

**MINUTES OF THE REGULAR MEETING
OF THE
COMFORT LAKE–FOREST LAKE
WATERSHED DISTRICT
Thursday, June 24, 2021**

1. Call to Order

President Spence called the June 24, 2021, regular board meeting to order at 6:30 p.m. via online video conference.

Present: President Jon Spence, Vice President Jackie Anderson, Secretary Jen Oknich, Treasurer Steve Schmaltz.

Absent: None

Others: Mike Kinney, Jessica Lindemyer, Bobbie Law, Emily Heinz, Garrett Miller, Nick Bancks (CLFLWD staff); Greg Graska, Cecilio Olivier (Emmons & Olivier Resources); Chuck Holtman (Smith Partners); Denise Martin (Chisago County Press), Hanna Valento (Forest Lake City Council), Doug Toavs.

2. Setting of Meeting Agenda

Manager Schmaltz moved to approve the agenda as presented. Seconded by Manager Anderson. Upon a roll call vote, the motion carried 4-0.

Manager	Aye	Nay	Absent
Jon Spence	X		
Jackie Anderson	X		
Stephen Schmaltz	X		
Jen Oknich	X		

3. Consent Agenda

- a) **Regular Board Meeting Minutes – April 22, 2021**
- b) **Regular Board Meeting Minutes – May 13, 2021**
- c) **Special Board Meeting Minutes – May 18, 2021**
- d) **Regular Board Meeting Minutes – May 27, 2021**

Manager Anderson moved to approve the consent agenda as presented. Seconded by Manager Schmaltz. Upon a roll call vote, the motion carried 4-0.

Manager	Aye	Nay	Absent
Jon Spence	X		
Jackie Anderson	X		
Stephen Schmaltz	X		

Jen Oknich	X		
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4. Public Open Forum

There were no comments.

5. Citizen Advisory Committee Update

Ms. Lindemyer explained that the Citizen Advisory Committee (CAC) did not meet in the month of June. She stated that the next meeting will be in July. President Spence asked the managers if they had anything they would like Ms. Lindemyer to bring forward at the July CAC meeting. Managers did not have any information for the CAC.

6. Aquatic Invasive Species Update

Mr. Miller gave an update of the District aquatic invasive species program. Mr. Miller first mentioned that he had received a comment from Manager Schmaltz regarding his updates. Mr. Miller explained that he usually gives an update when something big is happening. Manager Schmaltz clarified that this may give the perception that things are not moving or happening. Mr. Miller agreed saying he would be making updates even if they were minor. Mr. Miller believes this shows we are always working to manage aquatic invasive species.

Mr. Miller stated that Forest Lake, Bone Lake, and Shields Lake have been treated for curly-leaf pondweed. He explained that he is waiting for the treatment assessment maps. Based on field monitoring recently completed, Mr. Miller believes the treatment on Shields Lake was very effective. Mr. Miller described finding a thick mat of curly-leaf pondweed while monitoring water quality earlier in the year. He noted that after the treatment the reduction was very noticeable.

Mr. Miller reiterated that Forest Lake was treated with Diquat herbicide. He believes the treatment was effective. Mr. Miller explained that the higher water temperatures during the treatment may have helped to control Eurasian watermilfoil as well. He explained this observation was made by Blue Water Science. Mr. Miller described that during Blue Water Science’s delineation it found no Eurasian watermilfoil in any of the Forest Lake basins. He mentioned the possibility of re-growth later in the season, but as of now there is no Eurasian watermilfoil to treat. Mr. Miller mentioned that Steve McComas, with Blue Water Science, will be going out on Forest Lake mid to late July to do a follow up survey. He explained that at that time the District will follow up with the Forest Lake Lake Association to see if it would like to pursue treatment.

Mr. Miller described a discussion he had with the PLM Lake and Land Management herbicide applicator, Steve McComas, and the Forest Lake Lake Association earlier in the year regarding treatment. He explained that they discussed earlier treatment being more effective. Mr. Miller noted that the goal for this year is an early July treatment. He described that the first treatment on basin three of Forest Lake totaled about 8 acres. Mr. Miller

explained that the areas treated were not surveyed but were selected based on historical growth.

