

# **Bassett Creek Watershed Management Commission**

## **Minutes of the Meeting of July 21, 2005**

### **1. Call to Order**

The Bassett Creek Watershed Management Commission was called to order at 11:30 a.m., Thursday, July 21, 2005, 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 Linda Loomis, Treasurer	<i>Engineer</i>	Len Kremer
<i>Medicine Lake</i>	Commissioner John O'Toole, Chair	<i>Recorder</i>	Amy Herbert
<i>Minneapolis</i>	Commissioner Michael Welch		
<i>Minnetonka</i>	Commissioner Bill Yaeger, Secretary		
<i>New Hope</i>	Commissioner Mary Gwin-Lenth		
<i>Plymouth</i>	Commissioner Ginny Black		
<i>Robbinsdale</i>	Commissioner Karla Peterson		
<i>St. Louis Park</i>	Not represented		

Also present: Laura Adler, BCWMC Technical Advisory Committee, city of St. Louis Park  
Jeannine Clancy, BCWMC Technical Advisory Committee, city of Golden Valley  
Bill Deblon, BCWMC Technical Advisory Committee, city of Robbinsdale  
Lee Gustafson, BCWMC Technical Advisory Committee, city of Minnetonka  
David Hanson, Alternate Commissioner, city of Golden Valley  
Julie Kunm, homeowner, city of Minneapolis  
Tom Mathisen, BCWMC Technical Advisory Committee, city of Crystal  
Ron Quanbeck, BCWMC Technical Advisory Committee, city of Plymouth  
Bryan Ripp, Applied Ecological Services, Inc.  
Mark Soderberg (for Kelly MacIntyre), Public Works, city of Minneapolis  
Leif Thorsgaard, homeowner, city of Minneapolis  
Ruth Thorsgaard, homeowner, city of Minneapolis  
Sharon Thorsgaard, homeowner, city of Minneapolis

### **2. Approval of Agenda and Consent Agenda**

An item was added to the New Business agenda: a request to the Commission from the Kestrel Design Group for support of a grant request to the Metropolitan Council from the Prior Lake/ Spring Lake watershed for research on urban streams.

Two items were added to the Consent Agenda: the MMKR certified public accountants final audit invoice and New Business item [A.] Van White Memorial Boulevard Phase I: Minneapolis. The minutes from the June 16, 2005, BCWMC meeting were removed from the consent agenda. Mr. Welch moved and Ms. Black seconded the motion to approve the consent agenda. Upon call of roll, the vote was carried by unanimous vote.

### 3. Administration

- A. Presentation of the June 16, 2005, BCWMC Minutes. The following addition (underlined below) to minutes item 4. E. Communications from the Engineer [page 4] is noted:

Mr. Kremer reported that the Commission did not receive a grant from the Board of Water and Soil Resources for participation in the Wirth Lake Project.

The motion to approve the minutes with the noted addition carried unanimously.

- B. Financial Statements.

The general and construction account balances reported in the July Financial Report are as follows:

Checking Account Balance	107,584.07
Commercial Paper (due 7/14/05)	248,686.81
<b><i>TOTAL GENERAL FUND BALANCE</i></b>	<b>356,270.88</b>
Investment Balance	1,586,817.37
Commercial Paper (due 7/14/05)	746,060.42
<b><i>TOTAL CONSTRUCTION ACCOUNT BALANCE</i></b>	<b>2,332,877.79</b>

- C. Presentation of Invoices for Payment Approval. The following invoices were approved for payment under the consent agenda:

- i. League of Minnesota Cities Insurance Trust – Coverage from 6/05 – 6/06
- ii. City of Plymouth – Yard and Garden Expo Fee
- iii. Kennedy & Graven – Legal Services
- iv. Barr Engineering Company – Engineering Services
- v. MMKR (Certified Public Accountants) – Final Audit
- vi. Sun Newspapers – Hearing Notice
- vii. Pat Schutrop – Administrative Services
- viii. Amy Herbert – Administrative Services
- ix. Northfield Lines, Inc. – Watershed Tour Bus Reservation Deposit

### 4. Public Hearing

Chair O'Toole convened the public hearing. The purpose of the public hearing was to consider the following capital improvement program (CIP) project: construction of a water quality improvement project for the Twin Lake watershed in the city of Golden Valley.

