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

November 27, 2017

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CALL TO ORDER

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The special meeting of the Minnehaha Creek Watershed District Board of Managers was called to order by President Sherry White at 6:45 p.m. on November 27, 2017, at the MCWD offices, 15320 Minnetonka Boulevard, Minnetonka, Minnesota.

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MANAGERS PRESENT

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

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MANAGERS ABSENT

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Kurt Rogness.

DISTRICT STAFF AND CONSULTANTS PRESENT

Lars Erdahl, Administrator; James Wisker, Planning and Projects Director; Michael Hayman, Planner - Project Manager; Chuck Holtman, District Counsel; Kate Johnson, District Counsel.

LEGAL CONSIDERATION of LEASE ISSUE, 325 BLAKE ROAD

Mr. Holtman advised of a claim asserted by Minnesota Ice Sculptures, LLC that through communications with District representatives it had established a right to occupy the District's cold storage facility with a short-term lease. He noted correspondence received from the attorney for Minnesota Ice Sculptures demanding that the District confirm that it will allow his client to occupy a lease at the facility as of December 1, 2017, and stating that his client will pursue legal remedies if it does not.

Mr. Holtman advised that the Board may elect to convene in closed session to confer with counsel under attorney-client privilege by authority of Minnesota Statutes §13D.05, subdivision 3(b). He further advised that the Board first must find that there is a need for absolute confidentiality. He expressed his judgment that such a need exists so that counsel may advise the Board of the legal basis for the claim, the District's potential financial exposure, the strength of the District's defenses, the District's positioning with respect to third parties that may bear responsibility, and the comparative legal risks and consequences of the decision that the District must make immediately to extend or refuse to enter into a lease. He suggested that holding the discussion in open meeting would

46 reveal counsel's frank opinions and strategic thinking, disadvantage the District in
47 litigation and thereby compromise public funds.

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49 ***Manager Olson moved, Manager Becker seconded to convene in closed session, for the***
50 ***purpose and on the legal basis stated by counsel and with a finding, for reasons stated***
51 ***by counsel, that there is a need for absolute confidentiality. Upon vote, the motion***
52 ***carried 6-0, and the Board convened in closed session.***

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54 The Board reconvened in open session.

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56 ***Manager Miller moved, Manager Becker seconded, that the Board concurs in the***
57 ***Administrator's reasoning as to why the requested short-term lease is not viable, and in***
58 ***the Administrator's decision not to offer or enter into a lease. Upon vote, the motion***
59 ***carried 6-0.***

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61 **ADJOURNMENT**

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63 There being no further business, the special meeting of the Board of Managers adjourned
64 at 8:05 p.m.

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66 Respectfully submitted,

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70 Kurt Rogness

71 Secretary

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