

**MINUTES OF THE WORKSHOP
OF THE
COMFORT LAKE – FOREST LAKE
WATERSHED DISTRICT
Thursday, August 8, 2017**

1. Call to Order

President Anderson called the August 8, 2017 board workshop to order at 4:36 p.m. in the office of the Comfort Lake-Forest Lake Watershed District, 44 Lake Street South, Suite A, Forest Lake.

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

Absent: Assistant Treasurer Jackie McNamara

Others: Mike Kinney, Jessica Lindemyer, Emily Heinz (via teleconference), Mike Sorensen (CLFLWD staff); Greg Graske (Emmons & Olivier Resources); Jerry Grundtner, Randy Schumacher (Citizen Advisory Committee); Jessica Green (Northland Securities)

2. 2018 Draft Budget Discussion

Jessica Green explained four bonding scenarios that the Board may consider: \$2M paid over 15 years with annual payments of \$170,000; \$2M paid over 20 years with annual payments of \$140,000; \$5M paid over 15 years with annual payments of \$420,000; and \$5M paid over 20 years with annual payments of \$350,000. Ms. Green explained several fees to consider when bonding. There was discussion regarding bonding as it relates to District capital improvement projects. Ms. Green indicated that she could send some additional information on spending deadlines to Administrator Kinney. Manager Schmaltz expressed concern about spending deadlines and project readiness for Forest Lake. Ms. Green noted that the District could work with a local bank to obtain a smaller bond in the range of \$500,000 if spending deadlines are a concern.

To the point of project readiness and funding needs, there was discussion regarding progress toward each lake's water quality goals and current and planned projects. Engineer Graske provided a summary of several completed, ongoing, and planned projects for each of the four lake management districts. Once all are completed, these projects should bring each of the District's main lakes to their respective long-term water quality goals. Specific projects were discussed in detail including: Little Comfort Lake and Forest Lake diagnostic studies; Bone Lake wetland restorations; Washington Judicial Ditch 6 improvements; alum treatments on Moody, Bone, Birch, School, and Little Comfort lakes;

Bone Lake agricultural field practices; and Sunrise River stream assessment. There was discussion about prioritizing projects that have the biggest impacts on water quality.

Manager Schmaltz requested that more projects for Forest Lake be prioritized sooner rather than later. There was discussion about timing and necessary monitoring to target specific best management practices within loading areas that have already been identified. Potential projects within each loading area from the Forest Lake diagnostic study were discussed in detail. There was agreement to add more funding into the 2018 budget for projects for Forest Lake.

President Anderson and Manager Schmaltz agreed that the District needs to have several potential projects in line at all times in order to limit down-time between implementation of different projects. There was discussion about bonding options and raising the tax levy. If the District isn't able to keep obtaining large grants, it will need to explore bonding, loans, and/or increasing the levy to be able to implement water quality capital improvement projects. There was general consensus to add \$60,000 into the 2018 budget to fund feasibility studies to target water quality projects for Forest Lake, and to delay the bonding process until 2019 or later when the District will be more ready to implement projects in the Forest Lake area. It was clarified that multiple bonds may be necessary.

There was further discussion about timelines and funding necessities for upcoming projects, as well as estimated revenues and expenditures for the next three years. There was discussion about ongoing operational costs and minimum reserve balance.

Manager Spence moved to accept a total proposed 2018 budget of \$2,242,223, and a total 2018 levy of \$1,200,000. Seconded by Manager Schmaltz. Upon a vote, the motion carried 4-0.

Manager Schmaltz requested that staff clean up the draft 2018 budget and bring it back to a future board meeting for further discussion.

3. Flowering Rush Treatment on Forest Lake

Watershed Technician Emily Heinz provided an update on the flowering rush treatment program on Forest Lake. This year's strategy is largely the same as in previous years with two rounds of two types of herbicide treatment: large-patch spraying from the boat, and small patch spraying by walking the shoreline with backpack sprayers. Additionally, staff and CAC Chair/Forest Lake shoreline resident, Jerry Grundtner, will cut the flowers off the plants in order to prevent spread and propagation via seeds. Program Assistant Mike Sorensen added that flowering rush appears to be in the same places as last year, but in lower densities and poorer health, suggesting long-term effectiveness of past treatments. There was discussion about reduction versus full eradication. Mr. Sorensen indicated that he is not familiar with any cases of full eradication, but it is possible to bring densities down to a level where a treatment every three years can be effective in managing flowering rush in the long-term.

