



## **Bassett Creek Water Management Commission**

# **A g e n d a**

**Thursday, June 19, 2003  
12:00 Noon**

**Golden Valley City Hall  
7800 Golden Valley Road**

### **Call to Order**

**Presentation of May Minutes**

**Presentation of Financial Statements**

**Presentation of Invoices for Payment Approval**

### **Communications**

**Chairman**

- **Citizen Input on Non-Agenda Items**

**Counsel**

**Corps of Engineers**

**Commissioners**

**Engineer**

### **New Business**

### **Old Business**

- **Breck School Synthetic Turf Fields**
- **Budget Committee Report**
- **Governance Study Subcommittee**
- **Second Generation Plan Update**  
    *⚡⚡* **Capital Improvements Program Funding**

### **July Meeting**

- **Public Hearing – Medicine Lake Minor Plan Amendment**

### **Adjournment**

# Bassett Creek Water Management Commission

## Minutes of the Meeting of May 15, 2003

### Call to Order

The Bassett Creek Water Management Commission was called to order at 12:10 p.m., Thursday, May 15, 2003, at the City of Golden Valley City Hall by Chair O'Toole.

### Roll Call

<i>Crystal</i>	Commissioner Pauline Langsdorf	<i>Counsel:</i> Charlie LeFevere
<i>Golden Valley</i>	Commissioner, David Hanson, Treasurer	<i>Engineer:</i> Len Kremer
<i>Medicine Lake</i>	Commissioner John O'Toole, Chair	<i>Recorder:</i> Pat Schutrop
<i>Minneapolis</i>	Commissioner Michael Welch, Vice Chair	
<i>Minnetonka</i>	Commissioner Bill Yaeger, Secretary	
<i>New Hope</i>	Commissioner Vincent Vander Top	
<i>Plymouth</i>	Commissioner Elizabeth Thornton	
<i>Robbinsdale</i>	Commissioner Karla Peterson	
<i>St. Louis Park</i>	Commissioner Paul (PJ) Andersen	

Also present:

- Karla Anderson, Alternate Commissioner, city of Plymouth
- Mary Gwin-Lenth, Alternate Commissioner, city of New Hope
- Jan LeSuer, Alternate Commissioner, city of Golden Valley
- Ron Quanbeck, BCWMC Technical Advisory Committee, city of Plymouth
- Carlton Moore, BCWMC Technical Advisory Committee, city of St. Louis Park
- Tom Mathisen, BCWMC Technical Advisory Committee, city of Crystal
- Alison Fong, BCWMC Technical Advisory Committee, city of Minneapolis
- Kelly MacIntyre, BCMWC Technical Advisory Committee, city of Minneapolis
- Lee Gustafson, Chair, BCWMC Steering Committee, city of Minnetonka
- Ginny Black, City Council Member, city of Plymouth
- Mayor Linda Loomis, city of Golden Valley
- Tom Burt, City Manager, city of Golden Valley
- Jeannine Clancy, BCWMC Technical Advisory Committee, city of Golden Valley
- Nancy Azzam, Golden Valley League of Women Voters
- Terrie Christian, Association of Medicine Lake Area Citizens
- Jack Frost, Metropolitan Council

### Approval and/or Correction of Minutes

The minutes of the April 17, 2003 meeting were presented with the following corrections noted:

- ?? Page 4, Commissioners, #1: Ms. Langsdorf is a former Crystal city council person.
- ?? Page 6, Old Business, #1: add the Public Communications budget of \$5,000 to the list of costs for Public Relations budget designations.
- ?? Page 9, Old Business #3, Second Generation Plan Update: first full paragraph, second to last sentence, change to read: "Mr. Welch feels the commissioners need to go back to their cities with a clear plan and clear recommendation for funding the plan and get their ~~commends~~ comments..."

?? Page 10, Old Business, #3, Second Generation Plan Update: first full paragraph, restate the last line as follows: "...Mr. LeFevere will prepare the position paper for the Commission's consideration at the May meeting to help formulate a decision to present to the member cities that will help the cities understand the current ~~thinking of~~ issues before the Commission.

Ms. Thornton moved and Mr. Welch seconded the motion to approve the minutes with the above changes noted. Carried unanimously.

