

**WORKSHOP MEETING
OF THE COUNCIL OF THE
CITY OF VADNAIS HEIGHTS
MARCH 16, 2016**

The workshop meeting of the Council of the City of Vadnais Heights was held on the above date and called to order by Mayor Johannsen at 5:30 p.m.

The following members were present: Mayor Marc Johannsen, Councilmembers: Terry Nyblom, Craig Johnson, Bob Fletcher and Jerry Auge.

Also present were: Administrator Kevin Watson, Fire Chief Ed Leier, Planning/Community Development Director Carie Fuhrman, Finance Director Bob Sundberg, and Attorney Caroline Bell Beckman. Visitors included Harry Melander, Jim Markoe, Greg McNeely, and James Clark (Friends of White Bear Lake), Jim Dustin, and VHEDC Executive Director Ling Becker.

1. White Bear Lake Augmentation Discussion with Friends of White Bear Lake

James Clark thanked the Council and apologized for being late to come and see them.

Harry Melander thanked everyone for the opportunity to come and speak with the Council. He apologized – they have been focusing on the five communities that adjoin White Bear Lake. Friends of White Bear Lake is a group put together last summer – they live on the lake, off the lake, outside the area – to focus on the lake. An interim solution is augmentation. They have been going around talking to surrounding communities, and our theme is “just don’t say no.” They know there are a lot of unknowns. They have some interest at the Capitol and some of the communities around the lake. Things need to get asked; if this is stopped, we can’t even have the conversation. They have concerns as well. There is a consistent theme they are hearing. They are dropping the bill tomorrow in both the House and the Senate. There will not be a number on it. They think they have great interest from the Governor, and interest in the House and Senate. Representative Dean and Senator Wiger are the authors of the bill. They had a tour with the bonding committees; they are starting to see the visual and the impact.

Fletcher asked what the number is to complete the augmentation.

Harry Melander said \$4 to \$6 million to look at engineering, design, study, etc.

James Clark said the range goes from \$26 to \$100 million for construction. Engineers from SEH and EOR are agreeing to disagree on some of the numbers. He doesn’t think they will have an accurate number for this legislative session.

Councilmember Fletcher said some legislators are quoted saying they don’t want to fund a full 100%. If gets to point of partial funding – what’s the concept for the remaining funding?

James Clark said WBL Conservation District would be the fiscal agent. It’s up to communities and legislature as far as taxing authority. It could go from one city to regional to the entire state paying for

the project. Senator Bakk said it should be 100% state bonding dollars. They wouldn't get it all this legislative year. They would go for it next year.

Mayor Johannsen stated he understood the lawsuit – how do you deal with the judge with the meter running?

Harry Melander stated they are here as Friends of White Bear Lake and not to comment on the lawsuit.

Jim Markoe stated the Friends of White Bear Lake was created to look at how to solve this problem – augmentation is an interim solution until another solution comes out. 11 Board members; 2 of them have been involved with the lawsuit; he is involved. In the settlement, the agreement says they reserve the right to pursue augmentation.

Mayor Johannsen stated that he read the lawsuit. We're talking about planning dollars here; our concern is that agreement implicated Vadnais Heights and all the other surrounding communities. We have to be prepared for it to be reactivated. We need some assurance with what is going to happen there. That is a real question that will need to be dealt with. Plaintiffs need to think about that long and hard.

Jim Markoe asked what are the concerns of the Council and citizens of Vadnais Heights.

Mayor Johannsen responded that there are multiple concerns, including the potential of some large taxing jurisdiction to have to pay to augment White Bear Lake.

Jim Markoe responded that is not anything they are proposing or would support.

Mayor Johannsen stated that we also don't know if the science has been resolved. What if the lake is still not full after going through all of this? We do not want to take away the ability to provide water to our residents; this could affect providing water to our residents and forcing us to go onto St. Paul Water System.

