

**MINUTES OF THE REGULAR MEETING OF
THE MINNEHAHA CREEK WATERSHED DISTRICT
BOARD OF MANAGERS**

March 20, 2008

CALL TO ORDER

The regular meeting of the Minnehaha Creek Watershed District Board of Managers was called to order at 6:55 p.m. by President James Calkins at the District offices, 18202 Minnetonka Boulevard, Deephaven, Minnesota.

MANAGERS PRESENT

James Calkins, Pamela Blixt, Richard Miller, Lee Keeley, Jeffrey Casale, Brian Shekleton.

MANAGERS ABSENT

Mike Klingelhutz.

OTHERS PRESENT

Eric Evenson, District Administrator; Michael Wyatt, District Environmental Planner; Udai Singh, District Water Quality Specialist; James Wisker, District Permitting Officer; Michael Panzer, District Consulting Engineer; Chuck Holtman, District Counsel.

MATTERS FROM THE FLOOR

None.

APPROVAL OF AGENDA

It was moved by Manager Keeley, seconded by Manager Miller to approve the agenda with the addition of Board consideration of a resolution authorizing a request for Hennepin County financing of the Chute purchase and an update on the Duke Realty redevelopment, and with the removal of consideration of Permit 08-048 and the rulemaking discussion. Upon vote, the motion carried.

CONSENT AGENDA

It was moved by Manager Keeley, seconded by Manager Shekleton to approve the Consent Agenda with the exception of the checking register and the February 21, 2008 minutes, consisting of the minutes of January 17, 2008, February 7, 2008 and February 14, 2008 and the petty cash and surety registers. Upon vote, the motion carried.

REGULAR AGENDA

City of Minneapolis, Permit 08-063

Mr. Wisker presented the City of Minneapolis application concerning the separation of stormwater infrastructure from combined sanitary sewer in four locations within the District's boundaries. Mr. Wisker explained that there will be no change in impervious surface or land contours, so that the only applicable stormwater management rule requirement is paragraph 2 (i), which prohibits any point-source discharge that would increase sediment load into a watercourse. Mr. Wisker noted that one of the four elements would drain stormwater to the 60th and 1st Pond, a stormwater treatment facility. Accordingly, this work would not increase any sediment in violation of the rule. The other three changes would divert stormwater currently flowing into the sewer system to storm tunnels that would discharge directly to the Mississippi River. Minneapolis requests a variance to permit it to install Best Management Practices (BMPs) elsewhere that would achieve the sediment removals needed to offset any increased discharge of sediments into the stormsewer system. The present work does not afford reasonable opportunities for such facilities. Mr. Wisker recommended approval of the variance with a requirement that Minneapolis enter into a cooperative agreement with the District within 90 days detailing the locations and treatment effectiveness of proposed BMPs, that if this is not accomplished, Minneapolis be required to incorporate individual BMPs into each project element; and that an erosion control plan be submitted and approved by the District before permit issuance for each of the project elements.

Responding to a question from Manager Blixt, Mr. Wisker said that the time frame to install the agreed-on BMPs would be set out in the cooperative agreement. Mr. Panzer, replying to Manager Keeley, stated that once the BMPs are in place, there will be no increase of sediment to the Mississippi River.

Bo Spurrier, Project Engineer, Minneapolis Department of Public Works, addressed the Board. He stated that Minneapolis pays \$5,965,000 per year to Metropolitan Council Environmental Services for excess sanitary sewer discharge to the regional wastewater system. He stated that of some 300 million gallons per day of excess flow to the regional plant, Minneapolis was contributing about 112 million. Minneapolis efforts during 2006-07 reduced this figure to about 68 million per day. The proposed work as well as an aggressive rain leader disconnect program will reduce this number further. Mr. Evenson recommended that the cooperative agreement be framed more programmatically in expectation of additional Minneapolis combined sewer disconnects that will be coming to the District for permitting. Mr. Spurrier advised that Minneapolis presently has plans to install BMPs within the watershed to improve water quality. He noted in this regard plans to rebuild several blocks of 54th Street to include porous pavers in bike and parking lanes and a grit chamber.

