

**MINUTES OF THE REGULAR MEETING OF
THE MINNEHAHA CREEK WATERSHED DISTRICT
BOARD OF MANAGERS**

September 14, 2017

CALL TO ORDER

The regular meeting of the Minnehaha Creek Watershed District Board of Managers was called to order by President Sherry White at 6:52 p.m. on September 14, 2017, at the MCWD offices, 15320 Minnetonka Boulevard, Minnetonka, Minnesota.

MANAGERS PRESENT

Sherry White, Richard Miller, Brian Shekleton, Bill Becker, William Olson, Kurt Rogness, Jessica Loftus.

MANAGER ABSENT

None.

DISTRICT STAFF AND CONSULTANTS PRESENT

Lars Erdahl, Administrator; Matt Cook, Planning Assistant; Telly Mamayek, Communications and Education Director; David Mandt, Operations and Support Services Director; Tiffany Schaufler, Project and Land Program Manager; James Wisker, Planning and Projects Director; Michael Welch, Counsel.

MATTERS FROM THE FLOOR

None.

APPROVAL OF AGENDA

Manager Miller moved and Manager Becker seconded approval of the agenda. Upon vote, the motion carried 6-0.

INFORMATION ITEMS AND CORRESPONDENCE

President White announced that the District would have a public comment session on the 2018 budget and levy at its regular December 14 meeting.

CONSENT AGENDA

Manager Rogness moved and Manager Olson seconded the consent agenda, consisting of approval of the August 24, 2017, minutes of the meeting of the Board of Managers;

approval of the August 30, 2017, special meeting of the Board of Managers; and adoption of the following resolutions:

Resolution 17-056: Approval of the revised Mooney Lake Emergency Pumping Plan

NOW, THEREFORE, BE IT RESOLVED, that the revised Mooney Lake Emergency Pumping Plan is approved.

Resolution 17-052: adoption of the Riley Purgatory Bluff Creek Boundary Change Resolution of Support

NOW, THEREFORE, BE IT RESOLVED that the Board of Managers supports the submission of a petition to BWSR pursuant to Minnesota Statutes 103B or 103D to alter the boundaries of the RPBCWD and MCWD as described in Attachment A; and

BE IT FURTHER RESOLVED that the MCWD Administrator is authorized to fulfill all responsibilities of the MCWD to implement the boundary adjustment as approved by BWSR.

Upon vote, the motion carried 6-0.

Manager White said she would be attending the September 23 prairie restoration event at Six Mile Creek, which is part of the 50th anniversary celebration, and invited the other managers to join her. Michael Welch noted for the managers that the resolution supporting the Riley-Purgatory-Bluff Creek Watershed District's proposed boundary change differed from the resolution reviewed at the August 24 meeting in that it allowed Riley to proceed under either of the two available statutory schemes.

Manager White had no president's report, so she turned to Manager Miller for a report from the Policy and Planning Committee meeting earlier in the evening. Manager Miller said that the committee received a summary report from staff on all District projects under way and he has nothing to add to that report. He said the committee also heard an update on the plan for redevelopment of the 325 Blake Road property. He noted that there are complicated issues to be dealt with on the property that will require careful attention of the board, staff and MCWD's partners for the project. But, he said, no unanticipated problems have been encountered so far.

Manager Olson reported that the Citizens Advisory Committee meeting of September 13 consisted of a review of two cost-share applications, which were recommended for approval.

Manager Miller noted that a sign on the raingarden project supported by the District at a home near his house is very small and difficult to read.

Manager White noted that the list of upcoming meetings and events in the agenda is complete and commended it to the managers' review.

(Manager Loftus arrived, 7:00 p.m.)

Manager Olson reported that he went on a veterans' group tour of Big Island Park and a number of state and local representatives of the watershed participated and a number of veterans were on hand to give history of the property. He said many expressed appreciation of the District's efforts to protect and conserve the park.

