

**MINUTES OF REGULAR MEETING
OF THE
COMFORT LAKE - FOREST LAKE
WATERSHED DISTRICT
Thursday, August 22nd, 2013**

1. Call to Order

The President called the August 22nd, 2013 regular Board meeting to order at 6:30 p.m. at the Forest Lake City Offices, 220 North Lake Street, Forest Lake, Minnesota.

Present: President Richard Damchik, Vice President Jackie Anderson, Treasurer Jon Spence, and Secretary Wayne Moe

Others: Amy Carolan (CLFLWD), Lisa Tilman (EOR), Chuck Holtman (Smith Partners), Mark Lobermier (Wyoming), Greg Graske (EOR), Cecilio Olivier (EOR), Bruce Wilson (EOR)

2. Setting of Agenda

The President called for the reading and approval of the August 22nd, 2013 Regular Board meeting agenda. The President asked if there were any changes or additions. Administrator Carolan recommended the addition of item number 6 (f), District Engineer – Transition Process. Motion to approve the agenda as amended was made by Manager Anderson and seconded by Manager Spence. Discussion. Upon vote, the motion passed.

3. Reading and Approval of Minutes

The President called for the reading and approval of the minutes of the July 25th, 2013 Regular Board Meeting. Motion to approve the July 25th, 2013 Regular Board meeting minutes as presented was made by Manager Spence and seconded by Manager Anderson. Discussion. Upon vote the motion passed.

4. Public Open Forum

Manager Damchik opened the floor to anyone in attendance wishing to comment on items that were not already scheduled to be discussed as part of the meeting agenda.

5. New Business

a) Doug Joens Residential Cost-Share Application

Administrator Carolan noted the memo in the board packet. She indicated that staff had visited the site in July of 2013 to evaluate a potential cost-share project at the Doug Joens property located at 21877 Harrow Ave. North, Forest Lake which drained to Forest Lake, Lake 2. Carolan indicated that the project included the installation of a native planting and a small raingarden to filter runoff from 10,250 square foot drainage area which was dominated by residential development. After determining that the project was eligible for cost-share, staff developed a concept and cost estimate for the project which was reviewed and ranked by staff and Manager

Moe. Staff recommended that the project be funded up to 50% in an amount not to exceed \$3,000. Estimated load reductions were as follows: total phosphorus, 0.68 lbs/year; total suspended solids, 41.96 lbs/year; total nitrogen, 1.28 lbs/year. Manager Anderson made a motion to approve the cost share application as presented. Seconded by Manager Spence. Discussion. Upon vote the motion passed.

b) Stevens Residential Cost-Share Application

Administrator Carolan noted her memo in the board packet. She indicated that staff had visited the site in July of 2013 to determine the project's eligibility for cost-share. The proposed project included the installation of a native buffer planting on Forest Lake, Lake 3 at 9240 Jewel Lane N in Forest Lake. The project would consist of a native buffer planting approximately 1,210 square feet in size and would contain up to 450 native plugs and shrubs. The project would also include the installation of boulders to protect the shoreline from ongoing issues related to ice and wave erosion. Administrator Carolan noted that the Washington Conservation District had used their wave energy calculator to determine that shoreline erosion potential for the site ranked as "moderate" and that boulder rip-rap would be needed. The project would filter runoff from approximately 31,000 square feet of residential development area. The proposed project would result in the following load reductions: total phosphorus, 0.29 lbs/year; total suspended solids, 94.5 lbs/year; total nitrogen, 2.88 lbs/year. Carolan indicated that the project had been reviewed and ranked by the WCD, staff, and Manager Moe. Staff recommended that the District fund the project at a cost share rate of 50% not to exceed \$3,000.00. Manager Anderson made a motion to approve the cost share application as presented. Seconded by Manager Spence. Discussion. Upon vote the motion passed.

