

**LAKE MINNETONKA CONSERVATION DISTRICT
BOARD OF DIRECTORS**

7:00 PM, Wednesday, May 10, 2006
Wayzata City Hall

CALL TO ORDER

Skramstad called the meeting to order at 7:02 p.m.

ROLL CALL

Members present: Tom Skramstad, Shorewood; Katy Van Hercke, Minnetonka; Tom Seuntjens, Minnetonka Beach; Paul Knudsen, Minnetrista; Gene Altstatt, Greenwood; John Berns, Wayzata; David Gross, Deephaven; Leigh Harrod, Excelsior; Steve Johnson, Mound; Andrew McDermott, Orono; Tom Scanlon, Spring Park; Herb Suerth, Woodland. Also present: Charles LeFevere, LMCD Counsel; Greg Nybeck, Executive Director; Judd Harper, Administrative Technician; Emily Herman, Administrative Assistant.

Members absent: Doug Babcock, Tonka Bay; Pete Nelson, Victoria.

CHAIR ANNOUNCEMENTS, Chair Skramstad

Skramstad made two Chair announcements. First, a request was made by one of the abutting property owners to Dock Site 10 in Minnetonka Beach to postpone the public hearing scheduled for 7:00 p.m. until 8:00 p.m. Unless the Board objected, he stated that he would adjust the agenda accordingly. There were no objections. Second, he recommended that there was a need to schedule a date for the annual Board Lake Inspection Tour. The Board discussed this and the consensus was to conduct the annual Board Lake Inspection Tour on June 6th.

PUBLIC COMMENTS - Persons in attendance, subjects not on agenda (5 min.)

There were no comments from the public on subjects not on the agenda.

CONSENT AGENDA- Consent agenda items identified with a (*) will be approved in one motion unless a Board member requests discussion of any item, in which case the item will be removed from the consent agenda.

Seuntjens moved, Van Hercke seconded to approve the consent agenda as submitted. Motion carried unanimously. Items so approved included: **2C**, Hennepin County Sheriff's Office Water Patrol Significant Activity Report; **3B, 2006 Multiple Dock Licenses**, staff recommends Board approval of 2006 renewal, without change, multiple dock license application for Big Island, Inc., and **4A**, Audit of Vouchers (5/1/06 – 5/15/06).

1. EWM/EXOTICS TASK FORCE

- A.** Environmental Sentry Protection, LLC, consideration of draft Grant Agreement.

Skramstad asked LeFevere to provide background on the agenda item.

LeFevere made the following comments:

- The draft Grant Agreement has been prepared to provide for up to \$2,000 in funding from the LMCD. It is not a Grant whereby funds are distributed without a service and the permissible expenses are listed out in the Agreement.
- The Grant is divided in two parts. The first part provides for an initial payment of \$1,000, which is made after the physical system is operational. At the direction of the Board, penalties are provided for the distribution of payment for the first part should the system not become operational within a certain time frame. Those penalties are outlined in Section 2.12 under "Duties and Conditions". The second part provides for payment of the remaining \$1,000 after the completion of the Final Report as described in Exhibit A.
- The Grantee would be required to provide monthly progress reports to the LMCD. All project costs not paid for by the \$2,000 Grant would have to be secured by some other source than the LMCD. The Grantee is required to defend and indemnify the LMCD for claims arising out of the construction and operation of the facility, along with obtaining specified insurance coverage to protect the LMCD.
- He outlined a couple changes since the Board had last provided direction in the preparation of the Grant. The first is in reference to the final payment of \$1,000 outlined in Section 2.12. Exhibit A implies that funds are reimbursable to Grantee on a monthly basis of \$350 per month up to October 15, 2006, but not to exceed \$2,000 for the term of the project. The second change was that the original draft Agreement included that the Grantee was to have professional liability coverage. At the request of the Grantee, LeFevere checked with the LMCIT on whether there was a need to have professional liability coverage. The contact for the LMCIT confirmed that there was not a need to have liability insurance for errors and omission coverage for the subject contract. Therefore, that provision has been removed.
- The Grantee has submitted further proposed changes, in which LeFevere expressed potential liability concerns for the LMCD. The first is that the LMCD indemnify the Grantee. The Board was informed that in doing so, this could expose the LMCD to uninsured liability. The second change was adding Exhibit B, which was an attempt to provide that the data collected would be and remain the property of the Grantee and not the property of the LMCD. In making that distinction, the Grantee was asking that the LMCD to agree that: a) the data is not public data, b) that the data not be subject to Data Practices Act, and c) if there was a violation of the Act, the LMCD will indemnify the Grantee. LeFevere informed the Board of a provision in the Data Privacy Act that states when a public body contracts for a governmental service, the contract must require the provider of the service comply with the Data Privacy Act. He expressed concern about how the State of Minnesota could view this request as an attempt to avoid the Data Privacy Act requirements.
- He entertained question and comments from the Board.

