



# City of Shorewood

June 9, 2025

City Council Meeting



City of Shorewood  
June 9, 2025  
City Council Meeting

1. Convene City Council Regular Meeting
  - A. Pledge of Allegiance
  - B. Roll Call
  - C. Review and Adopt Agenda

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2. Consent Agenda

- A. City Council Work Session Minutes of May 27, 2025
- B. City Council Regular Meeting Minutes of May 27, 2025
- C. Verified Claims List
- D. Accept Resignation of Administrative Assistant and Approve Recruitment
- E. Cannabis Business Registration Authority Resolution

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3. Matters from the Floor

*No Council action will be taken.*

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4. Reports and Presentations

A. Deborah Zorn, Lake Minnetonka  
Conservation District



June 9, 2025

## Lake Minnetonka Conservation District (LMCD)

*To preserve and enhance the "Lake Minnetonka experience"*

Presented by Deborah Zorn  
LMCD Board Member for City of Shorewood

## OVERVIEW

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I. About Lake Minnetonka

II. Note from Interim Executive Director & Strategic Plan

III. Current Topics

- Summer Rules Brochure
- Rental Watercraft License
- PILOT - Nighttime Bow Fishing (April 24-June 30)

IV. City Council discussion topics

- 2026 Budget & Levy
- AIS
- Wakeboarding regulations
- LMCD regulations & city ordinances

### DID YOU KNOW?

#### Lake Minnetonka is known for its:

- 125 miles of shoreline
- 14,043 acres of surface area—the ninth-largest lake in Minnesota
- 42 bays/named bodies of water
- Deepest bay of 113 feet (Crystal Bay)
- 30-foot mean water depth
- Water depth of less than 15 feet for 39 percent of the lake
- Vibrant community, including 14 cities in 2 counties surrounding the lake
- Sacred Indigenous areas, featured in Dakota legends
- Dakota name of “Minn-ni-tanka,” meaning “Big Water”
- Location within the Minnehaha Creek Watershed
- Abundance of nature, including regional parks, islands and trails
- Numerous sightings of “Lou,” a legendary sturgeon in excess of 10 feet in length (per local folklore)
- First known “electric-lit” inland steamboat in the U.S. (1881)



Visit the [LMCD.org](https://www.lmcd.org) website and join us on Facebook and Twitter for more information about Lake Minnetonka.



## WHO WE ARE AND WHAT WE DO

For more than 50 years, the Lake Minnetonka Conservation District (LMCD) has been managing the use of Lake Minnetonka in its mission to preserve and enhance the "Lake Minnetonka experience." The LMCD is a regional governmental agency that brings together 14 different cities, two counties, and many state and local agencies to protect, preserve and enhance Lake Minnetonka's economy and vitality. Since 1967, LMCD has worked to adopt rules, provide resources and funding, and create educational programs.

## A NOTE FROM OUR INTERIM EXECUTIVE DIRECTOR

Greetings!

We're looking forward to another safe, fun summer on Lake Minnetonka that will hopefully provide many beautiful days to enjoy this great community asset.

I'm honored to continue on as the interim executive director for the Lake Minnetonka Conservation District (LMCD). Our LMCD board of directors and staff are committed to preserving and protecting Lake Minnetonka so it remains one of Minnesota's top natural resources and recreational lakes.

### Rental watercraft code changes

In August 2024, the LMCD Board adopted new rules for rental watercraft on the lake.

- Rental watercraft operators now need to obtain a license from LMCD. License approval requires completing an inspection conducted by Hennepin County Water Patrol. After successfully completing the inspection, watercraft owners will receive the official LMCD rental watercraft sticker.
- Any operators that plan to use launches around the lake also need to provide permission from the respective public agencies.
- There is a \$25 per watercraft fee required with the license application.

Additional information is available on our website at [lmcd.org](http://lmcd.org). Please reach out to our staff or your local board member if you have questions.

Here's to a safe and enjoyable summer!

**JIM BRIMEYER**

INTERIM EXECUTIVE DIRECTOR



## STRATEGIC PLAN

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In 2023, the LMCD restructured its Strategic Plan, resulting in the following four pillars:

- Docks, Applications, Licenses, Surface Water Management
- Lake Use Safety
- Lake Protection
- Operational Effectiveness

As a result, the LMCD continues to see great strides in lake management, lake safety and lake protection.

## CURRENT TOPICS

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- Summer Rules Brochure
- Rental Watercraft License
- PILOT - Nighttime Bow Fishing (April 24-June 30)

## RENTAL WATERCRAFT LICENSE REQUIREMENTS

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On August 28th, 2024 the LMCD Board passed a ordinance adoption new Rental Watercraft Licensing requirements that went into effect on January 1st, 2025.

This ordinance requires all watercrafts, both restricted and non-restricted, that are rented on Lake Minnetonka to be inspected by Hennepin County Water Patrol and restricted watercraft to obtain a license through the Lake Minnetonka Conservation District (LMCD). It also requires that prior to renting watercrafts, watercraft owners need to obtain the official LMCD Rental Watercraft Sticker that will be given out alongside Hennepin County Water Patrol's sticker upon completion of inspection.

