

**Prior Lake-Spring Lake Watershed District
Monthly Meeting
October 12, 2004**

Members Present: William Kallberg, Larry Mueller, William Schmokel, Roger Wahl
Craig Gontarek arrived at 7:45 PM

Staff Present: Bryce Huemoeller, District Attorney
Ed Matthiesen, District Engineer
Shannon Lotthammer, District Administrator
Jim Eggen, District Technician
Yolanda Coleman, Office Assistant

Others Present: Five Hawks Elementary Students and Teacher: William Emory, Thomas Lein,
Spencer McWilliams, Teacher; Jim Hughes, Michelle Lein, Peter Golter, Bob
Erickson, Dave Poggi, Kurt & Jody Keiser, Jim Peterson, Diane Specter, Mrs.
Shutrop

- 1) CALL TO ORDER: President Kallberg called the meeting to order at 7:00 PM
- 2) PUBLIC COMMENT; President Kallberg asked if anyone wished to make any comments on issues other than those on the agenda for this evening. There were none.
- 3) PRESENTATION: Five Hawks Elementary Environmental Learning Program. Shannon Lotthammer said that the Board had granted \$1,000.00 to Five Hawks Elementary for the school year 2003-2004 to help support their learning program. She said the teacher, Mr. Hughes, and students were here to tell what they have learned. Mr. Hughes said that he has been involved with the Five Hawks Elementary Learning Center. He said they are in the final stage of reaching their goal for the center. He said there is about 30 acres, and they have restored three wetlands that were drained in 1933. He said they have a completed a trail system and are now working with the students in that area. He said naturalists from the Three Rivers Park District come to the school and work with the students on a variety of topics and he handed out information about these topics. He said a representative from the Watershed District also came out to teach the students about erosion. He discussed some of the findings from the students' investigations in the wetlands, including impacts from recent nearby development.

Mr. Hughes said that it costs \$300.00 per day to have a naturalist come out from the Three Rivers Park District. He said they have spent \$8,000.00 this year and have raised \$5,000.00. He said they will be requesting more help and said he will be asking the District for \$1,000.00 again for the school year 2004-2005.

He said their goal is to eventually have an on-site naturalist hired within the school district. He introduced three fifth grade students who each gave a brief report on what they have learned through the program, and what has been most interesting to them.

- 4) CONSENT AGENDA. President Kallberg said the Claims List will be removed as there is a revised list. He also pointed out that there are minutes from special meetings on July 20 and September 7 as well as the September monthly meeting to be considered.

Motion by William Schmokel to approve the minutes of the September monthly meeting and the special meetings on July 20 and September 7, 2004 and the Monthly Permit Report. Motion seconded by Roger Wahl. Motion passed 4 ayes.

- 5) Items removed from the Consent Agenda. Shannon Lotthammer reviewed the revised Claims list.

Motion by William Schmokel to approve claims #297 through 333 in the amount of \$62,745.06. Second by Roger Wahl. Motion passed 4 ayes.

- 6) TECHNICIAN'S REPORT:

A) St. Clair Bluffs permit modification request. Shannon Lotthammer referred to the memo in the packet and the review of the latest technical report from D. R. Horton handed out at this meeting. She said that since the Board has not had a chance to look at it she suggested the discussion and decision be tabled until the next Board meeting when they can consider it with the information from a 60-day review and a full staff report. She said following the September meeting she notified D. R. Horton that the Board was extending the deadline for an additional 60 days. She said at the last meeting the Board extended the discussion on the modification request for 30 days, so a motion is needed to extend this item for another 30 days, but recognize it is still within the second 60 days of the 120 day review period.

Motion by William Kallberg to extend the discussion on St. Croix Bluffs permit modification request based on the information received tonight and comments from Staff. Second by Larry Mueller.

President Kallberg asked if there were any more questions or comments before voting on the motion.

Manager Schmokel asked if there will be more information coming other than what is provided in the request received tonight. Ed Matthiesen said he talked to the engineer and was advised they were investigating the treatment capacity and the sizing of the existing pond and whether that can handle any more water, and do not have any calculations to report yet. He said their engineer indicated the drain tile is catching all the flow and running that through the treatment pond and that will also be investigated.

Attorney Huemoeller said that the attorney for the applicant intends to submit a written document once he gets a chance to review the Engineer's report. He noted the Board has not had a chance to look at the District Engineer's report, nor has the District staff or the applicant. He said that they have new information and will be receiving additional information before the next meeting.

Motion voted on and passed 4 ayes.

