



Minutes of Special Meeting of the Board of Managers

Lower Minnesota River Watershed District

7:00 PM, Tuesday, July 22, 2014

Bluff Conference Room, Chaska City Hall, One City Hall Plaza, Chaska, MN 55318

Approved August 20, 2014

1. CALL TO ORDER AND ROLL CALL

On Tuesday, July 22, 2014, at 7:00 PM in the Bluff Conference Room of Chaska City Hall, One City Hall Plaza, Chaska, MN 55318, President Francis called to order a special meeting of the Board of Managers of the Lower Minnesota River Watershed District (LMRWD) and directed staff to make note of attendees for the record. The following Managers were present: Kent Francis and Len Kremer. The following LMRWD staff were present: Bruce Malkerson, Attorney and Linda Loomis, Administrator. Also in attendance was Gina Young and Michael Murphy representing Cargill, Taylor Luke representing LS Marine, Greg Oberle representing CHS, Inc. and Keith Simonson representing Riverland Ag.

2. APPROVAL OF THE AGENDA

Agenda approved as presented.

3. REVIEW AND FINALIZE AGREEMENTS FOR DREDGE MATERIAL PLACEMENT SITE WITH LMRWD LEGAL COUNSEL

Before proceeding with the agenda, staff updated the Managers with regard to a determination from the City of Savage whether or not the placement of private dredge materials falls within the existing CUP.

Administrator Loomis said the City of Savage has not yet determined whether or not placement of private dredge material falls within the scope of the Conditional Use Permit (CUP) and has requested additional information. MPCA approved the agreement. She noted they still haven't heard from the Corps. Administrator Loomis updated everyone about the approval of the Amendment to the CUP by the City of Savage. Upon the request by the City, material tracked onto TH 13 must be cleaned up. Administrator Loomis said she has been in touch with Rachel Contracting and this is not a problem for them as long as it is their trucks that have tracked material onto TH 13.

Administrator Loomis explained when talking to the City of Savage about placement of private dredge material on the LMRWD 14.2 site, the City asked for a letter with the proposed placement plan and map of the site indicating where material will be placed. She said the City responded with questions about the proposal and site plan.

Attorney Malkerson asked the Administrator if she had copies of the questions from the city and the LMRWD response to the questions. Administrator Loomis handed out said copies. Attorney Malkerson stated he had copies of the resolution passed by the City of Savage approving the amendment to the CUP.

Administrator Loomis noted the responses to the City's questions are in blue. She said 38 trucks per hour was the worst-case scenario and the traffic study showed there was enough road capacity. Administrator Loomis said she will change the response to the City of Savage to state no more than 38 trucks per hour. President Francis suggested keeping it as simple as possible and to state that we will agree to the initial findings of the traffic study and that if traffic is a problem the LMRWD can investigate at a future date.

Managers authorized the Administrator to work with the City of Savage regarding the number of trucks into and out of the site.

Erosion of the site was discussed and whose responsibility it is to manage erosion. It will be addressed in the site operation plan.

Manager Kremer made a motion to authorize staff to finalize agreements for the dredge material site and the president to sign. The motion was seconded by President Francis. The motion carried unanimously.

A. License Agreement for Private Barge Slip Material Placement

Attorney Malkerson said a draft was put together and Cargill is fine with the changes but had some suggestions for language changes.

Manager Kremer asked what the LMRWD will accept for financial assurance. Attorney Malkerson said there will be a letter of credit.

President Francis clarified both parties are in agreement and they have a working document.

Michael Murphy from Cargill questioned the timing of the approval from the City.

Administrator Loomis said she will get a timeline. The Managers discussed having the businesses contact the City and it was decided to see what the response was from the City once they received the answers to the questions they asked.

Manager Kremer made a motion to authorize staff to finalize the license agreement for private barge slip material placement and the president to sign. The motion was seconded by President Francis. The motion carried unanimously.

B. Agreement with LS Marine

Attorney Malkerson said there were some changes in the management agreement since the Manager had last seen the terms that were offered. He explained the pay would be 50% of the gross profit and in each calendar year, the cost relating to the site would be subtracted. Staff recommended having a fee cap of \$12,500 per year.

President Francis made a motion to authorize staff to finalize agreements with LS Marine and the president to sign. The motion was seconded by Manager Kremer . The motion carried unanimously.

C. Agreement with Rachel Contracting

Attorney Malkerson provided copies of the May 21st offer from Rachel Contracting. He referred to the second page and said there were some questions that they couldn't answer until they received the CUP. The LMRWD now has the CUP in place and his understanding is that Rachel Contracting agrees with the terms. So the exceptions to the terms that were

offered can be removed. Attorney Malkerson has a form for an agreement with Rachel and is looking for a similar motion from the Managers.

Manager Kremer made a motion to authorize staff to finalize the agreement with Rachel Contracting and the president to sign. The motion was seconded by President Francis. The motion carried unanimously.

Greg Oberle suggested the Administrator invite City Staff to visit any of the river terminal facilities. He also extended the invitation to the Managers and staff.

4. ADJOURNMENT

It was moved and seconded to adjourn at 7:28 PM Motion carried unanimously.

Kent Francis, President

Attest:

Linda Loomis, Administrator