REGULAR MEETING OF THE RCWD BOARD OF MANAGERS
Wednesday, September 11, 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, District Technician Lauren Sampedro, Office Manager Theresa Stasica.
Consultants: District Engineer Chris Otterness from Houston Engineering, Inc. (HEI); District Attorney Louis Smith from Smith Partners.
Visitors: Jeff Karlson, Brian Olson, Patrick Antonen.
President Preiner asked for a moment of silence to honor those lost on 9/11.

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 28, 2019 Board of Managers Meeting. Motion by Manager Wagamon, seconded by Manager Haake, to approve the minutes as presented. Motion carried 5-0.

CONSENT AGENDA
Water Quality Grant Program Application

<table>
<thead>
<tr>
<th>No.</th>
<th>Applicant</th>
<th>Location</th>
<th>Project Type</th>
<th>Eligible Cost</th>
<th>Pollutant Reductions</th>
<th>Funding Recommendation</th>
</tr>
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</table>
| R19-09 | Ramsey County Parks & Recreation | Roseville   | Parking lot-curb cut raingarden | $32,367.50      | Volume: 80%
TSS: 79%
TP: 73% | $12,367.50, or up to 75%, whichever is less |
Interim District Administrator Tomczik noted that there were no permit applications on consent agenda and just one water quality grant program application to consider.

Manager Bradley stated that the program dollar amount calculates out to 38% and asked how the District came up with that percentage.

District Technician Lauren Sampedro stated that this amount was determined because the Ramsey County SWCD has a $20,000 grant from BWSR that is being utilized, so they are providing more than the normal match amount required.

Motion by Manager Haake, seconded by Manager Bradley, to approve the Water Quality Grant contract R19-09 of $12,367.50 or up to 75% of the eligible project costs, whichever is less, as outlined in the above table, in accordance with RCWD Staff’s Recommendation and established program guidelines. Motion carried 5-0.

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.

Jeff Karlson, Lino Lakes City Administrator, stated that when he was informed of the proposed 10% tax levy increase, he took a look at the District’s budget; which typically he has not done, specifically engineering and legal fees. He stated that he feels the legal fees seem quite high. He stated that he plans to continue reviewing the budget and will be at the public hearing in December to make comments. He stated that the proposed budget is a little alarming to him, especially the legal fees and plans to ask Interim District Administrator Tomczik for a detailed accounting of what the District is spending those fees on.

Patrick Antonen, City of Circle Pines, stated that he shares the concerns shared by Mr. Karlson regarding the legal fees that are included in the budget. He stated that there have been a lot of e-mails being sent between cities in Anoka County that are very concerned about the proposed budget increase. He stated that regarding legal fees, it appears as though the District is spending $20,000 per month on legal fees which is close to what many cities spend for an entire year. He stated that his City Council is concerned about what the 10% levy increase will mean to the taxpayers. He stated that although Interim District Administrator Tomczik gave a nice detailed e-mail after the previous Board meeting, it would have been nice to be informed of the district’s workshop meeting so they could have attended regarding budget and had a deeper discussion about their concerns. He reiterated that the area city administrators are very concerned about the budget.
ITEMS REQUIRING BOARD ACTION

1. Consider 2020 Proposed Budget & Levy Certification- There will be a public meeting on the District’s budget and levy adopted today on December 11, 2019 in conformance with MN Stat 275.065.

Interim District Administrator Tomczik explained that the proposed 2020 budget and levy is for $8,186,939. He explained that the total revenues are $6,197,130, with $5,181,376 being a watershed wide general property tax levy and $1,015,754 being Water Management District fees, grants and investment income with the remaining $1,989,809 from District fund balance. He noted that the public hearing was held on August 28, 2019 where comments were received on the proposed budget and levy. He gave an overview of the discussion surrounding a statement made that the comments were from 4 of the smallest communities in the District. He noted that he was not intending to speak for the Managers, his comment expanded that the communities were fully encompassed within the District and wanted to clarify that to simply offer an expanded context of the comments presented at the public hearing. He stated that the total annual tax impact dollar amount on a $400,000 home is estimated to be $76 which is an approximate increase of $2.38/year from 2019. He noted that the estimated amount based on a $400,000 property because there had been comments that the previous property value dollar amount used was not high enough. He stated that the proposed budget implements high priority projects and programs, including expediting large-scale public drainage projects. He noted that a large portion of the Districts work to execute its obligations as a public drainage authority are complex. He stated that the complexity of the 103E administration as well as the interplay with competing regulations and their representative agencies is very important.