Harrod arrived at 7:15 p.m.

Seuntjens stated that he did not see specifics in the Grant that would require the Grantee to obtain approval from other entities involved.

LeFevere stated that the draft Grant Agreement was silent on a number of requirements. Because the LMCD would provide for grant funding, it goes without saying that the Grantee has a number of tasks to accomplish. He did not have a concern about this because the LMCD does not have any obligations to put the project together.

Altstatt stated that he had concerns about the draft Grant Agreement for a number of reasons. Two of these reasons included: 1) the lack of stated goals or objectives to be measured, and 2) funding for this project is not included in the approved 2006 LMCD Budget or in the draft 2007 LMCD Budget.

Suerth stated that he believed the goals and objectives for this proposal are outlined in Exhibit A. With regards to funding this proposal, he envisioned that funding would come from the "Save the Lake" Budget.

Berns stated that concerns from some Board members were previously raised about the potential impact of liability to the LMCD for this proposal. He asked LeFevere to comment on whether he was confident that liability would not be an issue for the LMCD.

LeFevere stated that he was comfortable that liability would not become an issue for the LMCD. In the draft Grant Agreement, the LMCD will require commercial, general liability coverage in an amount that matches a liability cap of \$1,000,000. Additionally, the Grantee will be obligated to indemnify the LMCD.

Gross stated that in order to qualify for the Grant, Environmental Sentry Protection (ESP) had to perform as defined in Exhibit A. Due to the nature of the project, he believed that some of the objectives in Exhibit A might not be achievable. He asked the Board if it was the intent to withhold the Grant if they do not meet all the objectives. He did not believe that it was the Board's intent and he requested that this language should be softened some. He asked what the purpose was for the LMCD to indemnify the Grantee.

LeFevere stated that indemnifying the Grantee was not a good idea. The Grantee was concerned about data that the LMCD receives and how it might be used in a way that provides the Grantee to be sued for invasion of privacy. If the Board had concern about the Grantee's request and did not want to obtain the data for the purpose of not indemnifying the Grantee, he questioned if the program had validity.

Mr. Eric Lindberg, CEO for ESP, stated that if ESP were required to provide summary, statistical data only, the LMCD would not be required to indemnify the Grantee. The original request to indemnify the Grantee was for data being released outside of their control.

Harrod stated that the data received by the LMCD from ESP would belong to the LMCD. She questioned how the LMCD could use this data in a manner to be a risk for ESP.

Lindberg stated that he believed that ESP was carrying the risk because they would be indemnifying the LMCD and would be responsible for the distribution of the data. If the LMCD would classify the data within the scope of the Data Privacy Act in away that ESP is released of all liability, he was comfortable with that.

Van Hercke questioned whether it was appropriate for the LMCD to grant funds to ESP for this proposal. The LMCD is already a stakeholder in this project and she believed it might be more appropriate for ESP to make this financial investment rather than the LMCD, although she recognized that the Grant was for a maximum of \$2,000.

Scanlon stated although \$2,000 was a lot of money, he believed that the possible benefits to the LMCD outweigh the funding amount. He believed that the upside, if successful, could help prevent the introduction of other invasive species into Lake Minnetonka.

