

INFORMATIONAL PUBLIC HEARING

PINE DR. SEWER EXTENSION

Fayal Town Hall

October 3, 2017

Chairman Pernu opened the public hearing at 6:00 p.m.

Chairman Dennis Pernu introduced himself and the rest of the commissioners Cal Turner, Chris Erickson, Amy Jackson and Deputy Clerk Diane Dickson. Greg Buckley was absent.

Purpose: This is an informational public hearing, we are going to discuss the proposed Pine Dr. Sewer extension. A potential business is looking at developing the former K & B site. The Town Board has submitted an application to the IRRRB for a grant to extend the sanitary sewer line from the corner of Pine Dr. & Golf Course Rd to Hwy 53, at no cost to the Township. We will have four presenters, Matt Reid and Trevor Thompson from SEH Engineering and Zach Lamppa and Liz Foster-Anderson from White Clover Holdings. The Public hearing will have a public comment period after all the presentations have been completed. Comments will only be heard regarding this potential project. You must state your name and address for the record, prior to your comment or question.

Trevor Thompson from S.E.H engineering introduced himself and stated he has been working with the Township on submitting a business infrastructure grant. The grant that was submitted was to run the sanitary sewer from Golf Course Rd out to Hwy 53. Part of the submittal was the cost of the sanitary sewer and the cost of potentially hooking up some residents. The total cost estimated \$235,000 roughly the number that was in the application. Any questions? Trevor offered an exhibit to pass around. Zach Lamppa asked, "When would construction start?" Matt Reid stated not until spring. Dale Dickson said, "Save the questions until the end of the presentation." Matt Reid introduced himself and said he has nothing to add.

Chairman Pernu introduced Zach Lamppa.

Zach Lamppa introduced himself and Liz Foster-Anderson. "We represent White Clover Holdings. Tonight we would like to talk about the project we are looking at 7946 Pine Dr." He displayed some renderings of the project. Zach Lamppa said, "This is the old K & B site and I would like to turn that into the gateway to the iron range. We think it is a great spot with access to Hwy 53 and the traffic counts." Zach Lamppa offered anyone who wants to see the data on the business plan, please feel free to ask Liz Foster-Anderson and we will get one to you. Zach Lamppa said, "Three things I would like to discuss, with this being a service oriented commercial real estate development. 1. C- Store, we would like to see a convenience store on the property." Zach Lamppa showed two visuals and would like everyone to look at it. Zach Lamppa said, "I am a self-labeled 50,000' view thinker and when you look at this space from 50,000' it's one of, if not the last commercial opportunity, we have to get a tax base in Fayal Township on Hwy 53. This one in particular given the traffic counts, given the access to Hwy 53 and Pine Dr. and if you look at a map this is the last spot before you go to Giants Ridge, before you go to Babbitt, before you go to International Falls, before you go to Vermillion, Tower, Ely. These are very preliminary schematics. Today is the first day I went on the bridge in the daylight and I looked at how the concrete is painted and the pine trees are embossed into the concrete and those are the types of aesthetics we want to carry through on this project. So, when you come home and take Pine Dr. you are proud of the project. And it is lit up and we can discuss things like 24 Hr. pumps and those types of things. So back to C-Store, we want to have gas, diesel, car wash potentially and then convenience type products. One thing I would like to see is the homage of K & B which, I am from Virginia MN originally and grew up going there. I would like to see a K & B type of sorts in this product. These again are very preliminary. You can see with the acreage we have and the setbacks, there is 48' setbacks from the center line of Pine Dr. and these are 20' setbacks from the North, South, East and West." He shows the D.O.T. right of way. Zach Lamppa said, "We will be accessing from the location south of the trees, hoping to save these trees. The other thing we are considering, which I think makes a lot of sense, is a liquor store. Off Sale cater to the 12,500 cars that go by daily and the locals. We want to have a diverse product mix and we want this to be the Y-Store on steroids, and I want it to be here. Third thing a car wash, even an interpretative center of sorts, we are open to ideas. We just need this approved so we can start moving dirt and get this figured out. Liz Foster-Anderson and I have been talking and we have

