



Bassett Creek Watershed Management Commission

DRAFT Minutes of Regular Meeting
Thursday, August 21, 2025
8:30 a.m.
7800 Golden Valley Road, Golden Valley MN

1. CALL TO ORDER and ROLL CALL

On August 21, 2025 at 8:32 a.m. Chair Cesnik called the Bassett Creek Watershed Management Commission (Commission) to order.

Commissioners, city staff, and others present

City	Commissioner	Alternate Commissioner	Technical Advisory Committee Members (City Staff)
Crystal	Joan Hauer	<i>Absent</i>	<i>Absent</i>
Golden Valley	Paula Pentel	Wendy Weirich	Drew Chirpich
Medicine Lake	Clint Carlson	Shaun Kennedy	<i>Absent</i>
Minneapolis	Jodi Polzin	<i>Vacant</i>	Liz Stout
Minnetonka	<i>Vacant</i>	<i>Vacant</i>	Eric Eckman
New Hope	Jere Gwin-Lenth	Jen Leonardson	<i>Absent</i>
Plymouth	Catherine Cesnik	<i>Absent</i>	Talori Duckworth
Robbinsdale	<i>Absent</i>	<i>Vacant</i>	<i>Absent</i>
St. Louis Park	<i>Absent</i>	David Johnston	Erick Francis
Administrator	Laura Jester, Keystone Waters, LLC		
Engineers	Stephanie Johnson, Jessica Olson, Gabby Campagnola, Jim Herbert, Patrick Brockamp - Barr Engineering Co.		
Recording Secretary	<i>Vacant Position</i>		
Legal Counsel	Dave Anderson, Kennedy & Graven		
Guests/Public	Greg Koch, Winston Wildebush, Stu Grubb, Brett Emmons, Dan Hall, Susanna Torseth – Graffiti Mill LLC; Nick Minderman, MPLS resident; John Micevych, Minneapolis Ward 7; Eric Wojchik, Met Council; Dan Justesen, Utepils		

2. PUBLIC FORUM ON NON-AGENDA ITEMS

None

3. APPROVAL OF AGENDA

MOTION: Commissioner Gwin-Lenth moved to approve the agenda as presented. Commissioner Carlson seconded the motion. Upon a vote the motion carried 7-0. The cities of Minnetonka and Robbinsdale were absent from the vote.

4. CONSENT AGENDA

MOTION: Commissioner Carlson moved to approve the consent agenda. Commissioner Gwin-Lenth seconded the motion. Upon a vote the motion carried 7-0. The cities of Minnetonka and Robbinsdale were absent from the vote.

The following items were approved as part of the consent agenda.

- Approval of Minutes – July 17, 2025 Commission Meeting
- Acceptance of August Financial Report
- Approval of Payment of Invoices
 - Keystone Waters, LLC – July 2025 Administration
 - Keystone Waters, LLC – July 2025 Administrative Expenses
 - Barr Engineering – July 2025 Engineering Services
 - Triple D Espresso – August Meeting Catering
 - City of Plymouth – July 2025 Accounting Services and Audit Assistance
 - Kennedy & Graven – Legal Services
 - Stantec – WOMP Services
 - Bolton and Menk – Sweeney Lake AIS Early Detection Training
 - HDR, Inc. – Website Update Project
 - LB Carlson LLP – 2024 Financial Audit
- Acceptance of 2024 BCWMC Financial Audit

5. BUSINESS

A. Consider Variance Request for Fruen Mill Redevelopment Project

Administrator Jester provided a high level overview of the agenda item noting the Commission and the applicant (Graffiti Mill, LLC) entered into an agreement in March to provide reimbursement of Commission Engineer’s time in discussions and preliminary reviews of the site and potential variances. She reminded commissioners about the presentation by Graffiti Mill at the June meeting which provided a vision of the project and potential challenges with floodplain requirements. She noted that the Commission rarely received requests for variances from its requirements and that the process for this development is unusual as it is being taken in two stages – first to consider variances (today’s focus), and second a review of the full development at a future meeting. She noted this phased approach provides some assurance to the developer on the viability of the project.

