

**DRAFT MINUTES OF THE REGULAR MEETING
OF THE
COMFORT LAKE – FOREST LAKE
WATERSHED DISTRICT
Thursday, September 8, 2016**

1. Call to Order

President Anderson called the September 8, 2016 Regular Board meeting to order at 3:02 p.m. at the offices of the Comfort Lake-Forest Lake Watershed District at 44 Lake Street South, Forest Lake MN 55025

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

Absent: Treasurer Steve Schmaltz

Others: Michael Kinney, Emily Schmitz, Mike Sorensen, Jessica Lindemyer (CLFLWD staff); Dave Bakke (Bone Lake Association)

2. Setting of Meeting Agenda

Manager Moe moved to approve the agenda as presented. Seconded by Manager McNamara. Upon a vote, the motion carried 4-0.

3. Public Open Forum

President Anderson asked for comments from the audience. Dave Bakke, President of the Bone Lake Association, complimented the District on the 2017 budget. He indicated that the Bone Lake Association is very excited about the additional revenue that is in place for projects in the Bone Lake area. He went on to explain how discussions amongst lakeshore homeowners have been focused on finding ways to filter runoff entering the lake, and improving water quality so that the lake is no longer eutrophic. There was discussion about the District's water quality goals for Bone Lake that are listed in the 2012 Watershed Management Plan. One of the District's goals for Bone Lake is to attain a water quality rating of B by year 2040. Mr. Bakke indicated that the Bone Lake Association would like the District to revisit those goals in an attempt to achieve a water quality rating of B long before year 2040.

4. Public Hearing – Proposed 2017 Budget and Levy

President Anderson opened the public hearing. Administrator Kinney indicated that staff has prepared a presentation on the 2017 budget. Emily Schmitz began the presentation with a general overview of the budget, indicating a total proposed expense budget of \$1,898,394; projected grants and other revenue of \$614,799; and a proposed levy of

\$998,000, which is up from \$803,650 in 2016. She went on to describe how the 2017 budget is set up to include grants, other income, ongoing expenses, and new expenses, and that it is formatted in the same way as the District's 2012-2021 Watershed Management Plan, with some additions that will be included in the upcoming plan amendment. She then proceeded to walk through the entire budget by each category, describing planned activities and changes from the 2016 budget.

- Administration (1000 series) is up 7% from 2016 due to increases in 1001 Board Administration and 1004 Professional Services.
- Programs (3000 series) is up 4% from 2016 due to a variety of reasons. Ms. Schmitz noted that all aquatic invasive species (AIS) management line items (totaling \$308,196) were moved from Projects (5000 series) to Programs in this budget, and that the Programs budget would be down 32% if this had not happened. She proceeded to give details about each program individually.
- Projects (5000 series) is down 35% from 2016 due largely to two reasons: moving AIS management line items into the Programs category, and a change in the way grant-funded projects are budgeted. Administrator Kinney explained that there are five big projects that the District recently submitted grant proposals for. The verdict on funding for the proposals will be announced in December. Since the District cannot be certain that the grants will be awarded, those grant funds and their associated match dollars have been taken out of the budget. If a grant for a project is awarded, the District will be awarded 50% of the grant total immediately, which should cover the project start-up expenses for 2017. Then, the District may budget for the match dollars in the 2018 budget. Ms. Schmitz then went on to describe several ongoing projects and the five projects that were associated with the grant proposals. Ms. Schmitz concluded the presentation with an update on the 2016 Minnesota Association of Watershed Districts (MAWD) award submittals, indicating that the finalists will be announced on September 16th.

President Anderson asked for questions from the audience and board. None were heard. President Anderson indicated that she wanted to clarify one point about the budget recap. She explained that estimated unspent expenses from the 2016 budget will be rolled over into the 2017 budget as ongoing projects. She concluded her comment and added that grant funds may be put back into the budget once the grant decisions are announced.