the opportunity to do a feasibility study on what else could be on this corner. I want to leave a mailbox at that corner, starting immediately, with a pen and paper and anyone with ideas, not hate mail, but ideas of what people think. What can create a better tax base in our neighborhood and please share your thoughts. Zach Lamppa addressed John West and Keith Maloney and asked "Do you want it to be too lit or lit just enough, those are things we need to talk about." Zach Lamppa referenced page 6 in his White Clove Holdings hand out. Zach Lamppa said, "This is our infrastructure needs if you want to talk about the land acquisition, City sewer and Water, we were a little low it is \$234,000. This is what we are looking at for site preparation or phase one. Total of \$780,000. I would like to see his milestone schedule, I would like to see the infrastructure and pad ready in 2017, and construction would start in 2018. This is the project, a C- Store you see them anywhere from 3,000 to 6,000 sq. ft. liquor store anywhere from 3,000 to 5,000 sq. ft. and then ancillary services are TBD. Those numbers are malleable." He offers to leave the renderings here. Zach Lamppa said, "A couple of weeks ago I was at a convenience store in Virginia and I saw a guy in an \$80,000 Suburban with a \$90,000 Ranger behind it was like a golf cart in a hallway trying to get that thing gas. That is when I thought I need to have easy in and easy out here with class. Something that said you're in Eveleth, you're on the Iron Range and we want to catch people before they get to any cut offs. That location is... I'm having a hard time poking any holes in it. Thank you very much."

Liz Foster-Anderson said, "I would like to add a little bit to the overall source and use of the project. Liz Foster-Anderson addresses Trevor Thompson, "Right now Zach Lamppa and White Clover Holdings is a private investment firm and they are actually putting in \$380,000 in the overall project with a stipulation that there is a matching grant. So, Zach Lamppa was trying to cover, is the land acquisition that we have costs associated with that, the sewer installation and improvements that was at \$234,000. We have some potential for road access, some potential site remediation costs associated with that, and then we have a building pad ready or site fill and graded in order to get that ready, and some road access. There is an overall budget of \$780,000 obviously we were a little light on the sewer and water." Liz Foster-Anderson said, "I was working with a company called Hot Construction, Gary Marshall out of Grand Rapids and we have the sewer and water extension at about \$205,000 so relatively close and hopefully the bids will come in a little bit lower, but somewhere in there. The Town Board has received the estimate of \$234,000 and maybe adjusting the grant for that increase in the sewer and water. So that is the overall sources of what the project is from a site ready or building pad ready. And then the actual cost of construction is about \$250 a sq. ft. For the size of the building we are looking at for the C-Store and the liquor store and getting the island ready for the convenience store. So we are in the neighborhood of \$2,500,000 for the project. Again that is a schematic estimate of \$250 a sq. ft. and once we start developing the project those numbers will become harder and they will be more identified once the project is developed in design development and then final design. A little bit of an overview of what the project costs are going forward. Matt Reid said, "Liz Foster-Anderson for what it's worth those costs we are probably closer than you think, because this estimate that has taking the septic tanks off the site, the existing ones. So they are probably closer than you think they are, the point being we are in the same ballpark."

Chairman Pernu closes the presentation portion of the hearing and we will open the public comment. Any comments or questions has to be in regard to this project.

John West 7927 Pine Dr. said, "I know it's going to come up as far as us having to be required, the rest of us on the line, are going to be required to probably hook up. Have we come up with a solution as far as you want us to help pay for your project, is what it amounts to." Zach Lamppa asks, "What is the ordinance? Is it that the land owner does not have to subscribe to the line or is the landowner made to subscribe to the line if Mr. West sells his property?"

Kevin Bird 7914 Pine Dr. asks, "Has IRRRB decided on this yet." Chairman Pernu states the grant has been submitted. Mr. Bird asks, "Is the Townships intention to put the line through, if they don't get the grant."

Chairman Pernu replies, no. Zach Lamppa said, "I have three options for you, you can subscribe to the line or not. And then John has a home and some storage buildings, and if you have to subscribe to the line \$9,500 for the line is a lot less expensive than \$25,000 for a mound system, and the equity in your home will be three four times the investment of the subscription to city sewer." Cal Turner said, "It is the recommendation of the Utility Commission that you not be forced to. Only at the point of sale or if the county were to inspect your home and it

were to fail then you would have to hook up, until then you can run on your own system no problem." John West said, "Pay me now or pay me later" Cal Turner said, "No you didn't hear what I said, you don't have to hook up unless there is a point of sale, maybe the person who buys it does, but it doesn't mean you have to." John West said, "Someone is taking a hit." Zach Lamppa said, "I have been dissecting this and, I have a place in Ely that's on a mound and place at home is on city sewer and water so. The three things I came up with and I am having a hard time finding an objection to, would be, is pay now is an option, pay later when you sell your property. I'm going to tell you Mr. West your place is going to worth a heck of a lot more money with city sewer there than a mound system. I will guarantee you. The third thing is if you have a city sewer you are hooked up and subscribed your buyer pool just increased. Even if it increases by one person this is a good deal and it's hard to poke a hole in it. Now, I can't promise you your property is going to go up by three or four times but I guarantee its more than the subscription cost to get on that line. Pay me now or pay me later you're going to make a heck of a lot more money later."

