

**MINUTES OF THE REGULAR MEETING  
OF THE  
COMFORT LAKE – FOREST LAKE  
WATERSHED DISTRICT  
Thursday, October 27, 2016**

**1. Call to Order**

President Anderson called the October 27, 2016 Regular Board meeting to order at 6:30 p.m. in the Council Chambers of the Forest Lake City Center, 1408 Lake Street South, Forest Lake.

Present: President Jackie Anderson, Vice President Jon Spence, Secretary Wayne Moe, Treasurer Steve Schmaltz, Assistant Treasurer Jackie McNamara

Others: Mike Kinney, Mike Sorensen, Jessica Lindemyer (CLFLWD staff); Greg Graske, Derek Lash, Meghan Funke, Cecilio Olivier, Jason Naber (EOR); Chuck Holtman (Smith Partners); Denise Martin (Chisago County Press); Jack MacKenzie (Citizen Advisory Committee); Mark Apfelbacher (Connect Ecology); Dave Bakke (Bone Lake Association).

**2. Setting of Meeting Agenda**

President Anderson moved item 7e. Hilo Lane Update to the top of New Business after AIS Year-End Review.

**3. Consent Agenda**

- a) **Board Workshop Minutes – August 25, 2016**
- b) **Regular Board Meeting Minutes – September 8, 2016**
- c) **Regular Board Meeting Minutes – September 22, 2016**

Manager Moe moved to approve the consent agenda as presented. Seconded by Manager Spence. Upon a vote, the motion carried 5-0.

**4. Public Open Forum**

There were no comments.

**5. Citizen Advisory Committee Update**

CAC Chair, Jerry Grundtner, was not present to provide the usual update. President Anderson acknowledged that the Board received the minutes from the latest CAC meeting and noted that they are very thorough, as usual. She mentioned that she had a few questions and comments on the minutes. She noted that the minutes indicate that the District will seek input from the CAC during the Watershed Management Plan amendment process, which is good. She asked about the acronym on page two: VLAWMO. Program Assistant, Mike Sorensen clarified that it stands for

Vadnais Lakes Area Watershed Management Organization. President Anderson then noted that the minutes indicate that the CAC is interested in recruiting high school students to be on the CAC. She asked legal counsel if statute requires that CAC members be property owners within the District. Legal Counsel Chuck Holtman responded that he believes that CAC members must only be residents of the District, they do not need to be property owners. President Anderson finally noted that there was previous discussion about how the District and CAC could model an education program after the MN Agricultural Outreach Program, which was noted to be a very successful program.

## **6. New Business**

### **a) 2016 AIS Yearend Review**

Program Assistant, Mike Sorensen, gave a presentation summarizing the District's aquatic invasive species (AIS) activities in 2016. He started off by indicating that the full, 61-slide presentation can be found on the District's website, and that he will be presenting a shortened version of it at the meeting. Mr. Sorensen went on to mention that the District's AIS Prevention and Management program has been chosen as a finalist for the MN Association of Watershed Districts (MAWD) Program of the Year Award. The District submitted two other nominations this year including the Cost-Share Program and the Bixby Park Water Quality Project. The award winner will be announced at the MAWD Annual Conference in early December.

Mr. Sorensen then presented on the 2016 watercraft inspection program. The District hired four full-time level 1 inspectors and three full-time level 2 inspectors this summer. The level 2 inspectors are trained and authorized to operate a watercraft decontamination unit, and rotate amongst several lakes within Chisago County and two accesses on Forest Lake (east and west basin). The level 1 inspectors rotated amongst the 5 public accesses within the District. The inspectors performed more than 2,000 inspection hours within the District this summer. In addition to that, watercraft inspectors with the Department of Natural Resources (DNR) performed another 730 inspection hours at the Forest Lake Lakeside Park access, with no cost to the District. When combining the District and DNR inspector hours, all 5 accesses are either close to meeting, or exceeding the goal hours for the year. Inspectors were required to work during the busiest boat traffic times throughout the summer such as evenings, weekends and holidays. Mr. Sorensen indicated that he will prepare a report summarizing the inspection hours and survey data once he receives the survey data from the DNR.