Mr. Miller noted that Lake Keewahtin was monitored on June 24th as an early detection survey for curly-leaf pondweed and Eurasian watermilfoil and other aquatic invasive species (AIS). He noted that they found only five locations with curly-leaf pondweed. Mr. Miller mentioned that the one to two stems that were found are not an issue on this lake due to dense native vegetation.

Mr. Miller gave an overview of the watercraft inspection program. He noted that the District has six hired inspectors, but the two recent applicants given offer letters both turned down the position offer. He believes the hours are aligning to reach the District's inspection hour goals. He explained that education materials have been created for inspectors to hand out on 4th of July weekend.

Manager Schmaltz noted that there will be a boat parade on the 4th of July on Forest Lake. He urged that inspectors be present from 10am to 1pm on that day. Mr. Miller supported this request noting that the District will be doubling up on inspectors at the main launch on Forest Lake for the 4th of July weekend.

Manager Anderson asked if the District is doing any monitoring on Little Comfort Lake. Mr. Miller explained that he would like to do a meandering survey. Manager Anderson asked if Blue Water Science completed this monitoring. Mr. Miller explained that this is something in-house District staff can manage. President Spence explained that he found some curly-leaf pondweed near his shoreline on Comfort Lake, but he had treated it personally. President Spence mentioned that the amount of curly-leaf pondweed surprised him because Steve McComas with Blue Water Science did not discover any during surveying. Managers discussed the possibility of low water levels playing a factor in the invasive species growth.

7. New Business

a) WJD-6 Headwaters Land Acquisition

Administrator Kinney introduced the possible land acquisition properties within the Washington Judicial Ditch 6 (WJD-6) subwatershed. He noted that the project was first mentioned to the Board at its last meeting. Mr. Kinney explained that these parcels are of interest for others including the Minnesota Department of Natural Resources (DNR), Washington County and the Minnesota Land Trust, some of which have been in contact with the District's Senior Land Management Specialist, Nick Bancks.

Mr. Graske provided a summary of the memo provided to the Board. He described the parcel locations using a map from the memo. He explained that surrounding properties are currently wildlife management areas (WMAs) owned by the DNR and/or have easements through the Minnesota Trust for Public Lands. Mr. Graske believes the acquisition is a good opportunity being it is located at the upper portion of the greenway

visioning project area. Mr. Graske explained that Nick Bancks and Kevin Biehn walked the property and found evidence of multiple high-quality wetland areas. Mr. Graske made clear that considering the size of the parcel(s), the District should inquire with possible partners to assist with the cost of acquiring such a large area.

Manager Anderson enquired about the status of the public drainage system and the groundwater connection to Lake Keewahtin. Mr. Graske replied that the drainage system is active, but hasn't been maintained for, probably, 20 or 30 years. He doubts a direct groundwater connection; the higher ground feeding that lake is more southeast. Manager Anderson then asked if the managers will be provided a report on interest of other parties in the purchase. He explained that the scope of work for Emmons and Olivier Resources (EOR) staff is to quantify and compile the benefits to the District. He explained that the inquiry of interest level of other parties would be led by Mr. Bancks and Administrator Kinney. Mr. Kinney notified the Board that the District could request a letter or memo from a staff member at corresponding interested entities indicating interest level. Mr. Bancks agreed with Administrator Kinney. Manager Anderson also requested financial scenarios if the District goes in on the project alone or with partners. Manager Anderson requested to have financial information brought to the Board that depicts scenarios where the District has partners in the acquisition and scenarios where the property is acquired only by the District.

President Spence asked Mr. Graske when the outlined scope of work would be brought back to the Board for review. Mr. Graske explained that if EOR received approval from the Board tonight, it would have information back to the Board within 30 days. Administrator Kinney and Mr. Bancks added that they would get the requested materials back to the Board within this timeframe.