## ***Financial Statements***

Mr. Hanson presented the Treasurers Report as of May 15, 2003. The current balances are as follows:

Checking Account Balance	\$188,517.94
Investment Account	0.00
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<i>TOTAL GENERAL FUND BALANCE</i>	<i>\$188,517.94</i>
Construction Account Balance	\$347,759.17
Commercial Paper (due 5/14/03)	199,648.44
Commercial Paper (due 5/23/03)	98,000.00
Commercial Paper (due 6/18/03)	199,435.00
Commercial Paper (due 7/16/03)	199,259.22
Commercial Paper (due 8/29/03)	97,991.18
Commercial Paper (due 8/29/03)	97,991.18
Commercial Paper (due 8/29/03)	97,991.18
Commercial Paper (due 8/29/03)	97,991.18
Commercial Paper (due 8/29/03)	97,991.18
Commercial Paper (due 9/16/03)	298,832.33
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<i>TOTAL CONSTRUCTION ACCOUNT BALANCE</i>	<i>\$1,832,890.06</i>

The Treasurers report was accepted as presented and ordered to be filed subject to audit.

## ***Annual Audit Report***

1. Mr. Hanson distributed the final Annual Audit for year ending January 31, 2003, prepared by Malloy Montague Karnowski Radosevich & Co., P.A.

## ***Presentation of Invoices to be Paid***

The following invoices were presented for approval:

1. An invoice was received from the city of Golden Valley in the amount of \$1,000 for financial assistance furnished by Sue Virnig to the Commission during 2003.

Mr. Hanson moved and Ms. Peterson seconded approval for payment of claims as set forth on the invoice. Upon call of the roll, the vote was unanimously carried.

2. An invoice was received from Barr Engineering Company for professional services during the period April 4, 2003 through May 2, 2003, in the amount of \$19,962.76.

Mr. Hanson moved and Ms. Thornton seconded approval for payment of claims as set forth on the invoice. Upon call of the roll, the vote was unanimously carried.

3. An invoice was received from Kennedy & Graven for professional services during the period January 2003 through March 2003 in the amount of \$6,220.40.

Mr. Hanson moved and Mr. Welch seconded approval for payment of claims as set forth on the invoice. Upon call of the roll, the vote was unanimously carried.

## **Communications**

*Chairman:*

No communications.

*Citizen Input on Non-Agenda Items:*

1. Ms. Terrie Christian offered a clarification to her comments made at the April meeting concerning the two Medicine Lake projects in Plymouth. Ms. Christian's comments made at the April meeting were in the context of comments made at the March meeting where Plymouth indicated opposition to using the county ad valorem tax and the Steering Committee's recommendation to use the county ad valorem tax for the Second Generation Plan Capital Improvements Program. She expressed concern that a decision had been made by the Steering Committee to use the ad valorem tax as the funding mechanism for the Second Generation Plan Capital Improvements Program and that the March meeting was the first time the Commission was made aware of this information without any prior review and consideration. It was as though the Steering Committee had made the decision and Ms. Christian thinks the Commission should be concerned that a committee is making decisions based on somewhat outside experts' opinions (i.e., referring to former commissioner and Minnetonka staff person, Mr. Gustafson, chairing the committee, and other non-Commission members) thereby providing an opportunity to rely on opinions of outside experts who have no direct responsibility to the Commission. Ms. Christian further indicated that the county ad valorem tax decision was made in the context of the city of Plymouth opposing the ad valorem tax which implies to an observing citizen that the Steering Committee decided this and the city of Plymouth was going to be punished for doing a project that was in the CIP and was consistent with the goals of the Commission.

For the sake of understanding, Mr. Welch said the Steering Committee does not make decisions, but only makes recommendations to the Commission for action. The Commission retains all responsibility for those decisions. Mr. Welch also stated that what transpired at the March meeting regarding projects that Plymouth wants to undertake in 2003 was to point out that without an approved CIP, a funding mechanism was not in place to help Plymouth fund those projects through the Commission if Plymouth decided to move ahead with construction of the Medicine Lake projects. To characterize it as a punishment is not accurate. The two projects are included in the draft CIP and are projects the Commission would be in favor of; however, the Commission is not able at this time to assist the project because the CIP and the Second Generation Plan are not approved.

Mr. O'Toole concurs. The Steering Committee is assigned tasks to bring back recommendations for the Commission's consideration. He does not see the Commission acting irresponsibly in making decisions on recommendations made.

