

CARNELIAN-MARINE-ST. CROIX WATERSHED DISTRICT
Regular Meeting Minutes January 13, 2016

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

Others Present: Jim Shaver (administrator), Susannah Torseth (Lawson Law), Carl Almer (EOR) and Jed Chesnut (WCD)

Manager De Vault called the meeting to order at 6:35 p.m.

1) Approve Agenda

Manager Tuenge moved to approve the agenda as amended. Seconded by Manager Polasik. Motion carried 7-0.

2) Minutes from December 9, 2015

Manager Tuenge moved to approve the December 9, 2015 minutes as presented. Seconded by Manager Stedman. Motion carried 7-0.

Manager Johnson clarified that he, Manager De Vault and Administrator Shaver met to talk about financials. This will be discussed later this evening. Administrator Shaver clarified that regarding the follow-up letter to Mike White about permit violations, he is still waiting for a letter from the Department of Natural Resources (DNR). He will draft a letter to Mr. White, which will still give Mr. White time to meet the April 1 restoration deadline.

3) Treasurer's Report

Manager Johnson presented the Treasurer's Report.

Manager Stedman moved to accept the Treasurer's Report. Seconded by Manager Polasik. Motion carried 7-0.

4) Public Comments

There were no public comments.

5) Project Updates and Work Plan Update

a) Log House Landing Ramp

Administrator Shaver reported that he, Ms. Torseth, Manager De Vault and Scandia staff have been working on a letter of understanding (LOU). The LOU will probably be approved at the next Scandia board meeting. Ms. Torseth stated that the agreement is being recognized as a joint powers agreement including neither party will sue the other. She recommended adding a clause to add an insurance policy, which was done.

Administrator Shaver stated that the agreement also states that further design work will be done by Scandia's engineer and all changes will be approved at joint board meetings. Mr. Almer will review design changes.

Manager Johnson moved to direct President De Vault to sign the agreement. Seconded by Manager Stedman. Motion carried 7-0.

b) Marine Stormwater

Administrator Shaver reported that residents absent from the December meeting are being given time to provide feedback.

c) Sand/Long Implementation

Mr. Almer reported the liner for the iron-sand will be installed tomorrow and the PVC piping and structures should be completed by the end of the week. The iron also should be delivered by Friday.

d) Goose Lake Implementation

Mr. Chesnut reported that the WCD engineer is working on the final design and will bring it to the February meeting. Plans are to utilize an existing depression on one of the properties to minimize soil removal. March is still the target date to go out for bid. Discussion focused on holding, monitoring and enforcing easements as the watershed district grows in size. Ms. Torseth noted that the District is a separate entity from the county. Mr. Almer added that other watershed districts are going through the same process with easements that were obtained through permits or special projects and some have interns or the Conservation Corps out monitoring for violations. Mr. Chesnut reported that he met with Scandia's new administrator and updated him on the District's plans for a Goose Lake TMDL project.

e) Willowbrook Stream Study and Implementation

Manager De Vault reported that residents are not ready to move forward with the project yet. They want core samples analyzed to determine where sediment is coming from. They are still convinced sediment is coming from Hwy 95 and want the Minnesota Department of Transportation to be financially involved.

6) New Business

a) Permits

i) Mill Brook LOC

Administrator Shaver reported that the line of credit extension was received.

ii) Big Carnelian Shoreland Violation

Administrator Shaver reported that Bill Voedisch reported truckloads of fill being deposited on a lakeshore property. The contractor Tom Langer was finishing grading about 150 cubic yards of sand fill on three adjacent properties. Administrator Shaver told Mr. Langer to stop work and informed the property owner that he was in violation of District rules and probably DNR and township ordinances. Administrator Shaver talked with Dennis O'Donnell of Washington County and suggested all parties meet about this. Manager Tuenge recommended that new property owners be apprised of District requirements.

iii) Permit Update

Mr. Almer reported that based on the last round of inspections, he is recommending returning three surety deposits.

Manager Tuenge moved to direct the Administrator to return sureties on permits 15-07, 15-03 and 14-18. Seconded by Manager De Vault. Motion carried 7-0.

Administrator Shaver reported that he has asked Mr. Almer to keep a list of potential rule changes. Manager Polasik recommended adding drainage easements to the list. Mr. Almer stated that he has two pages of issues, there is a defined process to make rule changes and recommended scheduling a workshop to review the list.

b) Cost Share

Mr. Chesnut reported that he and Bryan Pynn drove around the Vet's Camp looking for opportunities for stormwater manage improvements and will continue this conversation in the spring. Administrator Shaver added that the District has been working with the Vet's Camp since 2000 and has a good working relation with them.