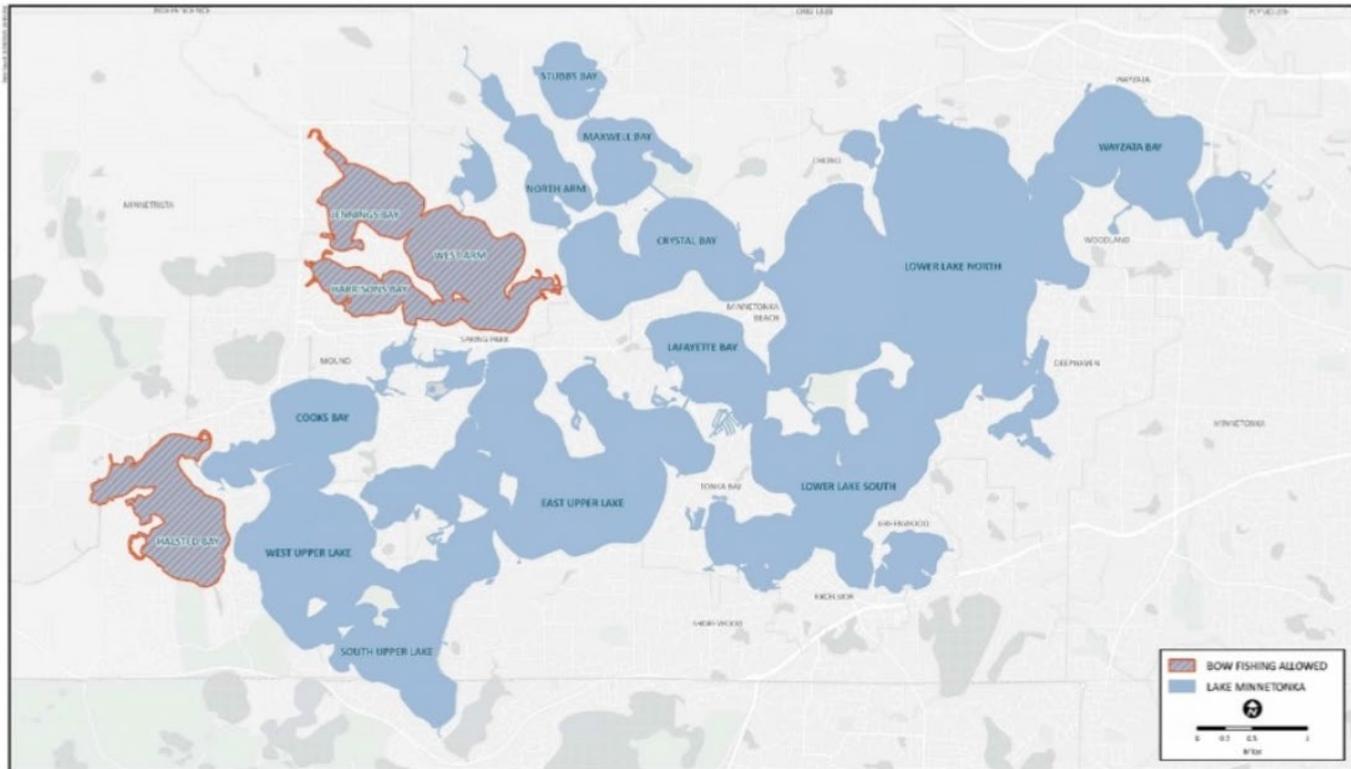
## NIGHTTIME BOW FISHING SPECIAL EVENT PERMIT

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A Special Event Permit has been approved by the LMCD Board which will allow Nighttime Bow Fishing on four bays of Lake Minnetonka for a limited event period of **April 24, 2025 through June 30, 2025**.

A Special Event Permit must be carried by each participant. Users can bow fish on the four bays from one half hour after sunset until 1am:

- Harrisons Bay
- West Arm
- Jennings
- Halstead Bay



NIGHTTIME BOW FISHING AREAS | HARRISONS, JENNINGS, WEST ARM, AND HALSTEAD BAY | APRIL 24- JUNE 30, 2025  
 LAKE MINNETONKA CONSERVATION DISTRICT

## CITY COUNCIL DISCUSSION TOPICS

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- 2026 Budget & Levy
- AIS
- Wakeboarding regulations
- LMCD regulations & city ordinances



