

**MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF MANAGERS
OF THE
NINE MILE CREEK WATERSHED DISTRICT**

WEDNESDAY, SEPTEMBER 9, 2015

Call to Order

Chair Kloiber called the special meeting of the Board of Managers of the Nine Mile Creek Watershed District to order at 7:00 p.m., Wednesday, September 9, 2015, at the Nine Mile Creek Watershed District Office, 12800 Gerard Drive, Eden Prairie, MN 55346.

Managers Present: Twele, Lynch, Kloiber, Segreto and Peterson

Managers Absent: None.

Advisors Present: Kevin Bigalke, Louis Smith, Robert Obermeyer, and Erica Sniegowski

Public Hearing – 2016 Budget

Chair Kloiber introduced himself and the other Manager present as well as the staff members present.

Chair Kloiber opened the public hearing at 7:01 p.m. for the 2016 budget and levy.

Administrator Bigalke stated that the public hearing was noticed through the *Sun Current*, *Sun Sailor*, and *Eden Prairie News* for three consecutive weeks. He displayed the proposed 2016 budget and compared those figures to the adopted 2015 budget. He highlighted figures from the proposed budget that had previously been reviewed and identified areas where he was able to lower the proposed amount since the last review by the Board in August. He reviewed the different amount of the line items included in the budget and the specific amounts budgeted.

Manager Segreto asked for additional information on groundwater well monitoring and why the District cannot obtain new wells.

Engineer Obermeyer stated that the item would have a large expense and there would also be an issue of responsibility for abandoning the wells. He explained that there is a State program to abandon the wells. He stated that unless you are willing to take on the additional responsibility and liability you would not want to do that.

Manager Segreto asked if other watershed monitor the groundwater.

Administrator Bigalke replied that some of the watersheds do monitor groundwater in the same way the District does. He explained that the observation wells are old wells in areas that were undeveloped and have now been developed and therefore the wells were sealed and abandoned. He explained that access to the wells is voluntary and they are owner maintained.

Chair Kloiber noted that there may be opportunities to partner with the DNR in their observation well program.

Manager Segreto stated that perhaps reserve funds could be used for that purpose.

Administrator Bigalke noted that the County is stepping up more to handle groundwater observation responsibilities and there may be options to partner in that aspect.

Chair Kloiber stated that the watershed will have to determine its role in groundwater management.

Administrator Bigalke noted that it is often difficult for watersheds because of the small area they cover compared to a county. He continued to review line items from the budget and the amounts proposed to be included in the budget.

Manager Lynch referenced the update of the management plan and asked and received confirmation that the line item includes the other costs such as engineering and legal fees even though the item is listed under the subheading of administration.

Administrator Bigalke noted that those items could be reallocated through the final budget process as that would not change the levy amount. He noted an increase to the annual audit item, explaining that there are significant technical changes required through the audit this year and therefore staff budgeted for those changes. He continued to review the line items in the proposed budget.

Education and Outreach Coordinator Sniegowski provided additional details on the Master Water Stewards program.

Administrator Bigalke provided details regarding the use of the cost-share program for the capstone projects required through the Master Water Stewards program.

Education and Outreach Coordinator Sniegowski provided additional information on the other workshops line item and provided examples of training and workshops that are, or could be, included in that budget item.

Administrator Bigalke continued to review the budget items and amount proposed to be designated to the item for 2016.

Chair Kloiber asked what is going to happen with the greenhouse and pond and when that would happen.

Administrator Bigalke advised that the pond would be filled with water before the open house. He stated that as the plants become more established there could be a gathering of seeds and those could be used in the greenhouse. He provided information on a model that could be made with kinetic sand that could be made as well.

Chair Kloiber asked if there are plans to do any of those things with the greenhouse in 2016 and whether that would be covered in the 2016 budget.

Administrator Bigalke stated that there are funds budgeted in 2015 that would continue into 2016 as reserves if the items do not move forward in 2015.

Education and Outreach Coordinator Sneigowski stated that in terms of the exhibit funds for 2015, she is planning to spend that on exhibits for the main building and would use some of the budgeted 2016 exhibit funds for some of those other purposes, perhaps the greenhouse.

Administrator Bigalke referenced the Discovery Point program development budget item, which will increase from \$2,500 to \$7,500 in 2016. He noted that those types of funds are used to develop interactive aspects such as the backpacks and tool kits.

Manager Lynch referenced the heritage room dedicated to Barbara and asked if there are yet plans for that.

Education and Outreach Coordinator Sneigowski noted that those plans will be further discussed in the coming months.

Administrator Bigalke continued to summarize the 2016 budget items and proposed increases and/or decreases from the 2015 budget. He noted that if the Managers desired to lower the proposed levy the repair and maintenance item could be moved and funded through the reserve fund. He reviewed the proposed program and plan implementation levy of \$1,417,750, capital project levy of \$1,100,000 and an allocation of budget reserve of \$325,000. He reported a total proposed budget for 2016 of \$2,842,750 a total proposed 2016 levy of \$2,517,750. He noted that the approved 2015 levy was \$2,463,750 with a 2015 budget of approximately \$2,900,000.

Chair Kloiber asked if there were tax impact numbers from Hennepin County.

Administrator Bigalke reviewed the annual impact for different property values ranging from a home valued at \$140,000 to \$800,000 and the impact that the levy would have.

Chair Kloiber opened the floor to any members of the public that wished to comment.

No comments were made.

Chair Kloiber closed the public hearing at 7:46 p.m.

Manager Peterson referenced partnerships, like the District had with Edina on the Centennial Lakes project, and asked if there is something for opportunities of that nature that may arise.

