

**CARNELIAN-MARINE-ST. CROIX WATERSHED DISTRICT**  
**Regular Meeting Minutes December 9, 2015**

**Managers Present:** Dave De Vault, Kristin Tuenge, Tom Polasik, Joel Stedman, Eric Lindberg, Wade Johnson and Andy Weaver

**Others Present:** Jim Shaver (administrator), Susannah Torseth (Lawson Law), Carl Almer (EOR), Dave McCord (accountant), Steve McComas (Blue Water Science), Mike White and Steve Kronmiller (residents) and Debbie Meister (MMC)

Manager De Vault called the meeting to order at 6:37 p.m.

**1) Approve Agenda**

**Manager Tuenge moved to approve the agenda as amended. Seconded by Manager Polasik. Motion carried 6-0.**

**2) Minutes from November 11 and November 23**

**Manager Tuenge moved to approve November 11, 2015 minutes as amended. Seconded by Manager Johnson. Motion carried 6-0.**

**Manager Johnson moved to approve the November 23, 2015 minutes as presented. Seconded by Manager Stedman. Motion carried 6-0.**

**3) Treasurer's Report**

Manager Johnson presented the Treasurer's Report.

**Manager Stedman moved to accept the Treasurer's Report. Seconded by Manager Lindberg. Motion carried 6-0.**

Administrator Shaver clarified the budget to actuals.

**4) Public Comments**

Steve Kronmiller thanked the District for all the work done on Log House Landing (LHL). He praised the design and stated that he attended a Scandia City Council meeting and encouraged the city to support and continue work on LHL and consider removing some sediment and re-sloping the road. But his main reason for attending was to ask about the financial policy on the reserve. He distributed an analysis of the current reserve fund to highlight that the current reserve is in a cash checking account with other funds including cash needed for current projects and the levy. This makes it hard to know what the reserve is at any one time and affects the budgeting process. He provided a definition of the reserve and some ways to account for the reserve that will create transparency and accountability. Manager De Vault thanked Mr. Kronmiller and noted that Mr. McCord is in attendance to discuss the reserve and general accounting.

Administrator Shaver stated that he and Mr. McCord have been working on a way to make the financial reports easier to understand. Mr. McCord explained that in the current balance sheet the equity section reflects what is being carried over in reserve. Some of this is designated for future projects and some is undesignated. A separate reserve account could be

set up to make the balance easier to see. Discussion included modifying Quickbooks to make reports more transparent, using fund accounting, setting up a separate reserve account—possibly a CD, setting a reserve amount at the end of each year (The League of Minnesota Cities recommends a reserve of 40% of the operating budget.) and setting up a budget workshop.

**Manager Johnson moved to direct the administrator, accountant, board chair and treasurer to meet to discuss how to define and describe the District financials, provide clarity on the reserve prior to January 30 and prepare a report to be presented at the February Board meeting. Seconded by Manager De Vault. Motion carried 6-0.**

Mr. McCord summarized the accounting services he provides to the District. He will provide a written list to Administrator Shaver. Manager De Vault thanked Mr. McCord for coming.

**5) AIS Surveys - Big Marine, Big Carnelian, Square Lakes**

Steve McComas provided a summary of the sediment borings on the three major lakes, the potential of five aquatic invasive species (AIS) to become established in the lakes and AIS action plans. He noted that the Big Marine Lake Association funded some of this work. General findings indicate all three lakes have a low potential for blue-green algae because of a low potential for phosphorus release from the sediment. While curlyleaf pondweed is present in the three lakes, Big Carnelian has a low potential for pondweed growth and Big Marine and Square lakes have a low to moderate potential for growth. Eurasian watermilfoil is present in Big Marine. All three lakes have the potential to support moderate growth along the shoreline. Zebra mussels have not been detected, though all three lakes would support them. Carp were not observed in the lakes and spawning and rearing habitat is not conducive to supporting these populations.

Maintaining good water quality in the lakes by protecting the drainage area will help to limit phosphorus levels and the AIS, such as blue-green algae, that are supported by phosphorus. An AIS prevention plan includes boat inspection on busy days, public education, early detection and a rapid response plan. In response to questions, Mr. McComas stated that there has not been a lot of research on alum treatment to bind phosphorus and its effect on AIS; there is no statistically significant data that indicates stocking muskies will increase AIS; zebra mussels can detach, move and reattach to a surface; the only water body that was “successfully” treated for zebra mussels was a small, isolated quarry where everything was killed with potassium, but the potassium levels are still high; there is not enough research on biological controls for zebra mussels. Discussion focused on the pros and cons of funding AIS treatment and/or prevention. All agreed that the good news is the three lakes have good water quality.

