

**DRAFT MINUTES OF THE REGULAR MEETING
OF THE
COMFORT LAKE – FOREST LAKE
WATERSHED DISTRICT
Thursday, July 14, 2016**

1. Call to Order

President Anderson called the July 14, 2016 Regular Board meeting to order at 3:00 p.m. at the offices of the Comfort Lake-Forest Lake Watershed District at 44 Lake Street South, Forest Lake MN 55025

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

Absent: Assistant Treasurer Jackie McNamara

Others: Michael Kinney, Emily Schmitz, Mike Sorensen, Jessica Lindemyer (CLFLWD staff); Jerry Grundtner (CAC); Chris Mann (CAC); Jennifer Caskey (Bone Lake Association)

2. Setting of Meeting Agenda

Manager Spence moved to approve the agenda as presented. Seconded by Manager Schmaltz. Upon a vote, the motion carried 4-0.

3. Public Open Forum

Ms. Jennifer Caskey from the Bone Lake Association reported that the Bone Lake Association has concerns that some activities that were planned for Bone Lake are not getting done. She noted that she was attending the meeting to listen and learn.

4. New Business

a) 2017 Draft Budget

Administrator Kinney noted that the intent of the meeting today was to review the “1000” and “3000” numbered budget items with the additional goal of also discussing the projects (“5000”). He noted that July 19th is another scheduled Board meeting to finish the discussion, if needed.

Administrator Kinney noted that the “1000” section of the budget is for administrative items. He reminded the Board that since the June 14th meeting, some revisions had been made, per suggestions. He noted the Board will ultimately approve the overall budget sheet and required resolutions and that the details will be maintained by staff to track progress on activities intended for each broader category.

There was some discussion about the layout of the different budget pages and what information is included or was added to each section. President Anderson noted that the last several pages of the draft budget, shown in gray and red, includes all of the items and projects listed in the approved Watershed Management Plan. Administrator Kinney noted that the summary spreadsheet shows projects that are also listed by lake management district.

Administrator Kinney and the Board walked through the various budget components. Manager Schmaltz indicated he thought the Board Administration and General Office Expenses are in line with last year and doesn't have concerns there. He asked about the 50% drop in the amount budgeted for professional services 2017. He noted usually professional services go over budget each year. Administrator Kinney noted that some professional services have been moved into other categories. He noted that the professional services line item is open for discussion.

President Anderson indicated that the list of projects in the Watershed Management Plan should be ordered by the status of the project – complete, ongoing, or still to be done. She noted that would help gauge what level of professional services are needed in coming years. There was discussion about how grant funding affects project funding and professional services needed.

President Anderson suggested the consulting engineer line item be increased to \$50,000 to be more in line with actual expenses over the last few years. Manager Schmaltz suggested that the Board get cost estimates from professional service providers for each task requested. President Anderson noted that the professional services line item should reflect the amount of activity planned for 2017. Administrator Kinney noted that staff have been working on developing a project management tracking system and have been working to reduce professional services needed and/or put the budget for services into more specific line items. Manager Schmaltz indicated that he could support increasing the consulting engineer line to \$40,000 but not \$50,000.

Administrator Kinney noted the District is completing approximately 3 times more projects and implementing more programs in recent years than a few years ago.

There was further discussion about the general professional services line item, what it includes, and the appropriate level of funding given existing programs and projects.

President Anderson moved to approve a 2017 budget of \$50,000 for consulting engineer (1-004-4500) and a 2017 budget of \$40,000 for legal services (1-004-4410). Seconded by Manager Spence.

During discussion it was recommended that staff and Board members should critically review invoices and critically consider requests of professional services. The Board also discussed the 2017 budget item for the accountant. Administrator Kinney

reviewed the tasks that are expected for the accountant in 2017. He noted that \$18,000 is a reasonable amount to budget in 2017.

President Anderson added to the motion to include \$18,000 for CPA/bookkeeping (1-004-4330) in the 2017 budget. Manager Spence seconded the addition to the motion. Upon a vote the motion carried 4-0.

The Board turned its attention to the “3000 series” in the budget. Under “ongoing initiatives,” Administrator Kinney noted it is expected to be considerably lower in 2017 because the MIDS analysis will be completed. He noted that additional funding for “ongoing initiatives” under monitoring and assessment is yet to be determined and will include review of rural implementation of rules.

