

**MINUTES OF THE REGULAR MEETING
OF THE
COMFORT LAKE – FOREST LAKE
WATERSHED DISTRICT
Thursday, August 9, 2018**

1. Call to Order

Vice President Spence called the August 9, 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.

Present: President Jackie Anderson, Vice President Jon Spence, Secretary Wayne Moe, Treasurer Steve Schmaltz, Assistant Treasurer Jackie McNamara (note: President Anderson listened to the first portion of the meeting from a remote location, without participating).

Others: Mike Kinney, Emily Heinz (via teleconference), Jessica Lindemyer, Erin Edison (CLFLWD staff); Greg Graske, Meghan Funke (Emmons & Olivier Resources); Chuck Holtman (Smith Partners); Jerry Grundtner (Citizen Advisory Committee); Dave Bakke, Terry Pohlkamp, and Mary Jo Pohlkamp (Bone Lake Association); Sherry Stirling (Chisago Lake Town Board).

2. Setting of Meeting Agenda

Manager Schmaltz indicated that he received a call from a homeowner near the 3rd Lake Pond Project and wishes to share more information with the Board. He requested that agenda item 9a Manager Comments be added.

Manager Moe moved to approve the meeting agenda as amended. Seconded by Manager McNamara. Upon a vote, the motion carried 4-0.

3. Public Hearing – Bone Lake Drained Wetlands Project

Manager Spence opened the public hearing.

Administrator Kinney and Watershed Technician Emily Heinz summarized the project including the studies leading up to it, grant award, best management practice prioritization, and landowner engagement. Ms. Heinz related that the District sought and received Minnesota Clean Water Fund grant funding to restore up to six drained or partly drained wetlands. The project has a \$110,000 budget. Grant funding will supply up to \$88,000 and the District will fund the remainder from the ad valorem tax levy.

Bone Lake Association President, Dave Bakke, provided an update on the lake association's ongoing work in support of the District. They are supportive of the research and citizen engagement that has been done as part of these projects. He explained that the lake association nominated Craig Mattson, the landowner associated with the Moody Lake

Wetland Rehabilitation Project, for Scandia's Good Neighbor Award. Mr. Mattson will be given the award at the next city council meeting. Mr. Bakke expressed that the lake association is offering to assist the District in reaching out to landowners as part of the Bone Lake Drained Wetlands Project.

Manager Spence determined that no other persons wished to speak, and closed the public hearing.

4. Public Hearing – Moody Lake Alum Treatment Project

Manager Spence opened the public hearing.

Dr. Meghan Funke summarized the District's past and current efforts to improve Moody Lake from a highly impaired waterbody to that which will meet state water quality standards. The process has had several different steps and components including: fish management, diagnostic monitoring, wetland rehabilitation projects, wetland alum treatments, effectiveness monitoring, and finally the whole-lake alum treatment. Dr. Funke explained what to expect from the alum treatment process such as multi-day application timeline, water clarity changes, and what the equipment will look like. The application will be split into two doses in order to maximize effectiveness; the first dose will occur in fall 2018 and the second in 2019. Ms. Heinz further reiterated that the project is expected to achieve Moody Lake's long-term water quality goal and state standard of a mean summer phosphorus concentration of 40 micrograms/liter within the lake. She noted that increased water clarity will increase vegetative growth, which may include an increase in curly leaf pondweed. The project is supported by a \$135,000 Clean Water Fund grant.

Chisago Lake Town Board Member, Sherry Stirling, explained what a popular fishing and recreation resource Moody Lake is. She expressed that the community has taken notice of the past projects to improve the lake and is looking forward to the results of the alum treatment.

Manager Spence determined that no other persons wished to speak, and closed the public hearing.

5. Public Open Forum

No comments were made.

6. CAC Update

Watershed Assistant Jessica Lindemyer explained that the minutes of the last Citizen Advisory Committee (CAC) are included in this board packet, and that the minutes of the upcoming meeting will be included in the next regular board meeting packet.

7. New Business

a) Bone Lake Wetlands Project Ordering & Construction Award

Administrator Kinney explained that two actions are recommended at this time: to order the project and award the construction contract for one of the best management practices.

Manager Schmaltz moved to adopt resolution 18-08-01 ordering the Bone Lake Wetland Restorations Project. Seconded by Manager Moe.

Discussion: Manager McNamara asked if there are any issues pertaining to the grant if all landowners are not on board. Administrator Kinney noted that the District is not obligated to complete all six identified restorations in order to apply the grant to that work that is accomplished. He noted that the six sites together involve 22 landowners. It was clarified that three wetland sites have landowners on board, which includes more than three landowners total. Manager Schmaltz added that sites lower on the priority list still offer very cost-effective outcomes if landowner support isn't achieved for the six identified sites.

