

**MINUTES OF THE REGULAR MEETING
OF THE
COMFORT LAKE - FOREST LAKE
WATERSHED DISTRICT**

THURSDAY, APRIL 24, 2008

1) Call to Order

The Vice President called the April 24, 2008 Regular Board Meeting to order at 6:30 p.m. at the Forest Lake City Offices, 220 North Lake Street, Forest Lake, Minnesota

Present: President Jackie Anderson, Vice President Richard Damchik, Secretary John Lynch, Treasurer Jon Spence, Manager Wayne Moe
Staff: Randy Anhorn, Chuck Holtman (Smith Partners), and Lisa Tilman (EOR)
Other: Archie Ducharme

2) Open the Regular Meeting

The Vice President opened the Regular Board Meeting.

3) Reading and Approval of Agenda

The Vice President called for the reading and approval of the April 24, 2008 regular Board meeting agenda. The motion to approve the agenda with the addition of a discussion on findings from the District's 2007 Annual Audit under the New Business section was made by Manager Lynch and seconded by Manager Spence. Upon vote, the motion passed unanimously.

4) Reading and Approval of Minutes

The Vice President called for the reading and approval of the minutes of the March 27, 2008 regular Board meeting. Manager Lynch made motion to approve the March 27, 2008 regular Board meeting minutes as presented. The motion was seconded by Manager Moe. Upon vote, the motion passed unanimously.

5) Public Open Forum

Archie Ducharme mentioned that he had recently met with the District Administrator, and other State agency representatives, to discuss his request to excavate a wildlife pond on his property. Mr. Ducharme mentioned that discussions came up as to reconfiguring the pond to include water quality benefit and possibly incorporating his excavation proposal into a larger project with District participation on incorporating a re-meander of the straightened river through a potential pond system on the District owned property before re-entering the River proper through the proposed pond on his property. Mr. Ducharme wanted to gauge the District's actual interest.

The Board held discussion on the area; it's proximity to District-owned land and their potential interest. Administrator Anhorn said that he had contacted Dan Seemon from the ACOE, who was going to seek the possibility/availability of ACOE funding or grant dollars for portions of a joint water quality project

as part of the larger Sunrise River project. The Board stated their interest and indicated that additional information will have to be collected in order to determine the overall feasibility of the project as well as reaching conclusion on the District's legislation. The Board asked Lisa Tilman to consider the area and project in the development of the District's TMDL study.

6) **New Business**

a) *Annual Audit*

Administrator Anhorn stated that as part of the recent Annual Audit, the Board will need to discuss how it will handle the annual leave payout of the District employees. Anhorn said the while the Board agreed on policy for District payment of accumulated annual leave, the Board directed him to prepare a draft policy for the Internal Financial Control Manual. Anhorn presented the draft policy and discussed the proposed accumulated annual leave schedule, carryover maximum, and carryover payout policy upon employment separation. A copy of the draft policy is annexed and incorporated by reference.

Following discussion on the presented draft policy, as well as policies of other watershed districts, Manager Anderson made suggestions on editing the policy and questioned the use of the policy as a policy for all possible District employees or for just the District Administrator. After Board discussion, Manager Damchik made motion that the presented policy should be for all District employees. Manager Spence seconded the motion. Upon vote, the motion passed unanimously.

Manager Anderson stated that she felt that it would be worthwhile for the District Attorney and Accountant to review the policy. Manager Anderson especially wanted the Accountant to review the accounting implications on carry over. The Board agreed and Manager Damchik made motion for the District Attorney and Accountant to review the draft policy before it is adopted. Manager Spence seconded the motion. Upon vote, the motion passed unanimously.

After review and edits, the Administrator will bring the policy back in front of the Board at the May 22, 2008 Board meeting.

b) *Chisago SWCD Technical Assistance Contract*

Administrator Anhorn presented copies of the Chisago County SWCD's 2008 contract for technical services which includes costs for technical support of the District's BMP cost-share incentive program projects within Chisago County. Anhorn stated that he had forwarded the contract on to Smith Partners and made suggested edits and is now requesting Board action to initiate the contract. A copy of the contract is annexed and incorporated by reference.

