

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

**Thursday, January 26, 2012**

**1. Call to Order**

The President called the January 26, 2012 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 Tom Lynch, and Manager Jon Spence

Absent: None

Others: Doug Thomas (CLFLWD), Lisa Tilman (EOR), Mark Lobermier (Wyoming), Bruce Anderson, Steve Schmaltz.

**2. Setting of Agenda**

The President called for the reading and approval of the January 26, 2012 regular Board meeting agenda. President asked if there were any changes or additions. Administrator Thomas requested the addition of item h) under new business to update the Board on discussions with Mr. Bob McCullough regarding property he owns and the Sunrise River Project. Motion to approve the agenda as amended was made by Manager Moe and seconded by Manager Lynch. Discussion. Upon vote, the motion passed.

**3. Reading and Approval of Minutes**

The President called for the reading and approval of the minutes of the December 15, 2011 regular Board Meeting. Motion to approve the December 15, 2011 regular Board meeting minutes was made by Manager Moe and seconded by Manager Spence. Discussion. Upon vote the motion passed.

**4. Public Open Forum**

Manager Damchik opened the floor to anyone in attendance wishing to comment on items that are not already scheduled to be discussed as part of the meeting agenda.

**5. New Business**

a) Election of Officers

After discussion, motion was made by Manager Lynch to re-elect Richard Damchik as President, Jackie Anderson as Vice President, Wayne Moe as Secretary, and Tom Lynch as Treasurer for the 2012 slate of officers. Motion was seconded by Manager Spence. Discussion. Upon vote the motion passed.

b) Designation of Official Newspapers & Banks

Manager Lynch moved to designate the official newspapers of the Comfort Lake-Forest Lake Watershed District for 2012 as the Chisago County Press and the Forest Lake Times. Motion was seconded by Manager Moe. Discussion. Upon vote the motion passed.

Manager Lynch moved to designate Central Bank and the First State Bank of Wyoming as the official financial repositories of the Comfort Lake-Forest Lake Watershed District. Motion was seconded by Manager Moe. Discussion. Upon vote the motion passed.

c) Forest Lake Lake Association – Steve Schmaltz, President

Mr. Schmaltz introduced himself and thanked the Board for allowing him to speak to them. He pointed out that his main objective was to start a dialog with the Board with the goal of the Association to have the District take over the Association's part in the aquatic vegetation management program which is currently being funded by the Association and the City of Forest Lake. He then went through a presentation that covered the following items:

- Mission of the Forest Lake Lake Association
- Current water quality condition of Forest Lake and that it is pushing the "impaired" condition.
- Current issues including invasive aquatic plants, stormwater runoff, and zebra mussels.
- Current efforts of FLLA & City for vegetation management.
- Described other activities FLLA is doing.
- Discussed membership status and the difficulty of a volunteer organization in maintaining long term efforts and specifically, in their case, the aquatic vegetation management program.
- Presented information on the economic importance of the lake and the distribution of users. Noted that 85% of users do not live on the lake.
- Described some of the benefits they see if the District took over the program, along with what they envision the future roles of each organization being.
- Concluded with requesting the Board of Managers consider taking over the aquatic vegetation management program in 2013.

Manager Lynch asked how many property owners are in the Association. Mr. Schmaltz responded that they have approximately 300 members at any given time and that represents about 30% of the property owners. He further commented that they have not seemed to find ways to break through that number. Manager Moe asked how many years have they been doing the treatments. Mr. Schmaltz responded that it has been three years with the chemical treatment along with mechanical harvesting in the bays and navigation channels. Manager Anderson commented that the FLLA is doing a lot and should be proud of what it has been able to do.

d) CLFLWD Fund Balance Policy Adoption

Administrator Thomas noted his staff memo in the packet. He provided some background on the new fund balance designations that local governments are required to implement in 2012. He noted that due to the limited types of funds and revenue sources that we have the Managers will not see any significant changes in how the District reports fund balances. He also noted that in order to comply with the new requirement we need to have a fund balance policy on the books. He briefly went over the proposed fund balance policy which was included in the Board packet.

