

**Carnelian-Marine-St. Croix Watershed District
Regular Meeting December 5, 2011**

Managers Present: Steven Kronmiller, Kristin Tuenge, Victoria Dupre, John Lennes, Thomas Polasik and Jason Husveth.

Managers Absent: Richard Caldecott.

Others Present: Jim Shaver (Administrator), Carl Almer (EOR), Ray Marshall (Legal), Amy Carolan (WCD) and Debbie Meister (MMC).

Manager Kronmiller called the meeting to order at 6:48 p.m.

1. Approve December Agenda—Board Action

Manager Tuenge moved to approve the December 5, 2011 agenda as amended. Second by Manager Polasik. Motion carried 6-0.

2. Approve November 7 Minutes—Board Action

Manager Tuenge moved approval of the November 7, 2011 minutes. Second by Manager Dupre. Motion carried 6-0.

3. Treasurer's Report and Bills to be Paid—Board Action

Manager Tuenge presented the Treasurer's Report.

Manager Polasik moved approval of the December 5, 2011 Treasurer's Report. Second by Manager Dupre. Motion carried 6-0.

Manager Dupre moved approval of the December 5, 2011 bills to be paid in the amount of \$22,388.62. Second by Manager Polasik. Motion carried 6-0.

4. Public Comments

There were no public comments.

5. Budget

Manager Kronmiller reported that he and Administrator Shaver met this weekend to prepare a budget summary and levy options ranging from a 0% increase to an 11% decrease. The objective is to adopt an amended 2012 budget/levy. The County has provided estimates on levy rates per \$100,000 home value, which was not available during earlier budget discussions. If the District reduces its levy, property owners can still see a tax increase because of the reduction in home market value. The reserve fund can be used to offset a levy decrease. BWSR, responding to the District's request for input, recommended watershed districts keep ½ to 1 times one's administrative budget in reserve. Another factor is the District did not receive a MAWD grant for the St. Croix River ravines project. The Board can choose not to do this project. Manager Tuenge stated that the budget should be set to accomplish our mission and position ourselves for the future. She suggested the budget be based on a 0% levy change and added that as a citizen she certainly does not have a problem paying \$32.478 per 100,000 house value and sees little difference between \$32.478 and \$30.854 tax per 100,000 market value. Protecting and improving water quality for 31 lakes,

22 streams and a section of the St. Croix River is worth it. Manager Lennes stated that he thinks people look at the tax rather than the levy rate. Manager Husveth noted that when looking at using the reserve, the difference between a 0% increase to an 11% levy decrease is less than \$50,000. A levy somewhere in the middle would be a good compromise. Overall, the District should do more with less. Mr. Marshall stated that when doing this exercise, the reserve balance is the most important because it is the most difficult thing to control. It is best to decide on a reserve number and keep it constant. Managers weighed both the pros and cons of a constant reserve, but also agreed that this is a healthy budget and during the year it can be modified to reduce spending. All agreed that the table was helpful and thanked Manager Kronmiller and Administrator Shaver for the providing it.

Manager Polasik moved to adopt Resolution #12-05-11-03 to adopt a 5% levy reduction with an administrative levy of \$160,300 and a plan implementation levy of \$246,700 for a total levy of \$407,000. Second by Manager Dupre. Motion carried 5-1.

Manager Dupre moved to adopt budget Resolution #12-05-11-02 as presented. Second by Manager Husveth. Motion carried 6-0.

6. Permit Status Update

a. Sandgren

Administrator Shaver reported that he made an attempt to meet with Mr. Sandgren and thought there was an agreement for payment of a \$150 permit fee and adding BMPs. Per Mr. Marshall's advice, Administrator Shaver and Manager Husveth will try to meet with Mr. Sandgren.

b. BTG & BGT-II May Township Mining Operation

Mr. Almer reported that he received a permit packet from Mr. Arnt today. He will review the information and get recommendations to Administrator Shaver.

c. Thompson New Construction, Big Marine Lake

Mr. Almer reported that Administrator Shaver issued this permit. EOR will provide on-going observations.

