

**MINUTES OF REGULAR MEETING
OF THE
COMFORT LAKE - FOREST LAKE
WATERSHED DISTRICT**

THURSDAY, DECEMBER 17, 2009

1) Call to Order

The President called the December 17, 2009 regular Board meeting to order at 6:30 p.m. at the Forest Lake City Offices, 220 North Lake Street, Forest Lake, Minnesota

Present: President Richard Damchik, Vice President Jackie Anderson, Secretary Wayne Moe, Treasurer John Lynch, Manager Spence

Absent:

Staff: Randy Anhorn (CLFLWD), Lisa Tilman (EOR)

Other: Linda Nanko-Yeager (Wyoming City Councilmember), Jeff Strom (Wenck Associates Inc)

2) Open the Regular Meeting

The President opened the regular Board Meeting.

3) Reading and Approval of Agenda

The President called for the reading and approval of the December 17, 2009 regular Board meeting agenda. Administrator Anhorn mentioned that due to the City of Forest Lake still working on adjusts to portions of their road projects, they have requested that their presentation be postponed until the District's January 28, 2010 Board meeting. Anhorn further stated that he would like to add discussion about the creation of a reserve "rainy day" fund as part of the agenda. Motion to approve the agenda with mentioned edits was made by Manager Anderson and seconded by Manager Spence. Upon vote, the motion passed unanimously.

4) Reading and Approval of Minutes

The President called for the reading and approval of the minutes of the November 19, 2009 regular Board meeting. Following discussion on the draft minutes, motion to approve the November 19, 2009 regular Board meeting minutes as presented was made by Manager Anderson and seconded by Manager Moe. Upon vote, the motion passed unanimously.

5) Public Open Forum

Nothing presented

6) New Business

*a) **BMP cost-share program***

Administrator Anhorn provided an update on recent BMP cost-share site visits and ongoing Board approved projects.

b) Permits and Reviews

Administrator Anhorn mentioned that while there were no new permit applications submitted since the November Board meeting, there had been some pre-application discussions with various entities, and some inquiries into other ongoing projects. Anhorn further mentioned that there had been some recent county submittals and EOR review on the Chisago County CSAH 99 project which continues through the review/comment process pre-District permit program. Lisa Tilman provided an update on recent submittals and what issues remain outstanding.

Administrator Anhorn also mentioned that one permit (buffer permit, Mogren- 09-004) was recently completed and reimbursement of unused field inspection fee deposit was part of the Treasurer's report to be acted on later in the meeting.

c) WCD monitoring/technical assistance contract

Administrator Anhorn presented copies of the WCD 2010 contract for monitoring and technical services which includes costs for the District's baseline monitoring program, monitoring as part of an effort to determine loading between the Moody Lake outlet and north inlet to Bone Lake, and technical support of the District's BMP cost-share incentive program. Anhorn stated that the contract is similar to that entered into in past years.

Following discussion, motion was made by Manager Moe to initiate the 2010 contract between CLFLWD and WCD for monitoring and technical assistance. Manager Spence seconded the motion. Upon vote, the motion carried unanimously.

d) 2009 year in review

Administrator Anhorn provided a memo that highlighted the District's activities and accomplishments in 2009 (a copy of the memo is incorporated by reference and annexed within). The Board discussed the presented and was pleased with the District's direction and accomplishments in 2009. The Board looked forward to continue its progress in 2010.

Manager Anderson requested that the Administrator work with her on reformatting the memo into a newsletter format with sidebar descriptors providing information on the programs/projects. The newsletters can then be sent to the local communities and lake association.

