

**MINUTES OF A SPECIAL CITY COUNCIL MEETING HELD MONDAY, JULY 25, 2007
6:00 P.M. – ROCKVILLE CITY HALL.**

The meeting was called to order by Mayor Brian Herberg. Roll Call was taken and the following members were found to be present: Mayor Herberg, Council members Vern Ahles, Jeff Hagen, Susan Palmer, Jim Pflapsen, Don Simon & Randy Volkmuth. Absent: None.

Staff member present were: Administrator/Clerk Rena Weber & Attorney Jim Mogen.

Others present were: Jim Hall, Don Landwehr, Stan Weinberger, Jerry Bechtold, Joan Riley, Ken Kunkel, Ron Westrup, Pauline Hall, D McGovern, Gary Mrozek, Joel Sponheim, Sharon Sponheim, Susan Dean, Judy Rothstein, Mary Van Grinsven, Jean & Eloise Schendel, Bob White & Mike Schmitt.

Scott Palmer reported the Grand Lake Association has been working to clean up the water and have seen improvements in the water quality. Secchi dish readings were at 4.5 feet and improved to 9 feet clarity now. Scott Palmer listed projects they have planned to slow the run off down. An area of concern is the two creeks that drain into the lake where they have seen corn and cow pies actually float into the lake. Taxes are high and the Association recognizes this. The LID would need to establish a budget to be submitted to the city council in August, but the people in the LID are in control of the budget. A five member board would need to be appointed by the council.

Member Volkmuth asked if most of the members have been positive about this. Scott Palmer indicated that as part of the process a petition was done of which 53% of the owners signed.

Joan Reily was present at the meeting and stated that she did not get a notice of the LID hearing. Her address is:
Joan Reily
5619 Wington
Houston, Texas 77096 (*John Weisman is her brother and this is who the notice was sent to*).

Mary Van Grinsven stated that she also did not receive a notice. Her address is:
Mary Van Grinsven
11381 Hubert Lane
Cold Spring, MN 56320 (*The notice was sent to Stephen Van Grinsven*).

Joel Sponheim - 21556 CR8, complained that he came in to City Hall today to see who has signed the petition which they did not get to see and further he thinks this taxing authority is unnecessary. How about all the other people who use the lake? The Lake Association is doing a good job – why not continue?

An elderly lady asked Scott Palmer how you plan to keep the cow pies out of the creek. Scott Palmer indicated that a buffer zone would be established and the cows would not go through it.

Member Pflapsen asked Scott Palmer about the grant money from the Central MN Initiative Foundation and the possibility for more if the LID is created. Does that entitle you to additional grants/funds that you can't get just as a lake association?

Scott Palmer explained that indeed they do get more in grants. You don't have sources of money to complete a project if the grant program dries up, but with the LID they can get additional matching funds.

Ken Kunkel - 21409 CR 8, stated his only concern is that the MN sales tax was placed on us and that was supposed to go away which it didn't. Once we get more taxes levied on us we are just

going to get more taxes. Mr. Kunkel asked how many residents are members. Jim Hall reported there are 90 members of the 180 property owners.

Mr. Kunkel asked if the Lake Association knew where a major portion of the run off is coming from. There is a culvert on his property that the storm water runs through. It runs through a meadow first and is filtered. This is a natural process and should continue.

Member Volkmoth asked what the yearly association dues are. Scott Palmer reported they are \$35 plus the raffle nets about \$3,000 per year. If this gets approved the raffle goes away.

Stan Weinberger, attorney who has worked with this group, explained what a Lake Improvement District can do for the lake. Clearwater Lake spent \$5,000 to clean up their lake. Grand Lake is not at that point. A lot of that is due to efforts of the Lake Association. Time marches on and you have a harder time getting volunteers. Grand Lake is entirely in the City of Rockville. ½ of sub-watershed that flows into the lake is in the City of Rockville. The LID allows the group to raise money on a sustained basis so they can start studies, small projects, look for grants, and leverage the grants. There will be a concerted annual effort by the people to do projects. The LID will be a public body and will have powers that the city grants it. They will do studies, contract for work, and present their budget to the city which is included in the city budget. This is to be placed in a separate fund. A budget is created once the council appoints the board which is made up of residents of the district. They will hold an annual meeting in July or August (by state law). All people will be invited to the meeting, vote on the budget and certify the budget to the city. A final check/balance is that every three years some of the directors will be elected by the voting residents. The City will be the keeper of the funds for the district. The district can build a reserve fund.

An elderly lady asked about the Board of Directors and how many have to be year rounders Vs seasonal?

Ken Kunkel also asked about the directors being chosen from the Association stating that's only 89 of the 170. Stan Weinberger indicated that Mr. Kunkel can submit his name.

Mr. Kunkel asked if the Association will be dissolved. Scott Palmer stated absolutely not. The LID is limited by statute to work on water improvement projects only. Non-water quality related issues will still need to go through the Association.

