

**LAKE MINNETONKA CONSERVATION DISTRICT
BOARD OF DIRECTORS
7:00 P.M., August 8, 2018
Wayzata City Hall**

1. CALL TO ORDER

Chair Green called the meeting to order at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Members present: Jay Green, Mound; Ann Hoelscher, Victoria; Dan Baasen, Wayzata; Bill Cook, Greenwood; Gary Hughes, Spring Park; Dennis Klohs, Minnetonka Beach; Mark Kroll, Orono; Mike Molitor, Minnetrista; Chris Rich, Woodland; and Sue Shuff, Minnetonka; and Jake Walesch, Deephaven.

Also present: Troy Gilchrist, LMCD Legal Counsel; and, Vickie Schleuning, Executive Director.

Members absent: Gregg Thomas, Tonka Bay; Andrew Punch, Excelsior; and Deborah Zorn, Shorewood.

4. APPROVAL OF AGENDA

MOTION: Baasen moved, Hughes seconded to approve the agenda as submitted.

VOTE: Motion carried unanimously.

5. CHAIR ANNOUNCEMENTS

There were no Chair announcements.

6. APPROVAL OF MINUTES- 7/11/18 LMCD Regular Board Meeting

Chair Green noted that he is listed as present at the work session but did not attend the meeting.

MOTION: Shuff moved, Rich seconded to approve the 7/11/18 LMCD Regular Board Meeting minutes as amended.

VOTE: Motion carried. (Abstained Klohs, Cook, and Green)

7. APPROVAL OF CONSENT AGENDA

MOTION: Cook moved, Shuff seconded to approve the consent agenda as presented. Items so approved included: **7A)** Audit of Vouchers (7/01/18 – 7/15/18 processed) and (7/16/18 – 7/31/18); **7B)** Save the Lake Contribution Resolution (6/26/18 – 7/24/18).

VOTE: Motion carried unanimously.

8. PUBLIC COMMENTS- Persons in attendance, subjects not on the agenda (limited to 5 minutes)

There were no public comments.

9. PUBLIC HEARING

There were no public hearings.

10. OTHER BUSINESS

There was no other business.

11. OLD BUSINESS

A. Draft Proposed Fee Schedule

Chair Green stated that he has received a number of calls from the public who thought that this schedule had already been implemented. He noted that this proposed fee schedule is preliminary and still up for discussion.

Schleuning referenced a letter and email that staff received. She noted that she also received calls today, but the callers understood that this was just a discussion and simply wanted to provide their input. She stated that the fee schedule had not been reviewed for several years (since 1998 and 2000) and the Board wanted to ensure that the costs for service were being covered appropriately by the fees. She stated that as directed by the Board, staff began an analysis to determine the costs for service in order to provide a suggestion for updated fees. She stated that based on the feedback from the Board, staff will complete the analysis to further develop an updated draft fee schedule. She reviewed the different elements that should be considered when updating the fee schedule:

- Do the current or proposed fees sufficiently and equitably cover the costs of service?
- To what extent should public funds support the overall benefits to public health, safety and welfare? Is it equitable for licensees to pay closer to the actual costs incurred by the LMCD to process and issue approvals?
- Should the fee schedule be implemented in phases where higher increases are appropriate?
- What is the appropriate frequency to review fees and service charges?
- Would the proposed lower adjusted fees for new code sections meet the intent of the Board?
- Are options available to address the high level of burden of certain circumstances on organization resources?
- To what extent should the stakeholders be engaged in this process (notification, feedback, etc.)?
- Does the Board want to continue or expand offering fee allowances for public services such as governmental services watercraft, public safety response, public launches, or similar uses?

Schleuning stated that some people she spoke with had been confused with the categories and she provided additional details on the different categories:

- New Licenses - additional time and resources
- Minor Change/Reconfiguration - new amendment that would make the process administrative, and the proposed fee reflects the minimum fee to address costs to process and dock area that is affected
- Renewal License
- One-Time Permits
- Variances
- Reinspection Fee - a new category
- Legal and Consultants Fees – a new category for escrow that would better address costs
- Processes – would remove tiered payment schedule and streamline, adding a similar two tiered late payment schedule – 25% up to 30 days and 100% after 30 days
- Copy Charges – for data practices (would be consistent with State) the cost for b/w would be \$0.25/page up to 100 and more than 100 would be actual employee costs and \$0.35/page for color. For general the cost would be \$0.25/page for b/w or \$0.35/page for color
- Code Book (\$25)

Chair Green referenced the data practices charges and asked if that is the time and resources to provide the information or whether staff time for research is incorporated.