PUBLIC HEARINGS AND PRESENTATIONS

2018 Budget and Levy

President White opened the public hearing on the District's proposed 2018 budget and levy. Lars Erdahl presented the budget and levy, noting that the actions in front of the managers this evening at the conclusion of the public hearing are to approve the work plans, then to approve the budget and levy for 2018. He said the budget reflects changes made to respond to direction from the managers at the August 30 special meeting. The line item for debt service has been revised to reflect a realistic refinancing plan, and the budget has been adjusted to remove expenditures related to uncommitted grants. With these changes, even though the total levy amount is less than the budget total, there is no deficit because the District has resources to cover the gap. He added that the District has allocated carryover dollars to specific projects. He noted two corrections to reallocate funds and that the revised budget also includes a correction to a classification in capital finance and debt service, all of which is revenue-neutral. He said that the proposed preliminary budget is \$12,141,892 and the proposed preliminary levy is \$9,675,993. Mr. Erdahl reviewed the District's planning-project priorities and goals, noting that 2018 to 2020 will focus on Painter Creek, Minnehaha Creek Corridor and the Six Mile Creek and Halsted Bay subwatersheds.

Mr. Erdahl said the budget represents a 9.79 decrease from 2017, with a 3.87 percent increase in the levy. With regard to fund balances the budget plan includes a modest spend-down because future plans are ambitious. The fund balance in information technology will involve implementation of an IT management plan in the coming year. He said that the cost-share program is still working through prior obligations to ensure that all have been met before allocating residual cost-share funds to other programs and projects. Mr. Erdahl also provided a breakdown of the levy on a per-property basis, giving typical increases that property owners would see. President White, seeing no members of the public wishing to comment on the budget, closed the public hearing.

Resolution 17-057: Acceptance of 2018 Work Plans

Manager Miller sought to confirm with Mr. Erdahl that the work plans are not quite ready to adopt. Mr. Erdahl stated that the District cannot increase its levy after adoption of the budget and levy but can lower it up to the last meeting in December. President White stated that the District accepts the work plans subject to adjustment as the year goes on. ***Manager Shekleton moved and Manager Rogness seconded acceptance of the work plans.*** Manager Miller asked about the place-based learning \$75,000 budget item and the implementation of the IT work plan. Mr. Erdahl explained that place-based learning is the replacement for the Cynthia Krieg program, which the District is discontinuing. It is designed to utilize partners to undertake education and outreach projects at places where the District is creating opportunities for such activities. Telly Mamayek came forward and confirmed Mr. Erdahl's description, though she noted that the Krieg budget was \$100,000 as opposed to the \$75,000 for 2018 for the place-based learning work. She said the program will allow staff to craft programming to expand the reach of the District's projects. Manager Miller said he understands the nature of the program but does not support it. Ms. Mamayek stated that the work is part of the District's post-project support and will utilize capabilities of Friends of the Mississippi River, Wilderness Inquiry and Three Rivers Park District, for example. In response to a question from Manager Loftus, Ms. Mamayek said that as a replacement for the Krieg grants the program more directly focuses the District's education and outreach efforts on programming that is targeted and developed in partnership. Manager Loftus asked how the budget number for the program was developed. Ms. Mamayek explained that the effort drew on past experience with grants that have been provided to some of the envisioned partners for this work and the nature of the programming that was delivered. She feels that programming in the District's three areas of focus can be delivered at the cost in the work plan.

Manager Miller noted that the signs that have been developed by the District for the Minnehaha Creek Greenway are effective education tools, and he believes that these would more adequately address the goals Ms. Mamayek proposes to address with the proposed program. Ms. Mamayek said that with active programming the District can bring specific groups such as policymakers out to see the District's work and provide programming tailored for them. Manager Loftus said that she believes in the education work the District does, but notes that the cost is rather high. She stated that it is important that the District track participants in such programs and that it require its partners to track participation. Ms. Mamayek stated that the District already tracks participants and participation at all of its events.