Jim Markoe stated that he and Greg (McNeely) went with James (Clark) and visited with all the local legislators. They talked about the surface water switch over – each legislator said it's not something they're interested in. So, they said they will step back. He was approached by business people in the White Bear Lake area, and they asked the question of how do we fix the lake? There is a problem here – it's a shadow of what it used to be, especially in the summer. They are focused on fixing the lake. The surface water switchover is a separate path. There is a court date set for March 6th if they don't make progress with something. The judge is going to get back involved.

Councilmember Fletcher stated that he thinks most people would agree that White Bear Lake is a regional asset. We would also say that our lakes are regional assets as well. We haven't been at the table through the process, probably by design, which is fine. We have questions on the science.

Jim Markoe stated the lake level is at 921 or 921.5. The records go back 150 years, but accurate data goes back 110 years. 100-year median is 923.5. It is a 1.5 feet below the 100-year median. Sixty years ago it was actively being augmented. DNR would say that was artificial because wells were taking it

back out. 925 is the Ordinance High Water Level (OHWL). Other lakes are at their OHWL right now without augmentation.

Councilmember Johnson asked if WBL has any feeder lakes.

Jim Markoe responded that it is up on a plateau, wetlands, there is a creek that flows in near Dellwood. No real tributaries. With an inch of rain, the lake goes up 0.5 inch. It's difficult to understand. Part of it is that the dry areas soak up moisture, and also as the lake fills up, water seeps out to the aquifer. SEH Engineer said if you put a billion gallons in the lake, it would stay. Gillfillan and Snail Lake were designed by this Engineer.

Fletcher asked what the target water level is.

Jim Markoe responded the target is 924. Ramsey County Beach has been closed for years. Beach doesn't open until it gets to 923.5, but not good swimming until 924.

Councilmember Fletcher asked if they would let them make a beach back there anyways.

Jim Markoe says it will die. The DNR says you can take any non-aquatic species anytime.

Councilmember Fletcher asked what is going to change if the lake level goes up.

Mayor Johannsen stated that whatever is happening is not going to affect our lake quality, shoreline, or what is happening upstream.

Jim Markoe said they prefer the Vadnais Lake augmentation option (versus Snail Lake) because of the water quality. Also, there is Highway 96 construction work going on, so can't tear it up, and there are so many utilities. Vadnais Lake has much better water quality. Phosphorus levels are much lower.

Councilmember Fletcher stated taking two billion gallons of water away means two billion gallons coming in that we would not normally have coming in to our lake system. We have to balance our water quality. Clearly, if 15 billion gallons of water is going to St. Paul Water, your two billion is going to move that water into our lake and cause more sedimentation than we are used to. We don't want to lose it. Science, water, and money are the issues; massive construction is a concern as well.

Jim Markoe stated this came up at DNR meeting. His understanding is it would not increase the flow in any way. They run the water through a chain of lakes and it is dumped back into the river. They have seven billion gallons of excess.

Jim Dustin worked for St. Paul Water for 33 years and stated that was not true. They measured levels, tested it, they would have to put a pump on to continue. They don't dump anything back into the Mississippi River. Vadnais Lake is the end of the chain; goes into two conduits to the Treatment Plant on Rice Street.

Councilmember Nyblom asked about efforts for Bald Eagle Lake augmentation.

Jim Markoe stated the conversation has gone on for seven years. The water quality of Bald Eagle Lake is unbelievably high in phosphorus and other organic matter.

Councilmember Auge pointed out it is a shorter distance.

Jim Markoe has been told it is not feasible because of water quality and it has a huge watershed – 15 times the size of the lake – so all sediment comes into Bald Eagle Lake.

Councilmember Fletcher asked if they could use that water, but don't want to.

Jim Markoe stated the DNR wouldn't let them, unless an expensive treatment facility was constructed. He went on to explain that a 1,500 square foot facility would be needed for a treatment facility for the Vadnais Lake augmentation option. It would be architecturally designed and fit with the neighborhood, aesthetically-pleasing, unobtrusive to sound levels.

Councilmember Auge asked about tearing up Centerville Road.

