



**September 22, 2020**

**To:** Morrison County Board of Commissioners  
Deb Gruber, County Administrator

**From:** Lake Shamineau Lake Improvement District (LSLID) Board of Directors

**RE:** Annual Report to Morrison County

This is to provide an update on our activities over the past year, as well as our planned work in the coming year.

We also respectfully request approval of the 2021 Lake Improvement District (LID) budget. Following are the items that were overwhelmingly approved by the LID members through online and mail-in voting that ended on August 31, 2020:

1. A 2021 Non-Project Operations budget of \$30,000.
2. A 2021 Aquatic Invasive Species (AIS) Project budget of \$30,000.
3. The 2021 High-Water Outlet Project budget for Pre-Construction of \$265,000.
4. The establishment of a project to construct a High-Water Outlet on Lake Shamineau at an estimated cost (as of July 2020) of \$3,350,000.

### **2020 Activities**

During 2020 we completed the following:

#### **1. High-Water Outlet Project:**

The goal of the high-water project is to determine a solution to the high-water problem that is the most feasible, cost-effective and timely, and will minimize ongoing maintenance and future operating costs.

- On September 24, 2019 the Morrison County Board of Commissioners approved the 2020 LID budget and approved a resolution that read: "Resolved, the Morrison County Board of Commissioners for the purpose of planning, establishment, construction and financing of the Lake Shamineau High-Water Project delegates authority as authorized by Minnesota Statutes Section 103B.555, subd. 4, to the Lake Shamineau Lake Improvement District Board of Directors."
- Last summer (2019) the LSLID announced a plan to pump water to an infiltration site at a gravel pit to the NE of the lake. Infiltration held many advantages with cost and viability for permitting. While the Board of Directors and the engineering firm worked very hard over fall and winter to establish a route, conduct data modeling and testing, we learned this spring that we would not be able to obtain the necessary flowage easements from down gradient property owners.
- In June, the LSLID Board approved action to alter the High-Water Outlet project away from infiltration in the NE part of the lake. After considering options, there was a decision to begin the review of a project that would include a west outlet utilizing the newly cleaned ditch to Fish Trap Creek and to execute an agreement with Houston Engineering to conduct outreach and system capacity analysis.

- Houston Engineering conducted preliminary surveys and gathered data for possible routes to the west. In addition, they gathered results to map route alternatives and provided preliminary cost estimates. Houston also prepared a stakeholder coordination plan located on the website, that documents the proposed approach to the project, with the focus on the initial phase of identifying an initial concept for the project and outreach efforts to gather information and answer questions posed by agencies, landowners and other stakeholders.
- The LID Directors have had several meetings with Todd County property owners along the possible route to inform them of the project and to seek signed letters of support. In response to concerns expressed by property owners, an alternative route is under review and will be presented along with flowage easement documentation.
- There have been weekly meetings with the local DNR to keep them informed of the project, to seek input and to inquire on technical issues. In addition, a letter of appreciation has been provided by the DNR and the letter is attached.
- Two of the directors have met with Todd County including a County Commissioner, the County Coordinator and Ditch staff to discuss the process to gain approval for the use of Ditch 41. Todd County has been helpful in providing documents and estimated costs and agreed to meet again when more information is available on the West Outlet Project. We will continue to communicate with Todd County to answer questions and work through the petition process.
- An informational meeting was held on August 6<sup>th</sup> for property owners to provide detail on the results of the Preliminary Engineering Report and testing results.
- An Engineer's Conceptual Report was completed in August and is posted on the LID website. This report includes project description and background, as well as maps and cost information.

## **2. Aquatic Invasive Species (AIS)**

The LSLID received a 2020 (AIS) Partnership Grant from Morrison County. The grant provides: a survey to target the locations of AIS (\$3,500.00), to fund the repair of flooded signage at the West DNR Access, (\$200.00), and to provide chemical and scuba diver treatment of Eurasian Water Milfoil (EWM) (\$5,000.00). The AIS program has been highly successful in controlling Eurasian Water Milfoil (EWM). In a recent lake-wide survey, only one EWM plant was found on the South side of the lake which has been treated and hand pulled this year. No plants were found in the areas that were previously treated or hand pulled each year since 2012. The survey company and the scuba divers have stated that this is one of the most successful AIS programs they have seen. Attached are the Delineation Survey Maps.

