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

6
7 **May 11, 2017**
8
9

10 **CALL TO ORDER**

11
12 The regular meeting of the Minnehaha Creek Watershed District Board of Managers was called
13 to order by Vice President Brian Shekleton at 6:45 p.m. at the District offices, 15320 Minnetonka
14 Boulevard, Minnetonka, Minnesota.
15

16 **MANAGERS PRESENT**

17
18 Sherry White, Brian Shekleton, Richard Miller, Kurt Rogness, William Olson, William Becker,
19 Jessica Loftus.
20

21 **MANAGERS ABSENT**

22
23 None.
24

25 **DISTRICT STAFF AND CONSULTANTS PRESENT**

26
27 Lars Erdahl, Administrator; James Wisker, Planning and Projects Director; Telly Mamayek,
28 Communications and Education Director; Laura Domyancich, Project and Land Technician;
29 Anna Brown, Planner-Project Manager; Eric Fieldseth, AIS Program Manager; Sarah Bhimani,
30 Communications Specialist; Chris Meehan, Consulting Engineer; Chuck Holtman, Counsel.
31

32 **MATTERS FROM THE FLOOR**

33
34 Ms. Mamayek introduced new employee Sarah Bhimani, Communications Specialist. Ms.
35 Bhimani reviewed her background. The Board welcomed her to the District
36

37 **APPROVAL OF AGENDA**

38
39 *Manager Loftus moved, Manager Becker seconded approval of the agenda. Upon vote, the*
40 *motion carried 6-0.*
41

42 **CONSENT AGENDA**

43
44 *Manager Olson moved, Manager Rogness seconded approval of the consent agenda,*
45 *consisting of the April 27, 2017 minutes, and adoption of Resolution 17-031, Carver County*
46 *Water Management Organization Boundary Change, as follows:*

47 ***NOW, THEREFORE, BE IT RESOLVED that the Board of Managers***
48 ***supports a boundary adjustment as described in Exhibit A, and authorizes the***
49 ***Board President, on advice of counsel, to sign a petition to BWSR in***
50 ***accordance with Minnesota Statutes to adjust the common boundary of the***
51 ***CCWMO and MCWD.***

52
53 ***BE IT FURTHER RESOLVED that the MCWD Administrator is authorized to***
54 ***fulfill all responsibilities of the MCWD to implement the boundary adjustment***
55 ***as approved by BWSR.***

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

58
59 **REGULAR AGENDA**

60
61 **Board, Committee and Task Force Reports**

62
63 Manager Shekleton moved President's and Executive Committee Reports to later in the agenda
64 pending President White's arrival.

65
66 Manager Shekleton noted he will attend a scheduled meeting with the Minneapolis Park and
67 Recreation Board concerning Lake Hiawatha next Thursday.

68
69 Manager Miller attended last night's Citizens' Advisory Committee (CAC) meeting. The CAC
70 intends to present recommendations regarding the awards program, including the District's
71 traveling to schools to make awards to youths and youth groups. Manager Miller asked the extent
72 of CAC engagement in the development of the District's watershed management plan. Mr.
73 Wisker replied that the CAC has received a series of presentations and will receive draft
74 materials in parallel to the Board's engagement.

75
76 Manager Shekleton reviewed the upcoming meeting and event schedule on the agenda. Mr.
77 Erdahl reminded the Board of the June 1 Board/CAC Watershed Tour.

78
79 **Resolution 17-034, Grant of Temporary Easement to City of Minnetrista**

80
81 Ms. Domyancich presented the proposed grant of temporary easement to the City of Minnetrista.
82 The City requires 12,717 square feet of temporary easement on the District's former Halverson
83 and Dimler properties for right-of-way work on Halstead Drive. The City also will construct
84 back or slope embankment within the area. The agreement provides for seed specifications for
85 reseeding. In addition, the City will construct an area that will accommodate two school buses
86 that may be of use to the District with respect to educational visits to its property. Ms.
87 Domyancich noted that the City has valued the easement and offered a \$400.00 payment but staff
88 recommends declining the payment in the interest of cooperation.

89
90

91 *Manager Miller moved, Manager Rogness seconded adoption of Resolution 17-034 as follows:*

92

93 ***NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek***
94 ***Watershed District Board of Managers hereby authorizes the District***
95 ***administrator to execute the proposed easement, with non-material changes and***
96 ***on advice of counsel, granting the City of Minnetrista a temporary easement***
97 ***over District property to complete improvements to Halstead Drive.***

98

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

100

101 Resolution 17-035, Approval of Cooperative Agreement with City of Victoria, Wassermann
102 West Park Improvement

103

104 Ms. Brown presented the proposed cooperative agreement. She reported that the Victoria City
105 Council unanimously approved the agreement on Monday evening.

