

**MINUTES OF THE SPECIAL MEETING
OF THE
COMFORT LAKE – FOREST LAKE
WATERSHED DISTRICT
Tuesday, August 14, 2018**

1. Call to Order

President Anderson called the August 14, 2018 special board meeting to order at 4:30 p.m. in the offices of the Comfort Lake-Forest Lake Watershed District at 44 Lake Street South, Suite A, Forest Lake, MN 55025.

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

Others: Mike Kinney, Jessica Lindemyer, Emily Heinz (via teleconference) (CLFLWD staff); Greg Graska, Meghan Funke (Emmons & Olivier Resources)

2. Shields Stormwater Project Authorization for Soliciting Bids

Administrator Kinney provided an update on the Shields Stormwater Harvest and Irrigation Reuse project. Project design is currently underway. Recently the landowner, Forest Hills Golf Club, notified the District that it wished to make landscaping changes to its driving range which would affect construction procedure.

Engineer Graska provided further detail on the project design and anticipated outcomes. A native buffer will be incorporated around the stormwater harvest pond located near the driving range. The District will request a 3-year warranty on vegetation establishment in this area. There was discussion regarding stormwater pond overflow levels, past landowner outreach and communications, and discussions with the Golf Club.

[Manager McNamara arrived. Manager Spence departed.]

There was further discussion regarding the Golf Club's proposed design changes and the ramifications. Mr. Kinney explained his conversations with the Golf Club indicating that the District would accommodate the proposed changes as much as possible without altering its own budget. Mr. Graska explained that the Golf Club is now proposing that excavated material be spread out in multiple places so as to create strategic contours for golf targets. The original plan was to place all material in one spot. Though the change isn't major, the additional movement of material is estimated to add \$15,000-20,000 to the construction bid price. It is also estimated to cost an additional \$5,000-6,000 in engineering time to account for the change in flow and construction schedule. Otherwise, the proposed changes don't affect the project outcomes or detract from the project in any way. Mr. Kinney indicated that the District may have extra grant funds in the project budget which could potentially cover these overages; staff will review the costs to date and projected costs to evaluate this possibility. He noted that the Golf Club has accepted the 90% plans, which did not include

the changes, via email. The District is planning to include an addendum to the construction bid documents to account for the additional material movement to accommodate the Golf Club's request.

President Anderson expressed concern with the additional engineering costs and recommended that the Golf Club should have to pay for these costs since they are not part of the project itself; public dollars should not go toward benefitting the golf club's private project. Manager McNamara agreed that the Golf Club should have to pay for the engineering costs and expressed concern about the last-minute changes. Mr. Kinney indicated that, depending on the bids received, the additional work may not result in additional cost to the District. Manager Schmaltz noted that the potential additional cost is a small fraction of the entire project, and expressed that this major project should go forward even if it means bearing some minor additional cost. There was agreement to amend the proposed motion to direct staff to request bids with an addendum to account for the golf club's proposed changes. This way, the Board may compare costs and decide whether to proceed with the proposed changes.

Manager Moe moved to adopt resolution 18-08-04 Approving Plans and Directing Solicitation of Bids for the Shields Lake Stormwater Harvest and Irrigation Reuse System Project and direct staff to request the bid with current plans and addendum which will address the golf club's design changes. Seconded by Manager Schmaltz. Upon a roll call vote, the motion carried 5-0.

Manager	Aye	Nay	Absent
Jackie Anderson	X		
Jackie McNamara	X		
Wayne Moe	X		
Stephen Schmaltz	X		
Jon Spence	X		

[Legal Counsel Chuck Holtman joined the meeting via telephone.]

There was further discussion regarding various options for how to bid the project. Mr. Holtman advised that the District should communicate in advance how it will assess which is the low bid. He clarified that once the golf club approves the 90% plans, the District has the right to proceed with the work and then maintain the project for 25 years. President Anderson reiterated that the Board may make a final decision on whether or not to accept the changes based on the bids received.

Manager Moe amended his motion to direct staff to obtain the separate quotes for the additional work in whatever way is most feasible so as to understand the additional costs caused by the Golf Club's proposed changes. Seconded by Manager Schmaltz. Upon a vote, the motion carried 5-0.

[The telephone participation by Mr. Holtman was concluded.]