Administrator Bigalke stated that there was a minor plan amendment being developed, which would have allowed a larger cost-share program, but noted that did not move forward because the Edina project did not move forward. He advised that the amendment would be made in the future. He stated that if an opportunity comes along the District could use budget reserve funds to participate in a project. He stated that the District should possibly revisit their policy to develop better criteria because there would be more requests from member cities, meaning that the District would need to prioritize the projects it chooses to participate in. He explained that in order to create the proposed 2016 budget he reviews the information from the 2014 year end financial reports and the the financial reports from June, 2015 and July, 2015 to gauge the halfway mark through the year against that of the previous year. He reported that the District is on track and in line with the budget projections.

Manager Lunch asked how much was contributed to the reserves from the previous year's (2014) budget.

Administrator Bigalke stated that the amount varies from year to year and reported that the 2014 budget was approximately \$3,900,000 and of that \$3,100,000 was expended at the end of 2014. He noted that the bulk of the carried over funds were in relation to the water resource center costs. He stated that the administrative costs are tight and on task and the carried over amounts are mostly from capital projects that are billed and paid out at a later date.

Manager Lynch moved, seconded by Manager Twele, to approve the 2016 budget. Upon a roll call vote, the motion carried and the 2016 Budget was unanimously adopted.

Manager Segreto moved, seconded by Manager Twele, to adopt the resolution to certify the 2016 water management plan implementation fund levy. Upon a roll call vote, the motion carried and the 2016 water management plan implementation fund levy was unanimously adopted and certified.

City of Eden Prairie Local Water Management Plan

Administrator Bigalke stated that at the August 26th Board meeting Eden Prairie staff presented information regarding their Local Water Management Plan. He provided information on the 60 day review period and noted that the management plan was received on July 15th and there was some confusion on the City's part as to when the comment period would end. He explained that Eden Prairie had wanted watersheds to have two Board meetings to review the plan and had said that the comment period would end on September 21st. He noted that date is beyond the 60 day period that ends on September 15th, which is before the September Board meeting date. He stated therefore the item is before the Board tonight to consider. He stated that staff has reviewed the plan and does not believe that the District can approve the plan at this time. He stated that the Local Water Management Plans for cities can be tricky because the plan must not only comply with the local watershed plans but also the MS4 permit requirements. He

stated that the plans can either be more general in nature and describe more general goals, policies and expectations and defer the regulatory programs to the local watersheds or water management organizations, which Eden Prairie had previously done. He stated that cities can also choose to handle the regulatory programs themselves but their plan must then provide additional details and adoption of the watershed rules into ordinance would also need to occur. He stated that the Eden Prairie plan does neither of those things as it does not defer the regulatory programs to the watershed nor does it adopt the watershed rules to provide the regulatory services within the city. He stated therefore the plan cannot be adopted as it stands. He stated that rather than simply deny the plan District staff is proposing to provide two alternatives and if Eden Prairie followed through with the necessary actions their plan could be approved. He stated that the first option would be for the city to defer the regulatory programs to the Nine Mile Creek Watershed District or the city could adopt the District rules and put in place ordinance controls for the District to review. He stated that if the city were to take over the regulatory program and a variance request were to come forward, that request would still need to come before the District for consideration. He stated that a cooperative agreement or memorandum of understanding would need to be executed if the city chooses to take over the regulatory program.

Manager Lynch asked who else approves the plan outside of the District and whether the city could move ahead without the approval of the District,

Administrator Bigalke stated that the Metropolitan Council reviews the plan on a broad scope but advised that the watersheds need to approve the details of the plan. He stated that the District had previously approved the current plan of Eden Prairie but that plan was not in compliance with the other two watersheds that the city is a part of and that is why the city was updating the plan. He stated that the other two watersheds have requested an extension of the review period for the same reason the District could not approve the plan.

Manager Lynch asked the reason for the watered down broad requirements.

Administrator Bigalke stated that part of the conflict is between the MS4 permits and the local watershed plans and the need to comply with all elements. He explained that Eden Prairie would like to have a “one stop shop” for developers and have all necessary permitting within the city but advised that the plan does not take the necessary steps to do so. He stated that the District does not have statutory grounds to ask for an extension and that is why the District is suggesting providing the two options for the city to choose if they would like to permit to be approved. He stated that tonight he would need direction from the Board to submit the letter to the city stating that the District cannot approve the plan in its current state and would provide the options and ask for the city to provide their input on the direction they would like to take.

Manager Segreto asked if there is friction between the city and the District and asked why the city did not send in drafts prior to this time to meet the deadline.

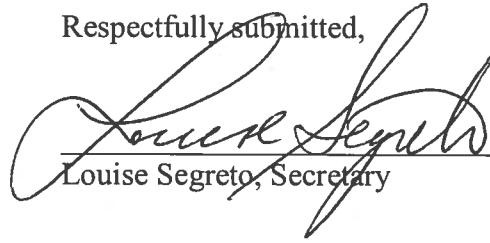
Administrator Bigalke stated that there is not friction between this District and the city but noted that the current Eden Prairie plan is not in compliance with the other two watersheds it belongs to.

Manager Segreto moved, seconded by Manager Lynch, to deny the Eden Prairie Local Water Management Plan and direct staff to submit the draft letter dated September 10, 2015. Upon a vote, the motion carried.

Adjournment

It was moved by Manager Segreto, seconded by Manager Peterson, to adjourn the meeting at 8:15 p.m. Upon a vote, the motion carried.

Respectfully submitted,



Louise Segreto, Secretary

ATTACHMENTS:
Treasurer's Report