*Counsel:*

1. Mr. LeFevere was instructed at the April Commission meeting to prepare a memo (called “Funding of Capital Projects”) outlining funding options. The memo was distributed at the joint Steering Committee and Policy Advisory Group meeting that took place on Monday, May 12<sup>th</sup> and it will be discussed during the Second Generation Plan Update later in the meeting.

*Corps of Engineers:*

No communications.

*Commissioners:*

1. Mr. Welch pointed out the Minnesota Pollution Control Agency’s information on the total maximum daily loads (TMDLs) was included in the meeting packet. The MPCA is moving actively toward implementing work on gathering TMDLs. TMDLs is a requirement under the Clean Water Act that has not been enforced in the state of Minnesota. The Minnesota Environmental Initiative will be convening a forum involving WMOs, watershed districts, the Minnesota Board of Water & Soil Resources plus others on June 24<sup>th</sup> at the St. Cloud Civic Center.

Mr. Kremer added that the MPCA commissioner gave a presentation at a recent Minnesota Institute of Legal Education Seminar. At the seminar, the commissioner indicated that the top priority of the MPCA is improving the quality of impaired waters, which is what the TMDL program is about. The MPCA will be meeting with public stakeholders to gather TMDL information and, by July 15, the MPCA will appoint a multi-stakeholder steering team. The MPCA is looking at possibly a tax and a variety of ways to levy this tax (i.e., surcharge) and also possibly using some of the RIM funds to help with funding. The MPCA is looking at a multi-year implementation process administered at the local level. Shingle Creek WMO is currently working on a TMDL pilot study for the MPCA. Ultimately, if a program is developed as a result of the TMDL study, Shingle Creek WMO will most likely be the administrator. Mr. LeFevere added that it is difficult to know what this will entail exactly. One of the advantages of early involvement by the WMOs in the process is the influence those WMOs can have on defining what a TMDL is and how the process will be implemented. Mr. O’Toole expressed concern about how this would affect the Second Generation Plan and the difficulty of having to include it in the plan without much detailed information.

Ms. Christian said while on the Technical Advisory Group during the Second Generation planning process, sedimentation was discussed as one of the things most concerned about and asked if sedimentation will be included in the TMDL program. Mr. Kremer said the TMDL program is aimed at a variety of pollutants and whatever the pollutant is that impairs a certain water body will be targeted. Impaired waters in Bassett Creek are caused by phosphorus contamination. Mr. Welch also said the TMDL program is a way to reverse the regulatory strategy to not focus on what is coming out of this pipe or that, but identifying a total daily maximum load that a water body should receive.

Mr. Jack Frost, Metropolitan Council, said a tri-state TMDL meeting (Iowa, Wisconsin, and Minnesota) would be held at Concordia College on August 19 and 20. Mr. O’Toole asked Mr. Frost to provide an informal report to the Commission at its September meeting.

2. Ms. Langsdorf informed the Commission of the following two educational outreach programs:

?? Plymouth’s Oakwood Elementary School, May 15, 6:30 p.m. to 8:30 p.m. – focus is on environmental and water quality issues.

?? Ramsey-Washington Watershed District, May 17, 10:00 a.m. to 2:00 p.m. at Lake Phalen Regional Park.

*Engineer:*

1. The MPCA commissioner will be at Barr's office on June 5, at 11:30 a.m., to discuss the programs and priorities of the MPCA. Any commissioners interested in attending should contact Mr. Kremer.

## ***New Business***

1. **Sunset Hills Nature Center Project Funding Request.** A letter was received from the Wayzata Public Schools requesting the Commission to consider helping fund a portion of a dock replacement project in the Sunset Hills Nature Center that would enable the students to continue collecting and studying water samples from a pond at the Nature Center. The school has raised \$2,800 and needs an additional \$1,500 to complete the project.

Discussion followed. Ms. Thornton is familiar with the water quality study done by the Sunset Hills Elementary School and said it has been an ongoing project for the past 30 years. Ms. Thornton said it is a strong program and would be worthwhile to support if dollars are available.

Although there is a 2003 budget item called Demonstration Projects, no criteria is established to determine how those funds should be allocated. Mr. Hanson said the budget committee recommends reducing the Demonstration Projects line item to \$1,000 in the 2004 budget because the budget for that item has never been used and reducing it by \$4,000 would help reduce the overall budget for 2004. Mr. Welch said because the request is for the current fiscal year, it warrants more discussion.

