

**Prior Lake-Spring Lake Watershed District  
Monthly Meeting  
May 11, 2004**

Members Present: Craig Gontarek, William Kallberg, Larry Mueller, Roger Wahl,  
William Schmokel

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

Others Present: Peter MacDonagh, Jim Peterson, Chris Remus, Gil Fletcher

1. CALL TO ORDER: Meeting called to order by President Kallberg at 7:00 PM.
2. PUBLIC COMMENT: President Kallberg asked if there were any public comments regarding issues that are not on the agenda for later in the meeting. There were none.
3. PRESENTATION: Best Management Practices for Water Quality. Peter MacDonagh of the Kestrel Design Group explained that the presentation was put together about seven or eight months ago. He said it was presented first to the City Council of Minneapolis and then at the Minnesota Landscape Arboretum. He said it identifies five pollutants of concern and run-off volume in urban watersheds and Best Management Practices for reducing those pollutants. He identified the pollutants as Floatables, Phosphorous, Chloride, Bacteria and Disposable Sediment Solids. He and Ed Matthiesen reviewed each one with the use of overheads.
4. CONSENT AGENDA:
  - A) Approve Monthly Minutes
  - B) Approve Claims
  - C) Accept Monthly Permitting Report

President Kallberg asked the Administrator to explain the process of using a consent agenda. Shannon Lotthammer explained that basically the Board should read through the items listed on the consent agenda, and then the whole agenda is voted on in one approval process, unless any of the Managers requests an item be removed for further consideration. Manager Kallberg asked if any of the Managers wanted to remove any of the items on the agenda as listed below. There were no removals requested.

**Motion to approve the Consent Agenda items as listed by Craig Gontarek. Second by Larry Mueller. Motion passed 5 ayes.**

5. ITEMS REMOVED FROM THE CONSENT AGENDA. There were no items removed.

6. TECHNICIAN'S REPORT

A) Permits. Jim Eggen said there was one permit to be presented.

Keen Valley Residential Development, Application #04.01: Jim Eggen displayed a map and pointed out the location of the development on the South side of 150<sup>th</sup> Street near Aquilla Avenue in the City of Savage. He said it is a relatively small site of about 10 acres and is fairly straight forward in design. He said he and Ed Matthiesen worked with Chris Remus of J R Hill, Inc. representing the developer; Ryan Real Estates. He noted that Mr. Remus is in attendance at this meeting. Jim said there is a small wetland in the middle that will be filled in. He pointed out another wetland with a 30 foot buffer strip in the southeast corner of the site. He noted that collected storm water drainage is to a storm water pond, and then through an infiltration basin. He said there are no variances requested. He asked if the Board had any questions. Manager Mueller asked exactly where the development was located. Jim explained its location. He said Gil Fletcher is attendance at the meeting as a member of the public, but also explained that his development (Journey's End) is about a block away. Manager Gontarek asked if the 2000 square feet of wetland to be filled in had been considered by the City of Savage. Jim said that it had and that the City (LGU) had determined it could be filled due to its small size (under the WCA *de minimus* threshold).

Gil Fletcher said that he has lived where Journey's End is for 17 years and explained that before the City of Savage put in the sediment pond, the run-off from that property trickled through a ravine and into Cates Lake. He asked where the run-off will go from this development. He said there is a small pond that is being expanded to handle their three lots, and he doesn't feel it can handle additional run-off. President Kallberg asked if this has been considered with this project. Jim Eggen said that in the case of this development, the storm water will primarily drain to the north to 150<sup>th</sup> Street and east into a regional pond near the high school away from the pond in question.

President Kallberg asked if there were more questions.

**Motion to approve Application #04.01 Keen Valley Residential Development by Craig Gontarek with the conditions stated in the review by staff dated May 4, 2004. Second by Roger Wahl. Motion passed 5 ayes.**

Attorney Huemoeller asked the Board if they would consider items B and C from OTHER OLD/NEW BUSINESS next due to obligations that would cause him to leave the meeting early. The Board agreed.