Schleuning replied that for quantities under 100, per page copy fees are applied and the staff time for redaction and separation of data types is not included. For requests more than 100 pages, staff time is charged at the lowest cost wage. Generally, these requests do not cover costs.

Gilchrist clarified that the charges are controlled by the Data Practices Act and therefore the language reflects what is included in the Statute.

Schleuning provided additional input on the different categories and how the draft proposed fees were proposed. She provided examples of how the draft fees were developed based on the actual costs and staff time needed for each action and then provided examples of the draft license fee adjustments (\$95 would change to \$221, \$500 would change to \$640, \$2,285 would change to \$2,484.50, and \$5,907.50 would change to \$6,227.75). Costs could be more, but processes have been streamlined.

Klohs stated that there are four different levels of costs and asked for examples of which licenses would fall under each category.

Schleuning replied that the cost of \$95/\$221 could be a small multiple docks or commercial dock with one large boat, or small townhome association; \$500/\$640 could be a smaller marina; \$2,285/\$2,484.50 could be a larger marina with more docks; and \$5,907.50/\$6,227.75 could be a municipal request (using the City of Mound as an example).

Chair Green stated that he would like to see a more thorough review showing the actual staff time.

Schleunig replied that staff did some specific reviews which indicated the steps for the change to \$175, more notable at the baseline fee level. She noted that she did want to have input from the Board before taking the staff time to outline the specific costs for each cost as the process is time consuming.

Molitor cautioned that some applications require more staff time than others. He noted that although two applications can be submitted for the same type of activity by different applicants, one application could require three times as much staff time to process. He noted that an average would need to be determined to ensure that the costs are being covered on average.

Chair Green noted that the process should seem to be the same for the most part but acknowledged that the time for each application could vary.

Baasen stated that he has come into the process a bit later. He asked if it would be appropriate for a work group to review the fee schedule and come back to the Board with a recommendation.

Chair Green stated that the process is data collection. He noted that the Board has two options, to raise the fees or to raise the levy. He stated that there has already been discussion on the topic and the data simply needs to be collected to determine how the additional revenue that will be needed will be collected.

Kroll stated that he would like historical background on the topic. He referenced a letter that was received by the LMCD opposing an increase in the fee schedule, noting that the letter uses strong language. He stated that the fees seem to have approximately a five percent increase on fees that were last adjusted in 2000, 18 years ago and therefore he did not see that as a large increase.

Chair Green stated that the letter assumed that the Board was adopting the schedule while the Board is simply discussing the topic at this time.

Kroll stated that the use of the strong language "substantial" and "shocked" does not seem appropriate as the LMCD is attempting to cover the actual costs and even the proposed fee increase would only be approximately five percent from the fee amount set 18 years ago.

Chair Green confirmed that the Board is simply attempting to go through the process in the right way to determine the actual costs.

Gilchrist stated that staff has been working to reflect the actual time and costs for the different applications that are received and processed by the LMCD. He noted that there is rarely a time when residents agree with fee increases and the Board will need to decide further in this process based on the research and information presented by staff.

Klohs asked if staff has considered charging applicants by the hour, noting that could be time consuming for staff. He noted that walk-ins and telephone requests also occupy staff time and should perhaps be

considered.

Rich referenced liquor licenses and asked the staff time involved with those requests.

Schleuning stated that those requests occupy more time because of the other elements involved including water patrol, enforcement, education, and prosecution.

Rich stated that his thought would be that the applicants generate revenue by having a liquor license and perhaps fees should be higher for that license application because they can generate revenue.

Schleuning stated that there are also alcohol related complaints that are not driven by license holders and should not be considered part of the licensees' review.

Gilchrist noted that the legal escrow that is unused is returned to the applicant.

