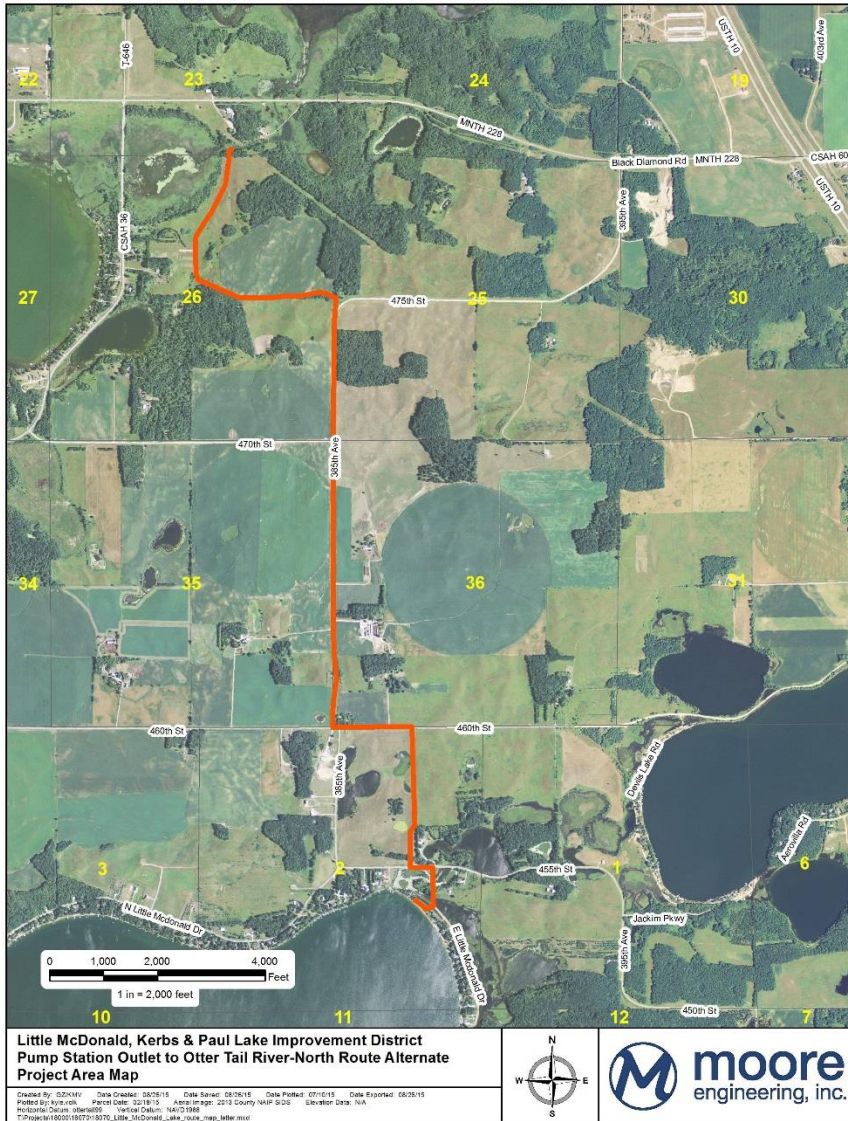
Drain intake concept...



NOT TO SCALE

Water Transfer

- 30-inch diameter PVC pipe
- Pressurized force main
- 25 cfs capacity
- Buried below frost line
- Discharges into tributary of the Otter Tail River downstream of Long Lake
- Pump station (LMKP): 20-25 cfs
- Common leg constructed by LMKP LID
 - Connection point for future Devils Lake force main
 - Pre-filtered water could be pumped in from Devils Lake (up to 5 cfs)



Pump Station

- Pump station
 - Multiple pumps
 - 250 Hp
 - Variable speeds
 - Reduced flow & electricity
- Building enclosure
 - Protection from environment
 - Protection from tampering
 - Noise reduction
 - 80-85 dB @ 3 ft
- Electrical costs
 - Standard rate= \$25,000/month
 - Off-peak rate= \$16,500/month
 - * Costs assume continuous operation over entire month





Estimated Project Cost

- \$8.26 million (Preliminary design estimate)
 - Includes:
 - Project Development
 - Construction
 - Right of Way
 - Engineering
 - Legal
 - Contingencies
 - Permitting

Regulatory & Permitting

- EAW
 - County determined that an EIS is not required
- State permits
 - DNR
- Local permits
 - OTC zoning → Conditional Use Permit (CUP)
- Federal permits

Operating Costs

- Electricity:
 - Varies depending on pump size, operating time, off-peak, etc.
 - \$0-\$300,000/yr
- General maintenance
 - Varies depending on system
 - Pump replacement
 - Filter maintenance