Jack Pollack 7990 Pine Dr. said, "The board knows where I live. The question is who is paying for that line the IRRRB, am I correct? Is the IRRRB paying for it, someone said no cost to the Township. So who is paying for it? Who is going to own this liquor store and all this stuff, who is the owner of that? Is it Ziegler, I don't think so? Who is the owner of this big project that you said is the last stop before going to Giants Ridge, which I beg to differ, you go through Gilbert, Biwabik and stuff to get to Giants Ridge. I'm sure we need another liquor store. But what's the answer who is paying for that line? Cal Turner answers the IRRRB. Jack Pollack said, "The line ain't coming to my house that's for sure." Cal Turner tries to interject, "The IRRRB and the developer." Jack continues talking over Cal. Jack Pollack said, "They kept saying they didn't need it. They didn't need it when it came, he was there Lee Reimer and Candy wanted the line. Kelly Campbell said you don't need the line you have good drainage and all over there and all that stuff, when it was only \$7,000 to hook up to it for relatives of mine that hooked up to it. Now I got no answers here, who's paying for the line? Cal Turner said, "The IRRRB." Jack Pollack interrupts again saying so the IRRRB is paying for it. Cal Turner said, "Let me finish talking will you." Jack Pollack interrupts saying, "In other words the tax payers are paying for the line for Wall St Bankers that have an \$800,000 insurance policy on the K & B." Cal Turner tries to get Jack to answer a question, "Where do you see you're going to develop the tax base \$3 million dollars in our community? Where do you think we're going to develop a \$3 million dollar tax base in our community?" Jack Pollack was talking at the same time saying, "Now these people want to hook up to a line that the tax payers are paying for its \$9,500 and whoa there property values are going to shoot way up. Good evening." Jack Pollack gets up and leaves. Cal said, "Thanks for your time." Zach Lamppa asks, "Mr. West, did I answer your question?" John West said, "If this is one hundred percent funded why are we paying anything for a hook up fee?" Cal Turner said, "Everyone has had to pay a hook up fee from day one." Zach Lamppa said, "And so do we, we have to pay a hook up fee as well." John West said, "Where are we getting the numbers from? I know it doesn't cost ten grand to get a line in." Cal Turner said, "It's \$9,300 and when we did this, when it was first put in, it was about \$6667. And that was done on an average basis of what the 800 or so customers paid to hook up. What we're doing now is, all we did to get the \$9000 some, is add for inflation period. It might be more than that actually. But, if it is, the Township will get nipped a bit. It might be a little less and you might get by with a little less, but you wanted a number and we gave you a number." John West said, "Is it accurate?" Cal Turner said, "It's as close as we can get. Can you come to a better number with me, tell me how." John West said, "I'll find a contractor to come and put the line and tap in for less." Zach Lamppa said, "How about this, let's get this thing done. I'm going to be your best friend. You know why, when people stop in there and need to store their stuff, where do you think I'm going to send them? Lake Vermillion no, your place and how well-lit is your place? 24 hr. fuel, people say man we need a place to leave our boat, were coming back in 2 weeks. I got a guy he is across the street, were good friends, he supported this project. I mean, I have a hard time Mr. West poking a hole in this. John West said, "I don't have a problem with whatever you put out there I just have a problem paying for your project, and it is. There are three four of us here, that's \$37,000 that's going into that project." Zach Lamppa said, "I don't want to argue with this guy." Diane Dickson interrupts and addresses John West saying, "You're asking Zach Lamppa questions that he does not know the answers to, about the sewer access charge. You need to talk to the Public Utilities Commission or the Town Board about that. Zach Lamppa does not know those answers." John West said, "He should be aware of it if you're..." Zach Lamppa said, "That's why we're here, this is an informational meeting. This is it, were either going to develop the corner or were

going to leave it the way it is. This is it so, we need to work together as a team. And I think Mr. West, I want you to think about this and how this affects you long term. You're not in the merchant marines. You rent space for profit and that corner is going to reap you \$9,600 a month. And you're going to come and thank me, and say I was a little short sighted on the connection and were going to be laughing. John West said, "I'm full right now, I can't get any fuller because, you know, were on the corner. What can I tell you about that, I don't know what. What you're saying is great, if I was empty. Maybe you're going to help me out but, you're not going to help me out." Zach Lamppa said, "I don't want to get into your business model but, I would raise prices but that's your business. I'm trying to bring something to Town that has a tax base and redefine that corner."