Commission engineer Len Kremer described the Twin Lake (TW-1) CIP project. Mr. Kremer explained that in September of 2004, since Twin Lake was in the CIP for 2005, the city of Golden Valley completed a feasibility study for the Twin Lake water quality improvement project. The feasibility study determined that the previously proposed pond location was inappropriate.

In the original feasibility study, a pond was proposed to be located partially on railroad right-of-way. The 2004 feasibility study concluded that because of the difficulty dealing with this particular railroad, the city would have problems acquiring the right-of-way for the pond. The 2004 feasibility study relocated the proposed pond. The proposed pond was moved off of the railroad right-of-way to adjacent property. This new pond location would require additional excavation as well as improvements to the property because

the existing parking lot on the property would be disturbed. These proposed plan changes increased the estimated project cost from \$60,000 to \$219,000.

Mr. Kremer stated that the city of Golden Valley proposed it would pay for the improvements to the parking lot of the property owner, and in its feasibility study, the city requested reimbursement for \$140,000. In order for the Commission to proceed with the project, the Commission had to request a minor plan amendment from the Board of Water and Soil Resources because the Commission exceeded the allowable cost increase for that particular project.

In January 2005, the Commission applied for the plan amendment to recognize the project had changed in scope and cost. Hennepin County and the Board of Water and Soil Resources approved the minor plan amendment.

Mr. Kremer said the project involves a ponding area that will intercept about 13 acres of watershed that is tributary to Twin Lake. The ponding area will remove approximately 22% of the lake's total phosphorus load and will remove about 30% of its total suspended solids load. Mr. Kremer said that when the technical advisory group prepared the Twin Lake plan, the group talked about whether or not the Commission should build water quality improvement measures within the Twin Lake watershed since the water quality was meeting goals. The group concluded that everything should be done to maintain the quality of Twin Lake. Mr. Kremer noted that the watershed being treated by the proposed project is principally commercial and industrial, and he stated that Twin Lake is a very high-quality water body in the watershed and has an average phosphorus concentration (approximately twenty parts per million) that is typically better than the goals the Commission has set. Mr. Kremer said that as the Commission engineer, he recommends the Commission approve the project.

There was no public testimony presented on the proposed project, and Chair O'Toole closed the public portion of the hearing.

Mr. LeFevere presented two resolutions and one agreement on this proposed project:

1. **Resolution Amending Capital Improvement Program:** this resolution approves the plan amendment;
2. **Resolution Ordering the Twin Lake Watershed Improvement, Designating Member Responsible for Construction, and Making Findings Pursuant to Minnesota Statutes, Section 103B.251:** this resolution orders the improvement; and,
3. **Cooperative Agreement for the Twin Lake Watershed Improvement:** this agreement provides the agreement for the city to do the project.

Chair O'Toole asked if city of Golden Valley has seen the contract. Mr. LeFevere responded that the city has not seen it. Ms. Black commented that the feasibility report was given to the Commission prior to her participation as a commissioner and remarked that a summary memo from the engineer about the proposed project would have been a valuable addition to the meeting packet. Chair O'Toole stated that in the future, related project reports and a summary memo on the proposed project need to be made available to the commissioners in advance of the hearing or as part of the meeting packet.

Chair O'Toole called for a motion to adopt the Resolution Amending Capital Improvement Program. Mayor Loomis moved and Ms. Langsdorf seconded. The motion carried unanimously.

A motion was moved and seconded to adopt the Resolution Ordering the Twin Lake Watershed Improvement, Designating Member Responsible for Construction, and Making Findings Pursuant to Minnesota Statutes, Section 103B.251. The motion carried unanimously.

