

**DRAFT MINUTES OF THE REGULAR MEETING
OF THE
COMFORT LAKE–FOREST LAKE
WATERSHED DISTRICT
Thursday, May 23, 2019**

1. Call to Order

President Spence called the May 23rd, 2019 regular board meeting to order at 6:30 p.m. in the Council Chambers of the Forest Lake City Center, 1408 Lake Street South, Forest Lake.

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

Absent: None.

Others: Mike Kinney, Jessica Lindemyer, Garrett Miller, Erin Edison (CLFLWD staff); Meghan Funke, Greg Graske (Emmons & Olivier Resources); Chuck Holtman (Smith Partners); Jerry Grundtner (Citizen Advisory Committee, Forest Lake Lake Association); Paul Girard (Forest Lake City Council); Donald Jensen (Permit 18-017).

2. Setting of Meeting Agenda

It was clarified that the Administrator Review Liaisons item includes discussion on and appointment of both the Administrator Review Committee and the board liaisons identified in the Board's recently adopted liaison policy. Administrator Kinney noted that, as directed, he has prepared additional information on employee benefits. Agenda item 8e – Employee Benefits was added to the agenda.

Manager Moe moved to approve the agenda as revised. Seconded by Manager Oknich. Upon a vote, the motion carried 5-0.

3. Consent Agenda

- a) **Special Board Meeting Minutes – April 8, 2019**
- b) **Regular Board Meeting Minutes – April 18, 2019**
- c) **2018 Water Monitoring Report**
- d) **2018 Progress Report**

Manager Anderson moved to approve the consent agenda as presented. Seconded by Manager Oknich.

Discussion: Manager Moe requested a revision to the April 18th meeting minutes pertaining to how the Bone Lake monitoring data is presented. There was agreement to pull the April 18th minutes from the consent agenda and bring them back with revisions to a future meeting for consideration of approval.

By unanimous consent, the main motion was amended to remove approval of the April 18, 2019 minutes from the proposed action. Upon a vote, the main motion carried 5-0.

4. Public Open Forum

There were no comments.

5. Citizen Advisory Committee Update

Watershed Assistant Jessica Lindemyer explained that the Citizen Advisory Committee (CAC) provided some comments on the Watershed Management Plan (WMP) update, which are included in a memo in the board packet. She noted that the CAC is interested in drafting up a more detailed framework regarding its roles and responsibilities, methodology for implementing ideas, and limitations to what it can do. This will be discussed at the CAC's June meeting and brought to a future board meeting. President Spence thanked the CAC for providing comments on the WMP update. Manager Schmaltz noted that the comments were well-written.

6. Aquatic Invasive Species Update

Mr. Kinney introduced Watershed Assistant Garrett Miller who is assisting with the aquatic invasive species (AIS) program. Mr. Miller reported that curly-leaf pondweed was treated with endothall herbicide on Monday, May 20th on Moody (7.81 acres), Shields (3.1 acres), Forest (99.12 acres) and Bone (3.88 acres) lakes. The District has directly hired four watercraft inspectors for the season, and they have undergone training with the Department of Natural Resources (DNR). Inspectors will be ready and working over the Memorial Day weekend. Staff has been in communication with contractors and landowners regarding carp management on Shields Lake.

Staff has also been in communication with Blue Water Science regarding timing for upcoming curly-leaf pondweed assessment surveys and Eurasian watermilfoil and flowering rush delineation surveys. There was discussion about the DNR definition of a Natural Environment Lake. Manager Oknich explained that it has to do with how densely developed the surrounding area was at the time of designation. There was discussion about how curly-leaf pondweed is delineated. Manager Anderson recommended adding the lakes' starting water quality measurements to the AIS update report. She requested that the carp study be referenced, such as by a link or footnote, in the Bone Lake rough fish management section of the report. There was discussion about purple loosestrife management on Lake Keewahtin and an interest in confirming that the lake is properly classified as a "Recreational Lake."