Motion was made by Manager Anderson to initiate the contract for 2008, between CLFLWD and Chisago County SWCD for technical assistance. Manager Damchik seconded the motion. Upon vote, the motion carried unanimously.

c) *Findings from the District's 2007 Annual Audit*

Administrator Anhorn stated that there were going to be two findings: One, similar to that reported in 2006, is **The Oversight of Financial Statement Preparation**. HLB Tautges Redpath states that this will be a finding in the vast majority of watershed audits and their recommendation, shown on the example, is to remain aware of the situation, however due to the increased cost, make a choice to make no changes to

current procedures. And two is **Financial Statement Misstatements**. Anhorn also presented a memo from the District Accountant who contacted HLB Tautges Redpath to get clarification on the findings. Anhorn went through the Managers' current process of seeing an actual cash balance on monthly reports and not adding the confusion of seeing income or expenses not in hand at the time. Anhorn stated that through discussions with HLB Tautges Redpath, it was determined that the finding was not written up as a result of any change in the District's practices, but because of new accounting requirements. Therefore, the District Accountant proposes that the District continue to present the monthly statements as we have, showing actual cash balances on the reports, and then make the adjustments on an accrual basis at the end of the year for the Annual Audit.

Manager Anderson requested that the Administrator contact HLB Tautges Redpath, discuss with Smith Partners and/or contact the Department of Revenue to determine if there is a State standard for our reporting, and if we should change our accounting to an accrual basis rather than a cash basis, or if continuing on a cash basis with year end entries in order to present end of year reports on an accrual basis as the District Accountant recommended would suffice. Administrator Anhorn stated that he would bring the information back to the May 22, 2008 Board meeting.

7) Old Business

a) Draft Rules TAC/CAC Meeting and Comments Update

Administrator Anhorn presented the minutes and notes from the District's April 1, 2008 and April 15, 2008 TAC/CAC draft rules review meeting, and a list of items for Board discussion and potential decision from recommendations coming out of the April 1, 2008 TAC/CAC meetings and an memo containing the compiled list of TAC/CAC recommendations needing Board discussion that the Board will need to go through (most likely at a workshop). A copy of each presented memo is annexed and incorporated by reference. Ms. Tilman walked the Board through the through the TAC/CAC recommendation items needing Board decision/discussion in order to provide direction to staff on areas to edit the current draft rules.

The Board thought that rather than discuss each item at that time, it would be worthwhile to set up a workshop in early May. After discussion, the Board settled on a May 6, 2008 workshop at 3:30 p.m. at the Forest Lake City Hall, 220 North Lake Street Forest Lake.

Following the presentation of the compiled TAC/CAC comments Manager Anderson asked the Attorney for clarification on the different obligations the District's rule adoption places on the cities, depending on whether the District ends up working under Minnesota Statute Chapter 103B or 103D

Chuck Holtman went through the difference between Minnesota Statute Chapters 103D and 103B as far as the District's ability to apply its standards. Mr. Holtman stated in both cases the District has the authority to adopt rules and apply them, the main differences being that under Minnesota Statute Chapter 103D, the language in the Statute has more ambiguities, and that the District can regulate only areas where cities are not already regulating. While Minnesota Statute Chapter 103B replaces the vagueness with a planning process. This planning process provides the District more ability in the Plan to define its regulatory authority over certain types of activities and recognizes that the Cities have landuse and zoning ordinances and that the Cities are landuse authorities, but that the District needs to be assured that the resources are protected. This sets up a framework where the District can state its rules and still work with the Cities in determining the roles of both, and identify circumstances where the District would feel

comfortable stepping back and allowing the Cities to regulate certain activities. The Board felt that Minnesota Statute Chapter 103B provided a more mandatory umbrella.

The Board discussed the differences between Minnesota Statute Chapters 103B and 103D, in particular that under Minnesota Statute Chapter 103B, the communities had an obligation to either adopt the District standards or modify their own ordinances to address the District standards, and stated concerns under Minnesota Statute Chapter 103D where the District could adopt a rule, but communities did not have to follow them and that the District would have no real authority to apply them. Chuck Holtman stated that under Minnesota Statute Chapter 103D the District rules do apply, that activities that fall under the District rules would need to get permits unless the city is already regulating the same activity, in that case, the District's rule would not apply in that city.

In summation of the Board discussion, Manager Anderson stated that it seemed that under Minnesota Statute Chapter 103B it is more a question on how the District's rules and standards get implemented as opposed to Minnesota Statute Chapter 103D where it is more a question of if they get implemented.