Mr. Sorensen then briefly went through three major lakes and presented the major takeaway points for each one, starting with Bone Lake. For the second year in a row, curly-leaf pondweed sprouted later in Bone Lake compared to other lakes in the District. The District was unable to treat curly-leaf pondweed in Bone Lake this year due to water temperatures being higher than 55 degrees, which is the upper limit of what the DNR typically allows during treatment. However, the District has been in contact with the DNR invasive species specialist about this issue, and a special permit may be issued in 2017 to allow a later treatment date. This year, 0.69 acres of Eurasian watermilfoil on Bone Lake was delineated for treatment. Though the nuisance growth was greater than 0.69 acres, much of it occurred near water lilies and was not permitted for treatment. The DNR does

not allow herbicide treatment of Eurasian watermilfoil within 50 feet of water lilies. The post-treatment assessment show moderate to heavy growth of Eurasian watermilfoil in the north and south ends of the lake, including in areas near water lilies and within treatment areas.

The District treated 113 acres of curly-leaf pondweed on Forest Lake this year. The post-treatment assessment survey showed that the level of control did not meet expectations. The likely reason for this is that the lake service provider underestimated the depth of the lake in treatment areas and subsequently underdosed the plants with herbicide. The District treated 13.9 acres of Eurasian watermilfoil on Forest Lake this year. The post-treatment assessment survey found light to moderate growth in treatment areas, but no heavy growth. The District performed two rounds of herbicide treatment on a 36-acre treatment area of flowering rush in Forest Lake this year. The post-treatment assessment survey showed excellent control of flowering rush; there was an 89% reduction in coverage compared to pre-treatment conditions earlier this year. Steve McComas of Blue Water Science recommended that this year's treatment procedure be repeated in 2017 with the continuation of manual flower removal to prevent seeds from spreading. In 2014, surveys showed over 300,000 square feet of flowering rush coverage in Forest Lake. In September 2016, flowering rush coverage was surveyed at an estimated 9,200 square feet. This is a decrease of approximately 97% since 2014.

Curly-leaf pondweed on Comfort Lake was surveyed at low densities this year, therefore treatment did not occur. The District treated 7.5 acres of Eurasian watermilfoil on Comfort Lake this year. This was an experimental early-season treatment that the DNR gave the District special permission to perform. The purpose of this was to treat as much nuisance growth as possible before water lilies began to grow near the proposed treatment areas. The post-treatment assessment found light to moderate Eurasian watermilfoil growth around the entire lake, and some heavy growth in the northwest portion of the lake. It is possible that nutrient-rich water entering the lake through the inlet in the northwest portion of the lake may be stimulating growth.

No new zebra mussel infestations were observed in District lakes this year. Sampler plates were deployed on several large lakes within the District to monitor for new infestations. The existing zebra mussel population in Forest Lake was monitored using several samplers throughout the lake this year. Zebra mussel growth was observed on sampler plates in the west and middle basins, and in some patches in the east basin. One sampler plate was located in the bay south of the west basin, and no zebra mussels were found on it at the end of the season. Manager McNamara commented that she lives on the north shore of the west basin and she and her neighbors noticed many zebra mussels growing on their docks this year.

President Anderson pointed out that the AIS Yearend report indicates that the carp population in Bone Lake appears to be smaller than in previous years, as noted by residents of Bone Lake. The report notes that the fish barriers that were installed by the District may be part of the reason for this.

Manager Moe asked if staff has noticed an increase in native plant diversity in Bone Lake this year, as he has recently noticed new plant species near his dock. Administrator

Kinney responded that he spoke with Steve McComas earlier this year after a plant survey on Bone Lake. Mr. McComas had indicated that he saw native species that he had not observed previously within Bone Lake.

