Minutes
Vermillion River Watershed Planning Commission (VRWPC) Meeting

November 29, 2017 - 3:30 p.m.
Dakota County Western Service Center, Room 334, Apple Valley, MN

WPC Members in Attendance
Tony Wotzka   Bruce Rydeen
Jim Guttmann   Carolyn Miller
Chuck Clanton   Ken Betzold
Josh Borton   Mark Henry
Brian Rohrenbach

Staff in Attendance
Mark Zabel, VRWJPO
Mark Ryan, VRWJPO
Jen Dullum, VRWJPO

Others in Attendance
Brian Watson, SWCD

1. Call to Order
   The meeting was called to order by Chair Guttmann at 3:32 p.m., and opened with the recital of the Pledge of Allegiance.

2. Approval of Agenda
   Motion by Commissioner Betzold, second by Commissioner Rydeen, to approve the agenda. The agenda was unanimously approved.

3. Approval of Minutes
   Motion by Commissioner Clanton, second by Commissioner Borton, to approve the minutes of the October 11, 2017 meeting as presented. The minutes were unanimously approved.

4. Business Items
   a. Approve the 2018 Vermillion River Watershed Planning Commission Meeting Dates
      Jen Dullum shared with the Commissioners the meeting date schedule for 2018. After noting date discrepancies in the summary paragraph, the commissioners unanimously approved the 2018 Vermillion River Watershed Planning Commission meeting dates.

      Motion by Commissioner Rydeen, second by Commissioner Clanton, to approve the 2018 Vermillion River Watershed Planning Commission meeting dates.

   b. Recommend Adoption of the Final Draft VRWJPO 2018 Budget and Watershed Management Tax District Levy
Mark Zabel stated that since August nothing has changed for the preliminary budget which sets the preliminary levy. There has been no change to the levy request. If a request to change the levy had been made, the levy could only decrease, it could not be increased.

Commissioner Rydeen asked for clarification on the 3% increase in the overall Watershed Management Tax District levy compared to 2017, which Mark explained for both Dakota and Scott County. Commissioner Guttmann noticed the 2018 draft budget total provided in the summary and resolution differed from the total in Attachment A. Fiscal disparity money was found to be already included in the levy amount and was taken out of the original 2018 draft budget of $2,306,500 bringing the final 2018 draft budget to $2,196,500.

Motion by Commissioner Clanton, second by Commissioner Borton, to recommend adoption of the Final Draft VRWJPO 2018 Budget and Watershed Management Tax District Levy with a change of the final draft budget being $2,196,500.

c. Presentation on the One Watershed – One Plan Program and Its Status

Brian Watson from the Dakota County Soil and Water Conservation District (SWCD) gave a presentation of the One Watershed – One Plan Program (1W-1P) which aims to “align local water planning on major watershed boundaries with state strategies towards prioritized, targeted and measurable implementation plans”. As watershed based plans are approved across the state, funding allocations from the Clean Water Fund should be provided to implement the plans. $9.75 million will be appropriated to the MN Board of Water and Soil Resources (BWSR) in a “pilot year” of this new 1W-1P funding approach. Commissioner Clanton asked what BWSR will use from that appropriation, and Brian responded that 10% will stay with BWSR for administrative costs.

Funding relies on legislative approval every biennium. It is anticipated that around $5.5 million will be allocated to the Metro Area. 70% of the funds are planned for projects on the ground. 15-20% of the funds are planned for administrative costs, research, and inventory. Currently, funds likely cannot be used for monitoring, and there was agreement between all parties present that monitoring should be allowed in the funding policy. A small portion of the funding may be retained for competitive grants. The general concept is to avoid a condition where water management and local organizations and governmental units are applying competitively with each other for all Clean Water funds. Rather, the funding policy tries to get organizations to work collaboratively on a watershed scale to spend funds for cleaner water knowing that consistent and reliable funding will be provided. Mark Zabel commented that it isn’t the intent that areas consolidate more and that management is intended to occur on a watershed scale. BWSR is to adopt a policy for this “pilot" 1W-1P funding in December. Upon adoption of the BWSR policy in December, the SWCD would look to facilitate a meeting with staff from each Watershed Management Organization that is located within Dakota County, and possibly local cities, to evaluate the two options for distribution of the 1W-1P funds: creation of a collaborative prioritized targeted measurement plan or allow for funding to go back to the metro-wide pool and complete competitive grant applications.

d. Recommend Approving a Joint Powers Agreement (JPA) with the Dakota County Environmental Resources Department for Participation in Creating a Wetland Bank in the Vermillion River Watershed
Mark Zabel began by explaining that the Vermillion River Watershed Joint Powers Organization (VRWJPO), because of a fiscal disparity windfall of $450,000, set aside $500,000 in Capital Improvement Project funds to develop a wetland bank within the Vermillion River Watershed (Watershed). There are currently no wetland banks within the Watershed or Dakota County. By approving this JPA, a wetland will be created in the Watershed, in Castle Rock Township. Dakota County and the MN Board of Water and Soil Resources (BWSR) have agreed to create and restore this area. The JPA is for the VRWJPO to provide its funding to complete this restoration. The expected total cost for the easement and construction of a 121 acre wetland bank is $1.6 million. Of those 121 acres, it is expected that about 100 acres will be certified for wetland credits, and the VRWJPO will receive access to about 30 acres of certified wetland credit based on its portion of the overall funding.

