

**MINUTES OF THE REGULAR MEETING
OF THE
COMFORT LAKE - FOREST LAKE
WATERSHED DISTRICT**

THURSDAY, JANUARY 24, 2008

1) Call to Order

The President called the January 24, 2008 Regular Board Meeting to order at 6:30 p.m. at the Forest Lake City Offices, 220 North Lake Street, Forest Lake, Minnesota

Present: President Jackie Anderson, Vice President Richard Damchik, Secretary John Lynch, Treasurer Jon Spence, Manager Wayne Moe
Staff: Randy Anhorn; Dan Fabian and Jennifer Olson (EOR), and Pamela Massaro (Wenck & Associates)
Others: Bruce Anderson (CLFLWD CAC)

2) Open the Regular Meeting

The President opened the Regular Board Meeting.

3) Reading and Approval of Agenda

The motion to approve the agenda with the addition of a discussion on the DNR's new proposed aquatic plant management rule changes to the New Business section. Administrator Anhorn also requested that the agenda be revised to include discussion on the TMDL contract/task order to be signed with EOR. Motion was made by Manager Damchik to approve the revised agenda. The motion was seconded by Manager Lynch. Upon vote, the motion passed unanimously.

4) Reading and Approval of Minutes

The President called for the reading and approval of the minutes of the December 19, 2007 regular Board meeting. The motion to approve the December 19, 2007 regular Board meeting minutes as presented was made by Manager Damchik and seconded by Manager Spence. Upon vote, the motion passed unanimously.

The President called for the reading and approval of the minutes of the January 7, 2008 water quality model and CIP report workshop. The motion to approve the January 7, 2008 workshop minutes with edits was made by Manager Damchik and seconded by Manager Spence. Upon vote, the motion passed unanimously.

5) Public Open Forum

Nothing Present

6) New Business

a) *EOR Presentation on Subwatershed Management District's and Stormwater Utilities*

Ms. Jennifer Olson of Emmons and Olivier Resources gave a PowerPoint presentation on the development of management districts and set-up and use of the stormwater utilities. The presentation went through State Statutes as well as presenting the overview of a program; who gets charged, how the charges can be calculated, how collected funds can be used etc.... Ms. Olson then provided an overview of the stormwater utility programs of the two watershed districts in the state which currently use stormwater utilities, South Washington Watershed District and Pelican River Watershed District.

Ms. Olson went through the timeline and estimated project costs for the District to go from where it is now, management districts defined by subwatersheds, to management districts defined by parcels, determining the method used to calculate fees, actually calculating fees per parcel, determination of credit program, implementing and educating on the fees represent (mailings). Ms. Olson stated that a program could probably be defined and in place in six-eight months at a cost of roughly \$20,000-\$30,000.

Ms. Olson further went through some policy decisions the Board would have to make in order to develop a management district based utility. Ms. Olson mentioned that the Board would have to determine if they wanted multiple districts or simply one watershed wide district (Ms. Olson went through some pros and cons of both). Ms. Olson then discussed the difference between setting up the fee based on quantity, stormwater volume, as opposed to quality (phosphorus loading coefficients).

Manager Lynch asked how the phosphorus runoff coefficients would be determined. Ms. Olson stated that Pelican River Watershed District, which calculates fees on phosphorus loading coefficients, used EPA numbers for land uses. Manager Spence mentioned that because many of the projects in the District's CIP address agricultural loading from animal units, he favored the use of utility fees based on phosphorus loading, because fees based on volume may not accurately assess rural problem areas.

Administrator Anhorn asked which would be the most time consuming and costly method, determining fees on quantity or quality. Ms. Olson stated that because EOR had already set up a program for SWWD on quantity, the specifics are already set in place and much of the methodology could be used in CLFLWD. Fees based on quality however would be a new undertaking and therefore would take more time and cost more to develop.

Manager Anderson questioned a statement in Ms. Olson's presentation that South Washington Watershed District (SWWD) does not calculate fees for roadways. Manager Anderson stated that the impervious roads obviously contribute a large load to the receiving waterbodies. Ms. Olson agreed, however, she stated that the problem lies in the digitized files where roadways are often poorly defined and make the determination of the fee difficult. For that reason, SWWD chose not to include roads. Ms. Olson further stated that Pelican River Watershed District does charge for roads.

The Board held discussion on the advantages of a stormwater utility, the pros and cons of four management districts over the ease of one management district, as well as providing a "credit" provision for properties which incorporate infiltration on other on-site stormwater volume control.

b) Smith Partners Legal Advice on Stormwater Utilities and Subwatershed Management Districts

Chuck Holtman presented a memo providing policy considerations the Board may want to consider in establishing a stormwater utility and determining a preference between single or multiple management districts (a copy is annexed and incorporated by reference).

