

**DRAFT MINUTES OF THE REGULAR MEETING
OF THE
COMFORT LAKE – FOREST LAKE
WATERSHED DISTRICT
Thursday, August 23, 2018**

1. Call to Order

President Anderson called the August 23, 2018 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,

Absent: Treasurer Steve Schmaltz, Assistant Treasurer Jackie McNamara

Others: Mike Kinney, Jessica Lindemyer, Erin Edison (CLFLWD staff); Greg Graske, Jason Naber (Emmons & Olivier Resources); Chuck Holtman (Smith Partners);

2. Setting of Meeting Agenda

President Anderson indicated that she had several comments on the meeting minutes and requested that the consent agenda item be moved down to 10a for further discussion.

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

3. Consent Agenda [moved to agenda item 10]

- a) **Regular Board Meeting Minutes – July 12, 2018**
- b) **Special Board Meeting Minutes – July 24, 2018**
- c) **Regular Board Meeting Minutes – July 26, 2018**

4. Public Hearing – 2019 Budget and Levy

There were no comments.

5. Public Open Forum

There were no comments.

6. Citizen Advisory Committee Update

President Anderson noted that there were three CAC members present at the last meeting, in addition to President Anderson and staff. She provided several comments and suggested revisions to the CAC meeting notes.

- 1. Under Review of McGregor Lakes Foundation Information

- a. On item #2: Because the District receives taxpayer dollars, President Anderson wasn't sure if it could create a foundation and accept donations.
 - b. On item #2: The foundation would probably have better success if it was set up by lake association with the only viable one in our area being Forest Lake because it is larger than the other two.
 - c. On item #2: Change the word "element" to "program."
 - d. On item #3: Adding to last sentence that an opinion from the District Attorney would be needed to see if that would be possible.
 - e. On item #6: That event needs to start getting promoted soon so there needs to be more discussion at the next CAC meeting.
2. Under Other Discussion, second bullet point: She expressed that the District needs to start doing more cost-share best management practices (BMPs). She found some information that she wanted the CAC to review and provide some feedback on. It is in the concept stage right now and will be brought before the Board at a future meeting.

President Anderson indicated that she would work with Watershed Assistant Jessica Lindemyer to review her proposed changes.

7. New Business

a) AIS Update

Administrator Kinney noted some additional items:

1. Forest Lake flowering rush: the second herbicide treatment occurred on Tuesday, August 21.
2. Lake Keewahtin AIS detection survey: Seasonal Technician Aidan Read and Blue Water Science performed this survey finding no new invasive species.
3. Shields Lake carp survey: staff is in the final stages of finalizing the contract with Carp Solutions to perform carp population estimates and ageing analysis later this summer.
4. Watercraft inspections: staff has been working hard to catch up on inspection hours after a slow start this year, and recently hired additional inspectors in order to get closer to yearend hours goals.

President Anderson asked for an update on Blue Water Science's Eurasian watermilfoil nitrogen study. Mr. Kinney noted that the samples will be taken later this month with lab analysis occurring in the fall/winter. A report is expected this winter. President Anderson noted that the Department of Natural Resources (DNR) was recently out on Comfort Lake performing a shoreline survey. She requested that staff reach out to DNR to find out more about the frequency of these surveys and where to find the reports, and to ask that the DNR advise the District when it is going to be doing work on a District lake, so that duplicating efforts can be avoided.

8. Old Business

a) 2019 Budget and Levy

Administrator Kinney noted that the budget and levy resolution is a necessary component of certifying the District’s tax levy each year. President Anderson wanted to clarify on the August 14th staff memorandum that Manager Schmaltz’s previous motion was to accept the aggregate total, not the individual line items contained within the staff proposed budget; prioritization discussion will occur at a future board meeting. There was discussion regarding the income figures indicated in the budget resolution. Mr. Kinney explained that the resolution always indicates income equal to the approved expense budget. For this year, it indicates a levy of \$1.3M (as previously discussed) and other income (e.g. carryover, reserves, loans, grants, and interest) in the amount of \$1,293,593, for a total income of \$2,593,593 which is equal to the expense budget. Manager Spence agreed that the figures seem accurate.

Manager Moe moved to approved resolution 18-08-05 adopting the 2019 budget and tax levy. Seconded by Manager Spence. Upon a roll call vote the motion carried 2-1.