c) EMWREP Contract

Administrator Shaver reported that the District has been a member of the East Metro Watershed Resources Education Program since its inception. In request for action on contract approval, there has been discussion of what direct benefits the District gets. Although the benefits are not measurable, the biggest asset is the collaboration. EMWREP is well known and respected by government agencies in the county. Staff gets articles in local papers, hosts AIS, rain garden and other workshops. The committee, of which Administrator Shaver is on, develops the work plan. Administrator Shaver suggested a board member attend committee meetings and Manager Johnson volunteered. Manager Tuenge stated that the contract seems like this is the offer and there is no alternative. Additional workshop suggestions included a workshop for lakeshore owners on where they can put sand and another on the recently completed AIS reports for District lakes with public access. Localizing some of the education was also suggested. Mr. Chesnut stated that EMWREP drives cost share projects through the rain garden workshops. After the last workshop, he got requests for 30 cost share site visits. **Manager Lindberg moved to sign the EMWREP contract. Seconded by Manager Stedman. Motion carried 6-1.**

7) Old Business

a) Administrative Updates

i) Public Expenditures/Out of State Travel

Administrator Shaver stated the auditor requested the District add an out-of-state travel policy, which is required for local governments. Discussion focused on what expenses are allowable for reimbursement. Ms. Torseth clarified that according to state statute compensation of managers for meetings and official duties shall not exceed \$75/day. Managers are entitled to compensation for travel and other necessary expenses incurred in the performance of official duties. Administrator Shaver stated that if a meal is part of a registration package, it is included. It was agreed that dinner at MAWD was not an official duty.

Manager Tuenge moved to approve the draft of the out-of-state travel policy with the following changes: delete #6 and amend #7 to read: Receipts are required for all reimbursements and should accompany an expense report form. Seconded by Manager Lindberg. Motion carried 6-1.

ii) Surety and Permit Fees

Mr. Almer reviewed the surety and permit fees tables that provide comparisons of rates used by other districts and recommended changes to the District schedules. The purpose of a surety is to have some measure of cash to ensure the District has funds to complete work that a permittee does not do or is not in compliance. Permit fees are intended to be structured so the District recoups its expenses or imposes a fee for alterations made to a resource. The District rules state that the Board will periodically review and update surety and permit fees. Both can be changed without a rule change. Mr. Almer clarified that staff could track actual hours to document and recoup expenses, but it is time consuming to submit reimbursements and track payments. He acknowledged that \$150 permit fee for a single family home does not cover expenses. Most watershed districts cut the little guys slack. Larger entities that have multi-developments come closer to recouping these fees by distributing them over the units.

Discussion focused on fees for wetland alterations from those that require replacement and monitoring, to those that trigger the Wetland Conservation Act, to those that are detrimental and to those that could be beneficial. Mr. Almer noted that the District rules are not set up to regulate wetland improvements. The rules imply negative impacts. If there are beneficial proposals, the fees can be waived or reduced. All agreed that surety and permit fees schedules should be reviewed only one time per year so as not to appear to be preferential.

Manager Tuenge moved to approve both the changes to the permit application fees schedule and the surety schedule with the exception of approving the decrease in amount to the wetland surety schedule and by changing the wetland alteration from wetland impact to wetland improvement. Seconded by Manager De Vault. Motion carried 6-1.

iii) Plan Implementation and Investment Funds & 2016 Budget and Carry Forward

Administrator Shaver reported that in December 2014, in an attempt to get a handle on excess funds that the district has over and above those needed to implement the budget, the board approved the general fund and balance policy. At the end of the year, the general fund balance was to be defined as 40% of the district's next year's budget. That allows working backwards to see what is available over and above the fund balance amount. The question: what will this amount be called?

Manager Johnson stated that, as the new treasurer, he wanted to understand this so he and Administrator Shaver have been meeting with the accountant. His understanding is in the past the "reserve" was the money that was carried forward from the fiscal year and was assigned or directed to a project or projected expense. But it is his understanding that the idea of the reserve is to have funds that are unassigned or

undirected. The District needs to explain why the funds are not allocated. He stated that he thinks 40% is too much for a reserve and recommended a 10% range. He also suggested using terminology used by the state auditor.

Discussion included the following:

- Manager Weaver asked what other watershed districts and local government units (LGUs) do. As there are payouts, the District still has the capacity to borrow money. If a pipe collapses, there is an immediate need. And most LGUs have a chunk of money they can draw on. The District should not be banking money that is collected, but there is also the responsibility issue. Once this unassigned fund is created, levy funds for it each year should not be needed.
- Manager De Vault stated that the accounting terms need to be defined.
- Manager Polasik asked if the carryover can be allocated to the reserve? Administrator Shaver stated that as far as he knows, yes. But it has to be budgeted with the budget process. Thirty five to fifty percent is the amount of cash on-hand at the end of the year (December 31) that is allocated for cash flow until the levy is received on July 1. This is unassigned cash flow. Manager Johnson added that the District should go with what the state recommends—an unassigned cash flow of 40% to cover expenses to the next levy.
- Manager Lindberg stated that unassigned funds should be insurance or for something unexpected that comes up. We should have those moneys available.
- Manager Polasik stated that 40% is too high. The District does not have to deal with the kind of infrastructure disasters cities have to. The pipe maintenance fund has about \$70,000 in it.
- Ms. Torseth stated that Ray Marshall suggested talking to the auditor.

