

**MINUTES OF THE REGULAR MEETING
OF THE
COMFORT LAKE – FOREST LAKE
WATERSHED DISTRICT
Thursday, May 22, 2018**

1. Call to Order

President Anderson called the May 22, 2018 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 Jackie Anderson, Vice President Jon Spence, Assistant Treasurer Jackie McNamara

Absent: Secretary Wayne Moe, Treasurer Steve Schmaltz

Others: Mike Kinney, Jessica Lindemyer, Emily Heinz (CLFLWD staff); Meghan Funke, Cecilio Olivier (Emmons & Olivier Resources); Chuck Holtman (Smith Partners); Sam Husnik (Forest Lake City Council); Justin Nilson (Abdo, Eick, and Meyers)

2. Setting of Meeting Agenda

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

3. Consent Agenda

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

4. Public Open Forum

No comments were made.

5. Citizen Advisory Committee Update

Watershed Assistant Jessica Lindemyer updated the Board on recent CAC discussions and activities. The CAC is moving forward on education initiatives, as previously discussed by the Board, in coordination with East Metro Water Resources Education Program (EMWREP). Meetings regarding the District Awards Program are moving forward and more information on the program will be brought to a future board meeting.

6. New Business

a) 2017 Audit Presentation

Justin Nilson, Audit Manager with Abdo, Eick, & Meyers, explained the purpose and process of the annual audit, and summarized results from the CLFLWD's 2017 audit. The audit includes, among other examination, a review of project bidding, conflicts of interest and collateralization of funds. One recommendation from the auditor is for the District to correct for "unearned" income (e.g. grant income for which the expenses were not yet made within that fiscal year) prior to the auditors beginning their review. This has already been discussed at a meeting with staff, the Board Treasurer and Assistant Treasurer, the accountant, the auditor. This recommendation will be followed for the 2018 audit. Overall the auditor's opinion is clean and unmodified and there are no negative findings from the audit. There is some general fund volatility, and the District might look at assigning engineering and legal expenses more closely to project funds.

President Anderson asked about how the auditor calculates pension liability. Mr. Nilson confirmed that the District does not need to do anything differently in its reporting for that. Administrator Kinney added that the District has the option to allow for employees' unused paid time off to be paid into a health savings account, rather than paid out through payroll. This would be an option for the District to do, and it would result in those earnings potentially not being subject to payroll tax. President Anderson remarked that the Board should look at that as part of its budget review.

Manager Spence moved to accept the Abdo, Eick & Meyers, LLP prepared Management Letter and Annual Financial Report of the Comfort Lake Forest Lake Watershed District for the year ended December 31, 2017 and direct staff to forward to the State of MN as required. Seconded by Manager McNamara. Upon a vote, the motion carried 3-0.

b) Permit 18-008: TH-8 Drainage Infrastructure

Dr. Meghan Funke summarized the proposed project which entails repair, replacement, and/or lining of two culverts running under Trunk Highway 8 in Forest Lake and Wyoming. One is along the Sunrise River at the outlet of Forest Lake, and the other connects Comfort Lake and Little Comfort Lake. The project triggers District Rules 3.0 Erosion Control and 6.0 Watercourse and Basin Crossings. The proposed project meets the District's rule requirements, and takes extra erosion and sediment control precautions due to the project location being within areas of environmental sensitivity.

Manager McNamara moved to approve permit application 18-008 subject to the recommendations listed in the May 10, 2018 engineer's review memo. Seconded by Manager Spence. Upon a vote the motion carried 3-0.

c) Permit 18-009: City of Wyoming 2018 Street Improvements

Dr. Meghan Funke summarized the proposed project which entails reconstruction of 1.7 miles of rural section roadway in the City of Wyoming. The project triggers District Rules 2.0 Stormwater Management and 3.0 Erosion Control. Dr. Funke described the existing and proposed drainage patterns in the area and stormwater best management practices that will be used to satisfy the District's requirements.