Commission Attorney Anderson reminded commissioners that the discussion and question before the Commission at this meeting is narrow in scope, focusing solely on the request for variances from three BCWMC requirements. He noted this is not a review of the complete project at this stage. He noted there are five criteria for considering a variance as outlined in the BCWMC’s “Requirements Document.” He noted the Commission has discretion for some areas of the variance process due to some grey areas in the Commission’s requirements. Finally, he noted that if the Commission denies the variance request, they must articulate the reasons in writing. A denial cannot be arbitrary.

Commissioner Polzin noted that if the variances are approved, it would allow a currently prohibited use in the floodplain. She asked if there might be a “hold harmless” protection for the Commission that would stay with the property if the owner sells in the future. She wondered about potential liability for the Commission in the future. Attorney Anderson responded, saying governments have legislative and discretionary immunity for property- or use-related decisions.

Commissioner Gwin-Lenth commended the level of detail in the memo from the Commission Engineer and Attorney. He noted the community support for the project and voiced his concern about setting a precedent if the variances are approved. Attorney Anderson noted that he is not concerned about setting precedent from a legal standpoint because applications should be reviewed individually and on a case-by-case basis. He also noted that today’s group of commissioners cannot set precedent for a future group of commissioners.

Commission Engineer Herbert addressed the technical aspects of the variance request, noting there are two

flooding concerns – one from groundwater through seepage into the basement level, and one from surface water if the creek were to flood. He noted that some of the discussion and decisions within the variance process are related to technical aspects of the project while others are more policy-related questions. Engineer Herbert reviewed the exact requirements from which a variance is sought including Policy 29 (Minimum building elevations (lowest floor) of new and redeveloped structures, including parking garages/ramps, must be at least 2.0 feet above the 100-year flood level); Policy 34(a) (The BCWMC will allow only those land uses in the BCWMC-established floodplain that will not be damaged by floodwaters and will not increase flooding); and Policy 34(b) (Allowable types of land use that are consistent with the floodplain include recreation areas, playgrounds, surface parking lots, temporary excavation and storage areas, public utility lines, agriculture, and other open spaces.).

Engineer Herbert described the position and elevation of the buildings (and basements) in relation to the creek and the BCWMC 100-year floodplain. He reported that the applicant wishes to use the basements which are more than 9 feet below the floodplain and 5 feet below the creek. He walked through the applicant's responses to each of the variance conditions.

Condition 1: There are special circumstances or conditions affecting the property such that the strict application of the provisions of these standards and criteria would deprive the applicant of the reasonable use of the applicant's land. Engineer Herbert noted this is more of a policy question and that his initial recommendation was to fill the basement due to continuous groundwater intrusion. He reported the applicant has indicated that the project is not economically viable without use of the basement and that this is clearly a special circumstance due to the uniqueness of the property. As noted in the memo, whether denying the ability to redevelop the basements of the two structures for commercial uses would deprive the applicant of the reasonable use of the applicant's land is a decision that lies within the Commission's discretion.

Condition 2: The variance is necessary for the preservation and enjoyment of a substantial property right of the applicant. Again, Engineer Herbert noted this is a policy matter and the Commission is afforded discretion. As noted in the memo, the term "substantial property right" is not defined in the BCWMC's standards, and so the Commission should consider the inherent characteristics of the property and existing structures and whether alternative proposals that do not rely on use of the basements are possible.

Condition 3: The granting of the variance will not be detrimental to the public welfare or injurious to the other property in the territory in which the property is situated. Engineer Herbert stated they reviewed the applicant's proposed flood protection measures and the impacts to the 100-year flood elevation caused by operation of the dewatering system during a 100-year storm and found the increased flood elevation to be negligible. He further noted that if the project moves forward, the final development plans must demonstrate no increase in flood level at any point along the trunk system.

Condition 4: In applications relating to a use in the 1% (100-year flood) floodplain set forth in Table 2-9 of the [Watershed] Plan, the variance shall not allow a lower degree of flood protection than the current flood protection. Engineer Herbert acknowledged that although the applicant's variance request includes providing less than required freeboard at the site, the condition can be met if the final development plans demonstrate no increase in flood level at any point along the creek to ensure adjacent properties are not impacted by the development. Further, he reported that he believes an appropriate dewatering system is possible.