Mr. Sorensen then introduced Mark Apfelbacher, founder of Connect Ecology, to talk about the CD3 station. Mr. Apfelbacher indicated that he has been talking with local watershed groups over the past six months to understand their goals for AIS management. Through that process, they have created the CD3 (Clean, Drain, Dry, Dispose) station. They received a grant from the MN Pollution Control Agency (PCA), and have preliminarily received a grant from the Initiative Foundation to develop it, with Wildlife Forever serving as the grant fiscal agent. It is a cleaning station that is designed to give boaters the tools to clean their watercraft in order to prevent the spread of AIS. The public partners would participate in the design process and a pilot model is proposed to be installed at the public boat access at Lakeside Park on Forest Lake in 2017. During the pilot period the technology's capabilities, number of uses, and feedback from boaters would be reviewed in order to improve the product design. Since the grants do not cover equipment costs, Connect Ecology is asking for an \$18,000 contribution from the District to fund construction and installation of the pilot product. Administrator Kinney added that Connect Ecology has been very receptive to feedback from the District throughout the development processes, and that the Lakeside Park public access is one of the busiest accesses in Washington County. He went on to note that it may be possible for a portion of the expense to be covered by a Washington County AIS Prevention grant in FY17. The District has had some discussion with Washington County about this and they seem receptive to the idea. Administrator Kinney has also discussed the possibility of sharing some of the cost with the City of Forest Lake and Forest Lake Lake Association. It was clarified that the total cost for the pilot at Lakeside Park would be a maximum of \$18,000 and that could be split amongst the District and other organizations. President Anderson asked for a walk-through of the product components and process. Mr. Apfelbacher explained that the compressed air wand is set at 35 PSI, which is the OSHA standard and would not damage skin. He noted that the compressed air is not heated. There would be a waste bin available for boaters to use to clean up blown off plants and debris after using the compressed air wand. Signage would be included on the product to instruct users on how to properly use the product and dispose of waste materials. Instructional videos would tell users when to use different tools such as the compressed air blower, vacuum suction hose, extended grabber, etc. There was further discussion about the specifics of the product design, location, and product maintenance. President Anderson expressed concern about the District's legal ability, as a government entity, to participate in this pilot program. Legal Counsel Holtman responded that the basic answer is yes, the District does have the ability to spend money on something of this nature. The District should be making sure that the expenditure of public funds is going toward securing water resource benefits within the watershed district. The fact that the expenditure may be advancing a private interest isn't disqualifying if that interest is incidental to the principal public purpose of the expenditure. There was further discussion about the District's commitment and other potential sources of funding.

Manager Schmaltz moved to commit an amount not to exceed \$18,000 to the CD3 pilot program and proceed with seeking funding contributions from other sources such as

Washington County, the City of Forest Lake, and the Forest Lake Lake Association.  
Seconded by Manager Spence.

Discussion: Legal Counsel Holtman noted that there are still some open questions with regard to risks associated with participating in the pilot program, such as ownership of the unit, responsibility for damage, potential safety scenarios and ownership and maintenance after the pilot year. Given these unknowns, Mr. Holtman suggested a revised motion delegating authority to the Board President to authorize expenditure of up to \$18,000 and make a final determination based on the specifics of the agreement as they are finalized. Mr. Kinney stated that City staff would recommend to the City Council that the City would own the unit and provide power to it. Mr. Apfelbacher stated that it is Connect Ecology's goal to assume responsibility and liability during the pilot year. President Anderson also recommended that the motion include that signing of an agreement be on advice of counsel. There was further discussion regarding concerns about ongoing maintenance costs and the possibility of not receiving funding from partners.

By unanimous consent, the motion was amended to authorize the Board President to make a final decision on a commitment, not to exceed \$18,000, based on specifics of the final agreement and on advice of counsel, and to direct the District administrator to proceed with seeking funding contributions from other sources such as Washington County, the City of Forest Lake, and the Forest Lake Lake Association.  
Upon a vote, the motion carried 5-0.

Mr. Apfelbacher stated that the necessary commitment would be half of the total cost (\$9,000) by December 1. The intent is to have an agreement among Connect Ecology, the District and the City by that date.