President Anderson expressed concern about the compost percentage in the biofiltration trenches. She noted the District's past issues with the compost mix for the Broadway Avenue iron-enhanced sand filter project. Administrator Kinney noted that compost from various sources can have differing concentrations of phosphorus which can be a problem, and that the Broadway Avenue project had the additional issue of improper drainage which was a major factor in limiting the pollutant reduction. Dr. Funke added that the applicant will be doing a phosphorus test on the soil mixture prior to installation and that the mixture must meet a phosphorus limit and produce a satisfactory Mehlich test result. President Anderson asked that a stipulation be added requiring that the District engineers confirm compost percentages for accuracy prior to installation. It was clarified that it would be sufficient for the applicant to perform the test and submit the test results for Engineer review. There was consensus to add that stipulation to the memo.

Manager Spence moved to approve permit application 18-009 subject to the recommendations listed in the May 10, 2018 engineer's review memo plus the additional permit stipulation as discussed. Seconded by Manager McNamara. Upon a vote the motion carried 3-0.

d) Insurance Liability Coverage Waiver

Administrator Kinney recapped that this is an annual requirement. The District has historically elected not to waive the monetary limits.

Manager Spence moved to elect "The member DOES NOT WAIVE the monetary limits on municipal tort liability established by Minnesota Statutes 466.04." option provided on the LMCIT Section 1: Liability Coverage Waiver form. Motion seconded by Manager McNamara. Upon a vote, the motion carried 3-0.

e) 2017 Progress Report

Watershed Technician Emily Heinz provided a summary of the 2017 Progress Report, mainly focusing on water quality and capital improvement project progress. In general, some District lakes have improving water quality over time and some have declining water quality. She briefly summarized the current data, goals, and projects that the District has completed, ongoing, or planned. The District is currently engaged in an aggressive project implementation strategy. Once projects are all implemented and the water quality goals are met, the District will move toward a more operations and maintenance-focused strategy.

President Anderson moved to accept the 2017 CLFLWD Progress Report and direct staff to post it to the District website. Seconded by Manager McNamara. Upon a vote, the motion carried 3-0.

f) Lower St. Croix 1W1P Policy Committee Alternate

Mr. Kinney explained that the Board previously appointed Manager Schmaltz to serve on the One Watershed-One Plan (1W1P) Policy Committee. At this time the Policy Committee is looking for organizations to assign an alternate appointee. President Anderson offered to serve as the alternate.

Manager Spence moved to appoint Manager Anderson to serve as an alternate to Manager Schmaltz on the Lower St. Croix One Watershed-One Plan Policy Committee on behalf of the CLFLWD. Seconded by Manager McNamara. Upon a vote, the motion carried 3-0.

7. Old Business

a) AIS Program Options

Mr. Kinney recapped the past Board discussion about potential program add-ons, if the budget were to allow it. Now that the treatment costs for Forest Lake curly-leaf pondweed are finalized, the District has a clearer idea of available funds in the AIS budget. Staff recommends that the following items be added:

- Forest Lake Point-Intercept Survey. This survey should be done every five years and the last one was completed in 2013.
- Bone Lake Point-Intercept Survey. This survey should be done every five years and the last one was completed in 2013.
- An additional survey for Forest Lake flowering rush. This would allow the District to make better management decisions for the second round of herbicide treatment.
- Bone Lake curly-leaf pondweed hand pulling and/or raking. Given the small treatment areas, mechanical control is predicted to be a better management alternative to chemical control. Herbicide treatment tends to be less effective on small patches because it can't achieve the necessary concentration and exposure time.
- Lake Keewahtin curly-leaf pondweed scuba diver hand pulling. This treatment area is small and in deep water, therefore having Mr. McComas work with local divers is recommended.

Manager Spence moved to authorize the Administrator to proceed with the following activities, in an amount not to exceed \$7,500: Forest Lake Point-Intercept Survey, Bone Lake Point-Intercept Survey, Forest Lake Flowering Rush 3rd Survey, Bone Lake Curly-leaf Pondweed Hand Pulling, and Lake Keewahtin Curly-leaf Pondweed Scuba Diver Hand Pulling. Seconded by Manager McNamara. Upon a vote, the motion carried 3-0.

b) Resolution 18-05-01: PCA Loan Agreement

Administrator Kinney briefly summarized the loan contracting and legal steps completed to-date and remaining. Once the resolution is adopted and documents are

signed by the President and Secretary, staff can proceed to finalize the remaining items in order to get the loan agreement executed.

