

**MINUTES OF THE REGULAR MEETING  
OF THE  
COMFORT LAKE – FOREST LAKE  
WATERSHED DISTRICT  
Thursday, September 13, 2018**

**1. Call to Order**

Vice President Spence called the September 13, 2018 regular board meeting to order at 4:00 p.m. in the offices of the Comfort Lake-Forest Lake Watershed District at 44 Lake Street South, Suite A, Forest Lake, MN 55025.

Present: Vice President Jon Spence, Secretary Wayne Moe, Treasurer Steve Schmaltz

Absent: President Jackie Anderson, Assistant Treasurer Jackie McNamara

Others: Mike Kinney, Jessica Lindemyer, Emily Heinz (via teleconference) (CLFLWD staff); Greg Graska, Meghan Funke, Kyle Crawford (Emmons & Olivier Resources); Chuck Holtman (Smith Partners) Don Steinke

**2. Setting of Meeting Agenda**

Administrator Kinney requested that agenda item 5b Castlewood Drainage Area Update be made into an action item, and that a discussion item be added at the top of New Business regarding the Banta Property.

Manager Moe moved to approve the meeting agenda as amended. Seconded by Manager Schmaltz. Upon a vote, the motion carried 3-0.

**3. Public Open Forum**

Don Steinke, Forest Lake resident and former Rice Creek Watershed District board member, introduced himself and explained that he is in attendance in order to discuss the Banta Property.

**4. New Business**

**a) Banta Property**

Administrator Kinney noted the District's Watershed Management Plan item number 5900: Land Acquisition and Management. He explained that there is a parcel adjacent to the District's tax-forfeit property, known as the Banta Property, which has been discussed by the Board in the past. A portion of this property has the potential for creating wetland bank credits, and potentially other projects as well. Mr. Steinke is currently in the process of purchasing the Banta property; a purchase agreement has been signed and closing is scheduled for October 30. He recently approached Mr.

Kinney regarding conveying a 20-acre wetland portion of the property to the District. Mr. Kinney recommended that the District pursue further evaluation of the parcel in order to identify potential next steps.

Mr. Steinke further described the property. The Sunrise River flows through a portion of it and there are wetlands on the property as well. He explained that he knew the previous property owners, the Bantas, and he intends to continue to farm a portion of the property after purchase. The wet portions of the property that aren't farmable may be used for a water quality project.

There was discussion regarding the process for land acquisition review as outlined in the Watershed Management Plan. Mr. Steinke clarified that his goal for coordinating with the District is to defray the cost of purchasing the land. An agreement would not need to be reached before closing, but he wishes to come to an agreement within a fairly short time frame. He clarified that he wishes to subdivide the 20 acres from the rest of the land and sell the parcel, as opposed to selling an easement. He indicated that there are no easements currently on the portion of the property under discussion.

There was Board consensus to direct staff to further evaluate the parcel.

**b) Moody Lake Alum Treatment Contract Award**

Administrator Kinney noted that the alum dosing has been completed using data from the deep sediment core and past EOR sediment work completed for alum dosing. Staff recommends the bid be awarded to the low bidder, HAB Aquatic Solutions.

Manager Schmaltz moved to adopt resolution 18-09-01. Seconded by Manager Moe. Upon a roll call vote, the motion carried 3-0.

<b>Manager</b>	<b>Aye</b>	<b>Nay</b>	<b>Absent</b>
Jackie Anderson			X
Jackie McNamara			X
Wayne Moe	X		
Stephen Schmaltz	X		
Jon Spence	X		

**c) Shields Lake Stormwater Reuse Contract Award**

Administrator Kinney explained that, due to the variety of add alternates included in the bid, there are multiple options for awarding the construction contract. Emmons and Olivier Resources (EOR) structured the bid package associated add alternates this way in order to allow flexibility in deciding final contract cost. Mr. Kinney provided an update on the overall project budget including projected final costs. Overall, the project is expected to come in under budget at a construction estimate of about \$455 thousand. Even with the highest contract option, the stormwater reuse construction cost will be lower than what was budgeted; one factor for which is the use of gravity flow instead of

pumping and that soils borings confirmed a soil type that will allow for substantial savings in directionally drilling of the pipe. There was discussion regarding various combinations of the add alternates. In some cases, the addition of one add alternate renders another add alternate moot (e.g. if add alternate 1 were accepted, add alternate 6 would not be needed).

Manager Schmaltz asked what are the additional costs incurred to review and develop add alternates for the Forest Hills Golf Club’s requested changes, and for construction. Mr. Graske clarified that the additional engineering costs were \$5,600. Kyle Crawford explained that, overall the Golf Club’s changes add around \$25,000 to the construction cost. Watershed Technician Emily Heinz provided further detail on the project budget and associated grant financials. Given current project-end cost estimates, if the Board were to approve a construction contract of \$519,354.81 (accepting all add alternates and effectively approving the Golf Club’s proposed changes), the project would still be approximately \$150,000 under budget.

