

**MINUTES OF REGULAR MEETING
OF THE
COMFORT LAKE – FOREST LAKE
WATERSHED DISTRICT
Thursday, July 23, 2015**

1. Call to Order

The President called the July 23, 2015 Regular Board meeting to order at 6:30 p.m. at the Council Chambers of the Forest Lake City Center, 1408 Lake Street South, Forest Lake.

Present: President Richard Damchik, Vice President Jackie Anderson, Treasurer Jon Spence, Secretary Wayne Moe and Assistant Treasurer Stephen Schmaltz.

Others: Michael Kinney (CLFLWD staff), Ryan Peterson (CLFLWD summer intern), Chuck Holtman (Smith Partners), Greg Graske, Meghan Funke, and Cecilio Olivier (EOR), James Landini (Washington Conservation District), Mark Lobermeier (Wyoming), Jerry Grundtner (CAC member), Margie Schmidt (Bone Lake Association), Doug and Lori Berg, and Wally Ostlie (Comfort Lake Association).

2. Setting of Meeting Agenda

The President called for approval of the July 23 agenda. Manager Moe moved to approve the agenda, amended to add discussion of aquatic invasive vegetation management policy as item 5.g. Seconded by Manager Spence. Upon vote, the motion carried 4-0.

(Manager Anderson arrived at this time.)

3. Consent Agenda

- a) Chisago County Children's Water Festival
- b) AIS Update
- c) Special Board Meeting Minutes - May 14, 2015
- d) Regular Board Meeting Minutes - May 28, 2015
- e) Regular Board Meeting Minutes - June 11, 2015
- f) Regular Board Meeting Minutes - June 18, 2015

Manager Moe requested that the May 28, 2015 Regular Meeting Minutes be amended to reflect that the District should not invest administrative or counsel time in a matter such as assuming Wetland Conservation Act designated authority until a city/local government unit has submitted a formal request to the District. Manager Moe moved to approve the consent agenda with the addition of the above amendment to the May 28, 2015 minutes. Seconded by Manager Spence. Upon vote, the motion carried 5-0.

4. Public Open Forum

The President asked for public comments. There were no public comments.

5. New Business

- a) **Heims Lake Water Quality Study Work Order**

Dr. Funke reported on the Watershed Management Plan initiative, *5299 Lake Studies* which specifies conducting lake water quality studies for 12 lakes within the District that have not been investigated previously. Lake water quality monitoring is needed before water quality studies can be done. A revised timeframe of a comprehensive monitoring plan was presented, with Heims Lake being proposed for monitoring in 2015. Heims is the highest priority because of expected and current development pressures. The study covers four main tasks: 1. Analyze historic trends and conditions. EOR will collect depth readings, conduct a plant survey and collect sediment samples. St. Mary's University will conduct a fish survey. The timeframe is August-September 2015. 2. Identify phosphorus sources and loads using current data and estimating shoreland septic systems. The timeframe is September-October 2015. 3. Quantify phosphorus reduction loads needed to meet goals. The timeline is October-November 2015. 4. Identify implementation activities to achieve these goals. The timeline for this task is November-December 2015. A draft report and management plan will be completed in December 2015. Dr. Funke clarified that Heims is not an impaired lake and that this study is a diagnostic study. Because Clean Water Partnership Funds are being used to assess Forest Lake, a two-step process is required: first the analysis and then the implementation plan. Mr. Graska clarified that the proposed development is on the west side of the lake, north of the pond-like area. Additional property is available along the shore near I-35. The area drains to the Sunrise River and eventually to Comfort Lake.

