

MINUTES
St. Louis County Board of Commissioners Septic Subcommittee
1st Floor Environmental Services Conference Room #118
Northland Office Building; 307 1st Street South
Virginia, Minnesota
April 30, 2014

Call to Order

Commissioner Keith Nelson called the meeting to order.

Members Present: Commissioner Mike Forsman, Commissioner Keith Nelson, Commissioner Steve Raukar

Others Present: Karen Bruun, Donna O'Connor, Terry Soderberg, Mark St. Lawrence, Ted Troolin, Environmental Services Department; Kevin Gray – St. Louis County Administrator, Jim Nephew – Assistant County Attorney; Mark Drobac - citizen

Approval of Minutes: Motion by Commissioner Forsman and supported by Commissioner Raukar the minutes of the July 23, 2013 Septic Subcommittee meeting were approved as presented.

Ongoing Business

Administrative: Troolin gave an update from the Onsite Wastewater portion of the Director's Report. Staff continuing work on e-permitting; septic permits increased 8% from 2012; final two liquor licenses are being reviewed for approval; Mark St. Lawrence will be the representative for the Voyageur's National Park Joint Powers Board.

Septic fee discussion; there had been a 3% increase in septic fees to handle e-permitting. Terry explained the current structure in the three levels of septic fees. The Department is looking at one standard fee, staff is looking at fees in comparison with other counties; commercial fee was discussed referencing Pines of Kabetogama, an agreement was reached with the Minnesota Pollution Control Agency (MPCA) that allowed St. Louis County to complete an inspection, MPCA would reimburse St Louis County 75% for costs. History indicates that additional staff time is required to complete a septic review on smaller lots.

Ordinance 61:

Dana Kazel, St. Louis County Communications Manager, and Mark St. Lawrence updated the point of sale brochure which will be delivered to realtors through the Range Realtors-Association, Secretary Renee Capra. A meeting will also be set up with the range and Duluth realtors to explain the point of sale requirements from Ordinance 61.

Mark has been working with A-1 Services, Jim Bertucci, on developing pumper receipt books for holding tanks.

Septic letters, applications and forms are being reformatted to be compatible for e-permitting and updated for System 315.

With the adoption of the St. Louis County SSTS Ordinance 61, St. Louis County Local Standards has incorporated both the Minnesota Rules, Chapters 7080, 7081, 7082 and 7083 with the St. Louis County Alternative Local Standards. Discussion from the group on the ease of using one document versus two. Aitkin County recently adopted a new septic ordinance with escrow. Aitkin County was the Department of Natural Resources (DNR) Shore land Rule pilot project. Lake County requested St. Louis County's contour loading rate table.

Financial Assistance Programs PowerPoint presentation

Septic Loan Program: Terry Soderberg presented the Septic Loan Program. The program was created in 1998, to date 145 loans totaling \$1,801,131.00 have been disbursed, 75 are paid off and funded by St. Louis County, Fed Ag BMP, MN Department of Ag, managed by Northspan. No commercial properties can apply. Loans are based on a point system, non-payment results in special assessment on tax statements. There were 10 loans put on tax statements. We are paying back the MN Department of Ag around \$43,000 a year. We have asked for our repayment money of \$43,000 and asked for an additional \$100,000. Loan payments go directly to Northspan every month. Northspan sends weekly checks to

JoAnn Newman, St. Louis County Auditor's office. Since January 2014, 40 – 45% are behind in payments.

Loans cover approximately 10 – 12 septic systems a year; if extra funds are received it would allow for additional 10 – 12 septic systems a year. St. Louis County has an important tool that allows us to add delinquent as a special assessment on property taxes. Loans are not income based, they are paying 2 ¾% interest. Additional discussion, public is becoming more aware of the septic loan program through staff, realtors and Cary Johnson, Arrowhead Economic Opportunity Agency (AEOA). AEOA administers a grant program for income eligible homeowners. The Clean Water Fund grant program is available for some applicant's who do not qualify for a loan. The grant program only covers septic systems identified as Imminent Threat's to Public Health (ITPH).

Summary sheet of onsite wastewater grants were discussed.

Clean Water Fund (CWF) money from 2012 St. Louis County received \$78,854 and in 2013 \$101,034. Part of the requirement is St. Louis County has 25% matching from another source which was received from the St. Louis County Housing Rehabilitation Agency (HRA) funds. Additional funds are through the Clean Water Fund grant, administered by Board of Water and Soil Resources (BWSR), through the Clean Water, Land & Legacy Amendment that was enacted in 2008. St. Louis County first applied in 2012; to date we have received two grants totaling \$179,886. Matching funds received from HRA total \$131,000. AEOA assists to administer this grant. The funds are forgivable 0% loans which convert to a grant in five years. A homeowner cannot sell the property for five years. If property is sold, the loan is repaid through a lien on the property. These funds must address ITPH's on low income properties. Nine projects have been completed to date with three additional projects to be completed in 2014. Grant application had to indicate which water sheds St. Louis County were working in. Discussion from group, the definition of ITPH is the same as Minnesota Pollution Control Agency (MPCA) language. An average of 21 ITPH's are identified each year, which the majority are upgraded without St. Louis County assistance. Funds can be used to hook up an ITPH to a municipal system. Application process can be daunting to applicants and some eligible recipients are reluctant to sign lien documents. Some identified projects need substantial building upgrades which are outside the scope of grants. This grant was specific to eight watersheds.

MPCA Fix-up Program has limited level of funding and allows counties to apply up to \$40,000 maximum annually. Funds are distributed equally for all counties in Minnesota. MPCA has "talking tours" throughout Minnesota for outreach. St. Louis County has expressed that funds be looked at on a pro-rated basis instead of being equally divided among all applicants. Two years ago we received approximately \$20,000. Last year St. Louis County applied and received \$37,900. Application process criteria are the same as the CWF program which is administered by AEOA. Program targets low-income families (below 80% of St. Louis County median income with septic systems identified as ITPH's or noncompliant, which are failing to protect groundwater. It also allows for costs associated with connecting to municipal sewer. There is also a need to address noncompliant septic systems.

MPCA Add-on Program is limited to \$1,400 per county annually, has the same criteria as the Fix-Up grant so St. Louis County pooled funds together. Total combined grant is \$39,300.

Alternatives to ISTS Program. Helps eligible units of government (cities, towns, sewer districts, and townships) plan and implement certain wastewater treatment-related projects within their boundaries. Grants intended to give startup assistance; St. Louis County Planning Department grants up to \$2000 per project. Program issue is program is funded through the St. Louis County Environmental Services Department, Onsite Wastewater Program budget. To date, grants were given to Alborn, Grand Lake and Midway Townships. Low level of funding is available.

Potential Funding Partners: Clean Water Fund, St. Louis County HRA, AgBMP, MPCA and Minnesota Housing Finance Agency.

The Department will continue to seek other grants and funding that may be available.

Shore land Lease Lot Sale Program Update: 162 out of 278 lease evaluations have been completed. Little Stone Lake had 39 lease reviews; Elbow Lake had 27 lease sites, and other lakes average 1-7 lots. Completion date for review is mid-June.

Public Comment Period: Staff was asked a question regarding short sales related to the ordinance update. St. Louis County can't limit sales, civil division to ensure compliance.

The next Septic Subcommittee meeting was not scheduled at this time, to coincide with the next Solid Waste Subcommittee meeting. Commissioner Raukar adjourned the meeting.