Ms. Black moved and Mr. Yaeger seconded a motion to adopt the Cooperative Agreement for the Twin Lake Watershed Improvement. The motion carried unanimously.

## 5. Communications

### A. Chairman:

1. Correspondence received from Mn/DOT requesting a letter of support from the BCWMC regarding Mn/DOT's 2005 Federal Transportation Funding application. Mn/DOT requested the Commission provide a letter stating its support of a grant for the construction of a water quality pond on MN55 to improve water quality in Wirth Lake.

### B. Citizen Input on Non-Agenda Items:

Mrs. Ruth Thorsgaard, homeowner at 1105 Washburn Avenue North in the city of Minneapolis [a block and a half north of Highway 55], presented her concern about a proposed development at 908 Washburn Avenue North. Mrs. Thorsgaard stated that she and other residents in the neighborhood believe the proposed development is located in a floodplain in the Bassett Creek Watershed and would exacerbate the flooding problems that already exist in the neighborhood.

Ms. Julie Kunm, homeowner at 1045 Washburn Avenue North, stated that she and her neighbors are concerned about the impact flooding has had to the homes on Washburn Avenue. Ms. Kunm said that homeowners are constantly replacing driveways and that home foundations are cracking. Ms. Kunm remarked that the storm sewers are not adequate.

Mr. Leif Thorsgaard, homeowner at 1105 Washburn Avenue North in the city of Minneapolis, questioned whether the FEMA determination of floodplain elevation used by the proposed developer was up-to-date. Mr. Thorsgaard said that the homeowners on Washburn Avenue are very concerned about the flooding and potentially having to condemn homes and remove roads due to flood damage. Mr. Thorsgaard remarked that the city has not been responsive to the homeowners' concerns. He said he thought July 29 is the cutoff date for the variance [density variance] the proposed developer has requested from the city. Mr. Thorsgaard thought if the city council hasn't voted on the request by that date, then the developer automatically would be granted the variance. Mr. Thorsgaard said he thought that the developer is required to come to the Commission for project approval.

Chair O'Toole asked the Commission if it is familiar with this issue. Mr. Welch responded that Mr. Jim Herbert, engineer with Barr Engineering, has taken a look at this issue, that an inspector from Barr Engineering has inspected the proposed site of development, and that Mr. Herbert and Mr. Welch have exchanged communications on this topic as well as have communicated with citizens concerned about the issue.

Mr. Welch said there is not a development proposal in front of the Commission for the Commission to review the proposed project on a formal basis. Mr. Welch said he understands that the citizens want the Commission to be aware of their concerns before the proposal comes in front of the Commission.

Chair O'Toole suggested the Commission consider the Washburn Avenue issue as a New Business item on today's agenda. The Commission agreed. Chair O'Toole added this issue as 6.E. under New Business in the agenda and, as a courtesy to the residents present, announced that item 6.E. would be the first New Business item the Commission would address.

### C. Counsel: No communications.

**D. Commissioners:**

Ms. Black handed out copies of the July/August 2005 issue of *Plymouth News*, a city of Plymouth newsletter. Ms. Black highlighted the "Environmental Extra" section of the newsletter and pointed out that it is full of useful information.

**E. Engineer:**

Commission engineer Len Kremer reported that the Commission received a request from Mn/DOT for a letter of recommendation as part of Mn/DOT's application for federal highway administration funds for the Wirth Lake Project. The engineer has drafted and sent a letter for Mn/Dot. A copy of the final letter will be included in the August BCWMC meeting packet.

Mr. Kremer announced that Sweeny Lake-area citizens have contacted the Commission about a street crossing (a 36-inch outlet pipe underneath the water main) downstream of City Lake. The citizens are concerned about potential failure of the structure, which doesn't appear to be maintained. The structure is old, steel, and smaller than the crossings upstream. The cities of Golden Valley and Minneapolis are aware of the issue and are looking into which city has ownership of the structure.