Manager Shekleton supported the application but asked whether this would be shifting the discharge to another jurisdiction. Manager Miller noted that this part of the city is not going to be redeveloped and therefore every opportunity to correct surface water management should be used.

It was moved by Manager Blixt, seconded by Manager Keeley to approve the permit and variance in accordance with staff recommendations with the further conditions that the cooperative agreement is to include a BMP construction timeline and that the Mississippi Watershed Management Organization (MWMO) will be given an opportunity to review before staff brings the cooperative agreement forward for Board approval.

Manager Calkins asked how much of the wastewater system flow consists of groundwater inflow. Mr. Spurrier replied that it is very hard to estimate, but that his guess would be about five to 10 million gallons per day. He stated that when the project is complete, there will be no measurable inflow.

Manager Calkins asked about the extent to which the existing pipes contribute to groundwater dewatering and also asked Mr. Wisker to describe the hardship grounds advanced for the variance. Mr. Wisker replied that Minneapolis is under a legal mandate to separate the stormsewer system and that unique conditions are posed by the need to do this within the heavily developed urban area. Manager Calkins noted that the design would remove surface flows from the District. Mr. Spurrier replied that stormwater has not in fact drained to the local watershed for a century; it has been diverted into the sewer system. Manager Calkins observed that this initial diversion marked the beginning of reducing creek baseflow.

Upon vote, the motion carried.

Check Register

Mr. Evenson asked that check 28077 to First American Title be added to the check register. This payment is earnest money for the Chute acquisition. ***It was moved by Manager Miller, seconded by Manager Shekleton to approve the revised check register, consisting of checks 28019 through 28077, in the total amount of \$673,035.04. Upon vote, the motion carried.***

February 21, 2008 Minutes

Manager Casale indicated that at page eight, he would like the minutes to reflect his statement that before acting on the permit, he would like to see drawings with elevations

and topographic contours as was provided for the 30-percent Minnehaha Glen design. He also asked that in the minutes, acronyms be spelled out at the first use.

Joint Watershed Resource Program Proposals

Mr. Singh described the process carried out in coordination with the MWMO to review research proposals submitted for funding. He informed the Board that the MWMO Board has approved the recommended slate of awards. Mr. Evenson introduced Doug Snyder, MWMO Administrator, who coordinated the MWMO role.

Manager Miller asked what would be produced from the work. Mr. Evenson replied that each project would produce a peer-reviewed report. Responding to Manager Calkins, Mr. Snyder explained that the MWMO will provide fiscal and contract management for the program. He said that for the recommended scope changes, the MWMO could report back to the District Board or the joint committee. Manager Miller emphasized that the work is funded with taxpayer dollars and therefore at the end, a broad audience should be able to perceive the benefit.

Mr. Holtman recommended to the Board that it be sure it is comfortable that the process will allow for sufficient District oversight of the technical work and the payment for it. Mr. Snyder noted that each project will have a payment schedule that depends on interim progress points, with a part of payment retained for final report approval.

Manager Blixt concurred in Manager Miller's concern about public perception. She would like to further consider how the work can be translated to an everyday application. Mr. Evenson noted that some projects are very technical, while others will have greater general interest.

It was moved by Manager Calkins, seconded by Manager Shekleton to approved proposed Resolution 08-016. Manager Calkins expressed the Board's appreciation to Mr. Snyder for his extensive, careful efforts. Mr. Snyder expressed similar appreciation to District representatives. He said that interested parties have provided much positive feedback on the process. ***Upon vote, the motion carried.***

Selection of Analytical Laboratory

Mr. Singh described the process used to obtain proposals for water quality analytical services. Staff recommends that the District contract with RMB Environmental Laboratories, Inc., in Detroit Lakes, Minnesota, based on factors outlined on the proposal matrix. RMB offers the best price and other favorable terms related to sample receipt and turnaround time. Mr. Evenson noted that RMB is used by other watershed districts and has been positively recommended.

It was moved by Manager Miller, seconded by Manager Shekleton to adopt proposed resolution 08-015.