Jim Markoe said it will disrupt the neighborhood. The idea would be to cause disruption and replace the road in a better condition than it is currently in.

Harry Melander stated that he's had this conversation with every community they've been into. All they are asking of the five communities, and now Vadnais Heights, is just not to say no. Let them continue to have the conversation and answer all of those questions. They want to be able to answer those questions and get legitimate numbers and continue the conversation.

City Administrator Watson questioned if it was worth the exercise to explore all the different augmentation options, or using greywater effluent.

Harry Melander stated he believed all those things will be looked at.

Councilmember Nyblom asked about pumping water from West Goose Lake.

Jim Markoe says it would need to be treated, but quantity is small. All of those options have been looked at – Koehler, St. Croix River, Bald Eagle Lake, wastewater treatment plant, etc. – by the Met Council two years ago. All were taken off the table after the initial engineering study by SEH.

The City Council thanked the gentlemen for attending.

2. Discussion of Community Survey Questions

There were no changes to the community survey questions.

3. Discussion of Potential Lobbyist Representation regarding WBL Augmentation

Administrator Watson reached out to James Clark, LGN (Lockridge Grindal Nauen), and FBD (Faegre Baker Daniels). They would represent us differently. LGN is \$25,000 per year, and FBD is \$10,000.

LGN would be a better service to us. FBD would be just one representative and may not get the reach that we would be looking for. LGN would go to various meetings for us. Once they get this ball rolling, the commitment is there.

Councilmember Fletcher stated it is either now or never.

Mayor Johannsen is supportive of us hiring someone.

Councilmember Fletcher asked if the Friends of White Bear Lake were aware of the City's sentiment on the project.

Administrator Watson stated there is a resolution asking the Council to defer any commitments on tonight's agenda. Watson told them that there is a concern from Vadnais Heights.

Councilmember Johnson asked if the train has already left the station, why have a lobbyist.

Mayor Johannsen stated if we're not involved, they're going to make a deal for us.

Administrator Watson stated this is political, and they're letting the science catch up to it.

Councilmember Fletcher stated the lake level isn't even down that far. The question is if they are willing to pay for the entire thing and we didn't have to pay for a penny, would we still want answers for the science of the water.

Councilmember Auge stated we're going to be impacted the most.

Councilmember Fletcher stated we have to say no to start.

Administrator Watson stated our strongest argument is what is the impact to our lake.

Councilmember Fletcher stated White Bear Lake has come up 3.5 feet in the last 3 years.

Councilmember Auge stated he doesn't think lakes are up to their OHWL at this time.

Councilmember Nyblom stated he didn't think it was a regional asset because it has houses all around it.

Councilmember Auge stated they could solve the beach by dredging the shoreline.

Councilmember Fletcher stated the problem is if we decide by saying no – these lobbyists are too closely tied to Representative Dean to say no.

Administrator Watson stated we don't want them to make that commitment; we want them to study this first. We're at a disadvantage by saying no and everyone else is saying yes.

Councilmember Johnson said if we're paying a lobbyist, I want them to say no.

Councilmember Fletcher stated it is identical to an economic bailout. The biggest beneficiaries of this \$100 million are the businesses and homes on the lake. A lobbyist helps us track what's happening.

Mayor Johannsen feels comfortable with the Lockridge Group.

Councilmember Fletcher stated no to plans and design, yes to more science. We don't want them funding design; okay with the state funding more studies. He's having a hard time seeing the positive.

Councilmember Auge stated he doesn't see a positive.

Mayor Johannsen stated he is afraid they're going to try and tax us. It's a good lake and part of our regional identity.

Councilmember Auge said he served on the Watershed District up in Annandale for a time. They took lakes with a lot of nitrogen, cleaned them up, and ran it into our lake.

The consensus was to hire someone.

Mayor likes LGN.

Councilmember Sundberg says there's \$50,000 in contingency that could be used.

Councilmembers Fletcher and Nyblom indicated they were comfortable with either one. Councilmember Auge is comfortable with that.

