

**MINUTES OF THE REGULAR MEETING  
OF THE  
COMFORT LAKE – FOREST LAKE  
WATERSHED DISTRICT  
Thursday, August 24, 2017**

**1. Call to Order**

President Anderson called the August 24, 2017 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, Secretary Wayne Moe, Treasurer Steve Schmaltz

Absent: Vice President Jon Spence, Assistant Treasurer Jackie McNamara

Others: Mike Kinney, Jessica Lindemyer, Mike Sorensen, Sam Duncanson (CLFLWD staff); Greg Graske, Meghan Funke (Emmons & Olivier Resources); Chuck Holtman (Smith Partners);

**2. Setting of Meeting Agenda**

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

**3. Consent Agenda**

- a) **Regular Board Meeting Minutes – July 13, 2017**
- b) **Board Workshop Minutes – July 27, 2017**
- c) **Regular Board Meeting Minutes – July 27, 2017**

President Anderson explained that she had several minor revisions and additions she'd like to make to the minutes. She will go through them with staff after the meeting.

Manager Schmaltz moved to approve the consent agenda with President Anderson's revisions. Seconded by Manager Moe. Upon a vote, the motion carried 3-0.

**4. Public Open Forum**

There were no comments.

**5. Citizen Advisory Committee Update**

Program Assistant Mike Sorensen noted that Angie Hong from East Metro Water Resources Education Program (EMWREP) is planning to attend the next CAC meeting to go over education plans for 2018 and invite input from CAC members. It was confirmed

that Mr. Sorensen had distributed the EMWREP 2016 annual report to the CAC, per President Anderson's request.

## **6. New Business**

### **a) AIS Update**

Mr. Sorensen explained how the District recently purchased a kayak and ciBioBase sonar technology. Staff has been performing surveys on small lakes and ponds to produce bathymetry, vegetation density, and sediment hardness maps. Mr. Sorensen noted that the automated level loggers are up and running on Bone Lake and Comfort Lake. The lake elevation data is being streamed live on the District's website. So far this summer, a total of 5,663 watercraft inspection surveys have been performed over 2,345 hours. This is an average rate of 2.1 inspections per hour. Mr. Sorensen completed an aquatic invasive species (AIS) detection survey on Lake Keewahtin (formerly Halfbreed/Sylvan Lake) on July 27<sup>th</sup>; no new invasive species were found. The second round of Eurasian watermilfoil treatment occurred on Forest Lake on August 8<sup>th</sup>. The first round of flowering rush treatment on Forest Lake occurred on August 14<sup>th</sup>. The second round is planned to occur in late August or early September. Mr. Sorensen noted that he and Jerry Grundtner collected the flowers and seeds from the plants earlier today.

President Anderson noted that during her time on the town board, the town organized an herbicide treatment program of purple loosestrife. There was discussion about purple loosestrife presence around Comfort Lake and Bone Lake.

### **b) 16-008 Chestnut Creek Buffer Amendment**

Administrator Kinney explained that the developer has made a request for a minor adjustment to the wetland buffer plan. The proposed buffer plan continues to meet the District's requirements.

Manager Moe moved to approve amendment of permit 16-008 Chestnut Creek, as presented, and authorizes the Board President to sign the declaration amendment. Seconded by Manager Schmaltz. Upon a vote, the motion carried 3-0.

### **c) Shields Lake Fish Barrier Service Contract**

Administrator Kinney explained that the District has the option of continuing to operate the existing electric fish barrier without renewing the service contract with Smith-Root. President Anderson asked about costs to run the electric barrier. Mr. Kinney explained that the electric meter costs are nominal. It was clarified that the contract is renewed on a year-by-year basis. There was discussion about only running the barrier during the spring when carp spawning occurs.

Manager Schmaltz moved to not approve further contracting with Smith-Root, Inc. after August 31, 2017 for services provided to the electric fish barrier as outlined in the contract signed on September 1, 2015 by then-President Richard Damchik. In addition, District staff is to continue to operate the electric fish barrier as is, pursuant to Administrator discretion. Seconded by Manager Moe. Upon a vote, the motion carried 3-0.

**d) 2018 Draft Budget Adjustments**

Administrator Kinney noted that the public hearing for final adoption of the 2018 budget is scheduled for September 7. He noted that the Washington County tax impact worksheet was recently received, and the current calculated impact of the proposed levy increase is \$9 for every \$100,000 in property value. Staff recommends that some funding be added back into the draft budget to account for sediment core analysis on Bone Lake, costs associated with the Site B land review and acquisition, and project effectiveness monitoring. Dr. Meghan Funke provided additional detail on options for effectiveness monitoring of the Bixby Park and Moody Lake Wetland Rehabilitation projects.

There was discussion about the benefits of analyzing the Bone Lake sediment core. Mr. Kinney noted that the core has already been taken, at no cost to the District for research purposes, and can stay frozen in storage until the District wishes to pay for the analysis. There was consensus to delay the analysis, at least until the report for the other three lakes has been received.

