



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Minutes of Regular Meeting
Board of Managers
Wednesday, December 19, 2018
Carver County Government Center, 602 East 4th Street, Chaska, MN 7:00 p.m.
Approved January 7, 2019

1. CALL TO ORDER AND ROLL CALL

On Wednesday, December 19, 2018, at 7:02 PM in the Board Room of the Carver County Government Center, 602 East 4th Street, Chaska, Minnesota, President Hartmann called to order the meeting of the Board of Managers of the Lower Minnesota River Watershed District (LMRWD) and asked for roll call to be taken. The following Managers were present: Managers Adam Frey, David Raby and President Jesse Hartmann. In addition, the following were also present: Linda Loomis, Naiad Consulting, LLC, LMRWD Administrator; Della Schall Young, Young Environmental Consulting Group, LLC, Technical Consultant; Lindsey Albright, Dakota SWCD. Randy Donnell, Savage Riverport; Jake Hamlin and Greg Oberle, CHS, Inc.; Lee Nelson, Upper River Services; Lisa Brickey, Mosaic Crop Nutrition; Paul Nelson, Scott County WMO; Dean Jacobs, Cargill; John Carroll, Ceres Global; Greg Genz, UMWA (Upper Mississippi Waterway Association) and Taylor Luke, LS Marine.

2. APPROVAL OF THE AGENDA

Administrator Loomis requested the removal of the September 17, 2018, October 24, 2018 and November 19, 2018 regular meeting minutes.

Manager Raby made a motion to approve the agenda as amended. The motion was seconded by President Hartmann. The motion carried unanimously.

3. CITIZEN FORUM

There were no citizens who wished to address the board on non-agenda items.

4. CONSENT AGENDA

President Hartmann introduced the item.

~~A. Approve Minutes September 17, 2018, October 24, 2018 and November 19, 2018 Regular Meetings~~

B. Receive and file Financial Report

C. Presentation of Invoices for payment

- i. **Daniel Hron - November & December 2018 office rent**
- ii. **Burns & McDonnell - September 2018 Engineering services**
- iii. **Chimney Pines Home Owners Association - 2018 Cost Share Grant Program**
- iv. **US Bank Equipment Finance - December 2018 copier rental**
- v. **Naiad Consulting, LLC - September 2018 administrative services & expenses**
- vi. **Time Saver Off Site Secretarial - preparation of September 2018 meeting minutes**
- vii. **US Geological Survey - Stream Gauge and monitoring**

- viii. **Dakota County Soil & Water Conservation District - 3rd Quarter Monitoring & Technical Assistance/Cost Share Services**
- ix. **Young Environmental Consulting Group, LLC - October 2018 technical & engineering services**
- D. **Receive and File correspondence**
 - i. **September 24, 2018 letter from CHS, Inc.**
 - ii. **November 14, 2018 letter from CHS, Inc.**
- E. **Resolution 18-20 - Transfer of funds to 9-foot Channel**
- F. **Adopt 2019 Budget and certify tax levy payable 2019**

Manager Raby made a motion to approve the consent agenda with the September, October and November meeting minutes removed. The motion was seconded by President Hartmann. The motion carried unanimously.

5. PUBLIC HEARING

A. The matter of the Nine Foot Channel Permanent Disposal Sites Acquisition and Development Basic Water Management Project

President Hartmann reopened the hearing for additional public comment.

Jake Hamlin, State Director of Government Affairs, CHS, Inc., it is obvious that the District has wrestled with the issue of funding the management and disposal of dredge material since its inception. He noted that in 2013 the district and a former administrator went to the legislature asking for significant funding. At that time the question was posed that if adequate funding could not be secured to manage the dredge disposal site, then the District would consider how best to obtain financial resources or how best could it manage the technical issues to maintain the channel. The District deserves huge credit for receiving a significant legislative appropriation in 2017. He said the terminal operators have met with the City of Savage, in response to Manager Raby's comment at the end of the last Board meeting. Administrator Loomis and Counselor Kolb also attended. He expects this group to continue to meet to identify funding and address technical issues as well. Mr. Hamlin talked about the meetings with Savage and the goals they hope to accomplish through these meetings. He respectfully requested that this item be tabled for about 180 days to allow this work group time to identify alternative funding sources and the ability to address technical issues as well.

Manager Raby said he was under the impression that there had actually been two meetings and that LMRWD was only aware of and invited to attend one of those. Mr. Hamlin said they have had two meetings and the first meeting was to bring the issue to the attention of the city. Manager Raby asked if they had come up with any ideas. Mr. Hamlin responded that they have identified some sources of revenue such as the Port Development Assistance Program through the department of transportation, partnering with the city and others, or perhaps establishing a joint powers organization with the St. Paul Port Authority. He said they could also look at establishing a port authority.

