

# PRIOR LAKE – SPRING LAKE

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## WATERSHED DISTRICT

### MEETING MINUTES

***Tuesday, May 14, 2013***  
***Prior Lake City Hall***  
***6:00 PM***

Members Present: Marianne Breitbach, William Schmokel, Bill Kallberg, Curt Hennes & Bruce Thorsen

Staff & Consultants Present: Mike Kinney, District Administrator  
Nat Kale, Watershed Planner  
Amy Tucci, Administrative Assistant  
Chuck Holtman, District Attorney, Smith Partners  
Carl Almer, District Engineer  
Emily Javens, Watershed Engineer  
Meghan Jackson, District Outreach Specialist  
Chris Schadow, District Accountant  
Andy Berg, Abdo, Eick & Meyer

Others Present: Mayor Kenneth Hedberg, City of Prior Lake  
Frank Boyles, City of Prior Lake  
Pete Young, City of Prior Lake  
Paul Nelson, Scott County  
Barbara Marschall, Scott County Board of Commissioners

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE:** Meeting called to order by President Bill Kallberg at 6:00 PM.
2. **PUBLIC COMMENT:** None
3. **APPROVAL OF AGENDA:** Manager Hennes moved to accept the agenda. Second by Manager Breitbach. All ayes. Motion passes 5-0.
4. **CONSENT AGENDA:**
  - Minutes
  - Surina Well Sealing

Manager Schmokel moved to accept the consent agenda. Second by Manager Hennes. All ayes. Motion passes 5-0.

5. **TREASURER'S REPORT**

- Cash & Investments
- Claims List
- Annual Budget and Tax Levy

Manager Thorsen asked for additional information in regard to items on the Claims List.

Mike Kinney provided additional clarification.

The Managers were unclear on whether the approval for an item had actually been authorized. Mike Kinney stated that he would look back through the minutes to verify all approvals were given.

Manager Breitbach moved to approve the Claims List. Second by Manager Hennes. All ayes. Motion passes 5-0.

6. **OTHER OLD/NEW BUSINESS:**

**PRESENTATION FROM CITY MANAGER**

Frank Boyles, Prior Lake City Manager, thanked the District for utilizing the Council Chambers at the Prior Lake City Hall and for the work the District and City staff does together. He recognized projects the two organizations have collaborated on in the past, such as Pike Lake, and projects that could be worked on in the future including the CR 12/17 wetland project. He also highlighted the raingarden in a box program, which received some funding from the District, as well as the Development Review Committee (DRC), which assists in providing feedback. He again thanked the District and the District staff for their collaboration with City staff.

**AUDIT PRESENTATION – ABDO, EICK, & MEYERS**

Andy Berg, Abdo, Eick & Meyers, presented the 2012 Annual Audit and reported an unqualified clean opinion with no findings. He then briefly reviewed the Audit including a highlight of the investments and different funds of the District.

Manager Thorsen asked for additional information in regard to GASB 45 and the net change in position of the District. Andy Berg gives a short description and states that the District total net position decreased by \$452,841.

Manager Schmokel made a motion to accept the 2012 Annual Audit. Second by Manager Hennes. All ayes. Motion passes 5-0.

Mike Kinney introduced the District's Accountant Chris Schadow, noting that he was present to answer questions about the Audit, should the need have arisen, and thanked him for his service.

### **CAPTAIN JACK'S COST SHARE**

Nat Kale noted that at the last meeting the Board voted against a cost-share application from Captain Jack's.

President Kallberg confirmed that because the Board voted against the request at the last meeting, a motion would be needed from a manager who voted against the original request in order to reconsider the item. He believed that missing information was a reason for the original opposing votes and noted that the additional information requested was included in the Board packet.

Manager Schmokel stated that perhaps this item could just come back at the next meeting.

Mike Kinney did not believe that the applicant could wait any longer and would have begun work prior to the June meeting of the District.

Applicant Karen Sweet stated that the process is very confusing. She explained that she assumes that they will not be eligible for any grant funds for work that has already been completed, but noted that the pathway was redesigned and is now the only access to the slips that will provide handicap access. She stated that they are very excited as Prior Lake residents to work with the District but expressed concern that the access is not provided at this time and noted that there are things that need to be done to make the area safe and handicap accessible.

The Managers confirmed that additional information was requested by the Board at the last meeting and information obtained since that point.

