



Sunrise River WMO

2241 – 221st Ave
Cedar, MN 55011

DRAFT MINUTES

Sunrise River Water Management Organization Meeting

Thursday January 5, 2023

Meeting was held in person at the East Bethel City Hall

1. Call to Order

Ms. Kantor called the meeting to order at 6:30 pm.

2. Roll Call

Present: Janet Hegland, Tim Harrington, Candice Kantor, Tim Melchior, Leon Mager, Troy Wolens

Audience: Jamie Schurbon, Anoka Conservation District (ACD)
Michelle Jordan, MN Board of Water and Soil Resources (BWSR)
Cameron Blake, Recording Secretary (attending remotely via Zoom)

3. Approval of Agenda

Ms. Hegland moved to approve the agenda and Mr. Wolens seconded this motion. The motion carried with all in favor.

4. Approval of Minutes for November 3, 2022

There were minor edits received from Ms. Kantor and Ms. Hegland that will be incorporated into the minutes.

Ms. Hegland moved to approve the minutes with those edits and Mr. Wolens seconded this motion. The motion carried with all in favor.

5. Financial Reports

A. Treasurer's report

Mr. Harrington reported a beginning balance of \$13,392.22 with an ending balance of \$23,050.80 after two deposits and one debit.

Mr. Schurbon noted in the SRWMO management plan there is a target goal of \$7,500-\$15,000 of reserve funds. Currently the SRWMO has \$12,000 in reserve funds but this will drop to about \$10,000 after the approximately \$2,000 2023 insurance payment.

He also noted that communities had received the 2023 SRWMO invoice and it has been paid in full by Ham Lake and we are awaiting payment from the other communities. So far, all

communities except Columbus have paid the invoice for \$2,000/each toward JPA update expenses.

The SRWMO saved \$500 during the JPA amendment process by not using the facilitator for the last meeting but will use all of the \$4,000 contracted for attorney fees. Mr. Schurbon's time was contracted for \$2,400 but he has spent more time than anticipated and invoiced for \$2,900 with board approval.

Ms. Hegland moved to accept the treasurer's report and Mr. Mager seconded this motion. The motion carried with all in favor.

6. Unfinished Business

A. Review of communities' ordinances for compliance with SRWMO minimums

Mr. Schurbon said Ham Lake and Linwood are currently in compliance, and East Bethel is on track to be in compliance by the end of January. Columbus was on track to be in compliance by the end of December and Ms. Hegland will check in again on the status of this.

B. Sunrise Chain of Lakes Shoreline Stabilizations grant application update

The SRWMO previously directed Mr. Schurbon to apply for a Clean Water Fund grant for lakeshore stabilizations. That application was submitted with ACD as the applicant, and is being funded at \$78,500. SRWMO match funds of \$13,820 were budgeted across 2022 and 2023. There will be additional match from landowners and the Anoka Conservation District as well. An inventory was completed to identify target properties and the plan is to work through the lake associations to reach out to interested landowners from the targeted list and follow up with site visits.

C. SRWMO JPA amendment process update

The administrators and council representatives from all JPA participating communities have met four times to discuss JPA amendments. Agreement had been reached on JPA content and a funding formula was approved by all participating parties except Ham Lake. Ms. Hegland noted Linwood had some non-funding formula related questions they were bringing back to their township board for additional discussion. However, the City of Ham Lake chose not to participate in the final meeting and the funding formula selected was not the one they had indicated was the only acceptable option for them.

Ham Lake is exploring options to leave the SRWMO and URRWMO. Ham Lake has responded to questions from the other communities (in an enclosed letter and response in the board packet) indicating they will not participate in 2024 budgeting but plans to block that budget's approval by not ratifying it. Ham Lake estimates they plan to leave the SRWMO, if possible, at the end of 2023. This creates a stalemate by 2023 approval and ratification of the updated JPA because the current JPA requires unanimous approval of the budget and JPA amendments.