Manager Miller followed up with questions about the implementation of the IT plan. He said the District has been discussing implementation of an IT plan for a long time, but an actual plan has never been brought forward to the board. Mr. Erdahl explained that the District is developing a data-management and user-interface upgrade and will implement

these as part of its plan, but the plan is not ready to bring forward to the managers yet. He stated that the project and planning department needs better tools for tracking projects, and the District generally needs to update its website and enhance IT mobility. David Mandt came forward and explained that the managers will be seeing pieces of the IT implementation plan in coming months, with particular modules focused on document management and organizational database upgrades and integration, which are badly needed, as well as upgrades to hardware and software. He stated that two scopes of work will be coming before the managers: a permitting database and a projects and planning tracking system. He noted that there is \$160,000 in carryover funds available for the work already and the 2018 budget adds \$100,000. In response to further questions from Manager Miller, Mr. Mandt confirmed that the District is developing the IT plan internally and that it will be a five-year plan. In response to further questions from Manager Miller, Mr. Mandt explained that with regard to developing the plans for the organizational database, for example, staff is working with vendors with whom the District has ongoing relationships and has had successful past project work. He stated that interconnectivity among the District technology resources also is critical. He confirmed, however, that the District has no technology consultant on the development of the IT work plan. Manager Miller noted how important it was for staff to explain clearly what is needed and how it's going to be accomplished. He confirmed as well that the \$100,000 added to the budget is not the total commitment that the District will make to the work.

In response to a question from Manager Loftus, Mr. Mandt stated that the 2018 plan will include updating the permitting database, tracking of capital projects and upgrade in user interface. The managers and Mr. Mandt discussed a timeline for the managers to see the IT work plan. In response to the questions from Manager Loftus, Mr. Mandt confirmed that the managers have not been promised a work plan in the past that the staff have failed to deliver. He stated that the plan will be done in 2017 for spending, with board approval, in 2018. ***Upon vote, the motion carried 7-0. Manager Rogness moved and Manager Shekleton seconded direction to staff to present the IT implementation plan at the board workshop November 9. Upon vote, the motion carried 7-0.***

Resolution 17-058: 2018 Budget and Levy Certification

In response to a question from Manager Miller, Mr. Erdahl confirmed that cash-on-hand shown in the budget does not include the land acquisition and debt service accounts. ***Manager Miller moved and Manager Rogness seconded adoption of resolution 17-058A, certifying the 2018 tax levy.***

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Becker	X			
Loftus	X			
Miller	X			
Olson	X			

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Rogness	X
Shekleton	X
White	X

The motion carried 7-0.

Manager Olson moved and Manager Rogness seconded adoption of the 2018 budget.

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>	<u>Absent</u>
Becker	X			
Loftus	X			
Miller	X			
Olson	X			
Rogness	X			
Shekleton	X			
White	X			

The motion carried 7-0.

Mr. Erdahl explained that the fund balances are as described in the budget detail and that staff used \$400,000 in carryover general operating funds to reduce the levy by \$400,000. He explained that the carryover was \$1.2 million and is now \$800,000. The remaining carryover balance will be used for, as explained, the IT implementation plan at \$162,000 and \$1.5 million in the cost-share program, which staff is working through to determine obligations and unfilled project dedications. He stated that the capital account for 325 Blake Road is \$1 million and that the District has surety funds as well, however, in response to query from Manager Miller, Mr. Erdahl confirmed that these are not cash. In response to a further question from Manager Miller, Mr. Erdahl explained that after the budget rectification, there is \$7.7 million in the land conservation and debt service budget items. Mr. Mandt stated that there is also \$1 million allocated to Minneapolis flooding and infiltration project account, which work has not been implemented. He noted that the District still has cash in hand.

