The Board of Managers of the Coon Creek Watershed District held a workshop on December 9, 2015 at the Coon Creek Watershed District Office.

1. Call to Order: The meeting was called to order at 5:30 PM
Present: Scott Bromley, Warren Hoffman, Clayton Kearns, Nick Phelps, Byron Westlund,
Staff: Corinne Elfelt, Tim Kelly, Michelle Ulrich.
Others: Julie Braastad, John Kysylczyn, Jerry Newton, Bryan Olson, Scott Schulte, Robyn West.

Westlund indicated the purpose of the workshop was to review the two items on the agenda and that no votes or official actions would be taken by the Board of Managers at this workshop.

2. Approval of the Agenda: Hoffman moved to approve the Agenda. Seconded by Bromley. Motion carried with five yeas (Bromley, Hoffman, Kearns, Phelps, and Westlund) and no nays.

3. Withdrawal of District from Bonding Legislation (HF2271 & SF2140) Discussion: Kelly briefly reviewed and highlighted key points in the staff report provided to the Board.

First was that there are two versions of the bill (House and Senate) and they are identical:

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Author</th>
<th>Introduced</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>SF 22140</td>
<td>Sen Hoffman (36)  Sen. Johnson (37)</td>
<td>5/1/15</td>
<td>Referred to Capital Investment</td>
</tr>
</tbody>
</table>

Secondly, was that the District Board has neither discussed nor authorized any kind of action on this legislation.

Third that the County had expressed concern when discovering these bills, that the project involved county land and the potential for bonding.

Fourth that these funds gained could constitute “outside funds” which is one of the District’s standing financing principles.

Fifth, that There is always the potential that should the state adopt the above bill, that they may not sell the bonds.
Kelly noted two potential options for the Board to consider

1. **Remove District from HF 2271 & SF 2140**: The District neither sought, requested or approved inclusion in these bills.

2. **Contact Authors to Explore Modifying Described Project to not include County Land**: This option is intended to preserve the “outside funding” aspect of being included in a State Bond Sale

Westlund then requested a discussion regarding Bonding Legislation that was introduced and the removal of the District affiliation with these proposals.

Newton stated he was aware of the office needs for the District and added the Bonding Legislation as a place holder for future funding. He noted it is very unlikely there would be any funding the first time this is included.

Schulte said there were concerns upon seeing the legislation as County land was referenced, and the potential obligations for the county. Schulte noted concern also arose because the District is an appointed body with taxing authority and as such, any sudden increase would potentially have an effect on the County. Schulte stated he was attending this meeting to gain a greater understand of the District and its needs.

Bromley stated he had contacted Rhonda Sivarajah, Julie Braastad and Robyn West regarding the District needs but no one had contacted him for any discussion.

West was concerned because there was no location or building details included for this funding. Rep. Newton stated that often you go for bonding without the detailed plans in place and this legislation would serve as a placeholder for funds. Kearns asked Newton if anyone from the CCWD had asked him to bring this legislation forward. Newton said he took the initiative to bring this forward. Schlulte stated the issue had been noted in the CCWD minutes. Newton stated the issue is that the CCWD facility is inadequate. West agreed that a new space is needed and asked that vacant buildings be considered as a more cost effective alternative to building a new facility.

Braastad said she had two constituents raise concerns about the increase. Prior to speaking to Westlund about the concerns, she had not heard about a new building. She acknowledged speaking to Bromley about it briefly and noted a need to improve the communication.

Consensus appeared to be removal of the District from HF 2271 & SF 2140. Newton indicated he would speak to the Committee Chair and have them removed. Kelly noted that this item will be on the agenda for official action at the December 14 meeting.
4. **Options and impacts of proposed 2016 Tax Discussion:** Kelly presented the staff report provided to the Board identified the following issues and concerns:

First, Kelly noted that the County is a primary, but not the sole constituent of the District and that their concerns need to be heard and evaluated by the Board of Managers.

Second, that at present the County Board does not appear supportive of a building with an estimated cost of $3–4 million or the $1 million dollars in the 2016 budget to be set aside and invested for the building.

Thirdly, the Board of Managers adopted the budget for 2016 on September 14 after seven months of involvement, discussion, modifications and changes with the 7 cities within the watershed, the District’s citizen advisory group and discussions with various elected and appointed officials and boards within the District. The adopted budget is a 1% increase from 2015. The proposed levy is a 44% percent increase from 2015. The budget includes $1,000,000 towards an office building to enable the District to more efficiently and effectively meet its federal, state and local requirements.

Kelly then briefly reviewed the pros and cons of five option/alternatives. Various Board members added comments on the additional financial options and basis for the decisions leading up to the budget.

<table>
<thead>
<tr>
<th>Options</th>
<th>Scenario</th>
<th>Amt</th>
<th>Chg from 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Leave Levy the Same</td>
<td>$3,041,119</td>
<td>44%</td>
</tr>
<tr>
<td>2</td>
<td>Decrease Proposed Levy Increase by Half</td>
<td>$2,570,627</td>
<td>23%</td>
</tr>
<tr>
<td>3</td>
<td>2.44% Increase over 2015 Levy</td>
<td>$2,140,936</td>
<td>2%</td>
</tr>
<tr>
<td>4</td>
<td>No Increase - Last Year’s Levy</td>
<td>$2,089,941</td>
<td>0%</td>
</tr>
<tr>
<td>5</td>
<td>Delete Levy for Building</td>
<td>$2,041,119</td>
<td>-2%</td>
</tr>
</tbody>
</table>

Bromley noted the District has discussed the process other watershed districts had used for funding and had toured their facilities. Westlund stated the District had involved a citizen advisory board, had a public hearing and done outreach to educate the constituents, yet he had not been approached by any constituents.

West stated there is an appreciation for what CCWD does, but she feels there should be a significant plan in place before taxes are levied. Newton responded that there is often a four year lag before building and there is always a two year lag for bonding. Kearns noted that a Project Budget should be developed. Westlund noted that he feels the District still needs “seed” money whether a new building will be built or if an established current building will be purchased. Newton noted BWSR or Legacy Funds may be available for the project also.
Braastad encouraged the District to use caution when entering into contracts with cities to make sure all of their costs are covered. Westlund said the District will look at the Fee Schedule after the first of the year.

Phelps stated the District needs to establish a plan for communicating with the County. Phelps also noted that the District’s management of water affects all of the water downstream and feels that establishes a case for pursuing state funding for the facility.

**ADJOURN**

The meeting adjourned at 6:39 PM on a motion by Hoffman, seconded by Kearns. Motion carried with five yeas (Bromley, Hoffman, Kearns, Phelps, and Westlund) and no nays.

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Byron Westlund, President