There was some discussion about the monitoring projects planned for 2017 to be performed by the Washington Conservation District. Manager Schmaltz suggested not doing any monitoring in 2017 to save money that could then be put into projects. President Anderson recommended not suspending the monitoring program, even for a year, noting that gaps in monitoring make accurate assessments difficult and may not be well received by grant funding agencies. There was further discussion about the monitoring program, the data needed, etc. Manager Schmaltz noted the lake assessments should continue but that inflow-outflow data collection could be suspended. President Anderson noted that data collection is a foundational activity to help assess the rest of the work of the District. Administrator Kinney noted that the State Legislature and BWSR need data-driven results and that monitoring and diagnostic work is very important to project planning, prioritizing, grant applications and it’s used by staff and the consulting engineers probably more than the Board realizes.

President Anderson asked about the possibility of moving some monitoring tasks to District staff and reducing the amount performed by the Washington Conservation District (WCD). Administrator Kinney noted that staff is very busy with current work and there continues to be more work than staff time to perform all necessary functions of the District. There was discussion about having the WCD or the District Engineer perform an analysis of long term trend data.

Manager Spence moved to approve a 2017 budget of \$172,000 for on-going initiatives (3000-003-A). Seconded by Manager Schmaltz. Upon a vote the motion carried 4-0.

The Managers turned their attention to non-point source pollution abatement cost share program. There was discussion about how the District has moved toward implementing specific projects identified through diagnostic studies and thus has not put as much time into the cost share program. Administrator Kinney noted the Chisago County SWCD will identify and rank agricultural best management practices (BMPs) and leverage outside funding to install those BMPs. Further, Administrator Kinney noted that the District is talking with the City of Forest Lake to inventory and survey the city’s stormwater infrastructure so that hydrologic and pollutant modeling

can be performed. There was also discussion about the District's proposed street sweeping incentive program, partnering with the city and school district on potential projects, and the potential funding needed in the cost share program.

President Anderson noted that the District cost share program was a big component of the Watershed Management Plan and noted her concern that the proposed 2017 budget may not be high enough. Administrator Kinney reported that he would know more about the potential to carry over unused funds from 2016 after a meeting with the City of Forest Lake next week. There was consensus to table this portion of the budget until a future meeting.

The Managers then discussed the outreach and education portion of the 2017 proposed budget. Administrator Kinney noted the CAC input resulted in approximately \$5,000 worth of new education initiatives. He noted there is budget for collaborating with Warner Nature Center, implementing Project WET, and collaborating with the school district on projects. There was discussion about the need to personalize newspaper articles to the District. Administrator Kinney noted the District has been using the services of EMWREP staff more than usual in 2016.

There was consensus that the Outreach and Education budget was appropriate as presented at the meeting. There was also unanimous consensus that the AIS program should be a separate, on-going, District program rather than combining it into the education and outreach budget.

Under the Technical Resource Sharing and Interagency Communication portion of the budget, there was unanimous consensus that the budget was appropriate as presented.

Under the Research portion of the budget, there was unanimous consensus that the budget was appropriate as presented.

Under the Measurement of Progress portion of the budget, Administrator Kinney noted that the District might look for assistance from BWSR to make sure the District's projects and programs meet BWSR expectations and are aligned with grant programs. Manager Schmaltz noted that metrics are needed to track progress. There was unanimous consensus that the budget is appropriate as presented with the additional task of developing metrics.

Under the Grant Research portion of the budget, there was unanimous consensus that the budget was appropriate as presented.

Under Operations and Maintenance portion of the budget, there was discussion about maintenance needed on fish barriers. There was unanimous consensus that the budget was appropriate as presented.

There was further discussion about budgeting and activities related to AIS activities and how funds could be allocated appropriately across different District lakes.

Manager Schmaltz noted that the District should have a program and/or policy about how to implement AIS programs, where to treat invasive species, and how to best manage plants in different lakes. There was discussion about the timing of projects on Bone Lake and perceptions of Bone Lake residents. The Board agreed that communication with the residents on Bone Lake or the lake association should be improved.

President Anderson moved to add \$20,000 for an AIS contingency budget line to help fund unforeseen needs and to implement the rapid response program. Seconded by Manager Spence. Upon a vote the motion carried 4-0.

There was discussion about the agenda and materials needed for the next budget meeting, how grant funding should be shown within the budget, and how encumbered funds should be shown. There was also discussion about 2016 spending levels, the use of the reserve funds projected for 2016, and the need to have 6 months of funding in reserves for cash flow purposes.

5. Old Business

There was no old business that came before the Board.

6. Adjourn

a) Next meeting – July 19, 2016

Manager Spence moved to adjourn the meeting at approximately 5:50 p.m. Seconded by Manager Schmaltz. Upon vote, the motion carried 4-0.

Wayne S. Moe, Secretary _____