Manager Anderson moved to approve funding the diagnostic study not to exceed \$23,398. Seconded by Manager Moe. Upon vote, the motion carried 5-0.

b) Stream Biotic Monitoring Work Order

Dr. Funke stated that the scope of work is again from the Watershed Management Plan and is scheduled for 2015. The work proposed is periodic biological monitoring of Sunrise River upstream of Comfort Lake and of Bone-Birch-Little Comfort tributaries to monitor stream health. This study will compliment current information and provide additional data. While monitoring, additional fieldwork can also be done, such as looking at stream habitat conditions. There are four components to the study. Task 1: In fall 2015, collect macroinvertebrate specimens, conduct a fish survey and using the data, work with the Minnesota Pollution Control Agency (MPCA) to develop stream health scores. Task 2: Assess stream habitat and conditions. Task 3: Assess bacterial levels and look for load sources such as animal grazing, pipe outflows and bird nesting areas. Task 4: Identify sites for water monitoring on Little Comfort Lake and, over the winter, obtain landowner permission for land access. The cost of the study is \$24,559.

Discussion included:

- Timing of the biological monitoring, which is best done in early and late summer and would need to be completed in September, which is the end of the summer season. It was also noted that stream monitoring is weather dependent.
- Managers Anderson and Moe expressed concern about the timing of Task 1.
- Dr. Funke stated that according to the MPCA there is some recreational value to the stream. To restore the stream, bacteria loads will need to be reduced, but that is hard to do. A lot of the reductions come with phosphorus reduction. The other

parameters are considered protective of aquatic life. Identifying causes of poor aquatic life would be a next step.

- Manager Schmaltz stated that the diagnostic study might be more important for just Little Comfort Lake. The District is getting into big projects next year and will have to raise the tax levy. The Board needs to set priorities and this work seems like it's on the fringes. It does not seem that the dissolved oxygen and other issues are contributing to the phosphorus load. And every \$22,000 spent here and there adds up. Maybe the streams are not as important as the other projects currently in the works. What is the value to the public? Is it recreation and/or the impact to Comfort Lake. He questioned spending almost \$13,000-14,000 on a fish survey when this is not a fishing stream and the stream will not be fixed.
- Manager Anderson stated that a project on Birch Lake to reduce phosphorus loads to the stream and projects on Little Comfort to reduce its high level of phosphorus cannot be done without doing projects on the stream that is carrying the load.
- Manager Moe stated that he would like monitoring at the Bone Lake outlet and at points up to Little Comfort Lake to identify the loads.
- Manager Spence agreed that phosphorus is the big problem and suggested restructuring the monitoring to get ready for the diagnostic study. There is no compelling reason for the macroinvertebrate and fish studies because no one is fishing on the stream.
- Mr. Graske stated that this is all part of Little Comfort diagnostic, with some of the work being a precursor to the diagnostic. He noted that maybe downstream work is more important to the Board and he and Dr. Funke could bring a scope of work for the diagnostic next month. Over the winter they could work with landowners and get monitoring ready for spring.
- Administrator Kinney clarified that the reason the monitoring work order was brought forward was to make sure all things in the budget are being tackled and to keep projects and programs in the management plan on schedule.
- Manager Anderson stated that this work is part of the master plan of 10 years of study. Now the District is getting into the implementation plan. So to derail this part of the management plan is wrong. At six months into the year, we are only at 18 percent of budget expenditures. She asked if there are projects that are not getting done that should be. How does this fit into the Little Comfort Lake and Sunrise River Management Plan and is it being integrated with phosphorus reduction? And there are things besides phosphorus that are part of the goal, such as recreation. A stream does not have to be a fishing stream; it has value as a conveyance or habitat stream. Other questions: Does EOR have time to do this? Is the work being rushed? Is work being done at the right time? How will this compromise the diagnostic study?
- Regarding the fish surveys, Dr. Funke suggested deferring to St. Mary's for expert input.
- There was agreement on moving forward with Tasks 3 and 4.

