

47 ***NOW, THEREFORE, BE IT RESOLVED, that the Minnehaha Creek***
48 ***Watershed District Board of Managers hereby appoints Joel Carlson to***
49 ***represent the District in Government Relations as the Lobbyist for MCWD for***
50 ***2016 -2017.***

51
52 ***BE IT FUTHER RESOLVED, that the District Administrator is authorized to***
53 ***negotiate and execute the Government Relations agreement.***

54
55 ***Upon vote, the motion carried, 7-0.***

56
57 **REGULAR AGENDA**

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

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61 Manager White gave the president's report, stating that she attended the recent kickoff
62 policy and advisory stakeholder meeting in Victoria. The presentations made by MCWD
63 staff James Wisker and Anna Brown were clear and well received by the elected officials
64 and staff from three watershed cities in attendance, who are excited about the
65 opportunities MCWD is developing in the Six Mile Creek subwatershed.

66
67 Manager Miller provided a report on the Policy and Planning Committee meeting that
68 preceded the Board of Managers meeting this evening. Manager Miller said that all
69 members of the committee, along with managers Becker and White, were in attendance,
70 and that the agenda is available on the District website. He said that the committee had a
71 robust discussion of all matters on the agenda.

72
73 Manager Rogness reported on the most recent meeting of the Citizens Advisory
74 Committee. He noted that very good reports were provided by several committee
75 members, demonstrating their strong familiarity with the issues the District is working
76 on. He said in particular there were members representing the Diamond Lake and Bass
77 Lake areas and supporters of efforts in those neighborhoods of the watershed. The CAC
78 asked whether it might be possible for members of the CAC to be involved in District
79 meetings with legislators. He said the CAC also expressed interest in being involved in
80 the District budgeting process and the upcoming watershed tour. The managers discussed
81 the accommodations available for the tour, and noted that the bus obtained for this year's
82 tour may be too small to accommodate the entire CAC but the meeting is open. Manager
83 Rogness also noted that the next two to three months of CAC agendas are full.

84
85 Manager Shekleton noted detritus behind the District parking lot in the wetland that staff
86 should investigate. Manager White said the schedule of upcoming meetings and events in
87 the agenda for this evening's meeting is correct and up to date.

88
89 **Permits Requiring a Various or Discussion**

Minutes of the Regular Meeting
Minnehaha Creek Watershed District
Board of Managers
5-12-2016

90

91 Permit 15-569: 5605 Nicollet Avenue South, Minneapolis

92

93 Heidi Quinn presented the permit analysis and report. She noted that the item is on the
94 agenda for Board of Managers' consideration because the District received four phone
95 inquires and two written requests for board consideration of the permit. She noted that the
96 inquiries touched on a number of topics, some of them related to stormwater and
97 drainage. She said District staff were able to meet with one of the parties making a
98 written request, however efforts to meet with and resolve the concerns of the other party
99 were not successful, therefore the matter is before the managers. Ms. Quinn noted that no
100 members of the public were in attendance this evening. She explained that the project
101 complies with all applicable District rules, including the Stormwater Management Rule,
102 which in this case requires only that the applicant provide a best management practice on
103 the property because the property is under an acre.

104

105 William Wells, the architect for the project, appeared on behalf of Granite Hearth, the
106 applicant. He said the project has been approved by the City of Minneapolis, but
107 construction awaits the watershed district permit. He noted that he's open to suggestions
108 on the design from the Board of Managers, but the project is designed to comply with
109 District rules. ***Manager Miller moved, and Manager Rogness seconded, approval of***
110 ***permit 15-569 with the conditions outlined by staff in the permit report.*** Manager Blixt
111 asked about removal of the parking pad from the design and the loss of parking on the
112 property, wondering where residents of the new apartment building will park. Ms. Quinn
113 stated that the decision in that regard is with the city and that the initial plan included
114 parking stalls, but that would have required a variance from city ordinance, so the
115 applicant revised the application to remove that parking. In response to an inquiry from
116 Manager Shekleton, Ms. Quinn said that if the applicant provided a best management
117 practice it could pave the entirety of the site under the District rules, because the District
118 stormwater rule requires only a best management practice for a property under one acre.
119 ***Upon vote, the motion carried, 7-0.***