Manager Schmaltz stated, the DNR owns parcels of property in this area and asked how the property in question, if acquired, would be managed in coordination with the DNR property. Mr. Graske reiterated that it is a wildlife management area (WMA). He explained that these areas are open to the public and some hunting may be allowed on the property. Managers discussed the possibility of shifting water levels for restoration. Manager Anderson explained that she thinks this should be an important factor brought to any possible partners and adjacent landowners.

Mr. Holtman noted that the map depicts some of the properties being outside of the District's boundary. He explained that absent an arrangement with the DNR or with the Rice Creek Watershed District, within which the indicated properties lie, the District cannot own property outside of its boundaries. Mr. Holtman and Mr. Graske discussed the possibility of a boundary change to bring the relevant land into the District's boundaries. Mr. Holtman believes that if the boundary change would benefit water quality, the Board of Water and Soil Resources (BWSR) would have the basis to approve the change.

Manager Schmaltz requested that when obtaining letters from interested possible partners staff ask for the level of participation or partnership that they would be

interested in. He asked as to the development potential, which would bear on the cost to acquire the property. Mr. Graske believes that the property is zoned as agricultural residential, and might support four or five large lots without sewer or water. Manager Schmaltz requested that District staff confirm zoning information and report back to the Board.

Manager Anderson moved to authorize the Administrator, on advice of counsel, to enter into an agreement with EOR in accordance with the June 16, 2021 scope of work for work in an amount not to exceed \$11,500.00. Seconded by Manager Schmaltz. Upon a roll call vote, the motion carried 4-0.

Manager	Aye	Nay	Absent
Jon Spence	X		
Jackie Anderson	X		
Stephen Schmaltz	X		
Jen Oknich	X		

b) Greenway Corridor Visioning Update

Nick Bancks gave an update to the Board focusing on stakeholder engagement. Mr. Bancks explained that he and Administrator Kinney had presented to City of Scandia in early June. Mr. Bancks explained that he would like to follow up with the City of Scandia later this summer or fall to discuss the possibility of having Bone Lake Park be a part of the greenway corridor. He noted that he and Administrator Kinney have meetings scheduled with two local communities: first the City of Forest Lake in late July to present the planning process, gauge interest, and collect input and then with Chisago County in October. Mr. Bancks explained that he is also working to schedule meetings with the City of Wyoming, Washington County, DNR, BWSR, and the Metropolitan Council.

Manager Schmaltz reminded Mr. Bancks that the City of Forest Lake has a long-term vision, and he should review that document before discussion with Forest Lake stakeholders. Mr. Bancks explained that Ms. Heinz has completed a review of plans from the surrounding stakeholders while updating the District’s 10-year management plan. He described to the Board that he plans to use this information when meeting with the different entities and stakeholder groups.

Manager Schmaltz also suggested that the District may wish to meet with the Forest Lake mayor or council members to ensure alignment between city staff and policymakers. Manager Anderson noted that she previously asked to be notified when staff is meeting with partners at the board, council, or commission member level. She noted that she would like to be notified in advance if Mr. Bancks schedules meetings with those groups of stakeholders. Manager Schmaltz explained that they may also want to consider inviting lake association members for support in favor of this initiative.

8. Old Business

a) 2022 Draft Budget

Administrator Kinney mentioned that at the previous board meeting managers had requested additional budget materials. He noted that Ms. Heinz had compiled all requested materials. He welcomed the Board to continue their discussion regarding the drafted budget and provided materials.

Manager Schmaltz explained that the Board had decided to focus their time on two of the documents provided; the revenue expenditure scenarios and the watershed management plan vs what's in the 2022 budget differences. Manager Anderson voiced her concern with the discrepancy of what was stated as the budget in the management plan vs the drafted 2022 budget.

The managers reviewed the revenue projection scenarios. Manager Schmaltz stated that the scenario he favored was the one that included a 5% levy increase. He believes this would be in line with estimated increase of property values. He explained that one of his concerns includes years where reserves are extremely low. The other concern he had was the use of loans with high payback amounts in 2026 and 2027. Manager Schmaltz believed these loans could affect project budgets in the future. He proposed to make changes to balance out the budget and build more reserve dollars. Manager Schmaltz questioned the other board managers if they were also concerned with the scenarios having low reserve percentages. Manager Anderson agreed it was something she was not comfortable with.