Manager Anderson moved to adopt the Comfort Lake-Forest Lake Watershed District General Fund Balance Policy with an effective date of December 31, 2011. Motion was seconded by Manager Spence. Discussion. Upon vote the motion passed.

e) EOR 2012 Billing Rate Approval

Administrator Thomas noted his staff memo in the Board packet. He pointed out that the billing rates have been the same for the last two years and that EOR is requesting the Board's approval of the 2012 billing rate schedule which represents about a two percent increase. Manager Anderson asked why some of the rates have gone down such as the Professional 1 rate. Engineer Tilman commented that the rates are based on what EOR costs are for each category based on the previous year.

Motion by Manager Moe to accept and approve the EOR 2012 Hourly Fee Schedule as presented by Emmons and Olivier Resources, Inc.. Manager Spence seconded the motion. Discussion. Upon vote the motion passed.

f) 2012 Office Lease Approval

Administrator Thomas noted his staff memo in the packet. He noted that the base rent will increase by three percent or \$69.00 for 2012 and the technology portion of the lease will stay the same. He also pointed out that the lease agreement is written on a month to month basis starting in 2013 as the City is currently working on the concept of moving City Hall to a new location. Manager Lynch asked if we have talked to the City about being able to move with them to a new facility. Administrator Thomas commented that the site that they are looking at is outside the district which does not mean we could not office there but that we would have to hold our meetings and hearings in the District. Manager Anderson commented that we should investigate with the City the concept of keeping the building for use as a service center concept for various agencies, including the District and other organizations. Manager Lynch asked about the three computer connections. Administrator Thomas pointed out that two of them are used for his computer and the copier with the third one being available if we needed it. Manager Lynch asked if we were still storing things in the basement. Administrator Thomas commented that we do not and that all of the records that we have are stored in a small room adjacent to the office.

Manager Anderson offered resolution 12-01-01 and moved for its adoption. Motion was seconded by Manager Moe. Discussion. President called for roll call vote on the resolution. Anderson yes, Damchik yes, Lynch yes, Moe yes, Spence yes. With a vote of 5 yes and 0 no the President declared resolution 12-01-01 adopted.

g) Permit Escrow Account – Reimbursement of District Expenses

Administrator Thomas noted his staff memo in the Board packet. He further commented that the requested transfer of \$13,447.58 is to reimburse the District for actual expenses of staff and consultants relating to permits which paid a permit fee and inspection fee.

Motion by Manager Moe to authorize the Treasurer to make a transfer of \$13,447.58 from the District's permit savings account to the regular checking account. Manager Lynch seconded the motion. Discussion. Upon vote the motion passed.

h) McCullough Property

Administrator Thomas noted recent discussions he has had with Mr. McCullough regarding property he owns north of Broadway and which for now appears likely to be one of the areas that will be identified for

a water quality enhancement project as part of the Sunrise River Project. He pointed out that although we are a long way off from ordering a project he is looking for the Board's concurrence to continue to have discussions with Mr. McCullough regarding the possible sale of property to the District. After discussion the Board agreed that there would be no harm in having discussions with Mr. McCullough regarding his property.

## 6. Old Business

### a) 2012 Residential BMP Cost-Share Program – Criteria and Guidelines

Administrator Thomas noted his memo in the Board packet. Based on the discussion from the previous meeting he has updated the residential cost-share program criteria and guidelines and prepared a resolution that would allow the Administrator to make minor amendments to approved cost-share agreements. The following items were addressed in the revised criteria and guidelines:

- Not to fund proposed projects when the purpose is to restore or mitigate impacts from violation of District permit conditions or work performed without a District permit, and/or when an activity was done in violation of a local municipal grading, shoreland or floodplain ordinance.
- Reserves the right to consider projects that exceed the \$3,000 cap on a case by case basis.
- Establishes that is the policy of the CLFLWD that the cost-share limit of \$3,000 is to be applied to the parcel not an individual practice.
- Each applicant must agree to and sign a cost-share and operation and maintenance agreement in order to be eligible for cost-share assistance.
- The approved not to exceed cost-share amount will be based on a cost estimate provide by the soil and water conservation district or landowner at the time of application.
- The effective life of a practice for purposes of operation and maintenance is 10 years.
- It is the policy of the CLFLWD to allow the Administrator to approve amendments to a Residential Cost-Share agreement in amounts up to a maximum of \$500. Proposed amendments greater than \$500 shall be brought to the Board for approval.
- Cost-Share funding agreed to by the full CLFLWD Board, based on SWCD or contractor estimate, cannot exceed the approved amount unless amended prior to the start of construction.