[President Anderson arrives]

Upon a roll call vote, the motion carried 5-0.

Manager	Aye	Nay	Absent
Jackie Anderson	X		
Jackie McNamara	X		
Wayne Moe	X		
Stephen Schmaltz	X		
Jon Spence	X		

Administrator Kinney presented proposed resolution 18-08-02, which would award the contract for wetland restoration at the initial site to Shoreline Landscaping, in the amount of \$21,020.63.

Manager Moe moved to adopt resolution 18-08-02 awarding the contract for wetland restoration implementation on the Edell property. Seconded by Manager Schmaltz. Upon a roll call vote, the motion carried 5-0.

Manager	Aye	Nay	Absent
Jackie Anderson	X		
Jackie McNamara	X		
Wayne Moe	X		
Stephen Schmaltz	X		
Jon Spence	X		

b) Moody Lake Alum Treatment Project Ordering & Bid Solicitation

President Anderson clarified that the Alum Treatment Project will achieve the District's long-term water quality goals for Moody Lake which are the goals for year 2040.

Manager Moe moved to adopt resolution 18-08-03 ordering and authorizing the solicitation of bids for the Moody Lake Alum Treatment Project. Seconded by President Anderson.

Discussion: Manager McNamara asked about the project budget and expense tracking processes. Administrator Kinney replied that funds on hand will be used for payments and will be resupplied by means of reimbursement from MPCA loan disbursements. He explained that staff utilizes an online software called Smartsheet which can be easily shared with partners and consultants. There was discussion about how to track loan repayments for projects like these when it comes time to start making payments. Manager McNamara stated that the District should not borrow from reserves for any purpose, as in her view the reserve fund should be larger than it is.

Upon a roll call vote, the motion carried 5-0.

Manager	Aye	Nay	Absent
Jackie Anderson	X		
Jackie McNamara	X		
Wayne Moe	X		
Stephen Schmaltz	X		
Jon Spence	X		

(President Anderson assumed the chair.)

c) 2019-2020 Professional Services RFP

Administrator Kinney recapped that the District is required by statute to solicit for professional services every two years. Prior to posting the request for proposals (RFP) this year, staff is giving the Board an opportunity to provide input. The deadline for submissions will be end of September, and the aim will be to finalize contracts by the December regular board meeting.

Manager Schmaltz expressed concern for the higher-than-budgeted accounting costs incurred so far this year, and inquired if Redpath Accounting is maintaining its contractual obligations for cost caps. Ms. Heinz explained that if Redpath's normal monthly accounting and payroll costs exceed the \$900 contract amount, that overage is shown on the monthly invoice as a discount. This way Redpath never invoices the District for an amount in excess of the contract price for monthly accounting and payroll, even if it exceeds the cost on its end. There was discussion about what activities are performed that are outside of regular monthly accounting and payroll. One example is the annual audit which can take a lot of time. There was discussion about how to account for these types of activities in the District's RFP. The RFP could request hours estimates, as well as rates, for completion of regular forms (e.g. PERA Exclusion Report,

Employee tax forms, etc.). Legal Counsel Holtman recommended keeping the RFP simple, then proceeding with additional details through the contracting process with the selected firm. There was agreement to modify the RFP to request rates and hours estimates for processing regular payroll reports, associated tax reports, and all required state and local forms, per employee (rather than for four employees).

Manager McNamara moved to direct the Administrator to publish and post solicitation for 2019-2020 professional services, as revised. Seconded by Manager Spence. Upon a vote, the motion carried 5-0.

8. Old Business

a) 2019 Budget

President Anderson clarified with staff that Clean Water Fund grants typically received sometime in March, after the grant agreement is executed. There was discussion regarding estimated grant awards, estimated actual grant income, and estimated grant spending. Mr. Kinney described his conversations with the Board of Water and Soil Resources Conservationist regarding fiscal year 2019 grant applications.

Manager Schmaltz proposed that the Board discuss prioritization for the 5000 Projects series, similar to how it did with the 3000 Programs series at the last meeting. He also noted that he has some additional comments he'd like to share. President Anderson expressed that the Board should look at the water quality information for Forest Lake's three basins that was distributed for this meeting. She noted that two of the basins are currently meeting 2030 water quality goals. She expressed that if a lake is meeting 2030 water quality goals, then the District needs to be focusing on other things because it's ahead of schedule on those goals. There was discussion about water quality trends and data which guides setting of long-term goals. Manager Schmaltz stated that one data point does not constitute a trend; Long-term performance at, or below, the goal is required to ensure that the improvement is real. He recommended that the District have a balanced portfolio of projects in each lake management district. President Anderson expressed that Comfort Lake has historically been cut out from having projects, that two of Forest Lake's basins are meeting goals, and that the District should divert funds to more imminent projects. Manager Moe explained that the District has done several projects to directly benefit Comfort Lake including the Target retrofits, Broadway Avenue iron-enhanced sand filter, and Bixby Park. Managers Moe and Schmaltz noted that projects in the Bone, Forest, and Little Comfort lake management districts all benefit Comfort Lake because they all ultimately drain to Comfort Lake. Manager Schmaltz recommended that the District follow the watershed philosophy by starting at the top of the watershed and working downstream from there.

