

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

June 13, 2024

CALL TO ORDER

The regular meeting of the Minnehaha Creek Watershed District Board of Managers was called to order by President Sherry White at 7:00 p.m. on June 13, 2024, at the MCWD offices, 15320 Minnetonka Boulevard, Minnetonka, Minnesota. President White called the roll to note attendance:

Hejmadi:	Present
Loftus:	Absent
Sando:	Present
Miller:	Present
Olson:	Present
Maxwell:	Present
White:	Present

DISTRICT STAFF AND CONSULTANTS PRESENT

James Wisker, Administrator; Kate Moran, Policy Planning Coordinator; Michael Hayman, Director of Project Planning; Chris Meehan, District Consulting Engineer.

APPROVAL OF AGENDA

It was moved by Manager Miller, seconded by Manager Olson, to approve the Agenda as distributed. Upon roll call vote, the motion carried 6-0 as follows:

Hejmadi:	Aye
Loftus:	Absent
Sando:	Aye
Miller:	Aye
Olson:	Aye
Maxwell:	Aye
White:	Aye

MATTERS FROM THE FLOOR

None.

CONSENT AGENDA

It was moved by Manager Olson, seconded by Manager Hejmadi, to approve the items on the Consent Agenda consisting of approval of the May 23, 2024, Board meeting minutes, and the following resolution:

Resolution 24-033: Authorization to Execute a Contract with WSB for Interim GIS Support

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby authorizes the District Administrator to execute a contract with WSB for interim GIS support, on advice of counsel, in an amount not to exceed \$14,500.

Upon roll call vote, the motion carried 6-0 as follows:

Hejmadi: Aye
Loftus: Absent
Sando: Aye
Miller: Aye
Olson: Aye
Maxwell: Aye
White: Aye

BOARD, COMMITTEE AND TASK FORCE REPORTS

President's Report: None.

Operations and Programs Committee: Manager Olson reported that the Committee met earlier in the evening and received a presentation on potential land acquisition opportunities along the Minnehaha Creek corridor and an opportunity screening tool using GIS data layers. These opportunities will be evaluated along with other project priorities in the coming years.

Citizens Advisory Committee & Board of Managers Field Trip: Manager Sando expressed his gratitude for the staff work for the field trip. Manager Olson expressed his appreciation for the opportunity to connect with the members of the CAC.

President White noted the upcoming meeting schedule presented in the agenda.

PERMITS REQUIRING A VARIANCE OR DISCUSSION

None.

PUBLIC HEARINGS & PRESENTATIONS

None.

ACTION ITEMS

Resolution 24-034: Authorization to Distribute Minor Plan Amendment and Notice of Public Hearing to Consider Ordering the Calvary Church Project

Ms. Kate Moran appeared before the Board of Managers to review the request for board action. She reviewed the background of the Land & Water Partnership program, which provides a framework for the MCWD to be responsive to project opportunities arising from changes on the landscape. Ms. Moran noted that over the last year, MCWD and the City of Deephaven have worked together to seek opportunities for measurable, regional, and cost-effective water resource improvements within the City. As part of the partnership, MCWD provided a concept level, city-wide scan of potential opportunities and the Calvary Church Project was identified as the most cost-effective opportunity to improve water quality and address localized flooding concerns.

The Project ultimately drains to Lake Louise, a wetland which discharges to Lake Minnetonka. The Project's proposed best management practice (BMP) relies primarily on topography and surface drainage to direct water to the proposed underground infiltration system. The largest captured area will be from the Calvary Church site and Montgomerie Avenue, with small portions of residential runoff also potentially reaching the system. The City submitted an application under the LWP Program on February 1, 2024, requesting funding support of \$465,750, or 75% of the water resource elements, the maximum allowable. MCWD staff reviewed the submittal and requested additional clarifying information. The City's most recent feasibility analysis, received on March 22, 2024, included a reduced drainage area, revised modeling information, water resource benefits, and cost analysis information. Based on this information, the water quality benefit for the project decreased from the initial concept estimate of 8.3 lbs/yr of TP to 5.4 lbs/yr due to a reduction in drainage area that can be routed to the BMP. Similarly, the life-cycle cost/benefit shifted from an estimated \$2,200/lb of TP to \$5,000/lb.

With these revisions to the proposed Project, Ms. Moran noted that the MCWD staff recommends providing funding support of water resource-related elements not-to-exceed \$125,000, or approximately 20% of the water resource elements. As of May 6, 2024, the City Council continues to support the Project moving forward while the City seeks additional funding sources. Ms. Moran noted that in addition to the potential LWP support, the City has received \$49,000 from Hennepin County's 2023 Opportunity Grant. She reviewed the process for the Project to be amended into the MCWD Water Management Plan and the public hearing process to consider ordering the Project.

It was moved by Manager Olson, seconded by Manager Hejmadi, to adopt Resolution 24-034: Authorization to Distribute Minor Plan Amendment and Notice of Public Hearing to Consider Ordering the Calvary Church Project, as follows:

NOW THEREFORE BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers authorizes the District Administrator to distribute the proposed plan amendment, with any further non-substantive changes, as a minor plan amendment for review of agencies and interested parties in accordance with Minnesota Statutes §103B.231, Minnesota Rules 8410 and the WMP;

BE IT FURTHER RESOLVED that the Board directs the District Administrator, in alignment with the plan amendment procedure, to distribute the feasibility plan for the Project and notice a public hearing for the Board's consideration of ordering, in accordance with Minnesota Statutes §103B.251; and

BE IT FINALLY RESOLVED that Board ordering of the Project and approval of LWP funding remains subject to conditions including confirmation of City sources of funding and City acquisition of rights for Project construction and maintenance, and a Project funding agreement between the City and the District.

