

MEETING MINUTES

Riley-Purgatory-Bluff Creek Watershed District

June 3, 2020, RPBCWD Board of Managers Special Meeting: Governance Manual and Budget Workshop

PRESENT:

Managers: Jill Crafton, Treasurer
Larry Koch
Dorothy Pedersen, Vice President
Dick Ward, President
David Ziegler, Secretary

Staff: Claire Bleser, RPBCWD Administrator
Terry Jeffery, Watershed Planning Manager
B Lauer, RPBCWD Education and Outreach Assistant
Louis Smith, Attorney, Smith Partners
Scott Sobiech, Barr Engineering Co.

Note: this meeting was held remotely via meeting platform Zoom in abidance with state mandates in response to Covid-19.

1. Call to Order

1 President Ward called to order the Wednesday, June 3, 2020, Board of Managers Special Meeting
2 regarding the Governance Manual and 2021 Budget and Levy at 4:00 p.m. The meeting was held
3 remotely via meeting platform Zoom. Manager Koch raised issues of statute regarding continuing
4 to hold RPBCWD meetings via Zoom. Attorney Smith responded, noting that the District is
5 operating under statute 13D.031 and explained how the statute provides for remote meetings under
6 pandemic conditions. President Ward explained that he took action in March to declare the District
7 is operating under pandemic conditions and the declaration is in effect until he takes action to
8 repeal it. Manager Koch commented he takes a different position on this matter compared to how
9 Attorney Smith and President Ward view it.

2. Governance Manual

10 Attorney Smith summarized the two most recent Governance Manual Committee meetings, noting
11 there was robust discussion resulting in the proposed Bylaws changes presented. He said the next
12 action for the Board is to adopt the amendment included in the Special Meeting materials.
13 Manager Crafton raised a comment about separation of duties and noted it is an issue she has
14 repeatedly raised but she doesn't see addressed in the proposed changes. Manager Koch asked if
15 the comments he provided to Administrator Bleser and Attorney Smith were circulated to the
16 Board and Governance Committee. He said it sounds like they weren't, and he stated he would like

17 his comments distributed to the Governance Committee for consideration. Manager Koch went
18 into detail about his points about internal controls and processes, explaining why he believes it is
19 important.

20 Manager Koch moved that his comments are to be forwarded to the Governance Committee, and
21 the Governance Committee will meet to discuss his comments. Manager Crafton seconded the
22 motion.

23 Attorney Smith said there had been Board discussion about the separation of duties around the
24 processing of checks; duties that were deemed dependent on bringing in a new staff member in an
25 administrative assistant role. He said those changes could be made once that staff position exists.
26 Manager Crafton said the duties should be separated amongst the staff in place at this time.
27 Attorney Smith responded it would be valuable to have more discussion about this point. Manager
28 Koch remarked this is all the more reason for a meeting to go over the draft changes and
29 particularly about the right language about internal controls and so the Board actually approves the
30 principals the auditors are reciting as being the District's policies.

31 Manager Pedersen spoke in favor of voting on the amendment in front of the Board and at
32 changing specific areas that need more discussion at a future meeting. Manager Crafton said she
33 has been asking for some specific issues to be addressed since 2018.

34 Manager Koch added a friendly amendment to his motion to include that Manager Crafton's
35 Governance Manual comments are forwarded to the Board and Governance Committee as well as
36 his comments. Manager Crafton agreed to the friendly amendment. Upon a roll call vote, the
37 motion carried 5-0 as follows:

<i>Manager</i>	<i>Action</i>
Crafton	Aye
Koch	Aye
Pedersen	Aye
Ward	Aye
Ziegler	Aye

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3. 2021 Budget and Levy Discussion

39 Administrator Bleser shared a PowerPoint presentation to accompany the high-level discussion
40 about the District's 2021 Budget and Levy. She reminded the Board the 2020 levy was \$3,703,000,
41 and the District's 10-Year Plan projected the District would set the 2021 levy at \$3,760,000.
42 Administrator Bleser asked the Board for feedback on whether it wants to hold the levy at the 2020
43 level, decrease the levy, or increase the levy. She said staff's recommendation is to hold the levy at
44 the 2020 level, but she would like feedback and direction from the Board.

45 Manager Pedersen said she would like to keep the levy the same as the 2020 levy and to review its
46 projects to identify areas of flexibility where the District can delay projects if it becomes
47 necessary.

48 Manager Ziegler remarked he supports keeping the levy the same. He brought up the potential
49 issue of defaults on property tax payments, which would impact the amount of the levy the District
50 receives.

51 Administrator Bleser clarified the 2021 levy proposed in the Plan is \$3,760,000, which is a slight
52 increase over the 2020 levy, which was \$3,703,000. She said she would like the Board to provide
53 direction on whether it wants the 2021 levy to be \$3,703,000, which is the same amount as the
54 2020 levy, or if the Board wants to go in a different direction.

55 Manager Koch said he feels remaining at the same amount is the direction to go, but the Board
56 should be aware that there may be a number of property tax payment delinquencies.

57 Manager Crafton said she is comfortable with the levy remaining at the 2020 levy amount, and she
58 would like to see the District undertake a prioritization of its projects.

59 President Ward agreed with maintaining the 2021 levy at the same level but to keep in mind that it
60 may want to decrease that amount later in the year. He commented about the unknown costs to
61 Hennepin County resulting from the events of the past ten days.

