



Wednesday, July 19, 2023

CITIZENS ADVISORY COMMITTEE MEETING

MCWD Office, Board Room

www.minnehahacreek.org

Board of Managers:

Sherry White, President; William Olson, Vice President; Jessica Loftus, Treasurer;
Eugene Maxwell, Secretary; Richard Miller, Manager; Arun Hejmadi, Manager; Steve Sando, Manager

Board Liaison: Manager Loftus

Citizens Advisory Committee Members Present:

Marcy Bean, Dan Flo, Robert Glisky, Laurie Goldsmith, John Iverson, Suzanne Jiwani, Rich Nyquist,

Citizens Advisory Committee Members Absent:

Emily Balogh, Lisa Fowler, Drew McGovern, David Oltmans, Cassy Ordway, Denise Tennen

MCWD Staff Members Present:

Samantha Maul, James Wisker

6:35 pm

1. **Committee Meeting Call to Order and Roll Call**
2. **Approval of Agenda (Additions/Corrections/Deletions)**
2.1 July 19, 2023 agenda
Iverson, Goldsmith. All approved.
3. **Approval of Minutes (Additions/Corrections/Deletions)**
3.1 May 17, 2023 minutes
Iverson, Goldsmith. All approved.
4. **Action Items**
No action items.

6:40pm

5. **Discussion Items**
5.1 2024 Draft Budget – **Wisker**
Wisker provided an outline of the budget presentation and framed the following questions for the CAC to consider throughout: Are there any key concerns or red flags for presenting this to the public? Do budget expenditures and priorities make sense with the public perception of MCWD and its mission? What do you see as key messages to emphasize for our public and private partners? How could the Budget Publication be improved to be more effective?

Wisker provided an overview of the annual budget development and adoption process. The initial budget is drafted each spring and undergoes several rounds of refinement with the Board and CAC before the District hosts a public hearing to gather input from the public. Finally, once feedback from stakeholders has been implemented, the final budget is adopted in the fall. MCWD also develops a

Budget & Workplan publication that lays out the major expenses and revenue sources for the coming budget alongside an overview of the projects and initiatives in queue for the coming year.

One CAC member asked a question to clarify the purpose of the Budget & Workplan publication. Wisker explained that the publication is an executive summary of the budget that highlights MCWD's key work for the year. CAC members suggested that MCWD include specific projects costs within the workplan to better communicate the outcomes of the District's financial investments. CAC members also suggested a redesign of the charts on the Budget Breakdown page of the publication, noting that the sizes of the charts are misleading. Wisker thanked CAC members for the feedback and noted that these ideas could be incorporated into the draft Budget & Workplan before it is published for the public hearing.

Wisker presented the preliminary budget summary, which includes a slight increase in expenditures. The major categories of expenditures include operations, programs, debt service, and capital projects. Capital projects and debt services change significantly from 2023 to 2024 due to a scheduled retrofit of MCWD's stormwater ponds and the advancement of the 325 Blake Road project. MCWD's revenue comes from its planned levy, the projects and programs funds balances, grants and partner funds, as well as interest, permit fees and reimbursement. Additional grant funds in 2024 result in a 98% increase in grant funding as a source of revenue.

Wisker then shared the breakdown of the expenses for each of the District's programs. Operations and IT includes funding for typical business operations, technology and software, and campus improvements. In 2024, staff predict a 1.5% increase in the Operations and IT budget due to the schedule of upcoming IT projects. Permitting is projected to decrease 5% because of personnel changes and the adoption of new permitting rules. The Planning and Projects budget, which accounts for expenses related to advancing capital improvement projects, long-range planning, and managing intergovernmental relations. The Project Maintenance and Land Management program is also included in this category. An 8.5% decrease is projected in 2024 with the completion of the Boardwalk reconstruction. MCWD is also including several projects that are advancing with the District's new Land & Water Partnership program. The Outreach budget is projected to decrease by about 4% as the program continues to tighten up its budget based on learnings from the first few years of implementation. The Outreach budget includes expenses such as engagement planning, venue and catering costs, graphic design, and printing. The Research and Monitoring program oversees the monitoring and collection of water resources data across the watershed, and it is projected to increase 3% in 2024 based on grant funding from the Legislative Citizens Commission on Minnesota Resources (LCCMR) for the build out of a watershed-wide model.

Wisker then shared the debt services budget for 2024. MCWD has master finance agreements with Hennepin and Carver counties to issue bonds for capital improvement projects, as well as debt issued from some municipal partners. In 2024, a private note related to the 325 Blake Road project will be retired, which will stabilize the fund.

Wisker also stepped through MCWD's 2024 Capital Improvement Plan (CIP) at a high level, noting that Michael Hayman, MCWD's Project Planning Manager,

shared the draft CIP at the May CAC meeting. MCWD has major implementation work in queue in three tributaries that drain to Lake Minnetonka, the Six Mile Creek-Halsted Bay (SMCHB) Long Lake Creek, and Painter Creek subwatersheds. Projects in these areas make up MCWD's Lake Minnetonka strategy, which focuses upstream to target water quality issues before they reach the lake itself.