c) Oehler Residential Cost-Share Application

Administrator Carolan noted the memo in the board packet. She indicated that staff had visited the site in July of 2013 to determine the proposed project's eligibility for cost share. The project site is located at 7371 North Shore Trail, Forest Lake and drains to Forest Lake, Lake 1. Administrator Carolan explained that the Oehler's had an existing buffer in place that they had installed on their own, but that it was very narrow and did not provide much of a water quality benefit. The Oehler's were requesting cost share to work with Prairie Restorations, Inc. to expand the existing buffer to provide better water quality treatment and to better stabilize the shoreline. The expanded buffer would treat runoff from approximately 26,500 square feet. The proposed project would result in the following load reductions: total phosphorus 0.25 lbs/year; total suspended solids: 37.10 lbs/year; total nitrogen, 1.13 lbs/year. The project was reviewed and ranked by the WCD, staff, and manager Moe. Staff recommended that the project be funded at a cost-share rate of 50% not to exceed \$1,888.00. Manager Anderson made a motion to approve the cost share application as presented. Seconded by Manager Spence. Discussion. Upon vote the motion passed.

d) FY 2014 Clean Water Fund Grant Submittal Authorization

Administrator Carolan noted the memo in the board packet. Carolan indicated that the Minnesota Board of Water and Soil Resources (BWSR) had recently announced that the application period for the FY 2014 Clean Water Fund would be opened on September 3rd and run through October 4th. Carolan further explained that the purpose of the agenda item was to consider a small list of

projects, which the District had been working on that the District could consider submitting to the BWSR for funding consideration through the FY 2014 Clean Water Fund Grant Program. Carolan provided a list including implementation of the projects identified through the 2013 Forest Lake South Shore Subwatershed Assessment project, implementation of identified Sunrise River projects including Bixby Park and continued work on greening of large commercial properties, and discussed the potential for expanding the District's agricultural programs through partnership with the Chisago SWCD.

Manager Anderson stated that projects identified as part of the Forest Lake South Shore Subwatershed Assessment could be implemented through the District's existing programs, such as the urban stormwater remediation program and other cost-share programs. Manager Anderson also stated that the increased agricultural incentives program could also be run through the District's current programs and that additional BWSR funding may not be necessary. She did believe that it was important to continue to address agricultural related runoff, especially in the Chisago County portion of the District where a number of active farms are located.

Manager Spence asked that the administrator bring back a prepared application for the board's consideration at the September board meeting. Manager Moe asked that the administrator use judgment when preparing the application to select projects that had the best potential for funding. Manager Anderson recommended that Clean Water Fund Applications be focused on the highest dollar and highest profile projects in the District and look for other funding options for the remaining projects and she suggested looking into the Initiative Fund.

Manager Anderson made a motion for staff to develop a grant application focused on projects listed in the board memo under the Sunrise River Petition Project. Seconded by Manager Spence. Upon vote the motion passed.

8. Old Business

a) 2014 Budget and Levy Adoption and Certification

Administrator Carolan noted her memo in the board packet. She reviewed the abbreviated budget which had been developed based on final input at the July 8th budget workshop. She noted that the budget as presented sets District expenditures for 2014 at \$1,345,250 which is 12% higher than 2013 and sets the District levy for 2014 at \$755,000 which is the same as it was in 2013. If the Board approves, the budget and levy then needs to be adopted by resolution.

Motion by Manager Anderson to offer resolution 2013-08-01 and its adoption. Motion was seconded by Manager Moe. Discussion. Upon vote the motion passed. The President called for a roll call vote on Resolution 2013-08-01. Anderson (yes), Damchik (yes), Moe (yes), Spence (yes). On a vote of 4 yes's and 0 no's the Chair declared the resolution adopted.

b) Stormwater Management Facility Retrofit (Target Project)