The Board also thought that the Administrator should work through the East Metro Water Resource Education Program to see if there was a possibility to add educational series to the local community education program.

e) Contingency reserve "rainy day" fund

Administrator Anhorn provided a memo that highlighted issues and proposed methods for the District to initiate the establishment of an Undedicated Reserve "Rainy Day" fund (a copy of the memo is incorporated by reference and annexed within). Anhorn stated that since the District has become more financially secure, the Board should look at establishing a reserve (rainy day) fund for upcoming and/or emergency needs. Anhorn stated that the Board could actually establish two different Contingency Reserve funds:

- Undedicated Reserve--to help bridge the District's administrative and office needs in order to continue basic operational needs of the District in case of an emergency or unexpected

- needs/causes.
 - Basic operational needs include Board Administration, General Offices Expenses, General Administrative and Basic Professional Services needs
- Dedicated Reserve--to undertake projects/programs in the District's CIP and Watershed Management Plan.
 - This would mainly consist of remaining levied funds as part of a particular project that go unspent due to the project coming in under budget, or due to specific needs changing. The unspent funds would be held in the Dedicated Reserve to undertake future projects and help maintain a flat levy.

Anhorn further added that while contributions to the Dedicated Reserve fund would essentially be made through unused dollars from projects that come in under budget, the Board would need to determine how much the District should carry in the Undedicated Reserve (without having too much in the fund). Anhorn stated that he had contacted HLB Tautges, Redpath, who does work for numerous watershed districts and small organizations such as CLFLWD, and they suggested that a good rule of thumb is for organizations such as CLFLWD to have six (6) months of cash flow on reserve. Anhorn said that six (6) months of operational costs (including Board Administration, General Offices Expenses, General Administrative and Basic Professional Services needs) equal roughly \$100,000.

Following discussion on the presented, Manager Anderson made motion that that the District establish Reserve Funds, one for Undesignated Reserves to fund general operational needs of the District to a maximum amount of \$100,000, and one for Dedicated Reserves to be funded by unused dollars from past District projects and used to fund future projects. The motion was seconded by Manager Spence. Upon vote, the motion carried unanimously.

The Board also discussed the need for staff to continually search all grant opportunities to help subsidize future projects and supplement the dedicated reserve fund. Following discussion Manager Anderson made motion to enlist EOR to stay on top of all grant opportunities for various District projects and programs. The motion was seconded by Manager Moe. Upon vote, the motion carried unanimously.

7) **Old Business**

a) Community-based cost-share incentive program

Administrator Anhorn mentioned that at the November board meeting the Board requested that the Administrator bring specific language and documentation detailing the community-based program and processes back to the December Board meeting. Anhorn passed out a draft cost-share flyer, similar to that of the District's Residential Cost-Share Program flyer, but providing information, specifics, and processes strictly for the community-based option (a copy of the flyer is incorporated by reference and annexed within).

The Board discussed the presented flyer, and specific information, timelines, and processes for the program, and the needs and benefits for larger community-based projects that would provide greater benefit to receiving water resources.

Administrator Anhorn then said that per Board action, the District's resulting BMP cost-share program would now consist of two tiers;

1. A residential track for projects by individual landowners on single parcels with a maximum grant of \$3,000, and

2. A community-based option for municipal, commercial or multi-landowner/multi-parcel projects where the District's portion of an approved project would be determined by the Board, not to exceed 75% cost-share for a maximum grant of \$15,000 (subject to available funds).

The Board discussed the need to promote the community-based program and requested that the Administrator highlight the new cost-share flyers on the District website and through articles in the local papers.

Manager Anderson mentioned that she had asked Chuck Holtman at the November meeting about the legality of providing cost-share (public) funds to non-profits such as churches. Ms. Anderson said that she had heard back from Mr. Holtman on her question and that it was Smith Partner's opinion, and the opinion of the League of Minnesota Cities, that there was no reason that the District should not be able to enter into a cost-share agreement with a non-profit in exchange for the implementation of various stormwater management practices.

8) Report of Staff

a) Administrator

Administrator Anhorn presented an Administrator's report memo (a copy is annexed and incorporated by reference). The Administrator's report detailed recent correspondence, permit and plan submittals for review, and recent meetings with local stakeholders. Other issues the Administrator highlighted included:

- Re-published a press release to local paper seeking additional members for CAC, especially for upcoming Plan update process
- Provided an update on the potential for obtaining some tax-forfeit land on the shores of Forest Lake. The site is undeveloped, wetland area that currently acts as a filter for runoff prior to entering the lake.
- Provided an updated 2010 budget with revised 2009 carryover figures
- Recent grant submittals
- Recent meetings with landowners of upcoming wetland restoration/cattle exclusion projects.
- Recent permit activities and site inspections
- Staff working on the development of an Investment Policy (January 2010)
- The Administrator's office schedule over the holidays

Administrator Anhorn mentioned that the Board established a petty cash fund of \$100.00, back in March of 2007. Anhorn said that because of the Administrator's ability to write checks up to \$200.00 for basic office needs without pre-approval from the Board, he has not once used the petty cash fund. For this reason, Anhorn thought that it may be best to close out the fund all together. Following discussion, the Board by consensus directed the Administrator to work with the Treasurer on closing out the petty cash fund and depositing into the District's checking account.

