

MINUTES
St. Louis County Board of Commissioners Septic Subcommittee
Northland Office Building,
1st Floor Environmental Services Conference Room #118
Virginia, Minnesota
January 21, 2016

Call to Order: Commissioner Keith Nelson called the meeting to order at 9:21 a.m. Introductions followed.

Members Present: Commissioner Keith Nelson, Commissioner Steve Raukar, Commissioner Tom Rukavina (arrived late) Commissioner Pete Stauber (by phone).

Others Present: Karen Bruun, Dave Fink, Jo Ann Newman, Mark St. Lawrence, Environmental Services Department; Jim Nephew, St. Louis County Attorney's Office; Kevin Gray, St. Louis County Administrator (arrived late); Chris Strubb, Northern Minnesota Recycling

Approval of Minutes

Upon motion by Commissioner Raukar and second by Commissioner Stauber the minutes of the August 13, 2015, Septic Subcommittee meeting were approved as presented.

Ongoing Business:

Director's Report: Mark St. Lawrence distributed a copy of the Director's Report. The Onsite Wastewater Division portion was discussed.

E-permitting: Staff continues to work with Information Technology (IT) staff in preparation for online septic permitting; Kaizen training was completed with assistance from Human Resources, Administration and IT staff.

General activity: Year 2015 staff issued 747 septic permits, 349 were new systems, 398 replacement systems, permit levels up 23%; Year 2014 - 607 permits were issued; staff reviewed 653 compliance inspections in 2015 versus 635 (Year 2014) and performed 554 soil verifications which is in line with 2014; staff also preparing 2015 Subsurface Sewage Treatment System (SSTS) report which is to be submitted to the Minnesota Pollution Control Agency (MPCA) by February 1, 2016; 115 holding tank permits were issued in 2015 versus 95 (Year 2014).

Ordinance 61 Compliance/Enforcement: Agenda item
57 letters were sent to property owners in regards to bringing their septic systems into compliance.

Financial Assistance Programs: Agenda item

Other Activities:

Voyaguers National Park Clean Water Joint Powers Board (VNPCWJPB): The Department continues to provide assistance to the Joint Powers Board related to Crane Lake, Kabetogama and future Ash River community sanitary sewer projects.

Ash River Community and Sand Lake Community Sewer Project: Agenda item

Financial Assistance Programs

Septic Loan Program update: A total of eight septic loans totaling \$118,000 were issued, monies used for loans were provided by the Department of Agriculture on an as needed case by case basis instead of a lump sum; With the eight loans approved in 2015, a total of 1,161 septic loans have been approved through the program; Due to repayment issues 11 past borrowers were certified as special assessments payable on 2016 property tax statements; special assessments total \$25,816.

Board of Soil and Water Resources (BSWR) Grant Funding Update: The Department applied for \$200,000 in grants that included monies to assist low income residents to upgrade septic systems found to be Imminent Threats to Public Health (ITPH); The Department's grant application tied for 37th place, top 36 applications were awarded grant funding; Initially the Department was denied the funds but were recently notified that monies were identified by BWSR to be approved for St. Louis County. The Department is working with Steve Nelson, St. Louis County Planning, to manage this program and Arrowhead Economic Opportunity Agency (AEOA) is managing the project administration; Year 2015 four ITPH's were upgraded. The Department wasn't awarded funds in 2014 for FY2015 BSWR monies. With the \$200,000 plus \$150,000 matching funds from St. Louis County Housing and Redevelopment Authority (HRA), AEOA will help the Department identify ITPH's.

Commissioner Rukavina arrived.

Minnesota Pollution Control Agency (MPCA) SSTS Grant Funding Update: For Fiscal Year 2016, the MPCA awarded the Environmental Services Department (ESD) \$67,378 in grant monies to assist the Septic Division with program administration expenses; \$38,600 were allocated for administrative costs and \$28,778 were allocated for septic upgrades to low income homeowners with septic systems identified as failing to protect groundwater such as ITPH or Noncompliant septic systems. BSWR grant is strictly for ITPH's.