B) Permit Application #04.13 East Village Stormwater Treatment: Jim Eggen put up drawings and pointed out the area, stating it is 80 acres immediately east of McKenna Road, north of County Road 42, on which the Shakopee Mdewakanton Sioux Community is planning a residential development. He pointed out that all of the storm water will flow to the east to a 40 acre area in the District's jurisdiction. He said that staff and the Engineer, Ed Matthiesen, have reviewed the plans and the design meets the District's requirements.

President Kallberg pointed out that although the 80 acre development site itself is within the District's boundaries it is land owned in fee by the SMSC and not subject to the District's jurisdiction. President Kallberg asked if the 40 acre site has sufficient capacity to handle the runoff from the development. Ed Matthiesen say it does and also stated that the drainage to Shakopee goes into what is called the Blue Lake Channel and they are addressing that separately and the City of Shakopee is planning to comment. He said the City of Shakopee has a discharge rate of 0.1 cfs per acre, which is more restrictive than the District's requirement. Shannon Lotthammer said they have included in the proposed conditions for the Board to consider that the applicant address the City of Shakopee's 0.1 cfs requirement. She said the City of Shakopee put forth several different ways they can do this; 1) modify the design to meet the 0.1 cfs, 2) provide documentation where upstream modifications will be made to meet that rate requirement, and 3) if they cannot meet the rate, ask the District to include it in the design calculations for the Outlet Channel, which would then also be part of the cost-share consideration.

President Kallberg asked if there were other questions or comments. Dave Poggi of the applicant's engineering firm Bolton and Menk said he was available for any questions. A man who said his land lies east of the development asked why he was sent a notice of the meeting and if this would affect his land. President Kallberg explained that the District is required to notify all landowners within 500 feet of such a development. Ed Matthiesen said this development should not affect his property at all. Mrs. Shutrop asked how the project would affect the two farms they own, which the channel runs through. Shannon Lotthammer explained that there are two channels; the outlet channel and the Blue Lake Channel and that the information provided by the applicant indicates this project would have no adverse affect on the Shutrop property.

Motion by William Kallberg to approve Permit Application #04.13 Shakopee Mdewakanton Sioux Community subject to the conditions listed on page 4 of the Staff Report dated October, 7, 2004. Second by Larry Mueller. Motion passed 5 ayes.

Shannon Lotthammer said there are a couple more issues to discuss under the Technician's Report. She said one of the items is the approach they are following to bring permits with non-or poorly functioning infiltration basins into conformance with the District's Rules. She referred to a handout regarding the process for achieving this compliance. She said there are about 4 or 5 permits where the infiltration basin does not appear to be operating as it was designed and Jim Eggen has been investigating those, working with Ed Matthiesen and the permittees. She said they will require the permittee to investigate the non-compliance and document their ability or inability to comply. She said if Ed Matthiesen agrees with the permittee's assessment, then the next step is for the permittee

to either come up with remedial action to come into compliance or; if it will not be possible to fully comply, must propose an alternative design that will meet with the District's alternative infiltration standard. If an alternative design is necessary, a permit modification request will be brought to the Board for their consideration and approval or denial. If the Board approves a modification, a revised permit will be issued. She said once the compliance is resolved the permittee will be billed for the costs incurred during the resolution of the compliance. She said state rules allow the District to recover for costs of ongoing compliance and monitoring of District permits.

The Board and staff discussed some permits not in compliance. It was decided to change wording of item 5 to read; "once the compliance issue is resolved through alternative design or finding infiltration elsewhere in the District"...

Larry Mueller asked if up to this point the District has billed to recover these costs. Shannon Lotthammer said they have not had significant costs until recently and they haven't billed on a regular basis. She said that once the compliance has been achieved the District will bill the permittee for the District's expenses to bring them into compliance.

Jim Eggen updated the Board on his efforts to reinforce the Highway 13 fish barrier. He said he met with Brad Novak and received a quote of \$750.00 for repair and reinforcement. Jim explained what the repairs would be to strengthen the weir. Shannon Lotthammer said this is a cost that was not in the original budget, so they are bringing to the Board for their approval or disapproval. The Board approved the expenditure.

7) ENGINEER'S REPORT:

A) Results of Infiltration/Storage Site Study. Ed Matthiesen introduced Diane Specter from Wenck Associates, Inc. Diane gave a presentation regarding potential sites for creating additional storage areas. She explained the methodology used to identify and prioritize sites, both within the City of Prior Lake orderly annexation area and in the rest of the watershed. She said that general findings are that most of the soil has poor infiltration potential and there are no large sites that would provide regional infiltration areas. She then highlighted potential storage sites in the watershed that were identified through the study.