Mr. Holtman mentioned the importance of developing a dispute resolution process for those appealing the District's fees. Manager Anderson asked who ultimately would hear such appeals. Mr. Holtman stated that while BWSR or County Court could ultimately hear the appeal, it would be better if the District set up a process for the Board to hear and resolve the appeal and work with the person(s) questioning the specific fee on their parcel. Ms. Olson went through the process SWWD uses to hear and resolve their disputes.

Mr. Holtman further mentioned that some issues the Board should keep in mind when defining their management districts and utility fees is that the more complicated, the greater the administrative cost to establish the program and annually update, the greater the potential for appeals to the fees, and the less suited to use for a broad range of projects.

The Board held discussion on these issues and determined that they would have to eventually set up a workshop to further discuss the presented policy issues.

c) Discussion on the DNR's New Proposed Aquatic Plant Management Rule Changes

Manager Anderson discussed the new proposed DNR aquatic plant management rules highlighting the proposed reduction of shoreline areas that would be allowed to be treated under the new rules, the increase in the ability to treat invasive species such as curly pondweed and Eurasian water milfoil, and the emphasis on the benefits of native plantings.

Manager Anderson stated that the proposed rules are in line with the District's attempts at promoting native riparian buffers.

The Board held discussion on the proposed rules as well as aquatic vegetation problems the District's lakes experienced in 2007 due to the mild winter in 2007 and the lack of rain resulting in low lake levels.

Administrator Anhorn stated that the early-ice and snow cover may result in less of a curly pondweed problem in 2008 as opposed to 2007. Anhorn also highlighted the District lakes in which the Wenck Study and resulting CIP pinpoint curly pondweed as an internal loading problem to the lake. Anhorn mentioned that Forest Lake was not one of those lakes.

d) Task Order/Contract with EOR to Undertake TMDL

Administrator Anhorn mentioned that the District now has an approved amended joint powers agreement with MPCA for the TMDL work, and presented a task order/contract between CLFLWD and EOR for EOR to do work on the District's TMDL study. Anhorn stated that he was seeking Board approval of the task order/contract so it could be signed/executed. Anhorn stated that Chuck Holtman constructed the task order and it has been run by EOR who has no problems with it.

Chuck Holtman presented the Board a summary of the task order.

Manager Spence made motion to adopt the task order as presented. The motion was seconded by Manager Damchik. Upon vote, the motion passed unanimously.

The President signed two copies of the task order and Administrator Anhorn will send them on to EOR to be signed.

7) **Old Business**

a) Draft Rules

Administrator Anhorn mentioned that he recently met with each of the communities to discuss the two versions of the draft rules and to seek comment on potential concerns in order to set the TAC/CAC meeting schedule. Anhorn went over a few of the initial comments.

Administrator Anhorn then went over the proposed TAC/CAC meeting schedule to begin in mid-February after the Plan amendment/revision is complete. Anhorn stated that the meetings will generally take place in the early-afternoon (1:00-3:00) and if ever possible, Manager attendance would be worthwhile.

The Board directed the Administrator to post the meeting dates on the District's website and bulletin board in order to fulfill open meeting laws in case three Managers are ever in attendance at once.

b) Special Legislation Update

Administrator Anhorn provided an update on where the District was on its Special Legislation. Anhorn highlighted recent meeting with the bills chief authors (Senator Olseen and Representative Kalin) and provided the Managers with the resulting bill language which recently came out of the legislative revisor's office (a copy is annexed and incorporated by reference). Anhorn stated that the bill will be introduced by the February 2008 opening of the legislative session and that Senator Olseen and representative Kalin will keep the District informed on when the bill may be heard in committees and when we may be needed to testify.

c) Plan Amendment/Revision Update

Administrator Anhorn discussed the District's plan revision to meet 103B standards and presented the schedule and review needs in order to meet state statutes guidelines and timelines. Anhorn further stated that he has completed the added sections BWSR stated the current Plan needed fulfill 103B requirement and is having Jim Haertel at BWSR quickly review them prior to Anhorn compiling the new complete Plans for review by the local communities, counties, SWCD's and review agencies.

Administrator Anhorn also mentioned that he may need EOR to produce a couple figures for the Plan revision. Anhorn again mentioned that in order for the BWSR Board to act on the District's Plan revision in August, they will need to have the revision finished and sent to all the reviewing entities by February 15, 2008.

The Board directed the Administrator to submit the revised Plan upon completion, for the initial 60-day review to BWSR, the local governing units, counties and the review agencies.

d) 2087 Work Plan & Projects Update

Administrator Anhorn provided the Managers with a copy of the 2008 proposed work plan with progress updates on each of the items listed and a list of overall highlights for 2008. A copy of the update is annexed and incorporated by reference.