Administrator Kinney added that the District is finishing up a grant application to the Department of Natural Resources (DNR) for retrofitting the Shields Lake fish barrier. He explained that one of the DNR fisheries managers reviewed the application and indicated that he supports the project and thinks it should receive grant funding. Administrator Kinney went on to explain that re-constructing the existing electric fish barrier to become a passive barrier will result in long term savings.

Manager Anderson pointed out that three of the current/proposed grants for 2017 affect Bone Lake (two grants for the Moody Lake Wetland Rehabilitation project and one grant for the Bone Lake Partially Drained Wetland Restorations project). She added that there is an additional page attached to the 2017 budget that separates expenditures by which

lake management district they affect. She pointed out that the green section corresponds to the Bone Lake management district and includes activities around Moody Lake, as those will have an impact on Bone Lake which is downstream.

Administrator Kinney added that the District will undertake a Watershed Management Plan update this winter. He indicated that, by law, the District can only implement capital improvement projects that are included in the Watershed Management Plan. He explained how the District Board has adopted an adaptive management strategy which requires that the Plan be added to and edited periodically. He added that, with the Plan update, the water quality goals can be adjusted as Mr. Bakke had requested earlier in the meeting. Administrator Kinney went on to explain that the timelines for the water quality goals were set years ago when the District's 6-Lake Total Maximum Daily Load (TMDL) study was completed. At that time, they believed that it would take decades to reach the goals. However, through the District's diagnostic studies and adaptive management process, we are finding opportunities for large projects. Furthermore, the District has had success in obtaining grant funding for these projects. Administrator Kinney concluded that he believes that the District is at the leading edge of lake restoration, and he is optimistic about the effects that these capital improvement projects will have on water quality. Mr. Bakke responded that there currently appears to be a lot of momentum for improving water quality and expressed excitement for the future. President Anderson added that there is a lot of commitment from the public and the District in addressing water quality issues. She went on to explain the importance of lake associations and their ability to educate and influence lakeshore homeowners about water quality best management practices. She concluded that the District's collaboration with local lake associations has been extremely valuable, and can lead to the implementation of numerous smaller-scale projects that add up to big water quality impacts. There was further discussion about education and residential projects.

President Anderson asked for further comments. Hearing none, she closed the public hearing.

5. New Business

a) Resolution 16-09-01 Adopting 2017 Budget and Levy

President Anderson stated that if there are no further comments on the 2017 budget and levy, there should be a motion to approve resolution 16-09-01.

Manager Spence moved to approve resolution 16-09-01. Seconded by Manager Moe. Upon roll call vote, the motion carried 4-0.

President Anderson noted that changes may still be made to this budget. Administrator Kinney added that the District will certify the approved levy and submit it to each county by September 15th. At the November 17th regular board meeting the District, per a new requirement, will allow for public comment on the budget and levy. The Board may then decide whether or not to adopt any changes that may be requested by

the public. He noted that the levy may be reduced, but may not be increased at that time.

b) Boundary Change and Washington Judicial Ditch 6 Update

Administrator Kinney explained that there has been recent communication on both the staff and attorney levels with Rice Creek Watershed District regarding the boundary change and transfer of authority over Washington Judicial Ditch 6. He indicated that there has also been coordination with the Board of Water and Soil Resources (BWSR) and they have indicated that it is unusual for a boundary change and ditch transfer to occur at the same time, as most boundary changes do not include judicial ditches. Administrator Kinney indicated that the District's legal counsel, Chuck Holtman, has put together a recommended course of action for the District to complete the boundary change. He also noted that the Rice Creek Watershed District will hold a public hearing regarding the drainage system record of Washington judicial ditch 6 along with two other judicial ditches (#5 and #7) that are located in the Forest Lake area, but not included in the boundary change area. Administrator Kinney indicated that he anticipates that the District will obtain judicial ditch 6 as-is when the boundary change occurs. He added that the boundary change and transfer has been delayed in part by a staff changeover at BWSR and the fact that the combination of the boundary change and ditch transfer is an unusual procedure.