8. OTHER OLD/NEW BUSINESS

B) Review Draft JPA: Shannon Lotthammer said Bryce and his staff have had a chance to review the draft and have a number of comments. She said she will meet with him to go over the comments and make appropriate changes to the draft and bring it to the next meeting for the next review. She said they are still waiting for the information from Shakopee to re-run the model that was the basis for the cost share breakdown. She said they should have that information included in the next draft

for review. She said the next step would be for the Board to approve it for submitting to the cities for their reviews and discussions. Attorney Huemoeller is concerned that the City of Shakopee wants to defer their share until they know if the Mdewakanton Sioux Community is going to participate. He said he doesn't feel this should be left open ended. He said the Community has land that can be developed, and that run-off could go into the channel or could go in another direction. He said they need a common view with Shakopee on how to evaluate that parcel once it is built up, so the District does not end up back in arbitration with the City of Shakopee. Manager Gontarek said that when design criteria is received, they could put it in the JPA that if criteria are not met as specified, the City of Shakopee will own and be responsible for maintenance of their section of the channel. Attorney Huemoeller said the City of Shakopee might be agreeable to that. President Kallberg asked if the District has the power to deny use of the Channel. Attorney Huemoeller said he did not think the District would want to do that, but rather agree on a fair cost share split. He said that a three-entity agreement is beneficial to all to cover some of the loose ends now, so that in the future the guidelines are there. Shannon Lotthammer said that during meetings held with the Cities of Shakopee and Prior Lake the concept discussed was to try to build into the JPA the process for determining the cost share once these questions are answered. Attorney Huemoeller agreed that he would meet with Shannon and go over comments and suggestions and report at the next meeting.

C) Morlock Easement: Attorney Huemoeller said the easement has been mostly rewritten. He said there is one paragraph to re-write that has to do with restrictions that are applicable to his surface use and what he has to do to obtain a permit to improve the surface over the District's easement that deals with load requirements, submitting plans, etc. so the District can approve the plans and make sure there will be no damage to the outlet pipe or the structure. He said he should have this ready for review by the Board and Mr. Morlock in about 10 days.

## 7. ENGINEER'S REPORT:

A) West Spring Lake Wetland Change Order: Ed Matthiesen said he had talked to Jay Brothers about doing the work next fall through next spring and he is proposing an across the board increase of 5% in costs for the project. He reviewed his memo of 5/5/2004, the change order agreement and monthly payment estimate. He said even with this increase, Jay Brothers are still lower than the next lowest bid received for the project. The Board discussed the change order, timing, permit renewal for stockpiling, etc. and agreed it was in the District's best interest to approve the change order.

**Motion by William Schmokel to approve the change order to extend the contract with Jay Brothers., Inc. for the West Spring Lake Wetland for one year at an additional cost of \$11,173.20. Second by Craig Gontarek. Motion passed 5 ayes.**

B) Sandey Wetland: Shannon Lotthammer passed out some pictures of the project. She said it was seeded on April 29<sup>th</sup> or 30<sup>th</sup>, 2004. She said the project is complete from a construction standpoint. She said she and Ed visited the site this afternoon and the wetland is full of water and she has observed wildlife in the wetland. She said they are also seeing some interest from other landowners in the area. She said this is one of the sites she would like to have on the Watershed Tour in early June and Mr. Sandey has given his permission. She said SWCD will be at the site tomorrow for a technical evaluation which is part of the process that needs to be followed to obtain the wetland bank credits.

C) Pike Lake Easements: Ed Matthiesen said he, Shannon Lotthammer, Bryce Huemoeller and Dean Gavin have been discussing the District's obligation to acquire some easements around Pike Lake. He showed a drawing that depicts potential easement needs. He said the Garwoods are the property owner of the most concern as they have the lowest house. He said the total acreage is about 22 acres, some of which is already wetland. He said they need to work with an appraiser to set the value and work with Evergreen Land Services and property owners on easement purchase agreements. Shannon Lotthammer said that she believes the City has utility and drainage easements over part of the southern wetland. She said once the contract with Evergreen Land Services is approved, the next step will be to meet with them and put together a process for getting the appraisal information and cost estimate and then move forward with land owner contact. The Board discussed the Garwood property, probability of flooding on their property, flood proofing their house, etc. Shannon Lotthammer explained that this had been considered before and that the Garwoods did not seem particularly interested in this option.

