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3 **MINUTES OF THE REGULAR MEETING OF**  
4 **THE MINNEHAHA CREEK WATERSHED DISTRICT**  
5 **BOARD OF MANAGERS**  
6

7 **March 8, 2018**  
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 President Sherry White at 7:00 p.m. at the District office, 15320 Minnetonka  
14 Boulevard, Minnetonka, Minnesota.  
15

16 **MANAGERS PRESENT**  
17

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

21 **MANAGERS ABSENT**  
22

23 None.  
24

25 **DISTRICT STAFF AND CONSULTANTS PRESENT**  
26

27 James Wisker, Administrator; Michael Hayman, Planner-Project Manager; Heidi Quinn,  
28 Permitting Technician; Eric Fieldseth, AIS Program Manager; Chris Meehan, Consulting  
29 Engineer; Chuck Holtman, Counsel.  
30

31 **MATTERS FROM THE FLOOR**  
32

33 None.  
34

35 **APPROVAL OF AGENDA**  
36

37 *Manager Miller moved, Manager Olson seconded approval of the agenda. Upon vote, the*  
38 *motion carried 7-0.*  
39

40 **CONSENT AGENDA**  
41

42 *Manager Rogness moved, Manager Shekleton seconded approval of the consent agenda,*  
43 *consisting of the February 22, 2018 Board minutes; adoption of Resolution 18-01: Approval*  
44 *of continuing MCWD and USGS Agreement for Joint Funding of O&M of Gage Station near*  
45 *Minnehaha Falls and Grays Bay Dam for 2018 and 2019, as follows:*  
46

47 ***NOW, THEREFORE, BE IT RESOLVED, that the MCWD Board of Managers***  
48 ***authorize MCWD district administrator to extend an agreement with USGS to***  
49 ***continue the Joint Funding Agreement for services from October 1, 2017***  
50 ***through September 30, 2019 in which the total cost not to exceed \$37,765;***  
51

52 ***and Resolution 18-018: Authorization to transfer \$112,020.52 from the 325 Blake***  
53 ***Road Capital Account to the 325 Blake Road Operations Account, as follows:***  
54

55 ***NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek***  
56 ***Watershed District Board of Managers authorizes the transfer of \$112,020.52***  
57 ***from the 325 Blake Road Capital Account (fund ending 017) to the 325 Blake***  
58 ***Road Operations Account (fund ending 025) to uphold standard operating***  
59 ***expenses.***  
60

61 ***Upon vote, motion carried 7-0.***  
62

63 Board, Committee and Task Force Reports  
64

65 President White reported that the Executive Committee will meet on March 22<sup>nd</sup> at 6:30 p.m.  
66 with the District auditor. She noted that with respect to the 325 Blake Road redevelopment  
67 process, she, Manager Miller and Manager Loftus participated in the Joint Working Group, and  
68 she and Manager Miller attended the discussion of the Southwest Community Works Blake Road  
69 Station Subcommittee. She noted that this process to date has been a great example of the  
70 District's balanced urban ecology approach with respect to its public partners. Finally, President  
71 White reported on the recent meeting of the Minnesota Association of Watershed Districts  
72 (MAWD) board. The dues question is still an issue. Representatives from the Minnesota  
73 Pollution Control Agency (MPCA) and the Minnesota Board of Water and Soil Resources  
74 (BWSR) presented reports and indicated their intent to work closely together on water issues.  
75 The MPCA representative noted prominent issues for the organization this year will include  
76 pharmaceuticals and chlorides.  
77

78 Manager Rogness reported on the MAWD Legislative Breakfast. He noted MAWD priorities  
79 including increasing the general fund levy for non-metropolitan watershed districts; statutory  
80 clarification to allow levy for local share of grant funded projects; the request of the Middle Fork  
81 Crow River Watershed District to increase its general fund levy; increase of the managers' per  
82 diem from \$75 to \$100; funding for buffer law implementation; and monitoring of BWSR  
83 bonding legislation. Additional policy issues include amending the Open Meeting Law for  
84 electronic participation; Clean Water Council appointments; and ongoing buffer law monitoring.  
85

86 President White noted that the \$22 million diverted from the Clean Water Fund for buffer law  
87 implementation has been returned due to the State's surplus. Also, there is a chloride bill that is  
88 seeking sponsors. Mr. Wisker noted that the bill in fact was introduced today in the House.  
89

90 Manager Loftus presented the report of the Operations and Programs Committee. The  
91 Committee just met prior to this meeting and received updates from staff. The agenda as  
92 distributed was covered and all managers attended.

93  
94 President White noted upcoming meetings listed on the agenda. She advised that Manager  
95 Rogness will represent the Board at the March Citizens' Advisory Committee meeting, while  
96 President White will attend the April meeting.

