

**MINUTES OF THE REGULAR MEETING
OF THE
COMFORT LAKE – FOREST LAKE
WATERSHED DISTRICT
Thursday, July 13, 2017**

1. Call to Order

Vice President Spence called the July 13, 2017 regular board meeting to order at 4:00 p.m. in the office of the Comfort Lake-Forest Lake Watershed District, 44 Lake Street South, Suite A, Forest Lake, MN.

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

Absent: President Jackie Anderson

Others: Mike Kinney, Jessica Lindemyer, Emily Heinz (via conference call), Mike Sorensen (CLFLWD staff); Meghan Funke (Emmons & Olivier Resources)

2. Setting of Meeting Agenda

Manager Schmaltz moved to approve the agenda as presented. Seconded by Manager McNamara. Upon a vote, the motion carried 3-0.

3. Public Open Forum

There were no comments.

4. Old Business

a) Watershed Management Plan Amendment

It was confirmed that, per discussion at the June 29th regular meeting, the new line items for Washington Judicial Ditch 6 (WJD 6) were put back into the proposed Watershed Management Plan amendment. There were no other comments or suggested changes to the proposed amendment language that was distributed in the June 29th meeting packet. Administrator Kinney noted that the next step will be to send the proposed amendment to the Board of Water and Soil Resources (BWSR), and several other agencies for review. Watershed Technician Emily Heinz suggested that the Board modify the language for one of the WDJ 6 items to follow a similar format to the other project line items by removing a list of specific potential best management practices. The Board decided at an earlier meeting to

remove specific lists of potential BMPs from project descriptions because such BMPs won't be identified until a preceding diagnostic study is completed. The Board agreed to remove that part of the project description for WJD 6.

Manager McNamara moved to accept the revisions for the Watershed Management Plan amendment as presented, including two items for Washington Judicial Ditch 6. Seconded by Manager Schmaltz. Upon a vote, the motion carried 3-0.

b) Land Acquisition Update

Administrator Kinney explained that EOR completed a preliminary assessment of the two parcels referred to as Site B, located at the northwest intersection of Broadway Avenue and Highway 35 in Forest Lake. The assessment revealed that a potential capital improvement project on this site could be more effective if it were expanded into neighboring properties. District staff has made several attempts at contacting the main neighboring property owner with no response to date. Though coordination with this property owner may not happen sometime soon, Mr. Kinney indicated that there is a good chance that coordination will be necessary at some point in the future as the property's facilities' stormwater needs change. He noted that the current property owners for the Site B parcels would like to part with the properties primarily in order to cease tax-paying responsibilities. Mr. Kinney recommended that staff compile some additional cost information with respect to the title transfer, and that the Board consider the acquisition at the July 27th board meeting. There was discussion about potential projects that could be implemented on this site, coordination with MnDOT and their upcoming Highway 35 reconstruction project, and next steps such as an environmental site assessment. In response to a question from Manager McNamara, Mr. Kinney clarified that the current Site B property owner is looking to donate the parcels to the District at no cost. There was further discussion about potential projects and estimated pollutant reductions. The Board directed the District Administrator to bring cost estimates for completing the transfer and site assessment to the next board meeting.

c) Draft 2018 Budget

There was discussion about estimated income and expenses, and the projected District fund balance. Mr. Kinney explained that since the District did not budget for the required 25% match for the three FY17 Clean Water Fund (CWF) grants it received, there is a projected shortfall in the District fund balance at the beginning of year 2018. The District's 2017 levy is not high enough to cover ongoing expenses in addition to these grant match amounts, thus reducing the reserve fund. There was discussion about progress on one of the CWF projects, Shields Lake Stormwater Harvest. Mr. Kinney explained that project construction will likely occur in 2018, and went through additional details regarding project progress and communication with the Forest Hills Golf Club.

There was discussion about projected 2017 yearend expenses and how the implementation schedule for the Shields Lake project heavily affects the total amount. Bonding was discussed as an option for supplementing District income in order to implement large capital improvement projects. Manager Moe expressed concern about executing project agreements within the necessary grant timelines. There was further discussion about the Shields Lake project and communications with the golf club.

Mr. Kinney explained that staff created an alternative 2018 budget compared to the draft that was sent out last week. The alternative budget has lower expenditures and a higher tax levy so that the 2018 beginning of the year fund balance is closer to 50% of the 2018 budget, as is recommended by the District's auditor. It was noted that the budget does not include any bonding. Mr. Kinney went through and explained each of the reduced line items. Manager Schmaltz expressed concern that there wasn't enough funding for capital projects aimed at reducing phosphorus loading to Forest Lake. He asked why the Sunrise Stream Assessment was being funded over projects higher up in the watershed, such as near Bone Lake.

Manager Spence indicated that he agreed with staff's recommendation to cut Eurasian watermilfoil (EWM) treatment from the 2018 budget, as it does not affect water quality. He expressed that the District should be focusing on improving water quality, and therefore implementing capital improvement projects. Mr. Kinney noted that the CLFLWD is the only watershed district that is currently treating EWM. Manager Moe noted that EWM comprises a large portion of the AIS program budget. There was general consensus to remove EWM treatment from the 2018 budget in favor of focusing more on prioritizing capital improvement projects, as identified in the capital improvement plan.

There was discussion about the Board focusing on the high-level budget figures and broad strokes of planning. Mr. Kinney provided information about options for bonding including bonding institutions, bond amounts, timelines, and rates. There was discussion about the Shields Lake project timeline and how that affects the 2017 projected yearend expenditures and 2018 budget. Manager Schmaltz asked that a column be added for 2016 actual yearend expenditures. There was discussion about future budget workshops and prioritization. There was agreement to hold a workshop immediately before the July 27th regular board meeting, and that water quality improvement projects should take priority over programs.

d) One Watershed One Plan

Mr. Kinney explained that BWSR has approved the planning grant for the development of a One Watershed One Plan (1W1P) for the St. Croix River basin, and there will be an initial meeting on August 29th at 1:00 (location TBD). He noted that he plans to attend. There was discussion about potential changes to the Clean Water Fund grant program. Mr. Kinney expressed concern about the lack of standards for quantifying project effectiveness, and how that may affect grant

award prioritization. Dr. Funke noted that BWSR is working on some guidance documents to explain the details of 1W1P. There was general concern about the lack of clarity regarding the program, as well as the potential for grant funding to become less available to the CLFLWD in favor of watersheds closer to the St. Croix River or, on a larger scale, to organizations in greater Minnesota that don't have as clear of an understanding about their watersheds.

5. Adjourn

- a) Next board workshop – July 27, 2017 at 5:00 pm**
- b) Next regular board meeting – July 27, 2017 at 6:30 pm**

Manager McNamara moved to adjourn the meeting at 6:02 p.m. Seconded by Manager Schmaltz. Upon vote, the motion carried 4-0.

Wayne S. Moe, Secretary _____