

MEMORANDUM
Comfort Lake-Forest Lake Watershed District

To: Board of Managers
From: Mike Kinney
Subject: FY2022 Clean Water Fund Grant Agreement

Date: February 9, 2022

Background/Discussion

The CLFLWD was awarded two FY22 Clean Water Fund (CWF) grants: Moody Lake Capstone Projects (grant award: \$239,500) and Washington Judicial Ditch 6 (WJD-6) Wetland Restoration (grant award: \$386,000). Staff is in the process of drafting the work plans to be approved by the Board of Water and Soil Resources (BWSR). Once the work plans are approved, BWSR will execute the agreement. Once the agreement is fully executed, the District will receive a 50% payment, for both grants, in the amount of \$312,750 and may begin reporting expenditures to be covered by the grant.

As grant awards are never certain at the time of budget finalization, the District did not budget for the Moody Lake Capstone Projects line item in 2022. This project falls under the Moody Lake Diagnostic Study Implementation line item in the Watershed Management Plan and budget. The 2022 budget for WJD-6 Implementation (Wetland Restoration Project) could also be increased to account for the awarded grant and progress to be made. Both associated transfer forms are attached, and both are recommended transfers from reserve.

2022 Budget Summary:

- 5-221-B (Moody) Diagnostic Study Implementation: \$0. Budget transfer form enclosed. Latest spending estimate for 2022 is \$25,000 to advance this project; construction timeline TBD pending feasibility.
- 5-228-D (Forest) WJD-6 Implementation: \$15,000. Budget transfer form enclosed. Latest spending estimate for 2022 is \$55,000 to advance this project and possibly construct in early 2023, pending landowner agreements.

Recommended Actions

Proposed Motion #1: Manager _____ moves to adopt resolution 22-02-01. Seconded by Manager _____.

Proposed Motion #2: Manager _____ moves to amend the 2022 budget for account 5-221-B to \$25,000 and to transfer \$25,000 from account 000-2900 to account 5-221-B. Seconded by Manager _____.

Proposed Motion #3: Manager _____ moves to amend the 2022 budget for account 5-228-D to \$55,000 and to transfer \$40,000 from account 000-2900 to account 5-228-D. Seconded by Manager _____.

Attached:

- Budget Transfer Form – Moody Lake Capstone Projects
- Budget Transfer Form – WJD-6 Wetland Restoration
- Resolution 22-02-01

Links

- [Moody Lake Capstone Projects Webpage](#)
- [WJD-6 Wetland Restoration Project Webpage](#)



Budget Transfer Form

Comfort Lake-Forest Lake Watershed District

Date: 2/24/22

Brief Description: Transfer from Reserve to Moody Lake Capstone Projects (Diagnostic Study Implementation)

| Transfer FROM | | | | | | |
|---------------|------------------------------|--|----------------------------|-----------------|---|--|
| Account Code | Budget Line Item Description | Additional Activity Description (Optional) | 2022 Expense Budget Amount | Transfer Amount | Balance After All February 24th Transfers | Explain why funding is available |
| 000-2900 | Reserve Fund | | N/A | \$25,000.00 | \$505,327.04 | Fund balance on 1/31/22 before transfer = \$730,327.04; the District keeps a healthy reserve fund balance in the event of need. Note that the District will receive a grant payment of \$400,000 in February, bringing the fund balance to approximately \$1.13 million. |

| Transfer TO | | | | | | |
|--------------|---|--|----------------------------|-----------------|-----------------------------|---|
| Account Code | Budget Line Item Description | Additional Activity Description (Optional) | 2022 Expense Budget Amount | Transfer Amount | Balance After This Transfer | Explain why transfer is necessary |
| 5-221-B | (Moody) Diagnostic Study Implementation - Capstone Projects | | \$0.00 | \$25,000.00 | \$25,000.00 | Grant awards are uncertain at the time of budget finalization. Now that grant is awarded, transfer funds to get started on the project. |

Rules

1. Multiple items may be included under Transfer FROM, but only one item can be included under Transfer TO. If transfers TO multiple items are necessary, multiple forms should be filled out
2. Record of transfers will be kept in 2022 working budget workbook