120

121 Permit 16-237: City of Minnetonka Waterbody Crossing – Oakland Road & McGinty

122

123 Katherine Sylvia appeared before the Board of Managers and presented the after-the-fact
124 permit application from the City of Minnetonka and the permit report staff prepared in
125 response to an emergency situation that has arisen on Oakland Road, where the failure of
126 a culvert under the road has led to hazardous condition with a hole in the middle of the
127 road. Ms. Sylvia explained that the applicant has pulled together as much information as
128 possible to demonstrate compliance with the District rules, and staff has drafted several
129 conditions in the report to ensure compliance, noting that if the bounce of the
130 downstream wetland exceeds 0.1 foot the city will need to implement an appropriate
131 flow-control device or adjust the culvert invert to maintain the 100-year flood elevation.
132 Ms. Sylvia also noted that Tom Dietrich, who is now on staff at the city, is on hand to

133 answer any questions from the managers. **Manager Olson moved and Manager Rogness**
134 **seconded approval of permit application 16-237.** In response to an inquiry from
135 Manager Olson, Ms. Sylvia explained that the change in the culvert under the road from
136 corrugated metal to reinforced concrete will result in changes in flow dynamics, which is
137 why staff is recommending the after-the-fact submission of an as-built to determine
138 whether flow rates need to be mitigated. Michael Welch added that under usual
139 conditions staff would not make a recommendation related to compliance with a rule or
140 even a major criterion such as, in this case, hydraulics of a culvert replacement, but under
141 the circumstances the minor nature of the after-the-fact adjustment and the feasibility of
142 making such an adjustment after the fact makes this a viable stipulation. In response to an
143 inquiry from Manager Olson as to why there were two culverts through this area, Ms.
144 Sylvia explained that the city is looking to replace the culverts in kind, and that the
145 replacement proposed is the lowest-impact design for the circumstances. In response to
146 an inquiry from Manager Shekleton, Chris Meehan explained that the secondary culvert
147 in the area is for overflow, so it is off set from the main culvert. In response to a further
148 inquiry from Manager Shekelton, Mr. Meehan explained that this design is meant to
149 increase durability as is the use of concrete instead of corrugated metal. Mr. Dietrich
150 appeared before the managers and noted that the city is interested in being transparent
151 with the District as to emergency work such as this, rather than just proceeding without
152 securing a permit. Manager Blixt asked whether the project would meet the District's
153 waterbody-crossings criterion for animal crossings. Ms. Sylvia explained that the offset
154 design provides the same animal crossing as exists in the current situation. Manager Blixt
155 pointed out that the criterion is meant to ensure crossings are replaced in a matter as
156 allows animals to not have to cross over roads. Mr. Meehan explained that the 15-inch
157 culvert included in the design here is typical for such crossings and assured Manager
158 Blixt, in response to her inquiry, that the design meets the criterion. **Upon vote, the**
159 **motion carried, 7-0.**

160

161 Authorization of Funding to Continue Lake Minnetonka Zebra Mussel Study

162

163 Eric Fieldseth provided background on the District's ongoing study of zebra mussel
164 proliferation in Lake Minnetonka. Mr. Fieldseth explained and provided background on
165 the zebra mussel population across the lake in relation to phosphorus and chlorophyll-a
166 levels, as well as the apparent effect on water quality. Mr. Fieldseth pointed out that the
167 variation across Lake Minnetonka shows the establishment of boom-bust growth cycles
168 related to availability of nutrients. **Manager Olson moved, and Manager Becker**
169 **seconded, to advance the resolution authorizing the administrator to enter a contract**
170 **with Blue Water Science to conduct zebra mussel-density surveys in 15 bays in Lake**
171 **Minnetonka at a cost not to exceed \$18,400, along with expenditure of associated lab**
172 **expenses, to the consent agenda of the May 26 meeting.** Mr. Welch pointed out that the
173 resolution before the managers includes authorization of expenditures with three different
174 environmental labs and his recommendation is to have the resolution authorize the
175 administrator to enter into agreements with the laboratories for their services. **Manager**