Condition 5: The granting of the variance will not be contrary to the intent of taking all reasonable and practical steps to improve water quality within the watershed. Engineer Herbert reported the submitted water quality data was found to be appropriate and that the data are being further reviewed by the DNR as part of the appropriation permit.

Commission Engineer Herbert went on to note that Section 4, paragraph 9 in the BCWMC Requirements Document acknowledges the use of floodproofing for non-conforming land uses.

There was considerable questions and discussion among commissioners, staff, and the developer. It was noted that stormwater runoff will be addressed with the future review of the complete site plans and that the creek has not been out of its banks in this stretch this summer, even with significant rain events (which is likely due to a flood

control structure upstream at Hwy 55). There was discussion about the size of the basements in relation to overall square footage of the buildings and the applicant's desire to use the basement to make the redevelopment economically viable. It was noted the buildings' basements were previously used during mill operation and that grain mills cannot operate with water intrusion. There was discussion about the need for redundancy in the flood proofing systems and power back up to keep the dewatering system operational in the case of power outage and how the cone of depression from the dewatering is expected to be small and should not impact the building's structure. The developer noted that the strength and integrity of both buildings is sound despite its age. There were questions about mechanical systems that might be located in the basement; city building codes will come into play for those issues. Commissioner Polzin indicated she liked the project concept but struggles with the fact that Minneapolis codes reference floodplain extents that are less stringent than BCWMC floodplain extents.

Some commissioners indicated support for the project if the basements were not planned to be used. Other commissioners and city staff noted that several buildings in Minneapolis, including University of Minnesota buildings and multiple parking ramps rely on continuous dewatering.

Greg Koch, the applicant and owner of Graffiti Mill LLC discussed his work in cleaning up and remediating the site over the last 2.5 years and spending considerable funds getting to this point. He reiterated that the project is not financially viable if the basements cannot be used and that he would likely sell the property if unable to use the basements. He noted that he is different from typical developers in that he is focused on place-making and adaptive reuse.

After additional comments from commissioners, Commission Attorney Anderson reminded commissioners that they should maintain a clear record of deficiencies to variance criteria, if they exist, and that their decision cannot be arbitrary, capricious, or based on issues unrelated to Commission requirements. He also noted the Commission cannot approve something that is not before them (such as approving a development that does not use the basements).

There was further discussion about the project, including from the Minneapolis TAC member Stout who noted the city of Minneapolis supports this project and hopes for economic development in this area. Alternate Commissioner Kennedy noted the Commission is reviewing this at the beginning of a long process and that the developer is seeking permission to continue and prove they can develop the property as desired. Commissioner Polzin questioned whether prohibiting use of the basement truly creates a hardship. In a response to a question from commissioners, Mr. Koch discussed the reason he is not seeking historical designation. Attorney Anderson explained that should a conditional variance be granted, it would be tied to this particular applicant and application and not to the property.

[Chair Cesnik called a 5-minute break.]

Commission Engineer Herbert reviewed the conditions, noted within the memo, that are recommended by staff if the Commission decides to approve the variance request. Chair Cesnik wished to add a condition that an operations and maintenance plan be filed with the city and that proposed condition #3 be modified to include a requirement for some type of backup to ensure resiliency for the pump system (for example, backup generators) to ensure the basements stay dry. Further, she requested the conditions be more explicit about the requirement for floodproofing designs in future submittals to be completed to the satisfaction of the Commission Engineer.

MOTION: Commissioner Polzin moved to conditionally approve the variance request with conditions outlined in the memo and the additions voiced by Chair Cesnik. Commissioner Carlson seconded the motion. A vote was taken by roll call:

Crystal: No
Golden Valley: Yes
Medicine Lake: Yes
Minneapolis: Yes
Minnetonka: Absent

New Hope: Yes
Plymouth: Yes
Robbinsdale: Absent
St. Louis Park: Yes

The motion carried 6-1 with the cities of Minnetonka and Robbinsdale absent from the vote.

B. Review Cost Estimates and Implementation Options for Main Stem Bassett Creek Restoration Project

Administrator Jester reminded commissioners that at the meeting last month, the Commission reviewed the 50% designs for this CIP project and learned that estimated construction costs are considerably higher than originally included in the feasibility study completed over two years ago. She noted higher costs are due to a few factors including inflation, additional or expanded areas of erosion needing restoration, and a potential to expand vegetation restoration on public and private riparian areas and floodplains.

