

**DRAFT MINUTES OF THE REGULAR MEETING  
OF THE  
COMFORT LAKE – FOREST LAKE  
WATERSHED DISTRICT  
Thursday, December 21, 2017**

**1. Call to Order**

President Anderson called the December 21, 2017 regular board meeting to order at 6:32 p.m. in the Council Chambers of the Forest Lake City Center, 1408 Lake Street South, Forest Lake.

Present: President Jackie Anderson, Vice President Jon Spence, Secretary Wayne Moe, Treasurer Steve Schmaltz, Assistant Treasurer Jackie McNamara

Others: Mike Kinney, Jessica Lindemyer, Mike Sorensen, Sam Duncanson (CLFLWD staff); Greg Graske, Meghan Funke (Emmons & Olivier Resources); Chuck Holtman (Smith Partners); Jerry Grundtner, Jack MacKenzie (Citizen Advisory Committee); Mark Lambert (Summit Management LLC); Jessica Green and Brian Kujawa (Northland Securities) Dave Bakke (Bone Lake Association)

**2. Setting of Meeting Agenda**

President Anderson noted that the agenda for this meeting is very full and recommended that the following items be moved to a future meeting agenda: consent agenda items and potential action on loan options. She recommended that the Board set a special meeting date for January 11<sup>th</sup>.

Manager Spence moved to approve the agenda as revised. Seconded by Manager McNamara. President Anderson suspended the motion to determine a quorum for a January 11 meeting.

Discussion: All five managers indicated they were available to attend a meeting on January 11<sup>th</sup> at 4:30 pm. President Anderson moved to set a regular meeting date for January 11<sup>th</sup> at 4:30 pm. Seconded by Manager McNamara. Upon a vote, the motion passed 5-0.

Upon a vote, the suspended motion carried 5-0.

**3. Consent Agenda [no action- tabled to January 11<sup>th</sup> regular meeting]**

- a) **Regular Board Meeting Minutes – November 16, 2017**
- b) **Board Workshop Minutes – November 16, 2017**
- c) **Joint Board Meeting Minutes – November 20, 2017**

**4. Public Hearing – Shields Lake Stormwater Project**

President Anderson opened the public hearing. No comments were offered by members of the public. President Anderson closed the public hearing.

**5. Public Hearing – Rule Revisions**

President Anderson opened the public hearing. No comments were offered by members of the public. President Anderson closed the public hearing.

**6. Public Open Forum**

No comments were offered by members of the public.

**7. Citizen Advisory Committee Update**

Program Assistant Sorensen explained that the CAC discussed a District awards program at its last meeting. The awards program would highlight local citizens who have made noteworthy achievements or contributions in the field of water resources. A draft of the program will be brought to a future meeting for the Board to review, and the first award ceremony would likely be held in early 2019 to recognize acts completed in 2018.

**8. New Business**

**a) Permit 17-020 Application: Timber Ridge Apartments**

Engineer Graske reviewed the engineer’s memorandum and his determination that the proposed project, located in the Comfort Lake management district, meets the District’s rules. He noted that the site comprises two parcels, and one of those parcels is being rezoned therefore triggering the District’s wetland buffer rule only on that one parcel, which is unusual.

Mark Lambert, representative for the permit applicant, arrived. He explained that a development plat for the parcels in question was previously approved several years ago, and that he believes that the project goes above and beyond what should be required.

Manager Moe moved to approve permit application 17-020 with the conditions stated in the engineer’s memo. Seconded by Manager Spence. Upon a vote, the motion carried 5-0.

**b) 2017 Watercraft Inspections and AIS Summaries**

Mr. Sorensen suggested that, due to the full agenda, he would only cover the watercraft inspection program during this presentation and that the aquatic invasive species (AIS) summaries be presented at the January 25<sup>th</sup> regular board meeting. He noted that he presented much of this information at the MN Association of Watershed Districts (MAWD) conference this year and received a lot of good feedback. Mr. Sorensen summarized the program including funding sources, local partners, number of inspectors hired, number of inspections performed, and inspection survey results. In

2018 a total of 4,036 inspection hours were completed and 8,240 inspection surveys were performed at public boat launches within the CLFLWD (three accesses on Forest Lake, one on Comfort Lake, and one on Bone Lake). These numbers are significantly higher than those for previous years. Mr. Sorensen went over specific inspection data statistics for 2018 including drain plug violations (3.8% of boaters), AIS or water present on incoming boat (5.4% of boaters), previous locations of boaters (wide variety of lakes throughout MN and WI), and risk of introduction of new invasive species such as spiny water flea and starry stonewort. President Anderson suggested that staff communicate with commercial boat storage facilities as to the use of hot wash when boats are put into or taken out of seasonal storage.

