



MEMORANDUM

Comfort Lake-Forest Lake Watershed District

Date: October 16, 2025
To: CLFLWD Board of Managers
From: Mike Kinney, District Administrator
Subject: Bone Lake South Property Acquisition & Budget Transfer



Background/Discussion

At the March 27, 2025 regular board meeting, the Board authorized the administrator to release the appraisal and proceed with acquisition negotiations with the landowner. The District executed a contingent purchase agreement with the landowner on June 5, 2025. The Board of Managers accepted the Phase I Environmental Site Assessment at the August 28, 2025 regular board meeting. Since that time, the District has completed land survey, and the City of Scandia has approved the lot line adjustment needed to separate the two properties. At this time, all purchase agreement contingency items have been addressed/satisfied, and the District can move to closing on the property.

Budget Transfer

The District has the 6000 budget series dedicated to Land Acquisition & Management. Project design and implementation costs are housed under the 5000 budget series. The 2025 budget has a zero-dollar amount for the Bone Lake South Acquisition line item. The District's intention during the budget process was to amend the budget once the acquisition closing date was in sight. The District has been awarded two grants for this land acquisition: \$1.9 million from the Lessard-Sams Outdoor Heritage Fund and \$500,000 from the Conservation Partners Legacy grant program. Together, these two grants will cover 100% of the acquisition cost. Staff estimates there will be approximately \$100,000 left in the Lessard-Sams grant after the acquisition is complete. The District has been approved for a grant amendment in order to utilize those remaining funds for other purposes such as fence installation and engineering.

Authorization to Proceed

The District has been working toward this land acquisition since 2022. It has taken longer than originally expected to come to an agreement with the landowner but that . At this point in time staff recommends the Board authorize the District Administrator to proceed with the acquisition. Staff will coordinate closely with legal counsel and grant funding agencies to sequence acquisition steps and grant funds are received in order to cover the acquisition cost.



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Recommended Motions

Proposed Motion #1: Manager _____ moves to amend the 2025 budget for account 6-000-F Bone Lake South to \$2,350,000 and to transfer \$2,350,000 from account 000-3300 Grants Receivable to account 6-000-F. Seconded by Manager _____.

Proposed Motion #2: Manager _____ moves to authorize the administrator, on advice of counsel, to complete the acquisition of the Bone Lake South property as per the terms of the Purchase Agreement executed on June 5, 2025. Seconded by Manager _____.