4. Forest Lake Wetland Treatment Basin (3rd Lake Pond)

Administrator Kinney explained the District's recent communications with several homeowners around the project area. These residents have expressed concerns regarding final touch up work with several aspects of the project including the outlet area and wetland buffer. Mr. Kinney stated that he has had numerous individual meetings and frequent correspondence with the homeowners in order to address their concerns. Recently, the City of Forest Lake staff had organized a neighborhood meeting after a resident contacted their office. Mr. Kinney requested that the City provide recommendations since the complaints were centered on the two project elements that had been added at the City's request. Furthermore, Mr. Kinney asked that the meetings be held individually so as to understand and address individual concerns. The neighborhood meeting was held anyway. Topics of discussion included: the history of the project, the City's request to add additional elements, the Cooperative Agreement between the City and the District, the monitored water quality improvements to Forest Lake being observed, the purpose of the wetland buffer, the District's rules as they relate to wetland buffers required under permits, past communications regarding the buffer, homeowner comprehension and expectations of a wetland buffer, and homeowner requests for a reduced buffer area. The City Administrator and City Engineer supported the suggestion of a substantially reduced buffer on this City owned property as requested by residents. Mr. Kinney further explained the homeowners' requests, possibilities for compromise, and requirements that the Board of Water and Soil Resources (BWSR) has for Clean Water Fund (CWF) projects such as this. BWSR may allow some buffer averaging to partially satisfy some of the homeowners' requests, but it would not consider allowing the full buffer reductions that the homeowners are requesting. Furthermore, if the District failed to meet BWSR requirements for the buffer, it could negatively affect the District financially as BWSR could require a repayment of the grant. Mr. Kinney added that there are permitting considerations to keep in mind as well under both the US Army Corps of Engineers and Wetland Conservation Act.

There was discussion about project performance. Mr. Kinney explained that monitoring data from this summer shows that the project is performing better than expected, and is meeting its goals for water quality improvement. All the residents agreed that the lake water quality in their area of 3rd Lake is much improved. Mr. Kinney noted that the wetland buffer component is intended to extend the working lifespan of the project. The homeowner's desired buffer is estimated to be much less than half of the buffer that was included in the project design. There was discussion about what the required wetland buffer widths would have been if this residential area were developed in accordance with the District's rules under its permitting program.

President Anderson explained that the residents seemed to understand the importance of the buffer and project effects on water quality during the recent meeting. She believed that the homeowners' concerns were largely regarding aesthetics and personal use of the land. There was discussion about specific buffer dimensions and proposed location for a walking path.

Mr. Grundtner explained his communications with several of the homeowners and their varying concerns and desires. Future communications were discussed, including communicating to homeowners which items still need to be completed and to expect landscaping crews to be onsite in the upcoming weeks. There was discussion about the cooperative agreement with the City of Forest Lake, and BWSR's requirements. BWSR indicated that the District is completely responsible for the project, including the buffer, for the 25-year lifespan of the project. It was clarified that the buffer is entirely situated on city property; no portion of the buffer is located on private property.

Manager Schmaltz expressed concern about potential impacts to the District's ability to obtain CWF grants from BWSR in the future. He suggested that Mr. Kinney communicate the BWSR requirements for the buffer to the City of Forest Lake and the homeowners. Manager Schmaltz also expressed concern about buffer signage, potential dumping within the wetland, and enforcement of the buffer dimensions in future years. There was discussion of how to communicate with city staff in order to come to an agreement on buffer dimensions and project protection. There was also discussion about green bins for residential disposal of organic compost materials.

It was agreed that the District should work with the City to ensure that BWSR's buffer requirements are being met. Mr. Kinney explained some areas for potential compromise between the District's constraints (BWSR requirements, statute, District rules) and the homeowners' requests. He indicated that he would work with EOR to create a design for such a buffer. It was clarified that BWSR would allow buffer averaging, meaning that the width could be reduced in some areas so long as it is increased in other areas.

There was agreement that averaging could be used, but the net buffer area must not be decreased. A reasonable path through the buffer may be acceptable from the District's perspective, so long as it is acceptable by BWSR. There was discussion about additional strategies to improve the aesthetics of the buffer, such as incorporation of native flowers (e.g. purple coneflower). There was consensus that the District should reach an agreement with the homeowners for the revised buffer dimensions by mid-September if possible. There was also unanimous consensus of the Board that the District would continue to implement the buffer area per the plan with the understanding that adjustments can be made as long as they conform to BWSR approval.

5. Adjourn

a) Next regular board meeting – August 24, 2017

Manager Spence moved to adjourn the meeting at 7:53 p.m. Seconded by Manager Moe. Upon vote, the motion carried 4-0.

Wayne S. Moe, Secretary _____