4. Discussion of Medical Marijuana Zoning Code Amendment

Planning/Community Development Director Fuhrman introduced the background for the Medical Marijuana Zoning Code Amendment. There is no one knocking on the door of Vadnais Heights; this is more to be prepared if and when the Statute changes; it is always best to be proactive with the Zoning Code when possible. The Planning Commission has studied this topic for quite some time and provided their recommendations to the City Council, which are summarized in the memo. There are three topics that affect the Zoning Code in regards to medical marijuana: manufacturing facilities, laboratories, and distribution centers. Due to the strict regulations already in place by Statutes, staff is not recommending any changes to the Code for manufacturing facilities, meaning they would be treated as any other manufacturing facility in our Industrial District (a permitted use). The Planning commission concurred with this.

Fuhrman went on to explain that Laboratories are not expected to contain large amounts of the material, and so staff is not recommending any significant changes; only housekeeping changes. The Planning Commission concurred.

Lastly, the Planning Commission has recommended that distribution facilities be required to go through a Special Use Permit process with numerous conditions attached, including several security measures.

Mayor Johannsen agreed with the recommendations and directed staff to bring forward an Ordinance to the City Council.

5. Discussion of Public Outdoor Event Ordinance Amendments

Watson introduced the topic and explained this was sent back by the Council to the workshop for further discussion. There were some comments regarding some edits from Councilmember Johnson. In terms of notification to the neighboring property owners, if it's a run, we would only notify around the origination departure location.

Councilmember Nyblom questioned if a resident wanted to have a picnic at a park – would a bond be required.

Mayor Johannsen said we already have rules about renting picnic shelters.

Fire Chief Leier stated we already have language that addresses that.

Fuhrman clarified that Councilmember Nyblom was referring to someone having a picnic and not renting a shelter.

Councilmember Johnson questioned if it was a block party.

Attorney Bell-Beckman clarified the outdoor permit is only necessary when inviting the public.

Leier says 5 or 10 people at a park does not create an issue, it's when it gets to be a hundred people where concerns start arising.

Mayor Johannsen mentioned an example of inviting the public to a party.

Councilmember Nyblom said that he reads it differently, but if everyone else is comfortable.

Mayor Johannsen says it's up to the person who is enforcing it.

Watson clarified that staff utilizes common sense when approaching enforcement. The Ordinance officially changing the language will come back in front of the Council in the future. The Farmer's Market Permit is being reviewed under the existing Code; and therefore, we are waiving some requirements in the existing Code.

Leier stated based on the application and current Ordinance, cannot do anything Monday through Thursday; security measures; etc.

6. Discussion of Garceau Purchase Outright

Sundberg introduced the topic and reminded the Council that the property was purchased on a Contract for Deed to match the offer that had been presented to the property owners. Instead of paying the interest, he's recommending that we pay it off in cash since our earnings are less than interest payments. There is no pre-payment penalty in the Agreement.

Mayor Johannsen asked if we save over \$60,000 over the life of the contract.

Finance Director Sundberg stated in the affirmative.

Councilmember Nyblom said he is still waiting to see the TIF Account Balance, but he's spoken with Administrator Watson about it.

Watson is coordinating a Developer's Roundtable with Ehlers to get feedback on particular sites. We will bring back the feedback and overall discussion and bring Ehlers in to coordinate a discussion with the Council about prioritizing projects.

7. Other Staff Items

Attorney Bell-Beckman stated they have court with the judge on March 30th for the Lemke property at 1277 County Road D. Technically, it should be a default hearing.

Mayor Johannsen reiterated that it should be emphasized that they submitted incomplete building permits and the permits were not to fix what is required to be fixed.

8. Future City Council Requests

9. Adjourn at 7:00PM.

Prepared for and approved by:

Attest:

Kevin Watson, City Administrator

Marc Johannsen, Mayor

Respectfully submitted by Carie A. Fuhrman, Planning/Community Development Director.