**c) Ordering of Shields Lake Stormwater Project**

Manager Schmaltz asked if staff plans to photograph or otherwise document construction areas prior to ground disturbance to establish pre-project conditions to help resolve any claim of damage during construction. Engineer Graske indicated that EOR has been taking pictures for other purposes up to this point, and will be sure to take additional pre-construction photos. He also agreed that a pre-construction informational meeting with nearby residents would be a good idea. It was clarified that EOR staff would be present throughout project construction. There was discussion about the need for long-term management of curly-leaf pondweed in Shields Lake so as to control new internal phosphorus loading after the alum treatment has been completed. Manager Schmaltz asked whether curly-leaf pondweed would be controlled before alum treatment occurs. Dr. Funke replied that the alum application contractor would be consulted. Administrator Kinney also noted that curly-leaf pondweed treatments occur in the spring, while the alum treatment is often done in the fall. Additionally, the alum treatment occurs in the deeper part of the lake, while vegetation treatment is more in the littoral zone.

Two actions were taken:

Action 1: Adopt Resolution

Manager Moe moved to adopt resolution 17-12-01 ordering the Shields Lake Stormwater Harvest and Irrigation Reuse Project. Seconded by Manager Spence. Upon a roll call vote, the motion carried 5-0.

<b>Manager</b>	<b>Aye</b>	<b>Nay</b>
Jackie Anderson	X	
Jackie McNamara	X	
Wayne Moe	X	
Stephen Schmaltz	X	
Jon Spence	X	

Action 2: Authorize Engineers to Proceed with Remaining Tasks

Manager Moe moved to authorize the Administrator to direct the District engineer to complete remaining tasks as detailed in the December 13, 2017 scope of work in an amount not to exceed \$83,200. Seconded by Manager Schmaltz. Upon a vote, the motion carried 5-0.

**d) Rule Revisions**

Mr. Kinney noted that this agenda item was a placeholder in the event that public comments were received during the public hearing. President Anderson recapped the District's past community outreach with respect to the rule revisions.

**e) Proposal for Salary Survey**

Mr. Kinney explained that he is working on some staffing changes including a new position and staff sharing with neighboring Carnelian-Marine-St. Croix Watershed District (CMSCWD). The last salary survey that was performed was meant to be accurate for years 2016 and 2017, so a new survey should be performed for years 2018 and 2019. There was discussion about talking to Metro MAWD about performing a salary survey on a broader scale that would benefit multiple watershed districts.

Manager Spence moved to approve the salary survey proposal by Noah & Associates for all seven positions, in an amount not to exceed \$3,500. Seconded by Manager Schmaltz. Upon a vote, the motion carried 5-0.

**f) Washington Conservation District 2018 Service Agreement**

Mr. Kinney explained how the service agreement was drafted with District and EOR input, as well as the District's 10-year comprehensive water monitoring plan. There was discussion about specific monitoring locations for 2018 and the Little Comfort Lake Diagnostic monitoring effort. President Anderson referenced the prior identification of a specific source of pollutant loading to Little Comfort Lake and asked that staff bring to a future board meeting a thoughtful recommendation about how to quickly respond to this sort of matter when discovered. There was discussion about 2018 technical services from the Washington Conservation District and consistency of monitoring techniques.

Manager Moe moved to approve the 2018 Service Agreement between the Washington Conservation District and the Comfort Lake-Forest Lake Watershed District in the amount of \$125,225 and authorize its execution by the Board President. Seconded by Manager McNamara. Upon a vote, the motion carried 5-0.

**g) Chisago Conservation District 2018 Service Agreement**

Mr. Kinney explained that historically the District has executed 2-year agreements with the Chisago Soil and Water Conservation District. The proposed agreement covers 2018-2019.

Manager Spence moved to approve the 2018-2019 Service Agreement between the Chisago Soil and Water Conservation District and the Comfort Lake-Forest Lake Watershed District in the amount of \$25,000 and authorize its execution by the Board President. Seconded by Manager McNamara. Upon a vote, the motion carried 5-0.

#### **h) Regional Treatment Location Identification Proposal**

Mr. Kinney noted that this activity is in the District's Watershed Management Plan. There was discussion about where this cost fits within the 2018 budget. President Anderson suggested that this falls under the scope of preliminary project identification, and that costs for additional steps can be budgeted for in the 2019 budget. Manager Moe noted the stormwater impact fund contributions that the District received in 2017 from permit applicants, and how those should be kept in a separate account. There was discussion about levying on a subwatershed basis and the need for getting stormwater infrastructure information from the cities so as to plan regional facilities. The Board encouraged staff to work with EOR and Smith Partners to obtain stormwater mapping infrastructure from local municipalities.