Staff recommended approval of the revised criteria and guidelines and adoption of resolution 12-01-02 which provides authorization for the Administrator to amend agreements up to \$500 and that do not cause the \$3,000 cost-share cap to be exceeded. Manager Anderson commented that she was ok with the criteria and guidelines, however she was not comfortable with what she felt is open ended language in the resolution for the administrative approval of amendments. She further commented that while she supports the administrative authority and dollar amount she would like to see language that would make sure that any authorized change was a necessity and not just for changes such as adding more plants or larger plants to a project. After discussion the consensus of the Board was that language should be added to the administrative authority policy to approve amendments to assure that the changes being approved are justified and needed in order to see that the project is implemented per the SWCD design.

Manager Anderson made the motion to table Board decision on the 2012 Residential BMP Cost-Share Program Criteria and Guidelines and direct staff to provide additional language regarding administrative approval of amendments at the next meeting. Motion was seconded by Manager Moe. Discussion. Upon vote the motion passed.

b) 2012 Ag/Rural Cost-Share & Incentive Program Framework

Administrator Thomas noted his memo in the Board packet. He then went through the criteria and guidelines with the Board and emphasized how the technical assistance portion of the program will work and how the initial plans would be developed with landowners/renters. Manager Anderson commented that this is a really big deal and asked how we are going to advertise this. Administrator Thomas commented that we will be working closely with the two conservation districts which will use their newsletters and contacts to market the program. He also noted that the Washington Conservation District will be holding a workshop for horse owners in the District this winter where the program will be marketed. Manager Moe asked about attendance at the Forest Lake FFA Ag-day. Administrator Thomas commented that the District has participated in this event in the past.

Motion was made by Manager Anderson to approve the 2012 Agricultural & Rural Best Management Incentive/Cost-Share Program Criteria & Guidelines as presented and to authorize the Administrator to develop and enter into the necessary professional service agreement/s with private Technical Service Providers and/or Certified Crop Consultants to provide the required technical assistance to landowners/occupiers to develop crop nutrient, livestock waste, and pasture management plans. Motion was seconded by Manager Spence. Discussion. Upon vote the motion passed.

c) 2012 Municipal Stormwater/Urban Stormwater Remediation Program

Administrator Thomas noted his memo in the Board packet. He then went through the criteria and guidelines noting who is an eligible applicant and then went over the 2012 Program Timeline. He pointed out that since most of the cities have already identified their capital projects for 2012 we may not see any applications this year but by getting the process set up and the request for proposals out, the cities can begin their planning for 2013 knowing the program exists.

Manager Moe made the motion to approve the Municipal/Urban Stormwater Remediation Cost-Share Program Criteria and Guidelines and Application Form and authorize staff to initiate the 2012 Municipal/Urban Stormwater Remediation Cost-Share Program and to notify potential applicants of funding availability by mailing of a Request for Proposal. Motion was seconded by Manager Lynch. Discussion. Upon vote the motion passed.

d) Moody Lake In-Lake Non-CIP Task/Work Order

Administrator Thomas noted his staff memo in the Board packet for this agenda item. He discussed how the fish survey is one of the non-capital improvements of the overall Moody Lake In-Lake Treatment Project and that it is being recommended to do prior to the selection of the method to treat lake sediments and to determine the necessity of a fisheries management program that could include additional bullhead harvesting, fish stocking, and winter aeration. He further noted that the work order that he is asking the Board to authorize is a back-up to the DNR which has indicated that they will do a survey for us this year.