Manager Thorsen stated that it is his interpretation that a commercial cost-share property is not eligible if phosphorus removal is not provided.

Nat Kale explained that the motion that would be needed would simply be to discuss the item, not for approval, noting that would require a separate motion. He referenced the cost-share application process and board-adopted framework and explained that although the benefit to the project would not be in regard to water quality there would be an educational benefit.

President Kallberg suggested that a motion to reconsider be assumed at this point because discussion has taken place. Mayor Hedberg offered that a motion is specifically required and that it must be made during this meeting or it is no longer in order. Mr. Holtman concurred.

President Kallberg asked if there was a motion to reconsider the application request. There was no motion.

## **INVESTMENT POLICY DISCUSSION**

Mike Kinney provided additional information on the current investments and investment policy. He explained of a lost opportunity due to timing because of changes to federal sequestration. He presented his recommendation to the Board regarding the investment policy.

Manager Thorsen expressed his frustration with the amount of information included in the Board packet and the lack of time to study the information. He did not believe that the fund balance would affect the policy. He believed that according to the District's fund management policy, staff should have sold the Maple Grove bonds due to their extended maturity date.

President Kallberg referenced the policy and noted that Manager Thorsen had requested this item through e-mails the past few days. He questioned why Manager Thorsen did not catch this in the past.

Mike Kinney agreed that it would be beneficial to bring the item back at the next meeting for additional review.

Mr. Holtman advised that the policy sets up a process where the Treasurer and Administrator can take actions consistent with the policy and exercise their judgment to come to the Board of Managers in a situation where they do not believe the policy provides the correct path for the District. Responding to Manager Thorsen's question, he stated that if the Board took no action to direct that the Administrator and Treasurer deviate from the policy, then the bonds should be disposed of in accordance with the policy.

Mike Kinney stated that he began in 2007 managing the financial assets for the District and highlighted a three-fold increase of investment earned through investments up until last year. He stated that he is attempting to utilize the assets of the District to provide additional benefit to the District. He stated that the District has a requirement to have funds on hand, in reserve, and questioned why you would not want to maximize the rate of return on those funds. He stated that he can sell the bond the following day but noted that is not his recommendation. Manager Thorsen stated that as Treasurer he would like the bonds to be sold.

Manager Breitbach asked to confirm that the investment interest income these bonds earn would help to decrease the levy amount of the District, so as to help offset the money asked of taxpayers. Manager Kallberg affirmed this to be true.

Mike Kinney stated that absent Board direction to the contrary, he will sell the bonds directly.

## **COMPREHENSIVE PLAN AMENDMENT COMMENTS**

Nat Kale provided additional information on the Comprehensive Plan and the process for updating that Plan, identifying two types of updating. He reviewed the timeline for this process, noting that the statutory 60-day comment period ended on May 6<sup>th</sup> and those comments are now being reviewed. He advised that a public hearing will take place on May 30, 2013 at which time the

approval of the final revision would be requested from the Board. He stated that Plan would then be submitted to BWSR, which is obligated to take an action within a 90 day response period. He reviewed the revised goals included in the Plan, which were condensed from 13 to five. He advised that the Plan was also restructured for ease and clarity. He noted that the Capital Improvement Plan (CIP) was also updated through this process. He explained that he would like to review the comments at this time as much as possible to help manage the agenda for the May 30, 2013 meeting. He confirmed that he would fully work with the member cities to work through and understand their comments.

Mr. Kale referenced the body of comments received from Scott County, noting the overall thrust was that the County thought a majority of the CIP items were premature. He suggested that this view probably derives from the different capital planning approach that the Scott County WMO follows. To Mr. Kale's understanding, the WMO only includes a project in its capital improvement program (CIP) once feasibility review has been completed and the WMO determines that the project should be funded and implemented. It seems that the WMO comments rest on a misimpression that by including a project in its CIP, the District has committed to implement it. However, the District's CIP is more integrated into the planning process. It is an outgrowth of subwatershed goals and constitutes a roster of potential projects identified as having the potential to help the District achieve the goals identified in the plan. Projects listed in the CIP will be subject to feasibility analysis, an assessment of benefits, costs and fund availability, and a statutory public hearing process, before the Board of Managers makes a decision to proceed. The District believes this is consistent with the structure of the watershed planning law and is how a number of other metropolitan watershed districts use their CIPs. Mr. Kale commented that he did agree in moving one item to the unfunded CIP list. He also discussed comments received from the DNR, Department of Agriculture, and City of Prior Lake. He explained that he would be working further with the other local agencies and member cities to refine the amendment language based on the input received. He confirmed that comments are advisory, and that the District is required to prepare written responses to comments and provide those responses to commenters.

