



SPECIAL MEETING MINUTES
Annual Board Retreat
Saturday, January 9, 2021
9:00am – 12:00pm
Parkview Room, Prior Lake City Hall

Members Present: Curt Hennes, Steve Pany, Bruce Loney, Frank Boyles & Mike Myser

Staff Present: Maggie Karschnia, Project Manager/Interim Administrator (*last hour only*)

1) Retreat Purpose, Goals & Process (All)

- a. Mike started the retreat by explaining the purpose of the retreat and the process and the history of the retreats for the past three years. This explanation was to inform the newest members of the board Frank and Steve.

2) Upper Watershed Blueprint

- a. Project prioritization ST & LT - Once the UWB is completed, it was the consensus of the board to have a prioritization discussion of the projects for both the short term and long term.
- b. Curt wanted the board to look at the best options for the maximum results of district investments.
- c. Bonding as a tool was discussed and the consensus of the board to consider bonding to do projects earlier and to take advantage of low interest rates.
- d. We discussed the idea of a second FeCL treatment plant. Bruce agreed to bring this up with Wenck.

3) Staff/Board Relationship

- a. Discussion of the staff/board relationship had several comments.
- b. Understanding our roles with each other is critical.
- c. The Board doesn't feel it has a good handle on what staff do/how they spend their time.
- d. Having a social time with staff once a year would be a good start. Mike offered to have the Board and staff at this house in 2021 when weather and health guidelines permit.
- e. Communication between the two groups is important and we need to have a balance of positive comments as well as items to improve.

4) Relationship with County

- a. A Water Organization Consolidation Update was given by Mike
- b. Mike had a call with Lezlie Vermillion and Dave Beer last week to confirm their interest in pursuing it this year.
- c. Both the PLSLWD and the County believe there would be efficiencies gained from a consolidation.
- d. Both organizations also believe an independent governance structure seemed appropriate.

- e. There was agreement that we need to understand the State's regulations with respect to a consolidation. The County agreed to take the lead in tracking that down.
- f. It was understood that both organizations would have to officially approve the consolidation.
- g. Both organizations agreed we should develop a transition plan with a small working group. Mike and Bruce be on the transition team for the Managers and that our new DA would also join the plan. The County will determine who would participate on behalf of the County/WMO.
- h. Consensus of board was to investigate the possible merger of one watershed district and to see the transition plan details.
- i. Curt had a question on whether we can share costs more with this potential merger
- j. Boundary realignment that was discussed earlier to better define the district's boundaries can be put on hold until this potential consolidation is determined.

5) Relationship with Prior Lake

- a. Mike is doing the negotiations on any changes to our rental agreement with the City of Prior Lake. Our stance is we should pay added costs of our operations in the building. Mike is continuing to meet with city staff.
- b. We reviewed the history of spending and cooperation between the district and the city.
- c. On the City park cleanup day, it was felt that this effort should be organized by the city and with volunteers by the district
- d. Consensus by board members to participate with the City on extra efforts for street sweeping and cleaning of catch basin.
- e. On Lakefront days, it was discussed on whether to continue to have a presence and it was the consensus to have a booth in the park but not in the parade.
- f. Frank brought to the board's attention that we investigate doing a joint compensation study with the city, the next time one is required or necessary.
- g. Overall, the WD Board believe the City of Prior Lake has been a great partner with the District and that it wishes to continue that close working relationship or even improve it.

6) Health Insurance & Benefits

- a. Frank and Curt brought up the possibility of joining the insurance pool of either the City of Prior Lake or the County. This investigation would be best after the Gallagher study and for the next year insurance renewal.
- b. Curt brought up the issue of the appropriate benefit level, and it would be best to see the results of the Gallagher study before making any changes.

7) PLSLWD employee needs in the future?

- a. Curt brought up of the transition plan schedule for Amy's position and what is the status and final plan. Mike was going to check with Maggie.
- b. Discussion occurred on having the new District Administrator being involved in considering any hires and/or work schedules.

8) Financial

- a. Financial reports and Key Performance Indicators need to be discussed with our new accountant (CLA). Mike and Bruce will bring this item to CLA to get the right reports the board needs for financial understanding.
- b. What is the right amount for reserve funds for the district to operate? Need to ask CLA for a recommendation the that amount and for a cash flow analysis

- c. Investment options on reserve funds was discussed and Bruce will check into other options of CD's than Northland Securities. Sterling Bank was one suggested option.
- d. Future Alum funding was discussed next and it was mentioned that we have \$230,000.00 in the 2021 budget. It is anticipated that an Alum project will not be done this year. In the treasurer's report, under restricted funds, add alum reserve to not include as available cash flow monies.
- e. Grant funding opportunities need to be a priority and incorporate into the KPI

9) CAC Membership & Future Goals

- a. Curt mentioned that the current CAC membership is 7 and what should be the right number of members. The latest CAC members are very active, and we should consider asking someone from the PLA or SLA for any possible candidates.
- b. Bruce brought an item for the board to consider having a joint meeting with the CAC, staff and the board to discuss past accomplishments and future goals. Consensus of the board was this was a good idea.