Mr. Holtman added that under Minnesota Statute Chapter 103D once the District has adopted its rules and standards, communities are not obligated to look at their own ordinances and local plans (the District would simply be a second regulatory body). While under Minnesota Statute Chapter 103B, the District's Plan lays out the framework of what communities responsibilities are, and that the communities have to submit their local plans to the District for approval (within two years).

Mr. Holtman further stated that while reading through past minutes of the TAC/CAC meetings, he became aware of many comments and questions as to the District's proper approach for the rules as either comprehensive rules, or filling gaps where activities are not being covered by the Cities or State regulatory agencies. Mr. Holtman thought that it would be a good exercise to go through as a policy matter and would likely help the Board go through and make decisions on the list of TAC/CAC comments/recommendation at the upcoming workshop if the Board has a clear thought on the role that it wants to play. The Board thought that it would be a good way to start out the May 6, 2008 workshop.

The Board discussed the value of having consistency throughout the watershed so all the communities are all working on the same page.

As a "best of both worlds" scenario, Mr. Holtman mentioned that the District could establish the standards that the District feels are necessary as determined from past studies, and through discussions with the communities come up with the community and District roles which would ultimately get down to the gap filling role and reduce duplication through the MOU process.

Administrator Anhorn presented the timeframe for the rule development process following the May 6 workshop, including a joint TAC/CAC Manager meeting to present and discuss the Board decisions, and asked the Board when they felt a formal legal review of our draft rules would be necessary. The Board thought that a formal legal review should come after the workshops (including a Manager and elected official or planning commission meeting and a joint TAC/CAC Manager meeting) when the draft rules would be more formalized. The Board will discuss who to include in the proposed meetings at the May 6th workshop.

As directed from the March 27, 2008 Board meeting, staff also presented a revised Rule 2.5.1 "Sequence of Management Methods" to incorporate the potential for stormwater water volume banking and cash in-lieu o payments. A copy of the revision is annexed and incorporated by reference.

b) Special Legislation Update

Administrator Anhorn provided an update on where the District was on its Special Legislation. Anhorn stated that the District's Legislation was included in the Senate's final Tax Omnibus Bill after it passed through the Senate Floor on March 27, 2008. Anhorn said that the bill was having problems in the House (HF 2824) however, due to Washington Counties request for approval of the District's annual budget and levy. Anhorn went through recent discussions with MAWD, BWSR and Commissioner Hegberg.

c) Plan Amendment/Revision Update

Administrator Anhorn stated that the District has received comments from the proposed Watershed Management Plan revision from Wyoming Township, Washington County, Met Council, MnDOT, BWSR, MPCA, and DNR. Anhorn presented the compiled review comments and proposed responses (a copy is annexed and incorporated by reference), and with the direction of the Board of Managers, he will send the compiled comments and responses to those who responded, and make suggested changes to the Plan revision prior to a scheduled public hearing on May 22, 2008 for public comment (where additional comments will be heard and could also be incorporated into the Plan revision) after which the Plan will be resubmitted for a 45-day agency review. The general approach is for the Plan to be resubmitted no later than June 10, 2008.

Because of the number of comments, the Board thought it would be worthwhile to have a little more time to go through the completed comments and proposed responses to the comments to be included in revisions to the draft Plan. Motion was made by Manager Damchik to include discussion on the compiled response on the District's Plan revision review as an agenda item at the Managers May 6, 2008 workshop. Manager Lynch seconded the motion. Upon vote, the motion passed unanimously.

d) 2008 Work Plan & Projects Update

Administrator Anhorn provided the Managers with a copy of the 2008 proposed work plan with progress updates on each of the items listed and a list of overall highlights for 2008. A copy of the update is annexed and incorporated by reference.

e) Annual Report

Administrator Anhorn presented the final 2007 Annual Report to the Board (a copy of each is annexed and incorporated by reference), and stated that if the Board was ok with it, he would send it out before the April 30, 2008 deadline.

Manager Spence made motion to accept the presented Annual Report and have the Administrator send it to the required agencies. The motion was seconded by Manager Damchik. Upon vote, the motion passed unanimously.