Shannon Lotthammer referred to her memo, the scope of work and letter from Evergreen Land Services that were presented at the special meeting on May 5, 2004, with their total not to exceed cost. She said that since then Bryce Huemoeller and Dean Gavin have reviewed the scope of work and made some comments. She said at this point she is asking if the Board has comments and also for authorization to enter into the contract. She said the estimate is based on 60 parcels along the outlet channel. She said that for about 30 of the parcels the acquisition would be based on minimum damage appraisals, which would be less time consuming and costly. She said about 30 would be full narrative appraisals. She said the cost estimate is \$2,300.00 to \$3,000.00 for the parcels using minimum damage appraisals and between \$4,900.00 and \$5,200.00 for the parcels using the full narrative. She said the total contract not to exceed amount would be \$246,000.00, for the acquisitions on the Outlet Channel including the Pike Lake easement acquisitions. She said Evergreen Land Services will put together an acquisition packet for each land owner, provide monthly progress and status reports, attend meetings, provide copies of court filings, etc. She explained the scope of the work of the contract, including the services to be provided by Evergreen and items to be provided by the District. She said Evergreen will do all the contacts and negotiations for the easement acquisitions.

William Kallberg asked if the Board had further comments or questions.

**Motion by William Schmokel to approve the Evergreen Land Services contract as described by Shannon Lotthammer. Second by Roger Wahl. Motion passed 5 ayes.**

D) Outlet Box Design: Ed Matthiesen referred to his memo and attachments on the project status dated 5/5/04. He said after the last meeting he, Bill Schmokel, Shannon Lotthammer, Jim Eggen and Rich Greenlee met on site on April 22, 2004. He said they inspected the site and went over the sketches he had prepared for the reconstruction of the Outlet Box. He said he feels that they are at a point where he and Rich Greenlee would like to meet with the Board Managers to discuss options. He discussed what some of these options might be. He asked the Board if they would prefer to consider this project at the next meeting or hold a workshop prior to the next meeting. The Board decided to hold a workshop.

E) Revised Cost Split for Outlet Project: President Kallberg asked if this needed to be discussed further now as it was discussed earlier in this meeting. All agreed no further discussion was needed at this meeting. Ed Matthiesen said he would like to insert another item into the agenda in place of this topic.

F) Muhlenhardt Channel Stabilization: Ed Matthiesen said he, Shannon Lotthammer and Peter MacDonagh met with Muhlenhardts to discuss a stabilization project similar to that on the Jeffers property. He said Shannon had worked out a grant from Met Council to fund this project and they have a one-year timeline to use the funds. He said they would like to do the project this coming winter. Shannon Lotthammer said the grant was basically for the worst 970 feet of the outlet and it would make sense to do the design for the entire stretch through the Muhlenhardt property, which would add approximately another 300 feet. She said this would increase the cost a little to the District. The Board discussed and decided to move to instruct Ed Matthiesen to proceed.

**Motion by Bill Schmokel to direct Ed Matthiesen to proceed with the preliminary design work for the Muhlenhardt project, redirecting some of the remaining budget from the Jeffers project and using the authorization of the Board on May 5, 2004. Second by Craig Gontarek. Motion passed 5 ayes.**

8. OTHER OLD/NEW BUSINESS:

A) Outlet Project: Timeline, EAW and Bonding. Shannon Lotthammer referred to the memo in the packets and the working schedule attached. She said this is basically to update the Board on all the pieces of the Outlet Channel that are going on this year. She said the goal is to construct Segments 1 and 2 and also the Muhlenhardt section this winter. She reviewed the schedule pointing out some of the key milestones.

Shannon Lotthammer said that under the JPA, the next step is to finalize the draft of the revisions and obtain Board approval. She said the goal is to have a new agreement executed by August or September, 2004, with the cost share proposals agreed to by the cities and the District.

