

45 **REGULAR AGENDA**

46

47 **Board, Committee and Task Force Reports**

48

49 President White reported that the creek cleanup last Sunday went very well and she
50 participated at both the new Minnetonka site and at Lake Hiawatha. She noted that the
51 education tent had more exhibitors than ever and overall the event was a tremendous
52 success. She said the district received a letter from WSB Associates on behalf of the City
53 of Hopkins, noting that the city is making progress on its wellhead protection plan. She
54 reported that the joint committee meeting last week was attended by all managers.

55

56 Manager Miller reported from the Policy and Planning Committee that he had no
57 additions to the comprehensive minutes from the last meeting that were included in the
58 managers' packet for this evening's meeting. He said the committee is making good
59 progress on strategic planning and that the program evaluation is producing productive
60 and valuable results.

61

62 Manager Becker reported that he attended a community meeting held by Hennepin
63 County on the County Road 101 reconstruction last Tuesday night. He said a few citizens
64 attended. It appeared that the citizens lived on Bushaway Road and the two principal
65 concerns articulated were the artificial materials against the sheet piling that is being used
66 in the reconstruction and the potential for degradation of the viewshed because of
67 planting of shrubs and trees with a high profile.

68

69 President White noted no changes in the schedule printed at 8.2 in the agenda.

70

71 **Permits Requiring a Variance or Discussion**

72

73 **Permit 16-228: Methodist Hospital Flood Wall**

74

75 James Wisker and Katherine Sylvia appeared before the Board of Managers and Mr.
76 Wisker provided background on the proposed project and cooperative agreement with
77 Park Nicollet for construction of a flood wall at Methodist Hospital to protect the facility
78 from flooding like that experienced in 2014, along with a wetland enhancement. Mr.
79 Wisker explained that he would provide background on the project, then Ms. Sylvia
80 would review the project's compliance with MCWD regulatory criteria. Mr. Wisker
81 noted that Chris Leideman from Park Nicollet also is in attendance in case the managers
82 have any questions on the hospital's larger project.

83

84 Mr. Wisker reviewed the District's history of engagement with Park Nicollet and the
85 hospital on Excelsior Boulevard, which has resulted in enhanced wetland in the area and
86 opportunities for patients to interact with the creek and surrounding wetland. He said that
87 the hospital has found that these opportunities correlate to patient health and

88 improvement, and has been a consistent partner with the District for improvements along
89 the creek. He said that the project the managers are reviewing this evening emanated
90 from the hospital's approaching the District for a permit for a flood wall it proposed to
91 construct after sustaining significant flood impact and operational challenges from high
92 water in 2014. In April 2016, the Board of Managers authorized the execution of an
93 agreement to collaborate on design for the floodplain enhancement and flood wall project
94 and to pursue permitting. The current project involves 2.6 acres of excavation and 1.1
95 acres of scrape to facilitate planting of trees and shrubs. He said the project will move the
96 area between the hospital and the creek away from a monotypic vegetative array with
97 many hybrid cattails to a more diverse vegetative environment. He said that the long-term
98 plan is to expand the natural area to the north. He explained that the agenda this evening
99 includes a request to authorize a cooperative agreement for construction of the project,
100 which includes several conditions outlined in the request for board action. A public
101 hearing on and ordering of the project would occur at the August 11 meeting.
102

