REGULAR MEETING OF THE RCWD BOARD OF MANAGERS
Wednesday, August 28, 2019

Shoreview City Hall Council Chambers
4600 North Victoria Street, Shoreview, Minnesota

Approved Minutes

CALL TO ORDER
President Patricia Preiner called the meeting to order, a quorum being present, at 9:00 a.m.

ROLL CALL
Present: President Patricia Preiner, 1st Vice-Pres. Barbara Haake, 2nd Vice-Pres. John Waller, and Treasurer Steven Wagamon, and Secretary Michael Bradley.

Absent: None.

Staff Present: Interim District Administrator Nick Tomczik, Project Manager Kyle Axtell, Communications & Outreach Coordinator Beth Carreño, Office Manager Theresa Stasica.

Consultants: District Engineer Chris Otterness from Houston Engineering, Inc. (HEI); District Attorney Louis Smith from Smith Partners.

Visitors: Mark Statz, Gary Meehlhause, Nyle Zikmund, Jon Knutson, Bill Petracek, Patrick Antonen.

SETTING OF THE AGENDA
Motion by Manager Haake, seconded by Manager Waller, to approve the agenda as presented. Motion carried 5-0.

READING OF THE MINUTES AND THEIR APPROVAL
Minutes of the August 12, 2019 Workshop. Motion by Manager Wagamon, seconded by Manager Haake, to approve the minutes as presented. Motion carried 4-0-1, Manager Bradley abstained.

Minutes of the August 14, 2019 Board of Managers Meeting. Motion by Manager Wagamon, seconded by Manager Waller, to approve the minutes as presented. Motion carried 4-0-1, Manager Bradley abstained.
CONSENT AGENDA

The following items will be acted upon without discussion in accordance with the staff recommendation and associated documentation unless a Manager or another interested person requests opportunity for discussion:

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Permit Applications Requiring Board Action

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<td>Land LLC</td>
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<td>19-069</td>
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<td>Bridge/Culvert Crossing</td>
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<td>Public/Private Drainage System</td>
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Manager Haake asked for confirmation that stormwater will be filtered before it gets to White Bear Lake with regard to Permit No. 19-069.

Interim District Administrator Tomczik reviewed the areas of new impervious surface that are planned with this project. He noted that there is an underground basin as well as an infiltration basin and once the water is treated it will discharge either to the storm sewer or the wetland. He stated that the project is in compliance with the District regulations.

Manager Waller confirmed that the water will be piped from the infiltration basin to the storm sewer. He stated that he believes this project should change things so there will be less water flowing towards the wetland in the southwest corner of this property.

Interim District Administrator Tomczik stated that this is correct and there is an interim condition where the city’s project associated with the wetland will come in the near future. He stated that the interim condition is also in compliance with the District rule.

Manager Haake asked when that part of the project is supposed to be completed.

Interim District Administrator Tomczik stated that it is a stipulation of this permit for the County that the temporary storm sewer outlet pipe from the underground system from the wetland be removed after the city’s Phase 3 is completed.

District Engineer Otterness added again that they are meeting permit requirements under both the interim condition and the final condition.

Manager Bradley stated that he had a question regarding Permit No. 19-074, page 34, item #6 from the engineer’s report. He stated that the second to last sentence in this paragraph states, “The applicant must address the comments in the recommendations above.”, which is something he hasn’t seen before and is unsure what that is referring to.
Interim District Administrator Tomczik stated he believes that is a reference to the recommendations section as a whole. He noted that he does not believe this is the best placement of this generalized statement.

Manager Bradley stated that he feels it is confusing and suggests that sentence be taken out.

Interim District Administrator Tomczik stated that staff would agree and support that sentence being struck.

It was moved by Manager Bradley, seconded by Manager Wagamon, to approve the Consent Agenda item for permits 19-063, 19-069 and 19-074 as outlined in the above Table of Contents in accordance with RCWD District Engineer’s Findings and Recommendations dated August 21 & 22, 2019, subject to CAPROC requirements contained in the Findings and Recommendations with revision to 19-074 engineer’s report item #6 under Findings page 34, remove second to last sentence of item “The Applicant must address the comments in the recommendations above.”. Motion carried 5-0.