Administrator Carolan again noted the memo in the board packet. She indicated that staff had met with Mr. Zach Chamberlain of Target Corporation on July 29th, 2013 to discuss the proposed stormwater retrofit project. At the meeting, staff reviewed the existing concept plan, construction funds, cost estimates and match requirements, project timeline, project concerns and signage requirements. Administrator Carolan stated that at the July 29th meeting, Target provided the

District with a signed project agreement which allowed EOR to move forward with development of construction documents for the project. Carolan indicated that a meeting had been set with Target for September 9th. At the meeting, 30% plans would be reviewed. Carolan further explained that due to contract delays, the project schedule needed to be revised. District staff and Target Corporation worked together to revise the project schedule presented, which would plan for construction activities to begin in June of 2014.

Manager Anderson asked why the project was delayed. Administrator Carolan stated that it was her understanding that the delay had been caused by the time it took for the Project Agreement to make its way through Target's internal processing procedure and that EOR could not move forward with the project design until Target had signed the project agreement with the District.

Manager Anderson moved to approve the EOR change order as presented in the packet which changes the project schedule only, but does not involve changes to the overall project cost or add any additional work items. Seconded by Manager Moe. Discussion. Upon vote the motion passed.

c) Hilo Lane Stormwater Retrofit Project – Project Feasibility and Order Public Hearing

Administrator Carolan asked Engineer Tilman to provide an overview of the proposed grant-funded Hilo Lane project. Tilman reviewed the location of the project which is off of Highway 97 on Hilo Lane, which drains to Forest Lake, Lake 2. She indicated that the proposed project would include excavation of an existing stormwater treatment pond located on Hilo Lane, incorporation of an iron-enhanced sand filter bench around the perimeter of the pond, stabilization of the drainage channel to the south of the pond, and stabilization of the lake shoreline at the stormsewer outlet. Tilman then reviewed the water quality benefits which would be achieved through project completion. The project would treat runoff from a 14-acre drainage area and reduce phosphorus loading to Forest Lake by 12.0 pounds/year. Engineer Tilman then reviewed the project cost which included design and construction, the project cost was estimated at \$137,571. Engineer Tilman then went through project funding. The District has received a grant from the Minnesota Pollution Control Agency in the amount of \$41,615, the City of Forest Lake has committed \$20,000 toward the project and the District has agreed to put forth \$74,215 for construction costs. The District has a total of \$89,750 in its 2013 for project design and implementation.

Attorney Holtman asked if any of the proposed project activities included in the overall cost presented might be considered as deferred maintenance, and wondered if those activities should be considered as part of the District's overall project. Engineer Tilman indicated that excavation of the pond was included in the overall cost as well as disposal, but disposal costs could be increased if pond sediments were found to be contaminated. Manager Moe asked what the costs for disposal could be if the soils were found to be contaminated. Staff responded that excavation and disposal of contaminated soils could run between \$20 and \$30 per yard. Administrator Carolan stated that the sediment samples would be collected in the next month.

Manager Anderson asked if the District would be taking over the facility maintenance from the City at the completion of the project. Administrator Carolan indicated that the District would work with the City to expand the existing City owned easement to encompass all of the project improvements made as part of the proposed project, and that the District could have the option to access the easement area to maintain portions of the project if they choose to. Details regarding

long-term maintenance of the facility would be outlined in the Districts cooperative agreement with the City. Manager Anderson stated that she was concerned about the City's ability to maintain the project, as effective maintenance had not been completed in the past. Manager Anderson thought it may be to the benefit of the District to take over maintenance of the project from the City. Manager Anderson thought the District should have a more detailed discussion about project maintenance as development of the project and agreements moved forward.

Manager Anderson made a motion to approve the conceptual plan as presented and direct staff to work with Smith Partners to begin development of any necessary project and land access agreements. Seconded by Manager Moe. Discussion. Upon vote the motion passed.

Manager Moe made a motion to authorize the District Administrator to sign the August 8th, 2013 work order not to exceed \$4,500.00 for project feasibility work order for the Hilo Lane Stormwater Retrofit Project. Seconded by Manager Spence. Discussion. Upon vote the motion passed.