Mr. Welch remarked that he would like the engineer to keep the Commission updated on this issue. Ms. Clancy reported that the city of Golden Valley has included this issue as part of a study it intends to wrap up this fall and that the city will be able to address the citizens' concerns about the structure at that time.

Mr. Yaeger said that the Commission's attitude is to be proactive on issues and he suggested that the Commission put this issue on a future BCWMC agenda for discussion. Ms. Clancy said the city expects to have the information in late October or November.

Chair O'Toole suggested the Commission send a letter to the cities involved making them aware that this topic was brought up in this meeting and that the BCWMC plans to discuss the issue again in its November meeting. The Commission responded favorably to Chair O'Toole's suggestion so he stated that the Commission will put a letter together under his signature and will add the topic to the November meeting agenda.

## **5. New Business**

- A. 908 Washburn Avenue North, Minneapolis.** Chair O'Toole stated that item [6.E.] 908 Washburn Avenue North in Minneapolis was the first New Business item to be addressed. Mr. Kremer stated that the Commission engineer has been in contact with city staff reviewing the development proposal in question. Minneapolis city staff has inquired from the Commission what the city needs to put together for Commission review in order for the Commission to determine whether or not the Commission's floodplain, water quality, and/ or water storage policies apply to this proposal. Minneapolis city staff indicated on Monday, July 18, that it was directing the developer to put together the necessary information and submit it in order for the Commission to determine whether it had comments on this proposal.

Mr. Mathisen voiced his confusion about the discrepancy Mr. Thorsgaard mentioned earlier on the FEMA mapping/ floodplain elevation determination [issue raised earlier by Mr. Thorsgaard during Citizen Input on Non-agenda Items]. Mr. Kremer explained that there is a new FEMA map (issued electronically for Hennepin County in 2004) and wondered which version Mr. Thorsgaard was referencing.

Mr. Thorsgaard stated that he was referencing the 1981 FEMA floodplain level, which is what was referenced in the blueprints he viewed regarding the proposed development. Mr. Kremer clarified that the current FEMA map is consistent with the information that the Commission has on floodplain levels.

Mrs. Thorsgaard stated that there is and has been dumping on the proposed development site and that residents of Washburn Avenue have notified the city about the dumping. Mrs. Thorsgaard said that when the residents asked the city if the proposed developer is permitted to fill the site, the city responded that the developer has denied the dumping and claimed that another party was responsible for the dumping.

Mr. Thorsgaard remarked that from looking at topographical maps of the area from the 1960s, 1980s, and 2000s, it looks like the entire area is sinking.

Chair O'Toole asked if it would be appropriate to have confirmation of type and quantity of fill material on the site. Mr. Kremer responded that the city is asking the developer to assemble the information to determine whether the site is in a floodplain. If the site is in the floodplain, any materials on the site that would fill the floodplain would have to be compensated for according to Commission policy. The city of Minneapolis should have that information submitted to the Commission engineer shortly.

Ms. Langsdorf asked if the information would be distributed before the variance decision takes place [according to Mr. Thorsgaard the deadline for the city of Minneapolis to make a decision on the variance requested by the developer is July 29]. Mrs. Thorsgaard said the city council of Minneapolis already voted on July 14 five to one in favor of approving the variance, which is a reason why she is in front of the BCWMC today regarding this proposed development. She stated she didn't know how the council could vote on the issue without having pertinent facts due to the council by the Minneapolis Public Works department on July 18.

Mr. Yaeger asked how the development could go forward without being approved by the Commission. Chair O'Toole responded that it theoretically could if the site is not located in a floodplain. Mr. Kremer added that the size of the proposed development [less than five acres] would not trigger a proposal review by the Commission. Chair O'Toole asked city of Minneapolis commissioner Mr. Michael Welch what he thinks the city would like the Commission to do about this issue. Mr. Welch suggested the Commission direct the engineer to discuss the filling of the floodplain issue with the city of Minneapolis.