## LAKE MINNETONKA CONSERVATION DISTRICT 2026 BUDGET AND LEVY (Preliminary DRAFT 04/30/2025)

City	2020 U.S. Census Population Data	2024 Estimated Market Value	2024 Net Tax Capacity	% of Total Net Tax Capacity (Note 1)	Share of Total Levy in 2020	Share of Total Levy in 2021	Share of Total Levy in 2022	Share of Total Levy from 2023 - 2025	Share of Total Levy in 2026	Change in Total Levy from 2025	% Change from 2025
DEEPAVEN	3,703	\$ 2,164,727,100	\$ 24,316,900	5.4%	\$25,798	\$25,561	\$20,032	\$17,200	<b>\$25,318</b>	\$8,118	47.20%
EXCELSIOR	2,224	\$ 898,042,200	\$ 10,615,481	2.4%	\$10,996	\$11,555	\$9,330	\$7,938	<b>\$11,053</b>	\$3,115	39.24%
GREENWOOD	695	\$ 575,973,000	\$ 6,922,943	1.5%	\$7,077	\$7,335	\$5,781	\$4,830	<b>\$7,208</b>	\$2,378	49.23%
MINNETONKA	51,005	\$ 13,593,922,600	\$ 161,793,644	36.0%	\$73,700	\$75,000	\$60,000	\$51,000	<b>\$75,000</b>	\$24,000	47.06%
MTKA BEACH	524	\$ 575,228,100	\$ 6,726,583	1.5%	\$7,009	\$7,028	\$5,700	\$4,708	<b>\$7,004</b>	\$2,296	48.77%
MINNETRISTA	9,007	\$ 3,068,665,400	\$ 33,093,364	7.4%	\$31,279	\$31,819	\$25,530	\$22,343	<b>\$34,456</b>	\$12,113	54.21%
MOUND	8,670	\$ 2,248,689,900	\$ 24,531,151	5.5%	\$23,620	\$24,147	\$20,012	\$16,825	<b>\$25,541</b>	\$8,716	51.80%
ORONO	7,959	\$ 5,012,008,500	\$ 57,972,639	12.9%	\$58,846	\$59,500	\$48,073	\$40,802	<b>\$60,360</b>	\$19,558	47.93%
SHOREWOOD	7,465	\$ 2,886,247,600	\$ 31,987,967	7.1%	\$33,119	\$32,985	\$26,258	\$22,262	<b>\$33,305</b>	\$11,043	49.60%
SPRING PARK	1,594	\$ 451,155,800	\$ 5,552,020	1.2%	\$6,007	\$6,013	\$4,926	\$4,045	<b>\$5,781</b>	\$1,736	42.92%
TONKA BAY	1,697	\$ 1,038,219,800	\$ 11,304,578	2.5%	\$11,422	\$11,319	\$8,979	\$7,795	<b>\$11,770</b>	\$3,975	50.99%
VICTORIA	11,928	\$ 2,595,453,300	\$ 27,877,817	6.2%	\$27,066	\$29,463	\$23,162	\$20,267	<b>\$29,026</b>	\$8,759	43.22%
WAYZATA	4,252	\$ 3,324,088,600	\$ 41,381,494	9.2%	\$46,201	\$47,215	\$37,380	\$30,920	<b>\$43,085</b>	\$12,165	39.34%
WOODLAND	437	\$ 520,684,800	\$ 5,853,664	1.3%	\$6,359	\$6,059	\$4,837	\$4,065	<b>\$6,095</b>	\$2,030	49.94%
	111,160	\$ 38,953,106,700	\$ 449,930,245	100.0%	\$368,500*	\$375,000*	\$300,000	\$255,000	<b>\$375,000</b>	\$120,000	47.25%

Maximum Levy Per MN statute 103B.635 (Total Taxable Market Value \* 0.00242%):

**\$942,665**

\* means Share of AIS Levy included in total

(Note 1) Per MN statute 103B.631, no city may pay more than 20% of the total levy. The City of Minnetonka would pay a constant 20% of any amounts to be levied

Remaining cities factor for determining levy amounts is computed as:  $(\text{City Net Tax Capacity} / (\text{Total Net Tax Capacity} - \text{Minnetonka Net Tax Capacity})) * 80\% * \text{New Total Levy}$

Total Net Tax Capacity	449,930,245
less Minnetonka Net Tax Capacity	(161,793,644)
Net Tax Capacity for remaining 13 cities	288,136,601

## STRATEGY BEHIND LEVY % CHANGE

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- In 2020, disbanded AIS Harvesting Program and sold all equipment resulting in surplus of funds entering our reserves.
- At that time, auditors advised best practice on reserve fund balances remain between 30% and 50% of annual operating expenses. Thus, LMCD reduced the levy in 2022 to \$300,000 to begin responsible spend down of excess reserves and to bring our fund balance within the recommended range.
- 2023–2025, the levy was further reduced and held steady at \$255,000 to continue alignment of reserve balance with the target of 35%.
- By the end of 2025, reserve fund balance will fall within the desired 30–50% range. Specifically, \$130,000 in reserves in 2025 to bring the balance below 40%, followed by a drawdown of \$60,000 in 2026 to achieve our target of 35%.

## STRATEGY BEHIND LEVY % CHANGE, cont'd

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- In 2026, the levy will increase to \$375,000 to offset operating expenses, specifically the reinstatement of a full-time Executive Director, replacing the current part-time interim contractor. This adjustment ensures we maintain strong leadership and organizational capacity moving forward.
- Though this is a significant increase from 2025, \$375,000 is only 40% of the Maximum Levy Amount for the State of Minnesota (\$942,665) Per MN statute 103B.635.
- Prior to the reduction, the levy was set at \$375,000 in 2021. Thus, returning to this amount is a reinstatement rather than an unforeseen change.

## **AQUATIC INVASIVE SPECIES (AIS)**

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In 2020, the LMCD decided to end the harvesting program and work with partnering agencies that are better equipped to fund, coordinate and scientifically evaluate the most effective methods of management aquatic invasive species.

From 2021-23, LMCD awarded grants to local entities supporting their AIS treatment efforts.

At this time, the LMCD does not have any active budgetary programs to manage AIS. In recent years, the Save the Lake fund has funded a dedicated Water Patrol officer on the lake. With the county now taking over this additional officer, funds may allow grants for AIS studies and treatments.