97  
98 Resolution 18-015: Authorization to Execute Agreement with NTH for Real Estate Brokerage  
99 Services for 325 Blake Road

100  
101 Mr. Hayman presented the proposed resolution authorizing retention of NTH Real Estate and  
102 Project Management to assist the District in negotiating and developing transactional documents  
103 for the sale and redevelopment of the 325 Blake Road property. NTH would work with the  
104 District's real estate counsel and property evaluation consultant. Mr. Hayman reviewed the  
105 request for qualifications process that is underway. He then noted the elements with which NTH  
106 would assist, including financial analysis, negotiations, implementation of transactional  
107 documents and documentation. Mr. Hayman reviewed NTH's experience assisting both private  
108 and public entities in complex real estate transactions in the Twin Cities metropolitan area. He  
109 noted that NTH has advised the District on the RFQ process to date and the parties have  
110 developed a good working relationship.

111  
112 Mr. Hayman than reviewed the proposed fee structure, which would include \$45,000 over a five-  
113 month retainer and an additional \$175,000 on closing. He reviewed the discussion that the Board  
114 has had in committee regarding the alternative compensation frameworks and its ultimate  
115 support for a fixed fee arrangement.

116  
117 *Manager Shekleton moved, Manager Miller seconded adoption of Resolution 18-015 as*  
118 *follows:*

119  
120 ***NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek***  
121 ***Watershed District Board of Managers hereby authorizes the District***  
122 ***Administrator, on advice of counsel, to execute a contract with NTH for real***  
123 ***estate brokerage and associated services for the sale of the 325 Blake Road***  
124 ***property for the amount of \$220,000, with \$175,000 of that amount payable at***  
125 ***the time of closing on the 325 Blake Road property.***

126  
127 *Upon vote, the motion carried 7-0.*

128  
129 Resolution 18-019: Approval of Respondents for Advancement into Phase Two of the 325 Blake  
130 Road Request for Qualifications Process

131  
132 Mr. Hayman presented the proposed resolution. He reviewed the RFQ process to date, which has  
133 followed the "Master Developer Selection Process" previously reviewed with the managers.

134 Most notably, the process has involved review and evaluation by a staff committee including  
135 District, City of Hopkins and Hennepin County staff and NTH; a joint working group including  
136 representatives from the District Board and the City Council; and the Southwest Community  
137 Works Blake Road Station Subcommittee. Mr. Hayman reviewed the RFQ framework and noted  
138 that responses were received from six development teams: Anderson Companies, Doran, Kraus-  
139 Anderson, Lennar Multifamily Communities, PLACE and Sherman Associates. The responses  
140 were evaluated against four criteria: experience, financial, site vision and overall quality. The  
141 evaluation was qualitative and conducted by each staff reviewer and then by the joint working  
142 group. The joint working group agreed with staff that five responders should move on to an  
143 additional informational request stage. This was presented to and discussed with the  
144 Subcommittee, which provided good input and concurred. Staff will continue to develop a means  
145 to retain the Subcommittee's involvement through the interview stage.

146  
147 Mr. Hayman than reviewed the intended scope of the additional information request, generally  
148 addressing assumptions that will underlie responders' judgments of value and development  
149 schedule, contingencies and acquisition process.

150  
151 Mr. Hayman then noted that the recommendations would remove PLACE from the group that  
152 will proceed in the process. Mr. Hayman described the vision and engagement process proposed  
153 by PLACE, but noted the general conclusion that the proposer appears to lack the experience to  
154 deliver a site of this size and there are questions about its financial capacity and its ability to  
155 maintain the required timeline. This conclusion received concurrence from the joint working  
156 group and the Subcommittee.

157  
158 Finally, Mr. Hayman noted that the additional information request would cause the schedule to  
159 be modified slightly but that it would continue to function with other related timelines.  
160 Ultimately, the recommendation to the Board may be to interview all five remaining proposers,  
161 or a subset thereof.

162  
163 *Manager Miller moved, Manager Rogness seconded adoption of the proposed resolution as*  
164 *follows:*

165  
166 ***THEREFORE BE IT RESOLVED that the MCWD will proceed at this time***  
167 ***with five master developer candidates: Anderson Companies, Doran, Kraus-***  
168 ***Anderson, LMC (Lennar Multifamily Communities) and Sherman Associates;***

169  
170 ***THEREFORE BE IT FURTHER RESOLVED that MCWD staff, in***  
171 ***consultation with other members of the staff working group and MCWD***  
172 ***consultants, will draft supplemental information requests, which staff will***  
173 ***review with the joint working group and the Subcommittee and, in its judgment,***  
174 ***modify accordingly, before transmittal to respondents.***

175

176 Manager Miller offered that the response quality has been superb. He believes that the District is  
177 conducting a good process with the right partners, is being properly cautious, and is heading  
178 towards a good outcome. He commended staff for its professionalism.