This year the LSLID has hired Ambassadors to staff the East Scandia Valley Township Access only, since the West DNR Access has been closed due to flooding. Ambassadors greet and educate visitors at the access to inform them of Aquatic Invasive Species (AIS) and the requirements for draining and cleaning their boats and trailers before they enter the lake and exit the lake, and as a courtesy notifies them of the no wake zone.

## **3. Communications**

The LID Board of Directors have been working to improve our communications through mailings, newsletters, and postings to the website. Several LID Board of Director meetings have been held over the past months. These board meetings are announced on the LSLID website, are open to the public, and notes are posted on the website. The LID website includes information on all Board and LID meetings, engineering reports, RFP information, financial information and reports, and other information that may be of interest to property owners. Mailings have included:

- A mailing was sent out on June 23, 2020 to property owners announcing that nominations were open for two Board of Director seats and included a due date for receipt of nominations of July 14, 2020. Three nominations were received for two open seasonal seats and one nomination was received for the one permanent residency seat.
- A mailing announcing the Annual Meeting was sent in July to all property owners. This mailing included:
  - Letter to Property Owners providing an update on activities and details for the Annual Meeting
  - 2021 Budget Information
  - High -Water Outlet Project Plan, Cost and Timeline

#### **4. Processes**

- The processes outlined in the new establishment order that was approved August 2019 have been followed.
- New bylaws were adopted to conform to the establishment order and state statutes. The newly approved bylaws are posted on the LID website.
- New for 2020, the LSLID used Survey and Ballot Systems (SBS) from Eden Prairie, MN to administer the Budget and Director voting process. Using the Morrison County mailing list of eligible voters, SBS sent a separate mailing to each property owner with the Voting Instructions and Voting Ballot, the Candidate Information Sheet, the 2021 Budget Sheet, and a return envelope. They had the choice either return their vote directly to SBS using the paper ballot and enclosed envelope or alternatively vote online. Due to Covid-19, there was no in-person voting available. SBS provided the tabulation of the voting.
- The Annual Meeting was held online with no in person voting allowed. To accommodate voting after the annual meeting we adjusted the deadlines with the requirements that Paper Ballots be postmarked by August 31 and Online voting closing on August 31. Audited tabulation results were available on September 8 and sent out newsletter subscribers and announced at a LID Board meeting on September 9<sup>th</sup>.

#### **5. DNR Grant**

We have received information that the DNR will provide additional grant funding in the amount of \$52,000 for pre-construction services. In addition, we remain hopeful that we will be able to obtain grant funding through the State Flood Mitigation Grant if the legislature approves funds in the bonding bill.

#### **6. Other Projects**

On June 9, the Morrison County Board approved the funding and the oversight of the "Turn off the Faucet" project which creates an impoundment system to minimize inflows to Lake Shamineau and to return the Scandia Valley watershed to its natural flow. While this project will not reduce the water level, it will reduce additional water flow into the lake and funds are included in the 2021 budget to assist with operational costs. The LSLID Board continues to participate and work with the Emergency Task Force on additional ideas for emergency efforts to assist with lowering the lake levels.

#### **2021 Work Plan**

For 2021, the following activities are planned for the LSLID:

- Non-project plans include water quality testing, public access monitoring and education, floating bog mitigation, and other administrative activities. We have also included funding for an inflow study to study wetlands, culverts, ditches that flow into Lake Shamineau. The 2021 budget for non-project plans is \$30,000.
- The Aquatic Invasive Species (AIS) project plans include continued hand pulling and chemical treatments for Eurasian Watermilfoil and other invasive species. We anticipate applying and receiving funding through the Morrison County AIS Partnership grant program for the aquatic vegetation survey, public access signage and brochures, treatment control, and the new ambassador program. The 2021 budget amount for AIS is \$30,000.
- Following are the tasks that are planned for the High-Water project for pre-construction and operations:
  - Prepare route and work with property owners to obtain flowage easements.
  - Work with Todd County for approval of the petition to utilize Ditch 41.
  - Complete Planning, Design, Environmental Assessment Worksheet (EAW) Process and Permit Applications
  - Complete Soil Borings and Investigation
  - Final Engineering plans, specifications, bid documents and review
  - Finalize permitting, legal, fiscal, administrative and right-of-way
  - Operational Items (water removal or diversion operations)

The 2021 budget for the High-water project for pre-construction and operations is \$265,000.