Mr. Andersen noted that even though it is good that the school is involved in environmental work, the request presented appears to be a public infrastructure matter and not necessarily a benefit to the watershed other than a tool to help them educate themselves about water quality. Mr. Andersen does not see how it would fit the definition of a Demonstration Project as he understands it and is not in favor of setting a precedent of contributing to what appears to be a public infrastructure concern.

Ms. Thornton sees the request as an opportunity to help educate the public. This project can be looked at either as a demonstration project or an educational outreach. Ms. Peterson said it might be appropriate for this project to be considered under the Public Relations budget item; however, that budget item currently has other demands for its use.

Ms. Langsdorf agreed with Ms. Thornton that the work being done is worthwhile and the fact that it has a long history.

Mr. Yaeger asked if this program has been going for 30 years, why the results of the studies have not been shared with the Commission. He agrees that it does appear to be public school infrastructure funding request and would like to see the Technical Advisory Committee look at developing criteria for how to use the Demonstration Project budget item.

Mr. O'Toole summarized by saying although it is an admirable goal, the priority of the Commission is to finish its second generation plan and it appears that the 2003 budget will already be overspent as a result of the responsibilities necessary to complete yet this year.

Mr. Andersen moved and Mr. Yaeger seconded the motion to direct the Commission engineer to prepare a letter under the Chair's signature respectfully declining the request and commending them

for their interest, but that during the financial crisis affecting many member municipalities, the Commission cannot participate at this time. Upon call of the roll, the vote was carried with three no votes (Crystal, Minneapolis, and Plymouth).

2. **Proposed Education Plan with the Minneapolis Schools.** A proposal, prepared by Cairn & Associates, was received to develop a watershed education plan with the Minneapolis Public Schools. The Middle Mississippi Watershed Management Organization is providing funds for developing the education plan. Cairn & Associates is asking a variety of sources for funding assistance in 2004 to implement the program. They indicated that would obtain \$20,000 from Middle Mississippi WMO for the program. The program total is estimated to be \$50,000 for 2004. The Minnehaha Creek Watershed District, Shingle Creek WMO, Bassett Creek WMO, the Minneapolis Park and Recreation Board are some of the sources they are approaching for contributions. Mr. Kremer was told that any amount would be well received; however, they are asking the Commission to consider \$5,000 when determining the 2004 budget.

Mr. O'Toole noted that once there is a commitment made to a program of this type, there might be an expectation that the Commission will be an ongoing source of funding. Mr. Yaeger expressed concern about the lack of specifics of the education plan. Mr. Welch's response was that this type of project is fairly typical where money is requested to develop a plan and from there, only an estimate can be given for implementation of a program that has not been done.

Ms. Peterson asked if the Commission has criteria for educational programs and if not, could the Technical Advisory Committee develop criteria as well. A public information plan was developed as part of the Second Generation Plan process that included working with resources already available along with the member cities. Ms. Langsdorf asked if the Commission had an education committee that considers such requests. Mr. LeFevere said that the Middle Mississippi WMO has a deadline when such applications can be submitted and the applications are considered at one time. However, Middle Mississippi WMO has a large annual budget (\$75,000) for such projects and the Commission's budget is much less.

Mr. Welch suggested that as part of the Second Generation Plan, the Commission gave consideration to public education and that a decision should be made as part of that process as to an annual funding level and that criteria be created to help determine how that budget can be used.

Ms. Peterson moved and Mr. Hanson seconded the motion to decline the funding request to participate in implementing the proposed education plan with the Minneapolis schools. Carried with two no votes, Crystal and Minneapolis.

## **Old Business**

1. **Budget Committee Report.** Mr. Hanson reported that the budget committee met on Tuesday, May 13, 2003, to prepare a draft of the 2004 budget. The administrative estimate presented today is \$431,000 in contrast to \$358,000 assessed for 2003. Mr. Hanson recommends the budget committee meet again prior to the June meeting to consider lowering the \$431,000 assessment amount. Ms. Langsdorf asked to participate and attend the next budget committee meeting. The budget committee will meet again prior to the Commission's June meeting.
2. **Final 2002 Annual Report.** The final 2002 Annual Report was presented. Mr. Hanson moved and Mr. Yaeger seconded the motion to adopt the 2002 Annual Report. Carried unanimously.

3. **Second Generation Plan Update.** The Commission requested Mr. LeFevere to prepare a memo for the member cities explaining the funding issues associated with the Capital Improvements Program with the anticipation that the Commission would make a funding decision at its June meeting. Subsequent to the May Commission meeting, Mr. Gustafson had a number of conversations regarding that meeting that caused him to believe that a joint meeting of the Steering Committee and the Policy Advisory Group would be beneficial.