103 Ms. Sylvia presented the staff report on the application for permit 16-228, which
104 encompasses both the flood wall construction and the wetland enhancement work. Ms.
105 Sylvia explained that the hospital is proposing to construct a 370-foot retaining wall to
106 protect its loading dock from flooding and repair of emergency access routes, which will
107 involve reconfiguration of an outlet system associated with stormwater runoff from the
108 area. She said that the work would involve temporary wetland buffer impact and at the
109 same time will provide compensation for the floodplain work in the form of wetland
110 enhancement. She explained that the flood wall work will cause 1,100 square feet of
111 floodplain impact but the overall project will create excess storage of roughly 3,618 cubic
112 yards. She noted that the District permit approval is proposed to be contingent on
113 approval by the Army Corps of Engineers and Department of Natural Resources of work
114 in the wetland, which is a public water. Ms. Sylvia noted that the full extent of the buffer
115 requirement cannot be met because of the pavement constraints on the buffer between the
116 hospital and wetland area, but that the buffer was approved under a prior permit in 2003.
117 ***Manager Shekleton moved and Manager Miller seconded approval of permit 16-228***
118 ***with the staff-recommended conditions.*** In response to a question from Manager Olson,
119 Mr. Wisker stated that the flood wall will be constructed of sheet pile wrapped in
120 concrete. In response to a further question from Manager Olson, Mr. Wisker noted that
121 runoff will gravity-drain through conduit through the flood wall and a gate that will close
122 to prevent surcharging back onto the hospital property in the event of high water.
123 Manager Olson asked whether the plans did not in fact show a new boardwalk extending
124 north from the present boardwalk. Mr. Wisker explained that the enhanced boardwalk is
125 part of the concept plan for the property but is not proposed for construction at this time.
126 Manager Rogness noted that the hospital has discussed the possibility of constructing a
127 café in this area and that discussion of this was ongoing. Manager Miller noted that this is
128 one of the most significant and positive projects the District has engaged in since its work
129 on the Carlson properties in Minnetonka more than 20 years ago. He commended staff
130 for its work on the project. ***Upon vote the motion carried 6-0.*** Michael Welch stated that

131 as part of the regulatory presentation this evening the managers are also presented with a
132 draft notice of decision for the exemption determination under the Wetland Conservation
133 Act for proposed wetland impacts. Manager Miller and Manager Shekleton indicated that
134 approval of the Notice of Decision was intended in the motion.

135
136 Authorization to Execute Cooperative Agreement with Park Nicollet Hospital for
137 Floodplain Management Construction and Wetland Enhancement

138
139 Mr. Wisker briefly reviewed the proposed board action to authorize President White to
140 enter into the cooperative agreement for the Park Nicollet flood wall and wetland
141 enhancement project. **Manager Miller moved and Manager Olson seconded adoption**
142 **of Resolution 16-061, authorizing the president on advice and consent of counsel and**
143 **on completion of exhibits to the agreement to execute the cooperative agreement with**
144 **Park Nicollet Health Services for construction of the Methodist Hospital floodplain**
145 **management and wetland enhancement project.** In response to a question from Manager
146 White, Mr. Wisker noted that the District is committed by section 2.01 of the agreement
147 to provide Park Nicollet with a letter memorializing the excess floodplain storage created
148 by the project. President White also confirmed with Mr. Wisker that the easement
149 language will be finalized and the easement executed in conjunction with the agreement
150 and that the easement will serve as an exhibit to the agreement. **Upon vote, the motion**
151 **carried 6-0.**

152
153 Clean Water Fund and Hennepin County Opportunity Grants

154
155 Michael Hayman appeared before the Board of Managers and presented a proposed slate
156 of MCWD projects to be submitted for funding support. Mr. Hayman pointed out that
157 Hennepin County funds are for natural resources restoration work – not just water quality
158 or nutrient reductions, as is often the case with District projects. He said that staff used
159 the project-prioritization tool to identify projects that were good candidates for grant
160 funding. The two projects identified as most suitable for these applications are a
161 comprehensive stormwater management project for downtown Victoria and the Arden
162 Park stream restoration project in Edina. He noted that also in the mix for grant
163 applications are the Methodist Hospital floodplain and wetland enhancement project, the
164 Minnehaha Preserve project and the Minneapolis flood-mitigation work.

165
166 Anna Brown came before the Board of Managers to provide further detail on the Victoria
167 project. She said that the project is a newly identified opportunity that the Board of
168 Managers has not yet heard about. She explained that the project presents an opportunity
169 to address stormwater throughout downtown Victoria, which drains to Church Lake,
170 which is impaired but not listed by the Minnesota Pollution Control Agency. Church
171 Lake, however, drains to East Auburn Lake, which is a listed impaired waterbody. Ms.
172 Brown explained that District staff looked at a number of different best-management
173 practices that could be installed to address sediment and phosphorus loading, and selected