- Following are the tasks that are planned to construct a high-water outlet:
  - Construction
  - Construction Engineering
  - Utility relocations and services
  - Legal, fiscal and administrative, easement fees, outlet fee

The estimated cost for construction (as of July 2020) is \$3,350,00. The estimated cost does not include any possible DNR grant that may be available.

- A public hearing will be held in late fall or early winter to inform property owners on the bonding and financing process. We look forward to working with the County on the finance and bonding process.
- Following is the estimated timeline for the High-Water Project:

**Estimated Timeline**

**Note that the following schedule is tentative, based on preliminary engineering.**

Complete Preliminary Project Planning, Preliminary Design Drawings, Updated Cost Estimate	December 2020
Complete Todd County Ditch approval process, Environmental Assessment Worksheet (EAW) Document	December 2020
Complete EAW Process, Permit Applications, and Operations Plan	January 2021
Complete Final Engineering Plans and Specifications	May 2021
Obtain Bids from Contractors and bid review	June 2021
Issue Bond and Project Financing based on construction bids	June 2021
Construction Begins	July 2021
Project Operational	November 2021
Final High-Water Project Assessments	November 2021

Note: The issuance of bonds allows for payment over time, an est. 8 to 15 years as recommended by bond counsel.

In conclusion, over the past year with the many changes that we have implemented, we have received many phone calls, and letters of support from our LID members. As an example, we received the following comment in an email from a property owner, "...The vote results are fantastic! Thanks to all of you for making this happen. Leadership matters."

We have also provided more detail in our attachments. We have included the Eurasian Watermilfoil Delineation Survey, the 2021 Budget Sheet, the 2020 vote tabulation, and the letter of appreciation from the DNR.

Thank you for your continued support. Please let us know if you have any questions or comments for the Lake Shamineau LID.

Sincerely,

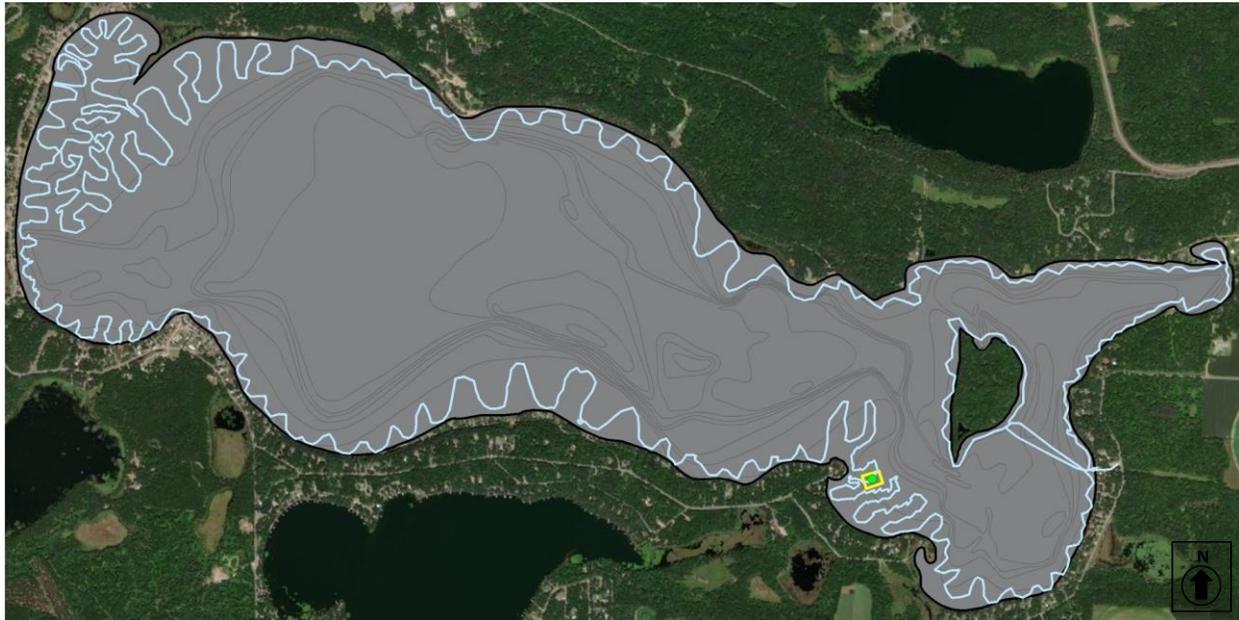
*Cindy Kevern, Bob Koll, Rick Rosar, Fred Comb, Ardis Sandstrom*