The Save the Lake work group is working to determine how funds will be allocated in 2025 and beyond.

## WAKEBOARDING REGULATION UPDATE

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In 2023, the LMCD incorporated a new rule for all watercraft to maintain a minimum distance within 300ft of all shoreline and 150ft of all structures, parked watercraft, swimmer, etc.

The LMCD continues to work with Hennepin County Water Patrol to educate the public through our website, public launches, summer rules, brochures and enforcements.

In 2024, Hennepin County Water Patrol made stops for both educational and enforcement purposes and will continue to make stops in the future if a watercraft is found to be in violation.

We continue to see improvements around the lake and will address further research as it is provided to us.

## NEW WATERCRAFT SPEED LIMIT NOW IN EFFECT

The LMCD has a new rule that places a 5-miles-per-hour speed limit on all boats within 300 feet from the shore. This is an increase from the previous 150-foot distance.

The rule requiring a 150-foot distance from docks, anchored boats, swimmers or scuba divers' warning flags throughout the lake has not changed.

The LMCD board approved this updated rule last summer after hosting a listening session, engaging community members and conducting research.

You can learn more about the new rule at [LMCD.org/safety/safety-boat-generated-wakes](https://LMCD.org/safety/safety-boat-generated-wakes).



## LMCD ORDINANCES & CITY ORDINANCES

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- In 2019, there was a change in LMCD authority at the legislature removing LMCD's ability to regulate above the 929.4 ordinary high watermark. Thus, any activity on land such as boat storage.
- Since then, LMCD has changed the way Licensees are expected to comply.
  - o It is the Licensees responsibility to comply with any relevant regulations of all LMCD, Federal, State, County and Municipal rules and regulations. Violations may result in revocation of these approvals.

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7. Engineering/Public Works
  - A. Water Infrastructure

# The Issue

- ▶ Water fund projected deficit \$4.5M by 2035
- ▶ Water system not fully utilized
- ▶ Sustainability of fund
- ▶ Lack of a strategy

# Overview

- ▶ History of the System and Policies
- ▶ Community input
- ▶ Current System
- ▶ Water Quality
- ▶ Financial Status of Water Fund
- ▶ Options
- ▶ Direction

# History

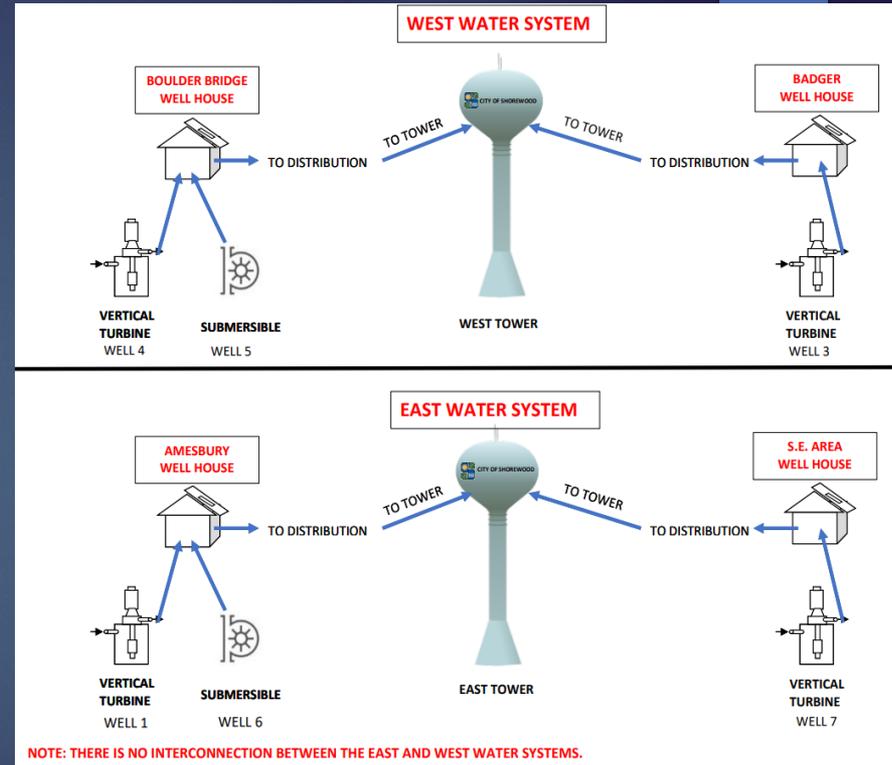
- ▶ Local area wells in 1970s and 1980s
- ▶ 1980's Development and expansion
- ▶ 1991 Community survey
- ▶ 1996 – 20 year build out plan
  - ▶ Access Charge increased to \$10,000
- ▶ 2010 “No Assessments” proposed - Failed
- ▶ 2015 Star Lane and Star Circle – Last project assessed