Manager Spence moved to adopt resolution 18-05-01 and direct staff to proceed with the remaining requirements for the loan execution. Seconded by Manager McNamara. Upon a roll call vote, the motion carried 3-0.

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

c) MPCA 319 Small Watersheds Focus Program

The Minnesota Pollution Control Agency (MPCA) is looking to develop a new grant program, starting with a pilot program in the first year with ten watershed management organizations. Staff has reviewed the program details and submitted a letter of interest to participate in the pilot program. However there is some concern that staff capacity may become an issue given the required pilot program time commitment and generally stringent nature of MPCA grants. Mr. Kinney recommended that there is the possibility that staff time could be better spent researching other grant programs to pursue. The program would entail a grant award of approximately \$250,000 per four-year period, for a total of 16 years (total of \$1M in grant funds over 16 years). However the grant award is not guaranteed each cycle. By participating in this program the District would simply be more likely to receive the grants, but not guaranteed.

President Anderson agreed that there are concerns about time commitment versus benefit. She expressed concern about the partnership with Carnelian-Marine-St. Croix Watershed District requiring staff time that is necessary for CLFLWD activities. She hoped that the District could resolve its current staffing deficit fairly quickly in order to keep pace. There was consensus that the Small Watersheds Focus program is not predicted to be a suitable return on time investment at this time. The Board agreed that the District should pass on the program for this year, but keep it in mind for future years.

d) Board Direction of 2018 EMWREP Activities

There was discussion about ideas submitted by Manager Schmaltz and President Anderson. President Anderson indicated that her ideas were discussed at a CAC meeting and they include: hosting a clean water practices certification workshop for contractors and landscapers, hosting a workshop for residents about landscaping for clean water and habitat. There was Board consensus to direct the CAC to submit a prioritized list of activities to the Board for consideration at the next regular board meeting.

e) Program and Project Updates

Moody Lake Wetland Rehabilitation: The District is on track to complete the Wetland A/B alum spot treatments in the next month. Clarke Aquatic Services is contracted to complete the treatment. Additionally, several components related to Wetland C (located downstream of Wetland A/B) will occur this year including: agri-drain outlet structure installation, sediment cleanout, and outlet stabilization. Effectiveness monitoring will occur again this year to monitor progress toward project goals.

Little Comfort Lake Diagnostic Monitoring: Emmons & Olivier Resources is monitoring at locations along Heath Avenue and is currently awaiting more rainfall in order to take more grab samples. There was discussion about the drop structure at Heath Avenue. This structure is believed to have been installed by the City of Wyoming to replace a previous drainage tile through the farmstead. Manager Anderson asked about a stormwater management plan for the Liberty Ponds development just upstream of Little Comfort Lake. She expressed concern that the level of treatment is inadequate for the large number of new homes being built. Mr. Kinney explained that there is a plan set for the development which includes stormwater ponds. He indicated that staff will communicate with the City to determine the extent of stormwater management.

Shields Lake Stormwater Harvest and Irrigation Reuse: The District held a neighborhood meeting on May 15th. On May 17th the Forest Hills Golf Club held their annual shareholder meeting, for which the District supplied project rendering posters for display, but did not attend. The residents in attendance of the May 15th meeting were supportive of the project and excited about the proposed native plant restoration and osprey stand. Those in attendance indicated that other nearby residents that they've talked to seem supportive of the project as well. A larger community meeting will be held in July once the project plans are further along. Mr. Kinney clarified that there are nine homes immediately surrounding the project area and residents from three of those households were in attendance.

Castlewood & JD-6 Assessment and Feasibility: Dr. Meghan Funke went over the monitoring site locations which are all generally south of Forest Lake's middle and east basins.