Manager Bradley stated that the Board did listen to the city administrator’s comments from the last meeting and reviewed the proposed budget and levy. He stated that one of the problems they are facing is that the District is doing some very major projects that are spending down the reserve funds. He explained that the District has a policy of maintaining 40% in its reserves and if there is no action taken, much larger actions will be necessary in later years. He stated that the Board has attempted to maintain a stable budget and stable costs and noted that it went 10 years without increasing. He stated that the Board made the decision a few years ago that in order to do the projects that their partners would like to do and that need to be done as a drainage authority, that there would need to be increases in order to address those projects. He stated that they considered ways to get the increase down to 7% which would only be about a $150,000 difference. He stated that the end result is the District is not going to give up being the drainage authority or being the regulatory authority, we can’t, so to decrease this amount the District would have to cut into the projects and programs that benefit the communities. He stated that the Board has considered this option and has decided that is not something that they want to do at this time.
Motion by Manager Bradley, seconded by Manager Haake, to adopt Resolution 2019-23: Adopt 2020 Budget and Adopt 2020 Tax Levies.

THEREFORE BE IT RESOLVED, that the Rice Creek Watershed District Board of Managers adopts a 2020 general fund and plan implementation budget totaling $8,186,939;

BE IT FURTHER RESOLVED, that a levy of 0.048 percent of taxable market value, not to exceed $250,000.00, be certified to the Counties of Anoka, Ramsey, Hennepin and Washington and levied upon all taxable property in the Rice Creek Watershed District for the year 2020, for the purpose of paying the General Fund expenses of the District as provided by Minnesota Statutes Section 103D.905 Subdivision 3;

BE IT FURTHER RESOLVED, that a levy of $4,931,376 be certified to the Counties of Anoka, Ramsey, Hennepin and Washington and levied upon all taxable property in the Rice Creek Watershed District for the year 2020, as authorized by the Metropolitan Surface Water Management Act, Minnesota Statutes Section 103B.241, for the purpose of paying the costs of preparing and implementing a watershed management plan;

Manager Waller stated that he had made a comment at the previous meeting about the size of the communities that came and gave their opinion about the budget. He stated that after the meeting, he went back to his small community, which is Willernie, to see what the impact would be to his small community. He stated that Willernie is completely surrounding and he expected that he wasn’t going to see a large impact. He stated that there was a 7.5% increase last year that he did not support because he wants to see the money that comes out of Washington County be spent in Washington County. He stated that when he looked at Hugo, there was a 13% increase, which went from about a $290,000 contribution to the watershed to about $333,000 for this year. He explained that the County, as a whole, went from $846,000 to about $928,000 for this year so there was a sizeable actual increase of about 9%. He stated that he would like to see how that money comes back and noted that he feels that one thing the District doesn’t do to his satisfaction is calculate how that money comes back into these communities. He stated that he has not seen those monies spent back in the communities and he is not an advocate of “water knows no boundaries” because water doesn’t make the decisions, people make the decisions. He stated that he was happy to see the two city administrators at the meeting and asked them to begin looking at the Districts 10-year plan and give comments. He stated that he will not be voting to support this resolution today.

Manager Wagamon stated that he felt the Board worked very hard on this budget to get it as far as it could get without damaging the communities the District is supposed to be helping. He stated that he agrees that the legal fees are high, but agrees with Interim District Administrator’s comments that there are a lot of complicated things that the District is bound by law to do. He stated that there are not a lot of places in the budget that can be cut, except for discretionary spending and in his opinion, that would only hurt
the very people that are here talking about it. He stated that he would support getting
together and having a conversation about what projects the District should be changing
or cutting because that is really the only way the budget can be cut. He reiterated that
he believes the Board has worked really, really hard on this budget and he is very
comfortable with the budget as it is.

President Preiner stated that she thinks the District has had a lot of meeting with the
counties and cities to work on developing what the issues are and what projects they
want completed. She stated that the District is trying to balance the available money with
the projects and feels the Board came as close as they could.

Manager Bradley stated that he does not think the District has increased their budget
with regard to legal or engineering services. He noted that before he retired, he was a
consulting attorney and from his experience, the District could not hire in-house counsel
that is as cost effective or as talented as the outside counsel. He stated that they would
prefer not to spend their budget on this kind of thing, but because of the litigious and
fighting nature of society today, that is the reality.

Manager Wagamon stated that the Board pared down the most recent budget by
$600,000 from the original budget. He reiterated that the Board worked very hard to get
the budget down as far as they possibly could and still handle their commitments.

ROLL CALL:
Manager Waller – Nay
Manager Haake – Aye
Manager Bradley – Aye
Manager Wagamon – Aye
President Preiner – Aye

Motion carried 4-1.

2. Consider Bald Eagle Lake Water Management District - Certification of charges to
counties -Decision/Resolution.
Interim District Administrator Tomczik stated that annually, the Board needs to certify the
charges for the Bald Eagle Lake Water Management District. He noted that this will be
the 11th year of the 12th year and noted that the parcels that will be levied are outlined in
the packet.