Mr. Yaeger asked if it would be appropriate for the Commission to send a letter to the city of Minneapolis acknowledging that the Commission is looking into this issue. Chair O'Toole responded that the Commission does not know yet whether it has jurisdiction so a letter would not be appropriate at this time, but that the Commission authorizes the engineer to have the discussions about the floodplain. Chair O'Toole said that it is up to the engineer's discretion whether or not to conduct an on-site visit of the proposed site.

Mr. Kremer said that the Commission engineer did ask an inspector from Barr Engineering to stop by the site to look for indications of fill dumped on the site and that the inspector concurred that fill had been dumped there.

Ms. Kunm said that the fill had been there since last fall. Mrs. Thorsgaard said that it is evident from looking at the vegetation growing on the piles of fill that the fill hasn't just been recently dumped. Mr. Kremer verified that if fill has been dumped onto a floodplain site, Commission policy requires removal of the fill or compensation.

Ms. Black questioned when the Commission would deal with the issue of building in a floodplain. Mr. Kremer answered that if the site is determined to be in a floodplain, the project proposal will come in front of the Commission.

Ms. Clancy pointed out that it is not unusual for a local government to go through the planning process before coming to the Commission.

Chair O'Toole stated that this proposed development will be raised as an Old Business agenda item in the August BCWMC meeting.

Ms. Thorsgaard asked who would be responsible for the removal of the fill, if necessary. Chair O'Toole responded that in a case where fill needs to be removed, since the Commission does not have enforcement powers, the Commission sends a letter requesting action by the city.

- B. General Mills Pedestrian Bridge: Golden Valley.** Ms. Clancy explained the bridge will span Bassett Creek and will link a path along General Mills Boulevard to a nature preserve, which is property given to the city of Golden Valley. The bridge is being built by the city of Golden Valley but the original funding comes from the tax abatement proceeds from the expansion of the General Mills property. Ms. Clancy said one of the things the General Mills Corporation asked the city to do was to be mindful that the corporation wanted to provide opportunities for their employees to walk recreationally. Ms. Clancy stated that this bridge helps the city with meeting that goal.

Chair O'Toole said he had apprehensions that the design of the bridge would limit the canoeability of that part of the creek. Mr. Kremer said that the normal elevation level at that part of the creek is 883. The design proposes the low span of the bridge to be at an elevation of 886.5 and the high corridor of the bridge to be at an elevation of 888.2, so if the water level is high, part of the bridge will be submerged.

Chair O'Toole also raised his concern about the aesthetics of the bridge and asked the city of Golden Valley to take the aesthetics of the bridge into consideration.

Mayor Loomis moved to approve the pedestrian bridge and Ms. Gwin-Lenth seconded. The motion carried unanimously.

- C. Plymouth Post Office: Plymouth.** Mr. Kremer explained the proposal is for constructing a water-quality treatment pond from an expansion of an existing site. The applicant is proposing to build an on-site pond to intercept runoff from the entire site rather than just from the expansion and to treat that runoff to a lesser degree than the Level I standard.

Mr. Kremer said the applicant would be required under Commission policy to remove 170 pounds per year of suspended solids, but the proposed pond would remove 300 pounds per year of suspended solids. The applicant would be required to remove about one-half pound per year of phosphorus according to Commission policy, but the proposed pond would remove from the expanded site about seven-tenths of a pound per year. Commission engineers recommend approval of the proposal because the constructed pond would result in the load reductions from the entire site exceeding Commission requirements even if the entire site is not to Level I standards.

Mr. Yaeger asked if the runoff would be treated to the Level II standard. Mr. Kremer said that the runoff would be treated at a level between Level I and Level II standards. Mr. Kremer stated that a lot of existing trees and vegetation would need to be removed from the site in order for the pond to treat the entire site's runoff to the Level I standard.

Ms. Black said her understanding is that this proposed site is federal property so the applicant doesn't need Commission approval but that the city has been working with the applicant to reach this point of proposed treatment on the site. Mr. LeFevre confirmed Ms. Black's statement.