8) Report of Administrator

Administrator Anhorn presented an Administrator's report memo (a copy is annexed and incorporated by reference). The Administrator's report detailed recent correspondence, permit and plan submittals for review, and recent meetings with local stakeholders.

Administrator Anhorn highlighted the District's recent meetings with local communities on the District's draft Rules. The setting up of the District's annual "Planting for Clean Water" to be held April 22, 2008 at Gander Mountain.

Anhorn mentioned that the TMDL contract with the MPCA has been amended to include EOR, and that Smith Partners had put together a task order for EOR's work on the District's TMDL to attach to their consulting contract. The task order, which follows the TMDL work plan and specifies the amount to be paid and method of payment, will have to be signed by the EOR representative and The District's President.

Administrator Anhorn further stated that per the Board's request he forwarded the draft Internal Financial Control Manual, documenting the District's internal controls, on to the county auditors for their review, and that he has been working on the District's Annual Report.

Administrator Anhorn reminded the Board about the Monday, January 28, 2008 open house to introduce the District's new 15-year CIP. Anhorn stated that articles on the open house were published in both official newspapers.

Anhorn then stated that the District has recently heard that they have been successful on a few grant applications; 1) receiving the full amount requested through the MPCA Surface Water Assessment Grant, and, 2) although not official, Anhorn has been informed that the District will be receiving some monies from the DNR Shoreland Vegetation Grant in order to undertake the Bone Lake Shoreline restoration project in and a site or two on the Forest Lake dead-end streets in partnership with Great River Greening.

9) Report of Engineer

a) Emmons and Olivier Resources (EOR)

Dan Fabian presented the Board with the 2008 fee schedule for EOR. Mr. Fabian further asked for direction as to Lisa Tilman becoming the primary EOR contact for the District. Fabian stated that because of the amount of work the District had on their agenda for 2008, there would usually be an additional EOR representative in attendance at the District's meetings.

Mr. Fabian then discussed the results of their review on two submitted project plans; Palme Plaza and Everton Commons. Fabian stated their comments on each center around the soil types used for pre-development (existing) conditions. The result is greater than expected rate and volume calculations for

pre-development to compare to post-development. Mr. Fabian said that the projects would need to supply information to support soil types used, or re-model using different types.

Manager Anderson asked about the fact that while the Palme Plaza project was located with the legal boundaries of the District, it was outside the hydrologic boundary and water actually drained south to Rice Creek Watershed District. Discussion was held on how common the situation was and what could be done about such discrepancies.

Administrator Anhorn also informed the Board that he had the City forward the plans on to Rice Creek Watershed District and that he would incorporate their comments into the Districts.

b) Washington Conservation District (WCD)

Administrator Anhorn mentioned that he spoke with Travis Thiel and that he was unable to attend the Board meeting. Administrator Anhorn mentioned that WCD is busy working on the loading calculations for the 2007 water quality monitoring data and mentioned that he highlighted the results of the CLFLWD and WCD MPCA SWAG application. Anhorn also mentioned that he will be meeting with WCD staff to continue to go over the District's BMP cost-share program and go over the CIP and potential partnerships and available programs for proposed projects.

10) Report of Attorney

Mr. Holtman stated that he had nothing else to add.

11) Report of Treasurer

a) Approval of Bills

Manager Spence discussed the Treasurer's Report and bills for January 2008.

Motion was made by Manager Damchik to pay the bills as presented. Manager Moe seconded. Upon vote, the motion passed unanimously.

b) Approval of Treasurer's Report

Motion was made by Manager Damchik to approve the January 2008 Treasurer's Report. Manager Moe seconded. Upon vote, the motion passed unanimously.

12) Reports of Officers and Manager

Manager Anderson –

Manager Anderson presented and discussed the Initiative Foundation's IQ magazine which centered on water resource management issues. Manager Anderson mentioned that this magazine would be a great resource when we are meeting with the communities and the public.

Manager Damchik –

Manager asked if the joint letter from the City of Forest Lake and the District requesting that the Gaughan's have their snow plowing people stop plowing snow into the Forest Lake outlet channel had been sent, and if we had heard anything back from the Gaughans.

Administrator Anhorn stated that the letter had been mailed and that he had not heard back from them, however, he would check with Forest Lake Administrator Robinson.

Manager Lynch –

Manager Lynch presented a January 12, 2008 StarTribune article about Eurasian Water Milfoil control on Christmas Lake.

Manager Moe-

Manager Moe discussed stormwater utility issues and highlighted cases of delinquent payments.

Manager Spence –

Manager Spence mentioned that Dan Fabian was going to attend the January 31, 2008 Comfort Lake Association meeting to discuss lake levels and outlet weirs.

13) Adjournment

Motion to adjourn the CLFLWD regular Board meeting was made by Manager Damchik and seconded by Manager Lynch. Motion carried unanimously.

John T. Lynch, Secretary