MCWD is leading two projects in the Long Lake Creek subwatershed in 2024; a retrofit of an existing stormwater pond near County Road 6 and the construction of two stormwater ponds at Holbrook Park with the City of Long Lake. MCWD is also working with a private developer and the City of Medina to build a wetland bank near Holy Name Lake. A CAC member asked for more context on the stormwater treatment at these locations in comparison to MCWD's work on the Minnehaha Creek Greenway. Wisker explained that the Holbrook Park facilities would treat water before it makes its way into Long Lake, which receives significant loading from the City of Long Lake and is highly urbanized, much like the Greenway corridor.

MCWD is also leading projects in the SMCHB subwatershed. These include the East Auburn Wetland Restoration and the Turbid Lundsten corridor Restoration, both of which include major wetland restoration efforts to decrease pollutant loading to the Auburn and Lundsten lakes. MCWD is also considering a project opportunity within Minnetrista to build an alum treatment facility to treat water moving from Six Mile Creek into Halsted Bay on Lake Minnetonka. This project would be a major expense, totally up to \$20 million over time.

Downstream of Lake Minnetonka, MCWD continues to focus on projects on the Minnehaha Creek Greenway. Along the Greenway, MCWD completing projects such as the Cottageville Park Expansion, 325 Blake Road Restoration and Redevelopment, and the Greenway to Cedar Trail Connection and Streambank Restoration. MCWD has also scoped a few opportunity-driven projects in the region that are dependent on partner and landowner interest. MCWD is currently working with the City of Minneapolis and the Minneapolis Parks and Recreation Board (MPRB) to implement projects along the Minnehaha Parkway based on a collaborative Master Plan adopted in 2020. The District is coordinating to develop partnership, estimate funding, and scope the feasibility of three projects. As coordination advances, MCWD is also exploring opportunities to develop an implementation plan for improvements to the Minneapolis Chain of Lakes.

Within the Capital Improvement Plan, there are sections for completed projects that will be closed and zeroed as well as warranty phase projects with funds allocated for any corrections before they move into maintenance. Also included in the 2024 budget are funds for the dredging of some of MCWD's stormwater ponds, Land & Water Partnership program projects, and MCWD-led projects that are moving through design and construction.

CAC members suggested that a simplified version of the CIP table would be a valuable inclusion in the budget publication. CAC members also inquired about the audience for the public hearing. Wisker explained that in the past, the hearing has been attended by municipal representatives sharing support for upcoming projects or folks that are interested in lobbying for funding for new projects.

CAC members recognized that there may be some public concern or inquiry related to the budget, particularly from folks who are interested in how the levy is

used to provide benefits. CAC members suggested emphasizing the benefits or results of investments to reinforce that MCWD is a good steward of public funds and noted that the public focuses on value. Wisker shared that there is a balance point between sharing details and understanding the budget at a high level. It can be challenging to communicate some of the nuance over time. CAC members agreed and suggested a slightly larger focus on numbers in the budget publication, with clear references to outside funding sources and notes about the levy's limited change over time. Other suggestions included focusing on splitting up the 2024 capital project budget by focal geographies, making sure key messages are scannable, and resizing the budget summary figures for clarity. CAC members also noted that in communicating the impact of MCWD's projects, there is no replacement for being on-site.

8:15pm

6. Informational Items + Updates

6.1 CAC Member Updates

- Maul noted the annual CAC application and recruitment process will kick off in September. Like last year, half the CAC will apply for reappointment in 2024, and the other half will simply indicate their interest in serving out the second year of their term to maintain the staggered, two-year cycles.

6.2 Board Liaison Updates

- Manager Loftus thanked the CAC for their input on the new website during the beta testing process.
- Loftus shared that the feasibility report for the Cedar to Greenway Regional Trail Connection project was recently completed, and that the 2024 CIP was approved for distribution to the watershed's communities. Manager Loftus also expressed interest in getting the CAC's perspective on the potential Alum treatment facility in Minnetrista.
- Wisker and Loftus also shared an update on negotiations for the purchase and sale agreement of 325 Blake Road with the developer, Alatus.

6.3 Staff Updates

- Maul shared an update on the Land & Water Partnership Initiative, which recently completed its final meeting of the Technical Advisory Committee engagement process. Maul shared key input received from the TAC and outlined next steps for each area of the initiative.
- Maul noted that MCWD recently welcomed the Lessard-Sams Outdoor Heritage Council (LSOHC) to Wassermann Preserve for their Summer Tour, during which MCWD staff presented on the SMCHB Habitat Restoration project, a restoration initiative focused on managing the overabundance of common carp and funded by a grant from the LSOHC.
- Maul explained that MCWD also recently posted an RFP to begin the first stage of the 2D Watershed-Wide Model build, which involves refining inputs and data for the model. The model will be an asset for understanding how water moves through the watershed with changing precipitation patterns.
- Maul also shared an update on Water Levels and the Gray's Bay Dam. MCWD was classified in severe drought in early July and decreasing water levels required the closure of the Gray's Bay Dam on July 11th, two weeks earlier than in 2022.

8:57 PM

7. Adjournment

Jiwani, Iverson. All approved.

Upcoming Meeting

Wednesday, September 20, 2023, Citizens Advisory Committee Meeting (Manager Sando, Board Liaison)