Additional funds will be needed in the future for JPA update work. Regardless of whether Ham Lake leaves, some additional funding will be needed to wrap up the JPA amendments, as the current process consumed all available funds. If Ham Lake does leave,

additional funds will be needed for restructuring of the JPA, WMO boundary, and SRWMO Watershed Management Plan.

WMO budgeting would be affected if one community left. Total costs will be divided by either four communities (if Ham Lake does not leave) or three communities. Both scenarios will be presented in the 2024 draft budget. This will not be an issue for the 2023 budget, as that budget was already ratified by all four SRWMO cities, and Ham Lake has paid their first and second half contributions in full. Mr. Schurbon noted Ham Lake had also paid their invoice for the JPA process.

Michelle Jordan, Board Conservationist from the MN Board of Water and Soil Resources (BWSR), was in attendance to provide some initial guidance and to communicate with the parties involved in this issue. Ms. Jordan explained that the State requires all metro areas to participate in a watershed management organization of some kind; this could be a watershed district (WD), a watershed management organization (WMO), or a county watershed management organization (county-WMO). Another proposed option by Ham Lake is Coon Creek WD absorbing Ham Lake's portions of the current Sunrise River and/or Upper Rum River watersheds, but this has been explored by Ham Lake in the past without support from BWSR, CCWD, or others. One reason it has not been supported is that it would hydrologically split Coon Lake between two watershed management authorities, which wouldn't make sense.

Ms. Jordan explained that Ham Lake cannot take over the state's WMO requirement on their own if they withdraw from the SRWMO. If the SRWMO dissolves the county may be legally obligated to take on the role as a county WMO organization. The Board discussed that county officials have not expressed support for that. Additionally, the county does not have staffing or staffing expertise to take on this responsibility, particularly for such a small area.

BWSR approaches this as to what is in the best interests for the water resources and constituents in the watershed, which is management based on the hydrologic boundary. BWSR also considers what the most cost-effective approach would be.

The board discussed that if Ham Lake wishes to leave, the current JPA requires a 60-day notice process. Alternatively, the other three communities could dissolve the current JPA following the same 60-day notice process and immediately reform the SRWMO under a new JPA consisting of three communities. Ms. Jordan expressed concern that such actions would result in small, disconnected portions of the City of Ham Lake that cannot be managed effectively from a hydrologic or organizational standpoint if the county was forced to take on their management as a county WMO. Ms. Hegland assured Ms. Jordan that if the JPA were dissolved by withdrawal of the three communities (Columbus, Linwood, and East Bethel) it would intend to reform immediately under the terms of the proposed amended JPA, thereby avoiding a major disruption in water management in the SRWMO area.

One additional option Ms. Jordan found in statute was that WMO's may have the ability to have authority outside their jurisdiction per MN Statute 103B.211 subd. 3. Ms. Jordan speculated that this could mean SRWMO would have authority of governing Ham Lake's portion of the Sunrise River watershed if Ham Lake withdraws from the JPA. Ms. Hegland stated that she would not be in favor of such an option as it would mean the SRWMO assuming responsibility and cost with no support from Ham Lake. Ms. Jordan

noted she is not attempting to interpret statute and this is the first time she has heard of this option so she does not know of any examples. A review of the statute followed with multiple interpretations suggested. Mr. Melchior said he believes this would apply as a way to make agreements with communities who are within a hydrologic boundary, not in the JPA, and in practice would likely still pay the WMO to perform the needed management activities. Ms. Jordan discussed getting a legal interpretation of the statute. Ms. Hegland stated that such a review is not needed because representatives from the other communities at this meeting are not supportive of the option.

Ms. Jordan explained there is a potential funding source the SRWMO can apply for to continue working on this issue. BWSR has small grants available through the Performance Review and Assistance Program (PRAP) that are intended to help organizations meet performance standards under statute. It is intended for work on organizational performance strategies, which could potentially include limited legal services. The application process is straightforward and a quick turnaround - usually within a month. There has been discussion at BWSR about dropping the 1:1 match requirement. SRWMO expenditures to date on the JPA revisions could not be considered a match because they occurred before grant execution. Ms. Hegland said she didn't think continued funds for multi-community meetings would be helpful without BWSR's help in addressing Ham Lake's position. She believes Ham Lake is too entrenched and the SRWMO's repeated attempts to bring resolution has failed simply because they want to withdraw from the SRWMO and URRWMO.