2018 Effectiveness Monitoring (Bixby Park, 3rd Lake Pond, Hilo Lane Iron-Enhanced Sand Filter): Dr. Funke went over the monitoring site locations. Mr. Kinney added that he recently met with the two contractors onsite at the 3rd Lake Pond project. Work on the remaining restoration items will begin soon. Tasks include: re-vegetating and establishing the native wetland buffer, stabilization of the inlet channel, and some re-vegetation of residential yards that were affected by construction. The District recently mailed out to nearby residents an informational letter with photos of native buffer vegetation. Another mailer will be sent out which will go into further detail about what the project will look like during each phase of the 3-year initial establishment period.

8. Report of Staff

a) Administrator

Administrator Kinney noted the item under Monitoring & Data Assessment which describes the possibility of working with volunteers to calibrate the District's effectiveness monitoring results. He also noted the item under Operations & Maintenance regarding purchase of a District vehicle. With this year's savings on the Forest Lake curly-leaf pondweed treatment, there is now room in the budget to purchase a vehicle for staff to use for trips such as project site visits, permit inspections, etc. He will compile some information to bring to a future meeting for Board consideration.

President Anderson had several comments and questions:

- **Permitting:** She requested an update on the Woods on Comfort Lake permit. Mr. Kinney explained that currently two homes are under construction. One is compliant with erosion and sediment control requirements. One has had several noncompliance issues. The site is the one furthest from the lake and has several BMPs between the construction area and the lake. The item of most concern is a large stockpile which is partially within the right-of-way. The City of Wyoming issued a stop work order and is prepared to issue a citation if necessary. President Anderson expressed concern for potential impacts to Comfort Lake and stressed the importance of imposing a deadline for corrective action. Land use changes have major impacts on the health of waterbodies, so effective implementation of BMPs is crucial.
- **Nonpoint Source Pollution Abatement Program:** She expressed concern about the liability associated with implementing a controlled burn on the rental cropland near Bone Lake. Mr. Kinney explained that timing may be difficult to manage at this point in the year, and that the burn may be scaled back to be more of a demonstration than a major controlled burn.

b) Emmons & Olivier Resources

Dr. Funke reported that EOR continues to work on the contracting for construction of the Shields Lake Fish Barrier Retrofit Project.

c) Smith Partners

Legal Counsel Holtman indicated that he will hope to provide some clarity on recent legislature developments to the next meeting.

9. Report of Treasurer

a) Approval of Bills and Treasurer's Report

Manager Spence reported income for the period of \$8,170.63 and expenses in the amount of \$98,385.06.

Manager McNamara moved to accept the Treasurer's Report and pay the bills in the amount of \$98,385.06. Seconded by Manager Anderson. Upon vote, the motion carried 3-0.

10. Report of Officers and Managers

President Anderson asked about the reoccurring column written by Angie Hong in the Forest Lake Times. She requested that staff talk to Ms. Hong about putting the District's logo and contact info in a visible location on the column.

11. Summary of Board Direction

President Anderson expressed support for this addition to the regular meeting agenda. Staff and legal counsel reviewed the board direction that was given during this meeting.

- Staff to send out a copy of the 3rd Lake Pond resident mailer to the managers.
- Have the CAC compile ideas from the Board, prioritize them, and bring them back to the June 7th meeting.
- Additional permit stipulation regarding approval of compost materials for permit 18-009.
- Staff to evaluate the stormwater pond components of the Liberty Ponds development with the City of Wyoming.
- Staff to meet with the District Engineer and legal counsel to go over permit enforcement elements including what the Rules prescribe and what the District is legally allowed to do. A written protocol should be brought to the next meeting for Board review.
- Staff to discuss with Angie Hong the possibility of including the District logo and contact info on her reoccurring newspaper column that is specifically about this District.
- As part of budgeting the District should review the way that it treats PTO for accounting purposes.

12. Adjourn

a) Next regular board meeting – March 22, 2018

Manager Spence moved to adjourn the meeting at 8:30 p.m. Seconded by Manager McNamara. Upon vote, the motion carried 3-0.

Wayne S. Moe, Secretary _____