

CARNELIAN-MARINE-ST. CROIX WATERSHED DISTRICT
Regular Meeting Minutes August 24, 2015

Managers Present: Kristin Tuenge, Wade Johnson, Andy Weaver, Joel Stedman, Eric Lindberg, and Dave De Vault

Managers Absent: Tom Polasik

Others Present: Jim Shaver (administrator) and Jed Chesnut (WCD)

Manager Tuenge called the Regular Meeting to order at 6:41 p.m.

1. Approve Agenda

Manager Weaver moved to approve the Regular Meeting agenda as presented. Seconded by Manager Johnson. Motion carried 5-0.

2. Public Comments

There were no public comments.

3. Project Updates

a. 197th Street

Administrator Shaver reported that the easements are close to being wrapped up. The Dunbar's concern about the change in the water flow paths down their street can be addressed by explaining that more capacity is being added in the wetlands, plus a raingarden is being added up top. Administrator Shaver also reported that he talked to Scandia administrator Kristina Handt about the city being added to the easements, noting that the street problems were caused by the city's actions. The city engineer was concerned about the pipe capacity. Administrator Shaver and Wenck engineers will address this issue. The City Council expressed concern about maintenance costs. Administrator Shaver proposed the District do the maintenance for the first five years, which is estimated to be weeding the raingarden and clearing out the pipe and wetland. The city would then take over the maintenance. Manager Tuenge stated that at least three council members seemed to understand the city's responsibility in causing the problem.

b. Sand/Long Implementation Update

Administrator Shaver reported that the easements are nearly completed.

4. Cost Share

a. Lapos Raingarden/Marine Raingarden Application

Mr. Chesnut summarized the proposed backyard project to install a dry creek bed to capture stormwater from downspouts with overflow going into a raingarden. This will prevent runoff flowing downhill into Mill Stream. Although the project ranked low for phosphorus reduction, the water model does not account for flow reductions and the associated erosion. Labor costs are high because access is an issue. This property, identified at the Marine raingarden open house, is also eligible for another project through the Marine raingarden funds. Discussion focused on encouraging the use of native plants in cost-share projects. Mr. Chesnut clarified that once the cost share is approved, native plants are encouraged, but the final selection is up to the resident and

the contractor. Plants can be added to the front-end design, but then it will take more time and cost more. A requirement could be added in cost-share policies revisions.

Administrator Shaver suggested providing a cost-share bonus for using natives in raingardens and prairies.

Manager Tuenge moved to approve the Lapos cost share not to exceed \$2,500. Seconded by Manager Stedman. Motion carried 6-0.

5. Old Business

a. Budget Review- draft for release for September 2 meeting

Administrator Shaver provided two budgets—one representing a 0% and one a 2% increase. He noted that the carryover is affected by the percentage of budget increase and the budgets do not include a salary increase. A salary increase will be discussed at the six-month administrator review and will include comparing the salaries and compensation of watershed district administrators in the area. Budget discussion and clarification included:

- Manager compensation should be increased to \$10,000 to reflect a \$75 per diem and the option of a second board meeting each month.
- Engineering administration was reduced by 30% to reflect the actual cost of the District engineer attending 12-14 board meetings a year at \$250 per meeting.
- Rent and utilities have increased because of the move to a new office.
- Training increased by 50% to cover the administrator attending conferences such as MAWD, St. Croix River Association and Clean Water Symposium at the arboretum.
- The TMDL line item covers tracking the sources of bacterial loads, but not project implementation. Washington County identified E. coli as a stream impairment. The District is required to find the source. Water sampling paired with site investigation instead of DNA testing will greatly reduce the cost to identify the E. coli source.
- Lake diagnostics is part of the Plan Amendment. The goal is to complete assessments on all of the lakes that have not had diagnostics done. The cost is \$50,000 per lake.
- The cost to finish the Sand/Long projects under focused management projects is \$170,000, requiring \$130,000 from the plan implementation budget line item. These costs do not reflect grants paying for about half the project.
- Focused management projects reflect implementation costs. These costs could be cost-share projects.
- The AIS line item was reduced from \$10,000 to \$5000. The AIS report is expected this fall from Blue Water Science.
- In the 0% increase budget, the groundwater cost-share line item of \$2,000 was removed.
- Expenses for Log House Landing reflect the purchase of additional planks at \$80/plank, construction of a retaining wall, design work and installation. There is some grant money and potential for a 50-50 cost share with Scandia. When final project costs are known, Administrator Shaver stated that he will talk with the city about a cost share. The District spent \$7,000 this year on engineering. In the 2016 budget, \$26,000 is proposed for carryover and \$10,000 for project expenses.
- The 29% in the Education Program (\$5,000 for AIS and \$2,000 for watershed stewards) reflects using funds from the plan amendment. Administrator Shaver indicated that these funds could be removed.