Responding to Manager Miller, Mr. Singh stated that the total budgeted annual cost for the analytical work is about \$90,000. Responding to Manager Shekleton, Mr. Singh noted that *e coli* analysis is done by the City of Minneapolis Department of Public Works laboratory because of the quick sample turnaround that is needed. ***Upon vote, the motion carried.***

Request for Hennepin County Financing of Chute Acquisition

Mr. Evenson stated that a Board resolution is needed to initiate a request for financing from Hennepin County under the 2006 Master Loan Agreement. A proposed resolution was distributed to the Board. Manager Miller asked whether District payments for prior acquisitions could be included in the financing request. Mr. Evenson questioned whether acquisitions preceding the District's plan adoption would be eligible. Mr. Holtman stated that the MLA does not explicitly prohibit financing of payments for prior acquisitions, but that this may not have been the parties' intent. He said he would consult with the District's bond counsel.

It was moved by Manager Miller, seconded by Manager Blixt to adopt the proposed resolution with the addition of language specifying that other eligible reimbursements should be sought as well. Manager Miller emphasized the benefit of using this process to engage the County in the District's program and also the public cost savings from County rather than District bonding. Manager Calkins asked whether the Board has a policy of financing all acquisitions this way. Manager Miller believes that the District's levy should be used for dept service only. Manager Casale noted that the MLA appears to limit the District's total expenditures for the program period, whether the funds are obtained through the District's levy or from County bond proceeds.

Mr. Holtman noted that the MLA requires the Board's requesting resolution to name specific acquisitions and fund amounts and questioned the adequacy of a resolution that seeks an unspecified amount of funds. He suggested that the Board either could adopt the present resolution without amendment and later adopt a second resolution for additional projects compiled by staff, or could authorize Manager Calkins to sign a revised resolution on advice of counsel once the resolution incorporates additional acquisitions and amounts. Mr. Evenson noted that the matter will be on the April 10 agenda for a public hearing and Board action to authorize a district levy for note repayment.

It was moved by Manager Miller, seconded by Manager Blixt to amend the main motion to authorize Manager Calkins, on advice of counsel, to sign a revised resolution on behalf of the Board. The amendment was adopted by unanimous consent. Upon vote, the amended main motion carried.

DISCUSSION ITEMS

Administrator's Report

Mr. Evenson referred the Board to the written report in the packet. Mr. Evenson referenced the second crane accident associated with the Metropolitan Council Environmental Services interceptor project that occurred this week in the City of Victoria. He also noted that a broken stormsewer pipe was inspected by staff and found to not pose an environmental concern. He directed the Board's attention to a March 20, 2008 memorandum prepared by the District engineer finding that a recent observed fish kill in Lake Virginia appears to have been due to natural causes.

Mr. Evenson reported on the District's highly successful conference concerning the implications of climate change for water resource management. He indicated that the proceedings will be put on the District's website. The Minnesota Clean Water Council has expressed an interest in touring the District primarily because of its many stormwater partnerships. Board members will be invited to the tour. Mr. Evenson also was asked to assist the Minnesota Environmental Initiative as a judge of its annual awards.

Manager Blixt asked about the Methodist Hospital project. Mr. Wyatt responded that the District has met with Methodist Hospital, the City of St. Louis Park and the hospital contractor to discuss scheduling and permitting. The application for the District permit will come to the Board probably during April. The cooperative agreement has been signed, which triggers the time frame to perform the work. Mr. Wyatt believes the work will begin this fall or winter. Manager Miller asked about expansion of the creek corridor project to include the Cities of St. Louis Park and Hopkins. Mr. Evenson replied that a meeting with those parties is to occur tomorrow.

