

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

4  
5                                   May 25, 2017  
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7                                   **CALL TO ORDER**

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9                                   The regular meeting of the Minnehaha Creek Watershed District Board of Managers was  
10                                   called to order by President Sherry White at 6:55 p.m. on May 25, 2017, at the MCWD  
11                                   offices, 15320 Minnetonka Boulevard, Minnetonka, Minnesota.  
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13                                   **MANAGERS PRESENT**

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15                                   Sherry White, Richard Miller, Bill Becker, William Olson, Kurt Rogness, Jessica Loftus.  
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17                                   **MANAGER ABSENT**

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19                                   Brian Shekleton.  
20

21                                   **DISTRICT STAFF AND CONSULTANTS PRESENT**

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23                                   Lars Erdahl, Administrator; Becky Christopher, Lead Planner-Project Manager; Eric  
24                                   Fieldseth, AIS Program Manager; Michael Hayman, Planner-Project Manager; James  
25                                   Wisker, Planning and Projects Director; Michael Welch, Counsel.  
26

27                                   **MATTERS FROM THE FLOOR**

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29                                   None.  
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31                                   **APPROVAL OF AGENDA**

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33                                   *Manager Becker moved and Manager Rogness seconded approval of the agenda as*  
34                                   *presented. Upon vote, the motion carried 6-0.*  
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36                                   **INFORMATION ITEMS AND CORRESPONDENCE**

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38                                   President White noted that there were no information items or correspondence for the  
39                                   managers.  
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41                                   **CONSENT AGENDA**

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43                                   *Manager Rogness moved and Manager Becker seconded approval of the consent*  
44                                   *agenda, consisting of approval of the minutes of the May 11, 2017, meeting; approval*  
45                                   *of the general checking account with checks numbered 38206 to 38274 for a total of*  
46                                   *\$335,706.25; payroll direct deposits of \$149,720.93; and electronic fund withdrawals*

47 *totaling \$222,944.86 for total expenses of \$708,372.04; approval of the surety account*  
48 *check register; acceptance of the 325 Blake Road checking account; and adoption of*  
49 *Resolution17-037:*

50

51 ***NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek***  
52 ***Watershed District Board of Managers authorizes staff to apply for***  
53 ***funding assistance through the Hennepin County Brownfield Gap***  
54 ***Financing Program.***

55

56 *Upon vote, the motion carried 6-0.*

57

58 **REGULAR AGENDA**

59

60 **Board, Committee and Task Force Report**

61

62 *President's report:* President White stated that she had no recent meetings to report on.  
63 She noted that next week the board has a tour with the Citizens Advisory Committee and  
64 there are two 50<sup>th</sup> anniversary events coming up; both are listed on the agenda events  
65 listing.

66

67 *Policy and Planning Committee:* Manager Miller reported from the Policy and Planning  
68 Committee, stating that the committee had an extensive budget discussion and is  
69 continuing the work on the 2018 budget, having received a progress report from the  
70 administrator and staff this evening.

71

72 *Upcoming events:* President White referred the managers to the schedule of upcoming  
73 events on the agenda.

74

75 **Public Hearing: Acquisition of 3910 and 3940 Farmhill Circle, Minnetrista**

76

77 James Wisker appeared before the Board of Managers and provided background on the  
78 subject of the public hearing this evening: The acquisition of two properties on Farmhill  
79 Road in Minnetrista directly adjacent and riparian to Six Mile Creek. Mr. Wisker said the  
80 regional systems plan that the District is working on will be completed soon and will  
81 include treatment in the short-term of phosphorus in the Six Mile Creek system prior to  
82 implementation of a complete carp management plan that will be implemented over  
83 perhaps the next decade. He said that the acquisition goes to the issue at the heart of the  
84 water quality problems in the Six Mile Creek subwatershed, namely excessive  
85 phosphorus – especially in Halstead Bay. He stated that the carp in the Six Mile Creek  
86 system significantly contribute to the phosphorus problem and that there are a number of  
87 wetlands in the system that discharge phosphorus because they have been altered by  
88 agricultural practices over recent history. Mr. Wisker laid out the District's plans for the  
89 subwatershed, starting with in-lake management of the carp, restoration of the wetlands

