

MEETING MINUTES

Riley-Purgatory-Bluff Creek Watershed District

December 6, 2017, Board of Managers Monthly Meeting

PRESENT:

Managers: Richard Chadwick, Secretary

Jill Crafton, Treasurer

Dorothy Pedersen, Vice President

Dick Ward

Leslie Yetka, President

Staff: Claire Bleser, District Administrator

Zach Dickhausen, Water Resources Technician

Jessica Henderson, RPBCWD Intern

Terry Jeffery, Project and Permit Coordinator

Michelle Jordan, Community Outreach Coordinator

Josh Maxwell, Water Resources Coordinator

Louis Smith, Attorney (Smith Partners)

Scott Sobiech, Engineer (Barr Engineering Company)

Other attendees: Paul Bulger, CAC, Eden Prairie Resident Sharon McCotter, CAC

Larry Koch, Chanhassen Resident

Bill Satterness, Eden Prairie Resident

Bryan Maloney, Chanhassen Resident, LRIA Laurie Susla, LLCA President

Vice President

1. Call to Order

President Yetka called to order the Wednesday, December 6, 2017, Board of Managers Monthly Meeting at 7:05 p.m. in the District Office, 18681 Lake Drive East, Chanhassen, MN 55317.

2. Approval of the Agenda

Administrator Bleser requested the addition of an action item to consider the District subleasing office space to the Minnesota Association of Watershed Districts for its Executive Director. President Yetka added it as item 7i. Mr. Jeffery requested moving Consent Agenda item c ó Permit 2015-2010 Approve Letter of Credit Reduction ó Children's Learning Center ó off the Consent Agenda and on to the agenda as an action item. President Yetka added it as item 7j. Manager Ward moved to approve the agenda as amended. Manager Crafton seconded the motion. Upon a vote, the motion carried 5-0.

3. Matters of General Public Interest

President Yetka read aloud the procedures for this portion of the meeting and opened the floor for matters of

general public interest.

Mr. Bill Satterness, Eden Prairie resident, read aloud his prepared comments on the District's draft 10-year plan. He noted the six goals identified in the plan and remarked that the public input process identified 13 goals. Mr. Satterness suggested ways the plan could be restructured. He pointed out that only half of the District's budget is being spent on long-term projects. Mr. Satterness said that five years ago the District operated with half of its current budget and the District's legal counsel performed the roles of legal counsel, administrator, and recorder. He pointed out that the District's draft 10-year plan avoids discussion of the city's storm water systems. Mr. Satterness stated that there is considerable room for improvement with the draft plan.

Mr. Larry Koch, Chanhassen resident, asked why the monthly financial report was not posted online with the meeting materials. Administrator Bleser responded that the report was delayed. Mr. Koch noted that the District's Governance Manual calls for delineating restricted and unrestricted cash expenditures but this information is not reflected in the District's financial reporting. He asked that the District consider revising its financial statement template and presentations in order to comply with the District's Governance Manual. Mr. Koch stated that he doesn't understand the request for \$18,000 for the Chanhassen High School reuse project because he couldn't work out the numbers. He said he would appreciate an explanation about the request.

Ms. Laurie Susla, Chanhassen resident, asked the Board to consider not raising the levy for 2018, and she pointed out that the District received its second-half 2017 levy distribution this month and has more than five million dollars in the bank. She said she thinks that raising the levy is irresponsible. Ms. Susla asked when the rules update will be on the Board's agenda. Mr. Jeffery responded January.

Mr. Paul Bulger, Eden Prairie resident and CAC member, commented that the staff report includes mention of additional staff and he recommends the Board involves the CAC in any effort regarding staff restructuring.

President Yetka thanked everyone for their comments and asked that people also submit their comments about the draft 10-year plan online.

Administrator Bleser responded to questions and comments raised in the Matters of Public Interest.