**a1) Hilo Lane Update (moved up from agenda item 7e)**

Derek Lash, Engineer with Emmons & Olivier Resources (EOR), provided an update on the Hilo Lane Stormwater Retrofit Project. Mr. Lash explained that the project was awarded to Sunram Construction Inc. earlier this spring, and they started construction on May 31<sup>st</sup>. The project was split into two phases, the first of which was completed in the spring of 2016 and was eligible for reimbursement from the FY13 Clean Water Partnership grant that expired in June. Phase 2, which is scheduled to begin in December or January, will entail construction of the iron-enhanced sand filter. Staff spent a lot of time at the construction site this spring and noted that the contractor did a good job with engineering components such as storm sewer pipe work, and no erosion control issues were observed. However, one of the challenges with the site being in a residential area was ensuring that disturbed areas were re-stabilized with turf grass consistent with the surrounding lawns. Insufficient stabilization in the project area, topsoil that appears not to meet specification, and a lack of contractor responsiveness are problems that the District has had with the contractor. Another problem has been difficulty in communications with regard to pay request inquiries. Given the sensitivity involved in the next phase of the project, particularly in the installation of the iron-enhanced sand filter, and the previous issues with the contractor, staff is recommending that the Board authorize the Administrator to terminate the contractor's agreement and work with another contractor to complete the second and final phase of the project.

There was discussion about the legal details of contract termination. Legal Counsel Holtman explained that the District has the legal right to terminate the contract due to breach, or to terminate for convenience. He recommended that given the nature of the dissatisfaction and the interest in completing the relationship with the contractor efficiently, the District should terminate for convenience. It was clarified that the engineering work that the contractor performed for the project was done well, but the site restoration work was inadequate under the contract standards. Mr. Lash explained that the work completed to date, including a pay request that has not yet been approved, totals about \$50,000; a small amount of which covers the work that was deemed inadequate. There is \$65,000 of work left on the current contract. Mr. Lash estimated that, at this point, it would take approximately \$4,500 to restore the site to contract standards. Legal Counsel Holtman explained that the District has two options with regard to remedying the inadequate restoration work. The District may direct the contractor to correct the work. If the contractor does not correct the work, then the District has the right to go in and correct the work itself and deduct the cost from what is owed to the contractor. The other option, if time constraints require, would be for the District to immediately correct the work itself. However, the District would not have the right to deduct the cost from what is owed to the contractor in this case. On further discussion about the potential need to remove inadequate topsoil, Mr. Holtman added that defective work could be accepted with a pay deduction for loss of value.

There was discussion about communications with the contractor regarding corrective work and mobilization charges. Administrator Kinney summarized the issues with the site restoration and communication. He explained that, if the District did not switch contractors, the oversight required for phase 2 would cost more than the costs associated with switching contractors.

Legal Counsel Holtman suggested that the Board make a motion to authorize the Administrator to terminate the existing contract for convenience, direct the Administrator to demand that the soil and vegetation restoration work be corrected, to authorize the Administrator to have the corrective work done if it is not completed by the contractor, to direct the Administrator to determine the status of payment due and bring a recommendation for final payment to the Board, and to authorize the Administrator to obtain competitive quotes for the remaining work. There was further discussion about the quality of work performed, previous communications with the contractor, and options for next steps.

President Anderson moved to authorize the District administrator to terminate the contract for convenience; to notify the contractor of defective work on the project and that the cost to correct the defective work, or a deduction in value for accepted defective work, will be reflected in the final payment; to bring forward a recommendation for final payment; and to obtain competitive quotes for hiring a new contractor to finish the work, and bring the quotes back to the Board for final approval. Seconded by Manager Moe. Upon a vote, the motion carried 5-0.

**b) Permit 16-018 Lorenz Concrete**

Engineer Greg Graska presented the Engineer's Report for permit 16-018 Lorenz Concrete. He explained that the proposed project will entail construction of office and maintenance buildings and associated parking lot at 23880 Goodview Circle North, Forest Lake. The proposed project incorporates two filtration basins/rain gardens with underdrains due to the poorly drained soils onsite. These features meet the District's rate, volume and water quality requirements. This site also addresses the District's erosion control requirements. Engineer Graska recommended conditional approval of the permit application pending receipt of the exhibits listed in the Engineer's Report.

