

Bassett Creek Water Management Commission

Minutes of a Special Meeting

November 27, 2001

Call to Order:

The Special Meeting of the Bassett Creek Water Management Commission was called to order at 11:30 a. m. Tuesday, November 27, 2001, at the City of Golden Valley City Hall by Chairman Quanbeck.

Roll Call:

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| <i>Crystal</i> | Commissioner Tom Mathisen, Secretary | <i>Counsel:</i> Charlie LeFevere |
| <i>Golden Valley</i> | Commissioner Dave Hanson, Treasurer | <i>Engineer:</i> Leonard Kremer |
| <i>Medicine Lake</i> | Commissioner John O'Toole, Vice Chairman | <i>Recorder:</i> Pat Schutrop |
| <i>Minneapolis</i> | Commissioner Mike Welch | |
| <i>Minnetonka</i> | Commissioner Lee Gustafson | |
| <i>New Hope</i> | Alternate Mary Gwin-Lenth | |
| <i>Plymouth</i> | Commissioner Ron Quanbeck, Chairman | |
| <i>Robbinsdale</i> | Commissioner Bill Deblon | |
| <i>St. Louis Park</i> | Commissioner Mike Rardin | |

Also present: Fred Moore, Alternate Commissioner, City of Plymouth
Jodi Polzin, Consultant to the City of Minneapolis
Guy Johnson, Director of Public Works, City of New Hope
Jeannine Clancy, Director of Public Works, City of Golden Valley
Greg Wilson, Barr Engineering Company

The purpose for today's workshop was to further develop the Commission's Capital Improvement Program for the Second Generation Plan. At the November 13th workshop, information reviewed consisted of distribution of funds from the Flood Control Project and future costs for the water quality improvements. The Commission requested additional information to help determine future spending. The Commission will also discuss the \$500,000 proposed 2003 assessment for the water quality improvement program resulting in a \$1 million total assessment for the watershed.

The following three tables were presented:

- Table 9a BCWMC Capital Improvements; \$530,000/year Budget with 100% Commission Funding
- Table 9b BCWMC Capital Improvements; \$1,030,000/year Budget with 100% Commission Funding
- Table 9c BCWMC Capital Improvements; \$530,000/year Budget with Variable Commission Funding

The previous table (Table 8) presented at the November 13th meeting assumed \$500,000/year funding over a 10-year period. Unlike Table 8, the new tables (shown above) assume that most of the recommended water quality improvements would be built. New columns added to Tables 9a, b, and c that apply to each lake are: percent improvement relative to phosphorus reduction goals, BMP priority, order of BMP implementation for water body, and issue addressed. Tables 9a and 9b assume 100% Commission funding with two levels of assessments (\$530,000 and \$1.030 million).

The percent phosphorus reduction calculation for the lakes was based on a typical situation where the water quality did not meet the goal. The formula used is as follows:

$$\frac{(\text{existing total phosphorus concentration} \div \text{predicted concentration with the BMP})}{(\text{absolute value of existing goal} \div \text{desired total phosphorus goal})}$$

This formula was used to develop a benchmark that evaluated all the best management practices (BMPs) for all the lakes against each other in terms of what percentage goal is met. Some of the lakes did not fit the typical formula (i.e., Twin and Westwood lakes). Mr. Wilson explained that in the case with Westwood Lake, the water management plan prepared by the Commission determined that the water quality is better than its Level III goal for phosphorus. Using the above formula resulted in a percentage above 100. The goal for Westwood Lake is 75 and the existing concentration was about 70 to 72. Construction of the proposed BMP in Westwood Lake would reduce it to about 65 (more than three times the difference between the existing concentration and the goal) resulting in 300%.

A percentage shown over 100% does not mean that the lake is meeting its goal. Regardless of the goals, the improvements proposed are to continually maintain or improve in all conditions (i.e., climate, new development, etc.). This is the case for Twin Lake where its water quality exceeds its goals. One of the recommendations made by the Technical Advisory Group during the Second Generation Plan process was that the Commission continues to maintain or improve Twin Lake's water quality.

Mr. Kremer said it is typical when significant phosphorus is reduced in a lake, that sediment reduction is also occurring. Mr. Welch asked if it would be helpful to add sediment removal to the table. Since the priority ranking was developed, sedimentation was identified as an issue by the Technical Advisory Group during the Second Generation Plan process. It is possible that part of the public comments and what comes out of the Second Generation Plan process will be a re-evaluation of the importance of sedimentation and that may cause the priorities list to change. The Commission agreed that adding other parameters to the table may be helpful later on.

Recommended additions to Table 9a:

- Add footnotes to those lakes where the formula used for typical situations do not apply (i.e., Westwood and Twin lakes) giving an explanation of the percentage shown.
- Add columns for additional parameter goals (i.e., sedimentation removal) percentage for that subwatersheds only and not its total on the entire watershed.