Resolution 17-059: Authorization to Execute a Contract for Preliminary Design for Flood Repairs and Minnehaha Creek Corridor Planning

Tiffany Schaufler presented the proposed contract. Manager Shekleton said that the work on the agenda this evening is the first to come forward under the memorandum of understanding the District entered with Minneapolis in February and, he hopes, is a first step in a trend of continuing partnership with the city. Ms. Schaufler said that resolution before the managers approves a \$107,630 contract with Wenck Engineering as the lead for a collaborative project development and planning effort. She said that the focus has been on the Minnehaha Creek subwatershed and the greenway in the past but now is

moving downstream to Minneapolis. The 2014 flooding led to the agreement with the City of Minneapolis that the managers authorized in February 2017 to review 32 sites that were damaged by flooding and advance selected projects for repair. She said that \$35,000 was expended for a stormwater study. The proposal before the managers now reflects that the Minneapolis Park and Recreation Board has joined the discussion and promoted a focus on long-term planning for the 253-acre Minnehaha Creek Corridor Park. She stated that the consultant group will be looking at the Federal Emergency Management Agencies repairs and the master plan in an integrated manner. She said that the team selected includes the Hoisington Koegler Group with Wenck and Inter-Fluve, and that this was the unanimous selection of the partner team. Under the proposed contract, stage one-phase one of the overall project will be completed. The work will determine which of the 32 sites for which the District has received FEMA flood-repair funds will move forward to implementation. Those that are not selected will be integrated into the long-term master planning effort under a cooperative agreement with MPRB. Stage two will involve the regional master plan and Minnehaha Creek Regional Trail.

Ms. Schaufler stated that the District has \$511,000 in FEMA funding for the 32 sites. She stated that the District also has a Clean Water Fund grant to look at stormwater outfalls, which work will be integrated into this effort. At the end of the phase one work in January 2018 there will be projects moved forward for implementation or into the planning effort. She stated that the District will contribute \$60,000 in project funding, to be coupled with the \$35,952 Clean Water Fund grant and \$11,678 from the 2017 planning budget. She stated a cooperative agreement will be entered with MPRB before the construction work is ordered by the District under the standard capital improvement ordering process in Minnesota Statutes section 103B.251. ***Manager Shekleton moved and Manager Miller seconded adoption of resolution 17-059.*** In response to a question from President White, Ms. Schaufler noted that the District has flexibility to move dollars among the FEMA sites, some of which have already received funding while others will have to be advanced for reimbursement. In response to a further question from President White, Ms. Schaufler noted that the FEMA funding must be utilized by July 2018, but staff has already made inquiry about an extension and has received positive feedback in response. ***Upon vote the motion carried 7-0.***

ADMINISTRATOR'S REPORT

Matt Cook of the District staff came forward and said that he is leaving the District to be the environmental administrator at the Lake Minnetonka Conservation District. The managers wished Mr. Cook good luck in his future efforts and thanked him for his tremendous efforts on the District's plan revision. James Wisker said Mr. Cook's help on the plan allowed the District to put forward a more comprehensive and broad-ranging effort than would have been possible otherwise. Mr. Erdahl echoed Mr. Wisker's thanks to Mr. Cook.

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Mr. Erdahl said that he will be attending a Minnesota Association of Watershed Districts administrators meeting September 27. He noted as President White had the upcoming events including the prairie seed planting September 23 and the public lands hike at Coldwater Springs September 30, as well as the Sunset Celebration November 2. He stated that Sarah Fellows couldn't be here this evening, but she also is leaving the District, moving to the University of Minnesota Center for Changing Landscapes to continue work that she did while a graduate student. President White passed along her best wishes to Ms. Fellows, as did the rest of the managers.

President White noted the October 20 deadline for resolutions for the Minnesota Associate of Watershed Districts annual conference.

ADJOURNMENT

There being no further business, the meeting of the Board of Managers adjourned at 8:20 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Kurt Rogness". The signature is written in a cursive style with a long horizontal line extending to the right.

Kurt Rogness
Secretary