62 Attorney Smith reviewed with the Board the budget and levy timeline based on watershed law.

63 Administrator Bleser provided a CIP projects summary, explaining which projects are active going
64 into 2021 but don't need funds levied, which projects are in progress and will be active in 2021,
65 and the one project that will be a new project in 2021. She summarized which projects call for
66 funds to be levied with the District's 2021 levy.

67 Administrator Bleser talked about the Purgatory Creek restoration project and asked if the Board is
68 comfortable with staff's recommendation to reevaluate the Purgatory Creek restoration project -
69 Covington Road a few years from now and based on that reevaluation, placing the project in the
70 District's next 10-Year Plan from the current 10-Year Plan. Managers provided comments.

71 Manager Koch remarked he believes it's important the District continues to use CRAS and the
72 other District methodologies to evaluate projects and to continue to use the scientific basis for
73 evaluating projects. President Ward summarized that the managers indicate consensus with staff's
74 recommendation for the Purgatory Creek restoration project at Covington Road.

75 Administrator Bleser asked the Board if it would consider levying for the Bluff Creek (B5) project
76 over multiple years, such as two or three years, instead of only 2021. She provided details about
77 the project and its timeline. Managers commented. Administrator Bleser responded to questions.

78 Manager Koch responded he wants to make sure the Board and District know what it has levied for
79 each of the projects for each of the years, what it has spent, and what it has left over at the end of
80 each year, if anything, for each project. He said he would like more granularity on the District's
81 multi-year projects to track this information, which would help him make decisions. President
82 Ward asked him if he is in favor of levying for this project over multiple years. Manager Koch said
83 yes if that is what makes sense project-wise and funding-wise. The Board indicated consent to
84 levying for the Bluff Creek (B5) project over multiple years.

85 Administrator Bleser talked about the Upper Riley Creek Restoration project and explained the
86 District has anticipated for this project to occur in 2021-2022. She asked the Board if it is
87 comfortable levying for this project into 2022, if needed. The managers commented, and the Board
88 indicated consent.

89 Administrator Bleser stated the District had some carry-over funds last year, and she thinks this
90 will be the same case going into 2021. She brought up the District's Community Resiliency line
91 item and said the District's 10-Year Plan proposed \$30,000 for Community Resiliency in 2021.
92 Administrator Bleser explained that the District is waiting to hear from the MPCA about a grant
93 for work in partnership with several cities to add details to the District's hydraulics and hydrology
94 model. She talked about the cost of the work and said she anticipates the District's cost will be
95 higher than the \$30,000 budgeted in the 10-Year Plan. She asked if the Board has any concerns
96 with increasing the District's 2021 Community Resiliency budget over the amount proposed in the
97 10-Year Plan. The managers commented, and Manager Koch pointed out that some thought should
98 go into which projects can the District cut back on if the District doesn't receive the funds
99 anticipated. The Board indicated consent to increasing the Community Resiliency 2021 budget.

100 Administrator Bleser reported the District provided a letter of support along with the City of
101 Chanhassen for an LCCMR grant, which is part of a larger project with the UMN, The Freshwater
102 Society, and other partners. She explained there is an abandoned well in the City of Chanhassen,
103 and part of that grant would be used for recharging that well. She went into details about that
104 possible project. Administrator Bleser said she sees it would be important for the District to
105 prioritize its groundwater funds in the event this project moves forward, and the District decides it
106 wants to participate with funds. Administrator Bleser highlighted the District allocated \$100,000
107 for 2021 for groundwater conservation.

108 Administrator Bleser asked the Board if it is comfortable doing carryovers of funds to 2021.
109 Managers commented, and Manager Koch provided suggestions in how to handle carry overs. The
110 Board indicated consent with doing carryovers of funds to 2021.

111 Administrator Bleser talked about staff costs, noting the District currently has five staff members.
112 She said if the District plans to add staff, she anticipates the amount budgeted in the District's 10-
113 Year Plan for staff costs for 2021 needs to increase. She asked if the Board has concerns about
114 staff costs increasing. Administrator Bleser said she wants to engage the personnel committee and
115 discuss staff needs going forward and organizational structure. President Ward asked the
116 Administrator to present a proposal to the Board. Manager Crafton said she would like the District
117 to pay attention to the skillsets it is bringing on as it adds staff, such as adding someone with an
118 ecology background. Manager Koch recommended a process for evaluating staffing needs.
119 Administrator Bleser said she will get in touch with the Personnel Committee and bring back
120 additional information to the Board.

121 Administrator Bleser said she could come back to the Board with a draft budget and levy in
122 August, and the Board could hold a budget workshop on August 5. President Ward suggested
123 holding the workshop in July. Manager Koch said he would like to see a proposed budget earlier
124 than August. Administrator Bleser said she will contact the managers this week about availability
125 for attending a budget workshop the week of July 20.

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4. Adjournment

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Manager Crafton moved to adjourn the special meeting. Manager Ziegler seconded the motion.

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Upon a roll call vote, the motion carried 5-0 as follows:

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<i>Manager</i>	<i>Action</i>
Crafton	Aye
Koch	Aye
Pedersen	Aye
Ward	Aye
Ziegler	Aye

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The special meeting adjourned at 5:18 p.m.

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Respectfully submitted,

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David Ziegler, Secretary