4. Reading and Approval of Minutes

a. November 1, 2017, RPBCWD Board of Managers Workshop and Monthly Meeting

Manager Crafton requested changing the word "that" to "the" in the second paragraph of page 1 and changing the word "providing" to "provide" in the second paragraph on page 2. She also requested correcting the run-on sentence on page 5 under item 9d. President Yetka requested the addition of the language, "by including the LSWMP," to item 9c on page 5. Ms. Susla noted a correction to her comments on page 3, item 4, to state "2018 levy" instead of "2018 budget." Attorney Smith requested replacing the word "remove" with "address" on page 2 under item 1b.

Manager Ward moved to approve the minutes as amended. Manager Crafton seconded the motion. Upon a vote, the motion carried 5-0.

5. Consent Agenda

President Yetka read aloud the Consent Agenda noting that the Consent Agenda no longer includes item c - Permit 2015-2010 Approve Letter of Credit Reduction of Children's Learning Center - and includes approval of

the staff report excluding the portion regarding that permit. Manager Pedersen moved to approve the Consent Agenda as amended. Manager Crafton seconded the motion. Upon a vote, the motion carried 5-0.

6. Citizen Advisory Committee (CAC)

Ms. McCotter, CAC member, thanked the Board for inviting the CAC to the annual MAWD conference held last week. She stated that the CAC is preparing a report on the CAC's take-aways from the conference. She summarized that the CAC supports the District revisiting its rules about lake buffers and chloride reform and that overall the CAC supports the direction of the 2017-2018 recommended rules updates. She noted that the CAC discussed its bylaws and would like to change them to reflect that the CAC plans to change its meeting start time from 6:30 p.m. to 6 p.m. Ms. McCotter said that the CAC would like to know and have documented the procedure it undertakes to change its bylaws.

Attorney Smith responded that the change in meeting time doesn't require a change to the CAC's bylaws. He explained that typically bylaws state at the end of the document the process for changing bylaws. Attorney Smith noted that the Board's bylaws do include such language and the CAC can review that language.

7. Action Items

a. Accept October Treasurer's Report

Manager Crafton requested the Board defer this agenda item because by the time staff received the report after returning from the annual MAWD meeting there was limited time to review the report. She said that staff did review expenses and the bills can be paid. President Yetka said that the October Treasurer's Report will be deferred until next month's Board meeting.

b. Approve Paying of Bills

Manager Crafton moved to pay the bills. Manager Ward seconded the motion. Upon a vote, the motion carried 5-0.

c. Avienda Wetland Conservation Act Application Comment Letter

Mr. Jeffery summarized the Wetland Conservation Act (WCA) and the WCA review process in relation to the Local Governmental Units' review process regarding wetland credits. He went into extensive detail about the proposed Avienda development design and the 10 wetlands on the property. Mr. Jeffery went through the design iterations and wetland sequencing. He pointed out that the property owner and developer propose to buy wetland credits in Blue Earth and Rice counties. Mr. Jeffery explained that only the Rice County wetlands drain into the Minnesota River Watershed, which is the watershed that the Riley Purgatory Bluff Creek Watershed drains into also. Mr. Jeffery announced that the City of Chanhassen is seeking comments regarding this proposal to buy wetland credits in Blue Earth and Rice counties. He added that the draft letter in front of the Board contains staff's recommended comments. Mr. Jeffery pointed out that the City will be making a decision on this issue on December 18th. There was a lengthy discussion between the Board members and staff.

President Yetka read aloud the points made in the staff's draft comment letter to the City of Chanhassen. Manager Pedersen moved to approve staff sending the letter to the City of Chanhassen. Manager Crafton seconded the motion. Upon a vote, the motion carried 5-0.

Attorney Smith commented that the discussion of this item highlights District staff's interest in cooperative efforts to plan for land use. He said that this point doesn't necessarily need to be included in

this letter to the City but that the District could express in verbal comments to the City on December 18 the District's genuine interest in being involved in land-use planning for this site and others regarding water resources planning.

d. Award Scenic Heights School Forest Project and Enter into Cooperative Agreement with Minnetonka Public School District

Administrator Bleser noted that the Minnetonka School District plans to take action on the Cooperative Agreement and Maintenance Agreement at its meeting tomorrow and so this Board needs to take action on these tonight.

