

1 **MINUTES OF THE SPECIAL MEETING OF THE**
2 **COMFORT LAKE–FOREST LAKE WATERSHED DISTRICT**
3 **Tuesday, May 6, 2025**
4

5 **1. Call to Order**
6

7 President Anderson called the May 6, 2025, special board meeting to order at 6:00 p.m.
8 at the Comfort Lake–Forest Lake Watershed District offices, 44 Lake Street South, Suite A,
9 Forest Lake, MN.
10

11 **Managers Present:**

12 Jackie Anderson, President
13 Steve Schmaltz, Treasurer (virtual attendance)
14 Dave Bakke, Secretary (virtual attendance)
15 Douglas Toavs, Assistant Treasurer
16

17 **Managers Absent:**

18 Christopher Loth, Vice President
19

20 **Staff Present:**

21 Mike Kinney, Administrator
22 Tori Philippi, Office Manager
23 Emily Heinz, Planning Coordinator
24

25 **2. Emergency Meeting Regarding Curly-Leaf Pondweed Treatment**
26

27 Administrator Kinney indicated the MN Department of Natural Resources (DNR) is
28 stocking Bone Lake and Forest Lake with walleye this year. This fish species is sensitive to
29 the aquatic plant herbicide, Diquat. The District had originally intended to treat curly-leaf
30 pondweed (CLP) on both lakes with Diquat but is no longer able to because of DNR
31 restrictions. The alternative herbicide, which would be allowed by DNR, Flumioxazin, is
32 over twice the price of Diquat. Administrator Kinney indicated that there is \$20,000
33 available through the Forest Lake AIS Tri-Party Agreement with the City of Forest Lake
34 and Forest Lake Lake Association. President Anderson indicates she believes there should
35 be extra funding available in the AIS budget to cover this expense.
36

37 Emily Heinz noted the District’s fund balance is low this time of year, and the District is at
38 risk of having a negative fund balance if it processes a \$60,000 transfer from the reserve
39 fund. She explained that, while the District’s cash balance appears high, it is composed
40 of numerous dedicated funds which are restricted for other purposes. President
41 Anderson indicated the District can get a loan from First Resource Bank if necessary for
42 cash flow.

43
44
45
46
47
48
49

[6:09 pm]

President Anderson moved to amend the 2025 budget for account 3-011-28-G (Forest) AIS Management to \$110,000 and to transfer \$60,000 from account 000-2900 Fund Balance to account 3-011-28-G. Seconded by Manager Schmaltz. Upon a roll call vote, the motion carried 4-0.

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

50
51
52
53
54
55

Manager Schmaltz moved to amend the 2025 budget for account 3-011-22-G (Bone) AIS Management to \$5,900 and to transfer \$400 from account 000-2900 Fund Balance to account 3-011-22-G. Seconded by Manager Bakke. Upon a roll call vote, the motion carried 4-0.

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

56
57
58
59
60
61

Manager Schmaltz moved to authorize the Administrator, on advice of counsel, to enter into a contract with Lake Management Inc. for treatment of curly-leaf pondweed on Forest Lake in an amount not to exceed \$80,000. Seconded by Manager Toavs. Upon a roll call vote, the motion carried 4-0.

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

62
63
64

3. Budget Prioritization and Visioning Workshop

65
66

President Anderson indicated the purpose of the workshop is to gather the board's feedback on priorities prior to reviewing the draft budget.

67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109

Manager Schmaltz recommended the Board focus on projects since programs are typically recurring. Manager Bakke said he would like to hear Administrator Kinney's opinions on budget priorities. Mr. Kinney explained that the District budget structure is based on the 10-year Watershed Management Plan (WMP). He indicated the District has a continual process of reviewing progress toward WMP goals and identifying what else needs to be done to achieve those goals.

President Anderson indicated the District currently has several projects ongoing, and the District needs to consider the next tier of projects. She noted Comfort Lake has projects that are coming along which will probably span the next 2-3 years.

Manager Bakke indicated priorities should include shoreline restoration, flood mitigation, office space, and projects by lake subwatershed.

Manager Toavs indicated data drive project identification (e.g., flood resiliency projects are driven by flood projection data). He indicated the office space building should be a priority. Manager Toavs explained it would be nice to have a model of the greenbelt concept, and the District could start piecing together properties around that. He said another priority is education, and the District should encourage staff's ongoing efforts.

President Anderson noted Greenbelt & Open Space should be a priority.

