



September 26, 2023

To: Morrison County Board of Commissioners
Matt LeBlanc, 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 2024 Lake Improvement District (LID) budget. Following are the items that were approved by the LID members through online and mail-in voting that ended on August 30, 2023, with further detail of the voting results attached:

1. The 2024 Non-Project Operations Budget of \$42,000.
2. The 2024 Aquatic Invasive Species (AIS) Project budget of \$26,000.
3. The 2024 High Water Outlet Project for Start-up, Testing and Operations of \$250,000.

Other voting results included:

- Election of Permanent Residency Directors (2 Seats)
Bob Ingle (incumbent)
Duane Hendricks (replacing Bob Koll who retired from the Board)

2023 Activities

During 2023 the LSLID completed the following:

1. **Aquatic Invasive Species (AIS): Thanks to the Morrison County Board** for the Morrison County AIS Grant approved for 2023 in the amount of \$13,700 with the categories of: AIS Survey and Hand Harvesting-\$3,500.00; AIS Signage update at the lake accesses-\$200.00; and AIS Watercraft Ambassador Program-\$10,000.00. The LID continued their successful program for control of Aquatic Invasive Species including a targeted survey of the lake to determine areas for treatment, use of herbicide treatments as required, and the use of scuba divers for hand pulling.
2. **LSLID Ambassadors:** The LID hired Ambassadors that staffed the two landings to educate boat launch users about the cleaning and draining of boats and trailers as well as disposition of used bait. The program began on May 13th (opening fishing) and continued through September 4th (Labor Day). Inspectors typically worked 4-to-6 hour shifts on Fridays, Saturdays, Sundays, and holidays.
3. **DNR Grant: GREAT NEWS!!** The LSLID received news that the Lake Shamineau High Water Outlet Project will receive up to **\$3 Million** through DNR Flood Hazard Mitigation grant funds. The grant funds were included in the late session appropriations bills. The language included in the bill states, "...to construct publicly owned capital improvements necessary to prevent or alleviate flooding outlined in the Lake Shamineau High Water Mitigation Project". The LID is in the process of completing a state contract for receipt of the funds. The funds require a local match and will be used to reduce the final amount to be assessed and charged to the property owners by up to one-half of the currently estimated amounts.

4. **High Water Project:** 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 eventually reaching Fish Trap Creek, which becomes part of Todd County Ditch 41 at the properties adjacent to the railroad bridge and continues to the Long Prairie River. A map of the pumping site and water flowage route has been posted to the website.

Following are project updates and milestones:

- The LID has signed agreements with all landowners for the use of their property required for the route.
 - Houston Engineering finalized the project design and agency approvals.
 - Houston Engineering developed construction plans, bid, and contract documents.
 - Houston Engineering completed a feasibility study to define the recommended project, estimated costs, and suggested funding strategy for capital and operating costs. The report advised that the proposed improvement is necessary, cost-effective, and feasible.
 - For assessment calculations, an assessment methodology model was used that was developed by an assessment committee that included two board members, three additional property owners, and with input from the LID attorney, and Houston Engineering. The committee included Bob Ingle, Patricia Tvedt, Duane Hendricks, Pat Held, and Russ Heiling.
 - The LID held a hybrid Public Hearing on an improvement to lower the water level on Lake Shamineau on June 27, 2023. At the Public Hearing, the LID Board considered and approved ordering the improvement and directed the engineer to prepare plans and specs for bidding.
 - Bids for construction were issued and on August 10, 2023, the LSLID Board held a special meeting to review and accept the bids. The Board awarded the construction contract to the lowest responsible bidder, Landwehr Construction. The total construction cost estimate remains at \$5,550,000.
 - The LSLID and Landwehr Construction signed an agreement, and a pre-construction conference was held on September 6, 2023.
 - Scandia Valley and Fawn Lake Townships have approved traffic control plans for construction.
 - Landwehr Construction is making final plans and is in the process of starting construction activities.
 - The LSLID is in the process of obtaining interim financing for the construction.
5. **Communications:** The LID Board of Directors has provided communications through mailings, newsletters, and postings to the LID website. Regularly scheduled and special LID Board meetings are announced on the LSLID website, are open to the public, and notes are posted on the website. The LID website is the official source of information and meeting announcements and includes information such as project information, financial information and reports, and other information that may be of interest to property owners. Mailings have included:
- A mailing was sent on June 9, 2023, providing information on the public hearing as well as announcing that nominations were open and provided updates on LID activities and the High-Water project.
 - A mailing announcing the Annual Meeting was sent out on August 2, 2023, 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, 2024 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 26, 2023, with the option to view and participate in the online meeting at the Scandia Valley Town Hall. To accommodate voting after the annual meeting, paper ballots needed to be postmarked by August 30 and online voting closing on August 30. Audited tabulation results were available on September 5th and an email was sent to newsletter subscribers to announce the results. In addition, they were posted on the website. The voting results are attached.

2024 Work Plan

For 2024, the following activities are planned for the LSLID:

1. Non-project plans include administrative, communications, water quality testing and floating bog mitigation. The 2024 budget for non-project plans is \$42,000.
2. The Aquatic Invasive Species (AIS) project plans include continued hand pulling and chemical treatments for Eurasian Watermilfoil and continuation of the Ambassador program. We anticipate 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 2024 budget amount for AIS is \$26,000.
3. Following are the tasks that are planned for the High Water Outlet Project for Start-up, Testing and Operations:
 - Complete project construction, including start-up, testing, and calibration.
 - After start-up, operations will include electricity costs as well as monitoring and maintenance.
 - After construction, bonds will be issued, and a Public Hearing will be held to finalize the assessment.
 - The 2023 budget for the High-water project for start-up, testing, and operations is \$250,000.

