

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

4
5 **July 27, 2023**

6
7 **CALL TO ORDER**

8
9 The regular meeting of the Minnehaha Creek Watershed District Board of Managers was
10 called to order by President Sherry White 7:02 pm on July 27, 2023, at the MCWD
11 offices, 15320 Minnetonka Boulevard, Minnetonka, Minnesota.

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13 **MANAGERS PRESENT**

14 Sherry White, William Olson, Jessica Loftus, Stephen Sando, Richard Miller, and Eugene
15 Maxwell.

16
17
18 **MANAGERS ABSENT**

19 Arun Hejmadi (monitored meeting remotely).

20
21
22 **DISTRICT STAFF AND CONSULTANTS PRESENT**

23
24 James Wisker, Administrator; Trey Jonas, Permitting Technician; Becky Christopher,
25 Policy Planning Manager; Michael Hayman, Project Planning Manager; Josh Wolf,
26 Project and Land Program Manager; Tiffany Schaufler, Senior Project Maintenance
27 Coordinator; Chris Meehan, District Consulting Engineer; and Louis Smith, District
28 Counsel.

29
30 **MATTERS FROM THE FLOOR**

31 None.

32
33 **APPROVAL OF AGENDA**

34 *It was moved by Manager Miller, seconded by Manager Maxwell to approve the*
35 *Agenda as distributed. Upon vote, the motion carried 5-0 (Manager Loftus absent for*
36 *vote).*

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38
39 **CONSENT AGENDA**

40 *It was moved by Manager Miller, seconded by Manager Sando to approve the items on*
41 *the Consent Agenda consisting of approval of the July 13, 2023 Board Meeting*
42 *Minutes; approval of the General Check Register, including check numbers 42305*
43 *through 42333 in the amount of \$209,766.60, electronic funds withdrawals of*
44 *\$56,485.20, Managers Per Diems and Reimbursements of \$5,514.06, employee*
45
46

47 *reimbursements of \$19.97, and payroll electronic funds withdrawals and disbursements*
48 *of \$222,695.26 for a total of \$494,481.09; the Surety Check Register Bremer Bank fee*
49 *and check numbers 2189 through 2191 in the amount of \$23,527.00; and the Wire*
50 *Check Register in the amount of \$13,761.54 in payment to City of Richfield for 2020A*
51 *payment and Wells Fargo for 325 Blake Road Refinance.*

52
53 *Upon vote, the motion carried 6-0.*

54
55 **BOARD, COMMITTEE AND TASK FORCE REPORTS**

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57 President's Report: None.

58
59 Planning and Policy Committee Report: Manager Miller reported that the committee
60 received a staff briefing on the Diversity, Equity and Inclusion Workgroup findings and
61 recommendations. He noted that this is an important work in progress and further
62 updates are expected next month.

63
64 Minnesota Metro Watersheds Quarterly Meeting Report: Manager Olson reported that the
65 Ramsey Washington Metro Watershed District presented a report on their resiliency
66 survey of weirs, dams and culverts. There was also an update on Minnesota Watersheds'
67 strategic plan and a BWSR report on climate resiliency grants.

68
69 Citizens Advisory Committee: Manager Loftus reported that the CAC had a briefing on
70 the annual budget and work plan for 2024 and CAC members provided helpful feedback.

71
72 Upcoming Meeting and Event Schedule: President White noted the upcoming meeting
73 schedule.

74
75 **PERMITS REQUIRING A VARIANCE OR DISCUSSION**

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77 Permit 22-553: Strawberry Lane, Shorewood

78
79 Mr. Trey Jonas appeared before the Board of Managers to review the permit application
80 and noted that Shorewood engineer Mr. Andrew Budde was present in support of the
81 application. He noted that this permit was before the Board in response to a request for
82 board review by Mr. Alan Yelsey, a neighboring resident. Mr. Jonas reviewed the project
83 location and background, as well as the application of MCWD rules to the project. He
84 noted that Mr. Yelsey's concerns were that the project design relies too heavily on
85 models, that the Smithtown Ponds have damaged the ecological integrity of the area, and
86 that erosion control measures have not been adequately compliant.

87
88 President White invited Mr. Yelsey to present his comments on the permit application.
89 Mr. Yelsey noted his 40 years of living in the area, his belief that the MCWD must

90 review the permit based on sound science and ecological integrity, and his request that
91 the project be delayed to allow for more intensive monitoring data collection. He also
92 expressed concern with the loss of trees and erosion problems.

93
94 ***It was moved by Manager Olson, seconded by Manager Maxwell to approve the permit***
95 ***application with the conditions recommended by staff.*** In response to a question from
96 Manager Miller, Mr. Yelsey reiterated his requested conditions for the project to proceed,
97 including third party engineering review and gathering of monitoring data to compare to
98 the models. The managers extensively discussed the project and Mr. Yelsey's concerns,
99 including the explanation of use of stormwater models, the MCWD engineer's
100 independent review of the permit application on behalf of the District, the purpose and
101 design of the project, project budget, larger project context as a City priority, tree
102 replacement plans, and soil compaction. President White invited Mr. Yelsey to provide
103 concluding remarks, and Mr. Yelsey stated that the area has high water tables but has
104 never had a problem with flooding, that about 1,000 mature trees have been removed, and
105 that more data is needed. ***Upon vote, the motion to approve the permit application with***
106 ***the conditions recommended by staff carried, 6-0.***