Manager Anderson made a motion to offer resolution 13-08-02 ordering a public hearing for the Hilo Lane Stormwater Retrofit Project and moved for its adoption. Seconded by Manager Moe. Discussion. Upon vote the motion passed. The President called for a roll call vote on Resolution 13-08-02. Anderson (yes), Damchik (yes), Moe (yes), Spence (yes). On a vote of 4 yes's and 0 no's the Chair declared the resolution adopted.

d) District-Wide Newsletter Review and Authorize Distribution

Administrator Carolan noted the memorandum in the board packet. Also included in the board packet was a final draft of the District-wide newsletter which had been prepared for the District by MMC Associates. Carolan recommended that the board direct the administrator to finalize the newsletter and proceed with printing and distribution of the newsletter. Manager Anderson moved to authorize the administrator to finalize, print and distribute the newsletter in an amount not to exceed \$5,000. Seconded by manager Moe. Discussion. Upon vote the motion passed.

e) End of Doug Thomas' Volunteer Obligations

Administrator Carolan again noted the memorandum in the board packet. Carolan reminded the board that as documented in the April 26th, 2013 letter, a copy of which was included in the board packet, former administrator Thomas had agreed to continue to serve as a representative of the District in communications with third parties to ensure progress towards completion of certain District projects and undertakings. Mr. Thomas agreed to assist the District on a volunteer basis until the formal transition to a new Administrator was complete. Staff recommended that the board of managers move to release Mr. Thomas from his volunteer obligations and to approve a letter which had been drafted by Ms. Carolan formalizing the end of Mr. Thomas' obligations to the District. Manager Moe moved to approve the prepared letter ending Mr. Thomas' volunteer relationship with the District and directed staff to send the signed letter to Mr. Thomas notifying him of the decision. Seconded by Manager Damchik. Discussion. Upon vote the motion passed.

f) Moody Lake Subwatershed Investigation and Model Refinement Report of Task 3

Engineer Tilman noted the memorandum in the board packet regarding refining the water quality and in-lake modeling to evaluate alum treatment effect on Moody Lake. Ms. Tilman presented information on the work completed by EOR to date. Ms. Tilman noted that the final project goal as part of the Moody Lake Subwatershed Investigation and Model Refinement was to evaluate findings through water quality and in-lake modeling and determine recommendations for in-lake treatment. Ms. Tilman then reviewed previous findings including major sediment sources to Moody Lake in the subwatershed, changes observed in land use and livestock numbers within the Moody Lake subwatershed and the over-prediction of in-flow volume to Moody Lake by almost 50% in the water quality model. Ms. Tilman then reviewed Moody Lake water quality information and indicated that as an overall trend, in lake concentrations of phosphorus had been decreasing since 2005. Ms. Tilman then explained how EOR updated the water quality model using new information regarding in-lake total phosphorous, reduction in watershed runoff, and changes in livestock number. Outputs of the model indicate that internal and external loads have decreased since 2005-2007. Ms. Tilman then reviewed the lake and watershed characteristics and their influence on the success of an in-lake treatment. She reminded the board that Moody Lake had a high watershed to lake area ratio suggesting that watershed loading was a large contributor to phosphorus loading in the lake and also discussed how thermal stratification remains in place over the growing season preventing wide-spread summer lake mixing. Ms. Tilman then reviewed the relationship between water temperature and in-lake phosphorus concentrations in Moody Lake. She noted that in general, warmer water temperatures were associated with higher concentrations of total phosphorus in Moody Lake. Ms. Tilman then reviewed the seasonal variability of in-lake phosphorous concentrations. She noted that in spring and fall periods when Moody Lake was well-mixed, lake total phosphorus concentrations were lower than in the summer when the lake was well stratified. Ms. Tilman then reviewed past grab-sampling data collected during times of snow melt and spring storms. Grab samples showed elevated concentrations of phosphorus at 600 ug P/L with 380 ug P/L as soluble reactive phosphorus which can be quickly assimilated by algae and expressed as chlorophyll-a. The ecoregion phosphorus value of 125 ug P/L is commonly used as a target for total phosphorus. These findings indicate that watershed phosphorus loading remains excessive and needs to be further reduced before alum treatments are considered. Ms. Tilman then reiterated the fact that dissolved phosphorus concentrations in watershed runoff were elevated. The high levels of dissolved phosphorus indicate that there may be legacy loading to the lake occurring despite previous efforts and project improvements used to control watershed loading. Due to historical land use and past dairy farming in the area, it was EOR's conclusion that legacy loading may have occurred in wetlands and shallow lakes upstream of Moody Lake and these areas were now pulsing phosphorus on occasion to Moody Lake. It was EOR's recommendation that the District begin focusing efforts in the Moody Lake subwatershed on legacy impacted wetlands.