High Water Outlet Project Schedule – Estimated Timeline:

	Project Task	Description	Est. Completion*
1	Detailed Design, Finalize Right of Way	Final plans, bid and contract documents	Completed
2	Assessment Hearing	Order Improvement and direct engineer to prepare final plans and advertise for bids	Completed June 27, 2023
3	Bidding and Contract Award	Advertise for bids, open bids, tabulate, and award contract	Completed August 10, 2023
4	Financing	Finalize temporary financing	October 2023
5	Construction	Contractor to determine schedule to meet specified milestones and completion dates	Begins Fall 2023
6	Final construction	Testing and Start Up	Compl. Sept 2024
7	429 Assessment Hearing	Second hearing with final assessment and charge amounts	Fall 2024
8	Charges and Assessments	Property Owners receive notice of the Charge and Assessment amount for their property; Property owner will have ability to finance the amount due for an estimated 10-15 years	Winter 2025

In conclusion, the LSLID is completing the construction of the High-Water outlet. We have made continued progress on controlling the Aquatic Invasive Species, and our ambassador program. The LID has hired a Certified Public Accountant to provide an audit of our financial records and the audit will soon be concluded. We want to extend our sincere thanks for the support from the Morrison County Board of Commissioners for the AIS Grant funds, and your guidance with the High-Water Outlet Project. Please let us know if you have any questions.

Sincerely,

Rick Rosar, Bob Koll, Fred Comb, Bob Ingle, Patricia Tvedt, and Duane Hendricks

Lake Shamineau Lake Improvement District Board of Directors

Cindy Kevern

Administrator

Lake Shamineau Lake Improvement District

Email: LSLIDBD@gmail.com | **Website:** <https://LakeShamineauLID.org>

Attachments:

1. 2024 Budget Sheet
2. Vote Tabulation Results

Lake Shamineau Lake Improvement District - LSLID

2024 Budget Sheet

Note: The estimated charges provided below are based on the 2024 Budget amounts included in each vote and the parcel/user density information currently available.

VOTE 1 Non-Project Operations Budget:

Administrative Expense – including:	\$15,000
• Finance – (e.g. accounting, annual audit)	
• Voting Service	
• Meetings, Mailings, and Notices	
Communications and Project Management	\$12,000
Legal and Liability Insurance (MCI) expense	\$9,000
Water Quality Testing – RMB Laboratory	\$500
Floating Bog Mitigation	\$500
Contingency	<u>\$5,000</u>
Total 2024 Non-Project Operations Budget	<u>\$42,000</u>

Vote 1: This voting item includes administrative and other operation costs for the LID. The administrative expense includes the audit expense to meet State Auditor requirements. The insurance cost estimate anticipates the outlet operations.

Estimated 2024 per Parcel Charge rate (based on estimated 328 parcels) = \$118.18
Association 2024 per User Density Charge (20% of Parcel Charge) = \$23.64
Commercial 2024 per User Density Charge (20% of Parcel Charge) = \$ 23.64

VOTE 2 Aquatic Invasive Species (AIS) Project Budget:

AIS Project costs include:	
• Eurasian Watermilfoil Control (SCUBA pulling and Herbicide treatment)	\$16,000
• Planning, permits, public notice, pontoon rental	\$1,500
• AIS surveys	\$3,500
• Ambassador program	\$12,000
• Contingency	<u>\$3,000</u>
AIS Project Expense	<u>\$36,000</u>
Less Estimated AIS Grants	<u>\$10,000</u>
Total 2024 Aquatic Invasive Species (AIS) Project Budget	<u>\$26,000</u>

Vote 2: This voting item includes AIS control, surveys, the ambassador program, a contingency in the event additional AIS treatments are needed, and an estimate for AIS grants.

Estimated 2024 per Parcel Charge rate (based on estimated 328 parcels) = \$73.16
Association 2024 per User Density Charge (20% of Parcel Charge) = \$14.63
Commercial 2024 per User Density Charge (20% of Parcel Charge) = \$ 14.63

VOTE 3 High-Water Outlet Project Budget for Start-up, Testing and Operations

Start-up, testing, and operational costs include:

- Start-up, Calibration and Testing of High-Water Outlet \$30,000
- Legal, fiscal and administration \$100,000
- Operational Costs (high-water outlet) \$100,000
- Contingency \$20,000

Total 2024 High-Water Outlet Project Budget for Start-up, Testing and Operations **\$250,000**

This voting item includes the one-time costs for testing, calibration, and startup expenses as well as legal, fiscal, and administration expenses for bonding and the expenses related to the final hearing. The operational costs for the high-water outlet includes electricity, service maintenance, and monitoring downstream water elevations.

Estimated 2024 per Parcel Charge rate (based on estimated 328 parcels) = \$703.44

Association 2024 per User Density Charge (20% of Parcel Charge) = \$140.69

Commercial 2024 per User Density Charge (20% of Parcel Charge) = \$140.69

Lake Shamineau Lake Improvement District
Annual Meeting August 26, 2023
Voting Deadline August 30, 2023
VOTE TABULATION RESULTS – September 5, 2023

Note – there were 235 ballots cast out of 308 eligible ballots (76%)

Budget Questions	YES	NO	TOTAL VOTES	YES, as a % of TOTAL
#1- 2024 Non- Project Operations Budget- \$42,000	149	86	235	63%
#2- 2024 AIS Budget - \$26,000	177	58	235	75%
#3- 2024 High Water Outlet Project for Start-up, Testing and Operations - \$250,000	138	96	234	59%

Election of Directors	Number of Votes	
<i>Permanent Residency Directors (2 Seats)</i>		
Bob Ingle	137	Elected to two-year term
Duane Hendricks	134	Elected to two-year term
Linda Card	102	
Russ Holland	89	
Write-In: Various	2	