Discussion from group: Director St. Lawrence was asked if there are any monies available from the MPCA for cluster systems. There is but not through this program, this is legacy money specifically dedicated to counties with certain benchmark criteria. The Department did receive \$60,000 from the Public Facility Authority (PFA) for a technical assistance grant; first step was to apply through the MPCA to get ranked on a priority list. If the Department works with Sand Lake or Ash River on creating sanitary sewer district there are PFA monies available to help with upgrading to community systems or transferring to cluster systems; the County needs to go through the MPCA for PFA approval. St. Louis County petitioned to the MPCA for Crane Lake to create a sanitary sewer district, creation of the township followed. Crane Lake received funds from PFA after they formed their sanitary district; once they became a sanitary district, they applied to MPCA for funding.

Sand Lake and Ash River are unorganized townships, which require St. Louis County, as their local governmental unit to petition the MPCA for establishment of a sanitary sewer district. The MPCA and Attorney General's office review the applications for completeness after which there a number of publications and a 30 day comment period. Initial investigations are being completed on Sand Lake and Ash River; Sanitary districts manage their own program; MPCA ranks and scores applications. If the application scores high enough, in this case Sand Lake, the county is invited to apply to the PFA for a technical assistance grant.

Compliance/Enforcement Program: ESD staff had compiled a list of past septic violators, letters were again sent to property owners letting them know they were in violation of Ordinance 55 and/or 61 with a response needed within 10 days. The County Attorney's office was copied on letter and Jim Nephew followed up with a County Attorney letter after five days reiterating the same information; 57 letters were sent out, five or six homeowners were followed up with citations, two are meeting with Nephew; currently in process of putting together a request for staff to prepare 10-15 new cases each with letters to be sent in March;

Jim Nephew follow-up: The 57 letters sent are just portion of a larger body of violators; letters geographically equal from the four regions to motivate stakeholders, title companies to be put on notice to tell their customers a new ordinance is in place; purpose is to not to take people to court; Nephew went with staff to two sites; three proceeded to court with one in Hibbing, Duluth and Virginia which all received a continuance for dismissal if they follow through on the required timelines set forth.

Group discussion followed: Out of the 57 it was a mix of noncompliant systems, point of sale compliance inspections not completed, operating permits not renewed and permits issued for replacement of septic systems but not followed through; a portion of the 57 violations were pre-escrow.

Palen Septic Loan Write-off: (handout) Full County Board majority approval is needed according to the St. Louis County Write-off Policy; Septic loan through Northspan Group Inc., both parties filed bankruptcy; cannot collect through property taxes; total is \$16,715.71.

If applicants are delinquent on monthly payments Bob Palmquist, Northspan, will request that the Department put the delinquent amount owed on property tax statements as a special assessment;

Motion to move to full County Board, Commissioner Raukar, Support Commissioner Rukavina; Motion Carried

Community Sanitary Sewer Projects Updates – St. Lawrence

Ash River: Contract signed with Matrix Soils and Systems, Inc. for an evaluation of 71.4 acre parcel owned by the Minnesota Department of Resources (DNR) to treat and disperse wastewater; evaluation completed in December and final report to be sent in by the end of February; St. Lawrence to forward to Short, Elliot, Hendrickson (SEH) for engineer review; Bob Whitmyer, Matrix, focused on an area that had been previously identified by ESD staff; land exchange between DNR and Land Department is in discussion.

Sand Lake – Three engineering firms submitted proposals; \$60,000 received from PFA for technical assistance; as part of the application to the MPCA, a septic file search was completed on all 160 property owners which also included identifying seasonal versus year round residences;

Noncompliant information: \$28,000 was received from the MPCA to assist low income residents with ITPH or Noncompliant septic systems; \$150,000 received from HRA for septic system upgrades with \$50,000 being used as the 25% local match for the \$200,000 awarded to SLC by BSWR and the remaining \$100,000 used to upgrade noncompliant septic systems; asked Steve Nelson to contact AEOA for a waiting list of low income homeowners who are in this situation; ITPH only amount to 10% of total failed septic systems; there is a larger number of noncompliant septic systems; St. Louis County uses the same low to moderate income guidelines as CDBG and HRA;

St. Louis County will look at having a financial program that looks at critical needs on special circumstances for replacement of septic systems that may not be an ITPH, e.g. could be older homesteads built on rivers/streams, elderly homeowners; the county septic loan program is administered by Northspan and requires a 10 year repayment period, not 15 years; Auditor Dicklich to be involved in this discussion.

Public Comment or Other Business: None

Scheduling Next Meeting: The next Septic Subcommittee meeting will be determined later.

Adjourn: Upon motion by Commissioner Raukar and second by Commissioner Rukavina the meeting was adjourned.