Mr. Lee Nelson, Upper River Services, he noted Manager Raby has asked them to go out and see what they could do to help the District. In a month they (the work group) have had two meetings. The city needed time to go back to look at what options they have to help. The District has been working at this for a long, long time. In a month, they have made some progress, but they are not there yet and he would like more time, until the end of the legislative session. He thinks if this resolution is passed it is effectively saying that the benefitted parties are only the ones identified in the report the District commissioned. Mr. Nelson contends that the beneficiaries of this system, just as much as those properties identified, are the farmer 50 miles away who moves his product to the international market via the Minnesota River. It's the

people in Fergus Falls who get fertilizer and salt for their roads. It is the State that is the beneficiary. He thinks it is mistaken and wrong to say that only those identified in the report are the beneficiaries. He says this is the point they are trying to get across.

Mr. Nelson says they have been asked if they will go with the District to the State to appeal for funding for this issue. He says they will but only if we all go with the same mission. But to go in fear that someone will say that, "you have this authority, so hit up those 10 or 12 properties and leave the rest us alone", will only hurt our cause, in his opinion. He asked that the motion be tabled for 180 days or until the June meeting. Let's see what we can do working together.

Randy Donnell, Riverland Ag, requested the District not vote for this or table it. He thinks it opens a bad door. He says if the District votes for this, it makes it too easy for other parties to say use this tool and leave us alone. He says if the District does determine to assess then the benefitted properties will battle over beneficial members. He questioned the report prepared for the District by Clay Dodd. He feels some of the properties are actually injured parties not benefitted parties, because they are removing silt that comes from other people's properties upstream. He feels being assessed would hurt them twice. He feels there is widespread benefit. He asked the Board to vote no on the motion or table it to give them ample time to collectively seek other sources of funding.

Lisa Brickey, Manager of Mosaic Crop Nutrition, said she has gotten to know everyone much better and says they have had the opportunity to become a team to work on this together and asked the board to wait until after the legislative session to pass this. She worries that if this motion is passed it will remove the incentive for the terminal operators to work together. She requested the Board wait until after the legislative session.

Seeing and hearing no one else wishing to speak, President Hartmann closed the public hearing.

Manager Raby said he heard from the speakers that they do not trust the Board and they are being critical of what the Board is doing. He says that he heard everyone wants to be a partner with the District, but heard threats that if this passes that that other will not be partners and work with the District. He questioned how we can be partners.

He says the Board has clearly made the point that this is just adding one more funding option for the District. He believes this is important, because, as everyone knows, the funding historically has come from the taxpayers in the four counties within the District. Those taxpayers include the benefitted properties and their companies, but it also includes every resident of these counties. He doesn't disagree that there are a whole lot of people that benefit from this channel, but it will be hard to convince a lot of the District's taxpayers that they are personally benefitting.

Manager Raby says the Board has clearly made the point that this is one more option for the District. The Board has clearly made the point that the District is not assessing anything at this time. The Resolution has even been modified to make sure it is clear that if there is an assessment it will be made in conjunction with the District continuing to look for other funding throughout the State, as well as continuing to assess ratepayers with ad valorem taxes. He personally doesn't feel the Board should delay this more. He noted that if it is delayed, the District will incur additional costs. He said if it is delayed the Board will have to hold another hearing with official notice, which costs the District. It is possible the study would have to be updated, which would cost more money.

Manager Raby said he is in favor of moving forward with this and doesn't understand why the work group can't continue its efforts to find funds. The District will continue its efforts to find funds regardless of whether the Board approves this or not.

President Hartmann said if this resolution is passed it means the District has an additional option at its disposal. Does that really change what we want to go after as a partnership? He doesn't think it does. He said we all agree that funding should come from alternative sources before any assessment. He thinks certain threats were made and they are what they on both sides and the Board wants to be able to work together. Passage of this resolution shouldn't change what our goals are together.

Manager Frey agrees this is a tool and not an assessment. He stated nothing's happening at this point and he personally doesn't think the benefitted properties should have to pay extra fees for dredging than they have already. He would love to see things take place upstream, but the LMRWD can only do so much. He thinks everyone needs to be a team and it will everyone working together to reach the goal of having the State help financially. He thinks the District needs this tool.

Manager Raby made a motion to approve Resolution 18-21. The motion was seconded by President Hartmann. The motion carried unanimously.