Shannon said regarding the EAW and Bonding, they are in the process of developing the EAW. She said she and Paul Nelson will meet with the Corps of Engineers and Pete Beckius to talk about the wetlands along the channel. She said they are still planning to have the EAW drafted by about mid-June or earlier. She said it might be ready in time for the June Board meeting, so the Board can approve going forward with the public notice. She said that at either the July or August Board Meeting, the Board could then make the decision as to the need for an Environmental Impact Statement. She said they need to complete the EAW in order to move into the permitting stage. She said they need to request a permit modification from the existing DNR permit in place since 1982. She said there will also be a Corps of Engineers permit to the extent of impact on any wetlands, and local permits for wetland impacts and for erosion and sediment control.

Shannon said on the bonding side, that if the Board still wants to move forward with the bonding option, the next step is selecting a bonding firm. She said she has talked to two different firms that would be interested in doing the bonding for the Watershed District. She said also they need to know how much the Watershed will bond for, so they need the cost share agreement worked out.

She said once the JPA is in place it takes about three months for the bonding process, which would make the funds available in November or December, which would work out well for winter construction. She said there are funds available for the construction that have accumulated over the years, but the bonding funds will still be needed so they do not run into a cash flow problem as the project moves forward.

Shannon Lotthammer said the schedule for easement acquisition is general and not for the Jeffers portion, which they will need by November for winter construction. She said Bryce Huemoeller has had some discussion with Paul Oberg regarding the easement and Mr. Oberg seems willing to grant a temporary construction easement. Shannon said as development plans move forward they will have a better sense of what parts of the Jeffers property will be park dedications and how that will relate to the easement needs of the District. She said that for the other easements they will start working with Evergreen Land Services to develop preliminary damages estimates and the acquisition costs of the alternatives and come to the Board for authorization of the acquisition plan and funding in August or September. She said this also applies to the Pike Lake easement acquisitions.

B) and C) discussed earlier in the meeting.

D) Land Management Program and Infiltration: Shannon Lotthammer reminded the Board that at the Board meeting on May 5, 2004, one of the agenda items was Resolution 04-191 designating the District to provide up to \$10,000.00 for EQIP Incentive Funding. She said the Board has asked for more specifics in the resolution as to how this would work. She said she has revised the resolution as requested and distributed at this meeting. She referred to the last two paragraphs on the first page, which state that the District will pay up to 50% of the EQIP funding, which is 50% of the total.

**Motion to approve Resolution #04-191; A Resolution Providing Incentive Funding for the Federal Environmental Quality Incentive Program by Larry Mueller. Second by Roger Wahl. Motion passed 5 ayes.**

Shannon Lotthammer said she, Jim Eggen, Bryce Huemoeller and Ed Matthiesen have continued discussions from the last meeting regarding the proposed changes to the District's Infiltration Rule and the long-term maintenance practices. She said they focused on three central areas. She said the first is maintenance of infiltration features over the long term. She said the second is acquisition of infiltration or ponding areas, and the third is retrofitting already developed areas to incorporate additional infiltration. She referred to her memo of 5/4/04.

She said there have been some concerns about the effectiveness of the District's long term approach to maintenance of infiltration. She said currently the District requires a Developer's Agreement, which often involves setting up a Homeowner's Association to take on the long term maintenance of the infiltration features. She said they are running into some difficulties with this approach, especially with smaller developments where the homeowners associations cannot handle much more than street repairs and escrowing for roof repair for the next 20 years. She said that for infiltration maintenance to occur they need to be sure there is both the desire and funding available to do so. She said public entities are more likely to meet the criteria; desire because of the water management and the means through taxing authority or other authority to make that happen. She said in this area

the Watershed District has the greatest interest in insuring that infiltration features are maintained over the long term. She said this is one of the things they are relying on for the lake volume management and built into their overall plan for managing water for the Watershed. She said staff discussed a number of different funding possibilities and who could assume responsibility if not the District. She said they came to the recommendation that the Board could institute an infiltration program under the Existing Land Management Program. She said that program includes the concept of management and maintenance of storage areas over the long term, to promote both water quality and wildlife habitat. She said since this is already in the District's plan, she does not feel it will require an amendment to the plan. She said they will have a need to do BMP maintenance over the long term and infiltration maintenance could become a component of that.