Keith Maloney 7921 Pine Dr. said, "John's neighbor, I have a couple of questions. What's that going to do if you put that business in there? How is it going to impact my front yard, if I'm sitting out there at 7:00 or 8:00 at night or midnight if you go 24-7 with fuel? How's that going to impact? How about your lighting structure what's it going to do? I don't.. That's questions I want to know." Zach Lamppa said, "Those are questions we want to know to." Liz Foster-Anderson said, "Let me help identify some of that because, there are things we can do now to.. like low lighting, which actually reflects the..." Keith Maloney said, "I want to know what you are going to do. You are dramatically impacting my house and property there. I don't have rental. I don't have anything else. I want to know some of these things, that's why we're here isn't it?" Liz Foster-Anderson said, "If traffic is a concern." Keith Maloney said, "Yes, it's a concern. I want to know some of these things, that's why we're here isn't it." Liz Foster-Anderson said, "If traffic is a concern, we can look at a traffic analysis and actually see how were going to be routing the traffic through the C-store. If lighting is a concern, there are things like low lighting in the parking lot. That actually points the lighting down and doesn't end up lighting into the air, so we can address that." Keith Maloney said, "Is this all things I'm going to get answers to before anything is put to the ground? Am I going to know this stuff before you do anything?" Liz Foster-Anderson said, "We will make notes of your concerns, here at this informational meeting. And when we get into design development and especially since we have your address now Keith, we can contact you. And let you know how were going through the design development piece that gives you information on how the traffic study impacts..." Keith Maloney said, "You don't do anything until get an okay." Liz Foster-Anderson said, "Construction won't even start okay, design development takes a period of 3-4 months to actually get that rendering, to a construction document issued ready for bidding. It will be 3-4 months before that happens, so if Zach Lamppa wants to go through the bid and milestone schedule were sitting here in October. Infrastructure will probably not go in until early spring, we have the next 4-6 months to actually flesh out the design of the facility that's going to be there. And we can provide information to the surrounding public and give that information out. And you can raise your concerns directly with Zach, so he can address those concerns." Keith Maloney said, "I am raising them now, I have grandkids from 3-17 and I want to know if I'm going to be able to sit in my front yard at 8:00 9:00 at night. I want to know about the traffic. The traffic is already bad going past my house. We've been trying to get, I've talked to a couple of people trying to get speed limit signs and we still haven't gotten anything. That's been a couple of years now. So if you're going to put a \$3.5 million dollar project there, you think that's not going to impact the lighting, the noise, the traffic, all that stuff. I want to know these things. That's why I'm here." Kevin Bird said, "Is that the Township meeting or Public Utilities meeting? I agree with Keith. I really don't want to listen to a truck jake breaking its way back to get diesel at 2:00 in the morning. I got three kids at my house. Pine Dr. has enough traffic I don't particularly like the sign that said the guys should turn to go to the campground. I think that turn should be up at Miller Trunk, but that's where the sign got put. There are two concerns, is that done at a Town Board meeting or maybe Heidi you can answer that. Is that a Town Board issue or a Public Utilities issue?" Heidi Coldagelli asks, "Just the concerns for the construction?" Kevin said, "Yes." Heidi Coldagelli said, "It's really.. the lighting portion of that. St. Louis County has pretty strict regulations in there zoning, regarding lighting for convenience stores and other businesses." Kevin Bird said, "Back to the sewer thing I guess.. I have a hard time seeing my property value going up because I have city sewer. I guess, if you do.. if you do an appraisal analysis, say you're looking at city sewer is it go up? I don't know. I have a septic that's 6 years old I designed my house that way on purpose everything in my house goes out back, so it sits down out of the way. If I have to run a sewer line it has to come right back across everything I have buried there. I don't have anywhere to put a sewer line for starters, I'm not going to worry about that either. To me I appreciate the moratorium, I think that's a good start. To me it's the point of sale thing that gets me." Cal Turner said, "That's out of our control that's St. Louis County. Kevin Bird