Ms. Tilman then reviewed potential in-lake treatments and EOR's recommendation associated with the treatments. Alum treatment is an accepted lake restoration practice, but should be used after loading from the watershed is reduced. Alum treatment was not recommended by EOR at this time. Whole lake aeration is another potential option, but was not being recommended as a phosphorus reduction method in the Moody Lake case as it may result in a decrease in water quality and clarity due to mixing. Winter aeration could be considered as a method for managing fish populations. Hypolimnetic Aeration was also suggested, but was recommended against at this time. Hypolimnetic Aeration with Chemical Treatment was another option to consider, but was also recommended against at this time. Ms. Tilman further explained that in-lake treatments were recommended against, until the watershed load could be reduced to an acceptable level. Ms. Tilman then recommended that the District consider the following activities. Identify areas for potential phosphorus loading through work on drained wetlands within the Moody Lake

subwatershed. It was suggested that some of these areas could be identified through the District's planned drained wetland assessment occurring in 2013-2014. The District could also consider evaluating legacy impacts through synoptic monitoring, where flows from upstream wetlands could be monitored for phosphorus, iron, dissolved oxygen, temperature and pH levels. The District could also consider adding additional monitoring activities to planned water quality monitoring on Fourth Lake, an upstream shallow wetland complex which contributes flow to Moody Lake. Finally, the District could consider adding an additional monitoring station in the shallower waters of Moody Lake to evaluate and profile oxygen, temperature, pH, redox, total phosphorous and total iron. Ms. Tilman introduced Bruce Wilson with EOR who assisted in developing the report and was available to answer questions.

Manager Anderson asked if it made sense for the District to consider taking on a more diagnostic study approach to the Moody Lake subwatershed incorporating all of the new information gathered as part of the current project rather than taking a more piecemeal approach and combining multiple efforts at a later date. Manager Anderson asked if it made sense for the District to take another look at the Moody Lake subwatershed. Ms. Tilman agreed that an approach could be to combine the recommendations made at this evening's meeting into a more comprehensive diagnostic study that looked at the Moody Lake subwatershed, took on synoptic monitoring, incorporated monitoring results from Fourth Lake, as well as other tasks. Manager Anderson stated that she was in favor of doing more comprehensive subwatershed or lake specific studies to gather all of the relevant facts and then move forward with targeted implementation work. Manager Anderson recommended that the District take a more comprehensive diagnostic study approach to addressing the remaining issues in the Moody Lake subwatershed. Manager Anderson stated that there were several grant opportunities available for completing diagnostic type studies that the District could look to for funding. Manager Anderson suggested that again the Initiative Foundation may be a good fit for this type of work. Manager Moe indicated that he did not want to see the District continue to do studies and have no projects to show for the money being spent. Manager Anderson agreed that they had reached the project implementation phase, but in order to do it right the projects needed to be very well targeted and targeting must be done at a refined level. Manager Moe agreed, but reminded the board that three different years of monitoring can give very different results just based on weather patterns. He agreed that a diagnostic study was important, but didn't want to spend too much additional funding on the work. Manager Spence stated that every time the District looked at Moody Lake they were surprised by the reported results, and when that happens it is clear that the District is missing something important in the subwatershed. He didn't think the subwatershed was understood well enough to begin targeted implementation to make the changes that were needed to reduce the subwatershed load to the lake.

