

MINUTES OF THE BOARD OF DIRECTORS
OF THE
VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
VLAWMO

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June 20, 2007

ATTENDING:

Paul Emeott, Chair	Gem Lake
Donna Carlson	Lino Lakes
George Rux, Treasurer	North Oaks
Marc Johannsen	Vadnais Heights
, Vice Chair	White Bear Lake
Bill Mample	White Bear Township

Also Attending: Joel Schilling, Schilling Consulting, Mark Sather, WBL, Roger Jensen, attorney,

Paul Emeott, Chair called the meeting to order at 7:10.

Agenda A motion was made by Marc Johannsen, Darryl LeMire to approve the agenda as printed. Vote: all aye. Motion passed.

Minutes. A motion was made by Johannsen/, seconded by LeMire to approve the minutes as printed. Vote: all aye. Motion passed.

Treasurer Report A motion was made by Donna Carlson, seconded by LeMire to accept the Year to Date Treasurer's Report. The new format was easier to find needed information.

Joint Powers Agreement

Approval of the Storm Water Utility (SWU) is proceeding with the membership. There was discussion and concern expressed over the meeting at the Board of Water & Soil Resources (BWSR) office. The BWSR legal counsel from the Attorney General was present but indicated a day before the meeting that that it would be inappropriate for her to attend a meeting with our municipal officials. The AG's client was BWSR and they should not be in the position of responding to or advising someone other than their client. Several Board members protested the position and unfortunate circumstances of the meeting, saying the wrong message was sent to the watershed. Concern was expressed over the fundamental principal of elected officials or appointed officials having responsibility for taxpayer money. It was also noted that a great deal of concern has been made over a budget approval process that has not been a problem in VLAWMO's 24 year history. Brad Wozney of BWSR was present. When asked, he indicated that BWSR will not accept the new Water Plan because they understand the new VLAWMO JPA is not compliant with State Statute. It was asked what State Statute that gives BWSR the

authority to take that position. The Board discussed the option of confronting BWSR interpretation of our JPA. A motion was made by Bill Mample, seconded by Marc Johannsen to direct a Subcommittee to be formed that will discuss the JPA with VLAWMO legal counsel and provide changes to the JPA language if appropriate. Subcommittee membership: Tom Watson, Marc Johannsen, Paul Emeott, Mark Sather, and Roger Jensen with attorney. Others may attend if desired. Vote: all aye. Passed.

Revenue generation – Joel Schilling. Joel highlighted the section of the Storm Water Utility (SWU) amendment that would that would allow incremental increases to the SWU cap. There was discussion. He indicated that the VLAWMO boundary has areas that will need to be clarified as part of the SWU process. Cost savings: VLAWMO staff will meet with communities to evaluate land use questions on specific parcels and staff will also work on public education piece development and distribution.

Chair Emeott asked what the response to the SWU has been in the member communities. Those who have passed resolutions of support include: White Bear Township and Gem Lake. Johannsen felt there was probably a consensus on the Vadnais Heights City Council that they would support the SWU. Rux said that by & large North Oaks is supportive of SWU. They understand and want resolved the double taxation issue faced by the other communities in the watershed. He recommended that CIP projects be funded at least partially by subwatershed. For example, those most affected by a project in subwatershed A, could be assessed for 50% of the project costs with the remaining 50% coming from the whole watershed. Other percentage could also be considered. . Darryl LeMire, will be bringing the question to a upcoming White Bear Lake City Council meeting. White Bear Lake is open to it in concept with staff reviewing levy option. Donna Carlson said Lino Lakes is looking for more detailed information. They are ready to go ahead with study but not ready to authorize the utility. Lino Lakes still wants to a resolution to the BWSR JPA concerns. Bill Mample said there was concern about the specifics of what the JPA amendments would involve, however they considered the SWU a fairer distribution of costs.

Technical pieces of the SWU are moving ahead. George asked when will the Board deal the policy questions within the SWU. Some of the land use classifications, exemptions and credit system will be reviewed by the Technical Commission first and then the Board.

There was discussion of the Statutory authority for a Stormsewer utility (SWU). It is referenced Statute as a municipal authority. The amendment to the JPA would allow VLAWMO to use this authority for the watershed. A Capital Improvement Project (CIP) cap in the SWU amendment language would allow the member communities review a Capital Improvement project if a proposed budget exceeds an established limit. The question of a Consumer Price Index (CPI) adjustment to the established cap was discussed. Mample felt the Township would like to have lower cap to establish track record of fiscal responsibility. George Rux and Darryl LeMire also recommended a lower cap or limit be in place at this time. Johannsen and Carlson recommended no automatic CPI as the municipalities did not operate with one.

While there are still unanswered questions on the specifics of the SWU, Chair Emeott recommended the Board support proceeding with the SWU study on a parallel track with

the JPA and the Water Plan. Emeott indicated that he would support moving the VLAWMO contribution out of the Gem Lake city budget.

A motion was made by Johannsen, seconded by Mample to recommend the draft JPA language as provided in the memo of May 18, 2007 by Joel Schilling and Charles LeFevere with the following changes: the Total Maximum Utility Charges (cap) that may be charged that may be charged for 2007 will be \$400,000; the Consumer Price Index language will be deleted and the term "Commission" in parts 1 and 6 of Subdivision 24. Stormwater Utility will be changed to Board. Vote: all aye. **Motion passed.**

Joel Schilling discussed the scope of work which was revised with the completion of draft SWU and CIP tax levy language. Technical Assistance (Task 1) and (Task 2) will take about two months. Detailed policy decisions are the responsibility of the Board. September 15th as the day municipalities must certify their budgets to the counties is important to the SWU establishment. If the members include a VLAWMO budget contribution in their budgets at that time, it was with the understanding that it could be removed when the SWU is in place.

2008 Budget recommendation

The draft 2008 budget, as recommended by staff was presented and discussed. A larger CIP budget has been added to this budget which is reflected in the draft 3rd generation Water Plan. Treasurer, George Rux indicated he had reviewed the budget and is ready to proceed. Paul Emeott expressed concern over the increase this budget represents over previous years. This underscores the need for the SWU rather than having the watershed budget inflating the community's budgets. Donna expressed concern over CIP increase that wasn't in the earlier May draft. The JPA establishes the timeline. After the budget is sent the cities the cities have two months to review it and get back to VLAWMO. A motion was made by Mample, seconded by Rux to approve the staff recommended budget and send it to the member communities for comment. All aye. **Motion passed.**

Mark Sather suggested VLAWMO set up the budget like a municipal budget. Audit costs can they be reduced by a variety of options.

The Year to date Financial report will be delayed until the next meeting as it has not changed since the last Board meeting.

The next Board meeting is August 8th.

Project update. Staff reported on Lambert creek project status, the water monitoring program and the Birch Lake efforts.

Directors reports

There was a Motion to adjourn made by LeMire, seconded by Mample. Vote all Aye. Motion passed. The meeting Adjourned at 9:30 PM.

Submitted by Stephanie McNamara for the Secretary.