

Regular Meeting of the Middle St. Croix Watershed Management Organization
HELD REMOTELY DUE TO COVID -19 PANDEMIC

Thursday, June 10th, 2021

6:00PM

Present: John Fellego, Baytown Township; Mike Runk, Oak Park Heights; Tom McCarthy, Lake St. Croix Beach; Beth Olfelt-Nelson, St. Mary's Point; Brian Zeller, Lakeland Shores; Dan Kylo, West Lakeland Township; Administrator Matt Downing; Cameron Blake, WCD; Samantha and Michael Peterson, Peterson Company Ltd.; Dawn Bulera, Lake St. Croix Beach alt.

Call to Order

Manager Zeller called the meeting to order at 6:03PM.

Approval of Agenda

Manager Zeller motioned to approve the agenda and Manager Fellego seconded this. The motion passed on a roll call vote.

Approval of Minutes

Manager Zeller motioned to approve the draft May 13th, 2021 board meeting minutes and Manager Runk seconded this motion. The motion passed on a roll call vote.

Treasurer's Report

The treasurer's report was presented by Manager Kylo. The remaining checking account balance on June 10th for the month of May 2021 was \$554,630.83. First State Bank CDs were valued at \$38,549.15. The ending balance in the RBC savings account for May 2021 was \$76,857.14.

Bills to be approved this month are: Emmons & Oliver: \$1,338.47; League of MN Cities: \$2,282.00; Washington Conservation District (Administration-May): \$3,337.00; Washington Conservation District (Technical Services-May): \$5,153.50; Total: \$12,476.97.

Manager Fellego asked if the League of MN Cities invoice was item 6e in the board packet and Administrator Downing confirmed this. Administrator Downing noted that four communities (Afton, Lakeland, Lakeland Shores, and Oak Park Heights) had not paid their 1st half community contribution. These notices were sent out in February. The board asked Administrator Downing to follow up with those communities.

Manager Zeller motioned to approve the June 2021 Treasurer's Report and Manager Fellego seconded the motion. The motion passed on a roll call vote. Manager Runk motioned to pay the June 10th bills and Manager McCarthy seconded this motion. The motion passed on a roll call vote.

Public Comment

There was no public comment.

Old Business: 2020 Water Monitoring Report

Administrator Downing said he had not received any edits or comments on the 2020 report and was seeking board approval to finalize and post it to the MSCWMO website.

Manager Zeller motioned to approve the 2020 MSCWMO Water Monitoring Report and Manager Fellegly seconded the motion. The motion passed on a roll call vote.

3M PFAS Reimbursement Request

The MSCWMO consultant at EOR has been reviewing documents and providing technical input on the development of the water supply groundwater model as part of the 3M PFAS settlement. Staff is requesting reimbursement from MPCA totaling \$692.75 (EOR February).

Manager Zeller asked what kind of work Administrator Downing was doing on this item. Administrator Downing explained that he was managing the grant while the consultant attended meetings. Manager Zeller asked if most of the work was complete now after the report was completed. Administrator Downing confirmed and explained the consultant Stu Grubb could continue attending meetings. There is \$28,000 left of the grant money the MSCWMO can be reimbursed from. Manager Zeller asked if there was any way the member communities most impacted by this issue could benefit from the MSCWMO grant and Administrator Downing explained that this has been explored and expenses like well filters are not qualifying under this grant. The WCD has also already explored the possibility of reallocating the grant funding they received as they also do not do much work with groundwater in the context of this grant. Manager Zeller asked administrator Downing to request a recommendation from the consultant as to what a smart way for the MSCWMO to proceed with the remaining grant funds would be.

Manager Zeller motioned to approve submittal of 3M PFAS reimbursement request totaling \$692.75 and Manager Collins seconded the motion. The motion passed on a roll call vote with Manager Olfelt-Nelson abstaining while arriving to the meeting after the majority of the discussion of this item.