A joint meeting of the Steering Committee and the Policy Advisory Group was held on Monday, May 12, 2003, and representatives from all the member cities were present, including city managers and staff, city council members, and commissioners.

Mr. Gustafson opened the joint meeting by summarizing some of the actions and recommendations made by the Steering Committee concerning funding of the CIP. Overall and aside from the funding issue, the capital improvements program is accepted by the member cities. Mr. O'Toole then summarized thoughts concerning Commission action and future direction and Mr. LeFevere presented and discussed the funding memorandum prepared by him. Mr. LeFevere broke the process down into a decision tree to help focus the meeting.

**Decision #1:** Will the Commission do water quality projects or not? The group consensus was the Commission would do projects.

**Decision #2:** How should those projects be funded – through Commission funding, which is still member city funding, or county ad valorem tax funding where the Commission sends the bill to the county? Mr. LeFevere also summarized some of the funding discussions concerning other funding scenarios (80/20, 20/80, 60/40, etc.). He stressed whatever the Commission's funding share is, it is still paid by the member cities according to the Joint Powers Agreement. The joint group focused on Commission funding or a county ad valorem tax. The minor differences between the two options discussed are the Commission funding (50/50) is based on value and area within the watershed, and the ad valorem tax is based on value only. A straw poll was taken with seven cities giving general support for the ad valorem tax and two cities (Plymouth and Golden Valley) not supporting it. Ms. Ginny Black, city council member for Plymouth, reminded the Commission that Plymouth and Golden Valley voting against the ad valorem tax means about 75% of the watershed area does not agree with this type of funding at this time.

Table 4 (a copy distributed at the May 15, 2003 Commission meeting) illustrates what the cost splits would be: (a) according to BCWMC formula (50/50), (b) according to tax capacity, (c) if city pays 100% of project costs when project is located in the city, and (d) cost difference between b and a.

**Decision #3:** Another issue discussed was the voting percentages by member cities on the Commission. After discussion, the joint group decided the voting issue warranted more discussion. Mr. Gustafson suggested the Commission look into setting up a subcommittee at its next meeting to study the issue further.

Mr. O'Toole added that the funding issue is the remaining significant issue that has to be addressed before the draft Second Generation Plan can begin the review and approval process. The Policy Advisory Group was informed that the Commission would not be taking a vote concerning the funding issue at its May meeting; however, Mr. O'Toole requested the commissioners to go to their member cities to discuss the information presented today concerning funding of capital projects and come to agreement on a final position so that the funding issue can be addressed at the Commission's June meeting.

Mr. Kremer said Fred Moore, one of the steering committee members and former Plymouth commissioner, is currently in the process of getting the Elm Creek Watershed District's second

generation plan approved by the Board of Water & Soil Resources. Mr. Moore is finding that BWSR is reluctant to approve a second generation plan that does not include a capital improvements plan. The Commission has had the participation of BWSR throughout the plan process and has been told that if the plan does not state who will do the capital projects (either the cities or the Commission) and identify the funding source, the plan will not receive approval.

If the Commission decides to use the ad valorem tax to fund the CIP, Mr. LeSuer asked when would the local taxpayers be given notification and opportunity to comment or is that the responsibility of the local city councils or the Commission? Mr. LeFevere went through the public and city participation in the review process for the second generation plan. To date, the process has been developing a draft plan where input from the cities has been solicited from the beginning. The formal review process as set forth in Minnesota statutes has not started. That formal review process involves three steps. The first step is a 60-day review by the public agencies (cities, counties, Met Council, etc.). The Commission then conducts a public hearing where citizens can participate. After the public hearing, the draft plan is again sent to the local agencies to review and comment. After those comments are received and the draft plan is edited and the Commission is satisfied with the plan, the final plan goes to BWSR for its final review and for compliance with the Surface Water Management Act. The formal legal requirement for public input on the plan is the public hearing. After the formal review process is complete and the plan is approved, there are other opportunities for the public to participate in the implementation of the plan. Under the JPA, city clerks are notified of a hearing on capital projects. In addition, if the funding mechanism for a project is the county, state law requires the Commission to conduct a public hearing on that question as well.