Commission Engineer Olson presented information including maps showing the additional 1,200 feet of erosion, maps showing the expanded areas of vegetation restoration, and updated costs and pollutant removal figures. She reported the eroding areas originally presented as part of the feasibility study were re-prioritized to include the new areas of erosion. She presented the base cost for vegetation restoration (in areas with restoration) and costs for add-on #1 (vegetation restoration on publicly owned land) and add-on #2 (restoration on privately owned land).

Administrator Jester reviewed options for additional funding, noting grant opportunities are limited aside from the next round of Watershed Based Implementation Funds which would be about \$183,000. She reported that the 2027 levy has “space” for a \$1M project because Golden Valley is not ready to move forward with a CIP project currently slated for 2027 and has asked to move it to 2028 at the earliest.

Commissioner Polzin asked if the City of Golden Valley could provide additional funding toward the project. Golden Valley TAC member Chirpich indicated he wasn’t sure. Commissioner Pentel voices support for stabilizing erosion in all high, medium, and low priority areas and noted residents are excited about the project. She also noted that vegetation restoration adds more value to the project.

Commissioner Polzin agreed with Commissioner Pentel but also noted concern about spending public money restoring vegetation on private properties. It was noted the draft watershed management plan includes a potential small grant program for homeowners to install buffers and raingardens and that improving private lands still improves the creek. TAC member Chirpich confirmed that it would be the responsibility of each homeowner to maintain any restored vegetation after the 3-year warranty period and that he and the design team were working to incorporate vegetation that is not easily removed by homeowners. It was also noted this project protects the Lagoon Dredging Project just downstream.

MOTION: Commissioner Pentel moved to approve moving forward with Alternative 3 + add-ons 1 and 2, and directing the Commission Engineer to continue to 90% designs. Commissioner Hauer seconded the motion.

DISCUSSION: There was discussion about posting add-ons 1 and 2 as alternate bids to be priced separately. Commission Engineer Johnson noted that may impact bids as it adds uncertainty for bidders. It was noted that for now those costs can be tracked separately for review again at 90% plans. There was confirmation that the motion implies a project budget amendment to \$2,592,000.

VOTE: Upon a vote the motion carried 6-1. Commissioner Polzin voted against; all others voted in favor. The cities of Minnetonka and Robbinsdale were absent from the vote.

C. Consider Approving Scope of Work for Feasibility Study for Phase II Bassett Creek Lagoon Dredging Project

Administrator Jester reminded commissioners that in the winter of 2022/2023 Lagoons D, E, and F in Theodore Wirth Regional Park were dredged as part of the Main Stem Lagoon Dredging CIP Project. The project was not completed to specifications. She noted that at their meeting in April the Commission approved a TAC recommendation on the 5-year CIP to include the Main Stem Bassett Creek Lagoon Dredging, Wirth Park (BC-7) project to dredge lagoons (either Lagoons D, E, and F, or Lagoon G). She indicated that with construction slated for 2027, a feasibility study should get started soon.

Commission Engineer Johnson reviewed the scope of work for a feasibility study, which will use much of the information obtained during the original project. She noted the new project will incorporate the lessons learned from the original project and she highlighted the need for additional public engagement as part of this next phase. She reviewed the proposed schedule and budget for the study.

[Commissioner Hauer and Alternate Commissioner Weirich leave the meeting.]

Commissioner Pentel indicated she does not see the viability of going back to dredge additional material from Lagoons D, E, and F and wondered why the study couldn't simply focus on dredging in Lagoon G. Commission Engineer Brockamp noted that there is significant water quality benefits to additional dredging in D, E, and F and that a contractor might consider non-mechanical dredging. He noted the TAC recommended a study of both scenarios. Commissioner Polzin agreed it makes sense to study both options. Administrator Jester noted there may be some opposition and/or negative ecological impacts resulting from dredging in Lagoon G because the stream channel has reclaimed its path through the area and much of what once was open water is now riparian/floodplain habitat.