2020 Financial Audit

Administrator Downing explained that he and managers Zeller and Kylo had already met to discuss the 2020 Audit findings and requested the auditors present their report at the meeting tonight. Manager Zeller asked the auditors to present the items of concern for the board to respond to. Samantha Peterson said the MSCWMO is in a good net position for financials. The 2020 audit was the same as usual except for the \$140,000 cash-in-lieu payment from the county the MSCWMO received last year. The last page of the audit report contained the two findings of concern. The first “2020-001 Segregation of Duties” is a common issue for organizations the size of the MSCWMO who have a limited number of staff. She noted that many watershed districts receive this finding and that there is not a way for government entities of this size to address this.

The second “2020-002 Reliability of Financial Information” is the main issue that was found. Samantha Peterson explained that for the last three years year-end adjustments are not getting done in Quickbooks which had led to more audit adjustments being needed. The issue has to do with tracking unearned revenue and the need for monthly grant totals to be run. She said the TNA is not being booked which is a monthly journal entry. She has seen this same error for the last three years and the main impact on the MSCWMO is whether there is reliable financial

information for the monthly board meetings. Samantha explained that there were negative grant information from older grants which led to zeroing out because the journal entries were not completed. She said they saw 19 journal entries a year as opposed to 1-5 to fix old information from prior years and they had to zero out 10 grants which had incorrect information. Because of this the Quickbooks information is unreliable and the auditor found a skew from a \$150,000 loss to a \$140,000 profit which is a large discrepancy.

Manager Zeller asked if there was something Administrator Downing should do to address. Administrator Downing explained that he understands what the MSCWMO needs to be doing now and one action item he has already taken is asking to separate the grant hours individually. He will be getting information to Shari Larkin at the WCD figure out how to better communicate this financial information. Manager Zeller noted there was a high level of trust between the MSCWMO and WCD and that they just need to close the loop so the auditors are more comfortable with the MSCWMO's financial procedures. The board confirmed with the auditors that the 2020 financial information is fixed and reconciled. Manager Zeller reiterate that he and Manger Kylo had gotten together with Administrator Downing to discuss the auditors findings and they feel comfortable proceeding. Samantha Peterson said everything else from the audit is fine reiterated that everything is correctly booked for 2020 entries. Michael Peterson suggested the MSCWMO get Quickbooks reports on a quarterly basis which should match the financial summaries they see.

Manager Zeller motioned to approve the 2020 MSCWMO Audit and findings and Manager Runk seconded the motion. The motion passed on a roll call vote with all in favor.

2022 Draft Budget

Administrator Downing explained that there was no plans to change the budget in the near future and is requesting board approval to present the MSCWMO budget to the member communities.

Manager Fellegy motioned to approve the 2022 MSCWMO budget for presentation to member communities and Manager Kylo seconded the motion. The motion passed on a roll call vote with all in favor.

Lily Lake Basin Award

Administrator Downing referred to the EOR memo on the Lily Lake Basin Award about the bid opening and recommendation on how to award the bid for this project. The MSCWMO received a favorable bid from Miller Excavating which came in at \$248,793.58 which is well below the original engineer's estimate of \$416,216.00. The recommendation is to award them this contract. Administrator Downing is looking for board approval on awarding Miller Excavation the Lily lake Basin contract as well as authorization for the administrator to execute change orders at 5% constructions costs so as to avoid delays in the project.

Manager Fellegy motioned to approve the total bid and award of the contract to Miller Excavation in the amount of \$248,793.58, and to authorize the administrator to execute change orders, if necessary, in an amount not to exceed (in total) 5% of the construction contract. Manager Kylo seconded the motion.

Manager Runk asked if the award would include performance measures based on timeline as he recalled having trouble with Miller Excavation in the past with projects getting delayed; specifically a project at the Stillwater Middle School with the MSCWMO.

Administrator Downing said they had had those conversations and their consultant was confident they would have it done in September. He agreed that this was his one concern with Miller as well. Manager Runk recalled some cities having issues with delayed projects as well and Manager Olfelt-Nelson noted that the next bid was a big step up and recalled hearing something about Miller Excavating seeking special approval to work outside of their normal work hours to accommodate their scheduled projects this year. Manager Zeller suggested a friendly amendment to the motion to authorize Administrator Downing to inquire about performance based measures due to previous issues with timelines. Managers Fellegy and Kylo agreed with this amendment. The motion passed on a roll call vote with all in favor.

