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Posted: May 2, 2014

## CRYSTAL CITY COUNCIL SECOND WORK SESSION AGENDA

Tuesday, May 6, 2014

To immediately follow the Regular City Council Meeting  
Conference Room A

Pursuant to due call and notice given in the manner prescribed by Section 3.01 of the City Charter, the second work session of the Crystal City Council was held at \_\_\_\_\_ p.m. on Tuesday, May 6, 2014 in Conference Room A located at 4141 Douglas Drive, Crystal, Minnesota.

### I. Attendance

<u>Council members</u>	<u>Staff</u>
____ Libby	____ Norris
____ Peak	____ Therres
____ Selton	____ Revering
____ Adams	____ Mathisen
____ Budziszewski	____ Peters
____ Deshler	____ Norton
____ Hoffmann	____ Serres

### II. Agenda

The purpose of the work session is to discuss the following agenda items:

- Bassett Creek Watershed
  - Proposed amendment to Joint Powers Agreement
  - Medicine Lake controlled lake level
- Public Works facility project update

### III. Adjournment

The work session adjourned at \_\_\_\_\_ p.m.

*Auxiliary aids are available upon request to individuals with disabilities by calling the City Clerk at (763) 531-1145 at least 96 hours in advance. TTY users may call Minnesota Relay at 711 or 1-800-627-3529.*



## COUNCIL STAFF REPORT

### Bassett Creek Watershed Issues Work Session

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**FROM:** Tom Mathisen, Public Works Director & City Engineer

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**TO:** Anne Norris, City Manager (for May 6 Council Work Session)

**DATE:** May 1, 2014

**RE:** Comments on Joint Powers Amndmnt & Md Lake Level Control

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The Bassett Creek Watershed Management Commission is seeking comments from the nine member cities city councils on the following two items:

Proposed amendment to the Joint Powers Agreement (JPA) between the cities.

Medicine Lake dam/control structure and control elevation.

Attached is a draft amendment to the Joint Powers Agreement by which the Bassett Creek WMO (BCWMO) was originally formed. The existing JPA expires in 2015. For the BCWMO to continue to operate in its current form, it will be necessary for the Council to adopt the amendment by the end of 2014, extending the JPA another 10 years to January 1, 2025.

Also attached is a history of Medicine Lake water levels from the perspective of the BCWMO, along with comments from Crystal Commissioner Guy Mueller. A number of lakeshore property owners, along with an apparent majority of the City of Medicine Lake City Council, are spearheading a movement to study raising the control elevation of the lake as a defense against low lake levels during dry weather conditions. Undertaking such a study and any potential follow-up project has many legal, cost, and practicality issues.

Staff and Commission Mueller will be at the work session to discuss the issues and answer questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tom Mathisen', written over the typed name.

Thomas A. Mathisen  
City Engineer

**AMENDMENT TO JOINT AND COOPERATIVE AGREEMENT  
FOR THE ESTABLISHMENT OF A BASSETT CREEK WATERSHED  
MANAGEMENT ORGANIZATION TO PLAN, CONTROL  
AND PROVIDE FOR THE DEVELOPMENT OF BASSETT CREEK**

THIS AMENDMENT is made and entered into as of the date of execution by all of the cities of Crystal, Golden Valley, Medicine Lake, Minneapolis, Minnetonka, New Hope, Plymouth, Robbinsdale and St. Louis Park, Minnesota (hereinafter collectively referred to as the “Parties”).

WITNESSETH:

WHEREAS, the Parties entered into a Joint Powers Agreement entitled the JOINT AND COOPERATIVE AGREEMENT FOR THE ESTABLISHMENT OF A BASSETT CREEK WATERSHED MANAGEMENT ORGANIZATION TO PLAN, CONTROL AND PROVIDE FOR THE DEVELOPMENT OF BASSETT CREEK (the “Joint Powers Agreement”); and

WHEREAS, the Joint Powers Agreement established the Bassett Creek Watershed Management Commission (the “Commission”), a watershed management organization pursuant to and in accordance with the Metropolitan Surface Water Management Act, Minn. Stat. § 103B.201, et seq., and Minn. Stat. § 471.59; and

WHEREAS, the Joint Powers Agreement, as amended, expires by its terms on January 1, 2015; and

WHEREAS, the Parties have determined that it is reasonable, prudent and in the best interest of the public to extend the term of the Joint Powers Agreement as hereinafter provided.