Seuntjens stated that he believed the ownership of the data was important and that to approve the Grant Agreement, the data needs to be owned by the LMCD.

LeFevere stated that the Data Privacy Act has two primary purposes. These include: 1) to compel the release of data upon request, and 2) to not release data to the public that is considered private data. From a generic standpoint, LeFevere stated that it was difficult to determine what data might be released and what data might be considered private. The data would have to be reviewed against where it fits within the Data Privacy Act. If the Grant Agreement was to prepare a feasibility report for the LMCD and the LMCD did not have access to the data, he did not have a concern about the LMCD indemnifying the Grantee. The Grant would be simply to outline the objectives and deliverables and to require the preparation and presentation of a feasibility report at the term of the contract. He questioned if the Board was comfortable with a \$2,000 feasibility report.

Berns stated that the data received is determined to be public, does it raise the liability of the LMCD.

LeFevere stated that there was a risk anytime the LMCD receives data. If the public were to request access to the data information, he and LMCD staff would review the request to decipher what is public.

MOTION: Gross moved, Suerth seconded to approve the draft Grant Agreement, subject to making the necessary changes as determined by LMCD legal counsel and staff.

Seuntjens proposed a friendly amendment to the motion that would clarify that data received from ESP would be public. Gross and Suerth did not agree to this.

Berns proposed a friendly amendment that LMCD does not indemnify the Grantee. Gross and Suerth accept this friendly amendment.

Knudsen question whether the LMCD not indemnifying ESP would change the outcome of the Grant Agreement to ESP.

Lindberg stated his attorney was not present and he expressed concern about having identifiable information in the public domain and exposing ESP to invasion of privacy. If needed, ESP could scrub faces and license plates. He believed attorneys for both the LMCD and ESP could resolve that portion of the Grant Agreement.

LeFevere stated the program was going to be more valuable to the LMCD if Board members could see the data. The Grant Agreement cannot be written to avoid application of the Data Privacy Act, unless the feasibility option was agreed to by the Board.

VOTE: Ayes (11) Naves (1, Altstatt); motion carried.

PUBLIC HEARING

- **City of Minnetonka Beach (Dock Site 10)**, new multiple dock license and variance applications to reconfigure the non-conforming dock located at the end of Cross Point Road.

Skramstad opened the public hearing at 8:05 p.m. and asked Harper for background.

Harper reviewed the staff memo, dated 5/5/06, which summarized a request from the City of Minnetonka Beach for new multiple dock license and variance licenses applications to reconfigure a non-conforming dock at Cross Point Road. He stated that the facility is approved for 86 Boat Storage Units (BSU's) on approximately 2,370' of non-continuous shoreline, with a BSU density of 1:28'. A dock length variance was previously approved for Dock Site 10, with a physical hardship of shallow water. Minnetonka Beach has proposed to install the same dock structure at a different angle from the shore. He recommended that: 1) the Board approve the reconfiguration of a non-conforming multiple dock license application for the 2006 season, and 2) the Board direct LMCD legal counsel to prepare Findings of Fact and Order for approval of the variance application. He recommended that the Board should discuss whether to require a certified survey for the proposal rather than the computer generated site plan submitted by the City of Minnetonka Beach. He entertained questions and comments from the Board.

Skramstad stated that he hoped the number of boats and dock structure at Dock Site 10 would be reduced by Minnetonka Beach in the near future. This most likely will require the relocation of dock structure and boat(s) to another site managed by Minnetonka Beach. Skramstad opened the public hearing at 8:28 p.m. and asked for further background and comments from the City of Minnetonka Beach.

Mayor Jim Gaasch spoke on behalf of the City of Minnetonka Beach. He stated that he had been Mayor for around four years and he was familiar with the issues at hand at Dock Site 10. He believed that the proposal was somewhat straight forward because the dock would remain the same. The dock configuration and length would remain the same length; however, the dock would be slightly adjusted to the north because the abutting property to the south, David and Nancy Bergerson, have recently put their house up for sale. The Bergersons have consented to the dock installation for the approved site plan for a number of years and Minnetonka Beach has been requested to adjust the dock to the north to assist them in the sale of their property. The proposal would continue to require consent from the Bergersons for 2006, but would have potentially less impact on their property. He clarified that the proposed dock would comply with the five-foot side setback from the abutting property to the north, Lisa Smith and Bill Hite. He concurred with the comments raised by Skramstad that there was a need to find a long-term solution for Dock Site 10 after the current issue at hand has been resolved. He entertained questions and comments from the Board.