Manager Zeller told Administrator Downing to let the board know if he would like their involvement moving forward on this.

Insurance Renewal

Administrator Downing explained to the board that they could decide whether to accept or reject the suggested items from their broker. This is consistent with what he MSCWMO has done in the past and he recommends they move forward with the liability insurance without the two optional items.

Manager Zeller motioned to approve moving forward with the insurance renewal as consistent with what the MSCWMO has done in the past without the two optional items and Manager Fellegy seconded the motion. The motion passed on a roll call vote with all in favor.

Collier Native Habitat Planting

The Colliers's are applying for the Landscaping for Habitat grant. They would like to install a 1,600 sq. ft. native planting for the front (north) and side (west) home landscape. Their property is located less than a block west of Pioneer Park and less than 0.5 miles from the St. Croix River, making it an ideal location for a water quality and habitat improvement project.

Manager Fellegy motioned to approve encumbrance of \$250.00 cost share for the installation of the Collier native planting and Manager Runk seconded this motion. The motion passed on a roll call vote with all in favor.

The board asked Administrator Downing to get some publicity for the project to encourage others to do these kinds of projects. Administrator Downing said he would work with Angie Hong of EMWREP to do this.

Nelson Pay Request

Brad Nelson is requesting reimbursement for the MSCWMO Water Quality grant that was approved in September 2020. Two seedmixes were used in the installation (Grand Diversity mix and Shortgrass Woods Edge mix). The total seedmix cost plus tax is \$270.71. WCD staff have visited the site and germination of seed is going well. Staff recommend payment of this reimbursement request.

Manager Fellegly motioned and Manager McCarthy seconded to approve cost-share reimbursement to Brad Nelson in the amount of \$270.21. The motion passed on a roll call vote with all in favor.

Lookout Trail

Submittal items were received on April 22nd for the proposed reconstruction of Lookout Trail in Oak Park Heights with additional requested materials received May 10th. The project has proposed to utilize offsite MnDOT stormwater basins to provide the volume control required to meet MSCWMO standards. MSCWMO staff recommend approval with two conditions.

Manager Zeller motioned to approve this plan with the two conditions as outlined and Manager Fellegly seconded this motion. The motion passed on a roll call vote.

Erosion and Sediment Control Inspection Reports

There are none. Manager Zeller asked about the outcome of the development discussed last month in St. Mary's Point (2711 Itasca Ave S). Administrator Downing informed the board that after communicating concerns to the homeowner they added features to the landscape to treat almost 100% of the stormwater. Manager Zeller commended Administrator Downing in addressing this communication issue and Manger Olfelt-Nelson thanked the board for their discussion and stance which made conversations at the city council meeting go smoothly.

Staff Report

Administrator Downing presented the staff report. The audit is now complete and the Lily Lake project is going before the Stillwater City council since they are contributing around \$91,000 to the project. The Phase I Lake St. Croix Beach project closed out yesterday so the city will make the final payment and likely request the remaining grant funds at the next MSCWMO meeting. Staff are exploring an opportunity for a large stormwater treatment train in Lake St.. Croix Beach and a regional project in Bayport. Water monitoring and BMP Maintenance activities are occurring.

1W1P Updates

Manager Fellegly informed the board that there was a meeting last month and the implementation is up and running with staff hires through 1W1P funding and analyses starting. Administrator Downing will check when the next Policy Committee meeting is scheduled and let Manager Fellegly know.

Other

The board confirmed that Manager Zeller is still appointed in his local community though the end of his term in January and he will stay on as chair for the MSCWMO through that time as well.

Manager Runk asked if the next board meeting would be in person. The board discussed which community spaces are opening up. Administrator Downing said he has reserved the room in the Bayport Library for use as well. The board requested a quorum be determined ahead of the meeting. Manager McCarthy asked if a hybrid meeting method (such as calling and being placed on speaker phone) could be used so managers who need to stay home can attend. Administrator

Downing and the board discussed what would be involved with a hybrid method such as technology or legality challenges. Administrator Downing will explore options.

Adjourn

Manager Zeller motioned to adjourn the meeting and Manager Kylo seconded this. The meeting was adjourned at 6:49pm.