PUBLIC HEARING: PROPOSED 2020 BUDGET & LEVY, AND WATER MANAGEMENT DISTRICT (WMD) CHARGES.

President Preiner recessed the regular Board meeting and called to order the public hearing. She stated The Rice Creek Watershed District’s Proposed 2020 Budget and Levy including the watershed wide property tax levy and special levies for the Bald Eagle Lake Water Management District; the Anoka County Ditch 31 Water Management District, Anoka County Ditch 46 Water Management District, and the Anoka County Ditch 53-62 Water Management District. The purpose of the hearing is to hear comments and take input from parties having an interest in the proposed 2020 budget and levy. The levy will include a property tax levy on all properties located within the watershed district. It will also include additional special levies on four water management districts: the Bald Eagle Lake Water Management District, the Anoka County Ditch 31 Water Management District, Anoka County Ditch 46 Water Management District, and the Anoka County Ditch 53-62 Water Management District.

President Preiner asked Interim Administrator Tomczik to provide a summary of the 2020 budget and levy impact as well as the individual water management district budgets and levies.

Interim District Administrator Tomczik reported the 2020 budget carries the base District operations and functions for project and program implementation. He presented the following proposed budget highlights on the 2020 budget: District Facilities inspection, operation, maintenance and repair as well as sediment management; Lake and Stream Management continuation of curly leaf pondweed and common carp management, monitoring surface waters and water quality grant program; Obligations of the Public Drainage System and Creek Conveyances, Anoka County Ditch (ACD) 53-62, ACD 15 & Anoka Washington Judicial Ditch (AWJD) 4, AWJD 3 phase 1, Washington Judicial Ditch (WJD) 2 Branch 1 & 2, Hugo’s contract to maintenance of public drainage segments, general study and maintenance of public drainage and natural waterway management; Managing the Developing and Redeveloping Landscape through Regulatory program and assistance to applicants; Restoration, Management and Planning of:
Anoka Chain of Lakes waters as reflected in TMDLs, Lower Rice Creek Stabilization project, Middle Rice Creek planning, Reimbursement of the Bald Eagle Lake alum treatment, Eagle Lake Iron Enhanced Sand Filter, Continued development of solutions for Ramsey County Ditch 2, 3 & 5 watershed, Planning for regional water management with partners; Stormwater management cost-sharing with municipalities, Implementation of the Southwest Urban lakes study, Master planning of critical or “hot spot” stormwater areas; Coordination with municipalities on their capital improvement plans, Study and Planning for groundwater issues and stormwater reuse; Communication and Outreach of the District Board’s position and update of the watershed management plan; and Managing Fundamental District Information of boundary, district wide model, database and viewer maintenance as well as district website.

Interim District Administrator Tomczik stated that the budget includes all the watershed management districts and noted that they are expected to collect as follows: $58,050 from the Bald Eagle Lake WMD; $34,333 from Anoka County Ditch 31 Repair Project WMD reimbursing a 2016 project; $46,859 from the Anoka County Ditch 46 Repair Project WMD reimbursing a 2016 project; and $34,879 from Anoka County Ditch 53-62 Branch 2 Repair Project WMD. He explained that the total proposed expenditures for the 2020 budget are $8,186,939 and projected revenues are $6,197,130; $5,181,376 from watershed wide general tax levy; $1,015,754 from water management districts, fees, grants and investment income and $1,989,809 from district fund balance. He noted that the property tax impact for a $200,000 home is estimated to be around $38/year which is just slightly higher than 2019 at an estimated increase of $1.19. A $200,000 house being roughly the median house value in the district counties.

