



MINUTES OF THE BOARD OF DIRECTORS
 December 14, 2016

In Attendance		Absent
Marc Johannsen	Vadnais Heights	
Dan Jones	White Bear Lake	
Bob Kermes	White Bear Township - alternate	
Rob Rafferty	Lino Lakes	
Marty Long	North Oaks	
Jim Lindner	Gem Lake - alternate	
Stephanie McNamara	Administrator	
Kristine Jenson	Program Mgr.	
Brian Corcoran	Water Resources Mgr.	
Nick Voss	Education & Outreach Cord.	
Tyler Thompson	GIS Watershed Tech.	

Others in attendance: Margaret Behrens (Ramsey Conservation District), Bob Larson, Diane Gorder (North Oaks Natural Resources Commission), Mark Graham (City of Vadnais Heights Engineer & TEC member)

I. Call to Order

The meeting was called to order at 7:0 pm by Chair Johannsen. A quorum is present for the meeting.

II. Approval of Agenda

A motion was made by Rafferty and seconded by Jones to approve the agenda as presented. Vote: all aye. Motion passed.

III. Approval of Minutes from October 26, 2016

A motion was made by Jones and seconded by Long to approve the minutes from the October 26, 2016 Board of Directors Meeting. Vote: all aye. Motion passed.

IV. Technical Commission Report to the Board

A. Activity Summary

TEC Report submitted to the Board

B. December Financial Report

Report submitted to the Board. Stephanie said received our storm sewer funding so we are solvent for the next few months.

V. New Business

A. 2016 Fund Balance – Resolution 10-2016

At the end of each year, we determine which items in the budget need to be carried over to 2017.

Included with the resolution below is a list of all items and amounts that are being requested to carry over and the purpose for those funds.

RESOLUTION 10-2016

Of the Vadnais Lake Area Water Management Organization (VLAWMO)

A RESOLUTION FOR COMMITTING THE FUND BALANCE FOR SPECIFIC PURPOSES

WHEREAS, the Board of Directors of the Vadnais Lake Area Water Management Organization, does hereby find as follows:

WHEREAS, the Governmental Accounting Standards Board’s Statement No. 54 defines committed fund balance as amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board,

WHEREAS, Board action is required before year end to formalize the commitment of fund balance to specified purposes,

WHEREAS, those committed amounts cannot be used for any other purpose unless the VLAWMO removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

THEREFORE, BE IT RESOLVED by the VLAWMO, that the specific portions of fund balance in the identified funds are committed as follows:

Committed

<u>Fund</u>	<u>Description</u>	<u>Purpose</u>	<u>Amount</u>
General	Information systems	Purchase of IT equipment & help	\$2,500
General	Insurance	Additional liability insurance per 10/16 Board	\$500
General	Legal assistance	Project contracting assistance	\$5,000
General	Engineering & Technical assistance	Restoration design assistance for property owners; Complete 2016 contract	\$10,000
General	Admin-Payroll	Assist with staffing adjustment;	\$10,000
General	Miscellaneous -	Staffing assistance - GIS etc.	\$4,000
General	Financial Incentives	2016 Cost-share projects	\$4,000
General	Education & Marketing	WAV project, workshop & other	\$3,000
General	Community Blue	Ongoing projects	12,000
General	Maintenance	Maintenance fund for watershed projects	\$18,000
General	Equipment	Expand sampling network	\$2,500
General	Monitoring & Analysis	Final costs	\$2,000
General	Lambert Creek restoration	Identified projects in Subwatershed- Kohler streambank	\$28,675
General	Water Quality projects	Sucker channel & others	\$80,000
General	Implementation on Impaired waters	Implementation activity – Goose Lk. & Lambert creek	\$75,000

	Total		\$257,175
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The foregoing resolution was passed by the Board of Directors of the Vadnais Lake Area Water Management Organization, Minnesota this 14th day of December, 2016.
The motion for adoption of the foregoing resolution was made by Director Lindner duly seconded by member Director Jones and upon vote being taken thereon, the following voted in favor thereof:

Directors: Jones, Long, Johannsen, Lindner, Rafferty, Kermes
and the following voted against the same: None
Whereupon the resolution was declared passed and adopted.