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90 and alum treatment in certain waterbodies to provide an immediate but short-term  
91 phosphorus reduction. In Mud and Parley lakes, both of which are shallow, there are  
92 excessive numbers of carp and the lakes' high phosphorus levels have a disproportionate  
93 impact on Halsted Bay. He noted that because particulate phosphorus settles out, the  
94 phosphorus escaping from the marshes tends to be dissolved. In 2013 the District  
95 assessed through a study by Wenck an alum treatment in the area and identified several  
96 locations where an alum treatment plant could be located. He stated that the properties,  
97 the acquisition of which is before the managers this evening, represent the highest-rated  
98 location for an alum-treatment facility in the subwatershed. He said that the Kuchers,  
99 who are the owners of the properties, are in attendance this evening.

100  
101 Mr. Wisker stated that Three Rivers Park District has already executed a purchase  
102 agreement and allocated funding for the purchase of the properties from the Kuchers.  
103 What's on the table this evening is the District's participation in the purchase. If the  
104 District participates, its contribution of funding would offset funds TRPD obtains from  
105 the Metropolitan Council for the acquisition. MCWD would complete its due diligence  
106 by June 15 – plenty of time for TRPBD to adjust its agreement with the Metropolitan  
107 Council. TRPD's purchase price is \$750,000; MCWD wouldn't be involved in that  
108 transaction but after the subdivision of the properties, MCWD purchase of the portion it  
109 needs for the potential alum project for approximately \$435,000. MCWD would close on  
110 its purchase early next year. He stated that the District would acquire an easement to  
111 connect to sanitary sewer for purposes of the future alum-effluent disposal, and that if the  
112 managers elected down the road not to move ahead with the alum treatment system at this  
113 location, the District could re-market the property for residential development and  
114 recover its costs. Finally, he said that there are a number of unknowns along the way  
115 regarding completion of the alum project, and that it likely is on a three- to five-year  
116 timeframe. The final cost of the acquisition will depend on the final specifics of the  
117 subdivision. How the cost would be covered will come back to the board for decision.  
118 Staff has discussed using cash from the District capital finance account or using an  
119 advance from the Hennepin County master loan agreement.

120  
121 President White opened the public hearing and requested comments from any of those in  
122 attendance. Seeing none, she closed the public hearing.

123  
124 The Board of Managers reconvened in regular session.

125  
126 Resolution 17-038, Authorization to Execute a Land Acquisition Agreement With Three  
127 Rivers Park District

128  
129 In response to a question from Manager Miller, Mr. Wisker stated that he did not have all  
130 of the necessary information to compare the effectiveness of the contemplated alum  
131 treatment system to the one the District installed at the Taft-Legion project, however the  
132 alum treatment envisioned for this location would treat 70 to 80 percent of the 1,700-

133 pound load to this location. He stated that this project treats a much larger area than the  
134 1,500 acres treated by the Taft-Legion project. **Manager Miller moved and Manager**  
135 **Olson seconded adoption of Resolution 17-038, ordering the acquisition, authorizing**  
136 **the president to execute a land acquisition agreement with Three Rivers Park District**  
137 **for the purchase of portions of 3910 and 3940 Farmhill Circle, Minnetrista,**  
138 **authorizing the administrator to fulfill the terms of the purchase agreement, and**  
139 **directing the administrator to evaluate options for financing the acquisition for**  
140 **presentation to the managers to authorize financing.**