106

107 Ms. Brown reviewed the Board's discussion at its February 23, 2017 meeting concerning District
108 acquisition of the property riparian to Lake Wassermann and its authorization of the District
109 entering into a purchase agreement for the acquisition. One contingency of the agreement is that
110 the District and City enter into a cooperative agreement by May 16, 2017, providing for
111 collaboration in the design of park and natural resource improvements on the property, a
112 purchase agreement for the District to convey the property to the City once a design is
113 completed, and District reservation of a wetland easement for water quality and habitat
114 restoration purposes.

115

116 Ms. Brown noted that in a memorandum of understanding the District and the City designated
117 Lake Wassermann as a priority waterbody. She reviewed the concept plan for the park
118 improvement that both the District Board and the City Council have supported. The property is
119 the last opportunity on Lake Wassermann for public access at a reasonable scale. Ms. Brown
120 noted that the potential water quality improvement from the District's work amounts to about 75
121 pounds of phosphorous removed each year from the external load to Lake Wassermann.

122

123 Ms. Brown reviewed the proposed cooperative agreement. It provides for the parties to share the
124 park improvement design cost, estimated at \$100,000 to \$150,000, which will include a phased
125 construction plan, a financing plan for the improvements and an operation and maintenance plan.
126 The City would be responsible for construction at its cost except as to any elements for which the
127 District should choose to assume responsibility. The District would bear the cost of the water
128 quality and restoration work within the wetland easement. The parties would cooperate to seek
129 grant support.

130

131 Ms. Brown then reviewed the proposed payment schedule, providing for the City to purchase the
132 property for \$850,000, with half of that sum at closing, one quarter paid in five annual payments,
133 and a balloon payment after five years in the amount of \$212,500.

134

135 (President White arrived at 7:10 p.m.)

136

137 Finally, Ms. Brown noted that the District is scheduled to close on the property on June 16, 2017,
138 and proposes to enter into a contract for deed with the City about a month after that and to
139 complete the design for Board and City Council approval by December 31, 2017.

140

141 Manager Miller stated that he finds this to be a high quality project. On his inquiry, Ms. Brown
142 confirmed that the City would own the land and maintain the improvements, while the District
143 would management the easement area.

144

145 Manager Olson, who has been active in working with the City to develop the concept, noted that
146 for the last three years the City has wanted a “lake park” and that Lake Wassermann, at the
147 center of the City, has been a prime focus. Ms. Brown thanked Manager Olson for his
148 involvement and for bringing residents together. She noted that the City Council received 30
149 emails in support and that lake association members have attended meetings and tracked the
150 development of the collaboration closely.

151

152 *Manager Olson moved, Manager Miller seconded adoption of Resolution 17-035, as follows:*

153

154 ***NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek***
155 ***Watershed District Board of Managers authorizes the Board President, on***
156 ***advice of counsel, to execute the Cooperative Agreement with the City of***
157 ***Victoria for the acquisition of and park planning for the Wassermann West***
158 ***property, with any further non-substantive changes and on advice of counsel;***
159 ***and***

160

161 ***BE IT FURTHER RESOLVED that the District administrator is authorized to***
162 ***develop, and execute on behalf of the District, a purchase agreement materially***
163 ***consistent with the Cooperative Agreement and incorporated letter of intent, for***
164 ***the conveyance of a contract for deed with the City of Victoria, and take all***
165 ***administrative steps to fulfill the terms to prepare for closing on the***
166 ***conveyance; and***

167

168 ***BE IT FINALLY RESOLVED that the District administrator, in accordance***
169 ***with the Cooperative Agreement and in coordination with the City as provided***
170 ***therein, will solicit one or more consultants for park design and water***
171 ***quality/wetland restoration design and bring proposed scopes of work forward***
172 ***for Board consideration.***

173

174 *Upon vote, the motion carried 7-0.*

175

176

177 Resolution 17-036, Authorization to Request Lessard-Sams Funds

178

179 Ms. Brown presented the proposed resolution authorizing District staff to apply for funds from
180 the Lessard-Sams Outdoor Heritage Council (LHOSC) for its multi-year carp management
181 program. Ms. Brown reviewed the Six-Mile Lake system. She identified drivers of water quality
182 issues as carp, the shallow lake ecology, internal loading, altered wetlands and runoff. The
183 implementation strategy involves carp management, alum dosing, wetland restoration and
184 stormwater management. The carp management element is the precursor to the additional
185 elements and will require a concerted multi-year effort.

