

CASTLE DANGER SUBORDINATE SERVICE DISTRICT
SEWER RATE HEARING
April 21, 2015

A hearing was held on Tuesday, April 21, 2015 at 7:35 p.m. at the Town Hall for the purpose of reviewing proposed sewer rates. Present were Supervisors – Mike Hoops, Greg Hull; Larry Guentzel; Clerk – Frederick R. Whitney, Deputy Clerk – Kristina Pirsig, Constituents – LeRoger Lind, Debbie and Dwight Lind. The Hearing was published in the Northshore Journal on 03/28/2015, posted at the Town Hall and on the Town Website on 3/23/2015. The notice was also posted in the commercial wastewater billings sent out 04/01/2015.

An overview of the Rate Hearing purpose and procedure was given by Hoops. Hoops stated the flow and budget numbers had been reviewed. The Clerk presented his survey of adjoining municipalities' sewer rates, (Grand Marais, Beaver Bay, Silver Bay, and Two Harbors), and found that our rates appear to be in the middle. New rates were calculated and evaluated based upon the 2015 CDSSD Budget and the increased water-flows of 2014; a budget that hadn't been increased significantly for quite some time. Two rate proposals were presented – one based upon 60 residential users, (which is the current number), and 61 users, which the Clerk indicated will hopefully be the count in some 6 months from now.

LeRoger Lind inquired as to why the increases to rates, “weren't the existing rates enough to cover all expenses”? Hoops updated all with the major expenses we had experienced in 2014 – 2 new pumps at the lift stations, cement repairs to the lift stations, broken curb-stops due to heavy freezing this Winter and software interface and controls at the filter building. The new rates will once again build up our reserves and at some time in the future we will once again need to call upon our reserves. As for the survey rate survey we conducted, Hoops indicated that we simply wanted to see how we compared, not to set our rates, that calculation is set by ordinance, and to see if a business entity would be less expensive. Dwight Lind expressed his thoughts that if we turned the district over to a “business”, they would be running it to make a profit. CDSSD is in it to breakeven. He wanted us to stay “in-house”. The Clerk also indicated that a very sizeable special assessment contributor, Gooseberry Village, was delinquent by over 5 years, thus contributing to the drain on reserves as PFA loan payments are made by the District. The County Treasurer has begun their “year of default” proceedings. After the land is sold, back taxes and delinquent special assessments in the amount of over \$245,000 will be collected, thereby increasing our reserves.

Proposed rates:

Residential Monthly Rates
Sewer: \$50.00/month
Auxiliary habitable structures: \$17.00/month
Commercial Monthly Rates
Rustic Inn - \$575/month
Gooseberry Motel - \$229/month
Grand Superior Lodge - \$3,740/month
Gooseberry Cabins - \$148/month
Castle Haven - \$312/month
Gooseberry Falls State Park - \$1,327/month

1. Late payment fee:
 - Residential** – 1.50% per month on outstanding balance
 - Late fees will be assessed 45 days from billing date
 - Shut off notice will be issued at 90 days from billing date unless board votes to suspend it.
 - Commercial** – 1.50% per month on outstanding balances
 - Late fees will be assessed at 30 and 60 days from billing date
 - Shut off notice will be issued at 90 days from billing date unless the board votes to suspend it.
2. Account transfer fee: \$ 25.00
3. Sewer turn-on fee: \$100.00
4. Sewer shut-off fee: \$100.00
5. Residential Access Fee: \$8,000.00
6. Commercial Access Fee: \$6,331.48/100,000 gallons
7. Sewage-dumping fee for trucked-in sewage: \$20.00/1000 gallons septage and \$6.50/1000 gallons domestic strength wastewater. (Ponds are not open in the winter. If dumping is needed, hauler shall be responsible for providing their own snow removal equipment in order to access the pond site waste.)
8. In the event I&I is discovered or identified as coming from a connection, the Board shall have the option of assessing a monthly penalty of \$100.00 until satisfactory repairs are made.

Hoops closed the public comment period at 7:10 pm.

Hull made a motion, second by Guentzel to accept the Commercial and Residential rates as presented, as well as fees and charges as presented in #1 thru 8. Motion carried unanimously.

Hull made a motion, second by Lampart to approve Resolution 2015-6 “Sewer Rates in the Castle Danger Sewer Area as amended April 21, 2015”. Motion carried unanimously.

Upon vote being taken, the same was declared duly adopted upon unanimous yeas vote of Supervisors Michael Hoops, Greg Hull and Larry Guentzel.

SEWER RATES IN THE CASTLE DANGER SEWER AREA

AS AMENDED April 21, 2015

Residential Monthly Rates

Sewer: \$50.00/month
Auxiliary habitable structures: \$17.00/month

Commercial Monthly Rates

Rustic Inn - \$575/month
Gooseberry Motel - \$229/month
Grand Superior Lodge - \$3,740/month
Gooseberry Cabins - \$148/month
Castle Haven - \$312/month
Gooseberry Falls State Park - \$1,327/month

- 2. Late payment fee:
 - Residential** – 1.50% per month on outstanding balance
Late fees will be assessed 45 days from billing date
Shut off notice will be issued at 90 days from billing date unless board votes to suspend it.
 - Commercial** – 1.50% per month on outstanding balances
Late fees will be assessed at 30 and 60 days from billing date
Shut off notice will be issued at 90 days from billing date unless the board votes to suspend it.
- 2. Account transfer fee: \$ 25.00
- 3. Sewer turn-on fee: \$100.00
- 4. Sewer shut-off fee: \$100.00
- 9. Residential Access Fee: \$8,000.00
- 10. Commercial Access Fee: \$6,331.48/100,000 gallons
- 11. Sewage-dumping fee for trucked-in sewage: \$19.00/1000 gallons septage and \$5.50/1000 gallons domestic strength wastewater. (Ponds are not open in the winter. If dumping is needed, hauler shall be responsible for providing their own snow removal equipment in order to access the pond site waste.)
- 12. In the event I&I is discovered or identified as coming from a connection, the Board shall have the option of assessing a monthly penalty of \$100.00 until satisfactory repairs are made.

Adopted the 21st day of April, 2015.

Supervisor Hull moved adoption of the foregoing Resolution, seconded by Supervisor Guentzel, and upon vote being taken, the same was declared duly adopted upon unanimous yeas of Supervisors Michael Hoops, Greg Hull and Larry Guentzel.

Mike Hoops

Greg Hull

Larry Guentzel

ATTEST:

Frederick R. Whitney

There being no further business, hearing adjourned at 7:17 pm upon motion by Guentzel, second Hoops. Motion carried unanimously.

Respectfully submitted,
Frederick R. Whitney, Clerk