B. Consideration of health insurance – Resolution 11-2016

Background:

VLAWMO has offered employees a health insurance stipend for over 15 years. For the last 10 years the amount has remained at \$4,700/year. This taxed money that can be used to health insurance premiums or any other needs. Because the money is taxed the actual take home amount is less than \$4000. State law requires that VLAWMO pay at least 50% of the employee’s premium. The stipend no longer covers that requirement for some of the employees. As you know, a great deal has changed in the health insurance industry in the last 3 years. The changes this last fall have made the individual policies some of the employees have virtually unaffordable. With VLAWMO’s long history of providing a health benefit it was time to make that money work smarter and more effectively for the staff. A brief survey of what some of the other metro watersheds offer was done. Included were Ramsey Washington Metro WD, Nine Mile Creek WD, Riley Purgatory Creek WD, Brown’s Creek WD, Prior Lake Spring Lake WD and others. White Bear Lake and Vadnais Heights were also surveyed for their health benefit options. The insurance broker used by many of the surveyed watersheds was Bearance Risk Management Group. They were contacted to see what might be available for VLAWMO in 2017. An increase in the health stipend was considered as well as revisiting the idea of health insurance for VLAWMO.

Results:

Stipend increase. The cost of an average of 50% of all employee premiums as required by state law was the target. If the stipend were to increase to an after tax amount large enough to cover to total employee premiums, the stipend total would have to increase to about \$38,800, \$13,300 more than is currently spent. Because of variations in taxes, this is an estimate. The benefit has not kept up with increased health care costs over the last 10 years. This was not recommended at least in part because of the lack of tax advantage.

Health Insurance

Most of the other watersheds surveyed covered 100% of the employee’s premium on a high deductible, low premium policy, most also covered up to 50% of a family policy. As a companion piece to the high deductible policies all of the watersheds contributed to a Health Savings Account, anywhere from 25% to 100% of the HSA, with the average being close to 50%. Some offered dental insurance as well.

Ken Carlson of Bearance provided VLAWMO 17 different policy options for our small group. Starting with our current health benefit budget for 2017 of \$23,500/yr. VLAWMO would have to choose one policy from the options. Several of the options provided could cover the state mandated requirement of 50% of the employee premium using pre-tax money. The Policy & personnel committee also discussed how this would meet the Board directive to provide a compensation package consistent with the market (other watersheds and agencies) so as to retain qualified, experienced staff. A package was discussed that was consistent with a

conservative average of the other watersheds and met the needs of the current staff. If approved by the Board of Directors, this health insurance will go into effect January 1, 2017.

Package Recommendation from Policy & Personnel:

Health Partners; Deductible \$4000, embedded HSA, 100% Employee; 25% family premium + \$1000/yr/employee toward a Health Savings Account (pre-tax).

Total 2017 premium (5 emp)	\$28,845
Health Savings account contrib. (5 emp)	\$5,000
Total VLAWMO expense	\$33,845

Funding the change

The difference: \$33,845 – \$23,500 = \$10,345. This extra expense as noted before is not currently budgeted next year. However, due to the salary savings (no Educ. & Outreach staff until May and some from the admin), this amount could be carried over from 2016. In future years this would need to be budgeted.

Recommended Resolution 11-2016

The Vadnais Lake Area Water Management Organization shall change its health benefit to offer health insurance for its employees. The first year, 2017, will be as recommended by the Policy & Personnel Committee. The first year of health insurance shall be funded be through carried over payroll funds from 2016.

RESOLUTION 11-2016

Of the Vadnais Lake Area Water Management Organization (VLAWMO)

A RESOLUTION FOR ESTABLISHING EMPLOYEE HEALTH INSURANCE

WHEREAS, the Board of Directors of the Vadnais Lake Area Water Management Organization, does hereby find as follows:

WHEREAS, health insurance benefits are offered by other comparable watershed organizations,

WHEREAS, the Administrator, along with the Policy and Personnel Committee has researched and considered multiple options to provide a competitive health benefit package,

WHEREAS, the Policy & Personnel Committee has recommends the package presented in this Resolution,

THEREFORE, BE IT RESOLVED the Vadnais Lake Area Water Management Organization shall change its health benefit to offer health insurance for its employees. The first year, 2017, will be as recommended by the Policy & Personnel Committee. The first year of health insurance shall be funded through carried over payroll funds from 2016.