Ms. Black moved to approve the Plymouth Post Office expansion. Ms. Langsdorf seconded.

Mr. Welch said he didn't know whether the Commission is advocating for water quality management as well as it could be. Mr. Welch suggested that the Commission expand its palette of ways it protects water quality in the watershed.

Mr. Yaeger asked Mr. Kremer whether the suspended solids and phosphorus levels he reported earlier were the total levels removed or the increase in removal. Mr. Kremer answered that the levels reported were the total for the whole site and that currently there is no treatment of storm water. Mayor Loomis pointed out that by the applicant expanding the treatment area, the result is more treatment and higher water quality than if the Commission had required the applicant to meet Commission guidelines.

Mr. Welch asked if for expansion or redevelopment projects the standard only applies to the area disturbed for the expansion and not the entire property. Mr. Kremer remarked that the Level I standard only applies to the expansion, not the whole property.

Mr. O'Toole reminded the Commission of the motion on the table. The motion carried unanimously.

- D. Request to the Commission from the Kestrel Design Group for support of a grant request to the Metropolitan Council from the Prior Lake/ Spring Lake watershed for research on urban streams. Ms. Black informed the Commission that the Prior Lake/ Spring Lake watershed submitted a grant application to the Metropolitan Council for research on urban streams that have reached equilibrium. Ms. Black said the Kestrel Design Group has asked for the Commission to support the grant request.

The grant is for research to document urban streams that have reached equilibrium so that in the future the data can be used when rehabilitating a stream that is not at equilibrium. Ms. Black said the Kestrel Design Group could be looking for different levels of support, but that she was suggesting support in the form of a letter if the Commission decides to offer any support. Ms. Black reported that she has not received positive feedback from other groups about this grant application since most groups say that it is impossible to find a reach of urban stream that is in equilibrium.

Brian Ripp of Applied Ecological Services, Inc. explained his use of reference reaches in his work.

Ms. Peterson commented that the proposed research has more to do with hydro profiling than with water quality.

Mr. Welch asked who would own the work product if the research was carried out. He wondered if the Commission would get a copy of the research results and if it would be able to use the information free of cost. Mr. Welch also noted that the deadline for the recommendation was July 14. Ms. Black responded that the information would be owned by a public entity (the Prior Lake/ Spring Lake watershed) and would be public information.

Mr. O'Toole stated that it sounds like the grant applicants want more than just a letter of recommendation and that the Commission is not prepared to financially support the application. Chair O'Toole recommended that the Commission take no action.

## 6. Old Business

- A. **Best Management Practices/ Rain Gardens.** Mr. Welch provided background on the topic. Mr. Welch reminded the Commission of the rain gardens and green roofs discussion the Commission had in the May 2005 BCWMC meeting in which the Commission wondered whether these practices are still really considered alternative or whether they are becoming more mainstream. Mr. Welch said that these storm water management practices are becoming more used. He passed around the Saturday, June 16, 2005, issue of the *Star Tribune*, which had a front page article about green roofs entitled "High atop the library, a city rooftop blooms." The same *Star Tribune* issue ran a feature on green roofs in its Homes section.

Mr. Welch said the Commission indicated it wants to become more familiar with these practices. Mr. Welch asked the Commission what specifically it wants to hear about and how it wants the information delivered (separate presentations or kept together as one topic). Mr. Welch's recommendation is to keep the presentation of the topics separate.

Chair O'Toole said he is interested in knowing the price difference between permeable pavers and other paving methods. Mr. LeFevere added that these storm water technologies may become a part of the Commission's regulatory scheme and if they are going to be substitutes for other technologies, the Commission needs to hear the science and understand what is quantifiable in order to know how to set regulatory standards. Mr. LeFevere stated he is concerned about how to fit regulation regarding rain gardens into an area [Bassett Creek Watershed] where there are many different types of soils and where winter conditions mean the gardens won't do much during the winter. Mr. LeFevere remarked that there are other places ahead of the Bassett Creek Watershed in terms of rain gardens. Mr. LeFevere said the Commission could obtain information from those places about how they incorporated these considerations into their water quality regulatory scheme.