Van Hercke asked Gaasch if the City of Minnetonka Beach would be willing to have the proposed site plan documented on a certified survey to ensure compliance with LMCD Code.

Gaasch stated that he believed that Minnetonka Beach could comply with that requirement if deemed necessary by the Board.

Mr. Jeffrey Jones, legal counsel for Lisa Smith and Bill Hite, made the following comments:

- He believed that the dock structure proposed was too large for a site with approximately 30' of 929.4' shoreline. He recommended that the Board should deny for the following reasons: 1) the configuration was impractical, 2) the proposed dock would violate the spirit and intent of LMCD code, and 3) the proposed dock would result in conditions that are unsafe and would impose hardships on the abutting neighbors.
- He expressed concern about how the approved dock site plan has been installed in non-compliance in recent years, with an emphasis on the location from where the dock has originated from. This would further be complicated with the proposed site plan because the changing of the angle of the dock would extend right in front of the property of his clients. He illustrated these concerns through hand drawn diagrams on aerial photos generated by Hennepin County that highlighted Dock Site 10 and the two abutting properties.
- He clarified that there was actually 30' of 929.4' lakeshore frontage rather than the 40' referred to in the approved Variance Order.
- He believed that the proposal to install a dock and store five watercraft at this dock would create a hardship to his clients because the dock would angle directly in front of their property. He questioned whether the survey stakes recently conducted at Dock Site 10 by Minnetonka Beach were accurate and he believed that this needed to be reconfirmed or modified.
- The proposal would result in dock extending further into a non-conforming side setback area. The five-foot side setback is a grandfathered setback and he believed that this site should be required to comply with the more restrictive side setbacks. He stated that LMCD Code allows for a five-foot side setback, provided it does not impair access to neighboring docks.
- The proposal would overstep the rights of the Smith-Hite property and would cause hardships and safety concerns to his clients and their family.
- He reviewed the options he believed were available to the Board. The most reasonable approach at the present time would be to install the dock structure as in recent years while seeking a long-term solution for Dock Site 10.
- He entertained questions and comments from the Board.

Gaasch addressed some of the comments raised by Jones. He expressed concern about the accuracy of the hand drawn diagrams presented by Jones. He stated that he could not speak to the accuracy of the dock installation compared to the approved site plan; however, he did not believe it had changed in recent years. With regards to shoreline, he believed that this site had more like 40' to 50' of shoreline due to the angle of the firelane. The firelane itself is 30' wide at the center point. He was surprised by the concerns raised by Lisa Smith and Bill Hite and he wished that they had approached the city council with their concerns. He hoped that the Board would look at the proposal as a simple request and approve it as submitted.

Skrumstad asked Mayor Gaasch to comment on the plans to rectify the situation on a long-term basis.

Gaasch stated that he welcomed the idea to rectify the situation on a long-term basis. However, Minnetonka Beach has only a few vacant dock spaces and they are along County Road 15, which are not feasible for the property owners utilizing Dock Site 10.

Knudsen asked what would happen if the dock were as installed as in recent years and the Bergerson property was sold within 60 days. He questioned whether the new owners of the Bergerson could require the dock at Dock Site 10 to be moved and what the hardships would be to relocate boats to another location.

Gaasch stated the Bergerson house had recently just went on the market and it most likely would take some time to sell the property. He expressed concern about relocating dock spaces to along County Road 15, primarily for public safety purposes.

LeFevere stated the LMCD Code allows mutual consent arrangements to be revoked at any time.