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

President Anderson indicated that at the regular board meeting of November 15, there will be an opportunity for the public to further comment on the budget and levy. The District has until December 28th to decide to change the levy; it can only be lowered not raised. Mr. Kinney noted that the November regular board meeting is scheduled for the 15th.

b) Setting of 2019 Priority Setting Workshop

President Anderson asked Legal Counsel Holtman if the specific line items within the 2019 budget need to be finalized by a specific date. Mr. Holtman explained that the resolution that was just adopted is the formal setting of the 2019 budget. There is no requirement to provide specific line items as part of the official budget, therefore the Board in its judgment may adjust line items in its budget at any time.

There was discussion regarding scheduling a priority-setting workshop. President Anderson suggested early October, since there is not a second regularly-scheduled board meeting in October. She proposed October 11th starting at 9:00 am and going until 4:00 pm if needed. Manager Moe indicated that he may not be serving on the Board at that date, but if he were then he isn’t sure that he could take a day off work to attend.

President Anderson moved to schedule the priority setting workshop for October 11 from 9:00 am to 4:00 pm at the District office. Seconded by Manager Spence.

Discussion: Manager Spence noted that they will need to check with Managers MacNamara and Schmaltz to confirm availability.

Upon a vote, the motion carried 2-0 with Manager Moe abstaining from the vote.

President Anderson noted that the date and time can be changed as necessary, but it is helpful to get a date on the calendar far in advance for planning purposes.

c) Site B/Houle Property Natural Resource Management Plan

Administrator Kinney explained that creation of this management plan is included in the Land Acquisition and Management section of the District's comprehensive Watershed Management Plan. He noted that legal counsel provided some comments on the plan regarding safety and risk management measures. Regarding management options, Mr. Kinney recommended that at a minimum the District should perform regular inspections of the site and post No Trespassing signage; additional management activities can be considered at a later date depending on budget and feasibility.

President Anderson moved to accept the Natural Resource Management Plan and direct staff to perform periodic monitoring of site conditions and post No Trespassing signage where feasible. Seconded by Manager Spence. Upon a vote, the motion carried 3-0.

President Anderson requested that staff provide an electronic copy of the plan showing tracked changes against the first draft of the report.

d) Wetland Bank Scoping Report & Presentation

Administrator Kinney noted that one of the District's tax-forfeit properties is a potential site for wetland banking, and that last year the District applied for a Clean Water Fund grant for a project on this property but was unsuccessful. Jason Naber explained that the first step is to prepare a scoping document so as to evaluate if a site is suitable for wetland banking. The wetland delineation shows that the parcel is almost entirely categorized as wetland. Next, the document will be submitted to agencies for review as part of the wetland banking program. Mr. Naber summarized the program which typically involves an up-front investment from a private entity or non-profit in order to restore a wetland and establish wetland bank credits, after which the credits can be sold to developers who cannot fulfill Wetland Conservation Act (WCA) requirements on their sites. He noted that it can be expensive to effectively remove invasive reed canary grass from a wetland, which would entail scraping off a foot of vegetation and soil. The credits are sold via voluntary market transactions; in 2015/2016 the market rate was about \$33,000/acre. In general credits are increasing in value and demand is increasing. The District's wetland bank service area, Area 6, is currently low on credits; supply is not meeting demand. One example is the Forest Lake Menards redevelopment which is currently proposing to purchase wetland bank credits that are outside of Area 6, because

there aren't any available in this area. The state program, in which the Board of Water and Soil Resources contracts to establish credits for use in the road replacement program, would allow the District to construct a wetland restoration project on its tax-forfeit property for little to no cost, though the returns would be lower than if the District built the project and sold the credits outside of the state program. The state program credits would only go toward state and county road projects.

President Anderson noted that there are potential large wetland restoration projects in all four of the lake management districts. Mr. Naber noted that larger acreages are preferable for the state program (e.g. five acres would likely be too small for the state to consider). If the District receives a favorable review from the state agencies on its submission, the next step is to provide a prospectus. The District will know more about the state's road bank program at that point and can evaluate if it is a viable option.

Legal Counsel Holtman clarified that the credits will have more value if they also satisfy Army Corps of Engineers replacement requirements. He asked if EOR's design procedure would change if the project were aimed at meeting WCA and Army Corps requirements. Mr. Naber explained that it is a joint process, so both Board of Water and Soil Resources (BWSR) and the Army Corps would be in communication through the process. Generally, projects will require approval from both Army Corps and WCA, so it would be advantageous for a banking plan developed by the District to satisfy both.

There was consensus to direct staff to submit a draft prospectus to BWSR and to work with EOR and BWSR to continue communicating about this process.

e) Program & Project Updates

Administrator Kinney summarized the District's active permits which include a variety of single residential, multi-residential, commercial, and road projects. There are currently 43 active permit sites in the District. He explained the variety of noncompliance that is observed during permit site inspections and methods for correcting noncompliance. The District is working with the surrounding municipalities in order to help enforce regulations, which has been effective. Mr. Kinney explained how Permitting Coordinator Erin Edison has been working on creating an Access database to better organize and keep track of permit information. The new system is expected to save staff time and make permit administration more efficient.