said, "He called Keith Nelson last week and asked him if St Louis County had anything that would prohibit that. And he said there is no law on the books for mandatory hook up or anything about point of sale." Cal Turner said, "That is not my understanding. If there is a line there, my understanding is, it is required. If there is no line there, of course Keith would be right." Kevin Bird said, "That's what he told me. I called and talked to him, I think maybe Wednesday." Chris Erickson said, "Maybe to put this in context. At the last utilities meeting where we wrestled with this and our first thing was, if you read the ordinance for Fayal, it said when a sewer goes by the private property the property shall connect. However, the Town Board can grant a deferral or waiver so we thought right away, we thought we don't want people to pay to connect now. So, defer or waive as far as we can. And then it said, to get the waiver, the homeowner has to get an inspection letter from the county. And that costs money. So now, were going to waive that to. So, pretty much we waived everything as far as we could, within the constraints of Fayal's ordinance. Fayal's ordinance still states, once it gets sold, then the connection must happen. As I saw it I thought we backed it up as far as we can and now where at the limit of the ordinance. Maybe that is a Town Board issue, how the ordinance reads. But that was the context of our last Utilities meeting, to push it back as far as we could." Cal Turner said, "We pushed it off as far back as we could and I guess, to my knowledge, if all is pending on the fact that the line is assessable to that piece of property. If the County is different than that, it would have to be brought back through the board. And we would have to address it again. But as I understand it, now that is not the case. The County is saying if the line is there you have to utilize it." Diane Dickson said, "You can find that listed on the county's website." Kevin Bird said, "Maybe he wasn't looking in the right spot." Diane Dickson said, "It's there, and it states if there is municipal line, and they are more strict than we are, it's a closer footage of 200'. Mandatory connection if a municipal line goes by your home." John West asks, "What is the distance that is mandatory?" Diane Dickson said, "St Louis County is 200' to your property, not to the home. Fayal Township said 300' to the home." Kevin Bird said, "He will go with that if that is the case. He is with John pay now or pay later. My septic costs just shy of \$7,000 to put in. I don't know where \$25,000 came in there? The hook-up is \$9,000." Liz Foster-Anderson said, "I'm married to a septic system designer, and they cost more than that. A mound system is about \$25,000 and a drain field and an actual holding tank to meet the MN 70/80 code is between \$8,000 -\$12,000." Kevin Bird said, "I can show you what I paid." Zach Lamppa said, "There is a bigger picture than what the septic costs. I think we need to work together and agree to disagree on this. Pay now or pay later. I would be willing to bet if you had a professional realtor tell you what your home value is, and again I'm not going to argue with you, I would go get that checked out and see what it costs. You don't have to deal with it until you sell your home." Kevin Bird said, "That's the pay later portion." Chris Erickson said, "I think we should find out exactly what the County ordinance states, regarding the pay later portion that would be good to know. Maybe Kevin, we missed that in the County ordinance." John West said, "When we get to the point of when it fails, then it's advantageous to have that line there. It's a benefit, now it's a detriment. Because we have a system, obviously we paid good money for, and we got to throw that away. But if we can get anything written from the County, and say whenever those people's places fail. Then they are obligated to hook-up and I'm sure there going to be happy to hook-up but I'm not sure that's possible with whatever ordinances are out there." Cal Turner said, "Again that's with the County. We've backed it off as far as we can." Diane Dickson said, "We said point of sale or failure." Cal Turner said, "The point of sale was brought up because that's what the County tells us we have to do. If they change their ways then maybe I'd say yes." Liz Foster-Anderson said, "MN ordinance under 70/80 program, if you sell your home it's required to be inspected. That's where they determine where the failure and point of sale is because it's a requirement of the real estate transaction. And then, its negotiated between the buyer and the seller at that point, usually the seller." Kevin Bird said, "That's fine but if I have a working septic at that point and this goes through I'm out another \$9 grand for sure. To hook it up plus whatever it costs to run the line." Amy Jackson asks, "You mean if you sell?" Kevin Bird said, "If I sold next year, were talking point of sale next year, I'm not going anywhere." John West said, "He brought up the conversation with Pat you're going to get a \$250,000 septic coming your way. Possibly free with grant money, IRRRB money, for a little bit a help on the investors end. That project could spend a little bit taking care of those that are going to have to pay on somebody else's project. Kick in and maybe were covered on that fee." Zach Lamppa said, "What do you want me to say? Do you want me to pay your \$9500 and I get to keep the equity in your home that it goes up by doing it. Can we do that?" John West said, "I think you're off base on that." Zach Lamppa said, "Of course I am." John West said, "You have a great value here why would I pay \$200,000 to get the line to me because

you're going to get it free, hopefully not at our expense." Zach Lamppa said, "No, I'm not going to get it free sir. I have to subscribe to the line just like you do. I have to pay the subscription just like you do." John West said, "Here's another option for you. You don't get IRRRB money and you get your own line and tie into it way over here at Golf Course Rd." Zach Lamppa said, "Next question."

Peter Bertucci 7862 St Mary's Dr. N. said, "You know, really this line should be free to these people. You guys should kick in put their lines in because they are financing you and make them hook up because that line is running in front of their house. So, why should they get that shoved down their throat? And we've had that happen right across the street. I was on the Utilities Commission for 25 years and it can happen. So, there is no way, unless you people give him that line that this shouldn't go. It's not fair to anybody but you (Zach Lamppa). And you came in here, you're going to get IRRRB money, which is free money. Turn it down so you can put a line in just for you. No, you're shoving it down their throat."