6. NEW BUSINESS

A. Administrative Services

Administrator Loomis said a request for an increase in the compensation for Administrative Services was in the packet. She noted the Amendment to the Administrative Services Agreement included in the packet did not have signatures, but the signed copy was in the District's files in the office. If the Board approves the increase an amendment will be drafted and included on the agenda for the January meeting.

President Hartmann asked how this will impact the budget. Administrator Loomis said there are sufficient funds for an increase in the 2019 budget.

President Hartmann made a motion to authorize the rate increase and authorize staff to draft an amendment to the administrative services agreement. The motion was seconded by Manager Frey. The motion carried unanimously.

7. OLD BUSINESS

A. Dredge Management

i. Review Process for funding of maintenance of Navigation Channel

Administrator Loomis said there is no additional information to report other than what was discussed during the public hearing.

ii. Vernon Avenue Dredge Material Management site

Administrator Loomis said they are working on the flood elevation modeling. Della Young said they are working on the concept model for the site configuration and the hydrology and hydraulics model. She was informed the District should receive a draft report in the January/February time frame. The District will need the report before it begins the process to amend to the Conditional Use Permit.

President Hartmann asked Mr. Taylor Luke if he could update the Board with any activity on the site. Mr. Luke reported that there is not a lot going on right now. A contractor is waiting for a project to start and they will purchase about 30,000 yards of material at the price of \$2.00 per cubic yard. He expects it will likely begin in the spring

iii. Private Dredge Material Placement

No information to report other than what was included in the Executive Summary.

B. Watershed Management Plan

Administrator Loomis said staff is working on the rules.

C. 2019 Legislative Action

Administrator Loomis said Lisa Frenette has been working to arrange meetings with committee chairs and will approach legislators to carry legislation.

D. Education and Outreach Plan

No new information since last update

E. LMRWD Projects

i. Eden Prairie Area #3 Stabilization

No information to report other than what was included in the Executive Summary.

ii. Riley Creek Cooperative Project with Riley/Purgatory/Bluff Creek WD

No information to report other than what was included in the Executive Summary.

iii. Seminary Fen ravine stabilization project

No information to report other than what was included in the Executive Summary.

iv. East Chaska Creek (Carver County Watershed Based Funding)

President Hartmann asked about this project. Staff reported that the Board was provided with an update to the feasibility report. Administrator Loomis said she didn't think the Board needed to take any action on this item. Ms. Young said she wanted the Board to be aware that the update to the feasibility study increased the estimated cost of this project. She said the Board needs to look at it and authorize staff to proceed with the design. Administrator Loomis thought the District should meet with the city before any action.

v. Schroeder Acres Park (Scott County Watershed Based Funding)

No information to report other than what was included in the Executive Summary.

vi. Shakopee Downtown BMP Retrofit (Scott County Watershed Based Funding)

No information to report other than what was included in the Executive Summary.

vii. PLOC (Prior Lake Outlet Channel) Restoration (Scott County Watershed Based Funding)

No information to report other than what was included in the Executive Summary.

viii. Dakota County Fen Gap Analysis and Conceptual Model (Dakota County Watershed Based Funding)

No information to report other than what was included in the Executive Summary.

ix. Hennepin County Chloride Project (Hennepin County Watershed Based Funding)

No information to report other than what was included in the Executive Summary.

x. Vegetation Management Plan

No information to report other than what was included in the Executive Summary.

xi. Sustainable Lake Management Plan - Trout Lakes

No information to report other than what was included in the Executive Summary.

xii. Geomorphic Assessment of Trout Streams

The Board is being asked to approve the Bio-products and Bio-systems Engineering Department (BBE) from the University of Minnesota as a subcontractor to Young Environmental Consulting Group, LLC.

Manager Raby made a motion to approve Young Environmental Consulting Group, LLC to retain BBE as a subcontractor for the Geomorphic Assessment of Trout Streams. The motion was seconded by President Hartmann. The motion carried unanimously.

xiii. Spring Creek Cost Share

Administrator Loomis explained this project is the result of working with a homeowner in the City of Carver that has been seeing significant erosion of her property. She updated the board with the history of the project and actions taken so far. A proposal prepared by the Carver SWCD was included in the packet to stabilize the stream banks of Spring Creek.

This item was to make Managers aware of this project and that this will come before the Board, once the City has decided to go ahead.