Commissioner Betzold asked about land ownership. The Braun Family will still own the land and will be able to use it; however, there will be a perpetual easement over it with numerous provisions. The land may be put in a lower tax category (i.e., it may not remain agricultural land for taxing purposes). Commissioner Rohrenbach clarified that the land will be restored to wetland and asked who credits will be purchased from. Mark Zabel stated that wetland credits would be purchased through the VRWJPO. Mark also indicated that the priority within the Wetland Conservation Act is that purchase of wetland credits occur within the same watershed. Right now that is not happening, and the Vermillion River Watershed continues to lose areas of wetland. Commissioners discussed wetland types and drainage that may occur on the landscape. It is expected that there will be little to no impact on adjacent properties. This is a multi-agency undertaking with an anticipated wet prairie for a final outcome versus an open water-area, as may have been historically with other banks (although there may be some open water).

Commissioner Rohrenbach was curious about using wetlands from “involuntary” wet areas created by rising water levels for the purpose of creating wetland banks. Brian Watson and Mark Zabel both responded stating that wetland creation needs to go through an application process and an actual physical restoration. Commissioner Rohrenbach stated that there are areas that are typically wet, and getting wetter, in recent years and we should be considering approaching those landowners for potential restorations as well. Mark Zabel discussed recent activities of the VRWJPO along with the SWCD having looked throughout the Watershed producing a drained wetland inventory and prioritized areas for restoration efforts. The Braun site has characteristics that make it desirable; total size with a single owner, a single lift station pump to turn off to restore much of the hydrology, its location in the South Branch in an area of high nitrates, and little to no upstream impact. Commissioners also asked about the costs of wetland credits. For the VRWJPO to come out even the VRWJPO will need to sell credits at around $17,000 per acre. In southern Minnesota, in the Wetland Bank Service Area that the VRWJPO is in, credits are typically selling between $15,000 and $20,000 per acre, and in the metro they are selling around $45,000 per acre or more. Commissioner Miller asked if the VRWJPO would plan to do this type of project again. The VRWJPO would like to put the funds recouped from the sale of the credits into a revolving fund for the purpose of doing more wetland banks and continue to restore watershed wetlands in the process.

This is the first wetland restoration for creation of a wetland bank that the VRWJPO has participated in. The interest in participation in this project for the County and for BWSR is to create wetland credits for their own use. Wetland impacts in our area are required to be
replaced at a 2:1 ratio. Commissioner Clanton asked about the provisions within the easement and limits on what the owner can and cannot do. The State easement will be quite detailed as to the responsibilities and limitations on the restored wetland property. Commissioner Guttmann asked about the split of the $1.6M cost, $500,000 from the VRWJPO and $450,000 from the County; what about the balance. Mark Zabel indicated that the balance would be the responsibility of the BWSR and that a portion of that balance would be in-kind for services related to engineering design, construction oversight and related activities, and a the rest would be cash from the State. Commissioner Rohrenbach asked what the landowner receives as a benefit and if it is simply the one-time payment for the easement. Mark Zabel indicated that the State will be purchasing an easement from the landowner and that will be the financial benefit received as a one-time payment. The discussion then turned to whether there would be a change to the tax classification of the property restored as wetland.

Motion by Commissioner Henry, second by Commissioner Betzold, to recommend entering a JPA with the Dakota County Environmental Resources Department for Participation in Creation of a Wetland Bank in the Vermillion River Watershed. The motion passed on an 8 to 1 vote.

5. Updates
   a. Chairman’s Report

Commissioner Guttmann reminded everyone that this was the last meeting in 2017 and thanked everyone for their participation. He thanked staff for their job of informing the commissioners and seeking their guidance and opinions. Commissioner Guttmann also thanked his fellow commissioners for their participation, lively discussion, good questions, and contributions.

b. Staff Updates

Mark Ryan showed before and after photos of the South Creek Stream Habitat Restoration Project which focused on creating trout habitat. Commissioner Wotzka questioned what the banks were planted with. The seed was a wetland mix and covered with straw mulch. Future work may include live-staking and shade tree planting.

Mark Zabel handed out the Vermillion River Watershed Planning Commission (VRWPC) bylaws and went over VRWPC term expirations. Commissioners Guttmann, Rydeen, and Rohrenbach terms expire at the end of 2017 but are eligible to serve a second term through 2020. If those Commissioners wish to continue they should send a note of interest to the Vermillion River Watershed Joint Powers Board (VRWJPB) Chair, Commissioner Slavik. The VRWJPB will consider reappointments at their January 2018 meeting. If those Commissioners do not wish to continue, please let Mark Zabel know so that the recruitment process can begin.

Mark Zabel reiterated the RSVP practice. If you do not RSVP by noon on the Tuesday prior to the VRWPC meeting it will be counted as an unexcused absence. According to the bylaws:

**ARTICLE V: REMOVAL FROM OFFICE:** Any member of the Commission may be removed from office for just cause and on written charge by a majority vote of the VRWJPB. Any member may be removed for repeated, unexcused absence from Commission meetings. It
will be the duty of the Chair of the Commission, or VRWJPO staff if directed by the Chair of the Commission, to notify the Chair of the VRWJPB when any member has three or more consecutive absences, or when a member’s sporadic attendance prevents meaningful participation in Commission matters.

Mark Zabel also encouraged everyone to visit the VRWJPO website and follow the VRWJPO on Facebook and Twitter.

6. Adjourn

Motion by Commissioner Henry, second by Commission Rydeen, to adjourn the meeting at 5:01 p.m. The motion was unanimously approved.