

OFFICIAL MINUTES
Clearwater River Watershed District
Board of Managers Special Meeting
September 6, 2017 - 6:00PM
City Hall, Annandale, MN

Chair Schiefelbein called the meeting to order at 6:03pm. Managers Paul DeGree, Kathy Jonsrud, Robert Schiefelbein were present. Manager Chris Uecker entered at 6:04pm. Also in attendance were Engineer Rebecca Carlson (entered at 6:09pm), Advisor Merle Anderson, Assistant Administrator Dennis Loewen and Administrator Cole Loewen. The following were in attendance for the School Section Lake hearing: Brad Ebeling, Kyle Neu, Kathy & Ron Richter, Robert Rowbottom (left at 6:25pm) and Bill & Bev Spies. All except Mr. Rowbottom left at 7:07pm at the conclusion of this agenda item.

Motion #SM17-09-1: Jonsrud/DeGree moved to adopt the agenda. **All Managers voted aye (Uecker not in attendance).**

BOARD APPROVAL OF POLICY #204- REAPPORTIONMENT OF BENEFITS

Administrator Loewen review the proposed policy.

Motion #SM17-09-2: DeGree/Jonsrud moved to adopt policy #204- "Reapportionment of Benefits." **All Managers voted aye.**

PUBLIC HEARING ON PROPOSED 2018 CRWD BUDGET

Chair Schiefelbein opened the public hearing at 6:05pm.

Administrator Loewen reviewed the proposed budget and answer questions from the Board. No comments or questions were received from the audience.

Motion #SM17-09-3: Jonsrud/Uecker moved to close the public hearing on the proposed 2018 CRWD Budget. **All Managers voted aye.**

BOARD ADOPT OF BUDGET/ LEVIES

Motion #SM17-09-4: Jonsrud/Uecker moved the following resolution:

RESOLUTION ADOPTING THE CLEARWATER RIVER WATERSHED DISTRICT'S 2018 BUDGET, GENERAL AD VALOREM LEVY, SPECIAL ASSESSMENTS, SEWER UTILITY BILLING RATE SCHEDULE, AND CERTIFICATION DATE OF DELINQUENT UTILITY ACCOUNTS AND UNPAID SPECIAL ASSESSMENT ROLLS TO APPLICABLE COUNTIES, AND ADJUSTING THE PLEASANT LAKE O&M ASSESSMENT AND THE BENEFIT STATUS OF
PARCEL #217-053-002083

WHEREAS, the Board of Managers for the Clearwater River Watershed District (CRWD) has prepared a proposed budget for the CRWD for 2018; and,

WHEREAS, the Board of Managers for the CRWD has held a public hearing on the proposed budget hearing pursuant to Minn. Stat. § 103D.911; and,

WHEREAS, the Rules and Regulations of the CRWD require the Board of Managers to adopt a sewer utility rate schedule, and to set a certification date for collection of delinquent sewer utility accounts to the applicable county; and,

WHEREAS, the Board of Managers for the CRWD has determined the cost to administer the Pleasant Lake Outlet Control Project's Operation & Maintenance (O&M) assessment on each of said project's three benefitted classes; and,

WHEREAS, the Board of Managers for the CRWD has received documentation from the land use authority demonstrating that parcel #217-053-002083 meets the CRWD policy definition as a non-buildable parcel.

NOW, THEREFORE, BE IT RESOLVED by the Board of Managers for the Clearwater River Watershed District as follows, that:

- The proposed 2018 Budget for the CRWD, as noticed publicly in legal newspapers, is hereby adopted in the amount of \$1,010,430.
- The proposed 2018 general ad valorem levy of \$250,000 is hereby adopted.
- The following special assessments are levied as follows:
 - 2018 Augusta Bog Control O&M Assessment: \$4,000
 - 2018 Clearwater / Grass Bog Control O&M Assessment: \$7,000
 - 2018 Pleasant Lake Outlet Control O&M Assessment: \$12,500
 - 2018 Clearwater Chain of Lakes (1980) O&M Assessment: \$150,000
 - 2018 Project #06-1 O&M Assessment: \$40,000
 - 2018 Cedar Lake AIS O&M Assessment: \$30,000
 - 2018 Lakes Louisa & Marie AIS O&M Assessment: \$35,000
 - 2018 Clearwater Lake Eurasian Milfoil Control O&M Assessment: \$33,000
 - 2018 Lake Augusta Aquatic Invasive Species O&M Assessment: \$7,500.
- The 2018 sewer utility billing rate schedule is adopted as follows:
 - Hidden River Sewer System: \$170.00 per quarter
 - Rest-A-While Sewer System: \$190.00 per quarter
 - Clearwater Harbor Sewer System: \$135.00 per quarter
 - Wandering Pond Sewer System: \$175.00 per quarter.
- The certification date of collection to the applicable counties for collection as part of 2018 property taxes for 2017 delinquent sewer utility accounts is November 30, 2017.
- The certification date of collection to the applicable counties for collection as part of 2018 property taxes for unpaid special assessments levied by this resolution is November 30, 2017.
- The costs to administer the Pleasant Lake Outlet Control Project's O&M assessment on the project's class III properties is estimated to be \$800, which is greater than the \$635 in revenue this assessment class will provide. As such,
 - If the assessment is exercised on Class III properties, it will be higher on Class and II properties in order to produce the same total O&M fund revenue;
 - Therefore, the assessment will not be exercised on Class III properties
- Parcel #217-053-002083 shall have assigned to it zero units of benefit for the following O&M assessment rolls:
 - Clearwater River Chain of Lakes Restoration Project
 - Augusta Bog Control Project
 - Lake Augusta Aquatic Invasive Species Project

All Managers voted aye.

PUBLIC HEARING OF SCHOOL SECTION LAKE MODIFIED OUTLET CONTROL PROJECT #17-1

Chair Schiefelbein opened the public hearing at 6:11pm.

Administrator Loewen gave a presentation on the hearing purposes, the project's chronology, design, determined benefits and estimated costs.

Multiple questions and back and forth occurred between the audience and the Board. A summary is provided below:

- Accusations of CRWD staff mismanagement of the current lake outlet project's operation
- Accusations of raising the elevation of the current lake outlet project's control weir
- Clarification on how the current project has been managed, including the control weir has not been modified since its construction to raise its elevation
- Review of lake levels since 1984 as recorded by MNDNR
- Clarification on the estimated cost per benefitted property for the proposed project #17-1, including encouragement from audience to spread the cost across multiple years
- Positive comments on project #17-1's allocation of benefits equally across riparian parcels

Chair Schiefelbein closed the floor for public comment.

BOARD ORDERING OF SCHOOL SECTION LAKE MODIFIED OUTLET CONTROL PROJECT #17-1

Motion #SM17-09-5: Jonsrud/Uecker moved the following resolution:

RESOLUTION ORDERING THE SCHOOL SECTION LAKE MODIFIED OUTLET CONTROL PROJECT #17-1

WHEREAS the Clearwater River Watershed District (CRWD) constructed and maintains the School Section Lake Outlet Control Project (Project #84-1), a structural outlet on School Section Lake, Stearns County, to manage lake level and flood risk for properties riparian to the lake;

WHEREAS in accordance with Minnesota Statutes §103D.401, the CRWD has adopted and implements a watershed management plan (WMP) that provides for the operation and maintenance of an outlet structure on School Section Lake to manage water levels in the lake and for related purposes;

WHEREAS in 2015, the outlet structure intake was significantly damaged by ice so that Project #84-1 became inoperable, requiring that as an element of repairing the intake and restoring operability, the CRWD installed an ice barrier to protect the intake from immediate ice damage, which barrier was functional but not designed as a long-term element of the outlet or to incorporate safety or visual considerations;

WHEREAS by Resolution #17-05-4, adopted unanimously on May 17, 2017, pursuant to Minnesota Statutes §103D.701, the CRWD Board of Managers ("Board") initiated a project to modify the outlet structure to include a durable and well-designed ice barrier and designated it as the School Section Lake Modified Outlet Control Project, Project #17-1;

WHEREAS on June 27, 2017, the CRWD engineer, pursuant to Board direction, submitted a report on Project #17-1 pursuant to Minnesota Statutes §103D.711, finding that Project #17-1, construction of a sheet pile weir box to establish a durable ice barrier, is consistent with the CRWD watershed plan and feasible; that it has an estimated construction cost of \$73,193; and that \$28,100 in engineering and process costs had accrued to the project proceedings to that date;