Manager Anderson moved to postpone the stream biotic study discussion until a revised schedule is presented in August. Seconded by Manager Moe. Upon vote, the motion carried 5-0.

c) Permit 15-008

Mr. Graske provided additional information on the project to develop 33 housing units on the west side of Heims Lake. Five infiltration features are proposed to meet the District's stormwater rules including pretreatment of the road runoff before flowing into an infiltration basin. The plan meets the District's rate and volume controls and reduces phosphorus loads to the lake. This will be an overall improvement to the runoff entering Heims Lake. Silt fences and rock construction entrances are provided in the erosion control plan and a pollution prevention plan has also been provided. A 75-foot buffer is required for the wetland. The permittees are allowed to use averaging, meaning some areas can be more narrow than the requirement if some areas are wider than the requirement. Both buffers can be met through buffer averaging without compromising water quality. A more detailed vegetation management plan and better overflow basins are needed. Manager Moe moved to approve Permit 15-008 pending meeting the outstanding issues identified by the District engineer. Seconded by Manager Spence. Discussion. Upon vote the motion carried 5-0.

d) Clean Water Fund Grant Applications

Administrator Kinney presented a number of grant opportunities including a joint school district project for a site assessment to identify possible BMPs on school grounds. Manager Anderson moved to direct the Administrator to work on grant applications with EOR staff. Seconded by Manager Schmaltz. Upon vote, motion carried 5-0.

e) Cost-share Program

Administrator Kinney reported that he met with the Washington Conservation District (WCD) staff to discuss the cost share reimbursement of \$5,000 per pound of phosphorus reduction, the Department of Natural Resources (DNR) shoreline standards such as 15-foot buffers and Forest Lake shoreline owners' generally negative reactions to both. For discussion, if the District offers public dollars for cost shares, should projects at least meet minimum state standards? Administrator Kinney also noted that the funds for cost-share technical assistance from the WCD under the technical assistance contract have been expended.

Manager Schmaltz stated that the state standards seem onerous. He suggested looking at a BMP program in St. Paul that accomplishes phosphorus reduction by combining neighboring residences for a project. He also suggested inviting someone from the Capitol Region Watershed District to talk about the program. Mr. Landini stated that one Forest Lake homeowner trying to do a joint project is having difficulty getting neighbors to participate. Mr. Grundtner stated that after having the WCD come to his home to provide input on a 15-foot shoreline buffer, he decided not to do the project because of the maintenance requirements. Weeding 1,000 square feet three or four times a year for the next 20 years is a substantial commitment. And with an estimated one-fourth pound of phosphorus reduction, the reimbursement would only be \$1,000. Mr. Landini clarified that without weeding the buffer, the weeds might become stronger and crowd out natives, resulting in all non native plants. Manager Anderson suggested considering more flexibility in the program such as less sculptured gardens

and allowing ornamentals as a first step to encourage participation and not being so onerous. The Cost-share Program was successful and visible until the cost-share reimbursement change. She requested input from the District engineer. Manager Spence stated that there are two issues being discussed: 1. The Cost-share Program requirements and 2. People going part way through the cost-share process and dropping out. This expends the budget without getting projects. He suggested solving this by either putting more money in the budget or fixing the problem before more money is put in the budget. He also stated that he was a huge proponent of the reimbursement of \$5,000 per pound of phosphorus reduction and moving away from ornamentals, but wants results to help make shorelines less mowed to the shore. Manager Anderson moved to postpone the discussion and ask the District engineer to come back with more guidance on such issues as the water quality value of smaller projects and using more ornamental plants. Seconded by Manager Spence. Upon vote, the motion carried 5-0.

f) Budget Discussion

The Managers provided input on the proposed 2016 budget.

- Manager Schmaltz stated that the 2015 budget was \$1.4 million and now the 2016 budget is \$2 million. Do we use the reserve or raise the levy? He stated that he is bothered by this.
- Manager Anderson stated that District priorities are established by the management plan. That is our guide and we are catching up from years when we did not do work. When we established a local office, the intent was to take a big jump the first year and then keep the levies even over time and build up reserves for the implementation phase. Increasing the levy needs to be discussed at some point. The objective is to do the same thing we did 10 years ago: set up the plan and then fund the implementation. Other budget items: With new staff and a new office, administration expenses such as payroll tax and office expenses need to be looked at. With seven additional board meetings, \$2,600 needs to be added to the manager line item and possibly \$700 to manager expenses. For administration support, do we need to add a person to help with communications with stakeholders? We are over budget with consulting engineers by almost twice and with legal services, so the 2016 budget needs to be altered based on current expenditures. Project and program carryover should be included, as well as funds to get these back on track. AIS is of concern to the public, with all major lakes having AIS. What will an aggressive program look like? The same with education and outreach. Line items should be increased if we want more boat inspections, more signage at lake accesses and upgraded BMP signage. Manager Anderson also requested that project phases be identified in the budget and the contingency line item be used for unforeseen expenses.
- Manager Schmaltz agreed that additional administrative expenses should be added. He requested seeing timesheets to help with budgeting. He requested addressing funding AIS treatments on public versus private property.

