

**MINUTES OF THE SPECIAL MEETING OF THE
COMFORT LAKE–FOREST LAKE WATERSHED DISTRICT
Thursday, September 1, 2022**

1. Call to Order

President Schmaltz called the September 1, 2022, special board meeting to order at 6:00 p.m. via online video conference.

Present: President Steve Schmaltz, Treasurer Jackie Anderson, Assistant Treasurer Douglas Toavs.

Absent: Secretary Dave Bakke, Vice President Christopher Loth.

Others: Mike Kinney, Administrator; Emily Heinz, Planning Coordinator (CLFLWD Staff).

2. 2023 Budget

Planning Coordinator Emily Heinz presented the projected cash flow for January-June 2023, as requested by the Board. The 2021 audited yearend cash balance (total assets) was \$2.5 million. Of that amount, \$1.3 million comprised unearned/dedicated funds (e.g., unearned grant revenue, dedicated permit escrows). This leaves an available yearend fund balance of \$1.2 million; this is the starting point for the cash flow projection. Accounting for 2022 earned revenues and expenses, staff projects a 2022 ending earned revenues to exceed expenditures by \$154,000. When this is added to the 2021 total ending fund balance (i.e., the 2022 starting fund balance), the 2022 estimated ending fund balance (i.e., the 2023 starting fund balance) is about \$1.3 million. The cash flow projection includes only earned revenues, as well as estimated expenditures. The conclusion is that the fund balance should be sufficient to support the District's work throughout January-June 2023, until the first levy payment arrives in early July 2023. Project grants and the zero interest Clean Water Partnership loan are critical to enabling the District to keep pace on large water quality improvement projects while maintaining ongoing operations.

The Board reviewed comments that Manager Anderson had submitted regarding the 2023 draft budget.

1. Administration: Approve the requested formatting change to move the following items out of the 1001 Board Administration category and into 1003 General Administration: Advisory Committee, Annual Audit, MAWD Dues, Insurance (LMCIT and Workers Comp).
2. Rule Review: This comment was already addressed through the recommended addition of \$25,000 to 3-001-B Rule Implementation Review.

3. Shoreline Inventories: This comment was already addressed through the recommended addition of \$20,000 to 3-004-A Ongoing Initiatives, Cost-Share to update the shoreline inventories for Bone, Comfort, and Forest Lakes.
4. Aquatic Invasive Species (AIS): Manager Anderson requested increasing the Bone Lake and Comfort Lake AIS Management budgets to \$10,000 each in case of unexpected issues. The Board agreed to increase line item 3-011-20-A (District-Wide) AIS Ongoing Initiatives from \$5,000 to \$10,000 to account for any unexpected AIS issues that may arise on any of the District's lakes. 3-012-A Land Acquisition & Management was reduced proportionally by \$5,000.
5. Volume Control Facility: Administrator Kinney explained the District's stormwater impact fund, which collects money from permittees who are unable to meet stormwater volume control requirements onsite. These funds pay into a future project, to be constructed by the District, to offset the volume reductions needed for those permits. Separately, the District is providing technical assistance to the City of Forest Lake to plan for a regional stormwater treatment facility which would treat stormwater from parts of the city that were developed prior to the District's rules in 2008. Manager Anderson clarified that her point was to ensure that the District is not responsible for any of its cities maintaining compliance with their MS4 (Municipal Separate Storm Sewer System) permits. She indicated the District should be a leader and a technical advisor on this topic and ensure the effort doesn't stall out. The Board directed staff to discuss this topic with the City and bring an update to a future board meeting. There were no changes to the budget.
6. Greenway Corridor Visioning: Mr. Kinney explained that the District still has work to do with respect to setting priorities for this initiative. The effort should comprehensively address the goals and priorities in the Watershed Management Plan, which includes issues like floodplain storage. He explained that the District Engineer is in the process of doing modeling work to make this a data-driven effort. This effort moves away from the phosphorus reduction/water quality focus and includes additional benefits. Manager Schmaltz noted that it's easy to spend a lot of money quickly on this visioning work. Manager Anderson indicated the original focus was to provide additional capacity to store flood waters along the Sunrise River corridor and to re-establish the natural river system corridor. She suggested the District restrict its focus to that corridor. Manager Schmaltz indicated the Board needs to make that decision. There were no changes to the budget. Staff will return to the Board with an update at a future meeting.
7. Shallow Pond: Mr. Kinney indicated this item relates to Manager Anderson's comment about looking at these systems in their entirety and trying to understand where within the drainage system the District would want to focus its efforts. He suggested using the Pareto Principle and identify locations to achieve the District's goals in the most cost-effective way. With Shallow Pond, it may be possible to install a small riser at the culvert and hold water back. Mr. Kinney noted that the District has monitoring data to show that Shallow Pond is a phosphorus sink (not a phosphorus source). He suggested the focus is not to enhance the wetland's capacity to be an even greater sink, but address the