The board discussed the boundaries of the SRWMO, the URRWMO, Coon Creek WD, and where Ham Lake lies within them. It was noted that the boundary on the south shore of the south/west bay of Coon Lake were recently updated in some areas by the Coon Creek Watershed District to best match hydrologic boundaries. There are other areas on the western extent of that area that have inaccurate WMO/WD boundaries, as the boundary is on the lakeshore. Because of this, some lakeshore parcels that could clearly drain to Coon Lake (Sunrise River watershed) are legally in the Coon Creek Watershed District and paying taxes accordingly. Mr. Schurbon explained that those boundaries were probably created in the past when that area was a single or few parcels and the organizational boundaries were best fit to parcel lines. Now the area has many smaller parcels.

Mr. Wolen expressed frustration as a Ham Lake resident as he believes he is paying taxes to both the SRWMO and the Coon Creek WD. He also noticed a difference in cost and difficulty of regulatory processes in the Coon Creek WD as opposed to the SRWMO. Ms. Hegland explained the communities have different strategies for taxing their residents. Ham Lake chooses to do a general levy on the entire community to pay for the WMOs, so a resident could be paying for multiple WMOs while only living in one. Residents can request to see Ham Lake's levy breakdown but their tax statement does not come with it already broken down.

The board expressed concern that there have been communication problems that have been making this matter more difficult to resolve. There is a concern that Ham Lake city council has not been receiving all communications regarding this matter. The other communities have had a council liaison attending meetings, but Ham Lake has not. Offers from other community council members to attend a Ham Lake city council meeting have been

turned down. The information communicated by staff in Ham Lake city council meetings has been incomplete or seemingly skewed, and city staff reporting back council decisions that are not in council meeting recordings. Ms. Hegland noted that one meeting she had in 2022 with Ham Lake Councilmember Kirkeide was most productive, helping to understand the city's concerns and find solutions. The board reiterated its desire to have direct in-person communications with the Ham Lake city council to improve communications.

The board discussed the historic and current issues Ham Lake is expressing. This includes the concern that it is not equitable for the city to pay an equal share (25%) of operating expenses when their land area and number of projects in the SRWMO is small. It was noted that this concern was discussed in 2019 when the communities agreed to narrow the budget lines deemed to be meeting the definition of operating expenses. The concern was further discussed at recent 2022 meetings of the communities.

The board believes participation in the SRWMO is the most cost effective way for Ham Lake to continue meeting state requirements and that costs to taxpayers would likely increase significantly if the county or a watershed district took over management. They also noted the cost of this process is costing more than Ham Lake's annual contribution to the SRWMO.

Ms. Hegland asked Ms. Jordan if BWSR can work with Ham Lake separately and allow the SRWMO to dissolve and re-form without them so the SRWMO can continue performing their management plan activities, including ratifying the 2024 budget, to avoid becoming an organization that is unable to implement their watershed management plan. Ms. Jordan said BWSR can be present in upcoming meetings to provide guidance based in statute. The board agreed any future meetings with Ham Lake needed to include council members from all communities and noted again that they have run out of money for the JPA update process.

Ms. Jordan explained that BWSR would want to know what would happen to Ham Lake's portion of the watershed district before the SRWMO dissolves and re-forms. She doesn't want the SRWMO to spend funds moving forward if BWSR ultimately decides only other options are acceptable.

Ms. Jordan explained the PRAP grant funds can be used for JPA work if it is part of a broader performance evaluation or performance enhancement. The funds can't just be used to dissolve and re-form the SRWMO JPA. Ms. Hegland and Mr. Schurbon explained the process of finalizing the JPA update would likely not take much time or funds. Mr. Schurbon noted it would be hard to apply for funds without assurance Ham Lake will participate in any further process. Ms. Jordan agreed and said it would be helpful to have a third party present in a future meeting where options can be laid out to all the parties. Ms. Hegland commented that the JPA update process began with a facilitator but that did not improve matters with Ham Lake and so she believes the third party must be BWSR. Mr. Wolens will be meeting with two city council members next week and will let them know there is a funding source to continue to engage in this process.