Discussion: Rafferty stated that he thinks the Board needs more time to digest all the information. He feels this should have been brought up more than just tonight. He would not be in favor of any policy approval tonight.

Linder asked what the timing is for this. Stephanie said it is open enrollment time and some staff saw huge increases in health insurance premiums for their individual policies. If they don't have

Johannsen stated that the P & P committee met about this and it became an issue when it was released this fall that the premiums would go up substantially. Stephanie provided many options to consider. The P & P felt this option was very reasonable with little additional cost. Johannsen acknowledged Rafferty's hesitation but that this Board meeting was the first one after the P & P met. Johannsen states that he feels it should be approved.

Rafferty stated that he understands and appreciates the efforts regarding this but still feels like the decision is being made too quickly and that better options could have been pursued. And because of that he would need to vote against this policy tonight. He feels it is very

important to fully understand the options and making sure there is proper coverage for the employees.

Jones asked Rafferty if he would approve a continuation of the stipend. Rafferty stated he would. Jones said the stipend doesn't cover the actual costs. Jones said he respects what Rafferty is saying but that it is important to adjust things to cover the employees. Jones said the package presented here is a middle of the road option and that VLAWMO is limited in options due to its small size.

Rafferty said it is important to take care of the staff and have 100% coverage for them.

Johannsen said that in early 2017, a compensation package should be reviewed.

Government compensation is different than non-government compensation. We have to stay competitive or else staff will move to other agencies that can offer more.

The motion for adoption of the foregoing resolution was made by Director Lindner duly seconded by member Director Jones and upon vote being taken thereon, the following voted in favor thereof:

Directors: Jones, Long, Prudhon, Johannsen, Lindner, and the following voted against the same: Rafferty.

Whereupon the resolution was declared passed and adopted.

VI. Subwatershed Activity

A. Approval of consultant to complete Goose-Wilkinson feasibility report.

We received 4 proposals from consultants for the Wilkinson-Goose project feasibility RFP. Proposals came from Wenck, Barr (in partnership with Young Environmental Consulting Group), WSB, and HR Green.

As a review, the goal of this project is to have a feasibility report outlining the best projects for nutrient reduction in Wilkinson and Goose Lakes. The hope is that the consultant would pull together all the information we have already compiled and review all the existing studies and reports and provide recommended projects or programs with estimated effectiveness and costs. The product should allow VLAWMO to work with partners to implement effective best management practices.

If we were to use a metaphor to explain why the use of consultants is necessary, let's compare VLAWMO staff and consultants to medical doctors. VLAWMO staff are the General Practice doctors of the watershed. We've known the watershed (our patient) for a long time and have a solid base of information about what is going on here. Our patient has some specific areas of illness though and we need to bring in a specialist to help us better understand what is going on and how we can help the patient feel better. So if staff are the GPs, our consultants are the Cardiologists or Oncologists. We need the specialists who have a deeper base of knowledge in their respective areas and who are up to date on the latest treatment methods to give our patient the best chance at recovery.

Based on the proposals we received, all 4 consultants would be able to perform the work requested and all have experience working on projects in the metro area.

Technically, the lowest bid came from Wenck (\$17,568 + optional add-ons). However, we were most impressed with the methods and plan proposed by Barr-Young (budget not to exceed \$25,000) and feel the best value would be to hire them.