She said they used four criteria to filter down the sites identified to a manageable number: (1) a site where annexation is forthcoming, (2) sites that are a minimum of ten acres in size (3) sites that minimize the number of individual property owners and (4) a potential of at least 4 feet of storage and a potential for wetland credits. She pointed out sites on the map that are in the annexation area, and outside that area and discussed some specific sites. She said there are some sites that would provide some quality agricultural runoff treatment and some good sites for wetland restoration and banking credits. She said the next step is to use this information and work with the City of Prior Lake so they may identify some of these sites in their plans for annexation, and to work with the SWCD to get more background information and to continue the partnership to work on wetland restoration.

The Board and staff discussed the information presented and the sites available and next steps to be followed.

B) Design of Segment 4A (Muhlenhart Property): Ed Matthiesen said they had their on-site design meeting last week. Shannon Lotthammer said they also met on site with the Muhlenhardts to discuss the project and the location of the crossing and answer their questions. She said there will also be a meeting on October 26, 2004 for landowners along segments 2 through 4 to answer any questions they have at this point. Shannon said the wetland delineation is complete, and as soon as they have a fairly good rough draft of the detail design they will be able to send out the permit request for that and for the Jeffers project. She said she has a call in to Evergreen Land Services to start the process of negotiating easements for the Muhlenhart property.

C) Update on Revisions to Outlet System Model: Ed Matthiesen said they have received the Sioux Communities' model are still waiting for Shakopee's. Shannon Lotthammer said that if it appears they will not get the JPA completed this year, they may want to enter into a separate agreement for cost-share for the Jeffers project.

The Board called for a brief recess at 9:25 PM and meeting resumed at 9:30 PM.

8) OTHER OLD/NEW BUSINESS:

A) Outlet and Channel Improvement Project EAW Decision: Shannon Lotthammer referred to the document in the packets and summarized the EAW process. She said the District received seven comments and no requests for an Environmental Impact Statement. She said the Staff request is for the Board to adopt the resolution request included in the packets, Resolution #04-193: A Resolution of Negative Declaration of the Need for an Environmental Impact Statement for the Prior Lake Outlet and Channel Improvement Project based on the findings that there are no potential significant environmental effects expected to occur from the project.

Motion by William Schmokel to adopt Resolution #04-193. Second by Craig Gontarek. Motion passed: William Kallberg; Aye, Craig Gontarek; Aye, Larry Mueller; Aye, William Schmokel; Aye and Roger Wahl; Aye.

B) Draft Revisions to the Outlet Operating Plan: Shannon said this is also included in the Board packets and that the revisions reflect three general categories of updates. She said the first is the proposed operational changes that were identified in the Prior Lake Outlet Channel and Lake Volume Management Study and included in the EAW. She said the second is the proposed modification to the structure itself. She said the third involves refining the monitoring and recording elements to reflect current monitoring technology and practices. She asked if the Board had any questions or comments on the plan itself and said the next step would be to send the draft to the Department of Natural Resources as a part of the District's request to modify their permit for the outlet system. She said they would also send the draft to the cities and to the Lower Minnesota River Watershed District for their comments.

Motion by Craig Gontarek to send the Draft Revisions to the Outlet Operating Plan to the Cities of Shakopee and Prior Lake, the Department of Natural Resources and the Lower Minnesota River Watershed District. Second by Larry Mueller. Motion passed 5 ayes.

C) Updates on Outlet Project Easements: Morlock/Isaacson Easement, Jeffers Easement. Shannon said the Morlock discussions have been ongoing and they met with Mr. Isaacson on September 22, 2004. She said the District is looking for an easement over a small portion of Mr. Isaacson's property for access for maintenance. She said he is amenable and also asked if some erosion, also discussed by Mr. Morlock, could be addressed as part of the outlet project. Shannon said she has brought this to the attention of the City Engineer of Prior Lake to see if they can address it with this project.

Shannon said the legal description for Jeffers easement has been completed by Schoell and Madsen and Wenck Associates, Inc. have reviewed it and it has been sent to Attorney Huemoeller who is working on drafting that separate easement. She said she is also working with Evergreen Land Services on the Muhlenhardt easement.

William Schmokel asked if the reimbursement claim has been handled for Mr. Isaacson. Shannon said this is for legal expenses Mr. Isaacson had incurred that the Board had indicated a willingness to reimburse. She said the costs which Mr. Isaacson received and paid have been included on the Claims list for reimbursement.

