



September 28, 2021

To: Morrison County Board of Commissioners
Brad Vold, Interim County Administrator

From: Lake Shamineau Lake Improvement District (LSLID) Board of Directors
Cindy Kevern, LSLID Administrator

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 2022 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, 2021:

1. The 2022 Non-Project Operations budget of \$38,000; approved with 68% voting in favor.
2. The 2022 Aquatic Invasive Species (AIS) Project budget of \$30,000; approved with 89% voting in favor.
3. The 2022 High-Water Outlet Project budget for Pre-Construction and Operations of \$257,000; approved with 62% voting in favor.

2021 Activities

During 2021 the LSLID completed the following:

1. High-Water Outlet Project:

You may recall from last summer (2020) that after considering several options there was a decision to review and develop a project that included constructing a west outlet utilizing the newly cleaned ditch to access Fish Trap Creek, through Todd County Ditch 41 to the Long Prairie River. This project route supports the *project goal to determine a solution to the high-water problem that is most feasible, cost-effective, and timely, and will minimize ongoing maintenance and future operating costs.*

The High-Water Outlet Project plan includes construction of a lake outlet structure and pumping station adjacent to the shoreline at the west end of the lake. From the pumping station the water will proceed westerly along the Aztec Road and continue along Highway 10 to the south side of County Road 203. Flowage will then continue through a recently cleaned drainage ditch that passes through US Highway 10 before flowing west into Todd County and eventually reaching Fish Trap Creek, which becomes part of Ditch 41 at the properties adjacent to the railroad bridge and continues to the Long Prairie River. This route was chosen to accommodate landowners.

There has been tremendous progress on the High-Water West Outlet project. Following is an update on recent key tasks:

- There have been discussions with landowners along the flowage route to determine how their land will be affected and to accommodate their requests. All the landowners west of Highway 10 along the flowage route have signed agreements to provide easements.
- Morrison County approved a resolution which provides for \$200,000 toward maintenance of Ditch 41, after the construction contract is awarded.

- Bi-monthly meetings with the local DNR have been held to keep them informed of the project, to provide detailed project information, and to seek input regarding technical issues. The regional DNR manager sent a very supportive email to the Todd County Ditch Authority on behalf of the LSLID.
- The LSLID continues to work with Fawn Lake Township on the route west of Highway 10.
- A wetland delineation of the route was completed by Houston Engineering, and it has been accepted by the DNR and the Soil and Water Conservation Districts (SWCD) of both Morrison County and Todd County.
- Houston Engineering completed groundwater monitoring near the lake with the drilling of several wells.
- Houston Engineering has completed many technical tasks including soil borings, surveys, electrical design, drafting of an operations plan, completing route and design details for landowners, and providing right of way descriptions.
- An Operations Plan has been completed with input from the DNR and Todd County and their modification requests have been incorporated into the Plan.
- An informational meeting was held on August 5th for property owners to provide detail on the results of the Preliminary Engineering Report and testing results.
- A petition to utilize Ditch 41 in Todd County has been submitted. The High-Water project has received over 50 signatures from Todd County landowners to show their support of the project. Houston Engineering has provided data and information that shows that the ditch has capacity for the water. Todd County contracted with Bolton & Menk, Inc. for a second opinion and their report also confirmed that Ditch 41 has capacity for the Project. The Todd County Board of Commissioners voted on September 14, 2021, to approve the petition, and the Order for Authorizing the Use of the Ditch as an Outlet is in process of completion.

2. Aquatic Invasive Species (AIS)

The LSLID received a 2021 (AIS) Partnership Grant from Morrison County. The grant provides: \$3,500 for a survey to target the locations of AIS; \$1,500 to fund the repair of flooded signage at the West, East and Auger's Boat Access; \$1,843 to provide chemical and scuba diver treatment of Eurasian Water Milfoil (EWM) and \$10,000 for the Watercraft Ambassador program. *Thanks to Morrison County for the support of our AIS program!* The LSLID was also very pleased to be selected to receive \$3,270 from a State AIS grant.

The AIS program has been successful in controlling Eurasian Water Milfoil (EWM). This spring a targeted survey of the lake was completed to determine areas for treatment. This summer, a lake wide delineation was also completed. After the final survey/delineation, herbicide treatments have been made in the specific areas where AIS is identified. In addition, Scuba Divers will follow up thoroughly going over the areas that have been previously treated and pulled.

Ambassador Program: With the additional grant funding, the LSLID expanded the number of Ambassadors staffing the East and West landings. There were 4 Ambassadors this year staffing each landing on the weekends and holidays. 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 provided communications through mailings, newsletters, and postings to the website. LID Board meetings are announced on the LSLID website, are open to the public, and notes are posted on the website. The LID website includes project information, engineering reports, financial information and reports, and other information that may be of interest to property owners.

