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**DRAFT**

**MINUTES OF THE PLANNING AND POLICY COMMITTEE**

**April 21, 2016**

**CALL TO ORDER**

Manager Miller called the Committee to order at 6:50 p.m. at the District Offices,

15320 Minnetonka Blvd

Minnetonka, MN 55345

**COMMITTEE MEMBERS PRESENT**

Manager Miller, Manager Shekleton, and Manager Rogness.

**NON-COMMITTEE MEMBERS PRESENT**

Manager White, Manager Olson, and Manager Becker.

**OTHERS PRESENT**

Sliv Carlson, CAC Representative; Lars Erdahl, District Administrator; James Wisker, Director of Planning & Projects; Becky Christopher, Lead Planner; Anna Brown, Planner & Project Manager; and Matthew Cook, Planning Assistant.

**APPROVAL OF AGENDA**

Mr. Wisker asked to have item 6.1 moved to the top of the agenda. The amendment to the agenda was approved.

**COMMITTEE MEETING**

Manager Rogness asked the other Committee members to explain the role of the Planning & Policy Committee (PPC) and how its role differs from that of the Operations & Programs Committee (OPC).

Manager Miller stated that he would like to explore the roles of the committees soon. Manager Shekleton asked if the role of the committees ought to be discussed in a Committee meeting or at a Board meeting. Manager White noted that while the roles of the committees was a topic to be discussed at the 2015 Board retreat, the discussion was tabled due to pressing circumstances. She explained that perhaps the Board should be focused on discussing the 2017 budget before spending time determining committee roles.

46 Manager Miller asked staff to add an item for discussion of the PPC's purpose and focus to the  
47 next Committee meeting agenda.

48

49 Six Mile Request for Qualifications Submittals

50

51 Ms. Brown stated that the District received two applications in response to its Request for  
52 Qualifications for a planning consultant. Ms. Brown addressed the number of submissions,  
53 explaining that many of the eligible firms were either tied up with City planning or pursuing  
54 longer-term contracts. Ms. Brown added that the District's RFQ was, once received by various  
55 firms, being forwarded to engineers instead of planners. She stated that this may be a result of  
56 the reputation of watersheds as technically-oriented agencies.

57

58 Ms. Brown noted that both submittals were impressive, and had been examined by staff,  
59 members of the Board, and the District's Engineer. Ms. Brown stated that interviews for the  
60 contract would be held next Thursday (April 28<sup>th</sup>), including presentations from the applicants.  
61 She added that staff and the Board would then make a decision by Friday (the 29<sup>th</sup>) or Monday  
62 (the 1<sup>st</sup> of May), leaving about a week and a half to develop the scope and contract for mid-May.

63

64 Manager Rogness stated that he was pleased to see two very qualified firms submit.

65

66 Manager Becker asked Ms. Brown what staff had learned from the process and how the District  
67 might garner more applications for a future request. Ms. Brown stated that telegraphing the  
68 District's need for a consultant earlier on may have helped more firms to prepare for and devote  
69 time to the application process. Mr. Erdahl added that in the future, staff may host an  
70 informational meeting for potential candidates, in which the content of the District's request  
71 could be given context.

72

73 Ms. Brown stated that the scope of services for the selected consultant would come to the Board  
74 in May.

75

76 Draft Capital Improvement Plan

77

78 Mr. Wisker reviewed the projected budget and capital improvement plan (CIP) for 2017. He  
79 reminded the Committee that the Board had passed a resolution to postpone three 2017 capital  
80 projects into 2018, reducing the projected 2017 levy needs by \$1.6 million.

81

82 Mr. Wisker then reviewed the projected impact of these postponements on the 2018 draft CIP.  
83 He noted that, making assumptions regarding project financing, approximately 25% of the  
84 projected 2018 CIP budget may be allocated to debt service. Manager Miller stated that the debt  
85 service should not be considered part of the CIP budget. He explained that as the benefits of the  
86 projects are enjoyed for many years after construction, so too should the cost be spread across  
87 the years the project is enjoyed.

88

89 After reviewing the projects the District has already committed to or that are in development for  
90 2018, Mr. Wisker presented a hypothetical CIP for Six Mile Creek subwatershed for

91 demonstrative purposes. Mr. Wisker stated that – assuming the District could secure a master  
92 loan agreement with Carver County – the Board would need to plan and decide how the District  
93 will manage debt, how it will fund Six Mile as a focal geography, how it will fully leverage  
94 approved FEMA funds in Minnehaha Creek, and the parameters under which the organization  
95 may choose to grow or contract its CIP.