Staff next steps are: review projects for implementation; identify projects that have been completed, will be carried over or will be included in future budgets; hide/delete

line items that are irrelevant, review engineering expenses and recode them to reflect project work versus administration; get input from the accountant on the past six months of the new office expenses; complete project line-items, define needs for and skills required of a new administrative assistant.

g) AIS Management Policy

Manager Schmaltz presented a summary of AIS treatments on Forest Lake related to goals. The goal is to eradicate Eurasian watermilfoil. With curly leaf pondweed, the goal is to manage its level. Having a rapid response plan saves District and DNR staff time. The scope has to include public and lakeshore (private) areas for treatment and financing. It is nice to have the lake association and city funds included. But lakeshore owners are probably paying \$300 in District taxes and additional taxes to Scandia, but are getting nothing back for AIS treatment. From a management side, the nuisance level of AIS should be included. For example milfoil is a recreation nuisance and is then a candidate for treatment. Treatment on lakeshore property is the owners' responsibility. The District should not treat for milfoil, unless it is in the public area as defined by the DNR as being farther than 150 feet from the shore. Manager Spence stated that the District is trying to treat the lake and boaters are churning up milfoil.

Manager Moe stated that Bone Lake is being treated for AIS without help from the District. Treatment requires DNR permits and the DNR may not allow permits for treatments. Treating three acres takes too much staff and engineering time and costs too much. For example last month the District spent 24 hours trying to gather signatures of 84 residents on Bone Lake; just imagine the time and cost to try to get 1,100 property owners' signatures on Forest Lake. The District should focus on public areas: keeping the channels open between lakes, focusing on public launches and clearing weeds out of the bay. Otherwise the District will continually get requests to cut weeds in front of properties. Also phosphorus is not associated with milfoil. The District should be looking at diagnostics and implementing projects. Manager Damchik stated that the District would not have had problems if the channels were not created. He suggested assessing property owners for lake treatments, just as Bone Lake residents have done for years. Manager Schmaltz added that Clear Lake shoreline owners treat the shore for milfoil, pay about \$300 each and get a DNR matching grant for treating public waters. The City of Forest Lake also contributes.

Manager Spence stated that a broader discussion is needed on this. He noted that the Bone Lake Association is handling AIS treatments better than the District, especially with getting resident signatures. Margie Schmidt stated that to gather signatures for all properties, people went door to door. The association got donations of \$240 per property, mapped problem areas and hired Lake Management to validate the affected areas. She noted that there are many areas—such as swimming areas—that shoreline owners will not treat and clarified that the city would not contribute to the treatment, even though a request was made three times. Manager Spence stated that this is a lake quality issue, not a private-public issue. The District is a taxing authority with the ability to coordinate and create a larger element of management that works together. Manager Anderson agreed with this. Administrator Kinney noted that following

scientific analysis and approval of a lake management plan, one outcome may be that shoreline owner signatures are not needed for treatment. Instead the District can notice the public in its paper of record and homeowners can opt out with a formal response.