Shannon said that Ed Matthiesen estimated that the cost of infiltration maintenance might be about \$1,700.00 to \$1,800.00 per site and assuming the District might want to complete 10 maintenance projects each year, the annual budget would be \$15,000.00 to \$20,000.00. She said that if the District sets up a maintenance program, they have more control and assurance that the maintenance will be done, and save the staff time in inspections and follow-up with whoever is responsible for the maintenance.

President Kallberg asked what a typical interval is between maintenance activities for a site. Ed Matthiesen said after a project is constructed and working, there would probably be a 5 to 10 year period. Manager Gontarek said that if the District is going to be responsible for the infiltration management, then they need to be more involved up front in design and construction. The Board and Staff discussed areas of concern during construction, on-going maintenance, increased costs, etc.

Shannon said another item they are viewing from a permitting standpoint is to assess where they are with some of the infiltration basins that have been put in and don't appear to be functioning at this time. She explained the process for bringing those systems into compliance, which might ultimately require the use of the permit security to fix the problem. The Board and Staff discussed this further and Manager Schmokel said that the Board should look at this further and bring up some typical examples so they can be analyzed to see what it would take to make it work and what would it cost. He said they could talk to the developers about those that were not built to the original design. Manager Gontarek said he feels they should have a workshop about land management policies.

Shannon Lotthammer said another issue is protection of undeveloped areas. She said the Lake Volume Management Plan includes the acquisition of 1,500 to 3,000 acre-feet of storage over the next 20 to 40 years to keep up with the run-off volume that will happen with development. She said part of this could be accomplished with protection of existing infiltration areas. She said if they were protected instead of developed that will retain some infiltration and reduce some requirement for additional infiltration. She said this is an opportune time to consider this as the City of Prior Lake is putting together their Comprehensive Plan Revision for the annexation area. She said working toward this end she has asked Wenck Associates, Inc. to develop a work plan and a budget to identify key storage and infiltration areas within the Spring Lake sub-watershed, especially in the annexation area to identify areas to be considered for protection before they are developed. She said the Wenck Associates, Inc. estimate of \$6,820.00 would be payable out of the Land Management Budget. She said she is requesting Board approval of the proposal and said the time frame they would be looking at would be mid to late July.

**Motion by Craig Gontarek to authorize Wenck Associates, Inc. to complete the proposal to identify key storage and infiltration areas in the Watershed at a cost not exceed \$6,820.00. Second by Larry Mueller. Motion passed 5 ayes.**

Shannon Lotthammer said the last item on this memo is ideas of additional opportunities for increasing infiltration in the watershed. She said one of the ideas is providing the option of infiltration replacement. She said another idea the staff has discussed is if there is an opportunity to incorporate infiltration into existing developed areas as a retrofit. She said that an estimate is that for about every ten acres of developed area they need about 250' x 250' area of infiltration to meet current rule requirements. She said they considered ways to apply that to existing developed areas as the rules apply to new or redeveloped areas where the impervious areas are being changed. She said one of the options they discussed is if there is an opportunity to retrofit existing cul de sacs as a part of road construction projects. She said if this is done in conjunction with road construction there would be minimal additional disturbance. She said another idea is parking lot retro fits along with commercial redevelopments. She said she is asking if the Board would authorize staff to put together a District program to look at these options. She said this might require a minor plan amendment in order to make sure it is included in the Water Resources Management Plan. She said this could also be considered a part of the Capitol Improvement Program. The Board and Staff discussed these options and the need to consult with other governmental entities.

The Board directed Staff to develop long term maintenance programs and a more detailed budget for a program to retrofit developed areas with infiltration features.

E) 2005 Budget Management: Shannon Lotthammer said this item is about starting to put the planning process in place for next year's budget and the revisions for the Capitol Improvement Plan. She said at the last meeting the Board briefly discussed implementing a more specific timeline for budget planning. She referred to her memo of May 5, 2004 which lays out a potential process. She said basically it involves devoting some regular and special meetings to more in depth discussions of the District's programs and then incorporating that into the budget planning. She said this proposed schedule includes two special meetings or workshops; one the end of May and the second the end of June to talk about existing programs and the 2005 budget. She said she is asking the Managers' opinions on the proposed schedule. She said an alternative would be less meetings and discuss goals at the June meeting, the CIP in July and in the interim she could work with the President and the Treasurer on the budget elements.