Manager Schmaltz indicated he agrees with the priorities discussed so far. He recommended increasing the emphasis on coordination with the Forest Lake City Council. He noted education is important, and Adam Hjelm is doing a great job. Manager Schmaltz emphasized the need for public communication and telling the District's story. He indicated the District needs to take credit for the good work it has done over the years and build its reputation around that. He indicated this effort will tie in with the office space initiative.

Manager Schmaltz mentioned there were high phosphorus readings on Shields Lake in 2024, and the District is doing diagnostic monitoring to further evaluate this spike. Mr. Kinney confirmed the District will collect data this year to see if there are any external loading issues, or if it is primarily internal loading.

Manager Schmaltz noted the District has several planning efforts in progress this year, and the District will need to forecast where it will be at the end of the year. President Anderson asked if planning efforts are on course, and Mr. Kinney indicated that they are on course. Manager Schmaltz asked if the cost-benefit assessment of the District Rules will be completed by year end. Mr. Kinney explained the calculation is more complicated than originally expected, but the District is working with the University of MN on this effort.

110 Manager Schmaltz suggested managers submit comments on the budget early in the
111 process, so the District doesn't need to make last-minute revisions prior to adoption in
112 August. President Anderson indicated that is the point of this workshop.

113

114 Manager Schmaltz mentioned a potential shoreline restoration project at the Pizza
115 Pub/Willow Point on Forest Lake, in partnership with the landowner and the Forest Lake
116 Lake Association. He mentioned the potential for shoreline erosion and loss of land at
117 this site. President Anderson stated shoreline erosion is due to primarily not having native
118 plants on the shoreline. She indicated that the Pizza Pub landowner removed cattails
119 from the shoreline and plans to install a sand beach.

120

121 President Anderson indicated some of her priorities have already been mentioned. She
122 listed her priorities:

123

- Ensuring the General Fund balance in good shape at year end; the District needs to be able to cover operational expenses such as wages and overhead

124

125

- Non-Point Source Pollution Abatement: there are four cost share programs under this category in the Watershed Management Plan. Historically, the District has offered all four programs, but there has been little interest in some of the programs. The District should focus its efforts in programs that are getting traction.

126

127

128

- Office space initiative: This was stated as a priority.

129

130

- Greenbelt and Open Space: The mapping effort led by the District Engineer is a

131

- critical next step. The map should be shared with the Board once it is finished.

132

- Education & Outreach Program: This program is currently going well.

133

- Rules Review: There are some who criticize the District's rules, but the rules are a core function of the District. President Anderson indicated the District's job is to make sure the water is protected.

134

135

- Marketing and Public Relations: The District recently began contracting with a marketing and PR firm to aid in this initiative.

136

137

- Shields Lake diagnostic monitoring: This was stated as a priority.

138

139

140

Emily Heinz gave a rundown of the District's active grants including 18 distinct active grants and associated projects. Grant awards for these 18 grants cumulatively total \$5.8 million. Grants and associated projects range from water quality improvement projects to aquatic invasive species prevention to planning/project identification efforts. Manager Bakke requested Ms. Heinz share a simple written summary of all these grants with the Board. President Anderson emphasized the importance of data gathering in the District's grant seeking success. She indicated the grant funders appreciate the measurable data that the District can provide. Administrator Kinney suggested staff distribute this information in the next monthly lake association update.

141

142

143

144

145

146

147

148

149

Ms. Heinz recommended the Board consider the following core/critical functions as part of the budget process:

150

151

- Staff wages & benefits: Approximately \$1.2 million.

152

- 153 - Loan repayment: Approximately \$500,000.
- 154 - Project operations & maintenance: Approximately \$35,000 but could be more in
- 155 some years depending on major project maintenance needs, such as iron enhanced
- 156 sand filter media replacement.
- 157 - Permitting: The District tracks costs to be billed to permittees, but government entities
- 158 are exempt from fees, so the District must cover those costs locally.
- 159 - Administrative costs: Such as office rent and computer replacements.

160

161 President Anderson indicated these are things that need to be covered. She urged staff
162 to make sure those costs are being included in the budget. She recommended an
163 increase of approximately 10% for core/critical costs such as wages and benefits.
164 President Anderson indicated it will be helpful to see a detailed breakdown of dedicated
165 funds and the fund balance. She asked that staff look into creating a grant projection of
166 new grants to apply for later in the year.

167

168 Managers agreed to hold the next budget workshop in early June. Ms. Heinz indicated
169 she would send out a scheduling poll via email.

170

171 **4. Adjourn**

172

173 **a) Next regular board meeting – May 8, 2025, 6:30 pm**

174

175 The meeting was adjourned by unanimous consent at 7:39 pm.

176

177

178 Dave Bakke, Secretary -----