NOW, THEREFORE, on the basis of the premises and mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

1. Article X, Subdivision 1 of the Joint Powers Agreement is amended to read as follows:

Subdivision 1. Each member agrees to be bound by the terms of this agreement until January 1, 2025, and it may be continued thereafter at the option of the Parties.

2. Article X, Subdivision 2 of the Joint Powers Agreement is amended to read as follows:

Subdivision 2. This agreement may be terminated prior to January 1, 2025, by the unanimous consent of the parties. If the agreement is to be terminated, a notice of the intent to dissolve the Commission shall be sent to the Board of

Water and Soil Resources and to Hennepin County at least 90 days prior to the date of dissolution.

3. Except as modified herein, the Joint Powers Agreement shall remain in full force and effect.

4. This Amendment shall be effective upon approval by the City Councils of all of the Parties and the execution of this Amendment by all of the Parties. Upon receipt of certified copies of resolutions approving this Amendment and copies of the Amendment executed by all of the Parties, the Secretary of the Commission shall supply to the City Clerk of each of the Parties a copy of the resolutions and of the signed Amendment.

5. This Amendment may be executed in several counterparts, each of which, when assembled to include an original signature for each of the Parties, will constitute a complete and fully executed original.

IN WITNESS WHEREOF, the undersigned, as duly authorized by action of their City Council, have caused this Agreement to be executed in accordance with the Authority of Minn. Stats. §§ 103B.211 and 471.59.

*[SIGNATURE LINES FOR CITY OFFICERS TO BE ADDED WHEN AMENDMENT IS IN FINAL FORM AND READY FOR ADOPTION]*



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## Bassett Creek Watershed Management Commission

### History of Medicine Lake Water Level Issue with BCWMC (Updated March 2014)

**October 2009:** Memo from BCWMC to AMLAC on recent low water levels. Barr prepared a memo that reported on lake levels throughout the metro area as well as precipitation data. The memo also noted the level of the dam would not have an effect on the drought conditions in the lake.

**June 2010 BCWMC Meeting:** Responding to a request from the City of Medicine Lake to conduct hydrologic/hydraulic analysis and environmental assessment of the Medicine Lake Dam at Bassett Creek. The Commission directed Barr Engineering to meet with the Medicine Lake City Council regarding the issue and to provide an estimate of costs for further study.

**August 2010 BCWMC Meeting:** Memo provided by Barr reported on the meeting with Medicine Lake. There was discussion about forwarding the issue to the Technical Advisory Committee. However, the Commission took a motion to not forward the issue to the TAC. (In the past, the TAC recommended that dredging of Medicine Lake to improve water quality and provide better access *not* be added to the Commission's CIP program.)

**November 2011:** Written request from AMLAC to create a document that combines all pertinent data and information regarding the dam for broadcast among residents so that facts could be succinctly and accurately conveyed.

**January 2012 BCWMC Meeting:** In response to the above request, some discussion but tabled to March 2012 meeting.

**March 2012 BCWMC Meeting:** Much discussion about the Commission's role in this issue related to the priorities of the organization (flood control and water quality) and which entity should be responsible for contacting the DNR about the project. No action taken.

**August 2012:** Request from AMLAC to install controllable weir at ML dam (via email).

**October 2012 BCWMC Meeting:** Information presented on the dam and history of the water level issue. BCWMC discussed the issue and recommended that AMLAC work with cities of Plymouth and Medicine Lake and Hennepin County to discuss and determine "hurdles" before bringing a proposal to the BCWMC because conversations with those entities pre-empt the Commission. The Commission also noted that communication with the DNR is vital.