6. Old Business

a) Automated Lake Monitoring

Administrator Kinney reported that he asked EOR staff to prepare a memo regarding equipment that could be installed on some lakes with high water and the potential to coordinate monitoring with other government entities. Water level information could be transmitted to the office and then uploaded to the website for public access. Right now there are just two lakes that have a need for this. More equipment could be bought at a later time. Manager Schmaltz moved to accept the proposal for automated lake monitoring. Seconded by Manager Spence. Upon vote, the motion carried 5-0.

b) Forest Lake Diagnostic Work Plan

Administrator Kinney reported that the District submitted a proposal and was awarded a Clean Water Partnership grant. Dr. Funke presented a draft work plan for Board input. The partnership program requires specific elements, much of which has been completed. The plan includes: conduct outfall tributary monitoring next year from March-October/November, with the caveat that there is good rainfall. Analyze the data, if the rainfall was adequate. If not, continue data collection in 2017.

Administrator Kinney clarified that the study is on the north shore and will help confirm the desktop analysis. Dr. Funke stated the lake association will help identify the key outfalls. Data analysis will identify BMPs. Manager Schmaltz suggested the assessment should include walking the shoreline and noted that the water quality goal is to see one's toes in waist deep water.

Manager Schmaltz moved to accept the Forest Lake diagnostic work plan as drafted by EOR. Seconded by Manager Moe. Upon vote, the motion carried 5-0.

c) Bone Lake Diagnostic Update

Dr. Funke reported that the water monitoring for the diagnostic has been completed and work is on schedule for submitting a Clean Water Fund application in fall. There were eight monitoring locations in the watershed. There were great rain events—from small to large—this spring. Phosphorus loads were calculated for this monitoring period. Moody inlet had 42 percent of the flow and 18 percent of the load; 228th West had 28 percent of the flow and only 21 percent of the load, while Meadowbrook had only 19 percent of the flow, but 43 percent of the load. Phosphorus concentrations increased at the two monitoring stations upstream. Melanie Trail Pond has a small drainage area, but had high concentrations of phosphorus. Next the water model will be used to identify a list of projects, with a focus on agricultural practices.

Administrator Kinney will send copies of the final report.

7. Report of Staff

a) Administrator-nothing to report

b) Emmons and Olivier

Mr. Graska, as requested by the Board, took a water sample of the Penshorn project. The system is operating extremely well. It is removing about 88-89 percent of the phosphorus and water is flowing through the system. He also reported that Dr. Funke will be involved with more day-to-day District activities.

c) Smith Partners

Mr. Holtman reported that per the Board's direction, Smith Partners prepared a governance manual. Administrator Kinney will review it to ensure the policy provisions are appropriate and feasible from an administrative perspective, and then will bring it to the Board, perhaps at the next meeting.

8. Report of Treasurer

a) Approval of Bills and Treasurer's Report

Manager Spence presented the Treasurer's Report. Manager Moe moved to accept the Treasurer's Report and pay the bills in the amount of \$105,222.37. Seconded by Manager Anderson. Upon vote, the motion carried 5-0.

9. Report of Officers and Managers

- Manager Schmaltz reported that the flowering rush treatment starts on Monday. Mr. Grundtner passed out a mailer to 532 residents on Second and Third Lakes. Signatures were not needed because the letter was sent through the District with an opt-out option and the public was noticed in the newspaper. He stated being optimistic about the program, but noted that high water is an issue. The first treatment effort might not be perfect, but it is a learning process for doing it again in August. Administrator Kinney clarified that signatures were not required because the District has a vegetation management plan for milfoil and flowering rush on Forest Lake. A specific management plan including a management plan for each AIS species is needed for each lake. For species included in the Bone Lake plan, signatures are not needed. There is enough information from the diagnostic study, it just needs to be pulled into a plan. That will satisfy requirements for lakes in Washington County. Manager Anderson suggested Administrator Kinney meet with DNR staff assigned to Chisago County to find out requirements so signatures are not needed. Manager Schmaltz also reported that he is attending the Washington County Fair on behalf of the District.
- Manager Anderson asked about scheduling a public hearing on the land purchase amendment to the Watershed Management Plan. Administrator Kinney reported that the hearing is on August 13.

10. Adjourn Next Meeting —August 13, 2015

Manager Anderson moved to adjourn the meeting at 9:20 p.m. Seconded by Manager Moe. Upon vote, the motion carried 5-0.

Wayne S. Moe, Secretary _____