Ms. Jordan will attempt to coordinate a meeting to further discuss the JPA update and Ham Lake's concerns. The meeting should include the administrator and at least one councilmember from each SRWMO community, the CCWD, BWSR, and maybe the county.

At that meeting it can be determined if there is willingness to engage in additional processes that would be eligible for a PRAP grant. Ms. Jordan will have internal meetings with BWSR to prepare different scenarios for them to consider. Ms. Hegland requested BWSR consider the SRWMO's willingness to work with BWSR and desire to remain an implementing organization in their decision process.

7. New Business

A. Bylaws

In the updated JPA, the member communities are giving the SRWMO board the authority to develop and approve bylaws. The attorney has prepared a first draft. Mr. Schurbon said the board can review the draft and send comments that he can store until work on the JPA resumes.

B. Linwood Township 22529 Martin Lake Dr stormwater pipe issue

No further communication has occurred on this topic. The county responded to the data request.

C. 2024 Budget

Michelle Jordan left the meeting.

The board reviewed a draft of the 2024 budget which Mr. Schurbon prepared two versions of: one assuming three communities and one assuming four. The board gave Mr. Schurbon direction on several points in the draft 2024 budget.

- Remove line 54 (costs of JPA, boundary, and plan amendments if Ham Lake leaves). These expenses, if later found needed, and finishing JPA updates will be separate requests to the member communities.
- Row 3 (aerial photos) will be maintained at \$0. The SRWMO had previously rejected the county's request for aerial imagery funds and Mr. Schurbon confirmed the county acknowledged the SRWMO's issue with the county asking WMO's and cities for the same expense.
- Row 13 (website platform update) left as is but needs to be revisited with more information at the next meeting.
- Row 37 (lake level monitoring) was changed from \$350 (an error) to \$1,650.
- Row 25 (cost share fund) was kept at the recommended \$1,000. It may supplement the Sunrise Chain of Lakes Shoreline Stabilizations grant.

The board discussed changing the SRWMO website in 2024 to a stronger platform with improved security. The one-time cost would be \$1,200. The board decided to include this in the 2024 budget as there will be time to do research and make recommendations on options in 2023. Mr. Melchior will connect with the SRWMO's website contractor Barb Bauman and Mr. Schurbon and look at the options presented. Ms. Hegland will find out what platform Columbus recently began using. More website information will be brought to the February meeting. In the meantime the board agreed the current website needs to have SSL added as soon as possible.

Ms. Hegland moved to spend \$70 from the SRWMO reserve funds to add SSL for the SRWMO website and Mr. Melchior seconded this motion. The motion carried with all in favor.

The board will review the updated draft 2024 budget at the February meeting.

8. Mail

Mail included:

- Certificate of excellence from MN Counties Intergovernmental Trust (MCIT) for the SRWMO loss ratio from 2017-2021.
- Bulletin from MN Counties Intergovernmental Trust (MCIT).
- Notice from MN Counties Intergovernmental Trust (MCIT) for the intergovernmental trust annual meeting that occurred on December 5th.
- Survey of local government finances from the U.S. Department of Commerce Census Bureau. Mr. Schurbon explained he also received this survey by email and completed it.

9. Other

10. Invoice(s) approval

A. Recording Secretary services for November 2022 meeting (\$200)

Mr. Wolens moved to and Ms. Hegland seconded to pay the invoice #110322, payment for \$200. The motion carried with all in favor.

11. Adjourn

Mr. Harrington moved to adjourn the meeting and Mr. Melchior seconded this. The motion carried and Ms. Kantor adjourned the meeting at 8:42PM.

Upcoming Meeting Dates: 2023 - February 2

Submitted by:

Cameron Blake