President Anderson expressed concern for the increased amount of development occurring in the Comfort Lake management district and the sediment load entering Comfort Lake. Manager Schmaltz noted that Comfort Lake is meeting its 2030 water quality goals (phosphorus concentration, Secchi depth, and water quality rating).

President Anderson recommended that the District focus more on sedimentation rates rather than phosphorus concentrations. She expressed that the sedimentation rates for Comfort Lake and Little Comfort Lake are higher than any other lake in the District. Manager Moe cited the Sunrise River Water Quality and Flowage Study which indicates that phosphorus concentrations corresponded to total suspended solids in Comfort Lake.

There was discussion regarding progress on the ongoing Little Comfort Lake sequential diagnostic study; project identification will begin next year. There was discussion about projects in the Forest Lake district. Administrator Kinney noted that a project in the Castlewood subwatershed is likely to have a high cost-benefit ratio. Manager Schmaltz expressed that the current 2019 budget has a good balance of projects in each subwatershed which all work toward District goals. President Anderson expressed that more information needs to be gathered in the Comfort Lake management district. She indicated that sediment loads for Comfort Lake are increasing, and that she would bring to the next meeting the report which includes those data.

Manager Spence refocused on the overall expense budget amount for 2019. Manager Schmaltz expressed that if the Board wants to add an activity to the budget, it should take something else out so as to keep the overall total budget unchanged. President Anderson requested further explanation on line item 5-222-F Bone Lake Diagnostic Study Implementation. Mr. Kinney explained the proposed feasibility work and best management practice (BMP) implementation to continue to work toward Bone Lake's long-term water quality goals. President Anderson distributed her comments and requested revisions to the 2019 budget. Manager Schmaltz recommended that the Board entrust the District Administrator with handling hiring and staffing decisions.

President Anderson reiterated that if a lake is meeting its goals, then funding for that lake should be diverted to activities within the Watershed Management Plan that haven't been done yet. She expressed that the District's cost-share program hasn't been funded properly and hasn't been promoted properly. Administrator Kinney noted that he and Engineer Graske previously met with the municipalities within the District and discussed the District's Municipal BMP Grant Program. He explained that the cities indicated they were not interested in implementing any projects that went above and beyond the minimum requirements from a District permit or MS4 permit.

Manager Schmaltz recommended the following procedure be followed at the next board meeting: the Board accept staff's recommended budget at \$2.593M, then go through all of the managers' wish lists for more projects and only add something if something else gets taken out. Manager Moe asked that staff/EOR bring clarification to the next meeting on the phosphorus and total suspended solids relationship for Little Comfort Lake and Comfort Lake, as described in the Sunrise River Water Quality and Flowage Study. Manager Schmaltz asked that staff/EOR bring an explanation of water quality trends – if a lake is currently meeting its goals, does that mean it is on track to continue to meet the goals in future years?

Engineer Grasko recommended that the District continue to implement projects to address the high loading as identified in the various diagnostic studies. He suggested that the District should not drop any of the ongoing projects because annual fluctuation in water monitoring data is variable; a lake might be meeting its goals one year but then could shift. He pointed out that there is a proposed diagnostic study and associated grant proposal for the Comfort Lake subwatershed in the current draft 2019 budget.

[Managers Moe and Spence left the meeting.]

9. Summary and Approval of Board Direction

[In the interest of time, the summary and approval of board direction was skipped.]

a) Manager Comments

Manager Schmaltz reported that he received a call from a homeowner near the 3rd Lake Pond project, formally known as the Forest Lake Wetland Treatment Basin, who had several complaints, most of which were the same as previously discussed by the Board. Manager Schmaltz confirmed that it is the Board's position that the project closeout procedure is already approved and there are no further funds that are going to be spent on it. There was general consensus that there would be no further action to modify the project plans or spend further funds beyond what has been already approved.

10. Adjourn

a) Next special board meeting – August 14, 2018

b) Next regular board meeting – August 23, 2018

President Anderson moved to adjourn the meeting. Seconded by Manager McNamara. Upon vote, the motion carried 3-0. The meeting was adjourned at 6:47 p.m..

Wayne S. Moe, Secretary _____