174 four that will be most effective. She said the project involves enhancing existing pond
175 infrastructure. She noted, though, that at this time the feasibility and assessment work is
176 very preliminary. She said the District would serve as the fiscal agent for the city,
177 leveraging funds but also adding value by ensuring additional treatment is incorporated to
178 improve these water bodies. She also said that the project leverages District goals in the
179 Six Mile Creek-Halsted Bay subwatershed and advances the growing partnership with the
180 City of Victoria. Mr. Wisker added that the area that is the subject of the feasibility
181 analysis is a 30-acre pipe-shed. **Manager Miller moved and Manager Becker seconded**
182 **adoption of resolution 16-062, authorizing staff to apply for 2017 grant funds from the**
183 **BWSR Clean Water Legacy Fund and the Hennepin County Natural Resource**
184 **Opportunity Grant Fund. Manager Shekleton moved to amend the resolution**
185 **language to remove the qualifying language indicating that staff will notify the Board**
186 **of Managers of grant opportunities “when time allows,” and instead require that the**
187 **staff notify the managers in every instance.** Manager White said that she is not sure
188 what the original statement of the Board of Managers was but she is fine with the change
189 or policy that Manager Shekleton articulates. **Manager Miller seconded Manager**
190 **Shekleton’s motion to amend. Upon vote, the motion to amend carried 6-0.** Manager
191 Olson noted how pleased he was to see coordination with the City of Victoria and seizing
192 an opportunity to take what could have been a number of different separate projects and
193 agglomerate them into an overall program and plan that will achieve water resource
194 improvement goals more efficiently. **Upon vote, the motion as amended carried 6-0.**

195

196 Revised Capital Improvement Program

197

198 Becky Christopher appeared before the managers and presented a proposed resolution
199 authorizing the release and finalization of the District capital improvement program for
200 2017. Ms. Christopher stated that in accordance with board direction in late May, staff
201 released the draft CIP for review and comment. She said comments were received from
202 the cities of Excelsior and Minneapolis, and that neither merited or required a change to
203 the CIP. The timing of the projects requested by the cities allows them to be addressed in
204 the CIP in the updated watershed plan. She said that, therefore, staff is recommending no
205 changes to the CIP that was released in late May. **Manager Olson moved and Manager**
206 **Shekleton seconded adoption of resolution 16-063, approving the CIP as presented at**
207 **the May 26, 2016, meeting of the managers.** In response to a question from Manager
208 Shekleton about the subject matter of the Minneapolis comment, the flooding in area 29-
209 30 of Minneapolis, Ms. Christopher stated that she understands this area to drain to Lake
210 Harriett, but otherwise is not familiar with it. **Upon vote, the motion carried 6-0.**

211

212 **BOARD DISCUSSION ITEMS**

213

214 **Preliminary Design for Jennings Bay Wetland Restoration Project**

215

216 Tiffany Schaufler appeared before the Board of Managers to present the preliminary
217 design of the Jennings Bay Wetland Restoration project. Ms. Schaufler explained that
218 District staff worked with the City of Minnetrista to develop an approach to the
219 floodplain storage to be achieved through wetland restoration on city property on
220 Jennings Bay. In October 2014 the District entered a cooperative agreement with the city
221 that gave the District permission to enter the site and conduct and maintain work. She
222 stated that the Bushaway Road project will cause 450 cubic yards of filling in the
223 floodplain, which will be offset by 1,250 cubic feet to be achieved by the project. She
224 stated that most of the site is below the 929.4 100-year flood elevation of Jennings Bay
225 and that the basin drains from northeast to southwest and the District is utilizing this flow
226 to maximize restoration while minimizing tree loss. She said the project will involve
227 seeding and sloping the area; 40 to 50 trees will be lost but the project plans call for
228 planting 350 trees and shrubs to provide screening and stabilize the banks of Jennings
229 Bay. She said the District will be undertaking vegetation management and working with
230 the Orchard Cove housing area to ensure that the project is compatible with the nearby
231 residential area. The cost estimate for the project is \$179,927 and the city is obligated to
232 pay a portion of the cost for flood storage created on its behalf. The total project budget
233 for the District's Bushaway Road work is \$1.6 million and current estimates are at
234 roughly \$1.3 million, so the District remains well within the budget. She stated that the
235 project plans will include the standard three-year warranty. Ms. Schaufler noted that the
236 item will be before the Board of Managers on August 25 to authorize bidding for
237 construction. She said a community meeting will be held August 8 at a nearby middle
238 school.