Mr. Yaeger said he would like information to be presented as three separate issues: rain gardens, green roofs, and permeable pavers. Mr. Yaeger also suggested that information on the issues should be distributed to the Commission prior to a BCWMC meeting so commissioners could come to the meeting prepared with questions.

Mr. Kremer stated that a Best Management Practices manual put together by the Metropolitan Council is available on CD-ROM and discusses rain gardens and permeable pavers and provides a general knowledge of the subjects. Mayor Loomis said the manual is also available online at <http://www.metrocouncil.org/environment/Watershed/BMP/manual.htm>.

Mr. Welch commented that the city of Minnetonka will be redesigning its city campus including designing rain gardens. Mr. Welch suggested looking at this project to see what the city did, how it worked, and what costs were involved.

Mr. Kremer mentioned a redevelopment of the Heritage Park area in Minneapolis that has employed a variety of Best Management Practices and said that the Commission could look at the site as part of the August 10<sup>th</sup> BCWMC watershed tour. Mr. O'Toole suggested having a video tour of the site instead of adding the site visit to the watershed tour. Ms. Peterson suggested having a special session at the end of a BCWMC meeting for the video tour and presentation on the rain garden and green roofs information.

Chair O'Toole concluded the discussion by stating that the Commission has interest in being presented information on Best Management Practices but that the timing and specifics of the presentation(s) are still open issues.

- B. Contract for Project Maintenance.** Mr. Kremer requested the Commission defer the discussion of this item until a later meeting.
- C. Tax Levy for Administrative Expenses.** Chair O'Toole asked the Commission to refer to page 4 in the July 13 Engineer's Memo included in the July 21 meeting packet. Chair O'Toole provided a synopsis of the issue. Chair O'Toole explained that the Commission incurs administrative expenses associated with capital improvement program (CIP) projects and said the issue is whether the Commission should be reimbursed for these expenses and if so, in what manner.

*As the engineer's memo states on page 4, "Currently engineering and legal services are tracked separately and billed to each CIP project, thus allowing the BCWMC to be reimbursed for these costs by the tax levy. However, other general administrative costs have been charged to the BCWMC operating funds."*

Chair O'Toole gave his rough estimate of the costs associated with CIP projects as 5% of CIP projects for the next year, although the percent would vary each year, some years being 2% or 3%. He stated that the Commission has already spent money on the general administrative expenses in 2005 and has already adopted a 2006 budget that does not reflect any expected receipts of these CIP project general administrative costs.

Mr. Mathisen clarified that the budget does reflect the costs because they are covered in the budget. Chair O'Toole agreed and said that the costs are reflected in the budget as expenditures but the budget doesn't reflect the potential receipt of reimbursement of those expenditures. Mr. Mathisen said that reimbursement monies could go into the budget as a line item as a receipt and then could be used the following year to offset the assessments.

Mr. Welch asked what the difference is between administration costs and engineering and legal costs and commented that it would be more consistent to apply all the management costs surrounding the CIP project to the CIP project and the levy.

Mr. LeFevere responded that the Commission pulls out engineering and legal because engineering and legal bill outside time to a specific project and there is a specific line item number for engineering and legal costs. Mr. LeFevere said that it is the expectation that when the money comes from the county, the first money that comes out reimburses the Commission's administrative funds for those expenses.

Mr. LeFevere said the issue the Commission is discussing today is about undifferentiated expenses, such as the extra work for accounting, auditing, secretarial and some legal and engineering expenses as well, for example the counsel's time in this meeting is billed to the Commission meeting not to a specific project.

Mr. LeFevere stated it is common to recover those expenses as a project cost. Mr. LeFevere said that administrative expenses are included in the project cost, so the Commission may be collecting already for some of the costs. However, if the Commission isn't moving the money out of the construction funds, the money either goes back to the city because the costs were greater than expected or the money stays in the construction fund and the Commission rolls it over into another construction project and never gets reimbursed.