96  
97 Manager Shekleton stated that the District’s debt capacity, as it determines capacity for action,  
98 should be determined before prioritizing aspects of Six Mile or setting a trajectory for growth.  
99

100 Manager Miller stated that he would like to discuss debt options after likely sources of outside  
101 funding are identified. Manager Miller suggested that the Board consider appointing Managers  
102 Shekleton and Becker to a Task Force to work with staff to develop a plan for outside funding.  
103 Upon discussion the Committee agreed.

104  
105 ***Manager Miller made a motion, seconded by Manager Shekleton, to recommend to the Board***  
106 ***that Manager Shekleton and Manager Becker be appointed to an Outside Funding Task***  
107 ***Force (name TBD) to aid staff in securing outside funding. Upon vote, the motion passed 3-0.***  
108

109 Manager Rogness stated that he would like to also discuss debt. He noted that the ultimate goal  
110 of the District’s work in Six Mile appeared to be improving the water quality of Halsted’s Bay.  
111 Mr. Wisker agreed, adding the caveat that the critical area driving Halsted’s Bay water quality is  
112 Halsted’s Bay itself – due to internal loading – and the first two lakes upstream, Mud Lake and  
113 Parley Lake. Mr. Wisker then explained that working to protect other areas of the subwatershed  
114 is still important for a variety of hydrological and ecological objectives. Mr. Erdahl noted that  
115 responding to development pressure, which was heaviest upstream of Parley and Mud, was a  
116 vital opportunity to protect natural resources before they are impacted.

117  
118 Manager Becker stated that the hypothetical list of projects for Six Mile required prioritizing  
119 based on a determined set of criteria. He stated that in order for the Board to make an informed  
120 decision, he would like to see a prioritization of potential projects and land acquisitions looking  
121 into future years.

122  
123 Mr. Erdahl suggested that the CIP, which was due to be distributed in June, would provide some  
124 specificity. Mr. Wisker stated that the CIP would not contain particular project parameters,  
125 simply a project location, description, and cost. Mr. Erdahl noted that the Six Mile planning  
126 process would identify and prioritize projects.

127  
128 Mr. Wisker stated that staff would begin prioritization of potential projects in Six Mile Creek  
129 which would fold into the work with the Six Mile Advisory Committees. He noted that the draft  
130 CIP was presented to underscore the need for organizational discussion and decisions regarding  
131 the long term budget and financial planning.

132  
133 The Committee again reinforced the need to begin dialog with Carver County on developing a  
134 long term financing arrangement for capital improvements within Six Mile.  
135

136 Manager Olson suggested that staff develop a coarse ranking of project priorities in Six Mile  
137 Creek, highlighting the most important to develop and staging project completion and linkage  
138 over time. Manager Becker agreed and noted from his days with the DNR, the time sensitivities  
139 associated with acquisitions for land conservation.

140  
141 Manager Rogness stated that despite some of the inherent ambiguity of the situation, he was  
142 confident that together the Board and staff could find a way to do the work in Six Mile they set  
143 out to do.

144  
145 Ms. Carlson asked if staff knew how long it would take for the District's work in Six Mile to  
146 impact the water quality of Halsted's Bay. Mr. Wisker stated that staff would be determining the  
147 downstream effects of their work as plans and projects are refined.

148  
149 Manager Becker stated that the conditions of the budget issues the District is currently facing  
150 should not alter the District's mission. He expressed his interest in prioritizing implementation  
151 actions with long-term benefits.

152  
153 Mr. Wisker asked the Managers if there were any other next steps for staff to take. Manager  
154 Olson noted that staff should prioritize outside funding sources. Mr. Wisker asked if there were  
155 any directions for the CIP to be released in 2017, or if the Managers wanted any more clarity on  
156 a potential 2018 CIP budget.

157  
158 The Committee discussed various conceptual formats for distribution of the 2017 CIP, given the  
159 approaching end of the 10 year Comprehensive Plan. Following discussion, staff recommended  
160 bringing refinements back to the Committee in advance of formal distribution in June 2016.