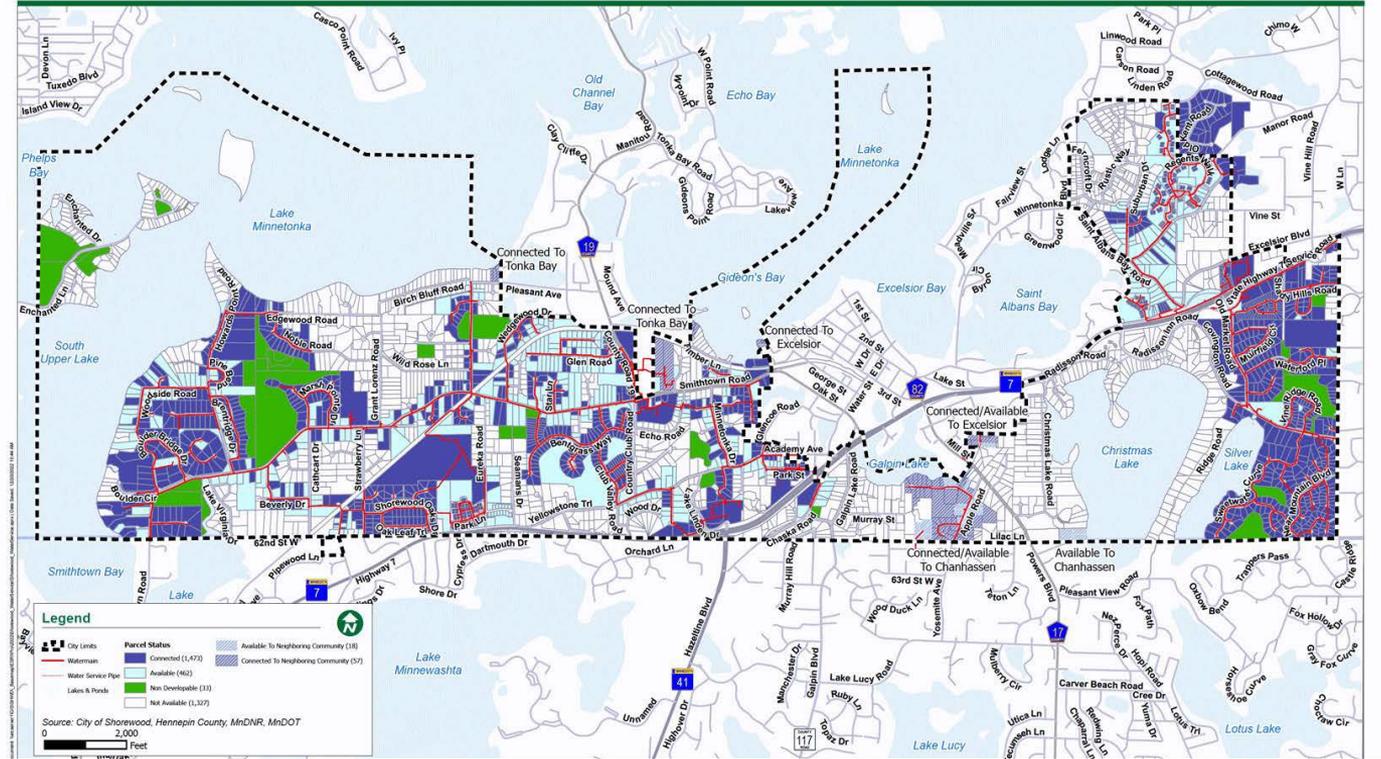
# Surveys

- ▶ 1991
- ▶ 2011
- ▶ 2025
- ▶ Mill St
- ▶ Availability and Cost are barriers to connect

# Current System

- ▶ Separated Systems
- ▶ Six Wells
- ▶ 280 – 640 ft deep
- ▶ 1568 properties served
- ▶ 531 properties available