Mr. Kremer said that typically legal, engineering, and administrative costs are rolled together into one percentage, typically 25% of the total budgeted cost.

Mr. O'Toole said that in a sense, the money the Commission receives from the ad valorem tax goes into the construction account. The Commission could either leave it in that account, or ask for more money from the ad valorem tax, or not ask for more money from the ad valorem tax and

charge the construction account for a small percentage to reimburse the administrative budget for these incidental expenses.

Mr. O'Toole stated that the Commission is establishing policies and precedents on this issue and reminded the Commission that it needs to send in its request for the ad valorem tax before the end of September.

Ms. Black said that she did not think her city will support this kind of action (charging projects for the general administrative expenses). Mr. O'Toole replied that the general administrative expenses being discussed are real costs that the Commission is bearing and the two options for payment are the ad valorem tax and the individual assessments to the city. He commented that the Commission is about at its limit with the individual assessments to the city, yet the Commission is still left with the real costs of the general administrative expenses of the CIP projects.

Ms. Gwin-Lenth said she is in favor of the budget reflecting real costs. She said the Commission should take some action in order for those actual general administrative costs to be reflected in the transfer of funds and the actual budget figures. Ms. Gwin-Lenth was in favor of tabling any decision until the next meeting when the Commission could look at whether the Commission currently does have surplus of funds in the construction account.

Chair O'Toole stated that the Commission does need to make the ad valorem request by the end of September, but that the Commission can choose to defer this issue until next year, or can choose to drop the issue. However, if the Commission does want to take action on this issue for next year and does want to add a percentage, then it would need to be decided on by the August meeting.

Chair O'Toole remarked that he did not hear any consensus within the Commission on this issue today. Ms. Gwin-Lenth moved to table the discussion until the next BCWMC meeting. Mayor Loomis seconded. The motion carried unanimously.

- D. Lakeview Park Pond. Deferred until the August meeting since the project is not scheduled until 2009 and, therefore, is not an urgent one to discuss at this meeting.
- E. Fee for Auditor Presentation. Mayor Loomis stated that typically a presentation of the audit is part of the cost of the audit and if the Commission does want a presentation, the Commission could extend an invitation for the September meeting. Chair O'Toole requested that Mayor Loomis extend the invitation to the auditor to come and present at the September meeting.
- F. Technical Advisory Committee (TAC) Review Policy Recommendations. Mr. Kremer explained that there were suggestions for modifications on the Commission's policies on water quality issues, site size, etc. and that there will be a memo on this issue. Chair O'Toole said the discussion on this issue will be deferred to a later BCWMC meeting.
- G. 2005 Tour of the Bassett Creek Watershed. Chair O'Toole confirmed that the tour will be held at 4:30 p.m. on Wednesday, August 10, leaving from Golden Valley City Hall. Mr. Kremer announced that the tour will have an intermediate pick up/drop off at 6:00 p.m. at Golden Valley City Hall. Chair O'Toole stated that the invitations need to be sent out as soon as possible. The Commission decided to offer water and pop as refreshments for the tour.

## 7. August Meeting

The following agenda items are currently scheduled for the Commission's August 18 meeting:

- A. Tax Levy for Administrative Expenses
- B. Administrative Options Subcommittee business – executive director position (30 or more minutes allotted to discussion requested)
- C. 2006 Medicine Lake water quality monitoring (15 minutes)
- D. 908 Washburn Avenue North
- E. Lakeview Pond Park
- F. Capital Improvement Project Reserve Fund
- G. Status: 2005 Tunnel Repairs
- H. Protocol for Addressing New CIP Projects

## 8. Adjournment

It was moved by Chair O'Toole to adjourn the meeting. Ms. Langsdorf seconded. Chair O'Toole adjourned the meeting at 2:32 p.m.

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John O'Toole, Chair

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Amy Herbert, Recorder

\_\_\_\_\_  
William Yaeger, Secretary

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

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