Mr. LeSuer asked what the significance of casting a vote at the next meeting would mean? Mr. LeFevere said the legal significance of the cities input is that what the Commission decides will be what is stated in the plan. The advice and counsel from the cities is changeable. The decision made concerning the funding mechanism will allow the Commission engineer to proceed with preparing the draft plan for the formal review process. It is during the public hearing process when the Commission can change a decision. There is an opportunity for the county to veto county funding. The county has to approve each project after the public hearing is held on the project.

Mr. O'Toole asked if meeting minutes are available from the joint meeting and Mr. Kremer said he did take some notes and would assemble them and make them available.

Mr. O'Toole offered any assistance to help with the evaluation process as the Commission moves forward and solicits its member cities' positions on this issue.

After the joint meeting, a smaller group (representatives from the city of Plymouth, Mr. Kremer, Mr. LeFevere, and Mr. Gustafson) met to discuss projects around Medicine Lake that the city of Plymouth has on their schedule to do this year. These projects are in the Commission's draft Second Generation Plan Capital Improvements Program; however, the projects could not be funded through the Commission because the funding source has not been identified and agreed upon by the Commission and included in an approved second generation plan. With that in mind, the group reviewed different possibilities that would help with funding for Plymouth to move ahead and start these water quality projects this year.

Mr. LeFevere prepared a memo (Minor Plan Amendment for Medicine Lake Improvements, dated May 14, 2003) documenting what may be done to help facilitate Plymouth's moving ahead with the two projects on Medicine Lake yet in 2003. In order to use county funding, the project has to be a part of an approved water management plan and a CIP. Because the current draft second generation plan will not be approved and available for county funding until late 2003/early 2004, the projects proposed by Plymouth will not be eligible under the current plan. However, the 1990 BCWMC Water Management

Plan identified these water quality improvements to Medicine Lake. The Commission can go through a minor plan amendment to the 1990 plan allowing Plymouth to begin the construction in 2003. The minor plan amendment would specifically describe the Medicine Lake projects and identify the county ad valorem tax as the funding source for the projects.

Mr. Kremer set up a meeting with the county on Tuesday, May 20, to discuss the minor amendment option. Mr. LeFevere talked with Mr. Phil Belfiori, BWSR, for input and was told that the minor amendment process is a possibility and could start as early as today with direction from the Commission under a motion to submit a minor plan amendment to BWSR for the Medicine Lake projects to be constructed in 2003 using county funding. Mr. Kremer distributed a feasibility study of the Medicine Lake projects to the commissioners for their information. The feasibility study is being reviewed by the city of Plymouth for approval.

The minor plan amendment review process by BWSR and local agencies will take 45 days. At the end of the 45-day review, BWSR will decide if it qualifies as a minor plan amendment. After that 45-day review process and BWSR decides the qualifications, the Commission can then approve the minor plan amendment making it eligible for county funding. A public hearing would then take place conducted by the county board. It is not clear how that will be facilitated. It may take 3 to 6 weeks after the 45-day review process before a decision to move ahead with the projects can be made – likely by August or September of this year.

Plymouth has not submitted a formal request to the Commission for the Medicine Lake projects and Plymouth is also opposed to using the county ad valorem tax for the current CIP. Mr. LeFevere stressed even if the Commission directed him to pursue the minor amendment process today, the decision made by the Commission concerning these two projects is not irrevocable should Plymouth decide it does not want to use the county funding source for these two projects.

Mr. Yaeger asked if going back to the 1990 water management plan and the funding sources recommended in that plan is the only way to help Plymouth finance the Medicine Lake projects prior to approving the current second generation water management plan. Mr. LeFevere said it is only way to qualify a project for county funding and for construction yet this year through a public hearing process and the city would be reimbursed later after the taxes have been collected unless the Commission bills the city directly.

Mr. Gustafson commented that after the joint meeting, he asked Mr. Kremer what costs would be incurred by putting together all that is necessary for the minor plan amendment. Most of the items are essentially in place and the costs would be minor.

Ms. Thornton can support preparing the minor plan amendment, but not the proposed payment method through the county. Mr. Kremer said both elements go hand-in-hand if a levy is going to be used in 2004 to reimburse the city. The plan amendment would need to be submitted to the county before June 30<sup>th</sup>. There is some technical information that is necessary for the county's consideration by that deadline. If the Commission directed its staff to move ahead with the minor plan amendment now and then decided at its June meeting to end the process, the Commission could amend the amendment by stopping the process for obtaining the funds through a county levy and assess the cities instead.