7. New Business

a) Permit 18-017 3rd Lake Estates

Mr. Kinney noted that the permit applicant's authorized agent is in attendance. Dr. Meghan Funke indicated that the meeting packet contains a revised engineer's report pertaining to this permit application. The revisions are in response to a change in proposed stormwater management on the site. She recapped the site summary which was originally discussed at the July 26, 2018 regular board meeting at which time the permit received conditional approval from the Board. The proposed residential subdivision site is located north of Forest Lake. A biofiltration basin will treat the majority of the development, and a 50-foot wetland buffer is included in the plans as well. The amendment to the stormwater management plan replaces a shallow infiltration basin in the northwest corner with a tree preservation buffer. The updated stormwater calculations meet the District's rules, and the engineer recommends conditionally approving the permit pending submittal of the remaining exhibits.

Manager Anderson moved to rescind the July 26, 2018 conditional approval of permit 18-017 and conditionally approve the revised permit application 18-017 contingent upon the conditions in the May 22, 2019 Engineer's memo. Seconded by Manager Schmaltz.

Discussion: Legal Counsel Holtman clarified for the audience that the motion conditionally approves the present application and rescinds the previous approval from July 2018.

Upon a vote, the motion carried 5-0.

b) 2020 Budget Schedule

Mr. Kinney noted that staff's proposed budget Gantt chart doesn't include setting any special board meetings or workshops for the budget process but proposes to discuss the budget at already-scheduled regular meetings. There was discussion about the desired level of Board involvement in the detailed line item development of the budget. Manager Anderson expressed that she was satisfied with last year's level of detail. Manager Schmaltz recommended that staff should always "keep the hopper full" when it comes to queuing up new capital improvement projects. Manager Anderson agreed and stressed the importance of ongoing diagnostic work and assessments. Manager Schmaltz requested that, in preparing a proposed budget, staff include revenues such as taxes and grants in addition to expenses. Mr. Kinney noted that staff has recently applied to several new grant programs this year. He added that he and Emmons & Olivier Resources (EOR) will meet next week to go over the proposed projects budget for 2020. Manager Anderson recommended seeking out grants from other sources such as federal agricultural grants and grants from sportsmen's groups such as Pheasants Forever. It was noted that staff will continue to evaluate more advanced budget software and make a recommendation for inclusion in the 2020 expense budget. Manager Anderson expressed that she is in favor of the District purchasing new budgeting/accounting software this year using reserve funds, so that staff can get started using it well before next year's budget cycle.

Manager Oknich moved to approve the 2020 budget schedule and direct staff to prepare a preliminary proposed budget. Seconded by Manager Moe. Upon a vote, the motion carried 5-0.

c) MN Association of Watershed Districts Resolution

President Spence noted that Manager Moe brought up this topic briefly at the May 9th board meeting. Manager Moe outlined his idea for potentially submitting a proposed resolution to the Minnesota Association of Watershed Districts (MAWD). He hypothesized that most ditch laws are likely outdated and focus on the goal of maximizing agricultural yield. He noted western Minnesota's flooding and surface water pollution issues as a result of intensive agriculture and aggressive drainage practices. The District could work with MAWD and the governor's drainage workgroup to take a fresh look at drainage laws, as well as groundwater pumping regulations, to encourage reuse of drainage water for irrigation. Mr. Kinney explained that MAWD is expected to solicit draft resolutions sometime in August. He posited that the DNR may be able to require implementation of agricultural best management practices, such as cover crops, as part of its groundwater pumping permits. Such practices could improve water holding capacity of the soil and greatly increase the infiltration rate needed to recharge the groundwater needed for irrigation. Mr. Holtman asked if the goal is to capture and reuse agricultural runoff for irrigation purposes. If so, a first step in the process may be to direct staff to review the knowledge base surrounding using drainage water for irrigation. He noted that changes to the drainage law typically go through the Drainage Work Group (DWG) administered by the Board of Water and Soil Resources, and suggested that the DWG process of altering public policy and the drainage laws in a way to create new types of mandates is painstaking and politically sensitive, therefore having a strong technical basis is important. Manager Anderson indicated that she could look into this as part of her involvement on the MAWD Board. There was consensus to add this item to the Summary of Board Direction table so that staff can begin looking into the technical components of this topic.

8. Old Business

a) Agricultural Conservation Planning Framework

Mr. Kinney noted that this topic was discussed at the May 9th regular board meeting. At that time the Board requested an additional scope of work from EOR to run the Agricultural Conservation Planning Framework (ACPF) geographic information system (GIS) toolset in the rest of the District for consideration.

Manager Moe moved to authorize the administrator, on advice of counsel, to enter into an agreement with EOR in accordance with the May 15, 2019 scope of work and in an amount not to exceed \$4,016. Seconded by Manager Oknich. Upon a vote, the motion carried 5-0.