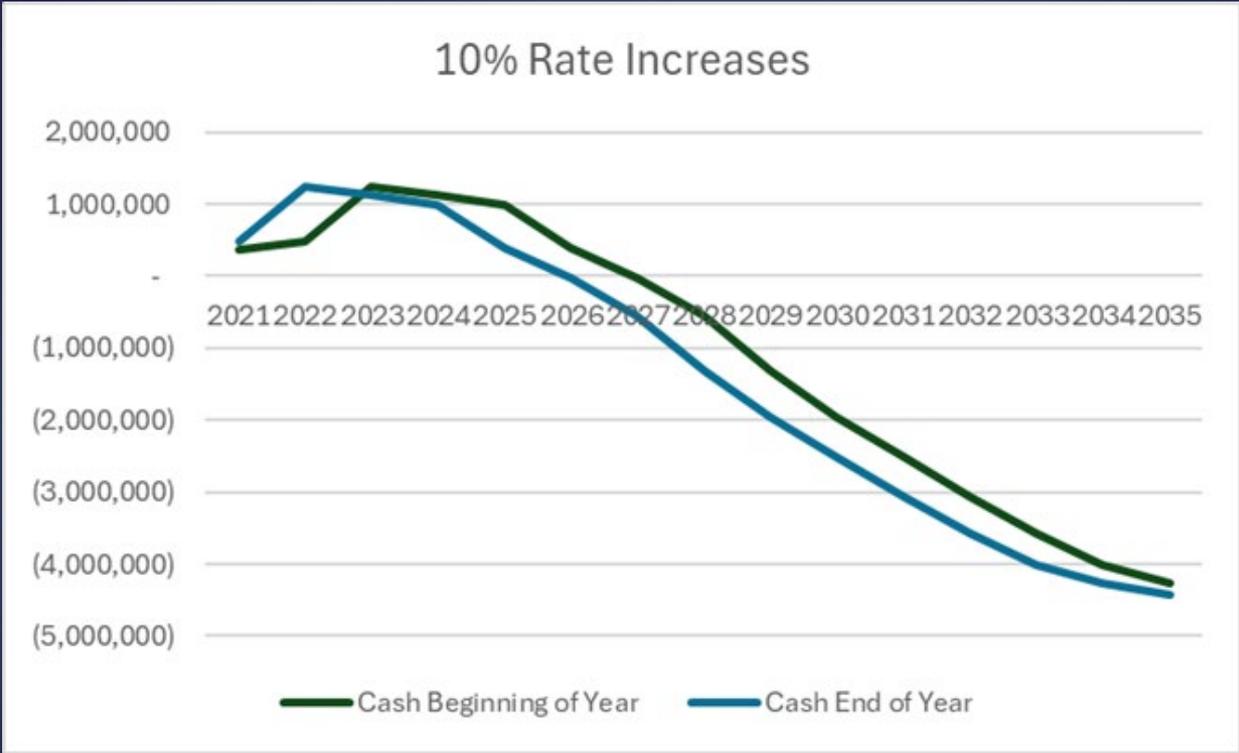




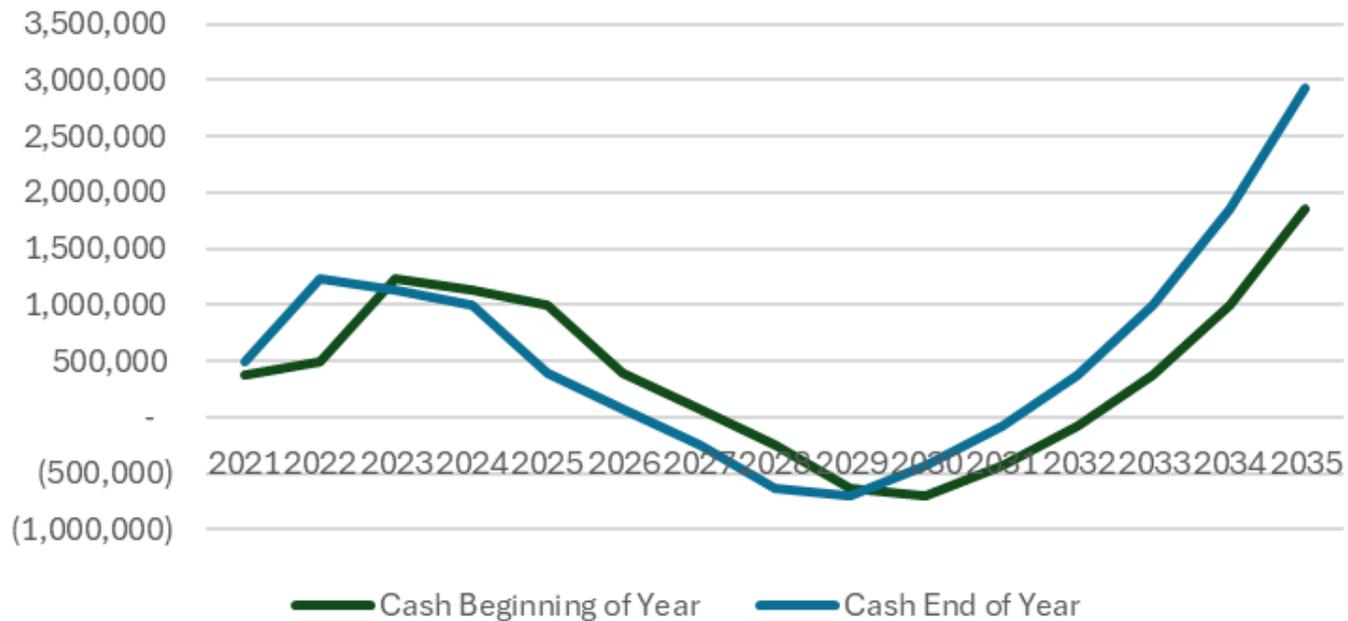
# Water Quality

- ▶ Primary contaminants (Lead, Copper, Arsenic) under actionable levels
- ▶ Iron content higher than desired
  - ▶ Reduced via operational adjustments and filtration
- ▶ Private Well Data from Rental Licensing
  - ▶ 98.% had detectable contaminate levels
  - ▶ 11.4% exceed standards

# Financial



## 20% Rate Increases 5 Years 8.5% Rate Increases 5 Years



# Options

- ▶ 19 options presented
- ▶ What options should be pursued?
  - ▶ How to maximize current system?
  - ▶ Principles for expansion of system?
- ▶ Selected options will be further discussed
  - ▶ Budget process
  - ▶ Policy approval by Council

# Options

- ▶ 1. Improve Public Perception
  - ▶ Enhance communications, provide data
- ▶ 2. Organized Connection
  - ▶ City lead project for voluntary connections
- ▶ 3. Availability Fee
  - ▶ Charge base fee to properties with water available, but not connected