Manager Schmaltz suggested that the District let the Golf Club know what the extra cost was. Mr. Kinney agreed and explained that it may not be necessary to ask the Club to pay for the extra costs, but if something unexpected occurs which causes the project to run over set costs, then it may be necessary to request reimbursement for these additional engineering expenses. In response to a question from Legal Counsel Holtman, Mr. Kinney surmised that the Golf Club would not take on the driving range modifications at its own expense. The Golf Club is a nonprofit organization. It was clarified that Administrator Kinney would communicate with the Golf Club regarding the potential for any future requested changes. Thereafter, the Board may revise its contract approval in order to approve more add alternates as desired. Legal Counsel Holtman noted that his memo described one irregularity found in the bid – the noncollusion affidavit was not properly signed and has since been properly signed. This does not impede the Board’s ability to award the contract to the low bidder.

Manager Moe moved to adopt resolution 18-09-02. Seconded by Manager Schmaltz. Upon a roll call vote, the motion carried 3-0.

<b>Manager</b>	<b>Aye</b>	<b>Nay</b>	<b>Absent</b>
Jackie Anderson			X
Jackie McNamara			X
Wayne Moe	X		
Stephen Schmaltz	X		
Jon Spence	X		

**d) EOR Client Rep Transition**

Engineer Graske explained that there has been discussion at EOR regarding transitioning the role of lead engineer from Mr. Graske to Dr. Meghan Funke. Dr. Funke has been working with the District for several years now. She recently obtained her Professional Engineering license, she currently manages over half of the District’s

current projects/activities with EOR, and she now lives nearby. Dr. Funke noted that she has been wanting to focus on a single watershed area, and this opportunity would allow her to do so. The managers expressed approval of the transition.

Dr. Funke also noted that she is planning to take maternity leave starting in January, but will continue to work on District projects and remain in communication with the District throughout the duration of her leave.

## 5. Old Business

### a) 3<sup>rd</sup> Lake Pond Project Update

Dr. Funke explained that phosphorus concentrations discharging from the project are in line with the reductions expected from the project design. As such, all signs point to this project being effective. Some factors that contribute to the homeowners' observed algae blooms include shallower depths near these shorelines, prevailing winds, and higher temperatures in mid-August. She noted that the goal of water quality improvement projects is to minimize algae blooms, not to eliminate them. Algae blooms are common in late August due to warm water, and many unusual algae blooms were recently observed in northern Minnesota as well. One of the factors is stratification and mixing which brings nutrient-rich water to the surface.

Manager Schmaltz indicated that, from his experience living on Forest Lake, algae blooms are typical, especially for this time of year. He recommended that the memo make note of the lack of native shoreline buffers in this area. Residents should be aware of the water quality benefits of native buffers, and potential impacts caused by turf grass lawns up to the edge of the water. Mr. Kinney added that yard waste dumping into wetlands is very common around the Forest Lake area. The managers concurred that this should be noted in the memorandum as well. There was discussion about other examples of illicit discharge within the watershed district. Mr. Kinney summarized the past concern about the burst filter bag. The bag was accidentally ruptured during construction and some material was discharged into the lake. However, the material in the bag was the same sediment that had been discharging through the outlet for years, and Peterson Companies thoroughly cleaned the area afterward, effectively removing more material than could have possibly been caused by the bag rupture. EOR collected samples on August 18<sup>th</sup> which visually showed clear water. Mr. Kinney added that it is not possible to determine the specific origin of the phosphorus from lab analysis.

There was consensus to make the recommended changes and distribute this memo to the residents around the project.

Manager Moe moved to direct that the indicated additions be made to the engineer's memo, and that it be distributed with a staff cover letter, to the residents. Seconded by Manager Schmaltz. Upon a vote the motion carried 3-0.

There was discussion regarding homeowner communications pertaining to this project. Mr. Kinney explained that President Anderson has had further contact with one of the nearby residents since the August 18<sup>th</sup> incident, and there have been some further attempts from the homeowner to negotiate the buffer dimensions. Manager Schmaltz expressed that managers should not be the points of contact with homeowners, and that all communications should be routed through Administrator Kinney. There was discussion about the previous Board motion to complete the project as intended. Manager Schmaltz recalled previously taking a stance that managers should not contact homeowners directly.

Manager Schmaltz moved that there will not be additional spending on this project except what was already committed, that managers should not engage in direct communications with the surrounding residents, and that all communications should be routed through Administrator Kinney. Seconded by Manager Moe. Upon a vote, the motion carried 3-0.