Mailings have included:

- A mailing was sent out on April 16, 2021, providing updates to property owners on the High-Water Outlet Project and other LID activities.
- A mailing was sent out on June 28, 2021, 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. Two nominations were received for two open permanent residency seats.

- A mailing announcing the Annual Meeting was sent out on August 2, 2021, to all property owners. This mailing included:
 - Letter to Property Owners providing an update on activities and details for the Annual Meeting,
 - Voting Instructions and Voting Ballot,
 - Candidate Information Sheet,
 - 2022 Budget Sheet, and
 - Return envelope.
- The LSLID again used Survey and Ballot Systems (SBS) from Eden Prairie, MN to administer the Budget and Director voting process. Each property owner voter had the choice to either return their vote directly to SBS using the paper ballot and enclosed envelope or alternatively vote online. SBS provided the tabulation of the voting.
- The Annual Meeting was held online on August 28, 2021. To accommodate voting after the annual meeting deadlines were adjusted 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 7 and to newsletter subscribers and posted on the website. The voting results are attached.

4. DNR Grant

The DNR provided 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 in the 2022 State Capital Bonding bill.

2022 Work Plan

For 2022, 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. The 2022 budget for non-project plans is \$38,000.
- The Aquatic Invasive Species (AIS) project plans include continued hand pulling and chemical treatments for Eurasian Watermilfoil and other invasive species, and continuation of the Ambassador program. 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 ambassador program. The 2022 budget amount for AIS is \$30,000.
- Following are the tasks that are planned for the High-Water project for Pre-construction and Operations:
 - Completion of the petition process with Todd County for the use of Todd County Ditch 41.
 - Houston Engineering will be working to develop construction plans to include designs of key project features including hydraulic features, AIS filtration, forcemain pipe and outlet, drainage system and lake inlet. Houston will also explore cost savings and will provide an updated cost and documentation report.
 - Seeking approval and permits from key agencies such as the DNR, Soil and Water agencies, MN DOT.
 - Preparation and issuance of an Environmental Assessment Worksheet (EAW).
 - Other tasks include outreach with landowners, agencies, and the public.
 - Upon completion of the above tasks, the project will be ready for the completion of the final detailed design plans, developing bid and contract documents, issuing bids, and selecting the contractor for construction.
- The 2022 budget for the High-water project for pre-construction and operations is \$257,000.
- Attached is the 2022 Budget Sheet which includes the following note:

The 2021 Budget included a Vote 4 at an estimated cost (as of July 2020) of \$3,350,000 to establish a project to construct a High-Water Outlet. This budget item was approved in August 2020 with 74% voting in favor of the budget question. The legal counsel for the LSLID has advised that the LSLID will not need to hold another membership vote for the Lake Shamaineau High Water Outlet Project as the LSLID membership previously voted to approve the Project under "vote 4" in 2020. He has noted that the bylaws governing the LSLID has been followed and with the passage of "vote 4" in 2020 the LSLID membership has approved the Project and as such, we have not included it on the ballot for the 2022 budget.

High-Water Outlet Project Schedule:

Following is an estimated timeline for project completion:

	Project Task	Description	Est. Completion
1	Todd County Petition	Approval of use of Todd Co Ditch 41	September 2021
2	Environmental Assessment Worksheet	EAW issuance, comment period	October 2021
3	Detailed Design to 60%	Further develop construction plans	October 2021
4	429 Hearing	Hold 429 Hearing for Project Approval	November 2021
5	Permitting	Approval from key agencies, landowners	December 2021
6	Detail Design, Right of Way	Plans, bid and contract documents	January 2022
7	Bidding	Issue bidding docs and select contractor	February 2022
8	Bonding	Issue bonds for construction	February 2022
9	Construction	Start construction of West Outlet	Spring 2022
10	Pumping Begins	Testing and Pumping	Summer 2022

The above dates are estimated and the final timeline for construction will depend on the timing of the approval of the Todd County petition, completion of agency permitting, and lead times for construction materials.

In conclusion, the LSLID has been very busy with the High-Water Outlet Project and much progress has been made. We are also very proud of the progress on controlling the Aquatic Invasive Species, and our ambassador program.

We want to extend our sincere thanks for the support from the Morrison County Board of Commissioners for the AIS Grant funds and the commitment of funds for Todd County. Please let us know if you have any questions or comments for the Lake Shamineau LID.