Manager Moe moved to authorize the Administrator, on advice of counsel, to enter into an agreement with Emmons & Olivier Resources in accordance with the December 14, 2017 scope of work and in an amount not to exceed \$7,816. Seconded by Manager McNamara.

Discussion: Manager Moe asked if the City of Forest Lake has provided an update on sending stormwater infrastructure mapping information to the District. Mr. Kinney explained that, as noted at the November 20<sup>th</sup> joint meeting with the City, it plans to collect that information via as-built surveys as projects progress on their normal timeline. He clarified that the necessary information includes culvert sizes and invert elevations, not just structure locations. There was discussion about past communications regarding the mapping effort. City councilmember and District liaison, Sam Husnik, indicated that he would talk to the City Council about this issue.

Upon a vote, the motion carried 5-0.

#### **i) Judicial Ditch 6 Watershed Assessment & Feasibility Scope of Work**

Manager Schmaltz asked that the scope of work be amended to state the estimated upper cost limit of the entire study. Engineer Graske explained that this figure is currently unknown, as the first phase will inform the final cost estimate. He added that the phase 1 scope of work includes items that EOR recommends be completed first; the cost estimate did not break out exactly as originally anticipated back when the 2018 budget was finalized. There was discussion about monitoring completed to date, and necessary remaining work.

Manager Moe moved to authorize the Administrator, on advice of counsel, to enter into an agreement with Emmons & Olivier Resources in accordance with the December 12, 2017 scope of work and in an amount not to exceed \$49,637.50. Seconded by Manager Schmaltz. Upon a vote, the motion carried 5-0.

**j) Board of Water and Soil Resources 2018 Grant Recommendations**

Mr. Kinney explained that the District was awarded its full grant request for the Moody Lake Alum Treatment (\$135,000). Additionally, the City of Forest Lake's request for the Forest Lake Enhanced Street Sweeping Implementation Grant (\$220,000), which was prepared by the CLFLWD, was fully funded as well. The District's other two grant requests were not funded. There was discussion about why the Sunrise River Tax Forfeit Project proposal was not funded. President Anderson stressed the importance of telling the story of the multi-phase effort going on with the entire Sunrise River Water Quality and Flowage Project.

**k) Cost-Share Program [Agricultural Best Management Practices]**

Mr. Kinney explained that the Chisago and Washington Conservation Districts do not have their own cost-share programs, but utilize federal programs to pass-through dollars to local residents. He presented a draft program framework to the Board. There was discussion about the importance of determining project cost-effectiveness as it relates to improving local water resource, and utilization of federal programs to fund projects. President Anderson suggested some changes to the language to better match the District's overall cost-share program, and asked that staff bring a revised framework to a future board meeting. There was consensus that President Anderson and Manager Moe will work with staff to develop a framework for Board discussion and consideration.

**9. Old Business**

**a) Loan Options Update**

Jessica Green, Northland Securities, explained two options for the District to obtain a loan of \$500,000, as indicated in the 2018 budget. Option A would entail issuing debt for the full bond amount in the near future so the District has access to the funds right away. Option B would be a reimbursement process wherein the District receives the full bond amount after it has paid the costs out of its reserve. Option A would result in the District spending more on interest compared to Option B. There was discussion comparing the two options. Ms. Green clarified that the bond could be referred to as a note or loan depending on how the bank decides to book it on their system, but all are generally considered to be the same thing in this case as far as statute requirements are concerned. Being as it would be District debt, typically the word that would be used is 'bond'.

President Anderson informed Ms. Green that the District is comparing the aforementioned options with a 0% interest loan through the Minnesota Pollution Control Agency's Clean

Water Partnership (CWP) loan program. There was discussion about the CWP loan program and its interest rate. Ms. Green recommended that, if the District has enough lead time ahead of a project to obtain a loan through that program, it would be desirable to take advantage of the 0% interest rate.

President Anderson informed the Board that both herself and Manager Schmaltz, along with Administrator Kinney, participated in a conference call with MPCA staff to learn the details of the program. Manager Schmaltz explained main advantages of the CWP program: the 0% interest rate, most of the District's projects would be eligible for the program, the repayment schedule is ideal for the District's needs, and there is no penalty for paying off the loan early, the 3-year disbursement period could be lengthened to 4 years. Disadvantages include: the application and execution period could take up to 90 days, the level of project information necessary up-front (which the District largely already has and currently provides for grant applications). Manager Schmaltz expressed concern about the overall level of funding available through the program. The Clean Water Partnership loan program has a rotating fund of \$15 million guaranteed for the next 20 years. The MPCA is able to offer these funds at a 0% interest rate due to the fact that, while loans are regularly going out, repayments are also regularly coming in allowing them to invest the excess. President Anderson pointed out that the program is not dependent on annual federal or state funds. There was discussion about the expedited timing of the reimbursement process so that the District wouldn't need to cover expenses out of pocket. There was agreement that this is a good program that should be shared with the District's partners such as counties and municipalities.