Dale Dickson 4343 Golf Course Rd said, "Pete your one of the biggest benefactors of this whole thing. If they put this sewer line in, every one of those hook into the city sewer. Pete every one of those sewers go right into St. Mary's Lake. Every one of them, the natural flowage comes from all three of their yards and goes into St Mary's Lake." Peter Bertucci said, "I'm not saying anything." Dale Dickson said, "This money isn't going to this gentleman here. The money goes to Fayal Township for the sewer extension." Peter Bertucci said, "That's right and there all people, and there financing agencies can make them hook up." Dale Dickson said, "This is a benefit for Fayal Township not for this gentleman." Peter Bertucci said, "I'm not saying anything bad about the project Dale." Dale Dickson said, "No but you're saying they should paying for their..." Peter Bertucci said, "He should be paying, they are shoving it down their throat." Dale Dickson said, "He's not, the Township wants to extend the sewer up to him. So, the Township is putting in the sewer not this gentleman here." Unsure of who said, "I don't know if the township wants it." Dale Dickson said, "We want to extend the sewer, especially if we can get it extended for free. The more we can get on city sewer the more we can clean up our lakes. And that is basically what were after." Keith Maloney said, "But Dale, it's not free, you got three people right here that's going to cost us cash out of our pockets." Diane Dickson said "Keith, we all paid." Cal Turner said, "We all paid." Diane Dickson said, "Everyone who is connected to the line, we all paid whether we wanted it or not." Dale Dickson said, "The \$9,300 was just set recently, where that number come from had nothing to do with this project. What it was, we paid \$6625 when the project started and 20 years when that's paid off, and these people have been paying for replacement for the last 20 years. That figure is what they are paying in 20 years comes to \$9,300. That's what the payoff is in 20 years. It has nothing to do with this project. Their reasoning is you're going to use this sewer system and these people have been paying for depreciation for 20 years and you haven't paid a penny for depreciation, that's how that number came about. Nothing to do with this project or what it cost to run your sewer from your house to the street. It's what everybody in the whole Township is paying for that sewer. I'm not taking sides saying its right or wrong." John West said, "That's a whole different project now this is a different project." Diane Dickson said, "That's where the numbers come from." John West said, "The numbers are different on these projects." Dale Dickson said, "Its \$9,300 if anybody in the Township, I don't care where it's at, if they split their land and they hook a line into the sewer. I don't care where it's at its \$9,300." John West said, "I'll give you an example, of Iron 10 years ago, they wanted 17 people to hook up. They go IRRRB to give them grant money, Rukavina said I'm going to give you grant money to hook up and they paid nothing. Why can't we do that?" Amy Jackson said, "They requested and filled out the grant. If you want to go to IRRRB and request you could. Not that you would but that's how that is. We're trying to improve the community, to as far as the sewer part of it." Cal Turner said, "We got \$4 million when we started this." Peter Bertucci said, "A septic system that's in, is not polluting the lake. A septic system actually works fantastic if it's working at its optimal. It's when it's,, the reason the system was put in was because 85% of these systems were failed. That's what was polluting the lake not good systems. So there is no way that you know, I mean, other systems could be out there in 5 years. And say they have Wells Fargo or something and they say you have to hook up. Now they have to pay because there is a line in front of their house. I think it's great that they should all hook up because it will be more money for everyone else and keep our rate stable, but the whole thing is 5 years down the road they could get screwed because the system went by their house. It's very simple give them \$10,000 to hook up." Dale Dickson said, "We didn't give anybody in the Township money to hook up and you know there was a lot of people who didn't want to hook up." Peter Bertucci said, "Yeah but, you're not running a line by their house just because somebody wants to develop." John West said, "When we were