Sincerely,

Rick Rosar, Bob Koll, Fred Comb, Tim Rice, and Bob Ingle

Lake Shamineau Lake Improvement District Board of Directors

Cindy Kevern

Administrator

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

Attachments:

- 2022 Budget Sheet
- Vote Tabulation Results

Lake Shamineau Lake Improvement District - LSLID

2022 Budget Sheet

VOTE 1 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	15,000
Water Quality Testing – RMB Laboratory	500
Floating Bog Mitigation	500
Reserves and contingencies	<u>5,000</u>
Total 2022 Non-Project Operations Budget	<u>\$38,000</u>

Vote 1: This voting item includes administrative and other operation costs for the LID. The insurance cost estimate has increased in anticipation of the outlet operations.

Estimated annual per Parcel Charge rate (based on estimated 332 parcels) = \$105.75
Association annual per User Density Charge (20% of Parcel Charge) = \$21.15
Commercial annual per User Density Charge (20% of parcel Charge) = \$21.15

VOTE 2 Aquatic Invasive Species (AIS) Project Budget:

AIS Project costs include:	
• Eurasian Milfoil Control including SCUBA pulling and Herbicide treatment	20,000
• Planning, permits, public notice, pontoon rental	1,500
• AIS surveys	3,500
• Ambassador program	<u>15,000</u>
AIS Project Expense	<u>\$40,000</u>
Less Estimated AIS Grants	<u>10,000</u>
Total 2022 Aquatic Invasive Species (AIS) Project Budget	<u>\$30,000</u>

Vote 2: This voting item includes AIS control, surveys, and ambassador program. The AIS Budget has decreased due to additional grant funds.

Estimated annual per Parcel Charge rate (based on estimated 332 parcels) = \$83.50
Association annual per User Density Charge (20% of Parcel Charge) = \$16.70
Commercial annual per User Density Charge (20% of Parcel Charge) = \$16.70

SEE REVERSE SIDE FOR BUDGET INFORMATION FOR VOTE 3

VOTE 3 2022 High-Water Outlet Project Budget for Pre-Construction and Operations

Pre-construction and Operational costs include:

- | | |
|---|---------------|
| • Engineering plans, specifications, bid documents and review | 100,000 |
| • Legal, fiscal, administrative and right-of-way | 50,000 |
| • Operational Costs (high-water outlet) | 80,000 |
| • Contingency | <u>27,000</u> |

Total 2022 High-Water Outlet Project Budget for Pre-Construction and Operations **\$257,000**

Vote 3: This voting item includes the High-Water Project pre-construction expenses for 2022 including finalizing design and project plans, bidding process, legal expenses, and right of way. The operational costs for the high-water outlet includes initial operation costs for such items as electricity, service maintenance, and monitoring downstream water elevations.

Estimated annual per Parcel Charge rate (based on estimated 332 parcels) = \$715.10

Association annual per User Density Charge (20% of Parcel Charge) = \$143.02

Commercial annual per User Density Charge (20% of Parcel Charge) = \$143.02

NOTE:

Previously Approved Project Budget to Construct High-Water Outlet:

The 2021 Budget included a Vote 4 at an estimated cost (as of July 2020) of \$3,350,000 to establish a project to construct a High-Water Outlet. This budget item was approved in August 2020 with 74% voting in favor of the budget question.

The legal counsel for the LSLID has advised that the LSLID will not need to hold another membership vote for the Lake Shamineau High Water Outlet Project as the LSLID membership previously voted to approve the Project under "vote 4" in 2020. He has noted that the bylaws governing the LSLID has been followed and with the passage of "vote 4" in 2020 the LSLID membership has approved the Project and as such, we have not included it on the ballot for the 2022 budget.

The amount of \$3,350,000 has not yet been assessed or bonded. In addition, the cost above does not account for any possible grant funds, including a DNR Flood Hazard Mitigation grant which may reduce costs by up to 50%. These high-water project 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. The annual amount for the debt obligation for the bond payments will be included in future budgets.

Lake Shamineau Lake Improvement District
Annual Meeting August 28, 2021
Voting Deadline August 30, 2021
VOTE TABULATION RESULTS – September 7, 2021

Note – there were 192 ballots cast

Budget Questions	YES	NO	TOTAL VOTES	YES, as a % of TOTAL
#1 Non- Project Budget-\$38,000	129	62	191	68%
#2 AIS Budget - \$30,000	171	21	192	89%
#3 High Water Project - \$257,000	119	72	191	62%

Election of Directors	Number of Votes
<i>Permanent Residency Director (2 Seats)</i>	
Bob Ingle	145
Bob Koll	131
Write-In: Various	30
Write-In: Various	18