D) Grants Request for Support of the Five Hawks Environmental Learning Program. Shannon Lotthammer said that last year the District provided a \$1,000.00 grant to help support this program, and they are requesting the same grant contribution this year. She said there is \$500.00 in the budget for school-based education activities and unspent funds in the Education budget for the Lake Friendly program, the web site development and the tour so there is money remaining in the Education budget that could be used for this request. She said they have included \$2,000.00 in the draft budget for next year for similar requests. She said last year the District required a condition of the grant be that the Staff of the Watershed District participates in their education program.

Motion by William Schmokel to provide the grant of \$1,000.00 for the Five Hawks Elementary Environmental Learning Program with the same conditions as imposed last year. Second by Larry Mueller. Motion passed 5 ayes.

E) Annual Audit and Draft Audit Report. Shannon Lotthammer referred to the memo and Draft Annual Report in the packets. She said that copies of the audit had also been sent to the State Auditor's Office, the Board of Water and Soil Resources and the District's accountant. She asked if any one had any comments or questions. She said as discussed at the last Board meeting, the reserves in the General Fund Budget are getting low and it is the recommendation of the District's auditor and accountant that there should be between 25 and 50 percent of a year's operating expenses as cash reserve, for cash flow. She discussed some options for building up the reserve funds.

Shannon said the Annual report is a standard annual report. Shannon said if anyone has any comments on the draft report to let her know and over the next couple of weeks she will make revisions and finalize it.

F) Draft Annual Newsletter. Shannon Lotthammer referred to the draft newsletter handed out at the meeting. She said if anyone has comments, changes or suggestions to let her know so she can bring the completed newsletter to the next Board meeting.

G) RFP for Bonding Services. Shannon Lotthammer said that the District is not required by statute to issue an RFP for services, but the District's policy is to do so. She said she is working with Attorney Huemoeller to finalize an RFP for financial services for bonding for the Outlet project. She said she is planning to send it to a list of independent financial advisors within the Twin Cities and responses will be brought to the Board for consideration. She asked if the Board wants to review the RFP before she sends it out. The Board said to send it out and Craig Gontarek and Bill Schmokel have agreed to be on a sub-committee to review the proposals when they are received.

H) Contract with HDR. Shannon Lotthammer said Paul Nelson is no longer with Wenck Associates, Inc, and is now with HDR Engineering. She said he has been providing support for the EAW for the Outlet project and the JPA for Outlet Channel. She said he is also very familiar with the District's monitoring and staff needs some training on the FLUX model for evaluating the water quality data. She said she asked Paul to put together a proposal for providing those services to the District through the end of this year. She said Paul replied with a not to exceed amount of \$2,500.00 on an hourly rate. She is requesting authorization from the Board to enter into a contract for these services. She said the funds would come from the Data Acquisition and Outlet Channel budget, using the District's standard contract language and attaching a scope of work covering the three items she mentioned. The Board authorized Shannon to proceed with the contract.

Shannon also presented a request for additional authorization for general engineering and for permit engineering for Wenck Associates, Inc. She reviewed the services provided and said they will be over budget for general engineering and permit engineering by the end of the year. She said the current budgets are \$33,000.00 for general engineering and \$20,000.00 for permit engineering. She said current expectations are that the expenses will be about \$50,000.00 for general engineering and about \$40,000.00 for permit engineering. She explained this increase was due to a greater than anticipated permitting workload, the rule revision work done by Wenck Associates, Inc., and various engineering needs associated with the Outlet Project, such as; revising the model.

Motion by Bill Schmokel to authorize an increase in General Engineering of \$17,000.00 and an increase in Permit Engineering of \$20,000.00. Second by Craig Gontarek. Motion passed 5 ayes.

I) Updates: Scheduling: Shannon Lotthammer said the next meeting for Fish Lake is on Wednesday November 3, 2004 from 7:00 – 9:00 PM. She said the meeting will be to finalize the goals for the plant management plan and discussion of potential implementation activities.

Shannon said the FeCl permit has been issued. She said there will be some additional reporting requirements and an annual fee, which has been included in the draft budget.

Shannon said for training opportunities there is the Waters Resources Conferences October 26 and 27, 2004. She said if anyone wants to attend to let her know as registration is due this week. She

said she and Jim Eggen plan to attend. She referred to information in the packets about the MAWD Conference coming up in December and said this can be discussed at the November meeting.

8. ADMINISTRATIVE:

A) Financial Report. Shannon Lotthammer reviewed the financial report. She said the main item for discussion is the General Fund expenses which were addressed earlier in the meeting.

Motion to adjourn by Craig Gontarek. Second by Larry Mueller. Motion passed 5 ayes.

William Kallberg, President

Larry Mueller, Secretary