Mr. Bruce Wilson from EOR talked about the flashiness of rain events in the past few years. The District has experienced periods of heavy rain followed by drought and then again by heavy rains and flooding. There is a lot of variability that complicates all work that EOR does. Mr. Wilson reminded the board that Moody Lake has a very large subwatershed and it was sensitive to activities that occurred in the subwatershed, both presently and in the past. Mr. Wilson explained the importance of looking at upstream wetlands which could be potential sources of pollution to Moody Lake. Mr. Wilson further explained that he had looked at historical aerial photographs of the Moody Lake subwatershed and found that there were a number of small family farms that may have at some point contributed loading to area wetlands, and those wetlands could now be pulsing dissolved phosphorus downstream to Moody Lake. Mr. Wilson recommended that the board consider synoptic monitoring where monitoring locations would continue to move upstream as hotspots were revealed so that areas of high loading could be isolated. Mr. Wilson

reminded the board that when legacy impacted wetlands dry out and then are flooded and overflow, they can pulse dissolved phosphorus downstream. Synoptic monitoring could help identify where those legacy impacted wetlands may be located.

Manager Anderson made a motion to direct the Administrator to work with EOR to come back to the board in September with an outline for diagnostic study work and identify potential funding sources that might be available for funding the work. Seconded by Manager Moe. Discussion. Upon vote the motion passed.

g) District Engineer Transition Process

Administrator Carolan indicated that engineer Tilman would be taking leave from EOR beginning in September. Ms. Carolan explained that she had discussed the transition process with the ad-hoc personnel committee of Manager Spence and Manager Anderson who had agreed that it might be best to interview a set of potential candidates from EOR to serve as the District Engineer. Ms. Carolan further stated that Mr. Olivier (EOR) was in attendance at the evening's meeting and could provide a general overview on staff members at EOR who he felt would be a good fit for the District Engineer position. Potential candidates included Greg Graske, Carl Almer and Derek Lash. Manager Moe asked if it was necessary to complete formal interviews with the candidates. Ms. Anderson responded that it was up to the board to decide on that. Manager Moe felt Mr. Olivier would give the best recommendation, since he was the owner of the company. Mr. Damchik agreed that interviews were not necessary. Mr. Olivier recommended Greg Graske be considered for the position of District Engineer. Ms. Anderson said that Mr. Olivier would be the best judge of technical abilities and that the District would decide if Mr. Graske was the best fit as he begins work with the District.

9. Report of Staff

Administrator Carolan –

Administrator Carolan noted her written administrator's report in the board packet.

Emmons & Olivier – Nothing further to report

Smith Partners – Nothing further to report

10. Report of Treasurer

Approval of Bills

Treasurer Spence presented the Treasurer's Report (a copy of which is annexed and incorporated by reference) and bills and payroll totaling \$45,201.70.

Motion was made by Manager Anderson to approve the August 22nd, 2013 Treasurer's Report and pay the bills and payroll as presented. Manager Moe seconded the motion. Discussion. Upon vote, the motion passed.

11. Reports of Officers and Managers

Manager Damchik – No report.

Manager Spence – Manager Spence noted the construction of a new retaining wall on Comfort Lake on the east end of the lake.

Manager Anderson – No report

Manager Moe – No report

12. Adjournment

Motion to adjourn the CLFLWD regular Board meeting at 7:56 pm was made by Manager Anderson and seconded by Manager Moe. Upon vote, the motion passed.

Wayne S. Moe, Secretary _____