Ms. Lisa Smith, 2217 Huntington Point Road, stating she and her husband own the property directly to the north. She addressed one comment made by Gaasch stating she and her husband had not approached Minnetonka Beach with their concerns. She stated that they purchased the property in 1997, the year the dock length variance was granted by the LMCD. They were never informed of the mutual consent option and they never consented to the dock installation. At the time they purchased their property, JoEllen Hurr from the City of Minnetonka Beach explained that the dock was woefully out of compliance and that it was a non-conforming structure. Hurr requested patience while the neighbors move out because the docks would not be refilled by the new property owners. One neighbor that used Dock Site 10 moved out two years later and the new property owner was offered a space at this dock. Concerns were raised to the City of Minnetonka Beach at that time. She believed that the most appropriate solution was to install a dock within the dock use area as established by LMCD Code.

Skramstad stated, "the lot lines from the fire lane run at an angle that goes in front of your property. The LMCD's dock use area regulations are based on the extension of these lot lines. So no matter if the number of boats are reduced to 4 or 3 or even 2, the dock and the boats will be directly in the site line between your home and the Lake."

Ms. Smith nodded and said that she understood.

Nybeck stated that LMCD went through a lengthy process with the City of Minnetonka Beach in the late 1990's to clean up the multiple dock license for Minnetonka Beach. Prior to this process, the LMCD had no approved site plans for Minnetonka Beach's multiple dock license for inspection purposes. Dock Site 10 was the remaining dock site that was not resolved in the late 1990's on a long-term basis. He reviewed possible options to resolve docking and boat storage at Dock Site 10 and the abutting properties on a long-term basis.

Mr. Dave Rogers, 2208 Huntington Point Road, stated that the docks have been in the general location for more 16 years. In fact, there were six boats being stored at this site rather than five and there used to be children at the Smith/Hite residence prior to them moving into this house. The neighbors have worked this out in the past and he asked the Board to allow this to continue. He asked the Board to allow the dock to be constructed for one year while a long-term solution is considered.

Ms. Diane Rogers, 2208 Huntington Point, stated that she believed the LMCD has the responsibility to help preserve the lake, but not particularly for individual lakeshore owners. None

of the property owners that use Dock Site 10 want to hurt Lisa Smith and her husband. She expressed concern that the water trampoline at the Smith residence was not within their dock use area and they have not complained about that. She expressed concern about their ability to use a dock along County Road 15 if they were required to relocate their dock space. She believed that the dock has been in existence since at least the 1960's and she did want to have to worry about whether they would have a space at Dock Site 10. She recommended that the LMCD should work something out that will accommodate all of the neighbors in the immediate area.

There being no further comments, Skramstad closed the public hearing at 9:19 p.m. He asked the Board how they would like to proceed with the proposal.

Nybeck commented on the historical significance of the dock installed at Dock Site 10. If the dock has been installed as long as testified, it has been an illegal dock and was not grandfathered in. He reminded the Board that authorized dock use area regulations were adopted by the LMCD in 1970 and have remained essentially the same over the years.

MOTION: Seuntjens, moved, Gross seconded to: 1) approve the new multiple dock license application for the 2006 season, and 2) to direct LMCD legal counsel to prepare Findings of Fact and Order for approval of the dock length variance request for Dock Site 10.

Scanlon stated that he would have trouble voting in favor of a temporary dock length variance unless a time period was specified. He recommended a friendly amendment that the temporary dock length variance would be good for only the 2006 boating season. Seuntjens and Gross agreed to this.

Allstatt questioned why it would take the entire 2006 boating season to resolve this issue.

VOTE: Ayes (11), Nays (1, Allstatt); motion carried.

1. EWM/EXOTICS TASK FORCE

B. Additional Business

There was no additional business.

2. LAKE USE AND RECREATION

A. Update from Team Leaders on Lake Minnetonka Boat Density Committee Action Plan.

Van Hercke asked Team Leaders to provide an update on their tasks.

Task A: Develop/refine communication strategy, plan, and timeline. Oversee team members performing the following tasks.

Tom Scanlon stated that some progress has been made relating to developing and refining a communication strategy and plan. He asked team members to provide a brief update.

