

Regular Meeting of the Middle St. Croix Watershed Management Organization
Bayport Public Library, Bayport, MN
Thursday, January 10, 2019
6:00PM

Present: Brian Zeller, Lakeland Shores; Mike Runk, Oak Park Heights; Tom McCarthy, Lake St. Croix Beach; John Fellegly, Baytown Township; Lakeland; Ryan Collins, Stillwater; Dan Kylo, West Lakeland Township; Annie Perkins, Afton; Joe Paiement, City of Lakeland; Cameron Blake, WCD; Administrator Mike Isensee

Call to Order

The meeting was called to order at 6:00PM by Manager Zeller.

Approval of Minutes

A motion to approve the December 13th, 2018 minutes was made by Manager Runk and seconded by Manager McCarthy. Motion carried.

Treasurer's Report

Report of savings account, assets for January 10, 2019
Approve payment of bills for January 10, 2019

The treasurer's report was presented by Manager Kylo. The remaining checking account balance is \$56,339.37. First State Bank CDs are valued at \$32,094.13. The ending balance in the RBC savings account is \$63,066.79

Bills to be approved this month are: People's Congressional Church: \$390.75; Washington Conservation District (Administration): \$5,709.50; Washington Conservation District (Technical Services): \$6,469.00; Washington Conservation District (Water Monitoring): \$5,406.54; Washington Conservation District (EMWREP): \$1,500.00 Total: \$19,475.79

Manager Fellegly inquired about a CD withdrawal and replacement. Administrator Isensee explained there was a new CD account at the bank with \$14,000. Administrator Isensee said he would investigate the \$56.71 which is labeled as taxable income.

Manager Fellegly moved to accept the Treasurer's report and bills, Manager Runk seconded, and the motion carried.

Public Comments

There was no public comment.

Clean Water Fund Annual Reports and Closeouts

Administrator Isensee reported that he was in the process of closing out three grants: Lily Phase III, Lake St. Croix Direct Phase I, and Lily Final 45. There is no required board action. Manager Zeller

asked when the reimbursement would arrive. Administrator Isensee said the MSCWMO would receive the reimbursement of more than \$100,000 by March.

Campaign Finance Board Annual Economic Interest Statement

Administrator Isensee reminded the board that MSCWMO appointed members need to file their economic interest statements. Manager Collins asked if this form was available online. Administrator Isensee said it was, as well as for the City.

2019 Review Fees

Administrator Isensee presented the review summary of 2018. Overall most of the fees and reviews were on target. Administrator Isensee explained that county projects had no fees, were a big cost, but resulted in large water quality improvements through the many BMP's associated with these projects. Manager Zeller asked about how much potential money is missed through county projects, but also stated that he believed they were a good investment. Administrator Isensee explained that the MSCWMO does get funding for city/country projects but that there is no way to know how many will come in each year. Manager Zeller asked about the Orchards of Cahanes development, and Administrator Isensee said the MSCWMO will get paid for that. Manager Fellegly said the development was going to pay everyone in March.

Administrator Isensee recommended the following fee increases:

Less than one acre of new or reconstructed impervious: from \$350 to \$400
1-5 acres of new or reconstructed impervious: from \$500 to \$600
5-20 acres of new or reconstructed impervious: from \$1,000 to \$1,500
20 acres or more of new or reconstructed impervious: from \$2,000 to \$3,000
20 acres or more of land disturbance: from \$1,000 to \$1,500

Manager Perkins agreed with raising the lowest fees. Manager Zeller asked for clarification on the fee process. Administrator Isensee explained that there is no refund and that he only bills back if it is over \$300 or more. Administrator Isensee explained that the board selected this method to keep administrative costs low because the accounting to track payments and refunds is more time consuming and expensive. Manager Fellegly discussed his perspective on how the communities essentially pay for this review service with their membership fees, and although the applicant should pay these fees, that any difference to the MSCWMO can be considered covered through the membership fees.

Manager Runk moved to adopt the new fee structure, and Manager Perkins seconded this motion. Motion carried.

Peterson Companies Audit Engagement Letter

Manager Zeller asked if the audit was an annual requirement. Administrator Isensee said it was.