Motion by Manager Bradley, seconded by Manager Waller, to adopt Resolution 2019-
24: Certification of Charges Bald Eagle Lake Water Management District.

THEREFORE BE IT RESOLVED by the Board as follows:
1. Table 1 attached hereto and made a part hereof by reference identifies parcels of real property lying within the charge area of the Bald Eagle WMD and the charge to each parcel for the 2020 implementation program.

2. The Board authorizes and directs the District Administrator, before the certifications are submitted, to confirm that the charges are consistent with the most recent parcel records available, to make any necessary adjustments on the basis of those records pursuant to established charge criteria, and after certification to report to the Board on any adjustments made.

3. The Board hereby certifies said list, as it may be adjusted by the Administrator, and requests that the Anoka County Auditor, Ramsey County Auditor, and Washington County Auditor include in the real estate taxes/assessments due the amounts set forth in Table 1 with taxes/assessments due and payable.

4. The District Administrator is directed to tender a certified copy of this Resolution to the Anoka, Ramsey, and Washington County Departments of Property Records and Revenue along with the identified parcels in a form as prescribed by each County, and to take such further steps as are required to effect the collection of charges provided herein.

Manager Bradley noted for the record that he is one of the properties in the Bald Eagle Lake Water Management District.

**ROLL CALL:**
Manager Waller – Aye
Manager Haake – Aye
Manager Bradley – Aye
Manager Wagamon – Aye
President Preiner – Aye

Motion carried 5-0.

**3. Consider Resolution for Ramsey County Ditch 4 records reestablishment process under MS 103E.**
Interim District Administrator Tomczik stated that this had been discussed at the Board workshop and enters the formal process of public drainage system record reestablishment.

*Motion by Manager Wagamon, seconded by Manager Haake, to adopt Resolution 2019-25: Findings And Order Directing Proceedings To Reestablish And Correct Drainage System Record For Ramsey County Ditch 4 (Statutes §103E.101, subd. 4a).*
ORDER

A. The Board of Managers shall follow the procedures of Statutes Section 103E.101, subd. 4a to reestablish and correct the drainage system record for RCD 4 to reflect the functional alignment, dimension, grade and right-of-way of the system.

B. The engineer, to the extent not already accomplished in its analysis supporting the Technical Memorandum, shall investigate and report findings defining the alignment; cross-section; profile; hydraulic structure locations, materials, dimensions, elevations; and right-of-way of the drainage system.

C. In order to encourage early coordination, the engineer shall give notice to the DNR of these proceedings and invite the appropriate DNR staff to review and offer comments on the Technical Memorandum and any addenda thereto and invite appropriate DNR staff to attend and participate in any field review or verification of site conditions.

D. Drainage Authority staff, upon completion of the engineer’s investigation and in coordination with the Board, shall set a date, time and location for an informational meeting on the reestablished and corrected drainage system records.

E. Drainage Authority staff, upon completion of the informational meeting and refinement of the engineer’s investigation, shall set a date, time and location for a hearing on the reestablished and corrected drainage system records.

F. Drainage Authority staff shall give notice of the hearing by mail to the commissioner of natural resources, the executive director of the Board of Water and Soil Resources, and all property owners benefited or damaged by the drainage system and shall give additional notice either in a newspaper of general circulation in the drainage system area or by publication on Drainage Authority’s web-site and in all other ways as required by Board policy.

ROLL CALL:
Manager Waller – Aye
Manager Haake – Aye
Manager Bradley – Aye
Manager Wagamon – Aye
President Preiner – Aye

Motion carried 5-0.
4. Consider Resolution Ramsey County Ditch 11 records reestablishment process under MS 103E.

Interim District Administrator Tomczik stated that this is the same intended process as the preceding item only on a RCD 11.

Motion by Manager Haake, seconded by Manager Bradley, to adopt Resolution 2019-26: Findings And Order Directing Proceedings To Reestablish And Correct Drainage System Record For Ramsey County Ditch 11 (Statutes §103E.101, subd. 4a).

ORDER

A. The Board of Managers shall follow the procedures of Statutes Section 103E.101, subd. 4a to reestablish and correct the drainage system record for RCD 11 to reflect the functional alignment, dimension, grade and right-of-way of the system.

B. The engineer, to the extent not already accomplished in its analysis supporting the Technical Memorandum, shall investigate and report findings defining the alignment; cross-section; profile; hydraulic structure locations, materials, dimensions, elevations; and right-of-way of the drainage system.