- **Develop/improve new materials that clarify LMCD rules.**

Scanlon stated that Board member Nelson was overseeing this. In his absence, Scanlon reported that some progress has been made on improving rules and regulations, citing changes to deicing regulations as an example.

- **Review/update signage at public accesses & marinas.**

McDemott stated that updates to winter public access signage was completed this past winter. Updates to summer public access signage was near completion, with the last step to hang the new signs that were in the LMCD office. He thanked LMCD staff for their assistance on this project.

- **Review/update LMCD publications and Web Site, MN DNR, Boating Guide, & Regular Mailing**

Berns stated that a first step in improving communications with the public was accomplished through the first LMCD Newsletter recently produced. He was satisfied that progress has been made, noting that the cost of the newsletter was under what was anticipated.

- **Develop advertising campaigns utilizing key messages by partnering with the State of MN, the MN DNR, & the Water Patrol.**

Suerth stated that he, Board members Johnson and Knudsen, and Nybeck had met with MN DNR officials this past winter to discuss this. He was surprised at how much educational pamphlet material was already available.

- **Continue to form strong partnerships with local realtors, local dock installers, marinas, lake organizations, etc.**

Skramstad stated that the latest issue of the LMA newsletter had a number of references pertaining to partnerships with the LMCD. One item he was continuing to work on was communication with local dock installers to educate them on rules and regulations. He anticipated the inspection of docks to be included in the 2006 Shoreline Inventory Program.

- **Expand safe boater classes for adults.**

Gross stated there are adequate classes available on the internet and through the Minnetonka Power Squadron. He spoke with a few local marinas on the possibility of offering a discount to customers that completed a boater safety class, with no success. He stated that he was currently working with the member cities on the same issue and has requested to be placed on an upcoming Mayors meeting to discuss this matter.

Scanlon summarized Task A by reiterating the importance of LMCD having as much involvement with the public as possible. He reminded the Board that the public was watching the LMCD on their local cable channels and informed the Board of the possibility of having the Lake Minnetonka Communications Commission (LMCC) provide web casting on their web site at www.lmcc.tv.org whereby citizens would be able to select viewing of a specific section of a meeting. The newsletter

will continue to be an avenue to the public and recommended the use of public service announcements.

Van Hercke stated that the City of Minnetonka was now cable casting the LMCD meetings.

Task B: Investigate the need for a boat operators license and if determined necessary, proactively advocate for such a license or an appropriate alternative.

Knudsen recently invited the Mayor Woody Love and Gabriel Jabbour to participate on investigating the need for a boat operator's license. Both have accepted the invitation and a meeting will be held in the near future.

Task C: Water Patrol liaison. Keep in contact to continue to support the Water Patrol, particularly in their efforts to identify, track, and notify discourteous boaters about their lake use behaviors.

Seuntjens stated he would be riding with the Water Patrol in the near future to see hands on what was involved in enforcing the rules and regulations set by the LMCD. He will provide follow-up in the near future.

Task D: Enforcement.

- **Develop and implement a process for enforcing storage ordinances.**
- **Work with 14 LMCD member cities to actively involve them in common enforcement related issues.**

Van Hercke stated that this task would be discussed later in this meeting.

Task E: Work with the LMCD Executive Director on a redraft of the 1974 Boat Density Policy Statement and the Lake Use and Recreation Chapter of the 1991 Management Plan for Lake Minnetonka.

Nybeck stated that he had been in communication with the Skramstad and Van Hercke on this matter. He suggested a better use of his time would be to focus on identifying and spending time on ordinances that might be need to revised and updated.

The Board discussed the differences between policies and ordinances. The consensus was to further discuss this at a future Board meeting.

B. Update on 2006 "Future of the Lake Day" Special Event.

Skramstad asked for an update on this agenda item.

Nybeck stated further work was required; however, a date has been targeted for the same day as the National Marina Day.

Berns stated that he envisioned the event would be somewhat similar to 2005, with the possibility of a few additions. Further update of this will be provided at the June 14th Board meeting.