186

187 Ms. Brown said that the District would apply by the end of May and in doing so would present
188 its concept of a corridor restoration focused on carp management, a shallow lake strategy,
189 waterfowl and fisheries habitat enhancement, upland management and wetland habitat
190 improvement. The program cost is estimated at \$1 to \$1.5 million over three to four years.

191

192 Ms. Brown noted that the work would produce a restoration plan for further funding requests.
193 She highlighted that the District has been building support with existing partners and reaching
194 out to new partners, including resource agencies, habitat associations and the Six Mile-Halsted
195 Bay partnership, all of whom will support the District's application. District staff also has met
196 with Department of Natural Resources fisheries and hydrology people to assess any regulatory
197 obstacles. There do not appear to be any.

198

199 If the funding is successful, the District would begin work in September 2017 with a grant period
200 running until 2021.

201

202 Mr. Fieldseth reviewed the strengths of the District's application, including its innovative, large-
203 scale nature involving fifteen lakes; the District's having established a foundation for good
204 measurable results; regional support; and the programmatic approach. The focus will be on
205 habitat improvement, with water quality as a secondary goal. The application also would meet
206 LHOSC priorities for urbanizing areas.

207

208 Mr. Fieldseth reviewed predicted outcomes including restoration of 1,262 littoral acres in ten
209 lakes; protection of 383 acres of littoral habitat in four lakes; sustainable, long-term carp
210 management; improvement of game fish populations; and an increase in waterfowl. Responding
211 to Manager Shekleton, Mr. Fieldseth stated that the project area is a combination of shallow and
212 deeper lakes. Responding to Manager Olson, he affirmed that the District's foundational work
213 with the University of Minnesota would be prominently presented in the application.

214

215 Manager Becker noted that most successful LHOSC applicants have met with key members and
216 he recommends that the District do the same. Mr. Fieldseth replied that this is the intent. He then
217 reviewed the work plan consisting of aeration, barriers, seining and trapping, and monitoring for
218 both effectiveness and fish and ecological response. He noted that there are several different
219 grate designs and the District will work with its engineers to design grates for specific locations.

220 Mr. Fieldseth than reviewed the schedule and budget, with a total proposed budget of \$1,210,000
221 over the years 2018-21.
222

223 Ms. Brown concluded by affirming that staff will be finalizing the application, building support
224 through its partner organizations, and making judgments on overhead management in order to
225 present a competitive application. Mr. Fieldseth reviewed potential options for allocating
226 equipment and staff time.
227

228 Manager Olson suggested that using the University of Minnesota study, staff develop figures for
229 lake biomass existing and removed to present effective quantitative estimates of potential
230 benefits. Manager Miller suggested that the work be designed to fund existing staff with grant
231 funds. He expressed some frustration with respect to his sense that the work would be somewhat
232 siloed. He asked if other District staff are not fully utilized and could assist in the program. He
233 noted that a risk of large grants is ending up with more overhead at the end of the project.
234 Manager Shekleton asked as to the status of the human resources strategic plan and whether its
235 outcome would be important for understanding District staffing of this grant-funded program.
236 Mr. Erdahl noted that grant funds must be used to “supplement not supplant.” Manager Becker
237 suggested that staff also can be used to supply matching resources.
238

239 *Manager Olson moved, Manager Miller, seconded to adopt Resolution 17-036 providing as*
240 *follows:*
241

242 ***NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek***
243 ***Watershed District Board of Managers authorizes staff to apply for FY 2019***
244 ***funds through the Lessard-Sams Outdoor Heritage Council.***
245

246 *Upon vote, the motion carried 7-0.*
247

248 Board and staff continued to discuss the broader question of District staffing in a realm of
249 substantial grant-funded work. Mr. Wisker offered that Board and staff need to consider the
250 question of whether the District staffs up as it becomes more successful in obtaining larger
251 grants. Questions include whether staff salaries are programed from grant funds or not. Mr.
252 Erdahl noted that the challenge is aligning the District’s levy assumptions with grant funding
253 uncertainties such as legislative decisions and LCCMR funding. Mr. Wisker added that the
254 challenge pertains not just to staffing but also to cash flow given that grants typically are
255 reimbursement-based. Manager Becker noted that LHOSC grants are reimbursement-based, but
256 reimbursements can be requested frequently.
257

258 President’s Report
259

260 Manager White noted that she has been to the District’s first two 50th Anniversary events, and
261 both have been very well done. She recently attended the Six Mile-Halsted Bay partnership
262 meeting as well a meeting with the Orono City Council.
263

264 Manager White reported on the Executive Committee meeting by presenting the following
265 recommendation: “On April 27, 2017 the Executive Committee held a meeting in closed session
266 for the purpose of discussing the performance evaluation of District Administrator Lars Erdahl.
267 The Executive Committee voted to recommend that Mr. Erdahl receive a salary increase to
268 \$115,300 effective February 9, 2017.”