Shuff stated that the fee increase seems modest as the fees have not been raised in the past 18 years. She agreed with the creation of a working group to further work out the details.

Hughes asked the number of marinas that do not have changes from one year to the next. He stated that the LMCD could charge less for the renewals with no changes.

Schleuning confirmed that the different categories provide the ability to do just that noting the categories of new licenses, minor changes/reconfiguration, or renewal.

Hoelscher commended staff for work that has been put into the draft fee schedule thus far. She stated that although she would not be opposed to a work group, staff has already done most of the work and the increases are modest. She did not think there would be many objections to the increases. She stated that the impacted parties may have additional input and believed that input would be more helpful than a work group discussion. She suggested sending the draft fee schedule to the impacted parties to obtain additional input and noted that perhaps then a work group could review those responses and determine if additional changes would be appropriate.

Molitor also appreciated the work of staff and the simplification that has been done, especially with the late fees. He stated that he would support removing the first category and just enacting the 100% for those over 30 days late. He referenced the liquor license applications and suggested removing the Sunday sales portion to further simplify the item. He stated that if there is a public meeting there will be very few people that would come in and speak in favor of raising fees. He stated that the LMCD has not raised fees in the past 18 years. He noted that marinas have increased the price of their slips during that time and it makes sense that the LMCD would enact these fee increases. He stated that the Board should review this on a much more frequent basis. He noted that businesses and municipalities review their costs and budgets on an annual basis and the Board should review the fee schedule on a more regular basis to ensure that the fees are attempting to cover the actual costs. He noted that these are very modest increases considering that these fees have not been changed in the past 18 years. He stated that the overall Board should address this issue

and was unsure that a work group would be necessary.

Kroll stated that he would not be opposed to a working group but would support the changes to the fee schedule as proposed tonight and did not see the need for additional discussion by a working group.

Schleuning stated that she would still like to fine tune the schedule. She asked when the Board would like to gather additional input from the licensees and public.

Klohs stated that a work group could discuss whether this would be too small of an increase and whether walk-ins should be charged.

Chair Green asked if there are any public hearings schedule for the next meeting. He stated that perhaps this discussion could occur in the workshop that night.

Schleuning confirmed that the schedule could be set to avoid holding a public hearing at the next meeting to allow for this continued discussion at the workshop.

Cook asked if the Board is under requirement to hold a public hearing on this topic or whether obtaining public input on the matter is voluntary.

Gilchrist replied that it is a voluntary step in the process. He stated that fees could be adjusted without going through a public process but noted that since fees have not been adjusted in the past 18 years it could be helpful to gather input from the public in some format.

Cook stated that the purpose of his question was to determine the flexibility the Board has. He stated that because it is voluntary he would suggest making the public input process more targeted to obtain more applicable results.

Chair Green confirmed the consensus of the Board to continue the discussion at the workshop prior to the next regular meeting.

Walesch stated that he would be interested in seeing the impact on some of the marinas. He stated that the increases seem very modest over a period of 18 years. He was unsure that a work group would be needed as staff has already spent a lot of time on this.

Shuff stated that this is great work from staff and the increases are modest, therefore she would support as proposed. She was also unsure if a work group would be necessary. She stated that perhaps staff provide additional detail as discussed to show the costs that are being covered by the fees.

Molitor advised of the three different categories (charter boat owners, general public, and marinas) that he would see impacted by the fees and stated that it is important to ensure that all parties are considered and not just the ones speaking out the loudest. He stated that he would want to ensure that the Board is not overly influenced by one group.

12. NEW BUSINESS

There was no new business.

13. TREASURER REPORT

Cook stated that the harvesting costs are being finalized and estimated that a second quarter report would be available at the next meeting on the budget status.