Barr-Young is a collaboration between Barr Engineering and Young Environmental Consulting Group. Staff recommends the hiring of Barr-Young for the following reasons:

- Barr-Young has already invested time into reviewing data and reports and have suggested other aspects for analysis that we hadn't thought of and that the other consultants didn't include in their proposals. Greg Wilson (Barr) and Della Young (Young ECG) had a meeting with VLAWMO staff to discuss this RFP in more detail and gather information to provide us with a proposal that addresses our issues and concerns.
- Barr states that the TMDL modeling (performed by Wenck) was too simplified to truly address potential issues with these lakes and provided examples of other things that should be considered such as the fluctuations that occur throughout a year in shallow lakes such as these. They feel that understanding primary drivers for the water quality impairments will allow for realistic expectations for each lake and how we can effectively take action at reducing pollutant loads.
- Barr-Young will conduct a charrette with their multiple experts (stormwater, aquatic plants, modeling, and fisheries) to analyze our existing data and reports and produce a list of potential projects.
- The proposal includes a meeting with staff, PCA and the DNR to go over the initial findings from their charrette. This meeting would allow for stakeholders to provide input on the potential project. Involvement from the State at this point in time would set us up for pursuing grant funding for projects. No other consultant proposed this.
- Barr-Young will also consider varying climatic conditions, activities that occur on the lake and how that could impact any projects, can the lakes ever meet water quality standards, should reclassification of the waterbody be considered, the impact of fish, birds, other wildlife, and aquatic vegetation on the lakes, among other things.
- Della Young has a long history with VLAWMO and can provide the necessary background information for the Barr staff. She is also a skilled facilitator who has enabled multi-partner projects for VLAWMO in the past.
- Greg Wilson, Project Manager from Barr is highly respected in the watershed world and has led projects and studies for internal phosphorus load control for several lakes and ponds.
- They have set their budget to not exceed \$25,000 which seems low considering all they are planning to do for us but this may be looked at as an opportunity for them to work with a new watershed and this is an investment that could grow. It looks like we would get a more comprehensive report from Barr than from any of the other consultants.
- Appear to be willing to make suggestions for projects outside of what has already been discussed and won't be confined to what has already been considered.

Wenck is already familiar with VLAWMO – having worked with us on the TMDL and the Water Plan. Rebecca Carlson has worked extensively with VLAWMO and is greatly respected in the watershed world as both a project leader and an engineer. As noted earlier, Wenck's staff could do a worthy job on this assignment.

Reasons for not choosing Wenck, despite having the lowest bid:

- Wenck's bid is \$17,568 but their budget had optional add-ons that would bring the total to at least \$25,280 if pursued (which we would pursue for reasons stated in the next bullet point).
- Wenck's proposal called for a charrette (like Barr-Young). However the Wenck charrette would be with VLAWMO staff and was explained that it would be like the one done for the Water Plan which required 3 VLAWMO staff lasted an entire day coming up with projects and discussing reports. Wenck's proposal states only the Project Manager would be at this workshop but that we can have their experts take part at an extra cost (add-ons). Barr-Young's proposal states that

they will hold a charrette with all their experts at the table (not an add-on) and would require less time from VLAWMO staff.

- Based on their proposal, it seems like VLAWMO staff would have to invest more time as compared to Barr-Young and our hope was to have more involvement from the consultants rather than relying on staff to help develop a potential project list.
- Wenck's proposal didn't include looking at all the other factors included with Barr-Young. Their proposal does mention rough fish management. However, this has been done already on both Wilkinson and Goose Lakes and we haven't gotten the results we'd like. We hope to get project ideas that are outside of what has already been attempted.
- Wenck's proposal DOES include concept design sketches which is a definite positive however we feel it doesn't outweigh the Barr-Young proposal.

WSB would be a new consultant for VLAWMO. VLAWMO has not had any experience with working with them or the people who would be assigned to this project but based on their previous experience, they would be able to do this type of work.

Reasons for not choosing WSB:

- WSB's bid is \$24,802. We have never worked with WSB before and they would require more start up time to become knowledgeable about VLAWMO and our specific issues.
- They do not discuss analyzing our existing data with fresh eyes. They assume the information and modeling we have is enough to go on and haven't provided new ways to look at things like Barr-Young has. They do say they would look at information gaps or implementation limitations and provide recommendations on how to phase projects so as to capitalize on funding opportunities.
- Their proposal includes providing cut sheets with valuable information for potential projects and programs which is a positive but the proposal lacks in other ways that don't make up for this positive.

HR Green is another firm that VLAWMO hasn't worked with much. However, the Project Manager would be Shawn Tracy who has worked with VLAWMO multiple times and is familiar with the watershed and our specific issues. Shawn worked with the Anoka Conservation District and at HDR (under Della Young).