**June 2013 Watershed Summit and Survey:** The majority of the attendees prioritized the dam issue as their most important issue in the watershed. Multiple survey respondents commented on the degraded recreational capacity of Medicine Lake and low water levels.

**September 2013:** Commission Administrative Services Committee directs Commission Administrator to poll all Medicine Lake stakeholders regarding their priority concerns. (Compilation of responses here: <http://www.bassettcreekwmo.org/Medicine%20Lake/MedicineLake-Home.htm>)

**November 2013 BCWMC Meeting:** Commission approves process for moving forward on the issue and sends a letter to all stakeholders indicating the Commission's plan to:

1. Continue to gather information from all stakeholders on the issues within the lake, where they are occurring, what uses are being impacted and how each stakeholder prioritizes the issues.
2. Direct Commission Engineer to develop a list of components needed to study raising water levels and a ballpark figure for completing such a study in order to inform the issue.
3. Host a large meeting or summit of all stakeholders early in 2014 (facilitated by a third party) in order to share information and ideas, dispel miscommunication, hear from experts to learn more about issues and how they could be addressed, decide together on the next possible steps

**January 2014 BCWMC Meeting:** Commission receives "List of Components and General Budget for Study of Outlet Modifications" from Commission Engineer.

[http://www.bassettcreekwmo.org/Meetings/2014/2014-January/6Ciii\\_Med%20Lake%20outlet%20study%20costs.pdf](http://www.bassettcreekwmo.org/Meetings/2014/2014-January/6Ciii_Med%20Lake%20outlet%20study%20costs.pdf)

**March 4, 2014:** Commission hosts Medicine Lake Stakeholder Meeting at Plymouth City Hall. Meeting includes third party facilitator, presentations from several technical experts, small group discussion on the issue. (36 attendees; 18 of which were lake homeowners)  
<http://www.bassettcreekwmo.org/Medicine%20Lake/MedicineLake-Home.htm>

**March 19, 2014:** AMLAC Board requests that the Commission form a task force, comprised of a representative from each stakeholder, to study and gather facts & data about the possibility of installing a variable weir at the Medicine Lake dam such that water is retained for longer periods.

## Tom Mathisen

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**From:** Guy Mueller <guymueller1@gmail.com>  
**Sent:** Friday, March 28, 2014 4:26 PM  
**To:** Anne Norris; Jim Adams; 'Dan Johnson'; Tom Mathisen  
**Subject:** Medicine Lake Water Levels--Basset Creek Watershed Management Commission (BCWMC)  
**Attachments:** History of Med Lk Water Level Issue Updated Mar 2014.docx

Dear Jim, Anne, Tom, and Dan:

The Bassett Creek Watershed Management Commission (BCWMC) is seeking guidance from its respective member cities, including Crystal, concerning the issue of whether or not and, if so, how to increase water levels in Medicine Lake. I included Dan Johnson on this email, because he was the prior appointed commissioner for the BCWMC and he may have some thoughts to share on this matter. If corrections or clarifications are needed in any of the background information that I present below are needed, please let me know.

Replacing the fixed dam at the outlet of Medicine Lake with a variable weir is a concept supported by many members of AMLAC (Association of Medicine Lake Area Citizens), most of whom are shoreline property owners. The proponents believe that higher water levels will improve the recreational qualities of the lake for swimming and boating, and they want the BCWMC to take ownership of this issue. The objective would be to manage the outlet flows in a manner similar to that of Lake Minnetonka's variable outlet structure at Grays Bay, which is the source of Minnehaha Creek. In addition to recreation, the weir could be lowered in the fall in anticipation of the spring "bounce" and thereby possibly mitigate spring-time downstream flooding risks, which would be a benefit to some Crystal residents and property owners.

