

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

March 27, 2025

CALL TO ORDER

The regular meeting of the Minnehaha Creek Watershed District Board of Managers was called to order by President Sherry White at 7:04 p.m. on March 27, 2025, at the MCWD offices, 15320 Minnetonka Boulevard, Minnetonka, Minnesota.

ROLL CALL FOR ATTENDANCE

President White called the roll to note attendance:

William Olson:	Present
Richard Miller:	Present
Jessica Loftus:	Present, participating remotely as duly noticed from Summit Hotel, 60 Big Sky Resort Road, Big Sky, MT
Stephen Sando:	Present
Eugene Maxwell:	Present
Arun Hejmadi:	Present
Sherry White:	Present

DISTRICT STAFF AND CONSULTANTS PRESENT

James Wisker, Administrator; James McDermond-Spies, Project Maintenance & Land Management Manager; Michael Hayman, Director of Project Planning; and Chris Meehan, District Consulting Engineer.

MATTERS FROM THE FLOOR

None.

APPROVAL OF AGENDA

President White suggested moving Item 11.2 - Resolution 25-019: Authorization to Issue Notice of Termination of the 325 Blake Road Real Estate Purchase Agreement, to follow Items 12, 13 and 14 at end of the Agenda. *It was moved by Manager Miller, seconded by Manager Maxwell, to approve the Agenda with this change. Upon roll call vote, the motion carried, 7-0 as follows:*

<i>Olson:</i>	<i>Aye</i>
<i>Miller:</i>	<i>Aye</i>

Loftus: Aye
Hejmadi: Aye
Maxwell: Aye
Sando: Aye
White: Aye

CONSENT AGENDA

It was moved by Manager Hejmadi, seconded by Manager Miller, to approve the items on the Consent Agenda consisting of approval of the March 13, 2025, Board meeting minutes, approval of the General Check Register, including check numbers 42654 through 42656 in the amount of \$1,684.91, electronic funds withdrawals of \$278,205.58, credit card charges of \$4,458.30, managers per diems and reimbursements of \$2,181.58, employee reimbursements of \$1,216.97, and payroll electronic funds withdrawals and disbursements of \$173,604.24, for a total of \$461,351.58; the Surety Check Register including payment of \$30.00 in fees to Bremer Bank; wire transfer of \$0; and the following resolution:

Resolution 25-020: Authorization to Apply for BWSR Water Quality and Storage Grant to Support Climate Action Framework Scenarios

NOW, THEREFORE, BE IT RESOLVED that the MCWD Board of Managers hereby authorizes the District Administrator and staff to prepare and submit a grant application for the BWSR Water Quality and Storage Grant to support the identification and conceptual design of storage projects.

Upon roll call vote, the motion carried, 7-0 as follows:

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

BOARD, COMMITTEE AND TASK FORCE REPORTS

President's Report: President White reported that she and Manager Olson served as delegates to the special meeting of Minnesota Watersheds to approve bylaws amendments. These amendments included combining the Resolutions and Legislative Committees, moving consideration of resolutions earlier at a special meeting for that

purpose, and members consideration of the legislative priorities at the annual meeting in December. Afterward, Mr. Smith presented updates on the latest developments in the Open Meeting Law and Data Practices.

Policy and Planning Committee Report: Manager Miller reported that the Committee met earlier in the evening and had a workshop discussion on relationship management.

Citizens Advisory Committee Report: Manager Olson reported that the Committee met at Minnetonka City Hall. Kate Moran gave a presentation on diversity, equity and inclusion. Becky Christopher gave a presentation on flood management, focal geographies, the Land & Water Partnership program, and evaluation frameworks.

President White noted the schedule of upcoming meetings presented in the agenda.

PERMITS REQUIRING A VARIANCE OR DISCUSSION

None.

PUBLIC HEARINGS AND PRESENTATIONS

None.

ACTION ITEMS

Resolution 25-021: Authorization to Enter into Four Contracts for Vegetation Maintenance

Mr. James McDermond-Spies appeared before the Board of Managers to review the request for board action. He provided background information, discussed how the quotes were reviewed, timeline adjustments, and recommendations. He noted that the maintenance and management goals have been refined for MCWD lands, and the number of managed vegetation sites has increased to 29 sites. In February, the Board authorized the release of requests for qualifications. The District received responses from four vendors: Landbridge Ecological, Minnesota Native Landscapes (MNL), Native Resource Preservation (NRP), and Natural Shore Technologies (NST). Two of the firms, MNL and NRP, submitted quotes for all four sites. NST submitted for two sites, and Landbridge for just one. The firms provided quotes for the RFQs as follows:

- Minneapolis Ponds and Arden Park Sites: Four Quotes; Landbridge, MNL, NRP, and NST.
- Minnehaha Greenway and Headwaters Sites: Three Quotes; MNL, NRP, and NST.
- Northern Upper Watershed Sites: Two Quotes; MNL and NRP.

- Southern Upper Watershed Sites: Two Quotes; MNL and NRP.