WHEREAS by Resolution 17-06-3, adopted on June 27, 2017, the Board accepted the report of the CRWD engineer, determined that it conforms to Minnesota Statutes §103D.711, and directed that it be transmitted to the Director, Division of Ecological and Water Resources, Minnesota Department of Natural Resources (DEWR/MnDNR), and the Minnesota Board of Water and Soil Resources (MnBWSR), for advisory reports;

WHEREAS by Resolution 17-06-3, the Board resolved to determine benefits and damages of Project #17-1, and on July 19, 2017, it submitted and accepted its benefits and damages determination by Resolution 17-07-4 in accordance with Minnesota Statutes §103D.721, which found that the proposed sheet pile weir box is an essential component of the outlet structure, and will provide benefits in the amount of \$1,421,895 in maintenance of property value and \$53,300 in avoided repair costs to 57 riparian properties, of which 12 however should be assigned zero benefits for assessment purposes; found there to be no damages; and further prescribed adjustments in units of benefit related to future changes in parcel status and buildability;

WHEREAS the MnBWSR report (July 21, 2017) finds that the engineer's report presents a complete and practical plan, recommends including certain additional data, suggests further explanation as to why an existing control weir is to be removed and how the structure will be designed for sediment removal, notes a cost figure discrepancy, asks for further design details about the attachment of the outlet cover and riprap sloping, and raises a concern about the structure's susceptibility to ice jacking;

WHEREAS the DEWR/MnDNR report (July 28, 2017) also finds the engineer's report to present a complete and practical plan, clarifies the MnDNR's position on design alternatives, suggests including a sediment sump in the design, questions removal of the existing control weir, and notes the need to amend the existing MnDNR permit.

WHEREAS in response to these reports, the CRWD engineer submitted a letter to the CRWD dated August 21, 2017, explaining the technical grounds to remove the existing control weir and to not include a sediment sump in the design, and submitted a revised report that includes additional data as requested, corrects a cost figure, and revises the proposed design to include over-excavation in the area of the sheetpile weir for riprap keyed into the lake bank.

WHEREAS by Resolution 17-07-4, adopted on July 19, 2017, the Board directed that the CRWD administrator give notice of the final hearing for the ordering of Project #17-1 for September 6, 2017, at 6:00 p.m., at the Annandale City Hall;

WHEREAS in accordance with Minnesota Statutes §103D.741, final hearing notice was published on August 23, 2017 and August 30, 2017, in the Annandale Advocate, and mailed on August 17 and/or August 18, 2017, to the Director, DEWR/MnDNR, and to each party identified as benefited in the benefits and damages determination;

WHEREAS on September 6, 2017, a public hearing was held as noticed, where each interested member of the public had an opportunity to speak to the ordering of Project #17-1; and

WHEREAS the Board has fully considered the engineer's report, the benefits and damages determination, the advisory reports of DEWR/MnDNR and MnBWSR, the engineer's August 21, 2017 letter, the revised engineer's report, and the testimony of interested members of the public;

THEREFORE BE IT RESOLVED:

- a. Jurisdiction exists pursuant to a unanimous resolution of the Board initiating the proceeding in accordance with Minnesota Statutes §103D.701;
- b. The "Engineer's Report: School Section Lake Outlet 2017" (revised August 2017) remains within the scope of the original report and conforms to Minnesota Statutes §103D.711, and the Board accepts this report and adopts its findings that it is consistent with the CRWD plan and feasible, and adopts the engineer's estimated