C. In order to encourage early coordination, the engineer shall give notice to the DNR of these proceedings and invite the appropriate DNR staff to review and offer comments on the Technical Memorandum and any addenda thereto and invite appropriate DNR staff to attend and participate in any field review or verification of site conditions.

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ROLL CALL:
Manager Waller – Aye
Manager Haake – Aye
Manager Bradley – Aye
Manager Wagamon – Aye
President Preiner – Aye
Motion carried 5-0.

5. Consider District Calendar Adjustment.
Interim District Administrator Tomczik stated there is a possible adjustment to the District calendar. He explained that at their September 9, 2019, workshop the Board discussed changing their December regular meeting start time to 7 p.m. to comply with the Truth in Taxation Law. This law states all metropolitan special taxing districts are required to hold public meetings for the taxes payable year 2020, to give notice of their public meeting, and to certify their compliance with the Truth in Taxation Law. The meeting, in which the public is allowed to speak and the budget and levy is discussed, may be part of a regularly scheduled meeting. The meeting must be after November 24, but no later than December 30, and held at 6:00 PM or later.

Motion by Manager Haake, seconded by Manager Waller, to change the start time of the Boards December 11, 2019 regular meeting to 7 p.m. at the Shoreview Council Chambers. Staff will change the Board’s official calendar and complete the proper noticing.

Manager Waller suggested that staff send communication to the individuals that have spoken at the last two meetings so they are aware of the meeting day and time since there had been confusion about the workshop meetings.

Motion carried 5-0.

6. Consider Check Register dated September 11, 2019, in the amount of $40,816.05 prepared by Redpath and Company.

Motion by Manager Wagamon, seconded by Manager Bradley, to approve check register dated September 11, 2019, in the amount of $40,816.05, prepared by Redpath and Company. Motion carried 5-0.

ITEMS FOR DISCUSSION AND INFORMATION

1. District Engineer Update and Timeline.
Interim District Administrator Tomczik stated that there is a JD3 information meeting with the landowners on Tuesday, October 8, 2019 at 6:30 p.m. at Hugo City Hall.
2. Managers Update.

Manager Waller stated that he attended the legislative subcommittee meeting where Representative Torkelson spoke about the total amount of rainfall increasing. He stated that it is important to think of our drainage systems and remember that they were built when agriculture was done with horses before internal combustion engines, so the capacity of them are rather small. He stated that their size really becomes the control factors for our volume and rate. He stated that it is important to keep the system in top shape.

President Preiner stated that this ties into the budget and noted that there has to be funding in order to do that.

Manager Waller stated that by flooding the wetlands that are ones and twos and turning them into threes and fours, it loses the capacity for the extra rainfall. He explained that he had also attended the Breakfast on the Farm event last week. He stated that he will be attending the Washington Conservation District (WCD) Board meeting later today.

Manager Bradley stated that he is also planning to attend the WCD Board meeting later today. He stated that he thought one of the other managers was also planning to attend and asked about whether this would require notice under the Open Meeting law.

District Attorney Smith stated that the Open Meeting Law requires that if there will be a quorum there to discuss District business, then that meeting needs to be noticed and open to the public. He explained that if the managers choose to attend a meeting of another body, such as the Washington Conservation District, as observers, or not there as a group of the Watershed Board discussing Watershed business, the meeting does not need to be noticed. He stated that if, in the future, they expect a quorum of the board to be attending one of these meetings and there may be some joint discussion it could be noticed, but under the circumstances as he understands them, notice would not be required.

Manager Bradley stated that Manager Waller will be making a presentation and he imagines that he will be asking for an opportunity to respond.

District Attorney Smith stated that he does not think the managers will be meeting to discuss District business as a District Board but are simply attending the Washington County Board meeting and providing input.

Interim District Administrator Tomczik stated that at a recent meeting staff mentioned the preparation of a letter to send to Mahtomedi Schools regarding Permit #16-107. He stated that the applicant did step forward and provide some information, so the District will not be sending the letter at this time. He stated that he also intends to attend the WCD meeting later today. He stated that he will be sharing the Board position, which in
his understanding is to recognize the State’s watershed law, that it is the relevant unit to
match the taxing and the spending of the watershed. He stated that this means that the
law was developed with the idea of what occurs upstream and downstream are
interconnected, so even though it is not occurring in that portion of land that is being
taxed, the treatment may be in an alternative location and the benefits of the District’s
work transcends city and county boundaries. He reiterated that this is staff’s
understanding of the Board’s position on this issue and explained that they will continue
to echo this message until they hear differently from the Board.

There was a Consensus of the Board to agree with Interim District Administrator
Tomczik’s understanding.

ADJOURNMENT
Motion by Manager Wagamon, seconded by Manager Haake, to adjourn the meeting at 9:38
a.m.  Motion carried 5-0.