269
270 ***Manager Becker moved, Manager Miller seconded to adopt the committee recommendation.***
271 ***Upon vote, the motion carried 7-0.***
272

273 **ADMINISTRATOR’S REPORT**
274

275 Mr. Erdahl noted the next 50th Anniversary events occur on June 3 and 11. The human resources
276 strategic planning report is due from the consultant at the end of May and he hopes to schedule a
277 Board presentation for June 22. The report will be emailed to the managers.
278

279 ***Manager Miller moved, Manager Shekleton seconded that District counsel establish a***
280 ***protocol for managers to be able to review the initial consultant material submitted to the***
281 ***Board liaisons. Upon vote, the motion carried 7-0.***
282

283 Mr. Erdahl continued that staff is working through the 2018 budget process and will present to
284 the joint committee on May 25. In June, staff will develop work plans. Mr. Erdahl also met with
285 a City of Orono councilmember regarding the City’s Big Island planning committee. Mr. Erdahl
286 advised that the District is focused on preservation rather than programming and suggested that
287 the City proceed with its programming discussion before involving the District.
288

289 Manager Miller added that at the CAC meeting, it was reported that there is mention of
290 developing a 501(c) (3) organization to take over management of the City’s interest, though he is
291 not sure what that would facilitate. He questioned how the State is represented in the issue in
292 light of the state bonding dollars involved in the acquisition.
293

294 Manager Loftus suggested that the committee at this time is a body of individuals selected by the
295 Mayor, including veterans, to generate new ideas but there has not yet been outreach to partners.
296

297 **Discussion on Halsted Bay Acquisition**
298

299 Ms. Brown reviewed the proposal of the Three Rivers Park District (TRPD) to enter into an
300 agreement with the District to subdivide a property the TRPD is acquiring on Six Mile Creek for
301 trail connection purposes. Ms. Brown reviewed the District’s recent history of examining alum
302 treatment feasibility for the outlet into Halsted Bay. A 2013 feasibility study presented “western”
303 and “eastern” options for siting such a facility that would withdraw waters from the Six Mile
304 Creek channel, and treat and discharge them. Since then, the western option has been judged to
305 be less useful and the eastern option more effective. The District engineer and staff have
306 reviewed siting options for the east option and the proposed property is an attractive option.
307

308 The District was approached by the TRPD about 45-60 days ago. The TRPD has entered into a
309 purchase agreement with the private landowner for the property, which consists of six contiguous
310 tax parcels riparian to Six Mile Creek. The TRPD also has arranged with the Metropolitan
311 Council for 75 percent funding from the Park Acquisition Opportunity Fund. The TRPD has
312 appraised the property and established in the purchase agreement the price to be paid on an
313 upland- and wetland-acre basis. The District would pay at that rate for its subdivided part of the
314 property.

315
316 Responding to Manager Olson, Mr. Meehan stated that the channel flow varies from 10 to about
317 100 cubic feet per second, and that the alum treatment system would be designed to intake up to
318 15 cubic feet per second. Manager Olson noted that the channel area is notorious for clogging.
319 Mr. Meehan replied that the intake would be protected through potentially active screening.

320
321 Ms. Brown reviewed the intended agreement under which the TRPD will close on its acquisition
322 in mid-August, the parties would collaborate to define the subdivision boundary, the TRPD
323 would obtain the subdivision and the District would pay the TRPD per the land value formula.
324 Also, the TRPD has indicated it can accept a payment schedule if the District wishes.

325
326 Ms. Brown emphasized that the potential alum project has many moving parts at this point. It is
327 an estimated \$7-10 million project that will need multiple sources of funding. On Monday, staff
328 will present to the Minnetrista City Council to gauge the City's support. The District should
329 evaluate the proposal based on the contingency of a resale on the private market if the alum
330 treatment project does not go forward. District staff will work with City staff over the next two
331 weeks to assess the development prospects in that event.

332
333 *Manager Shekleton moved, Manager Olson seconded to convene in close session to discuss an*
334 *offer and counteroffer for the acquisition of real property located at 3910/3940 Farm Hill*
335 *Circle, Minnetrista. Upon vote, the motion carried 7-0, and the Board convened in closed*
336 *session.*

337
338 The Board reconvened in opened session.

339
340 **ADJOURNMENT**

341
342 There being no further business, the regular meeting of the Minnehaha Creek Watershed District
343 Board of Managers was adjourned at 9:05 p.m.

344
345 Respectfully submitted,

346
347
348 Kurt Rogness, Secretary