The Board convened the workshop at 1:00 p.m.

Board Members in Attendance: Patricia Preiner, John Waller, Steve Wagamon, Barbara Haake and Mike Bradley.

Board Members Absent: None

Others: Administrator Phil Belfiori; Water Resource Specialist Kyle Axtell; Rachel Olm, Houston Engineering; Chris Otterness, Houston Engineering.

Administrator Belfiori reminded the Board of the new workshop item: “Discussion/Update on Washington Judicial Ditch 2 Branch 1 and 2 Repair and Anoka County Ditch 53-62 Branch 1 Lateral 1 Maintenance” added to the agenda on Friday, August 17. He also requested a Hansen Park Project Update from Water Resource Specialist Axtell.

**Hansen Park Project Update.**

Water Resource Specialist Axtell informed the Board that he was recently contacted by a reporter from the New Brighton Bulletin regarding the project and the claims of some unhappy residents who live near the park. He gave facts regarding the project’s history and timeline.

Water Resource Specialist Axtell informed the Board that the majority of the project should be completed by Labor Day week. The only item with an unknown schedule is paving the trail.

**Discussion/Update on Washington Judicial Ditch 2 Branch 1 and 2 Repair and Anoka County Ditch 53-62 Branch 1 Lateral 1 Maintenance.**

Administrator Belfiori informed the Board that this is an update from the Board’s direction given at the 8/6/18 workshop. Staff met with the cities of Hugo and Blaine to discuss District’s position regarding the need for a DNR PWW permit. The Cities were supportive of the Districts position but the Hugo City Administrator Bryan Bear suggested they first meet with DNR staff to discuss the situation. The District and the Cities agreed, so the District drafted a letter to the DNR contacts. Administrator Belfiori handed a copy of the letter to the Board for their review.

Administrator Belfiori requested the Board review the letter and inform him of any changes/comments. The Board by consensus agreed transmitting the letter to DNR after updating the letter with Manager Bradley’s minor edits.

**Review results from previous Strategic Direction Process workshops.**
Water Resource Specialist Axtell presented a summary of information from the previous two workshops related to the District’s recent history of non-grant expenses, the Board’s desired breakdown of program vs. project expenses, and a 2020-2029 revenue/expense projection based on information the WMP team has gleaned from the Board over the last six months. The team and Board discussed gaps in revenue compared to projected expenses and provided input on how those gaps might be addressed.

Overview of available watershed district financing tools.
Administrator Belfiori led a discussion covering the possible funding options available to the District that are found in Statute, including ad valorem tax levy, water management district charges and benefitted lands assessment. He also discussed external sources of revenue including various District partnerships with cities, counties and others, loan opportunities, grant programs and legislative bonding. Later in the meeting (due to a misplaced presentation slide), the team explained to the Board that the idea of creating subwatershed-based ad valorem tax districts is not authorized by statute. Project-specific tax districts (essentially a Water Management District) can be done if structured properly for a specific capital improvement project.

Funding scenarios for future large Capital Improvement Projects.
District Engineer Otterness lead the Board through a hypothetical large CIP scenario, whereby the District attempted to implement a $20 million-dollar capital project with both local and regional benefits using various funding and financing mechanisms. After the discussion, the Board was asked if any of the discussed revenue generation and financing tools should be considered “off the table” while staff develops the next WMP draft. The Board generally agreed that it would be unwise to artificially limit the District by eliminating any of the options. Manager Waller noted that a Benefitted Lands Assessment would likely be infeasible given the makeup of the District.

Revisit remaining “Parking Lot” Discussions.
The WMP team indicated that it felt all “parking lot” items had been adequately discussed at this point. The Board was asked if any additional topics needed further discussion. Nothing was identified by the Board.

Next Steps
Administrator Belfiori proposed that future WMP workshops should continue to be held, as necessary, on the Monday before the second regular Board meeting of the month through the end of the WMP process. Water Resource Specialist Axtell noted that scheduling a standing monthly meeting was a good idea and that if a workshop was not required, it could be cancelled. If there was only a small amount of material to cover, it could be moved to Wednesday, right after the regular Board meeting, to save time. Upon further discussion the Board reached consensus that the next WMP workshop will be on Monday, September 24 at 1:00pm at the RCWD Office.

The workshop was adjourned at 3:10 p.m.