

**MINUTES OF THE REGULAR MEETING
OF THE
COMFORT LAKE – FOREST LAKE
WATERSHED DISTRICT
Thursday, January 16, 2018**

1. Call to Order

President Anderson called the January 16, 2018 regular board meeting to order at 4:00 p.m. in the offices of the Comfort Lake-Forest Lake Watershed District, 44 Lake Street South, Suite A, Forest Lake, MN.

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

Others: Mike Kinney (CLFLWD Administrator)

2. Setting of Meeting Agenda

Manager Schmaltz requested that agenda item 5d be added for the brokerage investment account resolution. President Anderson and Manager McNamara requested that an addition be made to the November 20th joint board meeting minutes to make note of the joint agreement to work collaboratively on a regional stormwater facility effort.

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

3. Consent Agenda

- a) **Regular Board Meeting Minutes – November 16th, 2017**
- b) **Board Workshop Minutes – November 16th, 2017**
- c) **Joint Board Meeting Minutes – November 20th, 2017**

4. New Business

a) Designation of Official Newspapers & Banks

Administrator Kinney explained that staff is proposing to transition its main account from MidWestOne Bank to Lake Area Bank since the District has not been able to come to an agreement with MidWestOne Bank regarding the pledge documents for funds beyond the FDIC insured amounts.

Manager Moe moved to designate the official newspapers of the Comfort Lake – Forest Lake Watershed District for 2018 as the Chisago County Press and the Forest Lake Times. Seconded by Manager McNamara. Upon a vote, the motion carried 5-0.

Manager Moe moved to designate the First State Bank of Wyoming and Lake Area Bank of Forest Lake as the official financial repositories of the Comfort Lake – Forest Lake Watershed District for 2018. Seconded by Manager Spence.

Discussion: Manager McNamara noted that the District is still holding funds in MidWestOne Bank and asked if it would therefore be appropriate to include MidWestOne in the motion as well. Mr. Kinney explained that the District may still hold funds in MidWestOne Bank even if it is not designated as an official repository.

Upon a vote, the motion carried 5-0.

Manager McNamara moved to continue to hold District funding at MidWestOne Bank until such time that the District can effect a transfer to Lake Area Bank of Forest Lake. Seconded by Manager Schmaltz. Upon a vote, the motion carried 5-0.

b) Election of Officers

Manager Spence moved to reelect the current slate of officers: Jackie Anderson – President, Jon Spence – Vice President, Wayne Moe – Secretary, Steve Schmaltz – Treasurer, Jackie McNamara – Assistant Treasurer. Seconded by Manager Schmaltz. Seconded by Manager Moe. Upon a vote, the motion carried 5-0.

5. Old Business

a) Hayward Avenue Scope of Work

Mr. Kinney explained that, through the Forest Lake Diagnostic Study, the District identified phosphorus loading hot spots which require additional/more detailed analysis. The District Engineer prepared this scope of work, the cost of which fits within the 2018 budget. Discussion on this and the following agenda item was tabled in order to give more time for Dr. Meghan Funke to arrive.

Discussion of this item resumed after conclusion of items 5c and 5d. It was noted that Dr. Funke would not be attending the meeting. There was discussion about the characteristics of the Hayward Avenue subwatershed and the overarching Forest Lake Diagnostic Study.

Manager Schmaltz noted that the phosphorus load reduction needed from the Castlewood subwatershed is 20 pounds. He expressed concern about the cost of the study compared to the eventual load reduction achieved. There was agreement to table the two scopes of work until the January 25th meeting so that the District Engineer could be present to answer questions.

b) Castlewood Scope of Work

This topic was tabled until the January 25th regular board meeting.

c) Lower St. Croix 1W1P Memorandum of Agreement

Mr. Kinney explained that the Board of Water and Soil Resources (BWSR) created an initial draft memorandum of agreement (MOA) which was subsequently edited by the Lower St. Croix One Watershed One Plan (1W1P) work group. He noted that the MOA appears to be lacking in emphasis on prioritized, targeted, and measurable (PTM) goals. President Anderson noted that the plans need to be in line with BWSR's original guiding principles document, and recommended adding a bullet point onto the "Overarching Approach" section of the 1W1P work plan referencing BWSR's purpose statement about accountability and performance in achieving measurable progress. Mr. Kinney noted that at last week's work group meeting, BWSR had indicated that it received feedback from organizations saying it was too prescriptive, therefore BWSR would take a step back from the process and let the local organizations make more decisions. There was discussion about a previous suggestion from other organizations that the state funding be aimed at regional practices, and the question of what constitutes a regional practice. Manager Spence asked if the statute referenced in the MOA, §103B.801, clearly calls out the PTM-related issues being discussed here. Mr. Kinney explained that there are different ways of interpreting what constitutes a PTM project. He noted past conversations with BWSR staff about how inadequate some plans are with regard to PTM, and that they agreed it is a problem that needs to be addressed. There was general consensus to add a statement onto the MOA that specifically references the guiding principles document developed by BWSR.

Mr. Kinney expressed concern about the possibility that the competition for funding will be taken from the state level down (which is judged on a PTM-related scale) to the local level (which could possibly be judged on a simpler, geographic area scale). Specific guidelines regarding how to prioritize funding (i.e. PTM) need to be set beforehand so that local agencies can appropriately allocate funding to best serve the water resources.

Manager Moe expressed concern about the additional time commitment involved in having board members attend policy meetings. President Anderson agreed with the concern about watershed district time being spent on the process, as it takes away from spending time on the District's local goals and priorities. She suggested adding addendums to the MOA: the BWSR guiding principles document and the BWSR criteria for evaluating Clean Water Fund proposals. Mr. Kinney noted that the MOA must be completed before the work group will submit the work plan. President Anderson suggested that if these concerns are not addressed, the Board should consider writing letters outlining their concerns.

Mr. Kinney reiterated the Board's concerns regarding PTM: funding needs to be strategically allocated to have the most benefit to waterbodies. There isn't enough funding to do every project, so the best ones need to be prioritized, and the funding allocation policy needs to allow that to happen.

There was discussion about the District's long term capital improvement plan and levy projections. President Anderson explained that the bigger and more expensive projects

(i.e. Tier 1) will happen soon and can be funded by the Clean Water Partnership loan in addition to CWF grants. Then future projects will get smaller and smaller as we get closer to reaching water quality goals, and then the District will pay back the loan while still being able to keep up with projects as well as ongoing administration and programs. There was discussion about the difference between local projects and basin projects; this will be further defined through the 1W1P process. The District's success in obtaining Clean Water Fund grants was discussed. There was agreement that the District has done well in the competitive process because of all the diagnostic work it has done to target cost-effective and meaningful projects.

d) Resolution 18-01-01 – Brokerage Investment Account

Manager Schmaltz explained the purpose of the resolution is to allow the District to open up an investment account with Northland Securities. All the other paperwork has been filled out, the resolution is the last step in the process. Mr. Kinney explained that, since the District is a government agency, it will be limited in its possibilities for investing such as not being allowed to invest in risky ventures. Two main investment features that would be available to the District include CDs and municipal bonds. Manager McNamara expressed an interest in focusing on CDs as opposed to municipal bonds due to minimum timing requirements.

Manager Spence moved to approve resolution 18-01-01. Seconded by Manager McNamara. Upon a roll call vote, the motion carried 5-0.

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

6. Adjourn

a) Next regular board meeting – January 25, 2018

Manager Spence moved to adjourn the meeting at 5:37 p.m. Seconded by Manager McNamara. Upon vote, the motion carried 5-0.

Wayne S. Moe, Secretary _____