Project Manager Kyle Axtell stated that the tax impact of the proposed levy for the 2020 budget is lower than the District’s tax impact in 2017. He stated that the estimated 2020 tax impact for a $200,000 single-family home is $37.92/year. He stated that although there is a proposed increase in the levy for this year, the tax impact is still well below what it was in 2012 and 2013.

Manager Haake commended Interim District Administrator Tomczik and staff for their work on the budget and noted that the way the budget was presented was very easily understood.

President Preiner stated the purpose of today’s hearing is to: Receive comments from interested parties, it is not designed to get into a discussion with Board members; we are here today to hear comments only. President Preiner opened the microphone to anyone wishing to make comments on the budget and levy and requested they please state their name and address for the record.

Mark Statz, City Administrator/City Engineer for the City of Centerville, read aloud a letter he submitted to staff that stated: This letter is to offer comment on the district’s proposed levy for 2020. We understand that the board will be contemplating a 10% increase to the levy, while spending down a significant portion of its excess fund balance. This increase, alone, is concerning, paired with last year’s 7.5% increase. Additionally, residents of Centerville and others within the Centennial School District will see significant increases in their taxes due to a
recently passed school levy. We ask the board to consider reducing this year’s increase to a more modest amount. While we understand this particular public hearing’s purpose, we would also like to offer our thoughts on a larger concern we have with the long-term budget projections associated with the implementation of the district’s draft Watershed Management Plan (WMP). During the WMP development process, there has been a disconnect between the plan and any sort of annualized budget constraints. This is evidenced by the fact that the draft WMP has no “bottom line”. Nowhere in the report can you find a total cost of the plan. Bringing this discussion back to the original intent of the public hearing on the 2020 proposed levy, we ask that the board thoughtfully consider this year’s increase and seek to understand the sustainability of funding what is planned in your draft WMP. He also stated that staff has done a great job responding to their questions. He noted that he understands that a big part of this increase is due to the increase in overall market value of properties which is very different logic than Centerville uses when looking at tax levies. He stated that taxable market values go up and down and feels that the information presented was not apples to apples. He stated that budgeting this way is not a sustainable way to run an organization. He stated that saying because home values are going up everyone can afford more is a bit of a crutch. He stated that he thinks the District needs to look at this in a long-term fashion and the budget needs to tie in with the 10-year plan.

Nyle Zikmund, Administrator, City of Mounds View, stated that he also has concerns about the proposed 10% levy increase. He stated that Mounds View has one of the most confining charters in the State that limits them to a tax levy increase of 2% plus inflation. He stated that he would like to see 3 years previous of actual budget numbers. He stated that in the overview given today, he didn’t hear any new or special programs that were being added, so if the increase was actually due to new projects, that would be helpful and make it easier to understand. He reiterated that they are concerned about the proposed increase and want to learn more about the situation.

Patrick Antonen, Administrator, City of Circle Pines, stated that he is concerned about a 10% increase as well and noted that if a city did that, they would have a lot of angry citizens at their public hearing. He stated that it is also concerning that the only angry citizens here today are the area administrators. He stated that he finds it very difficult to discern what the budgeted money is actually being spent on. He stated that he has concerns with the budget process and believes it should be more open and transparent. He stated that a taxable market value increasing the tax levy should be decreasing. He asked the Board to consider modifying their budget and lowering the tax levy increase for this upcoming year.

Bill Petracek, Administrator, City of Lexington, stated that his community is low to moderate income and they generally try to keep their levy between a 0-2% increase. He stated that by the District increasing their levy it is essentially working against the City of Lexington. He asked that the Board consider a different plan.
There being no additional comments, President Preiner closed the public hearing and reconvened the regular Board meeting.

OPEN MIKE – LIMIT 12 MINUTES. Any RCWD resident may address the Board in his or her individual capacity, for up to three minutes, on any matter not on the agenda. Speakers are requested to come to the podium, state their name and address for the record. Additional comments may be solicited and accepted in writing. Generally, the Board of Managers will not take official action on items discussed at this time, but may refer the matter to staff for a future report or direct that the matter be scheduled on an upcoming agenda.