D. Discussion of 5/4/06 "High Water Declaration," per LMCD Code Section 3.021.

Skramstad asked Nybeck for review of this agenda item.

Nybeck stated that he made a "High Water Declaration" on May 4th, consistent with LMCD Code Section 3.021. He reviewed this Code Section for the Board, including what triggered it and what was needed to terminate it. He recommended that the Board should consider reviewing this ordinance once the "High Water Declaration" has been terminated.

Van Hercke left at 10:10 p.m.

E. Additional Business

There was no additional business.

3. WATER STRUCTURES

A. Discussion of draft 2006 LMCD Code Enforcement Outline.

Skramstad asked Nybeck for an overview of this agenda item.

Nybeck stated that he had been working with Van Hercke in identifying five types of activities for potential enforcement in 2006. These activities include: 1) residential boat storage, 2) LMCD licensed facilities and other special approvals, 3) authorized dock use area (length), 4) authorized dock use area (width), and 5) dock construction standards. A great deal of this enforcement activity will be done in conjunction with the 2006 Shoreline Inventory Project and will be conducted by Harper and Herman. High priorities established for 2006 include: 1) sites storing five or more restricted watercraft, 2) sites storing three or four larger restricted watercraft, 3) thorough inspection of all 112 multiple dock facilities, and 4) documenting dock and platform dimensions that are not in compliance with LMCD Code. If the Board did not object, staff will address these higher priorities in 2006. There were no objections.

C. Additional Business.

There was no additional business.

4. FINANCIAL

B. Review of draft 2007 LMCD Budget.

Skramstad requested Nybeck provide background on this item.

Nybeck made the following comments:

- The draft 2007 LMCD Budget has been prepared and that a Board working session was conducted in the LMCD office on 5/5/06. Six Board members attended the session, which included Treasurer Knudsen, Altstatt, Gross, McDermott, Seuntjens, and Suerth.

- The proposed levy in the draft 2007LMCD Budget would increase approximately 10.4% compared to the levy in the approved 2006 LMCD Budget.
- The draft budget includes three primary elements. These included: 1) the 2007 Budget and Levy Breakdown spread sheet, 2) the 2007 Budget Detail, and 3) Appendix A. He highlighted five primary areas, which contributed to the increased levy. These included: 1) printing, 2) publication and advertising, 3) the administrative reserve fund, 4) weed harvesting equipment depreciation, and 5) zebra mussel operation.
- He entertained questions and comments from the Board.

Berns recommended the LMCD initiate a Capital Improvement Budget. He also recommended that the Board should communicate the increase in the draft 2007 LMCD Budget in three categories. These include: 1) identifying the increase in operational expenses compared to 2006, 2) identifying the need to contribute to reserve fund levels, and 3) identifying new projects and expanded programs. He believed that these three categories should be explained in the cover letter accompanying the draft 2007 LMCD Budget to the 14 member cities.

The Board discussed the draft 2007 LMCD Budget and directed Nybeck to send it out to the 14 LMCD member cities as presented at this meeting. Nybeck was directed to send a cover letter addressing the categories outlined by Berns.

C. Additional Business

There was no additional business.

5. SAVE THE LAKE

No business

6. ADMINISTRATION

There was no discussion

7. EXECUTIVE DIRECTOR REPORT

There was no Executive Director Report.

8. OLD BUSINESS

Compensation Analysis

Skramstad stated that the LMCD tries to accomplish a compensation analysis every few years and recommended a Board Member consider accomplishing that task. He suggested the project be finalized by early fall.

Burke Application Update

Skramstad asked for an update on this pending variance application.

Nybeck stated this pending variance application had been amended to accommodate for a combined

dock for three properties. A public hearing has been scheduled for the May 24th Board meeting.

9. NEW BUSINESS

Berns suggested the Board establish a communications policy with specific individuals appointed to speak on behalf of the LMCD. This matter was brought up after the media contacted numerous Board members.

Skramstad suggested that further discussion be placed on a future agenda.

10. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:38 p.m.

Tom Skramstad, Chair

Tom Seuntjens, Secretary