There was discussion about the map in Figure 1 of EOR's scope of work. Dr. Funke explained that the toolsets are set to run on the HUC 12 units. It is more efficient to run on that watershed scale as opposed to the four lake management districts. There was discussion about the Comfort Lake-Sunrise River watershed portion located outside of the District's boundaries. It was clarified that this area doesn't drain to Comfort Lake, and there is no watershed management organization for this area. Dr. Funke explained that HUC 8 watersheds are essentially considered major watersheds, for example the Lower St. Croix River Watershed. HUC 12 is almost at the lakeshed level in terms of size. The higher the number, the more refined the watershed scale is. The number refers to the number of digits in the watershed's numeric code.

b) Administrator Review Liaisons

The recent amendments to the Bylaws and the Board's governance policies established an Administrator Review Committee and specified that managers would be named to serve as liaisons in a number of capacities. There was agreement on the following liaison appointments, with city liaisons to attend meetings on a quarterly basis:

- City of Forest Lake: Manager Schmaltz
- City of Wyoming: Manager Anderson
- City of Scandia: Manager Oknich
- Chisago City: President Spence
- Chisago Lake Township: President Spence and Manager Anderson will split the role
- Washington Conservation District (WCD): Manager Oknich
- Chisago Soil and Water Conservation District (SWCD): Manager Anderson
- Personnel: Manager Schmaltz
- Administrator Review Committee: Manager Anderson and Manager Oknich
- CAC: Ms. Lindemyer explained that the CAC would like to have a Board member attend one of its meetings once per quarter or twice per year, not necessarily at every monthly meeting. The CAC has no preference whether managers rotate or assign a single liaison. There was agreement for all managers to rotate on a quarterly basis. President Spence volunteered to go first in the rotation. CAC member Jerry Grundtner agreed that a quarterly rotation seems appropriate.
- Annual State of the Watershed Public Meeting: Manager Anderson and Manager Oknich will serve to coordinate on behalf of the Board.

c) Forest Lake Plant Harvester

Mr. Kinney summarized that at a previous board meeting there was interest in obtaining more detail on the District's collaboration with the City of Forest Lake concerning its plant harvester machine. He noted that Watershed Technician Emily Heinz reached out to the DNR on this topic and prepared the board packet memo.

Manager Anderson noted the memo's explanation of zebra mussel veligers (i.e. larvae) in the water column and adult mussels attaching to plant fragments and floating

downstream. She asked in which case is the mussel more likely to survive the journey downstream? Manager Anderson noted the estimated cost of collecting the plant fragments but that volunteers, such as from the Forest Lake Lake Association (FLLA), might be able to be used. She posited the question, if the District is involved at all with the plant harvester, an activity focused on recreational benefit, why isn't it involved in treating thickets of AIS such as Eurasian watermilfoil which inhibit recreational boating as well?

Manager Anderson clarified that she doesn't wish to see 100% of plant fragments captured, but if there is a fair amount left behind, i.e. 20% or more, then those should be collected. Even if it is within DNR policies, it is not good practice to leave that many plant fragments behind. There was discussion about the District's historic involvement in the permitting and operation of the harvester. Mr. Kinney explained that in 2015, there was concern that there was little control over the operation of the machine. There was also concern that patches of AIS would be cut and potentially fragmented and spread further. Therefore, in order to bring some structure to the harvester operation, Administrator Kinney offered to work with DNR and Blue Water Science to determine a designated map for the harvester which avoids known patches of AIS such as Eurasian watermilfoil and flowering rush. The City of Forest Lake has also since installed a GPS unit on the harvester and hired an operator rather than relying on volunteers. Mr. Kinney advised that City staff is agreeable to taking back the role of serving as the permittee, and that District staff can still be informally involved in the planning and oversight aspects. Manager Anderson noted the potential similarity to District and City roles in street sweeping.

Mr. Grundtner offered that the FLLA also may be willing to take over the permitting for the harvester. He explained that the FLLA provides funding to the City for the operation of the harvester. He suggested that the FLLA is likely more invested in the harvester operation than the City itself, even though the City owns and operates the harvester. Mr. Grundtner further described his involvement in past years' permitting and mapping. The FLLA aims to harvest only as much as necessary so as to avoid excessive impacts to native vegetation. He observed that City staff's willingness may not be shared by those higher up. Manager Schmaltz described his involvement with the harvester since 2008. He recommended that the District continue to apply for the DNR permit on the City's behalf, so that there is confidence that the permitting will be completed in a timely and accurate manner. He believes that the DNR likes to have the District involved.