107
108 **ACTION ITEMS**

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110 **Resolution 23-040: Conditional Approval of City of Minnetonka Local Water**
111 **Management Plan Amendment**

112
113 Ms. Becky Christopher appeared before the Board of Managers to review the request for
114 board action. She noted that the City of Minnetonka has updated the flood modeling for
115 the local plan, but was not proposing any changes to the City's capital improvement
116 program. Staff's review focused on concerns with potential downstream impacts and the
117 value of strengthened coordination on flood risk management. She recommended that
118 the Board of Managers approve the City of Minnetonka's local water management plan,
119 as amended, conditioned on submission of a final amended plan that incorporates
120 language that acknowledges the potential for cumulative downstream impact posed by
121 the City's flood risk reduction efforts, and expresses a commitment to work cooperatively
122 with the MCWD to understand and prevent or minimize downstream impacts, including:

- 123
124 a. Engaging MCWD in the development of the City's flood mitigation
125 prioritization strategy;
126 b. Coordination on a project-specific basis to evaluate options to manage flood
127 risk;
128 c. Advising MCWD in its development of a two-dimensional model to inform
129 flood risk management policies; and
130 d. Exploring opportunities to partner with MCWD on regional flood storage
131 projects.
132

133 *It was moved by Manager Miller, seconded by Manager Sando to adopt Resolution 23-*
134 *040 as follows:*

135
136 *NOW, THEREFORE, BE IT RESOLVED that the MCWD Board of Managers*
137 *hereby approves Minnetonka's local water management plan, as amended,*
138 *conditioned on Minnetonka's submittal of a final amended plan that the*
139 *District Administrator has found to adequately incorporate the*
140 *acknowledgements and commitments described above.*

141
142 *Upon vote, the motion carried, 6-0.*

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BOARD DISCUSSION ITEMS

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325 Blake Road Master Development Update

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149 Mr. Michael Hayman appeared before the Board of Managers and introduced Mr. Bob
150 Lutz and Ms. Erica Miller from Alatus, the master developer for 325 Blake Road. Mr.
151 Lutz and Ms. Miller noted that the first building, with affordable housing, is nearing
152 completion and has 126 parties expressing interest in the 116 units. Mr. Lutz noted the
153 change in market interest rates and banks' liquidity problems that have affected the
154 housing development market. He stated that there may be a desire to pivot to the senior
155 cooperative and townhomes phases of the project. He noted that the Food Hall concept is
156 being evaluated in relation to the parking needs and plans for the garage in the building
157 on block D.

158

159 Mr. Lutz stated that Alatus will exercise the second extension provided in the purchase
160 and sale agreement, and will continue discussions with the MCWD on a further extension
161 of 90 days, along with an access easement and other issues. In response to a question
162 from Manager Loftus concerning any alternatives to a food hall, Mr. Lutz noted the
163 market pavilion at Theodor Wirth Park as a possible example. Manager Maxwell asked
164 whether Alatus has discussed bonding with the City of Hopkins and Mr. Lutz noted some
165 initial discussions. President White asked how 325 Blake Road compares to other Alatus
166 projects, and Mr. Lutz noted that two projects are under construction and one is leasing.
167 Manager Loftus expressed her appreciation for this update from Alatus and expressed
168 concern with delays and the impacts on the MCWD's holding costs. The managers
169 thanked Mr. Lutz and Ms. Miller for the update.

170

MCWD Stormwater Pond Survey Data Analysis and Maintenance Recommendations

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173 Mr. Josh Wolf and Ms. Tiffany Schaufler appeared before the Board of Managers to
174 provide a review of the preliminary findings from Stantec's analysis of the MCWD's
175 stormwater pond data. Mr. Wolf reviewed background on the purpose and design of

176 stormwater ponds, and the purpose of this analysis. Previously, the MCWD's pond
177 maintenance program was reliant on current year analysis of selected ponds, and this new
178 analysis allows for specific forecasting of ponds with maintenance needs.

179
180 The managers thanked Mr. Wolf and Ms. Schaufler for this presentation.

181
182 325 Blake Road Restoration and Redevelopment Update
183

184 Mr. Michael Hayman appeared before the Board of Managers and noted the discussions
185 with Alatus about amending the terms of the purchase and sale agreement to provide for a
186 further extension and related accommodations.

187
188 Closed Session
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190 *It was moved by Manager Olson, seconded by Manager Miller to move into closed*
191 *session for the purpose of discussing the terms of sale of 325 Blake Road in Hopkins.*
192 *Upon vote, the motion carried, 6-0.*

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194 Whereupon the Board of Managers went into closed session.

195
196 The Board of Managers returned to open session.

197
198 **BOARD INQUIRIES, ISSUES, AND IDEAS**
199

200 None.

201
202 **STAFF UPDATES**
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204 Administrator's Report
205

206 Mr. Wisker stated that he had no report this evening.

207
208 **Adjournment**
209

210 There being no further business, President White declared the meeting of the Board of
211 Managers adjourned at 10:08 p.m.

212
213 Respectfully submitted,

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215
216 Eugene Maxwell, Secretary
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