Making changes to the outlet dam is a complicated issue that involves numerous legal, engineering, and political requirements, including approval by the DNR and, if flowage easements are required, consent from ALL shoreline property owners. The dam itself is owned by Hennepin County, not by the BCWMC. Surveys, studies, and environmental impact analyses would be required. If water levels are increased, some shoreline property owners might be subject to increased flooding risk and thus logically refuse to sign off on any required easements. Excessive restriction of lake outlet flows during droughty periods might dry up the creek and thus adversely impact the downstream watershed's aesthetic and ecological attributes. Moreover, given the huge water losses through direct evaporation, there is some concern that "plugging" the dam might be insignificant in its contribution to retaining water levels during prolonged hot, dry spells. Aquifer depletion is another variable possibly affecting lake water levels. Finally, if the BCWMC were to be responsible for operating an adjustable weir, significant ongoing operating expenses would be involved—qualified personnel, legal, insurance, etc. Focus on this project, both the engineering studies and the capital costs, would probably mean the deferment of other projects in the watershed.

Although the BCWMC has considered the Medicine Lake issue at some length and has obtained input from various stakeholders, the Commission has yet to formulate a formal policy or strategy for dealing with it. For a history of the Commission's involvement with the Medicine Lake issue, see the attached document.

Even though the BCWMC has taken many constructive steps (see attached), I believe that it would be prudent for the Commission to take a stronger leadership role in resolving this issue. Simply tabling the issue for further consideration may have implications for the expiration of the BCWMC's Joint Powers Agreement. The City of Medicine Lake may not sign the new JPA amendment due to the Commission's reluctance to raise water levels in the lake. If the current watershed management organization dissolves, State Statute still requires that a Watershed District be formed. I don't know what exactly might be entailed in the creation of a new Watershed District, but it might mean a new organization that operates more independently of the watershed's constituent cities or even one that becomes dominated by a minority of overly motivated special interests.

The questions before us and for which we seek the City Council's input are as follows:

- Should the BCWM Commission continue to facilitate a discussion of stakeholders on this issue, including spearheading a task force and cooperating on next steps?
- Should the Commission further study the dam, the possibility of replacing the structure with a variable weir, and/or the hydraulic, hydrologic, and ecological implications of making changes to the outlet?
- Do you have other ideas of how the Commission should proceed?

Please take up this matter at your next city council study session and reply back as soon as possible. If you like, I can attend this session.

*Guy Mueller*

*BCWMC Commissioner—City of Crystal*

763-218-6418 (cell)

[guymueller1@gmail.com](mailto:guymueller1@gmail.com)

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Minneapolis, MN 55422



## **COUNCIL STAFF REPORT**

### **Update on Public Works Facility**

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**FROM:** Patrick Peters, John Sutter, Tom Mathisen, Charles Hansen

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**TO:** Anne Norris, City Manager (for May 6 City Council Work Session)

**DATE:** April 30, 2014

**RE:** Public Works facility update – Property acquisition, facility design & budget

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Much has taken place over the past several months with regard to activities pertaining to the city's proposed Public Works facility. Staff thought it important to provide Council with an update on those activities at the May 6 Work Session.

#### **PROPERTY ACQUISITION**

##### **[unaddressed 09-118-21-24-0015]**

- Vacant land (previous owner: Washburn-McReavy)
- Closed on acquisition on March 28 for \$34,000

##### **5025-5027 West Broadway**

- Formerly Metro Law Office
- Closed on acquisition on March 7 for \$450,000
- The law office is leasing it back from the city while they purchase and move into 5618 56<sup>th</sup>
- Move-out deadline is May 19

##### **5017 West Broadway**

- Vacant land (Gisslen/Dempsey)
- The city's appraisal was \$126,000 (the owner rejected the city's \$165,000 last written offer)
- City is in litigation with the owner. The compensation award will be determined by a court-appointed panel later this year. In the meantime, the city is depositing \$126,000 with the court and will take title to the property on May 8.