Manager Schmaltz moved to conditionally approve permit application 16-018 as recommended by Engineer Graska. Seconded by Manager McNamara. Upon a vote, the motion carried 5-0.

**c) Keystone Waters Proposal**

Administrator Kinney reminded the Board of the previous one-year contract that the District had with Keystone Waters for administrative support for various tasks identified in the proposal. Some of the tasks that were previously performed by Keystone Waters, such as drafting of meeting minutes, are now being completed by District staff. As such, it is anticipated that monthly costs will be significantly less than the estimate in the proposal. However, the proposal amount is still high enough to cover costs in the event that administrative assistance is heavily needed.

Manager Moe moved to approve the Keystone Waters, LLC proposal to support District programs and projects as directed by the District Administrator or Board of Managers at an average monthly cost not to exceed \$1,101.84. Seconded by Manager McNamara.

Discussion: Manager Schmaltz commented that, when renewing a contract, it would be helpful to review what was accomplished under the last contract.

Upon a vote, the motion carried 5-0.

**d) 2017-2018 Professional Services RFP**

Administrator Kinney introduced the topic and asked for guidance from the Board in terms of how to process the proposals in each of the different professional categories.

Manager McNamara moved to retain Smith Partners for legal services for a period of two years under the terms proposed. Seconded by Manager Spence. Upon a vote, the motion carried 5-0.

Manager Spence moved to retain Abdo, Eick, & Meyers for audit services for a period of two years under the terms proposed. Seconded by Manager Schmaltz. Upon a vote, the motion carried 5-0.

Manager McNamara moved to retain Redpath & Company for accounting and payroll services for a period of two years under the terms proposed. Seconded by Manager Moe. Upon a vote, the motion carried 4-1 (Manager Anderson opposed).

There was discussion about the proposal submitted by Blue Water Science and the specific language that was included in the request for proposals. President Anderson noted that Blue Water Science's area of expertise is in a separate pool than those that were meant to be solicited in this RFP. Legal Counsel Holtman noted that if the District is obtaining professional services on what is essentially a retainer rather than project-specific basis, it generally should solicit proposals for those services every two years. Administrator Kinney added that two other firms that submitted proposals, Inter-Fluve and Applied Ecological Services, may also fall into the lake management pool. It was concluded that these three firms may be put into the District's lake management consulting pool for future consideration.

Manager Spence moved to approve the inclusion of Blue Water Science, Inter-Fluve, and Applied Ecological Services as part of the District's lake management consulting pool. Seconded by Manager Schmaltz. Upon a vote, the motion carried 5-0.

The Board then discussed the remaining engineering proposals from Emmons & Olivier Resources (EOR), Geosyntec, Wenck Associates Inc., and Barr Engineering Co. President Anderson began the discussion by comparing the rates and estimated costs for the firms. She noted that Geosyntec seemed to be much more costly than the other firms and ruled them out for that reason. The rest of the Board was in agreement with ruling out Geosyntec. President Anderson noted that rates for the remaining three firms were all similar. Manager Schmaltz noted that the EOR proposal includes a flat rate for board meeting attendance, which other proposals did not include. President Anderson explained that, based on the proposals, the three firms seemed to be equally qualified in the engineering field, whereas Wenck and EOR seemed more experienced in the lake management field.

Manager Spence moved to retain Emmons & Olivier Resources for engineering services for a period of two years under the terms proposed. Seconded by Manager McNamara. Upon a vote, the motion carried 5-0.

Manager Moe moved to include Wenck Associates Inc. and Barr Engineering Co. in the District's engineering consulting pool. Seconded by Manager Spence. Upon a vote, the motion carried 5-0.