Downstream Water Levels

- Additional 25 cfs results in minimal increase in water levels downstream
- Pump operation regulated by operating plan
 - Flows stopped when downstream areas are flooding
 - Freeboard (“cushion”) included
 - History indicates 8-9 months/yr operation
 - Otter Tail County will operate the pumps

Project Finances & Assessments

- Mark Plencner – Board Member
- John Shockley – Board Attorney, Ohnstad Twichell

State Bond Funding

- **\$10 million** allocated to Otter Tail County for flood relief on LMKP Lakes and Devils Lake
 - No local match required!
 - \$7.4 million apportioned to LMKP LID for eligible costs
- Funds controlled by MnDNR
 - Otter Tail County will enter into an agreement with MnDNR
 - LMKP LID, DLD LID and County will enter into a sub-agreement and will receive funds through County
- Eligible costs: Starting July 1, 2015

State Bond Funding

- Eligible Expenses: Costs incurred after the effective date of the agreement, including:
 - Construction costs
 - Engineering
 - Right of Way
 - Permitting
- Ineligible Expenses:
 - Costs incurred prior to effective date of agreement
 - Project development
 - Preliminary engineering
 - EAW
 - Interim Financing

- Chapter 429 Process

- Project Hearing (Today)
- LID Board must authorize project
- Assessment Hearing held at a later date, possibly after construction started
 - Property owners afforded opportunity to discuss assessments
- Costs exceeding grant amount & in-eligible expenses would be assessed

Special Assessment Committee

- Committee members
 - Sue Meyhuber, Bill Putnam, Glenn Schreier, Mark Plencner
- Chapter 429 Minnesota Statutes
 - Gives governmental units the authority “to levy and collect assessments for local improvements upon property benefited thereby.”
- Establish methodology to assess LID parcels
 - Worked with attorney specializing in the Chapter 429 assessment process
 - Reviewed information from Otter Tail County, Moore Engineering, and conducted lakeside review of each property
 - Developed methodology for determining benefits and assessments for each parcel
- Summary of the Assessment Committee’s work...

Assessment Methodology... 3 Tiers

- **Tier 1 (35%)** – Direct benefit to the LID property owner
- **Tier 2 (30%)** – Parcel elevation (indirect drainage benefit)
- **Tier 3 (35%)** – Overall benefit to the LID

Methodology - Tier 1

- **Tier 1 (35%)** – Direct benefit to the LID property owner
 - 20% - Building Elevation
 - 0-4 ft = 100%
 - 4-8 ft = 66%
 - >8 ft = 33% (all properties above this level are equally protected from rising water
 - 15% - Front footage benefit
 - -Front footage is capped at 250 ft.

Methodology – Tier 2

- **Tier 2 (30%)** – Parcel elevation (indirect drainage benefit)
 - Average height of parcel(Properties with wetlands were reviewed and adjusted if there was a significant height variation where the wetland significantly lowered the average height
 - Damage to roads, infrastructure, and parcel will be abated
 - 0-4 ft = 100%
 - 4-8 ft = 66%
 - >8 ft = 33%

Methodology – Tier 3

- **Tier 3 (35%)** – Overall benefit to the LID
 - Equally assessed to all
 - Based on overall water quality as a result of not tearing down shoreline, banks, trees; improved access, recreation, property values, etc.

Proposed Assessment Level

Project Amount		\$2,500,000.00																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				</
----------------	--	----------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	----

Project Costs

- Project Estimate: \$8,260,000
- State Funding: \$7,400,000
- Difference: \$860,000 (needed from local sources – the LID)
- Other anticipated ineligible or uncertain costs:
 - Interim financing (if needed)
 - Costs already invested in the project development
 - 1 year of operating costs can be added to the Project Assessment
 - Bidding uncertainty
- **\$2,500,000** initial assessment number
 - LID will adjust as costs become more certain
 - Assessments cannot exceed this amount (can be lowered)

Annual Assessments – In addition to the Project Assessments

- Annual Project Operations
 - Electricity to run the pumps
 - Insurance
 - Maintenance and Maintenance Reserve & Replacement Funds
 - INS Testing - Monitoring
- And Regular LID expenses
- For 2016 - \$180,000. (reduced from \$286,600)

More Info

- Please visit the LMKP LID website frequently for current and updated information.
 - www.lmkp-lid.com
- LID Board Contacts for more info.
- Mark Plencner: mark.plencner@sanfordhealth.org
- Sue Meyhuber: bobnsuz@arvig.net
- Bill Putnam: wiputnam@gmail.com

Comments and Questions

The Project Public Hearing is Closed