6. Old Business

a) MN Association of Watershed Districts Resolution Items

Administrator Kinney introduced the topic by explaining that the Board was given information regarding the requirements and framework for the submission of policy items to the MAWD Board at the last meeting. The Board consensus was for CLFLWD Board members to individually consider any topics that they may feel worthy of being discussed by the full Board on September 8th. Any items that reach a majority vote to move forward for final CLFLWD Board consideration will be drafted into a formal resolution and brought back to the September 22nd regular meeting for final approval.

President Anderson explained her idea for a proposal to consider quarantining lakes that are infested with AIS on a state-wide basis so that the infestation may be confined and treated without boater traffic coming into and out of the lake. She indicated that it requires a lot of work to prepare the citations of statute and other information required in completing a resolution, so she has not had time to draft anything formal. She indicated that this may be a topic for next year.

Assistant Treasurer McNamara commented that she recently observed a boater at one of Forest Lake's public accesses remove aquatic vegetation off of the boat and dispose of it in the street. She posed the question of where does that plant material then travel

to? She added that she recently saw another watercraft in the area that was loaded onto the trailer and covered in mud and plant material. She went on to ask President Anderson what the time period for the proposed lake quarantine might be. President Anderson answered that professional input would be required to make a recommendation, but she estimated that two years would be in the ballpark. President Anderson went on to explain that the purpose of the quarantine would be to treat the infestation before it gets widespread throughout the lake. She mentioned that there was some success in early season treatment of Eurasian watermilfoil on Comfort Lake this year. On that note, Administrator Kinney added that Mike Sorensen has performed recent work on flowering rush in Forest Lake. He explained that Mr. Sorensen collected all of the flowers from around the lake with the help of Jerry Grundtner, and brought them back to the office to determine whether or not the seeds are viable. Preliminary results suggest that the seeds are viable, meaning that the population of flowering rush in Forest Lake can reproduce and spread in two ways: via the seeds in the flowers and via spreading of the rhizomes (roots). This finding will change the District's management strategy moving forward in that cutting and collection of the flowers will be performed multiple times throughout the summer. Administrator Kinney indicated that there has been communication with St. Thomas University regarding coordinating a student senior project to expand on these results and provide further validation. Mike Sorensen added that one stem with one flower can produce an estimated 40,000 seeds, which can float and spread throughout the lake and attach to watercraft. He explained that it would take him roughly 6 hours to go around and cut off all of the flowers two times in a year. There was discussion about mechanisms that may spread these seeds to other waterbodies. Administrator Kinney concluded that this type of information helps to adapt the District's AIS management and prevention strategy moving forward.

Discussion returned to the topic of the MAWD resolutions and it was concluded that President Anderson's idea of quarantining lakes may move forward this year if she has time to draft a formal proposal, or may be a topic for next year.

Assistant Treasurer McNamara asked about water quality-related legislative activity on the local, state and federal scales. Administrator Kinney responded that the majority of the work done by MAWD has had a legislative element to it. This work is on a state-wide scale, whereas the District is largely focused on a local scale. He noted that Soil and Water Conservation Districts do a good job of coordinating on a state-wide scale. President Anderson added that there has been some other legislative action on the state-wide scale such as the ban on putting phosphorus in lawn fertilizer. She indicated that there has been some good legislation on the state-wide scale, as well as on the local scale with ordinances, but implementation of those regulations may fall to individuals that may not have the training or desire to do so. She expressed that, in her opinion, this is the biggest problem; more laws don't make a difference unless they are properly enforced. She concluded that this is why education is so important, as it helps individuals understand the impact that their actions have on water resources.

7. Adjourn

- a) **Next regular board meeting – September 22, 2016**

Manager Spence moved to adjourn the meeting at approximately 4:10 p.m. Seconded by Manager McNamara. Upon vote, the motion carried 4-0.

Wayne S. Moe, Secretary _____

DRAFT