Staff reviewed each set of quotes and supporting documents submitted, considering references, previous work for the District, and price. In summary, staff found all contractors to have similar ability to offer high quality vegetation management services to the District. NST and MNL offer the most cost-effective delivery of these services. Staff recommends the selection of the following vendors for vegetation management:

- Natural Shore Technologies, Inc. for Vegetation Maintenance Services at Minneapolis Ponds and Arden Park sites contract;
- Natural Shore Technologies, Inc. for Vegetation Maintenance Services at Minnehaha Greenway and Headwaters sites contract;
- Minnesota Native Landscapes, Inc. for Vegetation Maintenance Services at Northern Upper Watershed sites contract; and
- Minnesota Native Landscapes, Inc. for Vegetation Maintenance Services at Southern Upper Watershed sites contract.

It was moved by Manager Miller, seconded by Manager Olson, to adopt Resolution 25-021: Authorization to Enter into Four Contracts for Vegetation Maintenance as follows:

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers authorizes the District Administrator, on advice of legal counsel, to execute Minneapolis Ponds and Arden Park sites contract for vegetation maintenance with Natural Shore Technologies, Inc., for a period of two years, and amount not to exceed \$80,000.00;

BE IT FURTHER RESOLVED that the Minnehaha Creek Watershed District Board of Managers authorizes the District Administrator, on advice of legal counsel, to execute Minnehaha Greenway and Headwaters sites contract for vegetation maintenance with Natural Shore Technologies, Inc., for a period of two years, and amount not to exceed \$99,100.00;

BE IT FURTHER RESOLVED that the Minnehaha Creek Watershed District Board of Managers authorizes the District Administrator, on advice of legal counsel, to execute Northern Upper Watershed sites contract for vegetation maintenance with Minnesota Native Landscapes, Inc., for a period of two years, and amount not to exceed \$138,700.00;

BE IT FURTHER RESOLVED that the Minnehaha Creek Watershed District Board of Managers authorizes the District Administrator, on advice of legal counsel, to execute Southern Upper Watershed sites contract for vegetation

maintenance with Minnesota Native Landscapes, Inc., for a period of two years, and amount not to exceed \$140,100.00.

In response to a question from Manager Maxwell, Mr. McDermond-Spies reviewed the implementation schedule over the coming two years.

Upon roll call vote, the motion carried, 7-0 as follows:

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

BOARD DISCUSSION ITEMS

None.

BOARD INQUIRIES, ISSUES, AND IDEAS

None.

STAFF UPDATES

Administrator's Report

Mr. Wisker reported on the following items:

1. The City of Excelsior requested a letter of support for a grant application to the Legislative Citizens Commission on Minnesota Resources for a shoreline restoration project.
2. Manager Olson noted the recent community meeting for the East Auburn wetland restoration project, the next community meeting will be for the County Road 6 project at Orono City Hall on April 3.
3. MCWD, along with the Carver Water Management Organization attended the Pearson Lake Association annual meeting. MCWD staff presented on the work in Victoria, the work to delist Wassermann Lake, and related projects.

4. The partnership with the Minneapolis Park & Recreation Board and the City of Minneapolis is progressing with an upcoming staff report, plans for a steering committee meeting in late April or early May, followed by initiation of the design and construction of the Cedar Avenue project and work on the Cedar Lake management plan.
5. The Minnesota Climate Adaptation Partnership last week notified MCWD and that it, along with Hennepin County Emergency Management, has been awarded the 2025 Climate Adaptation Award. This partnership grew out of Brian Beck's development of the MCWD's big data approach, working with the County's forecasting system and the MCWD's RESNET system to track real-time precipitation data to guide Gray's Bay dam operations and flood mitigation decisions.

ACTION ITEMS, CONTINUED

Resolution 25-019: Authorization to Issue Notice of Termination of the 325 Blake Road Real Estate Purchase Agreement

President White noted that this action follows the Board's direction to staff on March 13 to prepare this notice of termination which the Board requested given the amount of time that the developer has been out of compliance with the terms of the purchase and sale agreement, the critical milestones being missed in June 2024, the end date of the last extension to November 2024, knowing that after almost four years, MCWD must take steps to implement its fully designed and funded work on the property that it owns. She noted that the Board asked staff to reach out to our partners the City of Hopkins and Alatus and they were present. President White expressed gratitude for them taking the time to attend this meeting and for the partnership, collaboration and hard work to this point. She invited representatives of the City of Hopkins and Alatus to offer comments for the Board to consider in its deliberation. She noted that the Board's consideration of the terms of a purchase and sale agreement will be held in closed session. She asked Board members to refrain from discussion or negotiation and that the comments offered by the City and Alatus be considered in the closed session deliberations with legal counsel. She invited people to come forward with comments.

