

1                                   **MINUTES OF THE SPECIAL MEETING OF THE**  
2                                   **COMFORT LAKE–FOREST LAKE WATERSHED DISTRICT**  
3                                   **Monday, July 28, 2025**  
4

5   **1. Call to Order**

6   President Anderson called the July 28, 2025, special board meeting to order at 6:30 p.m.  
7   at the Comfort Lake–Forest Lake Watershed District offices, 44 Lake Street South, Suite A,  
8   Forest Lake, MN.  
9

10   **Managers Present:**

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

16   **Managers Absent:**

17   Christopher Loth, Vice President  
18

19   **Staff Present:**

20   Mike Kinney, Administrator  
21   Emily Heinz, Planning Coordinator  
22   Adam Hjelm, Education and Outreach Coordinator  
23   Jackie Bussjaeger, Technician  
24

25   **Others Present:**

26   Dr. Anne Wilkinson, Emmons & Olivier Resources  
27

28   **2. Budget Workshop**  
29

30   The Board reviewed three proposed scenarios prepared by Redpath, the District's  
31   accounting firm, with the assistance of staff and Board members, for the 2026 budget.  
32

33   Scenario 1 was a base scenario proposing a 45.7 percent levy increase for 2026. Scenario  
34   2 also proposed a 45.7 percent levy increase with the addition of \$300,000 in loans.  
35   Scenario 3 included a \$2 million bond issuance. This scenario would reduce levy pressure  
36   by allowing for a 28.3 percent levy increase for 2026, followed by a 20.8 percent increase  
37   in 2027. In following years, the levy would then be raised no more than 3 percent.  
38

39   The Board revisited other potential funding sources; President Anderson asked for  
40   clarification about funds coming from the Watershed–Based Implementation Funding  
41   Grant Program offered by the Board of Water and Soil Resources via the Lower St. Croix  
42   Watershed Partnership.

43 Planning Coordinator Emily Heinz explained that these funds are dispersed to regional  
44 watersheds across the state, and watersheds located in the Twin Cities Metro are given  
45 the option to pool their funds with the Lower St. Croix Partnership. Partners then  
46 collaborate on a work plan to determine where the funds will be spent. This plan is tied  
47 into the framework of the Lower St. Croix 10-year comprehensive plan. CLFLWD has had  
48 several successful projects funded through this avenue.

49  
50 Manager Toavs questioned the idea of accumulating more debt with the \$2 million bond  
51 in the third scenario by Redpath. Manager Schmaltz pointed out that the exact numbers  
52 in each of the proposals are estimates and not as precise as they could be. Manager  
53 Bakke added that all three proposals should include the \$300,000 loan. Bakke spoke in  
54 favor of spreading out the levy increase to make it more palatable to taxpayers.

55  
56 Manager Schmaltz expressed doubt the first two scenarios would be a sufficient levy  
57 increase, unless expense cuts were made. He also expressed concern about exchanging  
58 zero interest loans for the 5 percent interest rate and 15-year repayment plan that would  
59 be required by the bond. Manager Schmaltz suggested the alternative of taking out  
60 smaller, lower-interest loans instead of a bond. Manager Schmaltz also believed the  
61 project cost estimate of \$1.8 million was inflated, leading to excessive projections later  
62 down the road.

63  
64 President Anderson asked about loans and grants from the Public Facilities Authority. Ms.  
65 Heinz noted State Revolving Fund (SRF) grants and loans are detailed in the Funding &  
66 Financing memo staff distributed to managers earlier this year. The Point Source  
67 Implementation Grant (PSIG) is stormwater-focused, and funding would only cover  
68 large infrastructure projects, not operating expenses.

69  
70 Manager Schmaltz suggested exploring alternatives to the \$2 million bond and inputting  
71 more accurate projections into the budget planning process. President Anderson stated  
72 that she had reached out to a bond issuance firm that was recommended to her and  
73 indicated that the fees were too high. Administrator Kinney stated that based on past  
74 conversations with the Washington County staff, it was possible for the CLFLWD to ride  
75 on a County bond issuance to avoid the fees required if the District did a bond issuance  
76 by itself.

77  
78 President Anderson suggested reaching out to county representatives to explore other  
79 avenues for funding. Manager Toavs noted that the county will also be raising its levy in  
80 2026, putting additional tax burden on residents.

81  
82 President Anderson suggested changing the budget structure to more closely resemble  
83 the kind used by many cities, separating the general fund from a more specific projects  
84 fund.

85

86 The Board and staff plan to work further with representatives from Redpath to refine the  
87 budget proposal options in early August.

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90 **3. Adjourn**

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92 **a) Next regular board meeting – August 14, 2025, 6:30 pm**

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94 The meeting was adjourned by unanimous consent at 8:36 pm.

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97 Dave Bakke, Secretary -----

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