Mr. Kinney provided status updates on several ongoing projects.

Moody Lake Wetland Rehabilitation: the Wetland C riser installation and Peterson Pond excavation are planned for winter 2018/2019

Moody Lake Alum Treatment: informational meetings were recently held, project bidding is in process, and the first of the two split-application treatments is planned for early October 2018. President Anderson noted that of the approximately 12 residences

around Moody Lake, nine of them have attended at least one of the District's informational meetings.

Bone Lake cropland rental project: the soil pH is lower than ideal, but there is no active erosion occurring on the site at this time. There was discussion about outreach to another nearby farmer for the purpose of incorporating agricultural BMPs on that site as well.

Bone Lake Partially Drained Wetland Restorations: construction on the first wetland restoration is scheduled for fall 2018. The Washington Conservation District's (WCD) engineer recently resigned, so Mr. Kinney has directed the engineering work for this project to EOR. The WCD will still be involved with the continued landowner outreach moving forward.

Little Comfort Lake Diagnostic Monitoring: further monitoring and evaluation will occur around the Liberty Ponds development site. There was discussion regarding drainage patterns near Heath Avenue and Highway 8.

Shields Lake Stormwater Harvest & Irrigation Reuse System: A neighborhood meeting was held in May, and an open house is scheduled for August 28th. The contract award for the project is planned for the September 13th regular board meeting. Mr. Kinney noted that the easement is still not finalized.

Shields Lake Fish Barrier: Peterson Excavating recently notified staff that, due to increases in steel prices, it is unable to complete the project as originally quoted. Mr. Kinney explained that further communication with Peterson Excavating will occur, and potentially quotes will need to be re-solicited. The grant for this project does not expire until June 30, 2020.

Forest Lake Wetland Treatment Basin (3rd Lake Pond): the channel stabilization and some lawn seeding work is complete. Wetland buffer establishment work will begin this fall and continue until plants are fully established in 3-4 years. President Anderson explained that she received a call on Saturday from a resident near the project, Brenda Bell, reporting an abundance of algae along the shoreline near her home. Ms. Bell had reported seeing unusual plants and white beads, in addition to the algae, which led her to believe it had been caused by a burst filter bag from the project. President Anderson was unable to initially reach Administrator Kinney that day, so she called EOR Principal Engineer, Cecilio Olivier, who visited the site with Dr. Meghan Funke to take some samples and observe the situation first hand. President Anderson indicated that it was Mr. Olivier's recommendation to visit the site that day, and that she did not direct him to do so.

While visiting the site herself on Sunday, August 19th, President Anderson also spoke with another nearby resident, Craig Reed, who expressed concern about buffer proximity to his shed; the shed is located on city property and may be moved in order to be further away from the buffer if desired. Recent photos of the project were displayed. Engineer Graske noted how the rock check dams in the channel are

functioning as intended by slowing flow and preventing upstream sediment from reaching the lake. Administrator Kinney explained pre-construction conditions and construction elements. Overall the site is now in better condition than pre-construction; the site is effectively stabilized and functioning as intended, but not landscaped ornamentally. One of the residents claimed that construction vehicle traffic has created bare spots in his lawn. Mr. Kinney indicated that the heavy construction equipment did not pass through the area in question at any time. It is possible that some light equipment from the landscaping contractor went through this area. President Anderson asked if Administrator Kinney could obtain a written statement from Shoreland Landscaping indicating whether or not it drove over this area.

Manager Spence inquired if this situation was in fact an emergency that warranted immediate action from the District engineer on the weekend. He expressed concern regarding allocating District resources without Board consensus and generally high spending on this project. President Anderson explained that the homeowner indicated they would clean up the algae and plant material on Sunday, so she thought it best to observe the complaint in person prior to the cleanup.

Mr. Kinney provided further detail on the distribution of algae and question of the burst filter bag. Predominant winds and shallow water near these homeowners' shorelines are primary causes of algae accumulation in this area. After the filter bag burst during project construction in 2017, Peterson Companies was directed to clean up the area around it. The contents of the bag would have been approximately ½ cubic yard in total and only a small portion of the contents reached the lake. Peterson Companies used shovels and wheelbarrows to remove significantly more material from the spill site than would have been contained in the burst bag; effectively improving the site. The sediment that would have been discharged into the lake at this point was the very same sediment that was naturally discharging from the pond prior to project construction, and would have been less than what was previously being discharged. Overall, the water discharging into the lake from the project area is presently much cleaner than it was prior to construction.