President Anderson expressed her concern for this budget not meeting the goal established for keeping the District on track to meet the objectives of our Watershed Management Plan. She discussed the Plan's proposed annual budget of \$3M for the capital project phase from 2012-2019. She explained the past several years' budgets have been lower than the projected spending in the Plan; the District is not doing what it told the public it would do in the 10 years of this Plan. She expressed concern about being presented with a budget that is showing a \$396,000 deficit that would further reduce and compromise the reserve fund over the next several years. She recommended increasing funding in order to increase implementation of activities from the Plan and to protect the reserve fund from depletion. She expressed deep concern over this budget cutting funding on critical programs and projects like early assessment and monitoring to identify changes in the watershed; post-project effectiveness monitoring that underlies the District's adaptive management philosophy; public education; project coordination; the aquatic invasive species (AIS) program, and other programs that need to be started like our urban regional stormwater volume banks associated with regulatory stormwater impact fees. She asked how we start out with a deficit and maintain our momentum toward our water quality goals. She stated she could not support and would not vote for this budget as presented.

The managers concurred that an increase in the District's tax levy is acceptable if the funding is used for projects. Manager Anderson added that in order to implement projects, funds need to be invested in initial project identification, feasibility and similar development work. Manager Moe noted that if the District issues a bond rather than increasing its levy, the taxpayers would end up paying for interest on the bond.

Administrator Kinney provided some explanation for why the District's budget has been lower than the project costs in the Plan for recent years. Thanks to engineering and cost-effectiveness maximization, some projects, such as Bixby Park, have been able to come in under-budget compared to the costs that were originally projected in the Plan. He expressed support for increasing funding for public education, especially as it relates to native buffer benefits and agricultural best management practices.

President Anderson expressed that the District has an obligation to implement its Plan within a certain timeframe, as promised to the public. She indicated that the public agreed to have its taxes increased so that these goals can be met. At a certain point, the District will be done implementing new projects, and will enter the maintenance phase. At that point, the levy will go back down. Currently, however, the District needs to increase its levy so that it can implement the necessary projects; grants cannot completely fund the projects. President Anderson suggested a levy increase to \$1.6 million.

Managers Schmaltz and Anderson emphasized the importance of effectiveness monitoring; if the data prove that projects are working, that will support the District in implementing more projects. He noted that the District has always forecasted a bigger deficit than the actual, because it tends to underspend its budget.

President Anderson expressed concern about a lack of public communication with regard to the District's many successes with projects. She stressed the importance of communicating this progress with the District's residents. Manager Moe noted that the District has published several newspaper articles with information about recent projects. There was further discussion about the costs and benefits of public education. Manager Schmaltz stated that he favors education through personal connection, not by means of signage. Manager Anderson replied that it is important to publicize how taxpayer funds are being used and that the cumulative impact of public messages is important to inform the public how their tax dollars are being used to improve the District's water resources and our District has a great story to tell.

Manager Schmaltz pointed out that the proposed 2018 budget process was for the Board to take a high-level view of the budget, rather than reviewing on a line item by line item level. He recommended that the Board rely on staff to work out the details of the budget, and that the Board agree on some general points. President

Anderson pointed out that staff was directed to present a budget that kept the District on target for meeting the goals of the Watershed Plan and this budget did not meet those goals by cutting important areas that maintain momentum toward critical projects, and programs, like AIS management, that are important for our citizens. She stated it was wrong to cut the AIS Management Plan budget as it is one of the most visible programs in the District. She also pointed out the spreadsheets in the Board's packets showed cuts in line items already showing negative balances. Administrator Kinney explained those were due to a spreadsheet error when condensing columns. After further discussion, he agreed to make sure future spreadsheets were accurate.

Manager Schmaltz moved to increase the District levy to \$1.3 million, add \$30,000 in funding for project effectiveness monitoring, and remove funding for the Bone Lake sediment core analysis from the 2018 budget. There was no second to the motion.

Discussion: There was discussion about the District's historic trends in levy amounts and comparison to other watershed districts. Administrator Kinney pointed out that it is hard to compare other District's budgets as they don't have the same water resources, particularly not as many lakes as ours. President Anderson estimated that, compared to the Plan, the District is currently behind on its promised spending by \$6-7 million and we are only four years away from our 10-year deadline. She recommended a levy of \$1.6 million so as not to deplete the reserve fund and keep the District on track to accomplish the stated goals of our watershed plan. There was discussion about the projected expenditures from the Plan and how they have been lower than planned through adaptive management as further study was done. President Anderson agreed but stated the 10-year plan is our only long-term guide that allows us to quantify the future activity level of the District. Manager Schmaltz expressed support for a higher levy, based on the figures from the Plan. Manager Anderson cautioned against spending down the reserve in place of a levy increase.

There was discussion about public opinion on the levy increase. President Anderson explained that, in her experience, residents are most concerned about what is not being done in their area. If the District has projects going on in each major lake management district, then there should be acceptance of the higher levy, as the public approved the original plan. She noted the District's adaptive management philosophy: if the District works from the top of the watershed down, it might be able to save money by eliminating the need for a project, or reducing the scope of the project, further down in the watershed, but we should be doing monitoring, preliminary project planning, and programs in each major Lake District each year.