Manager Blixt asked about the status of the Minnehaha Glen Project. Mr. Wyatt indicated that Congressman Ellison's office will be sending a letter of support to the U.S. Army Corps of Engineers (USACE) this week and the offices of Senators Klobuchar and Coleman have indicated that similar letters can be provided. Responding to Manager Miller, Mr. Evenson said that Julie Westerlund is working with the Arboretum to develop a tree conservation program. He noted that the District budget for this year is just \$30,000. Staff's initial thought is to direct funds toward reintegrating canopy in recently cleared residential developments. Manager Calkins noted that creating forest rather than a less-integrated canopy has a potential for greater benefits, both for habitat and in creation of the valuable duff layer below a developed canopy. Manager Miller cautioned the District against a program with the chief effect of "beautification." Mr. Evenson noted, conversely, that tree programs in developments can receive more reliable care from, for instance, homeowners associations. He said that staff also is thinking about

working with the Hennepin Conservation District and the Natural Resource Conservation Service to incorporate tree elements into buffer cost-share programs.

Manager Shekleton asked about the District's work process flow analysis. Mr. Evenson replied that the consultant is conducting interviews with staff presently and that a report is expected probably in April.

Plymouth Infiltration Feasibility Study

Mr. Wyatt introduced the study presentation by Bryan Ripp, Mead & Hunt. He explained that Mead & Hunt has done initial feasibility work on examining the Gleason Lake headwaters for infiltration opportunities. The 2009 budget for implementation projects is \$197,000. The final feasibility study should be completed in early May.

Mr. Ripp described the drainage area and the several prominent wetlands that have been studied. The largest is a 59-acre wetland in subwatershed GL-4 that extends into subwatershed GL-5. Mr. Ripp explained that the goal is to use existing wetlands to hold more water and promote infiltration without impairing wetland functions and values through hydrologic changes.

Mr. Wyatt stated that the City of Plymouth coincidentally has an undefined capital project scheduled for 2009 to address localized flooding issues in the area. He informed the Board that the initial feasibility findings do not suggest a significant opportunity for water quality benefits; one drop structure already is in place and the wetlands in general have small catchment areas. Inlets to the sanitary sewer system were noted within the wetland, and risers on those inlets would make sense. In addition, some vegetative restoration within the wetland and fringe areas may be of interest.

Manager Miller suggested that the high visibility of the wetland may make a project there more valuable. He asked what is involved to restore the large wetland to a pre-development condition. Mr. Ripp replied that the primary need would be for cattail removal and revegetation; he does not believe there is much deposited sediment within the wetland.

Mr. Evenson asked, if this drainage area is not an auspicious location for volume control, whether there are other locations within the subwatershed. He also asked whether a shift to wetland restoration from volume control would take the District away from its capital improvement program goals for the area as described in its plan.

Manager Miller asked how the District measures benefits of resource restoration. Mr. Wyatt replied that this has been a challenge and that the USACE is working on developing methods. Mr. Evenson added that the District presently places more emphasis on watershed-wide comparative evaluation of resource/wetland restoration

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within the watershed. Manager Miller offered that the District has not assessed wetland restoration value in the lower watershed.

Manager Calkins opined that some of the suggestions are reasonable, but require more information on wetland restoration potential and cost as compared with other opportunities. Mr. Wyatt said he would ask Mr. Ripp to evaluate some of the alternatives and would consult with Plymouth about its interest.

Duke Realty Redevelopment

Mr. Wisker reported that staff is working with the consultant and they have met several times with the developer and the City of St. Louis Park. Staff recently received the developers input on the consultant's concept plan. The developer suggests that a cistern approach may not be viable. Accordingly, they now are working on a catch basin feeder system to route runoff to structured soils and examination of using captured runoff for irrigation.

Mr. Wisker advised that staff will return in April for approval of a proposed stormwater management plan. Staff is waiting for supporting calculations from the developer. Manager Miller reminded the Board that the goal is to protect the downstream lake and also show a partnership with a major developer in a problem-solving mode.

The Board remarked that the presented material represents a good starting point and further developments of these ideas is anticipated. Mr. Wisker advised the Board of potential added complications from the City of Golden Valley's recent interest in certain permitting and taxing aspects that could shift the development footprint.

ADJOURNMENT

There being no further business, the regular meeting of the Minnehaha Creek Watershed District Board of Managers was adjourned at 11:05 p.m.

Respectfully submitted,

Lee Keeley, Secretary