##### **4947 West Broadway**

- Formerly Word of Faith Ministries
- Closed on acquisition on March 24 for \$2,000,000
- Word of Faith is leasing it back from the city while they move to a new location; move-out deadline is May 7

## **FACILITY DESIGN**

Kodet Architectural Group has been producing building and site designs on an on-going basis for review and comment by senior staff and Public Works supervisors and crews. The design process was informed by staff tours of newer municipal maintenance facilities in West St. Paul and Elk River and a MnDOT facility in Richfield earlier in the year. Kodet also used a questionnaire to garner input on various aspects of the new facility from Public Works employees.

Following several Kodet-led design sessions with senior staff members and department supervisors, Kodet prepared the preliminary site and building plans that were presented at the April 21 neighborhood open house, which was attended by a total of twelve nearby residents, Planning Commissioners and Council Members. Comments received were favorable for the most part, but one concern was raised in particular about the need for better buffering and screening along Fairview.

Staff has since provided a list of recommended modifications to Kodet, and they are preparing revised site and building plans for submission to the Planning Commission. At its June 9 meeting the Commission will consider land use applications for site and building plan review and a Conditional Use Permit for outdoor storage.

## **PROJECT BUDGET**

The projected budget for the new facility as of December 4, 2013, was \$12.85 million. Of that amount, it was anticipated that \$3,000,000 would be expended for land acquisition, \$8.4 million for the building and site improvements and approximately \$1.4 million in soft costs. There will be costs, as yet to be determined, associated with the demolition of the existing Streets/Parks building and the cold storage building at the current site.

To date, acquisition-related expenses total approximately \$2.6 million, with some undetermined relocation expenses for 4947 and 5025/27 West Broadway still outstanding, and acquisition costs for 5017 West Broadway yet to be determined. Building and soft costs remain on target.

At the November 14, 2013 Work Session, Council determined to use a self-funding approach to finance the new Public Works facility, whereby the Major Building Replacement Fund (MBRF) would be drawn down by \$10,000,000, and other fund balances (Utilities, EDA, etc.) would contribute the balance. What remains unclear is whether it is the intent of the Council to replenish the MBRF by continuing the annual levy of \$563,153 related to the Highway 81 bonds after they are paid off in anticipation of future capital building projects. While this issue is no longer related to the financing of the Public Works facility, it remains unresolved and is on the agenda for discussion at the May 8 Council Work Session.

## **PROJECT TIMELINE**

Major project milestones include the following (*all dates are tentative*):

Projected Date	Activity
May 16, 2014	<ul style="list-style-type: none"> <li>▪ Application submitted for 6/9/14 Planning Commission hearing</li> <li>▪ Asbestos and miscellaneous hazmat survey completed and price quotes requested from abatement and demolition contractors</li> </ul>
May 23, 2014	<ul style="list-style-type: none"> <li>▪ Selection of abatement and demolition contractors</li> </ul>
June 9, 2014	<ul style="list-style-type: none"> <li>▪ Planning Commission holds public hearing, considers building/site plans and CUP</li> </ul>
June 13, 2014	<ul style="list-style-type: none"> <li>▪ Abatement complete</li> </ul>
June 17, 2014	<ul style="list-style-type: none"> <li>▪ Council considers building/site plans, CUP, variances and vacations</li> <li>▪ Council authorizes bid advertisement and specifications for construction</li> </ul>
July 3, 2014	<ul style="list-style-type: none"> <li>▪ Demolition complete</li> </ul>
July 15, 22 <u>or</u> 29, 2014	<ul style="list-style-type: none"> <li>▪ Council awards bid for construction <i>(As it stands today, the current schedule of project activities likely will not coincide with the only Council meeting in July, scheduled for the 15<sup>th</sup>. The Council may need to consider holding a special meeting on either July 22 or 29 to keep the project on schedule.)</i></li> </ul>
August 1, 2014	<ul style="list-style-type: none"> <li>▪ Commence construction</li> </ul>
June 30, 2015	<ul style="list-style-type: none"> <li>▪ Complete construction</li> </ul>