

Crane Lake Water and Sanitary District **Debt Relief Bill – H.F.1225 (Ecklund)**

Background

In 2005, Crane Lake Water & Sanitary District was forced to take on \$1.294 million dollars of additional debt for an unplanned modification of the direction of discharge of treated sewage flowing into the Vermilion River, which empties into Crane Lake, the Voyageurs National Park, the Boundary Waters Canoe Area Wilderness, and the Quetico Provincial Park. This modification was to be funded 100% with debt, rather than the more common 75% grant/25% debt ratio used for the full project. No additional grant funds were available, only a loan, at a high rate of interest.

Because all the individual sewage systems for Crane Lake businesses, seasonal owners, and residents were condemned by St. Louis County, the Crane Lake Water and Sanitary District Board (CLWSD) had no choice in 2005 but to proceed with this burdensome loan to complete the project—which was to build a modern sanitary sewage treatment collection system and treatment plant to protect the waters of the National Park and the BWCAW.

The total debt on the project of over \$1.294 million has become unbearable for the small sewer district. Rates are sky high: \$115 per month. Property owners in the district pay increased taxes above the sewer rate to support the system and help pay the debt. This is based on 135 total accounts (126 residential, 9 business) in the district. Debt payments consume 32% of the CLWSD annual revenues.

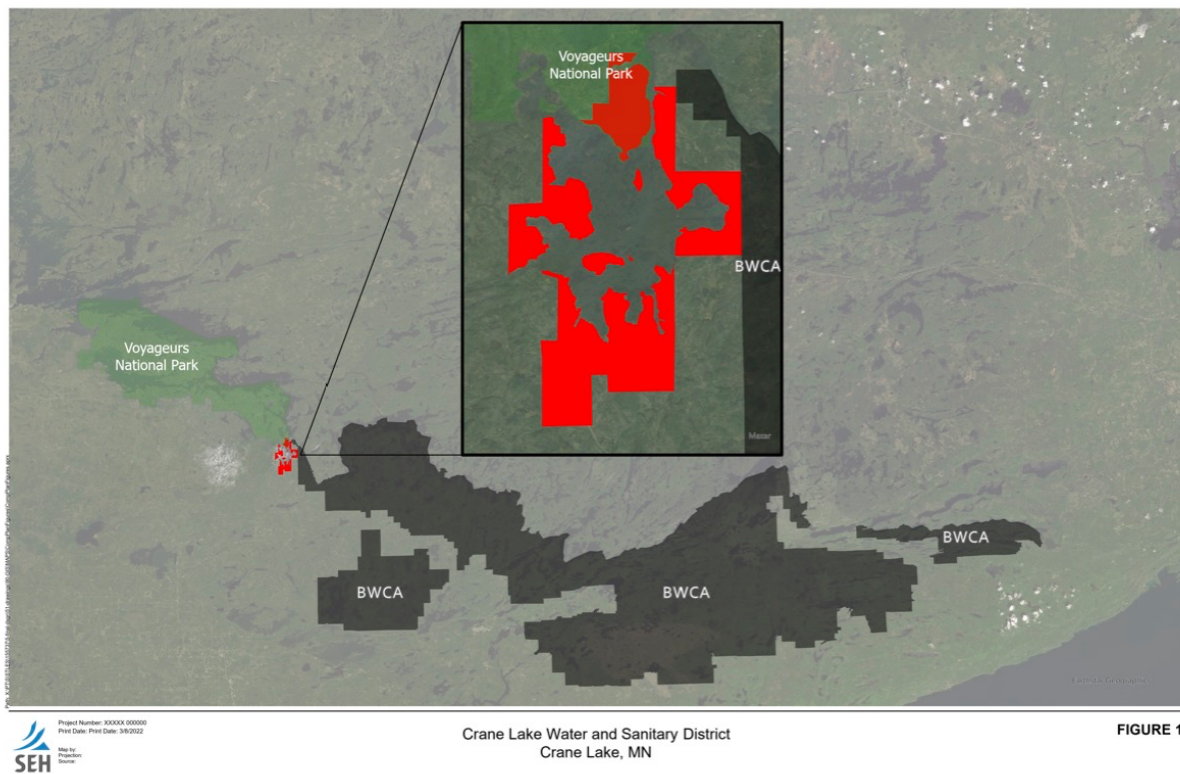
With no debt relief, sewer rates will go up \$55/month to \$170 per month. This amount is extremely high in Minnesota and significantly greater than metropolitan and northern Minnesota cities rates of \$30-\$50/month. It is unsustainable in a small township with a small population based upon the tourism economy exclusively at the entrance point for Voyageurs National Park, the Boundary Waters Canoe Area Wilderness, and the Quetico Provincial Park.

Additionally, the sewage treatment plant is now in need of over \$800,000 in repairs and deferred maintenance. With these burdensome debt payments, this investment is impossible to make by the CLWSD.

The Voyageurs National Park Clean Water Joint Powers Board has worked since 2007 to clean up the waters of the National Park. Over \$30 million has been invested in providing modern sanitary systems for portions of the four entry communities to the National Park. Crane Lake is one of these four entrance communities.

We are requesting that the Legislature help Crane Lake with debt relief to lessen this burden on the ratepayers of the sanitary district as they work to protect the waters of our nation's only water based national park and the Boundary Waters Canoe Area Wilderness.

Thank you to Rep. Rob Ecklund for introducing **HF1225**, a legislative effort to assist the ratepayers and citizens of Crane Lake.



Crane Lake Water & Sanitary District in red. Voyageurs National Park to the West, and the Boundary Waters Canoe Area Wilderness to the East.