179  
180 *Upon vote, the motion carried 7-0.*

181  
182 Resolution 18-020: Authorization to Execute Memorandum of Understanding with the City of  
183 Shorewood to Coordinate Planning of Water Resources and City Capital Improvement Planning  
184

185 Ms. Quinn presented the proposed resolution and reviewed past Board discussions on the  
186 concept of partnering with the City of Shorewood to review solutions to drainage issues in a  
187 portion of the City. The matter previously was discussed by the Policy and Planning Committee  
188 on December 21, 2017 and then by the full Board on January 25, 2018, when the draft  
189 memorandum of understanding was reviewed. Ms. Quinn reviewed the purposes and scope of  
190 the coordinated work as described in the packet materials and the next steps for which the  
191 process would provide.

192  
193 Manager Miller asked if this framework would parallel that which the District and the City of  
194 Victoria have pursued. Mr. Wisker replied that in the present case, the District and City are  
195 aligning to focus on a known targeted set of road and drainage issues. The Victoria effort is  
196 broader and more about relationships as they approach planning and implementation over a  
197 broader area and a longer period of time. Mr. Wisker added that the present proposal follows the  
198 District's approach in its newly adopted watershed plan to respond to cities in non-priority areas  
199 with early involvement rather than waiting until private development or public infrastructure  
200 planning is nearly completed. In this case, the District participates in a technical assistance and  
201 problem solving role while the City will retain the responsibility to fund and implement its own  
202 work.

203  
204 *Manager Olson moved, Manager Becker seconded adoption of the proposed resolution, as*  
205 *follows:*

206  
207 ***NOW THEREFORE BE IT RESOLVED that the Minnehaha Creek Board of***  
208 ***Managers authorizes the District Administrator to enter into a memorandum of***  
209 ***understanding with the City of Shorewood to coordinate the planning and***  
210 ***programming of water resource, road, infrastructure and park investments.***

211  
212 Manager Loftus urged that the District engineer's work under this effort be tracked  
213 separately so that the District is able to evaluate the cost-effectiveness of its participation  
214 in this type of engagement. Mr. Wisker replied that staff does track such spending  
215 separately and will continue to do so in this case. *Upon vote, the motion carried 7-0.*

216

217 Resolution 18-021: Approval of Design Scope for Six Mile Creek-Halsted Bay Habitat  
218 Restoration Program

219  
220 Mr. Fieldseth presented the proposed resolution to retain the District engineer on a  
221 specific design scope related to the habitat restoration program. He reviewed the program  
222 and the grant from the Lessard-Sams Outdoor Heritage Council for its multi-year  
223 implementation. The grant dollars are focused on implementation, whereas the District's  
224 local share is focused on soft cost including design. Staff is aiming at receiving initial  
225 grant funds on or around July 1, with installation of the barriers in 2018, except for the  
226 South Lundsten barrier which is programmed for January 2019. Mr. Fieldseth then  
227 reviewed the design schedule and the proposed fee of \$74,865, payable on a fixed-fee  
228 task basis.

229  
230 *Manager Olson moved, Manager Rogness seconded adoption of the proposed resolution as*  
231 *follows:*

232  
233 ***NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek***  
234 ***Watershed District Board of Managers authorizes the District administrator,***  
235 ***with any final non-substantial scope adjustments and on advice of counsel, to***  
236 ***execute a scope of services contract with Wenck Associates for an amount not***  
237 ***to exceed \$74,865.***

238  
239 Manager Olson noted that over the past six months he has spoken with City of Victoria,  
240 Carver County and lake association representatives and they have been very positive  
241 toward and supportive of the District's work under this program. ***Upon vote, the motion***  
242 ***carried 7-0.***

243  
244 Resolution 18-022 Approval of Acquisition Financing, TRPD Farmhill Circle Parcel  
245

246 Mr. Wisker reviewed the background of the agreement with the Three Rivers Park District  
247 (TRPD) for subdivision of property on Six Mile Marsh, and subdivision and sale of one parcel to  
248 the District for the potential siting of an alum treatment facility. The TRPD has worked through  
249 all title issues and is proceeding to closing. The District would look forward to closing on its  
250 acquisition from the TRPD in April. Mr. Wisker noted that in its prior action, the Board  
251 authorized the Administrator to take all steps to complete the conveyance in accordance with the  
252 agreement terms, but requested that staff return to the Board for approval of the method of  
253 financing the acquisition. Mr. Wisker is recommending that the acquisition be financed from the  
254 District's capital finance account.