Lake Shamineau Lake Improvement District  
Board of Directors  
LSLIDBD@gmail.com  
<https://minnesotawaters.org/lakeshamineau/lid>

Attachments:

1. Eurasian Watermilfoil Delineation Survey
2. The 2021 Budget Sheet
3. 2020 Annual Meeting Vote Tally
4. DNR Letter of Appreciation

### Lake Shamineau Eurasian Watermilfoil Delineation Survey



— Surveyed Path

▭ Proposed Management Plot

**EWM Density (1-3)**

- 1
- 2
- 3

Surveyed: July 22, 2020  
Method: Visual, Sonar, Rake  
Surveyor: JA Johnson

 **Certified Lake Manager**  
www.NALMS.org

  
15771 Creekside Lane  
Osseo, MN 55369  
fixmylake.com  
(651) 336-8696

## Lake Shamineau Lake Improvement District - LSLID

### 2021 Budget Sheet

#### VOTE 1 – 2021 Non-Project Operations Budget:

Administrative Expense – including:	10,000
• Mailings to members – (e.g. printing, envelopes, labels, postage)	
• Meetings – (e.g. handouts, publishing notices)	
• Finance – (e.g. accounting, PO Box)	
• Voting Service	
Communications and project management	7,000
Legal and Liability Insurance (MCI) expense	6,500
Water Quality Testing – RMB Laboratory	1,000
Floating Bog Mitigation	500
Reserves and contingencies	<u>5,000</u>
<b>Total 2021 Non-Project Operations Budget</b>	<b><u>\$30,000</u></b>

**Vote 1:** This voting item includes administrative and other operation costs for the LID.

Estimated annual per Parcel Charge rate (based on estimated 345 parcels) = \$80.60

Association annual per User Density Charge (20% of Parcel Charge) = \$16.12

Commercial annual per User Density Charge (20% of parcel Charge) = \$16.12

#### VOTE 2 – 2021 Aquatic Invasive Species (AIS) Project Budget:

AIS Project costs include:	
• Eurasian Water Milfoil Control, SCUBA pulling and Herbicide treatment	23,000
• Planning, permits, public notice, pontoon rental	1,500
• AIS surveys	3,500
• Ambassador program	<u>10,000</u>
<b>AIS Project Expense</b>	<b><u>\$38,000</u></b>
Less Estimated County AIS Grant	<u>8,000</u>
<b>Total 2021 Aquatic Invasive Species (AIS) Project Budget</b>	<b><u>\$30,000</u></b>

**Vote 2:** This voting item includes AIS control, surveys, and ambassador program.

Estimated annual per Parcel Charge rate (based on estimated 345 parcels) = \$80.60

Association annual per User Density Charge (20% of Parcel Charge) = \$16.12

Commercial annual per User Density Charge (20% of Parcel Charge) = \$16.12

**SEE REVERSE SIDE FOR BUDGET INFORMATION FOR  
VOTE 3 AND VOTE 4**

### VOTE 3 - 2021 High-Water Outlet Project Budget for Pre-Construction

Pre-construction costs include:

• Complete Planning, Design, Environmental Assessment Worksheet (EAW) Process and Permit Applications	65,000
• Soil Borings and Investigation	15,000
• County Ditch Petition Process	30,000
• Final Engineering plans, specifications, bid documents and review	90,000
• Finalize permitting, legal, fiscal, administrative and right-of-way	15,000
• Operational Costs (water removal or diversion operations)	25,000
• Contingency	<u>25,000</u>

**Total 2021 High-Water Outlet Project Budget for Pre-Construction and Operations** **\$265,000**

**Vote 3:** This voting item includes the High-Water Project pre-construction expenses for 2021 including finalizing design and project plans, EAW and Ditch Petition process, bidding process, permitting application costs, legal expenses, right of way, and operational costs for water removal or diverting inflows.