Manager Gontarek stated his concerns about the Land Management Program. He said they need to start following and keeping track of projects. He said he is in favor of reviewing the program in depth to have an idea of how much money needs to be allocated for different areas in the future. Board members discussed the concept of workshops or special meetings and agreed to scheduling at least a couple of them a year.

William Kallberg asked if the Managers would respond to the schedule and let the District staff know within a week if they can commit to the dates. Manager Gontarek said he would be out of town on 5/26/04 but would be available the first week of June. President Kallberg said he would be

out of town on 7/13/04 and Manager Mueller would be out of town 6/23/04. The Board decided that if there are not 4 Board members available the meeting will be rescheduled.

F) Engineering Authorizations: Shannon Lotthammer referred to the memo dated 5/5/04 and said that she and Ed Matthiesen have reviewed the current and projected engineering expenditures for Permit Assistance and Outlet Assistance. She said it looks like they will exceed the original authorizations for these categories. She said this had been anticipated due to the fact it will take longer to transfer permitting to the Cities via an equivalency process. She said that most of the permit funding is recouped through the fees charged. She said for the Outlet Assistance Wenck Associates, Inc is charging the Pike Lake Easement project to the Outlet Assistance budget, which drove up expenditures in that category. She said the memo is asking that the Permit Assistance and Outlet Assistance budgets be increased to the final column of the table in the memo. She said it looks as if they will be well under budget in the General Engineering budget and that will help offset the increases in the other budgets. Shannon Lotthammer said basically they are asking for a \$7,000.00 increase for Outlet Assistance and \$12,000.00 increase for Permit Assistance.

**Motion by William Schmokel to authorize \$19,000.00 increase in authorized engineering expenditures for; Permit Assistance, \$12,000.00 and Outlet Assistance, \$7,000.00. Second by Roger Wahl. Motion passed 5 ayes.**

G) Updates: CurlyLeaf Pondweed Treatment, Education Activities, Watershed Tour, FeCl System

CurlyLeaf Pondweed: Shannon Lotthammer said the open water was treated on April 30, 2004 and the south and west shorelines were also treated. She said they have not yet treated the north and east shorelines. She said Steve McComas noted during the pre-treatment survey that there seemed to be less growth than previous years.

Education Activities: Shannon Lotthammer said the web site is getting good use with 170 visits in April and 103 visits so far in May. She said that as people call for water levels, etc. they are encouraged to use the website.

Watershed Tour: Shannon Lotthammer said the tour is scheduled for June 3, 2004. She referred to the draft invitation which will be finalized in the next day or so and sent to the list of invitees. She said the tour will start at the District Office at 6:30 PM, then travel by bus around the District, return to the office about 8:30PM for a reception and conversation.

FeCl System: Shannon Lotthammer said the FeCl system is not operational at this time as they are waiting for the permit renewal. She said previous permits were issued by the DNR, who now advises they do not have the express authority to issue the permits. She said now the PCA will issue the permits through the NPDES system. She said they are working through the process.

President Kallberg said regarding CurlyLeaf Pondweed he has talked to Dennis Odoms who remarked that since it was working so well, perhaps the Spring Lake Association's participation would not be needed in the future. President Kallberg told him that the Watershed funding was completed so the association would be needed more than ever to assure continuation of the program. President Kallberg said they need to be sure that notification is sent out that the Watershed District

would not be funding this in the future. Shannon Lotthammer said the Board needed to decide if in the future it will be appropriate for the District to continue to treat the open water.

9. ADMINISTRATIVE:

A) Financial Report: Shannon Lotthammer reviewed the financial report. She asked if the Board had any questions or comments. There were none.

10). ADJOURN:

**Motion to adjourn by Roger Wahl. Second by Larry Mueller. Motion passed 5 ayes.**

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William Kallberg, President

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Larry Mueller, Secretary