

CARNELIAN-MARINE-ST. CROIX WATERSHED DISTRICT
Regular Minutes December 10, 2014

Managers Present: Kristin Tuenge, Steven Kronmiller, Tom Polasik, Eric Lindberg and Andy Weaver

Managers Absent: Victoria Dupre and Dave DeVault

Others Present: Jim Shaver (administrator), Carl Almer (EOR), Jed Chesnut (WCD), Ray Marshall (Lawson Law), Terrie and Nicholas O’Dea and Timothy Johnson (residents) and Debbie Meister (MMC)

Manager Tuenge called the meeting to order at 6:33 p.m. and welcomed the residents in attendance.

1. Approve Agenda—Board Action

Manager Kronmiller moved to approve the agenda as amended. Second by Manager Polasik. Motion carried 4-0.

2. Approve November 12 Minutes—Board Action

Manager Polasik moved to approve the November 12, 2014 minutes as amended. Second by Manager Lindberg. Motion carried 4-0.

3. Treasurer’s Report—Board Action

Administrator Shaver presented the Treasurer’s Report.

Manager Kronmiller moved to approve the Treasurer’s Report. Second by Manager Polasik. Motion carried 4-0.

4. Public Comments

Terrie O’Dea stated that she had a difficult time finding the meeting agenda on the District website.

5. New Business

a. Permits

i. Gruber

Mr. Marshall reported that pursuant to the agreement entered into with Mr. Gruber, the work appears to be complete, but will need to be inspected and verified in spring.

b. Cost Share

Administrator Shaver reported that there were no applications and no reimbursement requests.

c. Shared Employee with CLFLWD—Discussion

Administrator Shaver reported that he has been talking with the Comfort Lake-Forest Lake Watershed District (CLFL) about a shared employee. CLFL is interested in sharing a technician for permitting and project outreach in targeted areas. The cost would be

about \$40,000 for the District for a half-time equivalent, with funds available in permit and project line items. Managers Tuenge, Kronmiller and Polasik expressed support for an outreach position noting that a good education model was presented at the St. Croix River Association (SCRA) workshop. There is also a potential for an education partnership with the SCRA.

6. Old Business

a. Tax Forfeit Property Bliss Addition Follow-up

Administrator Shaver reported that the Bliss property was on the market for \$3,000 and sold for \$7,000. He will try to find out who the buyer is and what her intentions for the property are.

b. Reserve Policy Discussion

Administrator Shaver presented a policy for establishing a reserve fund. He defined restricted liquid assets such as grant monies and unrestricted funds (committed, assigned and uncommitted). As noted in an attached memo, the state auditor recommends local governments have 35-50 percent of their unrestricted, undefined budget expenditures in reserve. Mr. Marshall recommended that the District auditor review the proposed policy of a 35 percent reserve budget, which is in the low range. He noted that some auditors are recommending 100 percent of the unrestricted budget expenditures be in reserve. A reserve is to cover emergencies and unanticipated opportunities. Manager Kronmiller agreed in concept with the reserve fund, but asked what is a realistic amount, based on a realistic budget.

Manager Kronmiller moved to direct the Administrator to get input from the auditor on the proposed reserve policy. Second by Manager Polasik. Motion carried 4-0.

There was further discussion on restricted and unrestricted funds, with agreement that Administrator Shaver will get clarification from the auditor.

c. 2015 Budget and Levy

Administrator Shaver explained changes to the budget to reduce the levy from 23 to 9 percent. The levy equals the budget less unused 2014 funds. He noted that administrative funds cannot be carried over.

Manager Tuenge moved to adopt Resolution 12-10-14-02 approving a revised 2015 Operating and Capital Budget of \$791,085 as follows: \$620,900 for Plan Implementation (103.B.241) and \$170,185 for General Expenses (103D.905). Second by Manager Polasik. Motion carried 4-1.