Estimated annual per Parcel Charge rate (based on estimated 345 parcels) = \$711.61

Association annual per User Density Charge (20% of Parcel Charge) = \$142.32

Commercial annual per User Density Charge (20% of Parcel Charge) = \$142.32

### VOTE 4 - Establish Project to Construct High-Water Outlet:

High Water Project cost includes:

• Project Construction based on Engineers Opinion of Probable Costs as of July 2020	2,630,000
• Contingency 15%	394,500
• Construction Engineering	110,000
• Utility relocations and services	50,000
• Legal, fiscal, administrative, easement fees, outlet fee	<u>165,500</u>

**Establish Project to Construct High-Water Outlet** **\$3,350,000**

Estimated per Parcel Charge rate (based on estimated 345 parcels) = \$8,995.71

Association per User Density Charge (20% of Parcel Charge) = \$1,799.14

Commercial per User Density Charge (20% of Parcel Charge) = \$1,799.14

**Note:** *The vote to establish a project to construct a high-water outlet that was approved last year has not been assessed or bonded, and this voting item will replace the previously approved budget for bonding.*

This voting item includes an estimate of construction costs, construction engineering and legal, fiscal, administration, easement fees and outlet expenses required to construct a High-Water Outlet, based on the Engineers Opinion of Probable Costs. **Approval of this item is required to move the High-Water Outlet into construction in 2021.**

The costs above do not account for any possible grant funds, including a DNR Flood Hazard Mitigation grant which may reduce costs by up to 50%. These Vote 4 costs will be financed through a bonding process to allow property owners to pay their per parcel charge over time. The cost including any applicable interest, could be spread over an estimated 8 to 15 years as recommended by bond counsel.

**Lake Shamineau Lake Improvement District**  
**Annual Meeting August 29, 2020**  
**Voting Deadline August 31, 2020**  
**VOTE TABULATION RESULTS – September 8, 2020**

*(Note – there were 231 total ballots cast; with 173 mailed ballots and 58 electronic ballots)*

Budget Questions	YES	NO	TOTAL VOTES	YES, as a % of TOTAL
#1 Non- Project Budget-\$30,000	193	37	230	84%
#2 AIS Budget - \$30,000	200	28	228	88%
#3 High Water Project - \$265,000	178	53	231	77%
#4 Establish Project to Construct Outlet	169	60	229	74%

Election of Directors	Number of Votes
<b>Seasonal Director (2 Seats)</b>	
<b>Fred Comb</b>	<b>183</b>
<b>Rick Rosar</b>	<b>130</b>
Tom Schuler	<b>102</b>
Write-In: Bruce Liveringhouse	<b>1</b>
Write-In: Dale Mashuga	<b>2</b>
Write-In: Doug Malor	<b>1</b>
Write-In: Herb Bloomberg	<b>1</b>
Write-In: Herb Bloomquist	<b>1</b>
Write-In: Ray Gruber	<b>1</b>
Write-In: Chuck Ross	<b>1</b>
Write-In: Tim Swanson	<b>1</b>

<b>Permanent Director (1 Seat)</b>	
<b>Tim Rice</b>	<b>210</b>
Write-In: Dan Amundson	<b>1</b>
Write-In: Herb Bloomquist	<b>3</b>
Write-In: Mike Wilhemson	<b>1</b>
Write-In: Ray Gruber	<b>1</b>



Minnesota Department of Natural Resources  
Ecological and Water Resources  
1200 Warner Rd.  
St. Paul, MN 55106

August 26, 2020

Lake Shamineau Lake Improvement District (LSLID) & Voting Members

Hello LSLID Board and Voting Members:

I want to express my appreciation for the collaborative efforts between the LSLID Board, voting members, and the DNR. We share a common goal of resolving flooding concerns for residents around the lake and continue to support the LSLID Board and voting members with flood damage reduction efforts.

Based on my discussions with local DNR staff- Mark Anderson and Tim Crocker, there continues to be virtual Zoom- format meetings every two to three weeks for project updates to help ensure the lines of communication remain open. I want to reassure the LSLID and voting members that we will continue to work cooperatively in pursuing solutions to the high water conditions affecting Lake Shamineau residents and the local environment. In so doing, please understand that solutions must be consistent with applicable Statutes and Rules that guide the departments permit decisions.

Thank you for your commitment and leadership in addressing these complex high water issues affecting Lake Shamineau. We value this coordination and continue to support LSLID efforts toward a long-term solution.

Sincerely,

A handwritten signature in black ink that reads 'Dan Lais'.

Dan Lais  
Central Region Manager

cc: Tim Crocker – DNR EWR R3 North District Manager  
Mark Anderson - DNR Area Hydrologist