3. Bone Lake Subwatershed Assessment Update

Administrator Kinney recapped that the District worked with the Chisago Soil and Water Conservation District and Washington Conservation District to complete a rural subwatershed assessment last year. This study ranked best management practices (BMPs) based on estimated phosphorus reductions seen at the edge of the field, not as seen at Bone Lake itself. Emmons & Olivier Resources (EOR) performed further analysis and produced a memo which ranks agricultural BMPs in both ways – edge-of-field phosphorus reduction (i.e. the reduction in phosphorus immediately leaving the field) and at-lake phosphorus reduction (i.e. the reduction actually seen by the time the water makes it to either Moody Lake or Bone Lake). Due to distances of the fields from lakes and intermediary treatments in between, edge-of-field reductions are generally higher than what the lake would see. Mr. Kinney explained that staff plans to re-submit for a Clean Water Fund grant for this project. A similar proposal was submitted last year but not funded. With this new ranking information having been gathered, this year’s application should be stronger.

President Anderson requested that EOR and staff prepare a 3-tiered prioritized breakdown of the projects so that there are cutoffs in the prioritized list between groups. Manager Schmaltz suggested that the cutoff be at \$1,000 per pound of phosphorus removed, as seen at the lake (rather than edge-of-field). Mr. Kinney noted that projects may also have the additional benefit, besides protecting the lake itself, of preventing pollution of resources such as wetlands upstream of the lake.

President Anderson appreciated the inclusion of sediment reduction estimates in the report. She asked for an explanation of how sediment and phosphorus are correlated and how the District should decide when to prioritize one over the other. Mr. Kinney explained current agricultural outreach occurring in the watershed and the potential for more agricultural BMPs such as no-till and use of cover crops. There was further discussion on how to set the cutoffs for tiered groups of BMPs. President Anderson indicated that she would defer to staff and engineers’ judgment on where that cutoff should be.

4. 2019 Budget

President Anderson distributed a budget comment table that she prepared which suggests taking dollars from some projects and putting into the reserve in order to give the Board more time to discuss project prioritization before approving budgets for certain projects. She expressed that there are still some items in the budget that are not yet fully fleshed out, and that the District shouldn’t be spending money on phosphorous reductions on lakes that have already met their goals. Included in her handout was a proposal for a balanced budget at the \$2,593,593 level. Manager Schmaltz recommended that, in the interest of time, the Board take a vote on the budget as it currently stands. Dr. Funke noted that she has prepared some information on water quality goals and progress if it is needed. President Anderson expressed that, once a lake has met its phosphorus concentration goal, the District focus more on total suspended solids so as to prevent future phosphorus release from incoming sediments. Dr. Funke noted that there are only three major District lakes that are not meeting their 2030 water quality goals for phosphorus concentration, clarity, and lake grade; these

lakes are Moody, Shields (both of which are shallow lakes) and Little Comfort Lake. All other lakes are currently meeting all of their 2030 goals, but the District is still working towards its long-term/2040 goals.

There was discussion about projected revenue and grant payment timing. President Anderson estimated that the levy could be increased from \$1.2M to \$1.4M and it wouldn't significantly raise the residential tax impact. She recommended again that the Board move some project funds into the reserve for the purposes of approving the total expense budget number, then it can discuss specific priorities later. She expressed that she is not comfortable approving budgets for some of the project line items that are in the budget as it currently stands.

Manager Schmaltz reiterated his recommendation of accepting staff's proposed expense budget of \$2,593,593 at this time. He noted that there have been many suggested changes to the budget, both from managers and staff. He recommended that, after approving the originally proposed budget, the Board discuss all of the suggested revisions from managers and staff, and prioritize budget line items with an understanding that the total expense budget would not change. Manager Spence agreed that specific line items can be debated later, but the Board needs to set the overall number sooner. He estimated that the District could set a levy of \$1.3M and still keep the tax impact approximately flat.

Manager Schmaltz moved to accept the proposed expense budget of \$2,593,593 and set a levy of \$1,300,000. Seconded by Manager Moe.

Discussion: Manager Schmaltz noted that estimated loan income for the year would likely be \$800,000. President Anderson indicated that she does not support this motion because she disagrees with the proposed budget balance.

Upon a vote, the motion carried 3-2 with President Anderson and Manager McNamara opposed.

5. Adjourn

a) Next regular board meeting – August 23, 2018

Manager Spence moved to adjourn the meeting. Seconded by Manager Moe. Upon vote, the motion carried 5-0, and the meeting adjourned at 6:44 p.m.

Wayne S. Moe, Secretary _____