building we requested, we were hoping, Dale was there and they said no we've got to stop. We wanted sewer to our homes all the way to K & B and they said no. There would have been 3 or 4 I don't know how many people at the time. You wouldn't come down the road for us to get 4 or 5 people or homes. We don't have enough money and now one person is requesting and it's a go." Cal Turner asks, "What is the difference in the tax base?" Amy Jackson said, "And the dollar amount to." Cal Turner said, "What do think the difference would be to the Township, the County, and the tax base for 3 or 4 homes versus this business?" Peter Bertucci said, "K& B was there." Cal Turner said, "I agree, but what was the commercial value of that business?" Peter Bertucci said, "That's not the point." Cal Turner said, "Yes it is, that's what's going to bring money into the Town Pete." Peter Bertucci said, "It was not feasible when we were putting in the system to run down that road." Cal Turner said, "I agree Pete, remember I was the one who wrote the Governor for the money." Peter Bertucci said, "Johnny's point is very simple \$30,000." Zach Lamppa said, "Progress is a very subjective thing. I can give you a million bucks and you could say why you didn't give me \$1.2 million. You're asking me a question, so progress is a subjective thing sir, there is nothing in the world you can't poke a hole in. But this deal is good for the community, it's good for everybody on that land. I saw a trailer on that corner a couple of months ago. Not for free but for sale, so I think you need to be my best buddy in this deal and you should be an advocate for this deal. This makes sense for you Mr. West, all of you guys." Keith Maloney said, "I can see a flaw right there in your design of the building." Zach Lamppa said, "This is for the meeting, this is very preliminary, this is a conceptual thing. I think if we work together progress starts to become objective. And we can work together and make something we are proud of. You're going to come in to buy a 6 pack of beer and going to bitch? No, come in and have a smile and say this is the best thing that's happened in this community." Keith Maloney asks, "Why are you putting a convenience store there? The bottom line is to make a dollar, correct? Whoever runs a business wants to make a profit. You guys put that convenience store in there, it costs us money. I'm not going to make any neither are any of these guys. We're not making a profit." Kevin Bird asks, "So what happens in five years and it closes, and we still have a septic line in front of our house?" Keith Maloney said, "We pay." Zach Lamppa said, "That's probably the saddest thing I've ever heard actually. Listen, to be honest with you. I am not going to answer any more questions from you. That's a really horrible thing for you to say." Kevin Bird said, "That's a realistic thing to say." Zach Lamppa asks, "Who is taking that risk? Is it you, do you want to invest with me, or is that me? How far do you think my neck is stuck out on this deal?" Kevin Bird said, "I'm asking the question." Zach Lamppa said, "Your questions are over, anyone else? Matt Reid SEH Engineering said, "I'm working on the project here with these guys. I'm not going to sit here and dispute the fees, what it's going to cost to hook up. I just want to clear this up so everybody at least understands. Whether you agree or not is up to you and I'm not going to dispute that with you. There have been some questions asked and I think there might be some confusion. This sewer line itself, the Township looked at this when the developer said they would like to try and put in a business. It's an opportunity for the Township, not you guys specifically, the Township, to have an anchor tenant, as you will to capitalize on the IRRRB's willingness to potentially, if they approve it, to provide some grant money to pay for a sewer extension in Fayal Township. Which can tee up a potential future extension. If it ever happens, across Hwy 53 over to the other side. There are some other businesses that may want to hook up. Now, you guys that have working septic's I feel your heartburn. I've been in your situation, so I know what you're saying. That being said, if these guys are willing to defer and defer and defer until your septic fails, now you at least have the opportunity to have the septic line there. Now let's say all of you guys come back in ten years all of you let's say all of your septic lines fail, let's say this business does not come in. Now you guys come in and would like a sewer line run. This is going to come back to what you were talking about a minute ago, about it not being feasible. Because, what's going to happen is now you're going to have a \$250,000 project that 5 property owners have to split the cost of, or the entire Township. However you guys..whether you assess to the property owners or the taxpayers however you do it. It's now going to be on the Townships dime. And that sewer line may get put in. Instead there is an opportunity to get a sewer line put in for the Townships side, not necessarily the homeowners, to get a line in basically for free. So, you as the Township is getting \$250,000 from the IRRRB to install the sewer line and that would be a Township sewer line. So, that's where we were talking earlier about it not being feasible that's why. When you start figuring the cost per connection its astronomical 5 into 250 is \$50,000 that just isn't feasible to do. 5 for zero or for in this case it \$9,300 whatever the number is, that's a lot more feasible from standpoint of the Township. You guys go later on down the road when your septic fails, I agree with you Kevin you may have a