**e) Master Watershed Stewards Fiscal Agent**

Administrator Kinney summarized the request from CAC member and Master Watershed Steward, Jack MacKenzie, for the District to serve as fiscal agent for Mr. MacKenzie's Master Watershed Steward capstone project. Mr. MacKenzie then provided more detail on the project. It entails the creation and distribution of informational "welcome coolers" to new lakeshore homeowners. The cooler would contain materials from the District as well as the Department of Natural Resources, Department of Agriculture, and MN Pollution Control Agency educating homeowners on how to enhance their properties in a way that

protects and improves the watershed. Mr. MacKenzie is requesting that the District serve as fiscal agent for the project which would largely entail handling finances from the project grant and contributors. Administrator Kinney expressed support for the action and recommended Board approval.

President Anderson explained that supporting this project fits within the District goals. It was then confirmed that a motion would be a sufficient record of the Board's approval of serving as fiscal agent.

Manager Spence moved to approve the request for the District to serve as fiscal agent for Jack MacKenzie's Master Watershed Steward capstone project. Seconded by Manager Moe. Upon a vote, the motion carried 5-0.

**f) Watershed Management Plan Amendment**

Administrator Kinney explained that staff is seeking formal direction from the Board in proceeding with a Watershed Management Plan amendment. This topic has been discussed at various levels in the past and is included in both the 2016 and 2017 District budgets. Staff has proposed a timeline for the amendment process including task assignments and deadlines. Administrator Kinney added that the amendment would include re-evaluating District goals as well as adding specific projects that have been identified through the diagnostic work that the District has performed. In order for the District to spend public dollars on capital improvement projects, those projects must be included in the Plan.

Manager Schmaltz inquired if the timeline could be accelerated in order to be finished with the amendment before the District starts to get busy with other activities in May/June. Administrator Kinney explained the amendment timeline in more detail, which includes soliciting input and new ideas from other organizations. This communication and coordination would take more time than a simple update of the Plan framework, hence the timeline extending into June.

Administrator Kinney noted that the Board of Water and Soil Resources (BWSR) will decide whether or not the amendment constitutes a "minor" plan amendment, which has a short review period, or a "major" plan amendment, which has a longer review period that would extend the proposed timeline. President Anderson explained how the District's adaptive management philosophy is built into the current Plan. Amending the Plan using newly acquired information is part of this philosophy, so shouldn't constitute a major plan amendment. President Anderson went on to note that the Plan amendment process includes public hearings and allows for public input on proposed projects. Though public input is also solicited when it comes time to implement said projects, the process is less cumbersome because public input has also already been solicited through the amendment process.

**g) Mn DOT I-35 Unbounded Concrete Overlay Project**

Administrator Kinney recounted a recent meeting between District and MN Department of Transportation (Mn DOT) staff regarding an upcoming road improvement project. There

was discussion about the details of the project including location, design-build process, and relation to the District's potential property acquisition in the area.

Engineer Grasko described the design-build process in greater detail. Mn DOT will submit calculations and general concept plans to the District up front for Board approval. After permit approval, the contractor will put together a detailed final plan for submittal to Mn DOT. Mn DOT will review the final plan, confirm that the District's rules are being met, and then send to the District for review. The purpose of this process is to accelerate the review turnaround time by obtaining Board approval up front.

Legal Counsel Holtman noted that the rules are currently set up so that a final design is submitted to the Board for approval. He explained that his understanding of the project is that the Board will be presented with the 30% design which will set the parameters to show that the rules will be met. Any changes that the contractor makes to the design will be within the framework of compliance that the Board has approved. When the 30% design is presented to the Board, the Board would be asked to approve the design and delegate authority to the Administrator to approve the individual final design packages as they are subsequently submitted.

#### **h) Clean Water Council Budget and Policy Recommendations**

Administrator Kinney introduced the topic and pointed out some of the changes within the CWC budget and policy recommendations. The One Watershed One Plan pilot that will be implemented in the St. Croix River Basin in 2017 may have impacts on budgeting and grant allocation. Administrator Kinney pointed out that funding for Grants to Watersheds with Multiyear Plans (Targeted Watershed Program) has been reduced to \$0, and funding for One Watershed One Plan Implementation has been set at \$12M. He went on to discuss One Watershed One Plan Implementation and the current level of coordination between the District and other organizations.