- construction cost of \$73,193 and its determination of \$28,100 in accrued project engineering and process costs to the report date;
- c. The “Benefits and Damages Determination, Minnesota Statutes §103D.721, School Section Lake Modified Outlet Control Project, Project No. 17-1” (July 19, 2017), conforms to Minnesota Statutes §103D.721, and the Board adopts its determination that the project benefits 57 riparian parcels; its finding of total benefits in the amount of \$1,475,195 and no damages; and its stipulation as to future adjustments in benefit units;
 - d. Project #17-1 is conducive to public health, promotes the general welfare and complies with Minnesota Statutes chapter 103D;
 - e. The benefits of Project #17-1 exceed the estimated construction cost plus damages, and no part of Project #17-1 will be paid or generally assessed as a basic water management portion within the meaning of Minnesota Statutes §103D.721, subdivision 4;
 - f. Project #17-1 hereby is ordered and construction thereby authorized, and the CRWD administrator shall direct the CRWD engineer to prepare final plans and specifications and solicit bids for the construction of the project, to be brought to the Board for contract award, with the final hearing to be recessed until that time;
 - g. The CRWD administrator is to file a certified copy of this order with the Stearns County Auditor; the Commissioner, MnDNR; the Director, DEWR/MnDNR; MnBWSR; the Minnesota Pollution Control Agency; and the Commissioner, Minnesota Department of Health; and
 - h. The CRWD administrator is to provide a copy of the engineer’s August 21, 2017 letter and its revised report to MnBWSR and DEWR/MnDNR.

All Managers voted aye.

The Board directed staff to time the submission of bids to prospective contractors so as to maximize the receipt of favorable, competitive bids. The Board directed staff to send out notices to benefitted property owners when the option to prepay special assessments for this project will be available.

DISCUSSION ON CURRENT AND FUTURE WATERSHED MANAGEMENT PLANS

Administrator Loewen introduced this agenda item. Unstructured discussion followed, summarized below:

- Overall, the current Watershed Management Plan (WMP) has served the CRWD well. It was well-structured, focused and resulted in funding acquisition that translated into substantial implementation of water quality improvement efforts in the CRWD. The current WMP will serve as a good base for building the next WMP.
- Sound, scientifically-based data must drive all the CRWD’s decisions. The WMP will continue to place an emphasis of the acquisition of this data to inform both the WMP and the CRWD’s annual work plans and project-specific plans. The WMP will also focus on water improvement and protection efforts that provide the greatest returns on investments.
- The future WMP should be considered a vision-casting document; the annual work plans and project-specific plans are where the specific details on an individual project-basis are determined.
- The WMP must be a living document. It must adapt to a myriad of changing conditions and forces; from the citizens, from the state and from the resources the CRWD seeks to improve and protect. The CRWD recognizes the WMP will likely need to be formally amended on a frequency greater than what is minimally required in state statute.

- The CRWD recognizes the State of Minnesota is currently in flux when it comes to how it delivers state funding to complete water improvement and protection efforts. The WMP must reflect the changing nature in funding the priorities and goals of the WMP. As such, the WMP should contain provisions that encourage the pursuit of non-traditional funding sources, such as non-government units or businesses. The WMP should allow for the use of various funding mechanisms provided to WDs in state statute, but it should be left to the Board to decide when to use such mechanisms.
- The future WMP should recognize the desire of the CRWD citizens for the CRWD to take more leadership addressing concerns with aquatic invasive species, and should recognize the limitations of existing state and federal frameworks to address this issue.
- Watershed Districts (WDs) in the state need to collectively work together to encourage the state via its agencies, department and boards (MPCA, MnDNR, MnBWSR) to recognize and use the resource that is the state's WDs. The CRWD, via its WMP, will continue to actively seek out opportunities, both on its own and with other WDs, to this end.
- The Board has concerns with the State of Minnesota's effort known as "One Watershed, One Plan (1W1P)." While recognizing that the next WMP will need to account for 1W1P and other state-driven planning efforts, the WMP should not be completely obligated to these efforts.
- WDs in the state need to collectively work together to form more effective relationship with the various agricultural organizations in the state (ex. MN Corn Growers, MN Soybean Producers) to achieve like-minded goals. Improvement and protection of the state's waters is not counter to the goals of the state's farming community. The CRWD's WMP is to reflect the CRWD's desire to form and maintain effective relationship with the agricultural community in the CRWD so that both our waters and our local communities benefit. Resiliency in the form of improved and protected waters, stable and productive local economies, and strong, vibrant communities is to be a principle of the CRWD's WMP.

ADJOURNMENT

The chair adjourned the special meeting at 8:30pm.

THESE MINUTES ARE AVAILABLE AT: www.crawd.org.

CRWD AUDIT REPORTS ARE AVAILABLE AT THE ANNANDALE PUBLIC LIBRARY

Chair, Robert Schiefelbein

Secretary, Paul DeGree