8) Report of Administrator

Administrator Anhorn presented an Administrator's report memo (a copy is annexed and incorporated by reference). The Administrator's report detailed recent correspondence, permit and plan submittals for

review, and recent meetings with local stakeholders. Other issues the Administrator highlighted included:

- The District has published a press release on the District's cost-share program and has handed out more flyers at the "Planting for Clean Water Workshop"
- The District has received a few phone calls on the District's BMP cost-share program and has a site visit set up with WCD on a site on Forest Lake. The resident is interested in creating a native buffer along their shoreline.
- Training of the District's volunteer monitors for Bone, Comfort, Forest, Little Comfort, School (just Secchi readings) Sea and Sylvan lakes has been completed.
- Chisago County has also found volunteers to collect samples on First, Second, and Third Lakes.
- A letter from the DNR requesting interest in using a new design fish barrier on sites within the District.
- District staff has been working with the City of Forest Lake on putting together education articles on water resource issues for the local papers.
- The District held its second annual "Planting for Clean Water" workshop on April 22, 2008. Anhorn discussed the workshop's attendance and resulting interaction with the participants.
- District staff has met with Great River Greening and Matteson Funeral Home to go over the proposed shoreland restorations for the Forest Lake dead-end street DNR grant. Matteson Funeral Home would like to be included as an extension of one of the dead-end street projects.
- District Staff has meet with DNR, Chisago County, Wyoming Township, ACOE and Archie Ducharme on a wildlife pond proposal on Mr. Ducharme's property and the possibility of creating the pond for water quality benefit and the potential for phased coordination with a larger District project.
- District Staff has been working on grant possibilities for a water resource education program developing "Food for Thought" placemats and table tents for local lake related restaurants (i.e., Lake House, Log Cabin, the Laker, etc...)

Manager Anderson asked the Administrator about the proposed Great River Greening (GRG) project on the Comfort Lake public access which was discussed in 2007. Administrator Anhorn mentioned that GRG had gone through a large turnover in staff and that the original project managers for the proposal were no longer at the GRG. Anhorn said he would check with Todd Rexine (the project manager on the Bone Lake and Forest Lake projects) as to the status of the Comfort Lake access project. Manager Anderson stated that it would be a great opportunity to show how an environmentally responsible boat launch could look, and that the Comfort Lake Association would be willing to provide labor help.

Manager Anderson also requested that the Administrator research a parcel of land for sale located in the northwest quadrant of the intersection of Hwy 8 and Hwy 61.

9) **Report of Engineer**

a) Emmons and Olivier Resources (EOR)

Lisa Tilman provided the Board with an update on what the Engineer's have been working on. Ms. Tilman discussed recent work EOR has undertaken for the District including work on the District's draft

Rules, and continued work on the District's TMDL study. Ms. Tilman also discussed the results of the weir height modeling EOR did for the Comfort Lake Association.

b) Washington Conservation District (WCD)

Administrator Anhorn provided an update on where WCD was on installing the District's monitoring equipment, and that WCD will be joining the District at the site visit on Forest Lake for discussions on the sites potential for enrollment in the District's BMP cost-share program.

Anhorn also stated that Travis Thiel would be presenting the District's final 2007 water quality monitoring report in either May or June.

10) Report of Attorney

Chuck Holtman stated that he had no report.

11) Report of Treasurer

a) Approval of Bills

Manager Spence discussed the Treasurer's Report and bills for April 2008.

Motion was made by Manager Damchik to pay the bills as presented. Manager Moe seconded. Upon vote, the motion passed unanimously.

b) Approval of Treasurer's Report

Motion was made by Manager Damchik to approve the April 2008 Treasurer's Report. Manager Moe seconded. Upon vote, the motion passed unanimously.

12) Reports of Officers and Manager

Manager Anderson –

Manager Anderson provided comment on the high quality and educational value of the BlueThumb.org website, and that when possible the District should incorporate it into its reviews as a good resource. Manager Anderson also mentioned that the District hadn't already provided a link to it on its website, the District should.

Manager Damchik –

No report

Manager Lynch –

Manager Lynch stated that he attended the "Protecting the St. Croix" conference and attended a couple sessions on how to get people to incorporate BMPs on their own property.

Manager Moe-

Manager Moe mentioned that he and Administrator Anhorn were going to set up a booth at the Forest Lake High School Agriculture Day on May 2, 2008.

Manager Spence –

Manager Spence mentioned that he and Manager Anderson presented the District's 2007 water quality monitoring information at the Comfort Lake Association's annual meeting. Manager Spence also mentioned that the EOR weir modeling results were also presented at the CLA annual meeting and resulted in differing opinions on if the lake had a water level problem, and if it did, some that the water was too high and others thought it was too low.

13) Adjournment

Motion to adjourn the CLFLWD regular Board meeting was made by Manager Damchik and seconded by Manager Spence. Motion carried unanimously.

John T. Lynch, Secretary