7. Project Status Update

Mr. Almer provided the following updates:

a. Sand & Long Lakes Clean Water Partnership

Administrator Shaver met with Minnesota Pollution Control Agency staff on the draft mid-term audit. There were no red flags. It was agreed that a February workshop will be scheduled to review the plan, which will be e-mailed to the Managers in advance, and to have an interactive presentation on the GIS tool.

b. Phase III TMDL

The District is still waiting for the EPA to respond. Because of the extensive review process and EPA oversight, few comments are anticipated. In response to Manager

Lennes concerns that TMDL goals for the impaired lakes and the St. Croix River might not be attainable, it was noted that there is no stick for noncompliance.

8. Cost Share Program Update

a. Chesnut Ravine Engineering Bids

Administrator Shaver reported that after the Board approved the contract with EOR, Cecilio Olivier notified him that the lead engineer had resigned. Mr. Olivier assured him that a new engineer to replace old should be on board soon and Dan Fabian, with his consultation, will be the lead engineer. Manager Kronmiller and Administrator Shaver thought these changes were significant enough to bring back to the Board. Per the request of several of companies to get copies of the winning bid, it was agreed that the summary spreadsheet would be sent. **Manager Tuenge moved to stay with EOR for the Chesnut ravine project. Second by Manager Polasik. Motion carried 5-0-1. Manager Husveth abstained.**

Mr. Almer noted that BWSR staff recommended not to fund the St. Croix River Ravine Grant through its grant program. Of the 112 grant applications, staff recommended funding 53 projects. Our project ranked 62.

b. Rossi Project

Manager Polasik reported that Mr. Rossi was very impressed with his cost share project and, consequently, volunteered to be on the Citizen Advisory Committee.

9. New Business

a. Internal Controls Manual

Manager Kronmiller reported that while reviewing last year's work plan, it was apparent that when the month ends on a Saturday or Sunday, it is not possible to prepare a financial report for the Board meeting comparing monthly bank account balances to the budget. For this reason and to address an audit recommendation, he, the treasurer, accountant and auditor suggested meeting later in the month. The Board discussed: various meeting dates; the suggestions by Manager Husveth to have more time to review the meeting packet and to establish a date by which a project must be submitted to be considered at the Board meeting and a suggestion by Manager Kronmiller to schedule a standing workshop to review issues.

It was suggested that the Regular Meeting will be held on the second Tuesday of the month at a public location to be determined and, if necessary, Administrator Shaver and Mr. Marshall will change the District's principal place of business to reflect the new location. A workshop will be held on the fourth Tuesday of the month at a location to be determined. Finally, Administrator Shaver will work on converting to QuickBooks for financial reports.

b. Work Plan

Administrator Shaver questioned the need for a personnel manual but did stress the need for a Document Retainage policy, which would facilitate the destruction or storage of old documents at the Historical Society. He will bring a draft policy to the Board. Manager

Kronmiller stated that he requested putting the work plan on the agenda to review what we wanted to do this year, what got done, what didn't get done, what we would like to accomplish next year and how to better support our Administrator. The Managers agreed:

- The work plan is a good, extensive document that does not need to be updated/revisited each month.
- The Executive Committee will meet in June and December to provide guidance and review. Manager Tuenge will replace Manager Lennes on the committee.
- The agenda will provide more information about items including discussion and action items.
- Minutes will be distributed within one week of the meeting.
- Board packets will be sent earlier to provide Managers with ample time to prepare.
- If Managers cannot attend a Board meeting, they will notify the Administrator. If three Managers provide notification of their intended absence, the Administrator will call the other Managers to ensure a quorum.

c. Zavoral Mining Comments

Administrator Shaver reported that he compiled his comments on the draft EIS with those of Stu Grubb and Dan Fabian and sent them to the Scandia City Council. The Council heard oral comments on November 16. Manager Tuenge stated that a presentation to the Council is tentatively scheduled for January 31, followed by a public meeting and then a 60-day public review.

10. Administrator's Report

Administrator Shaver reported that he and Manager Tuenge attended the MAWD conference. There were good presentations and networking opportunities. Manager Tuenge was amazed by the zebra mussel presentation. It is a huge problem that she feels the District should proactively address. Manager Polaski noted that there are already zebra mussels in District waters. Manager Kronmiller added that the Management Plan has a discussion about invasive species.

11. Next Meeting, Adjourn

The next Board meeting will be held on Monday, January 9, 2012 at 6:30 p.m. at a location to be determined.

Manager Polasik moved to adjourn. Second by Manager Dupre. Motion carried 6-0. The meeting was adjourned at 8:53 p.m.

Respectfully submitted by
Debbie Meister, MMC Associates, LLP