Manager Anderson asked about the timing of the survey. Engineer Tilman responded that she was not absolutely sure but thought that it would be in the spring. Manager Anderson followed up with asking what the proper timing of a survey is and should we be prepared to do the survey ourselves so that the survey does not become the hold up for selecting and doing an in-lake treatment this year. Engineer Tilman noted that the plan is for the survey to be done early enough that it along with the watershed load verification monitoring can be used to make a final determination on the method for in-lake sediment treatment and to be able to do that in 2012. Manager Anderson asked when DNR is planning on doing the survey. Engineer Tilman said that she was not exactly sure and that we would contact the DNR to find out.

Motion was made by Manager Anderson to approve the Work Order for the Moody Lake Fish Survey, dated December 22, 2011, in an amount not to exceed \$5,462 without prior approval, and to authorize the Board President to sign the work order if DNR informs the District that it is unable to perform their scheduled fish survey of the lake in 2012. Motion was seconded by Manager Spence. Discussion. Upon vote the motion passed.

e) Bone/Moody Lake Rough Fish Control – Engineers Report

Administrator Thomas noted his staff memo in the Board packet. He gave the Board a brief update on the overall project along with the proposed schedule and needed actions to initiate the formal review and approval of the project and order construction. He then asked Engineer Tilman to give an update on the final engineering plans. Engineer Tilman noted that the project has been scaled back from 3 to 2 barriers. The barrier that was planned for the Moody Lake inlet has been dropped due to the infeasibility of constructing the type of low-flow barrier that had been planned. EOR did look at other concepts none of which were determined to be feasible. Engineer Tilman did note that we have consulted with DNR Fisheries staff and they have concurred that eliminating the Moody Lake site will not have an impact on the control of Carp in Bone Lake.

Manager Anderson offered resolution 12-01-03 and moved for its adoption. The motion was seconded by Manager Moe. Discussion. President called for roll call vote on the resolution. Anderson yes, Damchik yes, Lynch yes, Moe yes, Spence yes. With a vote of 5 yes and 0 no the President declared resolution 12-01-03 adopted.

**7. Report of Staff**

- a) Administrator Thomas noted his written report in the Board packet. He also noted flyer for the Bone Lake and Moody Lake Projects public informational meeting scheduled for February 8<sup>th</sup> at 6:30 pm at the Scandia Community Center.
- b) Emmons and Olivier Resources (EOR) – Nothing new to report
- c) Smith Partners – Not present

**8. Report of Treasurer**

- a) Approval of Bills

Manager Lynch presented the Treasurer’s Report (A copy of which is annexed and incorporated by reference) and bills and payroll totaling \$55,559.72.

Motion was made by Manager Moe to approve the January 26, 2012 Treasurer’s Report and pay the bills and payroll as presented. Manager Spence seconded the motion. Discussion. Upon vote, the motion passed.

Manager Lynch noted the low balance that the District currently has in the Central Bank saving account and requested the Board’s approval to make a transfer of \$200,000 from the saving account at the First State Bank of Wyoming to the Central Bank savings account. Manager Anderson asked if there is a floor/dollar amount that must be maintained in the Central Bank account. Manager Lynch explained that no there is not. He noted the reason for making one large transfer is that it avoids us having to pay the wire transfer fee multiple times if we were to make smaller transfers over the next six months. He further noted

that with the current low interest rates it would cost us more to pay the wire transfers than what we would expect to get in interest.

Motion was made by Manager Anderson to authorize the Treasurer to make a transfer of \$200,000 from the First State Bank of Wyoming to Central Bank. Motion was seconded by Manager Moe. Discussion. Upon vote the motion passed.

## **9. Reports of Officers and Manager**

Manager Damchik – Nothing to report.

Manager Lynch – Manager Lynch brought in information on alum treatments and a company that does it that he had picked up at the MAWD Annual Meeting.

Manager Spence – Nothing to report.

Manager Anderson – Nothing to report

Manager Moe – Brought in a newspaper article on a new pilot farmer certification program that was announced the USDA, EPA, and the Governor’s Office and some of the controversy that it has raised, particularly with environmental organizations.

## **10. Adjournment**

Motion to adjourn the CLFLWD regular Board meeting at 8:00 pm was made by Manager Spence and seconded by Manager Lynch. Upon vote, the motion passed.

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Wayne S. Moe, Secretary