MOTION: Commissioner Polzin moved to approve the scope and budget for the Phase II Bassett Creek Lagoon Dredging Project. Alternate Commissioner Johnston seconded the motion. Upon a vote the motion carried 7-0 with the cities of Minnetonka and Robbinsdale absent from the vote.

D. Consider Budget Committee Recommendations on 2026 Operating Budget

Budget Committee Chair Polzin reported that the committee reviewed the 2024 audit and status of the 2025 operating budget. She noted that the audit shows a higher 2024 year-end balance than previously calculated which means the Commission came into the current fiscal year with more funds than expected. She noted this has implications on spending and city assessments in 2026 and that in simple terms, there is about \$259,000 "additional" funding available for 2026 than originally calculated. Committee Chair Polzin reviewed the committee's recommendations for the 2026 operating budget including increasing spending on some line items and decreasing city assessments so they are only 1.5% higher, on average, than this year's assessments.

MOTION: Commissioner Carlson moved to approve the 2026 Operating Budget as recommended by the Budget Committee. Commissioner Gwin-Lenth seconded the motion.

DISCUSSION: Commissioners voiced continued concerns about the overall economy and Hennepin County budgets.

VOTE: Upon a vote the motion carried 7-0 with the cities of Minnetonka and Robbinsdale absent from the vote.

E. Provide Input on Minnesota Watersheds Resolutions

Administrator Jester reminded commissioners that at the meeting in July, the Commission appointed delegates (Alt. Commissioner Kennedy and Commissioner Hauer) and an alternate delegate (Commissioner Pentel) to the MN Watersheds August 25th meeting on legislative resolutions where resolutions will be voted on by the MN Watersheds membership. She indicated that this meeting is an opportunity for commissioners to provide input to the delegates on the resolutions which could be used as they consider how to vote during the meeting. She reported the TAC reviewed the resolutions and indicated their support of all three and that they specifically noted that clarity on State permitting requirements would be beneficial to both cities and the BCWMC. Alternate Commissioner Kennedy noted that the priority of resolutions will be set at a future MN Watersheds meeting.

There were no comments from commissioners.

6. COMMUNICATIONS

A. Administrator's Report

- i. November Meeting Location – Reported that the Golden Valley Council Conference room is not available for the Wednesday meeting. She will likely book a room at Plymouth City Hall.
- ii. Update on Watershed Plan 60-day Review Outreach – Draft plan went out to all review agencies, partners, interested residents and groups, lake groups, MPLS neighborhoods, adjacent watersheds, and member cities. A press release was drafted and submitted to the Sun Post and Sun Sailor.
- iii. Report on National Night Out Event – Administrator Jester attended the Wesley Commons event, an HOA right on Bassett Creek in Golden Valley. She had good conversations with many residents.

- iv. Invitation to Table at Canines for Clean Water Event – Looking for volunteers for this event in Minneapolis on August 28th.
- v. Update on West Metro Water Alliance Strategic Planning – Administrator Jester has been participating in a subcommittee of WMWA working to develop more structure for the organization and planning for the future.
- B. Engineer – Engineers may have an alternate approach to Schaper Pond monitoring. They determined samples collected earlier in the year were not tainted by the manhole issue.
- C. Legal Counsel – None
- D. Chair – Groups around Medicine Lake are considering getting involved with BCWMC.
- E. Minnesota Watersheds
- F. Commissioners
 - i. Report on Golden Valley Sustainability Fair – Commissioner Pentel tabled; very hot day but she talked with many people and there was good feedback on the watershed map
 - ii. Commissioner Polzin reported that an alternate commissioner from Minneapolis, Nick Minderman, will be appointed soon.
- G. TAC Members
 - i. Update on MN Attorney General [Task Force on Water](#) – TAC member Francis is on the task force but had already left this meeting. No September TAC meeting
- H. Committees
 - i. Report from Education Committee – Committee Chair Leonardson reported the committee is working on website updates and signage (with incorporation of Native artwork).

7. INFORMATION ONLY (Information online only)

- A. Administrative Calendar
- B. CIP Project Updates www.bassettcreekwmo.org/projects
- C. Grant Tracking Summary and Spreadsheet
- D. WCA Notices Plymouth and Golden Valley
- E. [MN Watersheds July Newsletter](#)

7. ADJOURNMENT – The meeting adjourned at 12:07 p.m.