Reasons for not choosing HR Green:

- HR Green's bid is \$25,000 but they mention multiple times that either the budget or the project scope would need to be adjusted if their assumptions aren't valid. Some of those assumptions are indeed NOT valid and therefore staff is concerned that we would not receive a report that meets our needs unless we go over budget.
- HR Green's proposal entails using a special analysis tool to help identify potential projects based on more than only pollutant reduction. This sounds like a very interesting tool and we'd be interested in learning more about it but were not convinced that it could provide us with what we are looking for at this time.
- Based on the proposal, it appears that HR Green wouldn't come up with new project ideas. The projects would be based on what is already in our reports and would be analyzed to tell us which are the best ones to pursue.
- An assumption in the proposal states that the projects in our existing reports and studies are described in great detail (which is not the case). The proposal states that if this not the case, we'd have to have a more simplified report.

- They would provide a list of projects to consider and for the top 3 projects, they would provide more detailed information.

At the December 9, 2016 Technical Commission meeting, it was recommended that the Board approve the proposal from Barr-Young at a cost not to exceed \$25,000.

A motion was made by Lindner and seconded by Jones to approve the proposal submitted by Barr Engineering and Young Environmental Consulting Group for the Goose-Wilkinson feasibility report, at an amount not to exceed \$25,000. Vote: all aye. Motion passed.

Johanssen stated that he is really pleased to see that VLAWMO is going to start getting projects in the ground.

B. Direction on next steps for Birch Lake – 4th Street project analysis

The work plan for 2017 includes the development of a water quality project in the Birch Lake subwatershed. Birch Lake is currently one of VLAWMO's healthiest lakes, there is a very active homeowners group, the Birch Lake Improvement District (BLID) that implements and supports projects, and the City of White Bear Lake (WBL) is willing to partner on projects. VLAWMO staff met with WBL staff to walk around Birch Lake and discuss possible projects. We then held a meeting with WBL staff and a BLID representative to narrow down our focus and assign roles. VLAWMO agreed to pursue a water quality project in the northeast area of the lake, at the intersection of Otter Lake Road and 4th Street.

In order to develop a project, we need to bring in a consultant to analyze our best options for the site and complete preliminary designs. Since we are hiring a consultant to complete the feasibility report for Wilkinson and Goose Lakes, staff is asking for approval from the Board to ask that consultant to add on initial project planning for this spot on Birch Lake. The 2017 budget has \$3,500 assigned to this task and with the carryover funds, we can put another \$15,000 towards this which could give us a set of plans ready for installation. It would likely be more cost-effective to add this on to the duties of the consultant working on Wilkinson and Goose Lakes rather than to search for another consultant to complete this task.

If the Board approves this direction, staff will ask the consultant if they are willing to add it to their contract. If they are unable to do that, staff will pursue a consultant separately.

Recommendation: Board directs staff to request the Wilkinson-Goose consultant add on Birch Lake project planning work necessary for project implementation at 4th & Otter Lk Rd at a cost to VLAWMO not to exceed \$18,500 and to work with the City of White Bear Lake to secure additional funding for this task if necessary.

Linder/Jones - \$18,500

VII. Report from the Chair

Johanssen stated that he has enjoyed his time on the Board and feels that the work done here is very valuable and he wants to make sure the work here continues. Keep our water safe and accessible for the future is vital. Jones thanked Johanssen for all his work.

VIII. Administrator's Report – Campaign Finance & Public Disclosure Board Request

Stephanie stated that all the Board members will need to file again by the end of January and that we would need to know who the new members will be on the Board so that we can get them to file that information.

IX. Director's Reports

Long stated that North Oaks is working on a stewardship program to be proactive about shoreline restoration. They had a property owner who destroyed a restoration project and they want to make sure that doesn't occur again.

X. Next Regular Meeting – February 22, 2017

XI. Public Comment

XII. Adjourn

A motion was made by Kermes and seconded by Jones to adjourn at 7:52pm. Vote: all aye. Motion passed.

Minutes compiled and submitted by Kristine Jenson.