Manager Anderson stated a presenting a negative budget scenario was not acceptable. She requested to have a focused workshop to discuss the budget. Her concerns included the low percentages of reserve funds. She noted that the Districts reserve has never been near the scenario that shows it at 5% and this is dangerous. She believes that while budgeting numbers are important, the District needs to focus on prioritizing projects and goals outlined in the updated watershed management plan. Manager Anderson shared her thoughts on how she believed that none of the discussions during the management plan planning process were shown in the proposed budget scenarios and how that disappointed her. She noted that the District should look for further funding sources in the form of grants. Manager Anderson believes grants would be a great source of revenue going forward. She noted that she would like to see the District have a robust grant program. Manager Anderson noted market value differentials and how they play an important role in budgeting. President Spence discussed how higher levies are affecting residents of Chisago County. Manager Anderson stated that the general point she wanted to get across was that without all the facts it would be very difficult for the a Districts managers to budget. She noted that staff need to reach out to the two counties in the District to find out the market values for the levy. Mr. Kinney noted that he would reach out to other watershed districts to discuss the grant funding sources and opportunities. He makes it clear that the District is one of the top recipients of grant funding. He noted new staff being familiar with grant funding and the possibility of additional staff time going towards grant applications. Mr. Kinney noted the importance

of being fiscally responsible when budgeting using grants the District could possibly not receive. Mr. Kinney noted that some scenarios presented are unsatisfactory, but these scenarios were not meant to be something the staff are proposing to implement, but only examples and scenarios showing what happens if the District budgets a certain way.

Manager Schmaltz explained that he is comfortable with the projected grant funding levels. He noted that projects we have budgeted for in the past typically see some delays and have funds not used. He doesn't think we have ever met our forecast on project spending. Capital projects with partners always have a level of uncertainty. Managers review the project budget line items. While He suggested the Board consider creating an appendix to the budget with potential "fill-in" projects. While the projects won't be included directly in the budget, we can finance them with funds historically not used due to delays in projects dependent on partners. Manager Anderson asked if those funds not being used were short falls or projects that just took more than a year to complete. Manager Anderson again requested that the board set up a workshop to further discuss the draft 2022 budget.

Manager Anderson made a motion to schedule a budget discussion workshop. Seconded by Manager Schmaltz. Upon roll call vote, the motion passed 4-0.

Managers discussed a best date and time for a workshop and a possible quorum issue. Mr. Holtman noted that without a quorum but with public notice, the managers can discuss provided there is not a formal action. Managers agreed to schedule on July 7th at 9am.

Manager	Aye	Nay	Absent
Jon Spence	X		
Jackie Anderson	X		
Stephen Schmaltz	X		
Jen Oknich	X		

9. Report of Staff

a) Administrator

Administrator Kinney gave an overview of recent events and the Administrators report. He highlighted a meeting among District representatives, local residents and City of Forest Lake staff on the 3rd Lake Pond project. Mr. Kinney believes the District is shifting to an operations and maintenance flow in its projects. Staff has recently been corresponding with local residents regarding operations of the Bone Lake fish barrier and its effect on water levels. That discussion may potentially come back to the Board.

Mr. Kinney noted that it has been extremely dry in the area. The District was notified of pumping on Comfort Lake as a possible violation, but upon later investigation staff recognized the Department of Natural Resources (DNR) does permit pumping of lake water within limits and doesn't believe the pumping exceeds those limits.

Mr. Kinney recognized the good work of new staff members Ms. Law and Mr. Bancks. He stated that it is great to see new staff getting on board and taking on new things, adapting, and contributing. He stated that he thinks the District is making great progress and is working well. Administrator Kinney explained that new staff are improving the District's ability to provide services for our community and stakeholders.

b) Emmons & Olivier Resources

Manager Anderson mentioned that she appreciates the visual chart provided monthly by Emmons and Olivier Resources (EOR) and would like to see similar information from the District's in-house water quality monitoring team.