Administrator Shaver reported that red algae was found in Big Marine Lake. A resident collected a sample of something—possibly dumped in the lake—that could have caused the algae bloom. The District will pay for analysis of the substance at the Watershed Research Station.

**6) Permit 15-000: Mike White**

Administrator Shaver stated that a restoration plan has still not been received for the after-the-fact permit, though a permit application, surety and fee have been received. Mr. White planted a vegetative cover, mulched and installed a temporary silt fence. Although the seed has grown and is a suitable cover for now, the shoreline is still a concern. Mr. White has requested a return of the surety. Manager De Vault stated that Mr. White has not fulfilled the conditions of the permit and should incur a penalty. Manager Johnson stated that there should be no further disturbance of the shoreline and it is probably appropriate to require a retroactive plan incorporating what has been done and addressing the District requirements. He volunteered to contact Jennifer Sorensen of the Department of Natural Resources to ensure Mr. White is in compliance with the shoreline ordinance. Managers were also concerned that the restoration has not been done in a timely manner, as was the condition of the permit. **Manager De Vault moved to direct the Administrator to draft a letter stating that the shoreline restoration plan must be provided to the District by April 1, 2016 with restoration completed by June 30, 2016. Second by Manager Tuenge. Motion carried 7-0.**

Manager De Vault stated that the District should have the ability to keep the surety when the District needs to take action. There should be language in the surety to support regulatory action. Ms. Torseth stated that this should be included in the permit, which is basically a contract. Mr. Almer stated that other watershed districts do this and draw on the surety for corrective actions. Brown's Creek uses the surety as a retainer and requests more dollars to replenish the surety. They also order a cease and desist for violations of the rules and start a restoration action. **Manager Tuenge moved to direct Ms. Torseth to draft some options for including legal and corrective actions in the permit or surety. Seconded by Manager De Vault. Motion carried 7-0.**

## 7) Old Business

### a) Log House Landing Ramp

Administrator Shaver reported that he and Manager De Vault met with outgoing city administrator and mayor to talk of ways to advance this project. He felt the city's concern was not having a 50/50 split in the project. Manager De Vault clarified the project is just for the ramp and does not include the road or the slope from the northwest. Manager Lindberg stated that the ramp will address the biggest part of the erosion.

**Manager Tuenge moved to adopt Resolution 12-09-15-3 with the sixth whereas to be amended to read WHEREAS the City and the District will agree to a 50/50 cost share as defined in Exhibits A and B and the seventh whereas be amended to read WHEREAS the Administrator and Engineer of both the District and the City will work together to make changes to the plans and cost as recommended by the City Council and District Managers in joint meetings or to propose changes to be agreed to by both parties. Seconded by Manager De Vault. Motion carried 6-1.**

### b) Allocation of Administration Expenses to Implementation

Administrator Shaver reported that after receiving an OK from the auditor and accountant, he revised the budget to allocate 65% of general administrative expenses to plan implementation expenses. This lowers administrative costs, uses the same reporting

format as the other watershed districts and provides more flexibility with carryover funds. The levy remains the same.

**c) Motion to Certify Levy as Final**

**Manager Tuenge moved to adopt Resolutions 12-09-15-01 and 12-09-15-2. Seconded by Manager De Vault. Motion carried 7-0.**

**Tuenge moved to direct the Administrator to send in the certified levy. Seconded by Manager Polasik. Motion carried 7-0.**

**d) Revised WCD Services Contract**

Manager De Vault stated that as requested last month, a table providing monitoring program details was attached to the contract.

**Manager Tuenge moved to enter into and sign the contract with WCD. Seconded by Manager Stedman. Motion carried 7-0.**

Mr. Chesnut clarified that the WCD processes and analyzes data from the Volunteer Stream Monitoring Program.

**e) One Watershed One Plan**

Administrator Shaver asked for questions or concerns about the plan. Manager Johnson stated that the pilot projects will provide some information, but the projects are all different and cannot be compared.

**8) Bills to Be Paid**

**Manager Polasik moved to pay the bills in the amount of \$34,831.21. Seconded by Manager Lindberg. Motion carried 7-0.**

**9) Next Meeting is January 13, 2016**

**10) Adjourn**

**Manager Weaver moved to table the remaining agenda items and adjourn at 9:34 p.m. Seconded by Manager Lindberg. Motion carried 7-0.**

Submitted by  
Debbie Meister, MMC Associates