There was discussion about the benefits of implementing One Watershed One Plan within the metro area. Manager Spence pointed out on page 7 of the Local Government Water Roundtable policy paper that the workgroup acknowledges that there is a lot of good planning and implementation work already taking place in the Metro area through existing comprehensive watershed management plans. He also pointed out the note on that same page that the most significant question remaining for the Metro is how future state funds could be more efficiently distributed. President Anderson pointed out a note that BWSR is still controlling the criteria and oversight of grants.

Manager Schmaltz pointed out an increase in funding going toward groundwater related programs. It was noted that groundwater is a component of the Watershed Management Plan. Administrator Kinney mentioned the Shields Lake groundwater protection project that is listed in the Plan.

There was discussion about funding and future grant opportunities. President Anderson noted that the District should research not only grants available to the District, but also grants that are specifically available to private entities such as lake associations. She

explained how lake associations want to be involved and help out with projects, but don't have the funding to do so. Manager Schmaltz added that grants specifically available to cities should be researched as well.

**i) MAWD Annual Conference**

President Anderson started off the discussion by encouraging everyone on the Board to attend the MAWD conference this year since the District is nominated for an award.

Manager Moe moved to authorize the registration for any Manager or staff member that wishes to attend the 2016 MAWD Annual Conference. Seconded by Manager Spence. Upon a vote, the motion carried 5-0.

**7. Old Business**

**a) Forest Lake Wetland Treatment Basin**

Jason Naber, Biologist with EOR, provided an overview and update on the Forest Lake Wetland Treatment Basin Project (formerly known as the 3<sup>rd</sup> Lake Pond Project). In the design phase of the project, a wetland delineation was performed and approved by the Wetland Conservation Act (WCA) Local Government Unit (LGU) for this area, the City of Forest Lake. Another sediment survey was performed to test the sediment for suitability for various methods of disposal, and to assess how much sediment was located in the pond. Four to six feet of loose, unconsolidated sediment was found. The District is proposing to remove the sediment, rather than dredging the wetland, which is a key distinction with regard to permitting for the project. Residual spoil piles will be removed along with the sediment in order to restore the wetland. The island located in the middle of the pond, which contains some desirable native vegetation, will be preserved. The District received input on the project design from the City of Forest Lake. Some of the suggestions were located offsite from the project property and couldn't be included under the project's Clean Water Fund grant, so they have not been incorporated into this project. Two of the suggestions from the City that have been incorporated into the project include channel inlet and outlet stabilization. Permitting for the project is underway. The District has already received the "No Loss" certificate from the WCA LGU, and expects to receive the permit from the US Army Corps of Engineers soon.

Mr. Naber then explained that the District's short-term phosphorus reduction goal for Forest Lake's east basin is 150 lbs/yr, and that this project would remove 56 lbs/yr. A Clean Water Fund grant of \$162,000 covers a large portion of the project, with the rest being covered by the District.

Manager Schmaltz commented on how the project began four to five years ago with a Forest Lake Lake Association member complaining of algae blooms near this section of the lake.

Manager Moe moved to approve resolution 16-10-01. Seconded by Manager McNamara. Upon a roll call vote, the motion carried 5-0.

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

**b) Moody Lake Wetland Rehabilitation Project**

Jason Naber provided an overview and update on the Moody Lake Wetland Rehabilitation Project. The District completed a feasibility study for this project last year. The District's long-term phosphorus reduction goal for the surrounding watershed of Moody Lake is 555 lbs/yr, and this project would remove 445 lbs/yr. The District obtained two grants for this project: Clean Water Fund (\$429,284) and Clean Water Act Section 319 (\$78,028). This is a multi-year project with alternating phases of construction and monitoring, with a potential alum treatment at the end. Construction in Wetlands A and B, and a portion of Wetland C is scheduled for this winter. Soil coring results in Wetlands A and B show high phosphorus concentrations, which is why the District is focusing on those wetlands first. Initial tests on Wetland C do not show extensively high phosphorus. Therefore, instead of excavating the wetland, like the District is doing for Wetlands A and B, a sedimentation basin will be constructed at the northern end of the wetland. Flow entering the wetland through a ditch at the north end will be diverted into the sedimentation basin and then be re-routed into the wetland. The sedimentation basin would slow the flow from the ditch and allow solids to settle out and result in clearer water entering the wetland.