Attorney Smith went through the Cooperative Agreement and the Maintenance Agreement with the Board, noting that the Agreement spells out the responsibilities of each party. He listed the responsibilities of each party. Attorney Smith explained staff's recommendation that the Board authorize the RPBCWD Board President to sign the Cooperative and Maintenance Agreements, conditional on the correction to the exhibit on buffer maintenance. He said the staff's second recommendation for action is to issue the notice of the award of contract, contingent on the Minnetonka School District executing the Cooperative Agreement and Maintenance Agreement, which specifically includes the buffer reporting requirement. He said staff recommends also that the District receives confirmation from the Minnetonka School District that it has looked at the project plans and has signed off on them.

Manager Pedersen moved to authorize the Board President to sign the agreements with the condition of the correction of the buffer maintenance terms to include reporting pursuant to the conditions for the permit. Manager Ward seconded the motion. Upon a vote, the motion carried 5-0.

Engineer Sobiech summarized the bids received. He noted that one qualified party submitted a bid and that the bid came in under the Engineer's cost estimate. He recommended that the District accept the bid. Attorney Smith noted the two conditions with this action:

1. The Minnetonka School District approves the Cooperative and Maintenance agreements;
2. The RPBCWD receives written confirmation of the school district's approval of the project design.

Manager Chadwick described his concerns with the forest restoration aspect of this project. He said that he believes the school district should contribute a larger portion of the project funding. Manager Pedersen moved to accept the bid with the conditions as described by Attorney Smith. Manager Crafton seconded the motion. Upon a vote, the motion carried 4-1 (Manager Chadwick voted against.)

e. CAC Application Update

Ms. Jordan summarized the CAC application process and stated that all eight of the current CAC members re-applied and two new applications were received. She pointed out that copies of the applications were included in the meeting packet. Ms. Jordan explained that the Board could take action to appoint CAC members tonight or could wait until January. She also said that the Board could choose to keep the CAC application process open for an extended period of time if it would like to solicit more applications in order to reach a 12-member CAC.

Manager Ward moved to appoint to the CAC the 10 applicants and to leave the process open so the Board could appoint additional members in January to bring the number up to 12. Manager Crafton seconded the motion. Manager Chadwick commented that he thinks the CAC could be a larger committee than 12 members and could broaden beyond education and recreation. He agreed that the nomination process should remain open. Upon a vote, the motion carried 5-0.

Ms. Jordan said that she would notify the District's contacts to let them know that there are two open positions on the CAC and to tell them of the extended deadline for applying. There was discussion about when the CAC should meet, and Ms. Jordan said she would work on scheduling a Board and CAC meet and greet.

f. Hire of Outreach and Office Assistant

Administrator Bleser described the District's office and outreach needs and summarized the description of the proposed Outreach and Office Assistant position, the proposed salary range, and the benefits. She recommended that the District fund the position by taking funds from Education and Outreach budget and some from reserve funds. Administrator Bleser said she can come back to the Board in January with full details about the funding. She recommended that the District post the open position.

Manager Chadwick commented that he thinks the District does need clerical help but he doesn't think the District needs a deputy administrator. He said he thinks a starting salary of \$20,000 to \$25,000 would be appropriate and that the position should not handle the broader responsibilities already being handled by current staff. Manager Chadwick said he is opposed to increasing administrative costs.

Manager Ward moved to direct Administrator Bleser to post the position with the salary range listed in the position description. Manager Crafton seconded the motion. Upon a vote, the motion carried 4-1 [Manager Chadwick voted against].

g. 2018 Levy

Attorney Smith stated that the Board only needs to take action if it is reducing its levy; otherwise the Board's action previously taken on the levy stands.

h. Chanhassen High School Additional Funding Request – Budget Adjustment

Engineer Sobiech reported that the bids for the Chanhassen High School storm water reuse project came in higher than estimated. He explained that the reasons for this are because the school wants a full building to house equipment and because the vendor that supplied information to the contractors bidding supplied erroneous information, which included a different reuse system than the one included in the design documents and which has a higher cost.

