



MEMORANDUM

TO: Voyageur's National Park Clean Water Joint Powers Board (VNPCWJPB)

FROM: Julie Kennedy, Randy Jenniges, Mike Larson, Gary Cerkenik

DATE: July 12, 2012

RE: VNPCWJPB Update Information - July 2012
Koochiching and St. Louis Counties, Minnesota
STLCO 118965

Board Meetings

The last meeting held was at 1:00 p.m. at the Land Dept building in Cook on June 15, 2012. Meeting minutes were sent out in the July 15, 2012 packet update.

Funding

- 2012 Capital Project Grant Program

Koochiching County has applied for \$7.5M for the Island View project. The application is attached. The 2012 Capital Project Grant Program contains \$47.5M in funds. The Department of Employment and Economic Development (DEED) released the list of requests this month which equaled 90 projects totaling \$288M in requests. The list is attached for your information.

Gary drafted a letter of support for Koochiching County officials to send to DEED Commissioner Phillips. The letter also requested a meeting to discuss the project in more detail. The Commissioner is scheduled to make his recommendations to the Governor in August.

- Proposed changes to PFA's Funding Programs

The Public Facilities Authority (PFA) is working towards some legislative revisions to two of their funding programs that will likely benefit rural JPB projects. In late June 2012, the PFA Board approved moving the changes forward to the next legislative session. We do not know the timing of the effective date that these changes will take place and we will continue to track it as they directly affect the applications. Through discussions with PFA staff, the anticipated changes are as follows:

- Small Communities Grant and Loan Program
 - Construction financing increased from \$500K to \$2M per fiscal year
 - Maximum percent grant increased from 50% to 80% for communities with median household income below the state average and at least ½ of the ISTS systems being an imminent health threat and/or failing to protect groundwater
- Technical Assistance (TA) Grant Program
 - Maximum grant increase from \$40K to \$60K

Initially, the projects identified as being favorably affected include Kabetogama's Puck's Point project, Ash River geotechnical evaluation, and the Crane Lake Water & Sanitary District (CLWSD) Eastern Service Area Expansion. The CLWSD board previously approved at their March 7, 2012 meeting to apply for the TA grants and is awaiting the submittal through the VNPCWJPB. It is also anticipated that the revisions would better enable Counties to apply for the funds which would help unorganized entities such as Ash River obtain some initial funding to begin their improvements.

DNR Involvement

Work continues on communication with the DNR at a high level. The fruits of these efforts at the Commissioner, Assistant Commissioner, and Deputy Commissioner level are now apparent. Julie is making significant progress resolving the land issues at Kabetogama and the DNR sent a letter of commitment supporting bonding for the Handberg extension for CLWSD as well as committing \$10,000 annually to support the CLWSD in return for the buyout of Waters Edge. Significant help was received from Sen. Bakk and Rep. Dill. We received estimates of \$250,000 for the cost of building a restroom facility at Waters Edge.

Contract

The contract has not yet been approved by the St. Louis County Attorney and therefore has yet to be executed. Through discussions with St. Louis County staff it is anticipated the attorney review will get done soon. Once approved, SEH will set up the project and monthly itemized invoices for the work completed will be included in the information packet.

Next Month's Game Plan

- Continue to track the revisions to PFA's Small Communities and Technical Assistance Grant Programs and develop the JPB's project applications for submittal.
- Continue to work on the Legacy application for submittal in September of 2012.

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

Julie Kennedy
218.259.5020

Randy Jenniges
320.229.4378

Mike Larson
218.305.4722

Gary Cerkenik
218.741.0139

jkennedy@sehinc.com

rjenniges@sehinc.com

mlarson@sehinc.com

gcerk@me.com

Cc: VNPCWJPB Advisory Committee
Koochiching and St. Louis County staff (upon request)
Project Area residents (upon request)

Att: Koochiching County Island View Bonding Application
2012 Capital Project Grant Program List

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