176 ***Becker moved, and Manager Olson seconded, the amendment of the resolution to***
177 ***authorize the administrator to contract with BSA Environment Services at an amount***
178 ***not to exceed \$7,200, Minnesota Valley Testing Laboratories at not to exceed \$1,100,***
179 ***and RMB Environment Laboratories at not to exceed \$3,300. Upon vote, the***
180 ***amendment carried 7-0. Upon vote on the main motion, the motion carried 6-1,***
181 ***Manager Miller voting against.***

182

183 Agreement with United States Geological Survey to Preform Zebra Mussel Control Study

184

185 Mr. Fieldseth presented a proposed partnership with the United States Geological Survey
186 to conduct a large-scale zebra-mussel control study, pending final approval of a USGS
187 grant award. Mr. Fieldseth explained the structure for the project, noting that the USGS
188 was identified as the most capable research organization in a call for proposals issued by
189 from the Minnesota Aquatic Invasive Species Research Center. The District will be
190 contracting with the USGS for the study of control options for zebra mussels. ***Manager***
191 ***Olson moved, and Manager Becker seconded, the advance the authorization of the***
192 ***administrator to enter an agreement for a cost not to exceed \$20,000 with the USGS for***
193 ***study of zebra mussel control to the May 26 consent agenda.*** In response to an inquiry
194 from Manager Shekleton, Mr. Fieldseth explained that the USGS and Minnesota Aquatic
195 Invasive Species Research Center put out a call for proposals and will utilize a larger
196 pool of funding of clean water legacy dollars for this particular project to which the
197 District will contribute the proposed \$20,000. In response to an inquiry from Manager
198 Olson with regard to the full cost of the study, Mr. Fieldseth explained that each of the
199 partners contributing to the project will be contributing, including roughly \$186,000 in
200 funding from the USGS. ***Upon vote, the motion carried 5-2, Managers Miller and***
201 ***Shekleton voting against.***

202

203 Selection of Consulting Team to Develop a Scope of Work for Six Mile Planning

204

205 Anna Brown presented the results of a process undertaken by a combined staff and
206 manager team, which interviewed two potential partnerships for planning assistance for
207 Six Mile Creek. She noted that Wenck will continue to be the main technical consultant
208 on the project but the consultant team selected will supplement those efforts with design
209 and planning assistance. Ms. Brown noted that two very capable teams were interviewed,
210 but the panel unanimously chose the team of LHB and Hart Howerton. Ms. Brown noted
211 that in addition to her, the interview panel included Managers White, Olson and Rogness,
212 as well as Chris Meehan, James Wisker and Lars Erdahl. She stated that the once the
213 selection is completed, staff will work with the consulting team to prepare a scope and
214 budget and bring that forward for approval of the managers. ***Manager Miller moved, and***
215 ***Manager Olson seconded, resolution 16-047, selecting LHB Corporation and Hart***
216 ***Howerton as the consulting team to provide planning assistance in the development of***
217 ***the Six Mile integrated capital improvement plan and authorizing the administrator to***

218 ***work with the two organizations to develop a recommended scope of services and***
219 ***contract for consideration at a subsequent meeting of the Board of Managers.***