14. EXECUTIVE DIRECTOR UPDATE

Aquatic Invasive Species Update

Schleuning reviewed the current known AIS species in Lake Minnetonka including Brazilian Elodea, Common Carp, Curly-Leaf Pondweed, Eurasian Watermilfoil, Flowering Rush, Purple Loosestrife, and Zebra Mussels. She reviewed some of the AIS that threaten Lake Minnetonka, although they are not currently found in the lake. She reviewed some of the different AIS management approaches including herbicide/chemical treatments, hand removing weeds, weed removal divers, mechanical harvesting, and an integrated approach noting that there are variations in bays and based on conditions. She provided a brief summary of the AIS management activities of the LMCD beginning in 2015 and through the activities currently being performed. She noted that staff received a lot of positive comments on the activities performed this year. She provided additional information on the harvesting activities and played a short video that demonstrates the harvesting activity. She reviewed AIS fluctuations noting that bays differ, treatments change the cycles, climate/weather changes have impacts, and Zebra Mussels and other AIS impact each other.

Schleuning continued to review AIS management for Carp including a 2018 study funded by Lessard-Sams Outdoor Heritage Council which consists of the removal of Carp from Lake Minnetonka and was primarily located in the Halstead Bay Subwatershed. She reviewed the AIS management for Zebra Mussels including a 2016 study by the Minnehaha Creek Watershed District found that an average of 200,000 Zebra Mussels per square meter cover the bottom of Wayzata Bay, prioritizing the prevention of Zebra Mussels proliferation throughout the watershed, and potential U of M Veliger research study planned for 2019 in St. Albans Bay. She reviewed prevention activities which include watercraft inspections at boat landings; Clean, Drain, Dry, Dispose stations at North Arm and Spring Park; and AIS monitoring. She reviewed educational materials and campaigns which have been created to prevent the spread of AIS including promotion of Clean, Drain, Dispose and Dry practices; Stop Aquatic Hitchhikers campaign; Arcola Bridge and Spring Park LED screens to display information about AIS prevention; local business assistance with community outreach; and additional information available on the LMCD website. She noted that there may be opportunities to partner with the DNR to further promote further education.

Klohs asked how difficult it is to adjust the depth of the cut.

Chair Green confirmed that depth could be adjusted by the driver.

Lake Safety Update

Schleuning stated that overall the 4th of July had fewer incidents than the past. She emphasized about family safety, noting that sometimes alcohol has significant impacts. She stated that Lake Minnetonka is very vast and visitors are sometimes not aware of the depths, using the example of people diving into shallow areas. She stated that over the 4th holiday there were not any boating under the influence citations and thanked the public for their diligence in having designated drivers. She stated that there was an event on land promoting water viewing and it was well managed and commended the property owner for being so respectful and working with the proper agencies.

Chair Green stated that effective August 1st, if a driver receives a DUI in their vehicle they also will not be able to drive a boat, ATV, or snowmobile.

15. STANDING LMCD COMMITTEE/WORKGROUP

Aquatic Invasive Species Committee/Taskforce: Chair Green stated that the DNR announced the Starry Stonewort was found in Medicine Lake and treatment will begin this week. He stated that the AIS Committee has not recently met but believed a stakeholder meeting would be scheduled soon to discuss the topic. He asked when harvesting would be completed.

Schleuning replied that harvesting would be completed the following day and equipment would be put away the following week.

Hoelscher suggested that harvesting be placed on a workshop agenda this fall in order to ensure sufficient planning time before the next season.

Budget Workgroup: No report.

Recodification Workgroup: Gilchrest stated that staff sent out a copy of the draft and welcomed any comments from the Board. He noted that staff is continuing to work on the matter.

Save the Lake Committee: Baasen stated that there was a meeting canceled the previous day for a lack of quorum. He stated that the boater safety class went extremely well in June, noting that all attendees passed the class. He stated that based on demand another class has not been scheduled for this year but noted that the event will continue annually. He stated that in terms of fundraising, approximately \$23,000 has been obtained for a \$32,000 budget. He stated that the cushion incentive has continued to work well, bringing in the highest number of \$250 donations the organization has seen. He stated that the Sheriff has had good success this year and the relationship with the water patrol continues to be excellent. He stated that 4th of July was safe, noting that the holiday fell in the middle of the week and the less than excellent weather probably played contributing factors.

Strategic Plan Subcommittee: Chair Green asked if the website was updated. Schleuning stated that the dashboard has been updated but she was unsure if it had been posted to the website.

16. ADJOURNMENT

There being no further business, the meeting was adjourned at 8:33 p.m.

James Jay Green, Chair

Ann Hoelscher, Secretary