F. Project/Plan Reviews

i. City of Eden Prairie - Peterson Wetland Bank

No information to report other than what was included in the Executive Summary.

ii. City of Eden Prairie - Comprehensive Plan Amendments

No information to report other than what was included in the Executive Summary.

iii. City of Chanhassen - TH 101 Improvements

No information to report other than what was included in the Executive Summary.

iv. City of Savage - 12113 Lynn Avenue

No information to report other than what was included in the Executive Summary.

v. Cities of Richfield/Bloomington - TH 77 & 77th Street underpass

Administrator Loomis explained that MNDOT has requested LMRWD approval of this project. She noted that this project will direct stormwater to the I494 stormwater conveyance, which is under capacity. Manager Raby confirmed that Ms. Young did review the project and if she was satisfied with the responses from WSB. She said that she was okay with the responses from the project engineer. The site is constrained and there are not many options. She noted that the LMRWD did not see this project until the 95% design was complete and it would have been helpful to see the design before it was this far along.

President Hartmann asked if the project meets the LMRWD standards. Ms. Young replied that it did.

President Hartmann made a motion to approve TH 77 & 77th Street improvement and underpass project. The motion was seconded by Manager Raby. The motion carried unanimously.

vi. MNDOT - I494 Brush removal

Administrator Loomis wanted to update the Managers on this project. She reported on comments the LMRWD provided to MNDOT about this project. She wanted to let the Board know the MNDOT is planning to add the LMRWD comments to the request for bids on this project and MNDOT will let us review the proposal that accept.

Manager Hartmann asked about the TH 169 & TH 41 project. Staff updated the Board on information they have received so far. Administrator Loomis asked Mr. Paul Nelson, if he was aware of any update to this project. Mr. Nelson said he had nothing to add. Ms. Young clarified that LMRWD staff reviewed the project in April and recommended approval at that time.

vii. MNDOT - TH 5 Signage projects

No information to report other than what was included in the Executive Summary.

viii. MPCA - MN River TSS TMDL

No information to report other than what was included in the Executive Summary.

ix. MN Valley State Trail - EAW (Environmental Assessment Worksheet)

No information to report other than what was included in the Executive Summary.

x. Hennepin County - CSAH 61 - Flying Cloud Drive

No information to report other than what was included in the Executive Summary.

xi. MNDOT - I494/TH 5/TH 55 Mill & Overlay project

No information to report other than what was included in the Executive Summary.

xii. MNDOT - I35W Bridge Replacement

No information to report other than what was included in the Executive Summary.

xiii. MNDOT - I494 from TH169 to Minnesota River

No information to report other than what was included in the Executive Summary.

xiv. City of Shakopee - Amazon Fulfillment Center drainage

No information to report other than what was included in the Executive Summary.

xv. MAC/LMRWD/MCWD boundary realignment

No information to report other than what was included in the Executive Summary.

xvi. Fort Snelling - Dominion Housing

No information to report other than what was included in the Executive Summary.

xvii. USACOE/USFWS - Bass Ponds, Marsh & Wetland

No information to report other than what was included in the Executive Summary.

G. MPCA Soil Reference Values - no change since last update

No new information since last update.

7. COMMUNICATIONS

A. Administrator Report: Administrator Loomis noted the report was on-line. She reported that the Administrator report included a link to a show that was televised on tpt that might be of interest to the Board. She reported that Steve Woods announced his planned retirement from Freshwater. She has been working with other watershed districts to determine new parameters on how to distribute future allocations under the Metro-area watershed based funding. The financial audit is scheduled to begin March 25. She was notified that it was announced that the Orange Line received full federal funding. She noted this project is scheduled to have an tunnel under I494 and managing stormwater and groundwater for this project should be challenging to manage, as current stormwater conveyance along I494 is already under capacity. She noted the River Resource Forum was re-scheduled due to the funeral of President George H. W. Bush and the Forum is now scheduled for January 22nd and 23rd. If Managers are interested in attending she can send them the agenda when it is available.

B. President: No report

C. Managers: Manager Raby commented on items he had asked about at the last meeting.

Administrator Loomis said had spoken to her contact at the city, who did not have any information on either the overlook or C.H. Robinson. She was told the overlook was done by the Eden Prairie Parks Department and she would check with them. She said the C.H. Robinson project went through Eden Prairie's Planning Department. Eden Prairie was

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planning to follow up on that project too; however, Administrator Loomis has not heard anything to date.

- D. **Committees:** No report
- E. **Legal Counsel:** No report
- F. **Engineer:** No report

8. ADJOURN

President Hartmann made a motion to adjourn. Manager Raby seconded the motion. The meeting was adjourned at 7:53pm. The next meeting of the LMRWD Board of Managers will be 7:00, Monday, January 7, 2019 and will be held at the Carver County Government Center, 602 East 4th Street, Chaska, MN.

Dave Raby, Secretary

Attest:

Linda Loomis, Administrator