255  
256 *Manager Olson moved, Manager Shekleton seconded adoption of the proposed resolution as*  
257 *follows:*

258

259           ***NOW, THEREFORE, BE IT RESOLVED that the District Board of Managers***  
260           ***approves the use of the Land Conservation Fund, fund 200-2004, for the***  
261           ***acquisition of the Farmhill Circle property.***  
262

263           Manager Miller noted that he, as well as other managers, received an email today from a set of  
264           resident interests urging a means of addressing certain local flood management issues through  
265           channel dredging and other means. Mr. Wisker replied that these interests historically have  
266           maintained communications with the District; staff has been coordinating with them lately, and if  
267           the communication is forwarded, staff will respond.

268  
269           ***Upon vote, the motion carried 7-0.***  
270

271           **ADMINISTRATOR'S REPORT**  
272

273           Mr. Wisker reported that staff is assessing the spring melt status. The National Oceanic and  
274           Aeronautic Administration has issued a statewide forecast and a local forecast will be distributed  
275           within the month. Lake Minnetonka is at 929.7 elevation and there is an estimated 2 inches of  
276           water in the snow. At this time, staff believes there is adequate capacity.

277  
278           Staff expects to present a Metropolitan Council permit application for forcemain replacement  
279           along County Road 44 to the Board at its March 22 meeting. The forcemain would cross Lake  
280           Minnetonka at Halsted Bay.

281  
282           Mr. Wisker also reported on an effort of Minnesota Waters regarding carp tracking. It is seeking  
283           \$10,000 from each of several cities and District staff also is looking at the possibility of a small  
284           contribution from the District. He expects Mr. Fieldseth to appear shortly to review the matter  
285           with the Board.

286  
287           Mr. Wisker also reported that he, Mr. Hayman and Manager Miller recently attended a St. Louis  
288           Park City Council meeting at which the council approved work on the Minnehaha Creek bridge  
289           crossing at Louisiana Avenue. This work would elevate the bridge chord, which is something in  
290           which the District has been interested.

291  
292           In February, Mr. Wisker met with Minneapolis Park and Recreation Board (MPRB)  
293           representatives and he will meet again with MPRB staff tomorrow regarding the Meadowbrook  
294           project that did not go forward previously, but is being again considered.

295  
296           Mr. Wisker noted that he and Manager Miller met last week with Edina Mayor Hovland, at  
297           which time the Mayor expressed the City's interest in the Meadowbrook project and the  
298           important park connections that it could facilitate. The mayor also has heard good reports about  
299           Arden Park project progress.

300  
301           Manager Olson and Mr. Wisker are looking to schedule a meeting with Carver County  
302           Commissioner Maluchnik to provide an update on the Six Mile habitat restoration project,

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303 discuss the bonding agreement and probably speak about Zumbra Lake issues. On that last  
304 matter, there is still much communication, perhaps weekly, regarding spring conditions.  
305 Commissioner Workman also is engaged in that subject. Mr. Wisker added that presently there is  
306 a much better relationship with homeowners, and there is some consideration of potential TRPD  
307 dredging in identified spots.

308  
309 Mr. Wisker reported that Renae Clark has met with Mayor Willcox of Wayzata regarding the  
310 Lake Effect environmental assessment worksheet soon to be published. Ms. Clark is bringing  
311 regulatory agencies together to streamline the environmental review process and the work of  
312 those agencies.

313  
314 Mr. Wisker reminded the Board of the strategic action plan discussed at its recent retreat. That  
315 plan is now in front of staff, which is developing concepts to move it forward. Staff is  
316 contemplating four or five community meetings over the next 12-18 months for engagement in  
317 the District's programs.

318  
319 Staff also is working on operationalizing District engagement in the capital programming and  
320 land use review of its cities; the CAC also will take up this issue and it will come to the Policy  
321 and Planning Committee in April or May.

322  
323 Mr. Wisker reported that Ms. Clark has been appointed to the Metropolitan Council's Land Use  
324 Advisory Committee and will provide advice on land use and regional planning.

325  
326 Finally, Mr. Wisker thanked departing Administrator Lars Erdahl for his work and the way that  
327 he has led the District's positioning for the future. Mr. Wisker also eloquently thanked the Board  
328 for the honor and privilege of his continuing service in his new capacity as Administrator. Mr.  
329 Wisker expressed his conviction that the District is positioned for greatness, with a Board  
330 providing sound leadership and driven, energetic and capable staff.

331  
332 **ADJOURNMENT**

333  
334 There being no further business, the regular meeting of the Minnehaha Creek Watershed District  
335 Board of Managers was adjourned at 8:02 p.m.

336  
337 Respectfully submitted,

338  
339  
340  
341 Kurt Rogness, Secretary