Mr. Welch asked if the Commission decided to not use the county levy, would the 45-day review process restart and how much will it cost to prepare the plan amendment? Mr. LeFevere said the reports have been complete, it would entail preparing a letter. Mr. Kremer said the meeting with county staff will also take minimal time. The rush to get the 45-day review process going is that there is not enough detail in the current 1990 water management plan CIP on the projects and the funding source is not

clearly identified as the county. Those things have to be changed by the minor amendment in order to allow the Commission to bill the county.

Mr. Vander Top will be meeting with the New Hope city council on Monday, May 19, to discuss the CIP and the overall funding process. As stated on the current draft CIP, New Hope is considering construction of regional pond (NB-36A) in conjunction with a church expansion project. New Hope recently received an application from St. Joseph Catholic Church for its expansion to be built this fall. Mr. Vander Top asked if New Hope's regional pond might also have been included in the 1990 Water Management Plan. No feasibility report has been prepared at this time, but if possible, New Hope may want the same consideration to use the minor plan amendment process with a county tax levy as the funding source. Mr. Kremer will determine if the Northwood Lake water quality improvements are included in the 1990 water quality management plan CIP.

Mr. LeFevere said technically, BWSR staff has preliminary indicated that they would approve a CIP that specifies years for projects and that readjustment of the project order would not require a plan amendment meaning the CIP could be amended by the Commission. If there is a project that a city is prepared to fund, the project can be done out of sequence and paid for by the city at the time the city wants it constructed, but not receiving reimbursement until the year the levy is expected to occur.

Ms. Clancy asked if the Commission has any past history where the Commission reimbursed a city for a project that has been done. Mr. Kremer said there was an instance during the Flood Control Project where a portion of the deep tunnel was built by the Minnesota Department of Transportation in advance of public approval with the guarantee from Minneapolis that if the project went ahead, they would pay the costs and Minneapolis was reimbursed by one of the agencies providing funding to the Commission using the 50/50 formula.

Mr. Yaeger moved and Mr. Vander Top seconded the motion to direct the Commission staff to submit to BWSR and the required state review agencies a minor plan amendment to the Commission's 1990 Water Quality Management Plan to provide for construction of the Medicine Lake water quality projects, construction of water quality ponds, commencing in 2003; and specifying that the costs will be paid by a county ad valorem tax levy. Carried with one abstention (Plymouth).

Mr. Vander Top moved and Mr. Andersen seconded the motion to direct the Commission engineer to verify that water quality improvements to Northwood Lake were included in the 1990 water management plan CIP. If the Northwood Lake improvements are confirmed, then the Commission staff is directed to submit to BWSR and the required state review agencies a minor plan amendment to the Commission's 1990 Water Quality Management Plan to provide for construction of the water quality improvements to Northwood Lake, commencing in 2003; and specifying that the costs will be paid by a county ad valorem tax levy. Carried with one abstention (Plymouth).

Mr. Welch recommends the commissioners think through these two motions with their city representatives.

Ms. Peterson asked if the county ad valorem tax is not agreed upon and the project costs default to the 50/50 funding formula, how will capital projects be prioritized if a number of the projects are submitted to the Commission at one time? Mr. LeFevere said if a city proposes to take a CIP project out of sequence, the options are that the Commission can amend the CIP or leave the project in the year it is proposed to be constructed and the city will provide the upfront costs and be reimbursed in the year the tax is scheduled to be levied for that project.

Mr. O'Toole summarized that the commissions should now go back to their member cities and discuss the CIP and the two proposed funding mechanisms – the county ad valorem tax or payment made by

the cities (based on the 50/50 formula). The Commission will consider the member cities' comments and vote on the funding mechanism at its June meeting and that will become the initial position of the Commission stated in the Second Generation Plan and distributed for the first review process.

**June Meeting**

1. Chair O'Toole presented the following agenda items for the Commission's June meeting:

- Approve 2004 Budget
- Capital Improvements Program Funding Decision

**Adjournment**

It was moved by Mr. Hanson and seconded by Mr. Welch to adjourn the meeting. Chair O'Toole adjourned the meeting at 2:30 p.m.

\_\_\_\_\_  
John O'Toole, Chair

\_\_\_\_\_  
Pat Schutrop, Recorder

\_\_\_\_\_  
Bill Yaeger, Secretary

Date: \_\_\_\_\_

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