There were no Comments.

ITEMS REQUIRING BOARD ACTION

1. Consider Check Register dated August 28, 2019, in the amount of $329,441.03 prepared by Redpath and Company.

Motion by Manager Wagamon, seconded by Manager Waller, to approve check register dated August 28, 2019, in the amount of $329,441.03, prepared by Redpath and Company. Motion carried 5-0.

ITEMS FOR DISCUSSION AND INFORMATION

1. Staff Reports.

Communications & Outreach Coordinator Beth Carreño gave an update on the next steps in the hiring process for the District Administrator position. She stated that the time for accepting applications for the position closed on August 23, 2019. She stated the Board will now review the candidates and give feedback to staff on which candidates they would like to move forward in the process. She reminded the Board that at this point in the process the applicants will be somewhat confidential because they will have been assigned a number. She stated that once the candidates are chosen for an interview they will be contacted and staff will let them know that it will be part of the open meeting process and no longer confidential. She asked the Board to be very cognizant that they are bound by the open meetings laws for this process and asked that communications happen through her or Office Manager Stasica.

2. September Calendar.

Interim District Administrator Tomczik stated that the September 4, 2019 Citizen Advisory Committee (CAC) meeting has been cancelled because there were no action items. He noted that they District will be sharing the draft CAC Operations Procedure document to the CAC members for comment. He stated that they will also be communicating with the members to see if they would like to be considered for reappointment.

Communications & Outreach Coordinator Carreño stated that it is also likely, based on their request, that the CAC will have a December meeting and not a January meeting.
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Project Manager Kyle Axtell, stated that the Board will be receiving an invitation from the City of New Brighton for the Hansen Park Re-dedication Ceremony on September 24, 2019.

District Interim Administrator Tomczik stated that the lease has been executed and will expire on October 31, 2025. He noted that staff has been approached by the City of Fridley asking about dredging of Locke Lake and noted that this will be brought to a workshop for further discussion. He stated that there will be a Public Meeting for the budget on December 11, 2019.

District Attorney Smith noted that the Board will need to adopt their budget and submit their levy by September 15, 2019. He stated that there will also be a Truth in Taxation meeting that will provide the opportunity for the public to give additional comments on the budget at that time as well. He noted that the budget and levy could be decreased in December, but cannot be increased.

Manager Bradley stated that based on feedback received tonight, he would like to have discussion at a workshop that takes a bare bones look at the budget with a 7.5% increase, that takes out the new projects that will benefit the partners.

Manager Waller stated that some of the comments were misleading and noted that he and President Preiner voted for a reduction in general taxes in 2008 during the recession. He stated that having a deeper discussion regarding the budget at a workshop is a good idea.

President Preiner stated that it is pretty simple because in her mind the District can either reduce services or reduce taxes.

Interim District Administrator Tomczik stated how the District compares to other watershed districts is not certain but noted that staff had forecasted out what would occur with the District’s fund balance in order to remain consistent with the district’s adopted policy.

3. Managers Update.
Manager Bradley noted that he will miss the September 25, 2019 meeting.

Manager Wagamon stated that he will also be missing some meetings in October.

Manager Waller stated that he received a phone call from Tim Dewuske. He stated that Mr. Dewuske had sent in some complaints to Minnesota duty officer with the MPCA on August 18, 2019 regarding a lack of erosion control along County Road 12. He stated that Mr. Dewuske also made a complaint to the Federal government about the sediment problems under the Clean Water Act. He stated that he thought it was unusual that the
District had not heard about it yet and noted that it should be investigated a little more closely. He stated that there also needs to be some clarity around the definition of “lake”.

District Engineer Otterness explained that the MPCA has their own permitting process separate from the District. He stated that he does not believe there is any obligation by the MPCA to inform the District when they have received a complaint.

ADJOURNMENT

Motion by Manager Haake, seconded by Manager Wagamon, to adjourn the meeting at 9:56 a.m. Motion carried 5-0.