141

142 Manager Olson asked for clarification on the big picture regarding the District's plan in  
143 the Six Mile Creek subwatershed. He stated that as he understands it the District will  
144 spend \$30 million in the subwatershed to clean up the water. The alum treatment plant  
145 envisioned would have a limited lifespan of 10 to 20 years and that the plan is to run the  
146 plant in the big picture phosphorus-removal program fully implemented in that  
147 timeframe. Mr. Wisker confirmed Manager Olson's assessment of the sequence of  
148 events. He stated that at the end of the lifespan of the alum treatment system, it could be  
149 decommissioned if the plan proceeds as expected because the upstream fixes removing  
150 phosphorus from the system would have been implemented. **Upon vote, the motion**  
151 **carried 5-1, Manager Becker voting against.** In response to a question from Manager  
152 Miller, Manager Becker stated that he voted against the motion on the principle of his  
153 having been involved on the negotiations with TRPD. He stated that the project  
154 envisioned is a good project.

155

156 Resolution 17-039: Authorization to Distribute Capital Improvements Program for  
157 Review and Comment

158

159 Becky Christopher appeared before the Board of Managers and stated that as is directed  
160 by the District's current watershed management plan, the updated capital improvements  
161 program is distributed to the cities and counties in the watershed for review and comment  
162 each year in advance of the District's budgeting process for the subsequent year. She  
163 stated that the draft CIP was reviewed at the April 29 Policy and Planning Committee and  
164 that no material changes have been made since that meeting. **Manager Miller moved and**  
165 **Manager Rogness seconded adoption of Resolution 17-039, authorizing staff to**  
166 **distribute the draft capital improvements program for 30-day review and comment.**  
167 **Upon vote, the motion carried 6-0.**

168

169 Resolution 17-036: Authorization to Request Funds from the Lessard-Sams Outdoor  
170 Heritage Fund

171

172 Eric Fieldseth presented a followup review of details underlying the proposed application  
173 for Lessard-Sams funds for carp-management work in the Six Mile Creek subwatershed.  
174 Mr. Fieldseth said that the application concept was presented at the May 11 meeting and  
175 at that time the managers asked for additional information on the budget and personnel

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176 for the proposed work. Mr. Fieldseth showed the managers a final budget for the  
177 application and noted that the main selling point to Lessard-Sams is that the project  
178 restores 2,488 acres of in-lake habitat for roughly \$320 an acre. Mr. Fieldseth said by  
179 providing personnel for the project as a contribution from the District, the application is  
180 significantly improved because of the greater leverage provided. He showed the proposed  
181 contribution of staff resources over the three-year period of the work. He said that  
182 approximately six-tenths of his position and half of the District aquatic invasive species  
183 technician's time, and approximately three-tenths of an FTE of a position that is currently  
184 a contracted staff person who provides water quality assistance would be devoted to the  
185 project. He said that seasonal staff could contribute to the implementation in the project.  
186

187 In response to a question from Manager Olson, Mr. Fieldseth underscored that the value  
188 of the staff time is the leverage on the grant application provided by the District. Manager  
189 Miller commented that the structure Mr. Fieldseth describes raises concerns he has about  
190 ever-growing staff and the possibility of a part time-contracted position expanding into  
191 another full-time position. He stated that he thinks that the proposal is for a terrific  
192 project, but he is leery of further expansion of District staff. Manager Olson commented  
193 that the proposal is not to expand staff, but to devote staff resources, in part, to this  
194 project. Mr. Fieldseth stated that he is presently running the existing program and will  
195 continue to do so, but would devote time to the project as well. He stated that the District  
196 would need to devote some staff to the project, which will require prioritizing it over  
197 other projects. Manager Becker pointed out that the full-time equivalent portions  
198 discussed in Mr. Fieldseth's chart are for each of the three years for the project. Manager  
199 Loftus asked whether Mr. Fieldseth judges that the percentage of match amount  
200 contributed by the District is the right one to make the proposal attractive, and should the  
201 cost of staff perhaps be included in the Lessard-Sams request. Mr. Fieldseth stated that he  
202 doesn't know if there is an exact sweet spot for the percentage of District leverage,  
203 however in comparison with other applications and in consultation with Manager Becker,  
204 staff feels that the District contribution of staff resources makes the proposal very  
205 attractive. Manager Becker added that the gold standard is 50 percent match from a grant  
206 applicant but that is very seldom seen. The District's proposal is very close to that  
207 standard. In response to a further question from Manager Loftus as to whether the  
208 additional staff member who is now a contracted position could be added to the grant  
209 request, Manager Becker stated that he has seen members of the council use the  
210 percentage of staff contribution as a sort of scale or test to measure projects and that's  
211 about as far as he could go in stating whether that addition to the request would harm the  
212 District's application. The managers further discussed the appropriateness of the  
213 contribution of staff resources and the cost savings achieved by bringing certain work in  
214 house versus contracting for it.  
215