There was discussion about the amount of plant fragments being left behind. Mr. Grundtner estimated that less than 20% is being left behind. Hiring an operator to run the harvester likely results in fewer fragments being left behind. There was further discussion about the District's technical expertise, who should apply for the permit, and the definition of recreational nuisance. Administrator Kinney indicated that in his intent, the District would be involved in drafting the permit and controlling the process, but just wouldn't be the named permittee. Manager Schmaltz emphasized that if the FLLA is the permittee, the involvement of both the District and the City should be noted.

President Spence expressed that the District needs to have a policy for dealing with recreational nuisances such as this. Manager Anderson offered that if the District is going to devote resources to address recreational nuisance in Forest Lake, it will need to act consistently elsewhere in the watershed. President Spence suggested that there are no other District lakes with recreational nuisance. Manager Anderson noted that members of the Comfort Lake Association were present at January's Board meeting addressing the recreational nuisance of Eurasian watermilfoil. There was discussion about the relationship between increasing water clarity and increasing plant growth. President Spence recapped that staff is directed to bring additional information about the harvester and defining recreational nuisance to a future meeting, and to coordinate with the City and FLLA on the permitting for the harvester. There was agreement that the District's approach should be one where it is not the named permittee.

d) Watershed Based Funding Update

Manager Anderson noted that she passed out some information from Metro MAWD at the last board meeting. She explained that the Board of Water and Soil Resources (BWSR) is going to work on including the District's Chisago County portion in the funding formula for the disbursement of funds in the Metro area. The current framework of the program is outlined in the documents distributed to the managers. There was discussion about funding allocation methodology and Prioritized, Targeted, and Measurable (PTM) requirements for projects. Mr. Kinney explained that Watershed Based Funding (WBF) is supposed to be the version of One Watershed, One Plan (1W1P) for the metro. He suggested that there is still some work to be done in order to get to an agreement on what PTM means exactly and how it should be implemented. Manager Anderson expressed how the program forces local government units (e.g. cities, townships, counties) to comply with all of the local watershed district goals and plans in order to receive funding and grants are only available to those entities with an approved plan and have bonding authority for projects.- Manager Schmaltz interpreted the program as requiring collaboration between the various organizations. Manager Anderson noted that this will be discussed by the MAWD Board and BWSR Board at this year's MAWD Summer Tour in June.

The Board presented Mr. Grundtner with his Watershed Champion Award since he was unable to attend the April 30th public meeting where the rest of the awards were presented.

e) Employee Benefits

Mr. Kinney explained that, per the Board's direction at the last meeting, he looked into employees' ability to contribute pre-tax funds to their Health Savings Accounts (HSA). IRS publication 969 indicates that both employees and employers can contribute to employee HSA accounts on a pre-tax basis. Mr. Kinney provided survey data on percentage of health care benefits paid by other metro watershed district employers. Most districts provide 80-85% contribution for single coverage and 50-60% for dependents enrolled. It was clarified that both employer and employee contributions to

HSAs could be pre-tax, and that employer HSA contributions are not considered part of the employee's salary. There was discussion about the proposed motion to revise the Employee Manual to allow the Administrator to offer an alternative health care benefits option to employees. This would allow employees to choose to have \$1,500 between the District providing \$2,000 per year added to the employee's HSA pre-tax contribution or having \$1,000 of that amount go toward remain in salary instead. Mr. Kinney clarified that employees are also offered a \$500 per year HSA contribution in lieu of having a dental plan the \$1,500 was previously a direct contribution to employee HSA accounts for health (\$1,000) and dental (\$500) costs. The proposed changes would not have a significant change to impact the District budget, as it is merely a shift in current expenditures.

Manager Schmaltz moved to add the following sentence on page 34 of the Employee Manual, at the end of the paragraph, "Other Benefits": "The Administrator may offer an alternative health care benefits option to employees." Seconded by Manager Moe.

Discussion: Manager Anderson clarified that the option would be offered to all employees.