#### **PROGRAMS AND PROJECTS UPDATE**

Nat Kale provided both written and verbal updates on current projects, showing current progress and impending actions. He also noted upcoming meetings, action and events including the Carp Tournament scheduled for June 2<sup>nd</sup>.

Manager Thorsen expressed concern with the prize amount listed for the tournament.

Nat Kale stated that the funds are within the budgeted carp line item. He provided additional comparison information on other carp tournaments in the area and the prizes they provided. He noted that the flyer does have a disclaimer that the prize amounts can be changed by the District. He explained that there is a \$25 entrance fee that has been paid by two participants and noted that if the prize amount were changed those people should be offered a refund if desired.

Mike Kinney stated that the eight boat tournament in Cedar Lake had a prize of \$1,000. He noted that this would be a three lake tournament with a much high number of boats. He referenced another carp tournament with a prize of \$5,000 to \$8,000.

Manager Hennes stated that although he is in favor of a carp tournament he would like to hear additional information on open water seining.

Manager Thorsen agreed that he did not see much positive benefit to the carp tournament and would like the funds spent on seining.

Mike Kinney stated that he would be reluctant to withdraw from the activity at this point because there has been advertising and registration has begun for the event, and the Chamber has been notified. He stated that the prize could be changed but noted that residents want to participate and there was guidance from the Board to proceed in one form or another. He added that staff has reviewed the cost-effectiveness of a tournament as a means of addressing carp and has concluded that an event of the scope and cost being discussed is effective.

Manager Thorsen suggested a prize of \$200 instead of \$2,000.

Nat Kale provided the currently structured prize information.

Mike Kinney stated that there have been donations of goods and services to support the event. He explained that this activity is well on its way. He referenced the small tournament in Cedar Lake with eight boats and a prize of \$1,000. He suggested a prize between \$200 and \$2,000.

Manager Hennes agreed that a medium ground should be found.

Manager Schmokel stated that at this point he does not care how the fish come out, as long as they come out.

Nat Kale reported a total of \$5,000 in prize money, without including the price per pound. He estimated a total of \$7,500 for a total prize.

Manager Hennes believed that the price per pound should be left at 50 cents and suggested that the other prize money be reduced from \$5,000 to \$2,500.

Manager Hennes made a motion that District contribution to the Carp Tournament prize money be reduced from \$5,000 to \$2,500, plus the 50 cents per pound for each catch. Second by Manager Schmokel. All ayes.

Manager Thorsen referenced an article in the newspaper regarding the proposed alum treatment on Spring Lake and provided his response. He suggested that bids be solicited now to determine the cost as an important element of the District's further consideration of the project.

Manager Hennes stated that there is no harm in obtaining bids to give residents a ballpark of the figure.

President Kallberg stated that the decision to do internal or external would need to be made. He stated that based on the comments from the DNR, the internal treatment needs to have serious consideration as to the steps in the process. He stated that regardless of the cost, the benefit needs to be weighed and a bit more study needs to be completed prior to obtaining bids.

Nat Kale stated that there are only a few companies in the country that provide alum treatment and asked that staff not be asked to obtain bids at this time, as it would be premature.

Manager Schmokel believed that the Board should let this project takes its path and slow down to hear the input of the public.

### **MANAGER PRESENTATIONS AND MEETINGS ATTENDED**

No comments made.

### **MISCELLANEOUS ADMINISTRATIVE ITEMS**

- Annual Report
- MAWD Summer Event
- Coordination List

### **CLOSED SESSION**

Manager Hennes moved to convene in closed session to discuss the performance review of Administrator Kinney and salary survey results. Second by Manager Breitbach. All ayes. Motion carries 5-0.

The meeting convened in closed session at 8:37 p.m.

The meeting reconvened in open session at 8:45 p.m. Manager Kallberg stated that the board elected to postpone the discussion.

### **ADJOURNMENT**

Meeting adjourned at 8:50 p.m.

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Marianne Breitbach, Secretary