Engineer Graske gave an update for work being done by EOR. He explained that the City of Forest Lake has sent a draft report on downtown regional planning, and he is reviewing. Mr. Graske explained that he is investigating a potential wetland restoration project near WJD-6. He noted that this project would involve only one landowner. Mr. Graske explained that this could be a faster moving project due to the small number of involved parties.

Mr. Graske gave an update on Shields Lake. He noted that while out looking at Shields Lake he expected it to be green, but he could see to the bottom. He noted that this is due to the reuse project and alum treatment. He explained that these positive effects will benefit Forest Lake as well.

Mr. Graske gave an overview of a meeting with City of Scandia staff to discuss best management practice (BMP) options for a road project for Melanie Trail planned for next year. The District has notified the City of Scandia that the project will not trigger the District's stormwater permit requirement. The City is interested in incorporating stormwater features even though it is not required. Mr. Graske described the location of construction and how the water flows directly to Bone Lake.

c) Smith Partners

Nothing to report.

10. Report of Treasurer

a) Approval of Bills and Treasurer's Report

Treasurer Schmaltz reported income for the period of \$62,082.22 and expenses in the amount of \$169,933.09.

Manager Anderson moved to accept the Treasurer's Report and pay the bills in the amount of \$169,933.09. Seconded by Manager Spence. Upon a roll call vote, the motion carried 4-0.

Manager	Aye	Nay	Absent
Jon Spence	X		
Jackie Anderson	X		
Stephen Schmaltz	X		
Jen Oknich	X		

11. Report of Officers and Managers

Manager Oknich

- Manager Oknich spoke to staff at the City of Scandia Parks Department on the status of green space efforts. She noted that Mr. Bancks yhas been in communication with them as well. City staff will keep an open line of communication and partnering for green space.
- Manager Oknich also advised that she will be moving sometime late this year. She explained that she will not be seeking reappointment. She thanked the other managers for a wonderful time working with them.

Manager Schmaltz

- Nothing to report.

Manager Anderson

- Manager Anderson notified the group that she recently found one zebra mussel on Comfort Lake. She took it to Mr. Miller to log and document. She also noted that she has installed a zebra mussel sampler plate at the end of her dock. She believes that it is not a major issue due to information provided from Blue Water Science stating that the lake does not have the right chemistry for zebra mussels.
- Manager Anderson reiterated that the water level is low on Comfort Lake. She noted that the Comfort Lakes Association has been having talks about pumping from the lake onto lawn. She noted that there are riparian rights to do so. Manager Anderson noted that the Association plans to start an educational campaign via Facebook and Instagram.

President Spence

- President Spence noted he viewed some confusion on the Friends of Comfort Lake Facebook page. He explained that the District does not control water levels. He explained that some residents believed low water levels could be caused by blockages. President Spence mentioned that after hearing these concerns, District staff investigated channels and have not found any blockages.
- President Spence remarked he is sad to be leaving but has had a great time serving on the Board for the past 15 years. He believes he is leaving the District in good hands. He then gave his thanks to all.

12. Summary and Approval of Board Direction

Board directives were summarized:

- Staff will ensure proper watercraft inspection staffing at boat accesses on Forest Lake for the boat parade scheduled for Sunday July 4th from 10am to 1pm.

- WJD-6 Land Acquisition – Staff will provide multiple items including indications of partner interest, financing scenarios with and without partners, and information on city zoning.
- Draft 2022 Budget – Staff will provide information of property value appreciation forecast and a detailed inventory of potential grant revenue and finance sources.
- Staff will create a chart or graphic representation of when water quality monitoring happens and progress for the year.
- Staff will notify the Board of all meetings to be held with local appointed officials.

13. Adjourn

a) Next regular board meeting – July 8, 2021

Manager Schmaltz moved to adjourn the meeting. Seconded by Manager Anderson. Upon roll call vote, the motion carried 4-0, and the meeting was adjourned at 8:27 p.m.

Manager	Aye	Nay	Absent
Jon Spence	X		
Jackie Anderson	X		
Stephen Schmaltz	X		
Jen Oknich	X		

Jen Oknich, Secretary _____