upstream sources of phosphorus/sediment loading to keep Shallow Pond healthy. He suggested evaluating projects further upstream. The Highway 61 Wetland Enhancement Project is a step. Mr. Kinney explained the District also has its Citizen Assisted Tributary (CAT) monitoring program which will help dial in where the phosphorus/sediment loading is coming in this system. There were no changes to the budget.

8. Forest Lake Urban Retrofits: Mr. Kinney explained these projects were identified as part of the 2012 Sunrise River Water Quality & Flowage Study. They entail stormwater management projects within the more urbanized portion of the City of Forest Lake which drains to Comfort Lake. Manager Anderson indicated the City should be responsible for treating its stormwater, and the District should be involved in a planning and technical advisory role. There were no changes to the budget.
9. Groundwater: Manager Anderson indicated the District should make sure it is sharing data with the cities. Mr. Kinney explained staff has shared these layers with the cities as part of the planning process for the updated Watershed Management Plan. They are required by DNR to have a wellhead protection plan in place for any location where they would have a municipal well. Manager Anderson indicated the District is cleaning up mistakes of the past, called legacy issues, and the District should prevent cities from developing within that old mindset. She stressed that the District is the technical expert within its boundaries and has an obligation to make sure the mistakes of the past aren't repeated.
10. Cost-Share: Manager Anderson requested the lake association cost share program add another \$15,000 in expenses to allocate to Little Comfort Lake. She indicated that Little Comfort Lake is part of the Comfort Lakes Association and should therefore receive an allocation as a lake basin, similar to how each of Forest Lake's three basins has its own \$15,000 allocation. Administrator Kinney noted that the lake size and quantity of residents on Little Comfort Lake is not comparable to any of Forest Lake's basins. Manager Schmaltz agreed that a \$15,000 allocation is not appropriate for a lake of that size. There were no changes to the budget.
11. Eurasian Watermilfoil: The Board's current policy is not to treat Eurasian watermilfoil. Manager Schmaltz indicated that, if the District took on Eurasian watermilfoil treatment itself, it would likely be paying a lot of money to do this on Forest Lake in the near future, as Eurasian watermilfoil is expected to become more widespread in Forest Lake. Manager Schmaltz indicated he wasn't sure if the District should take this on, given that Eurasian watermilfoil's impacts to water quality are not as clear as those of curly-leaf pondweed. The Board may take up discussion of this topic at a future meeting.

3. Adjourn

a) Next regular board meeting – September 8, 2022

Manager Anderson moved to adjourn the meeting. Seconded by Manager Toavs. Upon a roll call vote, the motion carried 3-0, and the meeting was adjourned at 7:22 p.m.

Manager	Aye	Nay	Absent	Abstain
Stephen Schmaltz	X			
Christopher Loth			X	
Dave Bakke			X	
Jackie Anderson	X			
Doug Toavs	X			

Dave Bakke, Secretary _____