Engineer Sobiech stated that staff would like to rebid the project and is asking the Board to do a project adjustment of \$18,000, which will be used to continue to provide the onsite construction management, rebid the project, and update the construction documents including plans and specifications. He explained that \$14,388 remains in the project budget and staff estimates that \$32,400 is needed, so staff is requesting \$18,000 in additional funding.

Manager Crafton moved to approve transferring \$18,000 from District reserve funds to the Chanhassen High School storm water reuse project. Manager Pedersen seconded the motion. Upon a vote, the motion carried 5-0.

i. Subleasing Office Space to MAWD

Administrator Bleser explained that the Minnesota Association of Watershed Districts (MAWD) would like to lease office space at the District's office for the MAWD Executive Director starting January 1, 2018, through August 31, 2018, with an option to lease month-to-month after August 31.

Attorney Smith noted for the record that Smith Partners represents both MAWD and the RPBCWD. He shared his opinion about the language that the District could use in notifying the District's landlord about the proposed sublease of office space.

Manager Ward moved that the District enter into a sublease agreement with MAWD for the office space for the MAWD Executive Director from January 1, 2018, through August 31, 2018, with an option to sublease month-to-month following August 31, with 30-day notice. Manager Crafton seconded the motion. Upon a vote, the motion carried 5-0.

j. Permit 2015-2010: Letter of Credit Reduction –Children’s Learning Center

Mr. Jeffery explained to the Board that the Children’s Learning Center has requested a letter of credit reduction for the site. He noted that the Center has installed and constructed all of the Best Management Practices as required through its permit but two of the infiltration basins are not infiltrating and instead are holding water. Mr. Jeffery explained that Children’s Learning Center requested a reduction in everything except for the buffer and the infiltration. Mr. Jeffery pointed out that the permit is expired and so the Children’s Learning Center will need to present to the District the storm water management plan for the property.

The Board discussed the issue and decided to take no action at this time.

8. Discussion Items

a. Upcoming Meetings

President Yetka noted the upcoming meetings including the Community Celebration on December 14, the CAC meeting on December 11 at 6:00 p.m., and the January 3rd 6:00 p.m. Board workshop on the rules updates and 7:00 p.m. monthly Board meeting.

9. Upcoming Events

- Community Celebration of Volunteers and Friends, December 14, 6:30 p.m., Bent Creek Golf Course
- CAC Monthly Meeting, Monday, December 11, 6:00 p.m., District Office, 18681 Lake Drive East, Chanhassen
- Board of Managers Workshop and Regular Monthly Meeting, Wednesday, January 6, 6:00 p.m., District Office, 18681 Lake Drive East, Chanhassen

10. Closed Session: Review of Professional Services - Accounting

It was moved by Manager Ward, seconded by Manager Crafton, to move into closed session for purpose of discussing a performance evaluation of the firm providing the District with accounting services. Upon a vote, the motion carried, 5-0, whereupon the Board of Managers went into closed session at 9:17 p.m.

The Board of Managers returned to open session at 9:55 p.m.

It was moved by Manager Pedersen, seconded by Manager Ward, to authorize the Administrator to retain Redpath & Company to provide transitional accounting services to the District. Upon a vote, the motion carried, 5-0.

It was moved by Manager Ward, seconded by Manager Pedersen, to authorize the Administrator to conduct further inquiry on payroll services terms with Redpath & Company and ASP and to retain one of these firms for payroll services effective January 1, 2018. Upon a vote, the motion carried 5-0.

11. Adjourn

It was moved by Manager Ward, seconded by Manager Crafton to adjourn the meeting at 9:58 p.m. Upon a vote, the motion carried, 5-0.

Respectfully submitted,

Richard Chadwick, Secretary