Hopkins City Council Member Brian Hunke appeared before the Board of Managers and reflected on the history of partnership with the City and MCWD. He noted that the work has led to the accomplishments of Cottageville Park and the Chorus, which are a testament to what we can achieve when we collaborate with our shared vision. He noted that the Alatus project is a model development, and we are in a time of challenge in access to capital financing. He urged patience and that the MCWD adopt the Fourth Amendment to the Purchase and Sale Agreement proposed by Alatus, looking forward to a time when all could celebrate success together.

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Jason Gadd, former Mayor of Hopkins, appeared before the Board of Managers and reflected on the strong partnership with the City and MCWD. Cottageville Park is a great success but encountered challenges along the way. He expressed appreciation for the MCWD's financial investment in acquiring 325 Blake Road and noted that the past couple of years have been challenging. He noted that the City has been flexible and urged the MCWD to allow Alatus an extension that they are looking for. He said that we started this project together and we should finish it together. He said he has full faith in Bob Lux and Alatus and urged extending the purchase agreement.

Rick Brausen, former City Council Member of Hopkins, appeared and noted this project is the product of excellent collaboration between MCWD and Hopkins. He noted that we had hit a wall before and started over. It was not always easy or fun but we got it done. He recalled making the statement when Alatus was selected that if you have a problem, then we have a problem. He noted that Mr. Lux and Alatus brought a project that excited him and others. He hoped that Alatus could be given more time, because it will be worth the wait and effort. He hoped that the spark of 'if you have a problem, I have a problem' could be extended to Alatus. He said he had a fear that if this project goes away it will be difficult to find excitement with another project. He noted that if this did not go well, it would lead to a difficult conversation with the people of Hopkins.

Bob Lux, Alatus, said he was humbled to be present and listen to the Hopkins representatives describe the work so far. He acknowledged that this was not an easy request, and it is not an easy time for Alatus or other developers. He said the request is for an extension to September and provided an unconditional release of the earnest money. Alatus would advance work on design of infrastructure work. It is a good time to obtain favorable bids on construction. Alatus is trying to do this project with a large national nonprofit with robust capital capacity. Hopkins is next on their list. The underwriter will probably be selected this week or early next week. This is the silver bullet to get this project done. Mr. Lux said that the leader of this nonprofit told him that he is totally committed to this project. He said that he appreciated MCWD's patience with Alatus.

In response to President White's request, it was moved by Manager Miller, seconded by Manager Maxwell, for the Board to go into a closed session for the purpose of discussing the potential expiration or revision of terms of the Purchase and Sale Agreement of 325 Blake Road in Hopkins.

Manager Maxwell expressed his appreciation for the 'reunion' with Hopkins representatives. He recalled that this whole process started with work on Cottageville Park in 2009, MCWD's acquisition of the 325 Blake Road site in 2011. He noted this importance of working with the City for a larger vision for this site with many elements. It's not easy to pursue this, involving difficult decisions with a lot of money involved. It

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has been a long hard process since 2009, we need to keep working with all of the partners.

President White expressed gratitude for the comments and updates on the project. She stated that MCWD recognizes all the challenges the project has faced and appreciates the efforts of the City and Alatus. MCWD as the landowner has focused on improving the region's water, it has also recognized the City's vision for the property and the District has worked hard to pursue that vision in spite of the obvious setbacks. She stated that the comments would be carefully considered as the Board deliberates in closed session.

Upon roll call vote, the motion carried, 7-0 as follows:

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

The Board of Managers went into closed session.
The Board of Managers returned to open session.

President White noted that in the closed session the managers considered the proposal that Alatus presented the previous day. After reviewing that proposal with MCWD advisors, the Board's sense is that the proposal has significant outstanding issues and open questions. The Board also considered in detail the comments from representatives of the City of Hopkins. The Board members feel that given the almost four years Alatus has spent trying to deliver the project and the length of time Alatus has spent out of compliance with the purchase and sale agreement, the best path forward to deliver the District's vision and mission for the larger Minnehaha Creek Greenway is to issue a notice of termination.

It was moved by Manager Miller, seconded by Manager Sando to adopt Resolution 25-019: Authorization to Issue Notice of Termination of the 325 Blake Road Real Estate Purchase Agreement as follows:

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby direct the Administrator, on advice of legal counsel, to issue a notice of termination for the 325 Blake Road Real Estate Purchase Agreement to Alatus.

Upon roll call vote, the motion carried, 7-0 as follows:

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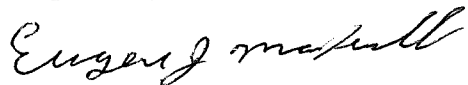
Olson: *Aye*
Miller: *Aye*
Loftus: *Aye*
Hejmadi: *Aye*
Maxwell: *Aye*
Sando: *Aye*
White: *Aye*

President White noted that with the notice of termination, there is a 30-day period for the outstanding issues to be addressed. She noted that the MCWD staff would be reaching out to the Alatus and the City and would remain open to any and all conversations with partners moving forward.

Adjournment

There being no further business, President White declared the meeting of the Board of Managers adjourned at 9:04 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Eugene J. Maxwell".

Eugene Maxwell, Secretary