Administrator Anhorn mentioned that he had recently been contacted by Jerry Spetzman, Chisago County Water Planner about their intention to apply for a MDNR Aquatic Species grant for public access interns to educate on Aquatic Invasive Species (AIS) issues at the six (6) Chisago Lakes Lake Improvement District (LID) accesses. The LID plans to provide \$5,000 match to receive a \$5,000 grant to help pay the \$12/hr rate for the interns. The LID also plans on printing educational material to support the program. The LID is interested if the CLFLWD would like to partner on the grant for its five (5) access. The CLFLWD would also have to provide a match for which, if successful, we would receive an equal amount back in grant to contract the interns.

Following discussion, Manager Anderson made motion to partner with Chisago County on the grant application and to provide \$5,000 as match for the grant application. Manager Moe seconded the motion. Upon vote, the motion carried unanimously.

The Board discussed the issue of AISs and suggested that the Administrator work on educational material and articles providing help and information on what can be done to control AISs, in particular Curly Leaf Pondweed.

Administrator Anhorn provided an update on the recently received December disbursements, and how they are down, percentage wise, from that received in July 2009. The Board held discussion on the current state of the economy and what the reduced disbursement may mean to District operations and plans.

Administrator Anhorn provided the Board with an update on the two wetland restoration/cattle exclusion projects and discussed potential agreements (for a agreed upon length of time) and associated payments for the incorporation of grazing plans and removing land from production as part of establishing buffers and incorporating cattle exclusion.

b) Emmons and Olivier Resources (EOR)

Lisa Tilman had previously provided an update during the meeting on recent project/permit application reviews, and provided an update where they were on the process to finalize the draft TMDL report and preparing responses to received comments during the official public comment period.

c) Washington Conservation District (WCD)

No Report

d) Smith Partners

Prior to the meeting, the President and Administrator determined that due to there being no issues on the edited meeting agenda requiring immediate legal consultation, there was no need for the District Attorney to attend the meeting.

9) Report of Treasurer

a) Approval of Bills

Treasurer Lynch discussed the Treasurer's Report (A copy of which is annexed and incorporated by reference) and bills totaling \$18,040.59 for December 2009.

Motion was made by Manager Spence to approve the December 2009 Treasurer's Report and pay the bills as presented. Manager Anderson seconded the motion. Upon vote, the motion passed unanimously.

10) Reports of Officers and Manager

Manager Anderson --

Manager Anderson provided highlights from the MAWD conference including informational presentations and booths. Manager Anderson was particularly interested in talks on drainage, and booths highlighting

remote source monitoring (real time data) to potentially reduce the District's monitoring costs and help support educational interests.

Manager Damchik–

Manager Damchik spoke about water finally running over the Forest Lake outlet dam, and that because it was only running over one side, the dam was likely a little un-level.

Manager Lynch –

Manager inquired if anyone else was aware about potential federal legislation expanding federal jurisdiction over dry ponds and creek beds on private land. No one else was aware of the mentioned legislation.

Manager Moe –

Manager Moe presented an interesting paper on hypolimnetic withdrawal as a way to reduce internal loads and thought that because the majority of the District's lakes have internal loading problems, there may be the potential for something similar within the District. Manager Moe also provided a website link to a good website presenting current and historical site specific climate information can be obtained.

Manager Spence –

Nothing to Report

11) Adjournment

Motion to adjourn the CLFLWD regular Board meeting was made by Manager Spence and seconded by Manager Lynch. Motion carried unanimously.

Wayne S. Moe, Secretary