239

240 Ms. Schaufler reviewed and discussed the site plans with the managers. In response to a
241 question from Manager Miller, Ms. Schaufler explained that because the property is
242 shoreland tax-forfeited property, legislative action has been deemed necessary to transfer
243 fee title to the property to the District. The process has not yet been completed and it's
244 unclear if it will be, but, she explained, the District nonetheless has rights to enter the
245 property, construct and maintain the project under the cooperative agreement with the
246 city. Whether or not the property transfer to the District will happen will be determined in
247 the October-November timeframe. The managers thanked Ms. Schaufler for her
248 presentation.

249

250 **Investment Task Force**

251

252 Mr. Wisker again appeared before the Board of Managers to discuss the progress that has
253 been made by the District's Investment Task Force, which is charged with finding and
254 developing a new strategy and focus for the District's efforts to attract funding other than

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255 its levy for District program and project purposes. Mr. Wisker noted that there is a memo
256 outlining the progress of the task force to date and discussing the steps and direction it
257 has taken in the Board packet for this evening. He said the task force continues to focus
258 on developing a comprehensive strategy for outside funding. He said that the strategy
259 involves developing big-picture branding and a theme for the District, then identifying
260 and grouping projects and strategic third-party relationships needed to establish
261 qualifications to qualify for funding. Mr. Wisker turned to Manager Becker, who has
262 contributed leadership to the task force. Manager Becker concurred in Mr. Wisker's
263 description of the task force's work to date and plans for future work and noted that the
264 most important is to integrate this fundraising effort into the development of the District's
265 next watershed plan and to identify strategic partners the District will engage to advance
266 the mission, vision and goals in its new strategic plan. He said there is also a focus for the
267 task force on programs so it's not as much about the merits of a particular project but
268 rather about how much the project will cost. He noted that a downside of the approach is
269 that lining up the resources and projects in a cohesive and coherent manner will take
270 time, such that the targeted funding may not be realized until fiscal 2018.

271
272 Manager Miller noted that grant funding is a two-edged sword, inasmuch as it provides
273 necessary funding but also has a tendency to pull an organization away from its mission
274 and focus. He noted though that the approach the task force has undertaken is very well
275 thought out and a strong strategic approach to that issue. Manager Olson asked about the
276 possible funding organizations identified in the memo to the managers. Manager White
277 noted the importance of finding a fit with the risk profile and capacity of the District. Mr.
278 Wisker noted the contributions of Matt Cook of the District staff to the task force efforts.
279 He said he wanted to present the task force efforts to the managers to ensure the board is
280 comfortable with the direction the task force is taking.

281
282 Lars Erdahl noted that grants have some idiosyncrasies, such as that some are
283 reimbursement funds and some require a match, and these particularities need to be
284 identified and accounted for in the planning and budgeting process as the District
285 endeavors to utilize such funds. Manager Miller said that grant-anticipation financing is a
286 well-established tool available to the District. Manager Becker concluded by noting that
287 he hopes that the task force work product will provoke serious discussions in the
288 budgeting process on cash flow. Manager Rogness noted that the addition of Halsted Bay
289 to the District's references to the Six Mile Creek subwatershed work has brought a great
290 deal of clarity to the effort.

291
292 Administrator's Report

293
294 Mr. Erdahl reported that the creek cleanup, as President White reported, was a
295 tremendous success and he wanted to recognize the staff who did not enjoy the benefit of
296 the beautiful day of the event Sunday but rather were setting up in a downpour on

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297 Saturday. He said the event provided great visibility to the District's efforts and focus on
298 the creek.

299

300 He said that the Workshop on the Water will take place on Wednesday, August 3, and 30
301 attendees are signed up. Staff is attempting to engage additional attendees.

302

303 Finally, he said the District issued a comment letter on the Board of Water and Soil
304 Resources buffer policies last week and that at the Metro MAWD meeting last week
305 BWSR introduced a schedule of listening sessions that will take place in coming weeks
306 and months.

307

308 **ADJOURNMENT**

309

310 There being no further business, the regular meeting of the Board of Managers adjourned
311 at 8:15 p.m.

312

313 Respectfully submitted,

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316

317

318 Kurt Rogness

319 Secretary