Member Pflapsen asked if funds for the association will be voluntary or can any of the funds from the LID be given to the Lake Association. Scott Palmer was not sure but would find out.

Bob White - 10583 Mitchell Lane, stated there is one way to not be assessed anything and that is to present the budget at the annual meeting and if the people say we don't buy into this then there is no assessment. Mr. White stated it is a miracle that you got 53%. You can de-certify by petition. Grand Lake is at a fragile stage, people have worked hard to preserve it. He is willing to give it a shot. Are we going to have a board that can set the budget? Mr. White has respect for the people who are against it, but urged them to give it a chance.

Joel Sponheim – 21556 County Road 8, stated that Scott Palmer said this is a big benefit to the city. If it is a benefit to the city that means everybody. What about Pleasant Lake? Are they going to get upset? If this is a benefit for the city then start the petition over to include everybody.

Gary Mrozek - 11135 Hubert Lane, stated that he has grown up with the lake and is very happy with what the Association is doing. Is it a tax? He looks at this as an investment. He is asking people who did not sign the petition to give it a chance. Mr. Mrozek knows of another LID where this is working.

Ron Westrup – 21325 County Road 8, stated he has been a member of the Association for a number of years. The Council is aware there are issues with people living on County Road 8 and

those issues are not settled yet. The issue with County Road 8 is the funding of the project. County Road 8 is the problem with Grand Lake. The council is aware of the tax situation they are in. They are also aware of the opinion of people living on County Road 8 and that is why they may seem to be a little bit gun shy. County Road 8 people are being assessed for the maintenance of the road. There is also the issue of moving the road, but this is not happening. The Lake Association better put County Road 8 on their agenda and be sensitive to the people.

Jim Hall – 21443 Agate Beach Road, stated that he has been coming to this lake for 74 years. He has seen how things have progressed and it is not very good at all. It is always the same people doing all the work. It would be nice if all the other people on the lake would help out. Mr. Hall is the Treasurer of the Lake Association. They have \$30,000 in a fund which is nothing to improve the lake. They only make \$3,000 on the raffle and collect \$4000 in dues annually.

Mike Schmitt - 21338 CR 8, stated that he hears that this is getting worse with cow manure floating into the lake. There are fewer farms now. In regards to phosphorus, what about people who fertilize their lawns?

Bob White – 10583 Mitchell Lane, stated the LID intent is to have a holistic look at the lake. There are lots of pieces to it. There are/were septic systems and all kinds of things creating nutrients that run into the lake. We have some work to do.

Motion by Member Volkmuth, second by Member Simon, to close the public hearing at 7:01 p.m.

***AYES: Ahles, Hagen, Herberg, Palmer, Pfllepsen, Simon & Volkmuth
Motion passed on a 7 to 0 vote.***

Attorney Jim Mogen stated that a resolution and by-laws have been drawn up. At this point the MN DNR has to be notified so this will delay approval for a period of at least 10 days.

Motion by Mayor Herberg, second by Member Volkmuth, to schedule a meeting for 8/8/07 at 6:00 p.m. to discuss the LID further.

***AYES: Ahles, Hagen, Herberg, Palmer, Pfllepsen, Simon & Volkmuth
Motion passed on a 7 to 0 vote.***

Discussion was held regarding the by-laws. Rena Weber was instructed to change the resolution to indicate 7 board members not 5.

Member Volkmuth stated they can't do a much better job of setting up a budget, if you aren't doing a good job, you won't be accepted by the residents. The lake owners have some added responsibility and he wishes Pleasant Lake was doing this. Member Volkmuth sees nothing but good that can come out of this. If people don't like the program then 51% of the people can vote against.

Mayor Herberg left at this time (7:02 p.m.).

Member Pfllepsen stated that he supports the petition for the creation of the LID. To those in opposition he stated he is comfortable with the tax as there is no more clear form of taxing. The people are in total control of the budget process and election of the board. The direction is going forward and the ship is being run by the people on the lake themselves. This is grass roots politics.

Member Palmer stated that she too supports the creation of the LID. She also agrees with Member Volkmuth stating that people have a responsibility. Clearly having the lake in the City of Rockville just doesn't take care of itself.

Member Ahles stated that he would like to see this too, but there needs to be education of the people around the lake on the use of fertilizers.

Member Hagen indicated that Scott Palmer has his support and anything he would say is repetitive.

Member Simon stated he has the same feelings. Education is key and he agreed with the young gentleman that education is important. There is a chance for matching funds and it comes back to the people that don't want the LID, then they have the option to vote it out.

Motion by Member Volkmuth, second by Member Pflepsen, to adjourn the meeting at 7:14 p.m. Motion carried unanimously.

**VERENA M. WEBER-CMC
ADMINISTRATOR/CLERK**

**BRIAN HERBERG
MAYOR**