220

221 Manager Blixt stated that she is not able to support the resolution because she has not had
222 opportunity to see the submissions from the consulting teams. Ms. Brown apologized for
223 the lack of information in the packet and noted that the submissions from the consultants
224 can be provided to Manager Blixt. Lars Erdahl pointed out that the managers authorized
225 the interview panel and that the process proceeded in accordance with the managers'
226 direction. Manager Shekleton noted that Manager Blixt's point is a valid one, and that the
227 managers do need the relevant materials to review in making the selection they are being
228 asked to make. Ms. Brown noted that the proposals from the consultants were included in
229 committee meeting packets, but not all of the managers may have seen those. James
230 Wisker approached and explained that the managers could delay the selection to the next
231 meeting if the full board wishes to review all proposals. But the recommended selection
232 was based on the interviews, in addition to the submitted proposals and the interviews
233 were conducted by the team designated by the Board of Managers. ***Upon vote, the***
234 ***motion carried 6-1, Manager Blixt voting against.***

235

236 Acceptance of Annual Renewal of Health Partners Plan for 2016-17

237

238 David Mandt passed out an updated resolution, showing the \$250,618 total cost of the
239 health plan to the District last year, which was added at the recommendation of legal
240 counsel. He noted that representatives from Bearence, the District's health plan supplier,
241 could not attend the meeting this evening unfortunately. Mr. Mandt stated that the health
242 plan schedule renewal date is June 1. The plan runs through May 31, 2017.

243

244 Mr. Mandt continued, noting that the District switched in 2011, at the direction of the
245 Board of Managers, to a high-deductible plan. The District has managed to maintain this
246 plan with an average cost increase per year of 4.9 percent. In 2014 at the direction of the
247 managers, a comparables and class study was completed by Springsted, which validated
248 the District's use of this plan as consistent with other similar governmental bodies. He
249 noted that a unique feature of the plan is that there is no contract with the suppliers but
250 rather a rate schedule and an ongoing plan. Mr. Mandt provided information on the basic
251 structure of the plan, noting that it is a tiered plan offering a health savings account to
252 cover deductible costs; the top tier is coverage is provided by the District. Employees pay
253 the majority of the initial cost under the deductible amount, incentivizing judicious use of
254 professional services. He stated that there are some changes in the plan for the upcoming
255 year, most notably there is no added cost for preventive care. He said that the plan
256 renewal rate is a 3.1 increase from the prior year and staff recommends that the managers
257 accept the terms of this renewal. ***Manager White moved, and Manager Becker***
258 ***seconded, to adopt resolution 16-046, accepting the 3.1 percent plan-cost increase and***
259 ***annual renewal of the Health Partners plan for 2016-17.***

260

261 In response to a question from Manager Shekleton, Mr. Mandt stated that the District has
262 several other options it could pursue as an alternative to the plan now in place, including
263 privatization. Bearence ran the numbers for that option some time ago and found that it
264 was not cost effective. He said the District also used to have a payment-in-lieu feature,
265 whereby a staff member would be able to opt to receive a payment for health-care
266 coverage provided separately, but in 2015 that practice was ended at the managers'
267 direction. He said that the District could look at different levels of contribution from staff
268 but that the goal has been to come in under a 10 percent increase each year and offer
269 consistent benefits to retain staff, consistent with the comp and class study the District
270 undertook a couple of years ago. In response to a question from Manager Blixt, Mr.
271 Mandt stated that employees pay the deductible amount and that the District coverage
272 kicks in after the deductible has been paid. Manager Blixt asked about both families and
273 single employees being covered, noting that family coverage has a higher deductible but
274 extends to an entire family. Mr. Mandt said this feature was established to retain
275 employees as their personal lives evolve to include families.
276