Manager Fellegly motioned to use the Peterson Companies for the MSCWMO annual audit for a service fee of \$2,300. Manager Zeller seconded this motion and the motion carried.

Election of Officers

Manager Zeller said his role as Chair was not up for this election cycle.

Manager Fellegy recommended Manager Kylo for the role of Treasurer.

Manager Perkins recommended Manager McCarthy for the role of Secretary.

Administrator Isensee reminded the board that the Secretary is one of the three required signatories for the MSCWMO.

Manager Fellegy recommended Manager Perkins for the role of Vice Chair.

Manager Fellegy motioned to elect these managers as these roles as recommended. Joe Paiement seconded this motion. Motion carried.

FY19 Lake St. Croix Direct South Clean Water Fund Grant Work Plan

Administrator Isensee reported that the MSCWMO received a \$200,000 grant from BWSR for a Direct Discharge to the St. Croix project and that there would be a work plan in March. The board informed Manager Collins about the background of BWSR and the CWF grants. Administrator Isensee said there was consideration of using the funding to address a bluff stabilization in the city of Lake St. Croix Beach. Manager Zeller discussed a large erosion issue related to a pipe discharge to the St. Croix. Administrator Isensee said it was likely MNDOT owned. No board action is needed.

RBC Account Options

The RBC Savings account is the accumulation of funds set aside each year for the 10 year plan update and the repair or replacement of water monitoring equipment. The current fund balance is \$63,010.00. The funds are currently held in a money market mutual fund, which has a 7 day yield of 1.33%. No withdraws of the current funds are anticipated until 2022, when the MSCWMO begins the process of the 2025 Watershed Management Plan update. Staff request the board consider moving all, or a portion of the funds to a longer term CD with higher yields.

Current rates are the following:

12 month CDs are at 2.55%

24 month CD's are at 3.00%

60 month CD's are at 3.70%

John Fellegy asked if there was a different rate for an 18 month CD. Administrator Isensee will check and if that is not an option he will use the 12 month CD.

Motion by Manager Kylo, seconded by Manager Zeller, to approve moving all RBC savings funds from the current money market account to a 12 month CD with a minimum interest rate of 2.55%. Motion carried.

Peoples Congregation Reimbursement Adjustment

On December 13, 2018 the MSCWMO Board of Managers approved cost share reimbursement of \$1,000 for the Peoples Church native prairie restoration project. The Peoples Church of Bayport has completed the restoration of 2 acres of native prairie located at on the South side of 5th Avenue,

across from the Bayport Fire Station. The total cost for the installation materials (the majority of the project was installed and maintained with volunteer labor) was \$5,200.00. To date the installation has cost \$4,290.75. The Washington Conservation District has reimbursed costs of \$3,900.00. The Peoples Church is requesting reimbursement of the remaining \$390.75 from the approved cost share from the MSCWMO. Technical staff request rescinding the approval of \$1,000.00 cost share reimbursement made on December 13, 2018 and reimbursing costs not to exceed \$390.75 based on total expenditures of \$4,290.75.

Motion by Manager Zeller, seconded by Manager Fellegy, to rescind the December 13, 2018 motion to reimburse \$1,000, for the 2 acre prairie restoration located South of 5th Avenue N and East of Barkers Alps Park in Bayport, MN, and motion to approve reimbursement of \$390.75 based on total expenditures of \$4,290.75 and reimbursement from the Washington Conservation District of \$3,900.00. Motion carried.

Plan Reviews/Submittals

There were none.

Administrator's Report

Administrator Isensee presented the monthly update of activities regarding administration and grants. Manager Fellegy inquired about the Perro Creek project. Administrator Isensee said it was 90% complete and going out for bid next month. There was discussion about a previous grant for Perro Creek.

Administrator Isensee asked for a board member to replace Manager Menikheim at the 1W1P Policy Committee meetings, the next meeting being on January 28th from 4-6pm.

Brian Zeller motioned that Manager Fellegy should be the new liaison. Manager Perkins seconded this. The motion carried.

Adjourn

Manager Fellegy moved to adjourn the meeting and Manager McCarthy seconded this motion. Motion carried. Meeting was adjourned at 6:40pm.