216 Mr. Fieldseth continued his presentation, showing the draft 2018 carp work plan and  
217 noting that if the Lessard-Sams funds are not secured the District would need to  
218 implement the carp management program in the Six Mile Creek subwatershed through

219 phased implementation over a longer timeline. Mr. Wisker added that District staff, once  
220 the application to Lessard-Sams is made, will follow up with letters and outreach to try to  
221 give the application its best possible chance of success. Manager White noted that she did  
222 not yet have a motion on the floor to approve the application. Michael Welch stated that  
223 the managers actually authorized staff to make the application at the May 11 meeting.  
224 Manager White stated that she would entertain the motion to reapprove the authorization  
225 in light of the additional information provided by staff. ***Manager Olson moved and***  
226 ***Manager Becker seconded adoption of Resolution 17-036, authorizing staff to request***  
227 ***funds from the Lessard-Sams Outdoor Heritage Council for the Six Mile Creek***  
228 ***subwatershed carp-management program. Upon vote the motion carried 6-0.***  
229

230 In response to discussion of whether the District has secured Lessard-Sams funds in the  
231 past, Manager Becker noted that while the District has not directly received funds, it has  
232 worked with Great River Greening for work on District land utilizing Lessard-Sams  
233 funds.  
234

#### 235 **BOARD DISCUSSION ITEMS**

##### 236 Minnesota Association of Watershed Districts Special Meeting

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238  
239 President White reviewed the schedule and issues for the upcoming special meeting of  
240 the Minnesota Association of Watershed Districts. She turned the manager's attention to  
241 the budget MAWD proposed for next year and Manager Miller noted that while there is  
242 an increase in the District's contribution, it is not a large impact on the District. President  
243 White pointed out the changes to MAWD's manual of operational plans and procedures  
244 and bylaws. The managers reviewed and discussed the proposed changes and raised no  
245 particular issues or concerns. It was confirmed that the delegates are President White and  
246 Manager Olson, with Manager Rogness as an alternate.  
247

##### 248 Administrator's Report

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250 Lars Erdahl said that the District staff has been focused on preparing the 2018 budget and  
251 the update to the comprehensive plan. Manager Rogness noted that he reviewed the draft  
252 executive summary for the plan and found that it was an accurate and readable summary  
253 of the work the District has under way. Mr. Erdahl noted the upcoming 50<sup>th</sup> anniversary  
254 events President White referenced: the birding event at Lowry Nature Center June 3 and  
255 the Sun Fun Day at Lake Nokomis on June 11. He stated that the *Star Tribune* is running  
256 an article on the Arden Park community event. He pointed out an article in the *Laker*  
257 regarding District work. He said that the new map of Lake Minnetonka is currently at the  
258 printer and should be ready soon.  
259

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260 **ADJOURNMENT**

261

262 There being no further business, the meeting of the Board of Managers adjourned at 7:57  
263 p.m.

264

265 Respectfully submitted,

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267

268

269 Kurt Rogness

270 Secretary