bill for \$7,000. I believe you and I would look at it and say that's right. But, typically those in order to meet the requirements of the MN Statutes, I am a licensed septic designer, so I do happen to know a little bit about this, they do cost more than that. You're lucky if you got it for \$7,000. I will be honest, normally when you're putting in a drain field Liz is right they are \$8,000-\$12,000 and \$25,000 on a mound. Sure it can get up there, I'll say \$15,000-\$20,000 for sure if not \$25,000. So, as your system fails down the road there is that opportunity. It's to bad if the County has that ordinance in place I don't know the answer to that question. But if you do have that and you can't postpone until failure that's unfortunate. I wanted to just clarify that so everybody at least understood. What these guys are bringing to the table. Putting the business aside if they don't put that business in Fayal. We won't get that money so, the sewer extension is not going to happen, that's why. That's the ability the IRRRB has through their business development program to be able to utilize their money to be able to help this Township out to get a line in. Does that make sense, did I confuse you more? Did I clarify it? Whether you agree with me or not I know its ok." Keith Maloney said, "You just told me everything I already knew." Matt Reid said, "Good, then I confirmed it so we are good to go, maybe someone else didn't understand. When I was hearing the conversation it sounded like there was confusion, so I wanted to make sure that was clarified." John West said, "I appreciate the opportunity for you to hear our concerns, but are our voices pretty much mute? I mean it's going to happen regardless of how we feel right now?" Matt Reid said, "I can't speak on that?" John West said, "The board would be able to. Is it that we are really mute and we can't stop it?" Dale Dickson said, "This is nothing, they are voting on nothing. I don't think there is no vote." Dennis Pernu said, "We don't have a vote on this." Dale Dickson said, "This is just informational, there is nothing the Township can even do." John West said, "It's not like I'm trying to say I want to stop it. I'm just saying no matter what we say, isn't going to change whatever happens out there." Amy Jackson said, "We had to talk about the piece that affects the homeowners, this is to extend the line for Fayal. If you wanted the sewer line again it's the same thing. If you needed the sewer line you would want it there. And it's a good thing for Fayal. We can't do that, we don't have the money to do that. So, if the IRRRB is going to give us money, this is where we are trying to work together with the developer, that's it. So, we don't get to decide this either." Cal Turner said, "Like Chris said earlier, we've pushed this back as far as we can. And if your right and the County will allow you to keep your system, if it's not failing and that's fine as far as I am concerned, just one vote. But the problem is that the ordinance that we were told to use, language from the County, was at the point of sale has to change." Amy Jackson said, "It could be a misunderstanding to the way that it's worded. They may mean at the point of sale we have to inspect it and if you fail then you have to hook up. That may be what the county is intending so that is something we need to get clarified for sure. And then it wouldn't be an issue as far as that goes. We are trying to do our best, how we understood it at that time." Cal Turner said, "My son had his line lowered this year and 85' cost \$4,000 just 85'. So I don't know how you're going to get it cheaper than hooking up, the way it is now." Peter Bertucci said, "Dale, remember Cerar's property. Remember they were going to do a development in there. They were going to give every one of those plats I don't know maybe 6-7 houses." Dale Dickson said, "15 or something I got the maps still." Peter Bertucci said, "They were going to give them a real brake. The Utilities Commission it was hard to swallow. They were going to give them the sewer for nothing. And they were going to put infrastructure in. In this case, something like that should be done where these people don't have to pay.....It's a development that you want to go, everybody gets a little break to make it go." Cal Turner said, "If he's right and it isn't required to hook up unless the system fails then there is nothing against any of this." Peter Bertucci said, "Wells Fargo if he is with Wells Fargo they could make him hook up next month, if he has a sewer line." Cal Turner said, "It has nothing to do with the Township does it?" Peter Bertucci said, "No, but still, if the line is in front of his house he is getting forced to pay that money." Cal Turner said, "No the bank is forcing him, not us." Zach Lamppa said, "I have never heard of such a thing but I not a loan officer and neither are you." Peter Bertucci said, "Not that I've seen that." Matt Reid asks, "What is the current hook up charge for Fayal?" Dale Dickson said, "\$9,300 the Sewer Access Charge." Amy Jackson said, "We talked about if that changes down the road. We talked about that too." Cal Turner said, "The last time we changed it, it went up. And we can't see the future were just trying to balance it fairly." John West said, "Dale when you mentioned that, it's an access charge. Is there still a fee going from my house to the line?" Diane Dickson said, "Yes, then you have to connect it." John West said, "Were talking maybe 85' that's going to be a pretty good chunk." Dale Dickson said, "You can dig all of that yourself except in the right of ways. So he hired a contractor from the house all the way through. But your right, the access charge does not include any

of that digging of your own sewer.” John West said, “I lived on Long Lake when the sewer went through there. My sewer wasn’t a year old and I had to bury it. So, at least there was 100’ or 200’ you brought something to us.” Dale Dickson said, “That was if you hooked up while the project was going on. If you hooked up 3 days after the project was done you didn’t get the 100’. That was to encourage people to hook onto it right away and get our tax flow generating. I’m not trying to argue with you. I’m just trying to explain why all these charges happen the way they do happen and what they are. But that’s with the 100’ and I wish we had the 100’ deal.” Matt Reid said, “To that point Dale, part of this grant will cover the service line from the main at least to the right away. So, if it goes down the south side of Pine Dr. and you guys are on the North side it will get it across the road at least to your right of way. So you’re not going to have to come all the way across the road and hook in. It is part of the project. From the right of way to your house yes there is still a distance but you’re not going to have to dig through the road. You’re not going to have to pay someone to drill it under. Part of it would be to anything within the Townships right of way.” Dale Dickson said, “That would be huge.” Matt Reid said, “If we can get it a certain distance so it will help a little bit.” Dale Dickson said, “Matt said they bring it to the right of way you can go yourself from there to your house.” John West asks, “Is this a gravity line?” Matt Reid said, “Yes, any other questions comments? Thank you.”

Dennis Pernu said, “Thank you for your comments and questions.”

Dennis Pernu made a motion to adjourn the meeting, second by Cal Turner.

Public hearing adjourned at 6:57 p.m.

Respectfully submitted;



Diane Dickson

Town of Fayal Deputy Clerk

PUC Coordinator/Billing Clerk

approved Oct 10, 2017