There was consensus to table this item until the January 11<sup>th</sup> regular board meeting, and act on it then.

#### **b) 2017 Budget Adjustments**

It was recapped that the purpose of this item is to better align the 2017 budget with actual expenditures.

Manager Spence moved to authorize an amendment to the 2017 expense budget in the amount of \$126,500, for a total expense budget of \$2,024,895, and to approve a 2017 revenue budget of \$2,172,643. Seconded by Manager McNamara. Upon a vote, the motion carried 5-0.

#### **c) 2018 Board Meeting Schedule**

There was agreement to set additional meeting dates for January 11<sup>th</sup> to discuss tabled agenda items, and January 16<sup>th</sup> to accommodate Manager Schmaltz's planned absence on January 25<sup>th</sup>. There was further discussion about revisions to the proposed 2018 meeting schedule including moving the June 8<sup>th</sup> meeting date to June 7<sup>th</sup>.

Manager McNamara moved to approve the 2018 board meeting schedule as revised. Seconded by Manager Moe. Upon a vote, the motion carried 5-0.

#### **d) One Watershed One Plan Update**

Mr. Kinney summarized the current status of the planning process for the Lower St. Croix River Basin One Watershed One Plan (1W1P) including work plan development, grant allocation discussions, and project implementation grant eligibility. He stressed the importance of prioritizing meaningful and effective projects for Clean Water Fund grant funding. There was further discussion about grant allocation strategies under One Watershed-One Plan. President Anderson requested that a narrative of the grant planning process be brought to a future board meeting. She suggested that a BWSR representative such as Dan Fabian be invited to one of the January meetings so as to discuss this topic further.

### **10. Report of Staff**

#### **a) Administrator**

Mr. Kinney noted that the MAWD legislative session is scheduled for March 7<sup>th</sup> and 8<sup>th</sup>. The District audit will be on March 9<sup>th</sup>. He also noted that the latest yearend District fund balance is currently estimated at \$1.2 million, which is higher than previous estimates due to additional grant and permit revenue.

#### **b) Emmons & Olivier Resources**

Engineer Graske explained that he met with MnDOT yesterday to discuss the possibility of replacing or lining culverts under several miles of Highway 8 within the District. This is likely to include the replacement of the large culvert between Comfort and Little Comfort Lakes. MnDOT is proposing that the new culvert be the same size as the current one, but concrete instead of metal. President Anderson noted that she had noticed that the ground under the road recently appeared to have had severe cracking. She agreed that the culvert should be replaced. It is possible that the culvert replacement would create a 5-day road closure of Highway 8.

#### **c) Smith Partners**

Nothing to report.

### **11. Report of Treasurer**

#### **a) Approval of Bills and Treasurer's Report**

Treasurer Schmaltz reported income for the period of \$472,858, largely due to levy income from Washington and Chisago Counties. The fund balance is currently \$1,231,961.



Manager Spence moved to accept the Treasurer's Report and pay the bills in the amount of \$107,432.47. Seconded by Manager McNamara. Upon vote, the motion carried 5-0.

## **12. Report of Officers and Managers**

Manager Spence reported that there were some good sessions at this year's MAWD conference, including a session about the alum treatment on Bald Eagle Lake. Manager Schmaltz recommended talking to Bald Eagle Lake residents to learn what issues they had with the outcome of the project so that information can be used during the Shields Lake alum treatment project.

Mr. Kinney handed out a draft levy information outreach pamphlet. He noted that seasonal intern, Sam Duncanson, will have his final day with the District tomorrow.

President Anderson summarized some of the MAWD conference sessions that she attended including one on the topic of permit violation enforcement. She also noted that the CLFLWD should have been given more credit in a recently-drafted article by BWSR about the Moody Lake Wetland Rehabilitation project. She disagreed with the general scope of the article and indicated that she would reach out to BWSR to request that revisions be made before publication. There was general consensus of the Board in support of this approach.

## **13. Adjourn**

### **a) Next regular board meeting – January 11, 2018**

Manager Spence moved to adjourn the meeting at 9:41 p.m. Seconded by Manager Moe. Upon vote, the motion carried 5-0.

Wayne S. Moe, Secretary \_\_\_\_\_