161  
162 Manager Becker stated that the District should seek ongoing external funding for Six Mile  
163 improvements as an entire program, partnered on with an entity such as the Minnesota Land  
164 Trust, the USACE, Ducks Unlimited, etc. He noted the benefits and limitations of smaller  
165 shorter-term grant funds. Manager Becker explained that while short-term grants may be sought  
166 by staff, larger programmatic funding may require policy maker involvement and discussions  
167 with the legislature.

168  
169 Manager Miller asked Manager Becker what the Board and staff could do immediately to begin  
170 helping to secure funds. Manager Becker stated that once the Board approves the Task Force,  
171 and at the discretion of Mr. Erdahl, he would like to meet with staff and begin discussing the  
172 viability of certain funding options.

173  
174 Manager Miller suggested that, in preparation for approaching Carver County for a funding  
175 agreement, staff provide Manager Olson information on the District's loan program with  
176 Hennepin County. Ms. Brown noted that the kickoff meeting for Six Mile Creek Subwatershed  
177 was May 4<sup>th</sup>. Manager Olson stated that the kickoff should certainly happen first, and any  
178 financing discussions should be had afterwards.

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180

181 Comprehensive Plan Update

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183 Ms. Christopher noted that the Comprehensive Plan update brochure was on track to be  
184 distributed in May. She detailed a number of other upcoming outreach efforts for the  
185 Comprehensive Plan, including:

186

- 187 • NEMO boat tour – July 27 or August 3
- 188 • City Planners meeting - July
- 189 • Presentations to City Councils – June-August
- 190 • Local subwatershed meetings – August-October

191

192 Ms. Christopher then explained that the Comprehensive Plan advisory committees would next be  
193 discussing local water plan requirements and the role of cities under the District’s Plan. She  
194 noted that under the revised state rule 8410, cities no longer have to update their plans in  
195 response to watershed plan updates. Cities would instead update their plans on a 10-year basis  
196 with the next plans due anytime during 2017-2018. As a result, she noted that there is potential  
197 for city local water plans to be adopted before the District’s plan. She added that the District  
198 would still be able to work with cities through the review and approval process to ensure that the  
199 city plans are in conformance with the District’s requirements.

200

201 Manager Becker asked whether or not this change would jeopardize the District’s ability to  
202 maintain a consistent regulatory standard across the watershed, including the areas where  
203 municipalities maintain permitting authority. Mr. Christopher stated that the District has  
204 executed memoranda of understanding with cities who have sole regulatory authority that  
205 outlines the terms and requirements for retaining that authority. Mr. Wisker explained that the  
206 District’s rules themselves are not in the Comprehensive Plan, and would thus not be affected by  
207 the change.

208

209 Ms. Christopher compared the requirements for local government units (LGUs) in the 2007 Plan  
210 to the potential requirements in the 2017 Plan. She noted that while the local requirements of the  
211 2007 Plan were focused on assigning pollutant load reductions, the 2017 Plan would instead  
212 focus on creating a framework to promote coordination between LGUs and the District. She  
213 explained that, with the state’s completion of TMDLs for the majority of impaired lakes in the  
214 watershed, the District mandate for load reductions is no longer needed. Ms. Christopher added  
215 that the Local Water Plan section of the 2017 Plan would utilize incentives more than mandates,  
216 and that the list of requirements for LGUs would be simplified.

217

218 Manager Shekleton asked staff for their impression of how this potential shift in focus would be  
219 received by city staff and policymakers. Ms. Christopher stated that the changes suggested  
220 stemmed from discussions with the District’s Advisory Committees, of which many city staff  
221 and policymakers from across the District are members. Given this, she noted, the potential  
222 changes would likely be welcomed.

223

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225

226 USACE Section 206 Painter Creek Briefing

227

228 Mr. Wisker stated that due to the time elapsed since the District's submittal of its project  
229 feasibility study in March of 2010, the USACE requires the feasibility study to be updated. Mr.  
230 Wisker noted that the local match – the District's responsibility – for the USACE's updating  
231 costs could be met using in-kind contributions. In response to a question, Mr. Wisker stated that  
232 the District's lands and easements could be valued and counted towards the local match for  
233 capital construction, but not the costs of updating the feasibility study.

234

235 Mr. Wisker noted that a cost-share agreement with the USACE would be brought to the Board in  
236 May for approval.

237

238 The Committee meeting adjourned at 10:00 p.m.

239

240 Respectfully submitted,

241

242 Matthew Cook

243 Planning Assistant