- The 133th St. infiltration (Capstone CIB) project represents a 300% increase. This project has been in the works for 15 years and reflects a community cost share and a CIB project with May Township that could total \$60,000, with \$20,000 coming from the District. A representative from the 133th St. community group is active and is pushing the Township forward. Manager Weaver reported that some in the group are disgruntled because of the potential cost to homeowners. Manager Johnson noted that the project concept is there and this is the farthest along the project has ever gotten. Administrator Shaver noted that May has agreed to delineate the property lines and a potential subdivision in a farm field could provide the opportunity for an infiltration pond.
- Responses to the Marine Stormwater project are good and the \$30,000 in the budget is expected to get used up. Already 15 people are interested in raingardens.
- Managers Weaver and Stedman voiced personal angst about channel maintenance and the 200% increase in the budget. Administrator Shaver clarified that he anticipates needing to rebuild the Turtle Lake weir (\$5,000 carryover) and to remove cattails. Cattail removal was done a few years ago at a cost of \$4,000.
- A preliminary budget and levy must be submitted to Washington County by September 15. A final budget is due at the end of December. After September 15, the District can decrease its levy, but not increase it. The budget can be changed throughout the year.
- The Plan Amendment added groundwater monitoring and is now reflected in the budget.
- Hydrologic (H&H) study of \$30,000 is proposed for the expanded watershed area.
- Administrator Shaver will clarify if the \$15,000 under permit processing includes the new permitting proposal from EOR.

Administrator Shaver was asked for his opinion on the budget, especially related to the 0% or 2% increase. He responded that the numbers discussed are placeholders, he could add the \$16,000 in additional expenses identified above and take another run at the budget to get to a minimal or no increase. Because of the reserve, he stated that he is comfortable with either a no or 2% increase. A reserve provides flexibility for things that come up. The League of Minnesota Cities guidelines recommend that at the end of any year a watershed district should have 40% of the next year's budget in cash as a general fund balance and any positive difference between that and the bank balance will be a plan implementation fund. The 40% is to ensure the district can pay bills through the next tax levy installment. This recommendation is just looking at cash, not grants and assumes 100% of a budget is spent. If the District spends 90% of its budget this year, the general fund will be at the 40% target and the plan implementation reserve will be at \$37,560. Administrator Shaver stated that he is comfortable with this, but might not be comfortable with just budgeting for what you know you will do. He suggested presenting a budget with a 1 or 2% increase at the public hearing, with the ability to cut to 0% if there is public concern. The District spent 80% of its budget last year, which is better than the other area watershed districts.

Manager comments included:

- Manager Stedman stated that he agreed with comments about the reserve. A 0% increase is more symbolic. The biggest concern is that we are getting things done.

We should explain our 10-year strategy and how we will achieve it. We should say there is no increase in the budget this year.

- Manager Weaver stated that it is disappointing not to be able to do projects if they are not in the 10-year plan amendment or the budget. The budget indicates the District's intent and the District will do a lot more in the next ten years than we are doing now. We are at a point where things are coming to fruition. If we lock the budget in at 0% and see if we can spend it, are we on the right track?
- Manager Lindberg stated that we are looking toward a 0% increase and last year we talked about a 9% increase as only a one-time increase in many years. Let's get projects done and then talk about an increase. If we spend into the reserve, then we can increase the levy next year to make up for the loses.
- Manager De Vault noted that 2% amounts to nothing for households and questioned the meaning of using percentages. He also recommended not backing off at the hearing, if a 0% budget increase is proposed.
- Manager Johnson agreed that the 0% increase is a symbolic gesture. It is important to have a balance for things that turn up. We should look at what we want to do and not worry so much about the percent increase. It is more important not to cut the budget too short and to keep the 40% general fund balance. If we go below the 40%, we will need to increase the levy.
- Manager Tuenge also spoke in support of the 0% increase this year, provided projects are not turned down next year.

Manager Tuenge moved to support a budget with a 0% increase. Seconded by Manager De Vault. The motion carried 6-0.

Manager Stedman thanked Administrator Shaver for doing the spreadsheets.

6. Administrator's Report

Administrator Shaver reported:

- The Marine Stormwater Project kickoff was July 15 with great attendance and great follow-up.
- Met with the Sand Lake Association on July 16.
- Met with neighboring district administrators on July 20.
- Met with residents regarding the 197th St. project.
- The meeting on September 2 will include a public hearing on the budget, the 197th St. ravine and the Sand Lake project. The Board can approve the budget and levy on the 2nd or wait until the meeting on September 9. A quorum is needed on the 2nd.
- The Sand/Long project grant report was submitted to the Minnesota Pollution Control Agency.
- BWSR's review of the Plan Amendment went well and the plan should be approved this week.
- Big Marine Lake water levels have dropped back down to about 2 inches over the weir. Water levels are about 2-4 inches over the Big and Little Carnelian outlets.
- A young man, living near the area where the District does not have an easement, is willing to take down beaver dams. It was clarified that the District was created to keep water levels steady. Although the District cannot make special arrangements with properties owners on flowage issues, perhaps the District engineer can help Mr. Cole.
- Administrator Shaver will be taking time off at the end of Sept.

- It was clarified that the Regular Board meetings are the second Wednesday and fourth Tuesday.

7. Next Meeting

The next meeting is Wednesday, September 2 at 6:30 p.m. at Scandia Community Center.

8. Adjourn —Board Action

**Manager Tuenge moved to adjourn at 8:23 p.m. Seconded by Manager De Vault.
Motion carried 6-0.**

Submitted by
Debbie Meister, MMC Associates