In response to a question from Manager Olson, Ms. Moran noted that the church's contribution to the Project is the land. Manager Maxwell asked about the future project maintenance responsibilities, and Ms. Moran noted that this issue would be discussed with the City of Deephaven in the context of a project funding agreement.

Upon roll call vote, the motion carried 6-0 as follows:

Hejmadi:	Aye
Loftus:	Absent
Sando:	Aye
Miller:	Aye
Olson:	Aye
Maxwell:	Aye
White:	Aye

BOARD DISCUSSION ITEMS

325 Blake Road Restoration and Redevelopment Update

Mr. Michael Hayman appeared before the Board of Managers to provide an update on the project. He noted that a month ago, the Board was advised that Alatus was awaiting a capital finance decision from investor Kayne Anderson. Since that time, Kayne Anderson and Alatus have been in discussion. MCWD staff learned earlier in the day from Alatus that Kayne Anderson has decided to forego this investment opportunity.

Staff will meet with its development advisor team to review this situation and bring more information to the Board of Managers at its June 27 meeting. MCWD staff are still seeking with Hopkins staff to schedule a Liaisons meeting to review this situation.

In response to a question from Manager Hejmadi, Mr. Hayman noted that staff has been preparing for a variety of scenarios, including the present situation. Mr. Wisker noted that 17 days remain in the 90 day period to close under the Purchase and Sale Agreement. In response to a question from Manager Miller, Mr. Hayman stated that he does not believe that Alatus may transfer their development rights to another party. Manager Maxwell asked, and Mr. Hayman confirmed, that the townhome part of the project is ready to proceed, though there are related infrastructure considerations.

BOARD INQUIRIES, ISSUES, AND IDEAS

Manager Hejmadi requested a briefing on plans for response to potential flooding.

STAFF UPDATES

Administrator's Report

Mr. Wisker reported on the following items:

1. Rain continues above normal averages. Lake Minnetonka is at elevation 929.55. The Gray's Bay Dam is currently discharging at 150 cubic feet per second. At Hiawatha, Minnehaha Creek flow peaked last evening at 180 cubic feet per second, and as of today it is back down to 160 cfs. Rain events are forecast in the coming week.
2. Late last week, MCWD staff Gabe Sherman received an email message from a Hopkins resident expressing concern that the 100 year old oak trees at the planned nature play site at 325 Blake Road had been cut down. Mike Hayman immediately traveled to the site that evening to confirm that in fact that the trees had been cut down. Staff later learned that the Hopkins City Forester was concerned about the disease condition of the trees, and removed them, apparently not aware that the trees were not located on City property. The MCWD had actively been attending to the condition of the trees and they were integral to the MCWD's site planning and design for 325 Blake Road.

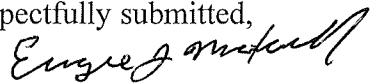
- Staff will pursue this further, including exploring what compensation may be appropriate from the City. Mr. Wisker asked if there were any questions. Managers Miller and Hejmadi said that their thoughts were best not expressed in public. Manager Olson noted that, having worked with the City as a team, it seems inconceivable that City staff would come onto MCWD property and cut down 100-year-old oak trees. He said that he hoped a letter would be sent expressing these concerns to the City and seeking compensation for the MCWD's resulting costs and impact on property value. Manager Olson requested that this letter be widely distributed to all concerned. Mr. Wisker said that City development staff shared these concerns. President White said that she is exchanging telephone messages with the mayor.
3. The MCWD developed a partnership with Duke Realty at the West End retail mixed use site in St. Louis Park in about 2007. Stormwater management chambers were key to achieving significant reductions in phosphorus and runoff and led to de-listing Brownie Lake. Other slot drains contributed to this outcome. One other part of the project, a small demonstration green roof, is now at the end of its useful life. The current owner has asked to address this situation; with its nominal stormwater management role, other practices seem more appropriate, such as communications about the stormwater management features of the site. Mr. Wisker will bring further information and recommended action at a future board meeting. Manager Miller noted that Temple, the current owner, seems to be progressive in its approach to development and should be a good partner in a creative approach.
 4. The Minneapolis Steering Committee meeting is set for July 23 to review the proposals in response to the RFP for feasibility study of three projects. The Committee will also address a shared communications plan and a preliminary draft management plan for the Cedar-Brownie management unit.
 5. In response to Manager Hejmadi's question about flood action planning, part of the MCWD's climate action framework is to address the MCWD's role and action steps in flooding events. Staff from project maintenance and policy planning are working on a scope of this effort and expect to bring this scope to the Board of Managers in late July. Manager Miller asked about ways to reach out to landowners along the creek to facilitate communication. Mr. Wisker noted current email communications addressing water conditions, and a mailer to owners of identified flood-prone properties could be pursued.

Adjournment

There being no further business, President White declared the meeting of the Board of Managers adjourned at 7:48 p.m.

Minutes of the Regular Meeting
Minnehaha Creek Watershed District
Board of Managers
6/13/24

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Eugene Maxwell". The signature is written in a cursive style with a large initial "E".

Eugene Maxwell, Secretary