### **b) Castlewood Drainage Area Update**

Mr. Kinney described the proposed project that is under development in the Castlewood subwatershed of Forest Lake. He explained that there is a parcel with an absentee landowner. This parcel has been rented out for row crop farming purposes for decades. Much of the land on this parcel is apparently classified as HEL (“highly erodible land”) under USDA guidelines. Mr. Kinney described recent conditions as noted from his visits to the site which point to erosion and phosphorus export from the site. He explained that implementation of agricultural best management practices on this site would have a very good cost-benefit ratio. Engineer Graske noted that monitoring through the ongoing Castlewood Subwatershed Assessment study points to this site being a significant source of phosphorus loading. There was discussion about monitoring and cost-benefit analysis. It was estimated that the phosphorus reduction cost-benefit ratio is very favorable, and that furthermore this project would help protect the golf course stormwater reuse project which is located downstream of the site.

There was Board consensus to direct the Administrator to move forward with this project and to take next steps to bring updates at a future board meeting.

### **c) 2019 Budget Prioritization**

Manager Moe noted that President Anderson wrote a letter to the Board indicating that she could not attend tonight’s meeting and requesting a motion be made to reconsider the previous motion to convene for a 2019 Budget Priorities Workshop on Thursday, October 11, 2018 from 9 am to 4pm.

Manager Schmaltz noted that President Anderson has requested approximately \$600,000 worth of changes to the budget which are significant. He recommended that the Board discuss the suggested changes tonight to advance the productivity of the discussion at the October 11 workshop. Legal Counsel Holtman indicated that as a

procedural matter, there are two options: either Manager Spence, as chair, can decide that present discussion is not in conflict with the Board's prior motion to hold the October 11 workshop, or a motion to reconsider, in accordance with requirements of Robert's Rules, can be advanced to reopen the motion to set the October 11 date.

Manager Moe noted his concern regarding the accuracy of President Anderson's past statement that Little Comfort and Comfort Lakes have sediment loading rates that are ten times that of all other District lakes. He recapped the District's philosophy of starting at the top of the watershed and working down. He summarized the history of the Chisago County petition, which was originally suggested by Manager Anderson, and how the petition shifted focus toward Comfort Lake.

Manager Spence expressed his view that the Board's discussion of priorities should occur when Manager Anderson is present, and also Manager McNamara if possible. Manager Moe recommended a start time of 4:00 pm. There was discussion about scheduling and availability.

Manager Moe noted that the Board had previously directed staff to create a proposed budget, and that he agreed with staff's recommendations. Manager Schmaltz indicated that President Anderson is recommending \$600,000 be cut from the expense budget and put into reserve, and that half of those cuts are coming from projects in the Forest Lake subwatershed. He expressed that he is in agreement with some of President Anderson's recommended budget changes, but that any additions should be accompanied by a subtraction so that the total budget doesn't change. Administrator Kinney explained the District's past practice of adaptive management and indicated that the budget is not set in stone.

There was further discussion about availability, and September 18<sup>th</sup> and 24<sup>th</sup> were proposed as potential dates. Manager Spence will contact President Anderson about her availability for those dates. Manager Schmaltz expressed a preference for the 18<sup>th</sup>.

There was discussion about the relationship between phosphorus, total suspended solids, and effects on water quality. Manager Schmaltz indicated that the Bixby Park project reduced sediment loading by 110,000 pounds per year. Manager Spence noted that, due to conveyance through Shallow Pond, it is unknown exactly what the reduction seen at Comfort Lake actually is. Administrator Kinney and Dr. Funke indicated that, at the meeting, they can provide data regarding sediment loading sources. Dr. Funke indicated her presentation would require about half an hour. Manager Moe noted that the Six Lakes Total Maximum Daily Load (TMDL) study indicates that allocated load reductions for Comfort Lake are largely from Little Comfort Lake; therefore the District should focus on improving Little Comfort Lake first.

Administrator Kinney recommended that the Board look at progress toward meeting state water quality standards as one component of measuring progress and prioritizing projects. He noted the District's adaptive management philosophy and how projects don't necessarily need to be all decided at once; prioritization will be guided based on

ongoing data collection and analysis. There was further discussion about adaptive management. Manager Spence expressed that if a particular project isn't included on the 2019 budget, that doesn't necessarily mean it will never move forward. He expressed that the Board doesn't need to get down to a granular detail on the budget, but should have a general sense that the District is moving in the right direction.

## **6. Summary and Approval of Board Direction**

Administrator Kinney noted that the board direction table was started in April of this year and has already reached over 40 items. He urged the Board to consider the associated financial costs of having roughly a half-dozen extra manager-assigned tasks each month. Manager Schmaltz suggested that the Board vote on staff directives given at each meeting.

There was discussion about upcoming manager turnover. It is believed that the Washington County course of action will be to appoint Jen Oknich as the replacement for Manager McNamara, and that Manager Moe could remain on the Board until a replacement for him is found.

## **7. Adjourn**

### **a) Next regular board meeting – September 27, 2018**

Manager Moe moved to adjourn the meeting. Seconded by Manager Schmaltz. Upon vote, the motion carried 3-0, and the meeting adjourned at 6:19 p.m.

Wayne S. Moe, Secretary \_\_\_\_\_