Manager Kronmiller, in opposing the resolution, stated that the budget is a great step from where it was in September, but to reach a 40 percent reserve the levy would need to be increased. Manager Kronmiller also raised concerns about the amount of the overall budget of almost \$800,000. The District generally spends about 62 percent of its budget, when it should be spending about 91 percent. Although the levy has not increased in five years, our bank balance has. For these reasons, Manager Kronmiller stated that he will be voting no on the levy resolution.

Administrator Shaver noted that with the plan amendment, projects are identified for the next 10 years and cannot be done unless they are in the capital budget. If the District gets grants and does the projects, the levies will have to increase over the next five years by 10 percent each year. With the plan amendment and an additional half-time employee, the District should be making positive changes to complete projects. Manager Lindberg stated that if the District does not receive grants the budget will be less; reserve funds are needed, which is reflected in the levy increase and the budget is not increasing much. Manager Polasik stated that he will vote in favor of the levy with the thought that the Administrator's job focus might change and there might be another staff position. Manager Weaver stated that there is a need to address unrestricted, unassigned funds and be responsible in identifying and completing projects. Manager Kronmiller added that as the District goes forward, we need to work with the Board of Water and Soil Resources to have realistic expectations related to project identification and budgeting.

Manager Tuenge moved to adopt Resolution 12-10-14-03 to petition the Washington County Auditor-Treasurer to levy all taxable property within the Carnelian-Marine-St. Croix Watershed District for a total of \$444,600 in 2015 as follows: \$170,185 for Administrative Fund 103D.905 Subd. (3) and \$274,415 for Plan Implementation Fund 103.B241. Second by Manager Polasik. Motion carried 4-1.

The Managers thanked Administrator Shaver for the good work putting the budget together.

d. Plan Amendment

Mr. Almer presented the revisions to Section III. Resource Management, Prioritization & Issues. The overall strategy categorizes each of the District's resources and prioritizes these resources for protection and restoration utilizing science-based information. Discussion focused on considering other factors such as easy, inexpensive fixes, number of people on a body of water (projects that affect a greater number of people), flexibility to address non-priority, non-high quality and non-TMDL lakes and qualitative factors; reviewing the goals including how they were set and if a standard deviation around the goals should be set and acknowledging that one chart cannot capture all the nuances. Mr. Almer stated that this document will not preclude any restoration/protection decisions of the Board. Manager Tuenge recommended taking time for Managers and staff to review the document.

e. Log House Landing Update

Manager Kronmiller reported that the committee met on several occasions. Because Scandia was not willing to assign the city engineer to provide more information to the group, the county engineer stepped forward. Much progress has been made. It is anticipated that on January 28 a preliminary design and funding agreement will come to the District Board, with a final approval sought in early March. Administrator Shaver stated that the District needs time for our engineer to review the design and, because the project has been expanded, to renegotiate the scope of the project and the District match.

He also reported that he is having sediment-load modeling (Russell Modeling) run by an outside party.

f. Administrative Performance Review

Manager Tuenge requested input from the Managers by Friday, December 19 at noon. The Executive Committee will convene after the December 23 meeting, with Manager Kronmiller serving as the ex-officio member, if needed.

7. Bills to be Paid

Manager Polasik moved bills to be paid in the amount \$19,496.20. Second by Manager Weaver. Motion carried 5-0.

It was noted that expense reports are due by the end of December.

8. Administrator's Report

Administrator Shaver reported that he and Managers Weaver and Lindberg attended the Minnesota Association of Watershed Districts annual conference and highlighted the district administrators meeting and sessions targeting BMP projects, modeling, e-coli impairments and budgeting.

9. Next Meeting

The next meeting is Tuesday, December 23, 2014 at 5 p.m. at Scandia Community Center to review the plan amendment and reserve fund policy.

10. Adjourn

Manager Polasik moved to adjourn at 9:49 p.m. Second by Manager Kronmiller. Motion carried 5-0.

Submitted by
Debbie Meister, MMC Associates