Manager Schmaltz asked how the payment amount for the easement was determined. Administrator Kinney responded that the initial basis for the payment was derived from the USDA's Conservation Reserve Program (CRP) rental rate per acre. From there, the District incorporated stipulations from the landowner to come to a final payment amount and schedule. The final payment amount ended up being very close to the initial estimate taken from the CRP. Administrator Kinney expressed that this seems like a fair payment amount. There was discussion about the different parcels and associated easement documents.

Manager Moe moved to approve resolution 16-10-02. Seconded by Manager Schmaltz. Upon a roll call vote, the motion carried 5-0.

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

**c) Land Acquisition Phase II**

Jason Naber gave a recap of the July 28<sup>th</sup> board meeting at which the Land Acquisition and Management Program was discussed. A preliminary assessment of two sites were brought to the Board's attention at that meeting, labeled Site A and Site B. The Board gave direction for staff to continue the assessment of Site B, which contains two parcels located near Home Depot in Forest Lake. Since then, Administrator Kinney authorized a scope of work from EOR to perform phase 2 of the assessment including some onsite field work.

Mr. Naber described the current conditions of the site and results from the field work. The site contains a wetland that is currently drained by a ditch that runs eastward, underneath Highway I-35. Mr. Naber discussed potential water quality improvement activities that could be implemented onsite, but concluded that there isn't much potential for projects if confined to the two parcels. However, there is much more potential for water quality improvement if the project were able to expand into adjacent parcels to the west and to the south. These two adjacent parcels are owned by the same property owner, who the District has been in contact with. The owner has expressed interest in working with the District on a project.

Mr. Naber went on to explain that there is even more potential for water quality improvement if the project area were expanded further to the north as well. This could tie in with the upcoming Mn DOT road improvements project. The estimated phosphorus load reduction for this potential project is 16-30 lbs/yr. Much of the contributing watershed to this area is made up of wetlands, which is why the estimated load reduction seems low; the existing load isn't very high to begin with.

There was discussion about potential projects and next steps including landowner outreach.

**d) Warner Nature Center Contract**

Administrator Kinney presented the draft contract with comments from legal counsel to the Board. Warner Nature Center is currently working on incorporating the comments into a final contract. It was confirmed that participation in this program is included in the District budget under Education and Outreach.

Manager Moe moved to authorize the District Administrator to sign the revised Warner Nature Center agreement on advice of counsel. Seconded by Manager Spence. Upon a vote, the motion carried 5-0.

**e) Hilo Lane Update [moved to New Business]**

**8. Report of Staff**

**a) Administrator**

Nothing to report.

**b) Emmons & Olivier**

Engineer Grasko mentioned that one or two variances will be presented at the next board meeting. The Board congratulated EOR on recently winning an international award.

**c) Smith Partners**

Legal Counsel Holtman thanked the Board for choosing to retain Smith Partners as the District's legal consultant.

**9. Report of Treasurer**

**a) Approval of Bills and Treasurer's Report**

Manager Schmaltz presented the Treasurer's Report and invoices to be paid and recommended approval.

Manager Spence moved to accept the Treasurer's Report and pay the bills in the amount of \$101,563.45. Seconded by Manager McNamara. Upon vote, the motion carried 5-0.

**10. Report of Officers and Managers**

Manager Moe reported that he has some ideas for possible resolutions for next year's annual MAWD conference, such as obtaining support from MAWD to create a stronger farm program similar to the Conservation Reserve Program (CRP).

President Anderson mentioned the possibility of the District hosting a bus tour of projects in either the fall or spring. She indicated that it would probably need to occur on a Saturday and would take about 3-4 hours.

**11. Adjourn**

**a) Next regular board meeting – November 17, 2016**

Manager Spence moved to adjourn the meeting at 9:52 p.m. Seconded by Manager McNamara. Upon vote, the motion carried 5-0.

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