It was agreed that Administrator Shaver will talk with the auditor and he and Manager Johnson will present the actual carry forward funds next month.

b) Sand Lake Change Orders and Pay Request No. 1

Administrator Shaver reported that the change order was actually for a reduction.

Manager Tuenge moved to accept payment request No. 1 and pay the full amount of \$38,531.27 to Peterson Companies. Seconded by Manager De Vault. Motion carried 7-0.

c) 197th Street Change Orders and Pay Request

Administrator Shaver stated that there are some issues he wants to discuss with the District engineer and contractor related to the change order for the reworking of the manhole cover because of elevation differences.

Manager Polasik moved to pay the request of \$68,885.54 to Blackstone Contracting. Seconded by Manager Tuenge. Motion carried 7-0.

8) Bills to Be Paid

Manager Polasik moved to pay the bills in the amount of \$136,208.81. Seconded by Manager Johnson. Motion carried 7-0.

9) Administrator's Report

Administrator Shaver reported:

a) Minnesota Pollution Control Agency (MPCA) 319 Grant Application

The District could apply for about \$200,000 for TMDL implementation in the impaired lakes. Although the required match of about \$100,000 is not in the 2016 budget, this work is outlined in the 10 Year Plan. Monitoring, because it is not covered by grants, could be used as a match. 319 grants are not as competitive as the BWSR Clean Water Fund.

Manager DeVault moved to authorize the Administrator to apply for the MPCA 319 Grant. Seconded by Manager Polasik. Motion carried 7-0.

b) Cooperative Activities with CLFLWD and BCWD

The Chisago Soil and Water Conservation District does not want to expand services to provide more AIS ramp inspections in the District. CLFLWD is hiring an administrative assistant. It is possible the District could hire this person for some administrative duties.

c) Access to Administrator's Calendar

Board members wanting access should provide their email address.

d) Board Packet Timing

The District packets are provided faster than CLFLWD and BCWD's packets. Of recent District packets, one went out on Wednesday prior, nine went out on Thursday and two went out on Friday. Additional LGUs will be polled to see when their packets go out before committing to a change.

e) Met with New Scandia Administrator

f) Red Algae Report on Big Marine

The St. Croix Watershed Research Station was not able to identify the red algae found in the lake. The DNR will be asked if this could be attributed to the chemicals used on Eurasian watermilfoil treatments.

g) County Road 4 Meeting

Residents, at a meeting on December 15, opposed some of the preliminary decisions the planning group had made. There are four sections of the road to be worked on and this project has been going for 1½ years.

h) One Watershed One Plan Meeting

At a December 22 meeting with Washington, Chisago and Pine counties, area watershed districts, BWSR and WCD, Jay Riggs indicated that he will try to draft a proposal for a One Watershed One Plan covering the three counties in the St. Croix Basin. Unanswered was how the individual watershed districts would be competing with this larger entity for BWSR funding. Manager Johnson stated that that it is his understanding that this will not negatively affect anyone, but will cut out redundancy. It would resolve the issues of not being able to coordinate across boundaries. Manager Polasik stated that it is possible the District would lose control of its needs, if these were not what the big entity wants. This goes against local control and the reason watershed districts were formed. Manager De Vault stated that if the District sits on he sidelines, we will be told what to do.

Administrator Shaver added that there are 83 units in the state with five pilots being done throughout the state. The metro area is considered optional for pilot projects.

i) Attended January 6 Boom Site Planning Session with Manager Polasik

j) Expanding Watershed Education in Elementary Schools

Warner Nature Center will present a proposal at the February 2 meeting to make inroads into all elementary schools in the joint districts.

- k) **Attending Metro MAWD** on January 17
- l) **Groundwater Presentation at MN Geological Society** on January 19
- m) **St. Croix River Association Meeting**
At the January 21 meeting, Byron Pynn will present results of the District study completed last spring.
- n) **Surgery** – having surgery on January 21. Returning on the 25th.
- o) **Wilder Property Disposition Meeting** on February 4
- p) **North East Groundwater Group Meeting** in Hugo on February 18

10) Next Meeting is February 2, 2016

Joint meeting with BCWD and CLFLWD at 6 p.m. at the Warner Nature Center.

11) Next Regular Meeting is February 10, 2016

12) Adjourn

Manager Weaver moved to adjourn at 9:19 p.m. Seconded by Manager Tuenge. Motion carried 7-0.

Submitted by
Debbie Meister, MMC Associates