# Options

- ▶ 4. Infrastructure Fee
  - ▶ Fee to all other properties w/o water available
  - ▶ Supports Nearby hydrants, ISO rating, public facilities with water
- ▶ 5. Modify Rate Structure
  - ▶ Add tier and promote conservation
- ▶ 6. Assess Complete Water Connections
  - ▶ Assess access charge and cost to connect to building

# Options

- ▶ 7. Require new Subdivisions to Connect
  - ▶ Discussed in January and April
  - ▶ Best practice
- ▶ 8. Point of Sale Connection
  - ▶ If water is available, require connection at sale
  - ▶ 85 connections missed in 2019-2025
- ▶ 9. New Build Connection
  - ▶ If water is available, require connection
  - ▶ 13 connections missed in 2021 - 2024

# Options

- ▶ 10. Require Connection w/ Watermain Project
  - ▶ Best practice
- ▶ 11. Increase connection fee
  - ▶ \$10K fee since 1996
  - ▶ Apply CPI = \$20,777 in 2025
- ▶ 12. Improve Water Treatment (reduce Iron)
  - ▶ Operational adjustments and maintenance practices
  - ▶ Explore treatment options at key wells

# Options

- ▶ 13. Connect upon large renovation
  - ▶ Similar to Point of Sale or New Build
  - ▶ Must define criteria
- ▶ 14. Require Connection to existing Main
  - ▶ 531 properties have water available but not connected
- ▶ 15. Amend Service Line Ownership
  - ▶ Reduce costs to water fund
- ▶ 16. Utility Assessments
  - ▶ Additional funding; Pros / Cons
  - ▶ Review code/policy

# Options

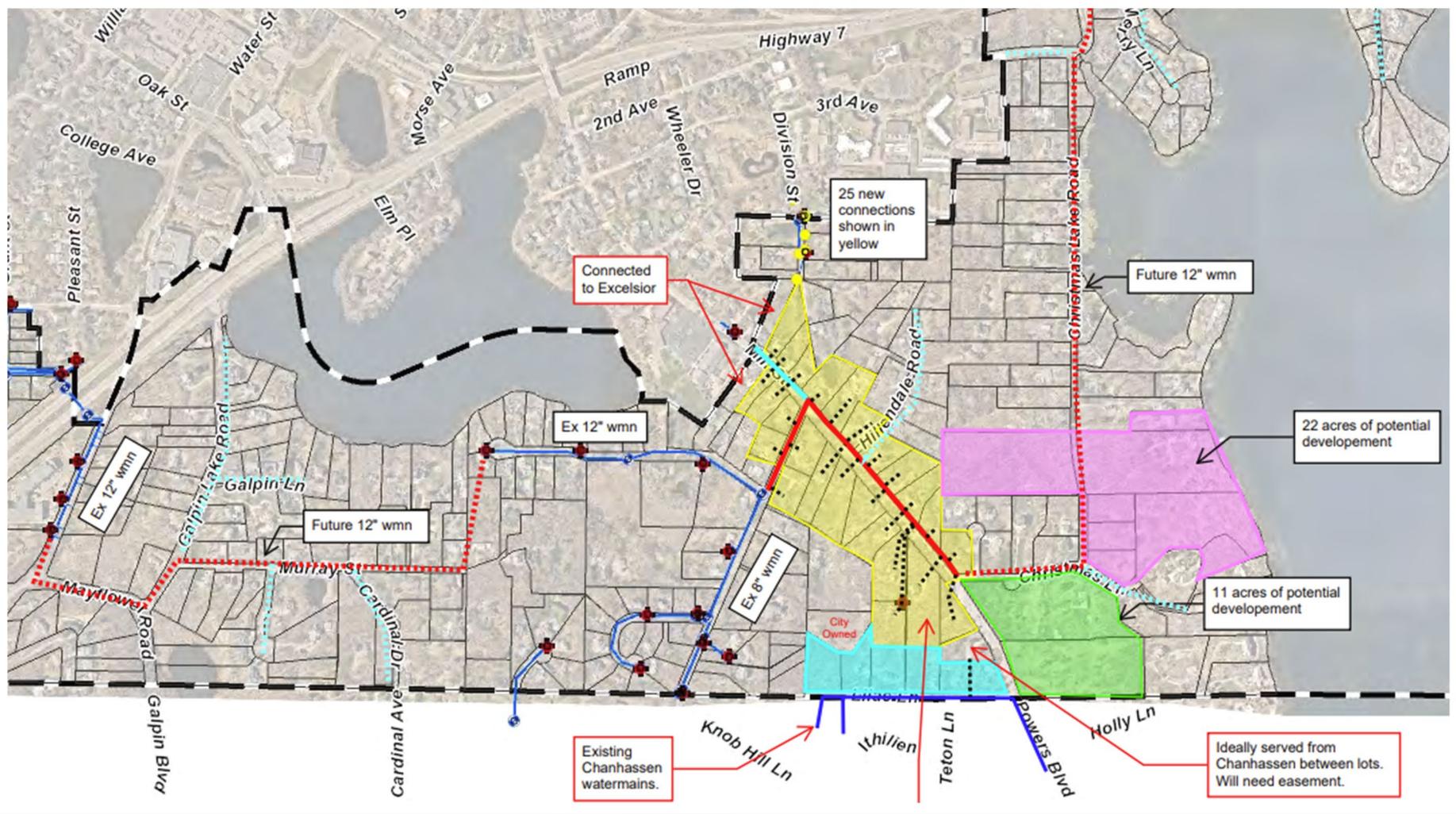
- ▶ 17. Delay CIP Projects
  - ▶ Minimal impact to water fund
- ▶ 18. Indirect Costs
  - ▶ Allocate staff time allocated to general fund
- ▶ 19. Property Tax Levy to Supplement Water Fund
  - ▶ Fund water fund deficits with property tax levy