10) New Program Ideas/Evaluation

- a. Bruce mentioned that the CAC presentation of muck digesters by Matt Newman was very good and should be considered for a trial project. Curt mentioned some sites on Spring Lake. Initial cost of approximately \$7,000.00 was mentioned.
- b. Mike mentioned that at the Farmer's Led Council meeting, a new drain tile is out there that would drain the land for the farmer and could hold back water longer to assist to district. Again, a trial project should be considered, and one possibility is on land owned by Curt and farmed by Joe Hentges.
- c. Steve brought up a potential project with wetlands and plant life where adding higher water levels can reduce the number of cattails and allow other plants that can filter water and nutrients better. Northwood Pond and the Duck unlimited pond areas would be potentially good test sites. Bruce agreed to bring this up with Wenck.

11) 50th Anniversary Ideas/Activities

- a. Discussion occurred as to the level of event or activities should be done with the 50th anniversary. It was the consensus that due to the staff workload that this item can be eliminated.

12) New District Administrator

- a. Bruce gave a quick update on the hiring process of a new District Administrator. January 12, 2021 will be interviews for the second round of 5 candidates. Frank will lead the stakeholder's panel and Bruce the technical panel. The results of these panels will be brought to the board meeting that night.
- b. The final interview should be done in person if possible and as quickly as possible.

Maggie Karschnia joined the retreat at 11:20am for staff discussion items.

Maggie brought the following items to the board's attention:

1) Communication

- a. Maggie discussed a staff desire to have more open communication between staff and board members. In the past, all communication was routed through the District Administrator with no direct communication between staff and board. This will be opened up while still keeping the DA in the loop (copied on emails, made aware of conversations), and acknowledging that an individual board member cannot direct staff on projects. The Board was supportive.
- b. After some discussion, Maggie agreed to write up a communication guideline for staff and board members.

2) Project Approvals

- a. The discussion on projects was on how to reduce the number of times an item goes back to the board for approval/action. There is a desire to improve the process so that frustration is reduced on both sides and that projects are able to get approved more efficiently going forward.
- b. One solution would be to have one or more board members provide guidance on the project after the first time it is tabled by the board. These board members would help review workshop/meeting materials to ensure the board is getting the right/sufficient information for making a decision.
- c. Bruce suggested using the Scott SWCD's one page template for project approval. Curt will send an example copy to the staff to consider using for project overviews moving forward.
- d. Frank noted that it is the District Administrator's job to review project materials and to know the board personalities well enough that the right information is being presented. This should improve over time as the next District Administrator is fully onboarded and knows that this is an area we're working on improving.

3) 2021 Staff Workload

- a. The staff & board discussed and agreed we have not been prioritizing work as well as we could. For example, staff plans their priorities for a new year in late fall during the budgeting process while the Board has been doing it in early January at the annual board retreat. We agreed we have a disconnect and need to better set goals and prioritize them. We need to carve out time this year to figure out how to accomplish it.
- b. Maggie gave the board a 2021 Staff Workload spreadsheet of tasks identifying work removed, work not completed in 2020, and work being added in 2021. If the District completes all tasks in 2021, there is an estimated 40 weeks of additional work hours beyond what the current staff working fulltime can cover.
- c. In order to address the 2021 workload issue there are four options: 1) hire new staff; 2) use consultants to do some of the work; 3) remove projects for this year and/or delay tasks of current projects while acknowledging they will be adding work hours to future years; 4) combination of the three.
- d. It was mentioned by Mike for staff to bring back recommendations of work items to removed as they are closer to the issue than the board.

4) Staff/Board Relationship

- a. Staff needs to hear positive comments on work being done. Many board members have done this in the past and it is not only appreciated, but helps build trust and a strong relationship between staff and board members.
- b. Staff's perception of the board is that is it often looking for things that are wrong. Board members expressed that the driver is often to better understand the District operations and not to find a problem within the staff. The intent will be better communicated moving forward.
- c. The board recognizes that some of their comments can be taken negatively when they are trying to make improvements to the operation.

5) District Administrator Review process

- a. We discussed and agreed that it would be valuable for the District Administrator to have a 360 review.
- b. This will allow the new District Administrator to have staff feedback and improve their abilities to manage staff, addressing issues as they arise.
- c. This will also help the board better review and score the District Administrator's supervisory skills during their annual review.