Manager Schmaltz moved to increase the District levy to \$1.6 million, to ensure that the majority of the levy be spent on projects and/or preliminary activities which would identify and move the projects forward, remove \$30,000 from the

2018 budget for analysis of the Bone Lake sediment core, add \$30,000 back into the 2018 budget for project effectiveness monitoring. Seconded by Manager Moe.

There was further discussion regarding the AIS program, and the Moody Lake alum treatment project and associated grant request.

Upon a vote, the motion carried 3-0.

President Anderson clarified that the Board is directing staff to use this new levy amount to finalize a draft budget that helps the District catch up on implementing its Plan, as promised to the public.

## **7. Old Business**

### **a) Forest Lake Wetland Treatment Basin Update (3<sup>rd</sup> Lake Pond)**

Administrator Kinney provided an update with regard to communications with the City of Forest Lake and local residents near the project. Mr. Kinney met with Board of Water and Soil Resources (BWSR) staff to discuss the City and residents' proposed changes to the wetland buffer dimensions. A key distinction with respect to the Clean Water Fund (CWF) grant that the District received for this project is that it is not a stormwater pond maintenance project, but a wetland restoration project. The BWSR representative has emphasized that the native buffer is a crucial component to the project being considered a wetland restoration, and having been eligible for grant funding. Mr. Kinney described how resident education on the benefits of native buffers may be beneficial, and EMWREP will be assisting with this. A mowed path may be allowable within the buffer, and could be a compromise between BWSR's requirements and the residents' concerns.

Mr. Kinney referenced the cooperative agreement with the City and that, pursuant to the agreement, the City reviewed and concurred in the project plans including the scope of the native buffer. He also noted that there were several communications to the residents explaining the buffer around the wetland. He conjectured that now, however, it seems apparent that the residents did not understand what exactly a native buffer would entail.

President Anderson noted that the communication with the residents was not effective and suggested perhaps setting up another informational meeting with residents with the Board present. Mr. Kinney suggested that a meeting be considered after EMWREP assist with developing materials and he finishes with one-on-one communication with all of the residents. There was discussion about the plans that were given to the City as part of the cooperative agreement.

There was discussion about compromising between BWSR's requirements and the residents' desires. President Anderson suggested that if the District is required to

give up some of its grant funding as the result of a buffer reduction, the District could impose a charge on the residents to recoup that cost. Legal Counsel Holtman replied that the District possibly could do this by establishing a local water management district, but that such a district is authorized as a means to pay project costs prospectively, and it probably would be simpler to work with the City to use its assessment authority, which is broader than the District's. He also suggested that with respect to the District's standing for future grants, it consider the risk of creating an impression with BWSR that it may not be a fully reliable grantee.

President Anderson stressed the importance of effective communication so that the residents understand the purpose, dimensions, and aesthetics of the project. Manager Schmaltz requested that Mr. Kinney clearly explain to the residents what the consequences of continuing to mow the buffer will be. There was discussion about putting up a fence to prevent residents from mowing the buffer. Mr. Holtman said that under the cooperative agreement, the City, as the property owner, is responsible not to disturb the project and to take reasonable steps to prevent others from doing so, but that if it did not do so, the District would have the authority to install a fence in order to protect the project, although it is better if the District and City coordinate.

#### **b) One Watershed One Plan Orientation**

BWSR is holding a planning grant orientation meeting for the Lower St. Croix watershed on August 29<sup>th</sup>. Administrator Kinney indicated that he is planning to attend and welcomed the Board to join. President Anderson indicated that she is planning to attend. Mr. Kinney explained that the purpose of the meeting will be to take input from all the partners. Manager Schmaltz indicated that he may attend as well.

### **8. Report of Staff**

#### **a) Administrator**

Mr. Kinney reported that the District has received the resolution packet from BWSR. If a manager has any resolutions he or she would like to propose, it should be discussed at the next meeting, and ideally finalized by the October 5<sup>th</sup> meeting so it can be sent to BWSR. President Anderson explained that she plans to propose a resolution that allows lakes to be quarantined after a new invasive species infestation. She indicated that she would send a rough outline to staff, and asked that staff and legal counsel formalize the outline into a more formal draft. Mr. Kinney asked that she send the outline by September 7<sup>th</sup>. Manager Moe suggested that the District submit a resolution that supports the Conservation Reserve Program.

#### **b) Emmons & Olivier Resources**

Nothing to report.

**c) Smith Partners**

Nothing to report.

**9. Report of Treasurer**

**a) Approval of Bills and Treasurer's Report**

Manager Schmaltz reported income for the month of \$95,952, largely from the Knife River permit stormwater impact fee submittal, and expenses of \$212,739.66.

Manager Schmaltz moved to accept the Treasurer's Report and pay the bills in the amount of \$212,739.66. Seconded by Manager Moe. Upon vote, the motion carried 3-0.

**10. Report of Officers and Managers**

Nothing to report.

**11. Adjourn**

**a) Next special board meeting – September 7, 2017**

President Anderson moved to adjourn the meeting at 8:55 p.m. Seconded by Manager Moe. Upon vote, the motion carried 3-0.

Wayne S. Moe, Secretary \_\_\_\_\_