President Anderson asked if the District should perform a laboratory analysis on the grab samples that were taken on Saturday. Mr. Kinney explained that it would be impossible to distinguish between past years' sediment and the filter bag effects, therefore there is no benefit to analyzing the samples. There was discussion about the lack of native shoreline buffers along the lake in this area. Legal Counsel Holtman summarized Mr. Kinney's explanation that the algae bloom and presence of plant matter along the shoreline was not plausibly caused by the District's project. He suggested that if this is the case, then what the Board is considering, implicitly, is whether will test water samples whenever a shoreline homeowner observes something unusual along the shoreline. President Anderson suggested that this is an appropriate service for the District to provide. There was further discussion about how the District should respond to residential complaints. President Anderson suggested, and the rest of the Board concurred, that Administrator Kinney should have EOR analyze the samples and prepare a report that assesses the matter and brings closure to it.

9. Report of Staff

a) Administrator

Responding to President Anderson, staff clarified that it is communicating with Chisago County to ensure that new homes and developments are obtaining the necessary permits from the District. She made the following requests:

1. 3002 Permitting: Add street addresses for each permit in the permit updates section
2. 3003 Monitoring: Email the lake monitoring summaries to the Board
3. 5300 Streams: Notify the Comfort Lake Association when the beaver baffle system is ready to be installed.

b) Emmons & Olivier Resources

Engineer Graske reported that EOR is still collecting samples for the Forest Lake subwatershed assessments, and EOR will work with Administrator Kinney to prepare Clean Water Fund grant applications in the next week. President Anderson asked for an update on the Little Comfort Lake Diagnostic Study. Mr. Graske explained that EOR is monitoring at the July Avenue site and the diagnostic study report will be put together this fall/winter.

c) Smith Partners

Nothing to report.

10. Report of Treasurer

a) Approval of Bills and Treasurer's Report

Manager Spence reported income for the period of \$4,026.97.

Manager Moe moved to accept the Treasurer's Report and pay the bills in the amount of \$116,793.93. Seconded by Manager Anderson. Upon vote, the motion carried 3-0.

b) Consent Agenda

President Anderson listed several requested changes to each of the minutes. There was general agreement with all changes except for one: "Little Comfort Lake and Comfort Lake have ten times the suspended solids loading compared to other lakes." Manager Moe requested that staff fact check this statement prior to incorporating this revision into the minutes.

President Anderson moved to approve the July 12, 2018 regular board meeting minutes as amended, pending fact-checking of suspended solids loading statement. Seconded by Manager Spence. Upon a vote, the motion carried 3-0.

President Anderson moved to approve the July 24, 2018 regular board meeting minutes as amended. Seconded by Manager Moe. Upon a vote, the motion carried 3-0.

President Anderson moved to approve the July 26, 2018 regular board meeting minutes as amended. Seconded by Manager Spence. Upon a vote, the motion carried 3-0.

11. Report of Officers and Managers

Manager Moe noted that Craig Mattson, the landowner associated with the Moody Lake Wetland Rehabilitation Project, was given the Good Neighbor Award by the City of Scandia. He also explained that he researched the DNR Conservation Partner Legacy grant program which may be an option for cooperating with an organization such as Pheasants Forever to acquire the cropland rental site near Bone Lake and converting it into a perennial native prairie. Mr. Kinney indicated that he has talked with the city about potentially creating a park in this area, to which the city was not receptive. He presumed that converting the land into a permanent conservation site may be of interest to the landowner so that the land on which he grew up would be preserved and not eventually turned into a development.

12. Summary and Approval of Board Direction

President Anderson noted item #9 which indicated that Administrator Kinney provided an estimate for growth of staff over the next four years to Mgr. Schmaltz, and she requested that be provided to the rest of the Board. Mr. Kinney noted that it was only a general estimate and that he could provide that to the other managers. President Anderson commended Permitting Coordinator Erin Edison and Seasonal Technician Aidan Read on their involvement and oversight of the ongoing MnDOT Highway 8 project; the erosion control BMPs provide a good example and are highly visible to cars driving by. She explained how this site illustrates one of the core purposes of watershed districts – to help people do the right things to protect public waters.

13. Adjourn

a) Next regular board meeting – September 13, 2018

Manager Moe moved to adjourn the meeting. Seconded by Manager Spence. Upon vote, the motion carried 3-0 and the meeting adjourned at 9:17 p.m.

Wayne S. Moe, Secretary _____