277 Manager Shekleton expressed concern that the deductible is too high for staff members
278 on the lower end of the pay scale. Manager Miller said staff has done a good job of
279 working with the consultants to develop a plan that meets the District's needs. Manager
280 Blixt said the District is paying a lot more for coverage of families and expressed her
281 view that this is not equitable. Mr. Mandt explained that this was a key feature of the
282 District's effort to do a better job of retaining employees. Manager Olson noted that one
283 of the ways government has competed for employees with private business is to provide
284 better benefits. He said standard in private industry is for there to be a deduction from an
285 employee pay for health care and that is not a feature of the District plan. He stated that
286 the cost for the health plan for someone making \$40,000 is the same as someone making
287 \$100,000, so to some degree income determines the degree to which it is significant
288 benefit for an employee. But he believes the District is providing a very good opportunity
289 for employees to secure health care coverage. Manager Shekleton stated that reducing
290 barriers to preventive care would lower barriers to an individual seeking coverage and
291 that deductibles prevent lesser-paid staff from getting the care that they should and he
292 finds that troubling. ***Upon vote, the motion carried 6-1, Manager Blixt voting against.***
293

294 Governance Policies Amendments
295

296 Michael Welch stated that the changes to the District governance policies increasing the
297 administrator's spending authority to \$10,000 with the president's co-signature and
298 revising the structure for engaging the Board of Managers and the Executive Committee
299 in hiring are included in the packet and flow directly from direction from the Board of
300 Managers at the April 28 retreat. He said in the course of updating the policies, counsel
301 also updated the mission to the revised statement recently adopted by the managers Mr.
302 Welch said that the recommended motion would be for the Board of Managers to adopt
303 the amendments to the Governance Policies and direct counsel and staff to work together

304 to integrate the amended policies into the Governance Manual for distribution to the
305 managers and staff. **Manager Miller so moved, and Manager Shekleton seconded.**
306 Manager Blixt stated that she would not support the adoption of the new policies because
307 she did not support the revision of the mission statement and is very nervous about the
308 administrator's increase spending authority. She stated that \$10,000 is an amount that can
309 lead to problems quickly. Manager Miller stated that Manager Blixt's concerns are
310 legitimate, but he believes that they have been addressed. Manager White noted that the
311 administrator spending authority from \$5,000 to \$10,000 requires the signature of the
312 president. **Upon vote, the motion carried 6-1, Manager Blixt voting against.**

313

314 **STAFF UPDATES**

315

316 Administrator's Report

317

318 Mr. Erdahl noted that the creek cleanup is scheduled for July 24, and staff is starting
319 outreach and promotion of the event. He said tonight is the first night for the new
320 schedule, with committee meetings occurring on the same night as the managers meeting.
321 He noted the recent distribution of the AIS Spotlight communication by the District and
322 stated that the Minneapolis Park and Recreation Board's inspection system has already
323 made three zebra mussel discoveries on boats. He stated that the Star Tribune ran an
324 article for the fishing opener about the clean, drain and dry day this coming weekend. He
325 said staff are working on preparing materials for the 2017 budget and refining numbers
326 for the budget, and will be coming forward to seek a response in feedback from the
327 managers on May 26. Manager Shekleton noted the ongoing need to strike a balance
328 between providing materials to the managers and operating efficiently through
329 committees. Mr. Erdahl continued, noting the NEMO event August 3 and encouraging
330 managers to save the date for the event, which will be hosted by Minnehaha Creek
331 Watershed District and will focus on the upper west side of Lake Minnetonka. Mr. Erdahl
332 also noted the upcoming Minnesota Association of Watershed Districts tour in Winona
333 June 23 through 25.

334

335 Manager White noted that the packet materials and delivery of materials to the managers
336 has been consistent with direction by the Board of Managers to staff and that not
337 including materials on certain topics was not an oversight on staff on staff's part.

338

339 **ADJOURNMENT**

340

341 There being no further business, the regular meeting of the Board of Managers adjourned
342 at 8:25 p.m.

Minutes of the Regular Meeting
Minnehaha Creek Watershed District
Board of Managers
5-12-2016

343

344 Respectfully submitted,

345

346

347

348

349 Kurt Rogness

350 Secretary

DRAFT