# Direction

- ▶ Should the existing system be fully utilized?
  - ▶ If so, how to achieve and by when?
- ▶ Should system be expanded?
  - ▶ If so, what might trigger expansion?
  - ▶ How might expansion be financed?
  - ▶ What requirements or policies should be included?
- ▶ Selected options will be further discussed at:
  - ▶ Budget process
  - ▶ Policy approval by Council

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7. Engineering/Public Works
  - B. Mill Street Trail Watermain Improvement Project, City Project 24-07



25 new connections shown in yellow

Connected to Excelsior

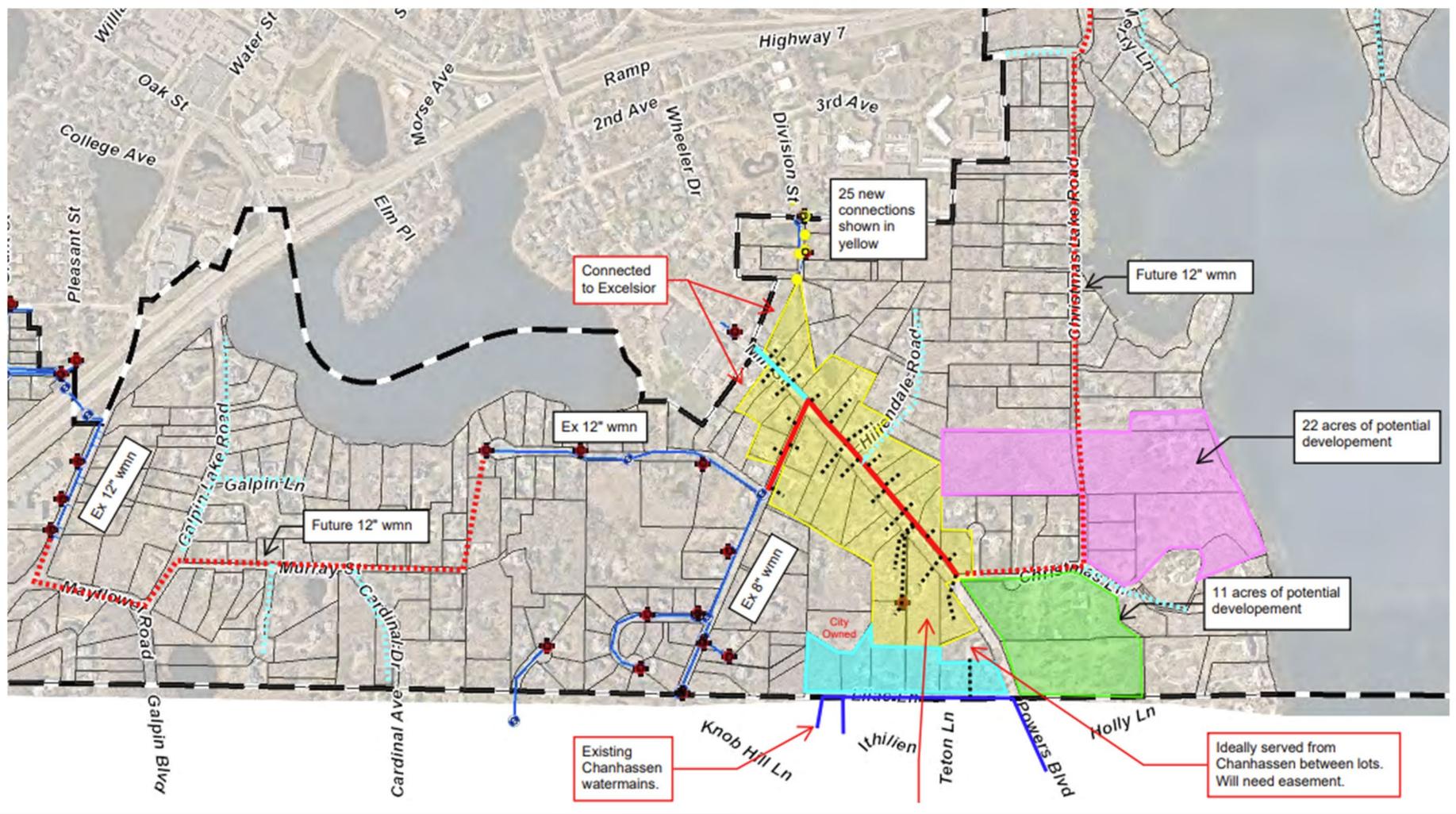
Future 12" wmn

22 acres of potential development

11 acres of potential development

Existing Chanhasen watermains.

Ideally served from Chanhasen between lots. Will need easement.



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8. General/New Business
  - A. HVAC (Chiller) Replacement at Public Safety Building

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9. Staff and Council Reports

A. Staff

B. Mayor and City Council

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10. Adjourn