Budget Transfer Form

Comfort Lake-Forest Lake Watershed District

Date: 2/24/22

Brief Description: Transfer from Reserve to WJD-6 Wetland Restoration

| Transfer FROM | | | | | | |
|---------------|------------------------------|--|----------------------------|-----------------|---|--|
| Account Code | Budget Line Item Description | Additional Activity Description (Optional) | 2022 Expense Budget Amount | Transfer Amount | Balance After All February 24th Transfers | Explain why funding is available |
| 000-2900 | Reserve Fund | | N/A | \$40,000.00 | \$505,327.04 | Fund balance on 1/31/22 before transfer = \$730,327.04; the District keeps a healthy reserve fund balance in the event of need. Note that the District will receive a grant payment of \$400,000 in February, bringing the fund balance to approximately \$1.13 million. |

| Transfer TO | | | | | | |
|--------------|-------------------------------|--|----------------------------|-----------------|-----------------------------|--|
| Account Code | Budget Line Item Description | Additional Activity Description (Optional) | 2022 Expense Budget Amount | Transfer Amount | Balance After This Transfer | Explain why transfer is necessary |
| 5-228-D | (Forest) WJD-6 Implementation | | \$15,000.00 | \$40,000.00 | \$55,000.00 | Grant awards are uncertain at the time of budget finalization. Now that grant is awarded, transfer funds to get started on the project. Latest estimates indicate 2022 expenditures are likely higher than originally budgeted. Aim to possibly construct in early 2023. |

Rules

1. Multiple items may be included under Transfer FROM, but only one item can be included under Transfer TO. If transfers TO multiple items are necessary, multiple forms should be filled out
2. Record of transfers will be kept in 2022 working budget workbook

**COMFORT LAKE-FOREST LAKE WATERSHED DISTRICT
BOARD OF MANAGERS**

RESOLUTION 22-02-01

**AUTHORIZING EXECUTION of GRANT AGREEMENT for FY22 CLEAN WATER FUND PROJECTS:
MOODY LAKE CAPSTONE PROJECTS and
WASHINGTON JUDICIAL DITCH 6 WETLAND RESTORATION**

Manager _____ offered the following resolution and moved its adoption, seconded by
Manager _____:

WHEREAS the District has adopted a watershed management plan (WMP) in accordance with Minnesota Statutes §103B.231 that identifies and programs capital improvement projects and related actions for the purpose of protecting and enhancing water quality within the watershed;

WHEREAS through its Six Lakes Total Maximum Daily Load Study (2010), Moody Lake Diagnostic Study (2014), Forest Lake Diagnostic Study (2018), Washington Judicial Ditch 6 Assessment and Feasibility Study (2020), and pursuant to WMP implementation categories 5221B and 5228D, the District has identified the need to implement best management practices to reduce watershed nutrient loading to Moody Lake and Forest Lake;

WHEREAS the District engineer has advised that these projects are feasible and offer an opportunity for substantial water quality benefits for Moody Lake and Forest Lake, and the District applied for and has been awarded a grant under the Clean Water Fund, Competitive Grants program, for these projects totaling \$625,500;

WHEREAS the Board of Managers has reviewed the grant agreement and finds it acceptable, and will budget over the subsequent fiscal years of the grant period, as necessary, for required local cost share and other associated costs of this project for which the District is responsible;

THEREFORE BE IT RESOLVED that the Board President is authorized to sign the grant agreement, on advice of counsel; and

BE IT FURTHER RESOLVED that the District Administrator is to establish one or more separate project funds for receipt and proper management of grant funds.

The question was on the adoption of the above resolution and there were ____ ayes and ____ nays as follows:

| Manager | Aye | Nay | Absent | Abstain |
|------------------|------------|------------|---------------|----------------|
| Stephen Schmaltz | | | | |
| Christopher Loth | | | | |
| Dave Bakke | | | | |
| Jackie Anderson | | | | |
| Doug Toavs | | | | |

The President declared the resolution adopted.

Dated: February 24, 2022

Dave Bakke, Secretary

* * * * *

I, Dave Bakke, Secretary of the Comfort Lake-Forest Lake Watershed District Board of Managers, do hereby certify that the above resolution is a true and correct transcription of an action of the Board taken on the date above indicated.

IN TESTIMONY WHEREOF, I have hereunto set my hand this ____ day of February 2022.

Dave Bakke, Secretary