By unanimous consent, the motion was revised as follows: add the following sentence on page 34 of the Employee Manual, at the end of the paragraph, "Other Benefits": "The Administrator may offer an alternative health care benefits option available to all employees." Seconded by Manager Moe. Upon a vote, the amended motion carried 5-0.

9. Report of Staff

a) Administrator

Mr. Kinney reported that he met with the property owner on Hayward Avenue in Forest Lake. The property is of interest to the proposed Claros Technologies phosphorus-absorbing media project in that area. The landowner seemed very interested in the project and willing to grant the District access to the channel for the project. Additionally, the property owner grew up in the area and seemed very knowledgeable about the history of the watershed; he was willing to meet with staff and share further. Mr. Kinney reminded managers that the MAWD Summer Tour is coming up and managers should let staff know if they'd like to register. Managers Spence, Anderson, and Schmaltz indicated interest in attending.

President Spence reminded the Board about the Annual District Tour scheduled for Saturday, September 21st which coincides with the District's 20-year anniversary. He asked staff to let the Board know if it needs any assistance with planning. There was discussion about holding a larger activity surrounding the tour. Manager Anderson suggested holding a week-long open house with displays and refreshments, where people could stop by and learn about the District.

b) Emmons & Olivier Resources

Dr. Funke reported that EOR has been out in the field conducting monitoring and landowner outreach for projects. Kyle Crawford has been working with the contractor and landowner out at Forest Hills Golf Club to finish up the stormwater harvest and irrigation reuse project. There was discussion about high water levels observed across the District this spring, specifically in the wetlands north of Moody Lake that were restored as part of the Moody Lake Wetland Rehabilitation Project. Mr. Kinney noted that the Shields Lake stormwater harvest and irrigation reuse project has gone well with no major issues.

c) Smith Partners

Nothing to report.

10. Report of Treasurer

a) Approval of Bills and Treasurer's Report

Treasurer Schmaltz reported income for the period of \$80,444.41 and expenses in the amount of \$88,018.50.

Manager Anderson moved to accept the Treasurer's Report and pay the bills in the amount of \$88,018.50. Seconded by Manager Moe. Upon vote, the motion carried 5-0.

There was discussion about tracking the District's reserve fund balance. Manager Anderson indicated that she would discuss with Administrator Kinney and Treasurer Schmaltz her desired level of detail with regard to the reserve fund balance.

11. Report of Officers and Managers

Manager Schmaltz reported that the FLLA is planning to host a lake tour on Forest Lake for local officials in August. The specific date will be shared with Mr. Kinney and thereafter distributed to the Board.

Manager Anderson reported that the water is high on Comfort Lake.

President Spence reported on recent news on Comfort Lake. A boat recently caught fire on the lake (the passengers were rescued). Last week there was a news report about a homeowner on Comfort Lake dealing with shoreline erosion caused by high water levels. The news story spliced in photos of shoreline rip rap which were not taken on Comfort Lake.

12. Summary and Approval of Board Direction

The Board recapped the staff directions given at the meeting:

- Begin working on the watershed based funding update.
- Start developing a policy on managing recreational nuisance conditions. President Spence recommended this policy be in place in time for the next major WMP update.
- Manager Anderson requested clarification on survival rates for different ways of zebra mussel migration (veligers vs adults). Manager Schmaltz asked why this information is necessary, given that Comfort Lake is already infested with zebra mussels. There was discussion about the City of Forest Lake's upkeep of debris at the Forest Lake outlet dam and features in the flow path between Forest Lake and Comfort Lake (e.g. Shallow Pond). Manager Schmaltz suggested that, in the interest of conserving staff time during the current busy season, this direction be called to a vote. Manager Anderson and President Spence indicated they would research this topic on their own.
- Begin looking into the technical components pertaining to Manager Moe's MAWD resolution idea.
- Report on the plans for the Forest Lake plant harvester permit.

There was discussion regarding the District office space and next steps for managers and staff.

13. Adjourn

- a) **Plan Update Kickoff Event – June 11, 2019**
- b) **Plan Update Initial Planning Meeting – June 20, 2019 4:30 pm**
- c) **Next regular board meeting – June 20, 2019 6:30 pm**

Manager Schmaltz moved to adjourn the meeting. Seconded by Manager Oknich. Upon vote, the motion carried 5-0, and the meeting was adjourned at 8:50 p.m.

Jen Oknich, Secretary _____