The discussion moved to identifying the funding percentages. Mr. Moore said it is difficult to make any funding decision without considering the possibility of matching funding from other sources. For example, situations exist where the city of Plymouth will be responsible for most of the funding for a particular project (contribution as part of the Commission and individual contribution because of the project). Mr. Moore would like to see local participation on every project to demonstrate watershed-wide agreement. Mr. Moore added it would be a city's obligation to provide any lands or easements necessary for a project as part of their contribution for a project. The JPA acknowledges credit for lands donated by the cities.

Mr. LeFevre said the Commission is bound to the three funding scenarios discussed in the Joint Powers Agreement (50/50 split based on land value and watershed area, a negotiated process regarding percent participation, and city(ies) having greater benefit should make a larger contribution toward the project). Unless the funding formulas are altered, those scenarios are the standard for the Commission. In discussions with the Policy Advisory Group, the PAG decided not to change the funding formulas recommended in the JPA.

When the Commission developed the January 2000 prioritization, the water bodies providing significant benefit (e.g., public access) were ranked higher. Mr. Mathisen asked about assessing those property owners receiving the most benefit from an improvement. The PAG looked at assessing benefiting property owners and concluded that the value would balance out in their taxes. Mr. Gustafson added that it would ultimately be the member cities' decision as to how their portion of the project will be paid.

Mr. Quanbeck said for the purpose of developing a Capital Improvements Program, the Commission could determine a funding percentage without determining benefit. Before a project is done, there will be a negotiation process with the city(ies) and the benefit process will be discussed at that point.

Ms. Gwin-Lenth asked if there would be provision for an improvement proposed on a lake that is located in one city and the improvement is being constructed in another city. Mr. Kremer said that the city(ies) where the water body is located would be responsible for funding regardless of where the improvement is located.

The Commission will always try to negotiate with the member cities. Mr. Rardin is reluctant to leave any future doors open. If there is to be a partnership in the CIP, stability and agreement is necessary on what is done and how it is financed. Mr. O'Toole added that although fairness is important, the Commission also needs to make it simple and consistent. Mr. Rardin likes the idea of local cities contributing something toward a project (i.e., 90/10, 95/5, etc.) to demonstrate buy-in.

Mr. Moore suggested another funding method is the formula used by the Corps of Engineers during the Flood Control Project where the local sponsor provided 25% (with a minimum 5% in cash) and the Federal Government paid 75%. Mr. Mathisen suggested a 80/20 percent funding calculation where a city could negotiate its 20% contribution by providing a combination of cash and/or land, easements, use of equipment, manhours, rights-of-way, etc. The Commission agreed flexibility was necessary in determining appropriateness of the member city(ies) percent contributed toward a project. A future consideration will be how to apply grant dollars received according to the cost sharing formula.

Ms. Gwin-Lenth asked if the assessment amounts paid yearly by the member cities was sufficient demonstration of city buy-in. Mr. LeFevere explained that when applying for grants, most grant programs are based on the buy-in concept where a demonstration of funding offered by the applying party shows good faith interest in a project.

The Commission looked at what percentage combination to accept: 75/25, 80/20, or 90/10. Most commissioners accept the 80/20 funding contribution for all the water quality improvement projects.

The project costs shown on Tables 9a-c include engineering (15 to 20%) and contingencies (20%) based on 2000 dollars. Land acquisition costs would be a future project cost. The education component added to each project is targeted at communicating the best management practices to the citizens in the watershed where the project is built.

Mr. Moore thinks the 80% Commission contribution toward project costs over a 25-year period are reasonable. The costs would be between \$400,000 and \$500,000 per year based on the premise that additional funding sources will be sought to decrease that amount.

The Commission agrees with a 80/20 funding contribution cost-share. The Commission now needs to decide if they agree with the \$500,000/year budget amount and determine the time frame for the program.

Mr. Gustafson agrees with \$500,000/year for water quality improvements. However, he suggests that the cities' annual assessments be decreased by the funding percentage the Commission agrees to.

Looking at a 80/20 split, Table 9a will be updated to reflect the Commission funding 80%, which will decrease the assessments at the bottom of the table (approximately \$400,000/year). The intent is not to change the total project cost, but the table will note the Commission's share is 80% and the cities share is 20% starting in year 2003. Rights-of-way and lands are part of the project costs.

Mr. Gustafson moved and Mr. Rardin seconded the motion to fund the water quality improvements projects according to an 80/20 funding ratio (80% Commission and 20% member city) with the understanding that the

cities may use rights-of-way and cities' plans in their 20% funding amount beginning in year 2003. Carried unanimously.

Mr. LeFevere reminded the Commission that this is the first draft of the CIP and the Commission is not formally adopted it today. The CIP will come back to the Commission for formal adoption after public comments are received and the Second Generation Plan is prepared.

Table 9a will be revised and discussed by the Steering Committee and the Policy Advisory Group.

Adjournment:

It was moved by Mr. Rardin and seconded by Mr. Gustafson that the meeting adjourn. Chairman Quanbeck adjourned the meeting at 1:05 p.m.

Ron Quanbeck, Chairman

Pat Schutrop, Recorder

Tom Mathisen, Secretary

Date: _____

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