

**MINUTES OF THE REGULAR MEETING OF THE
COMFORT LAKE–FOREST LAKE WATERSHED DISTRICT
Thursday, April 14, 2022**

1. Call to Order

President Schmaltz called the April 14, 2022, regular board meeting to order at 6:30 p.m. via online video conference.

Present: President Steve Schmaltz, Vice President Christopher Loth, Secretary Dave Bakke, Treasurer Jackie Anderson, Assistant Treasurer Douglas Toavs.

Absent: None.

Others: Mike Kinney, Administrator; Bobbie Law, Office Manager; Mike Sandager, Technician; Emily Heinz, Planning Coordinator; Aidan Read, Land Management Specialist (CLFLWD staff); Cecilio Olivier, Rosie Russell, Jason Naber, Kyle Crawford, Trevor Rundhaug (Emmons & Olivier Resources); Chuck Holtman (Smith Partners) Hanna Valento (Forest Lake City Council).

2. Setting of Meeting Agenda

President Schmaltz added to the agenda a retroactive general fund transfer.

Manager Anderson moved to approve the agenda as amended. Seconded by Manager Toavs. Upon a roll call vote, the motion carried 5-0.

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

3. New Business

a) Moody Lake Capstone Projects Scope of Work

Mr. Kinney explained that the District was awarded a Clean Water Fund grant for this project and that staff are now presenting the scope of work. The Project will include several smaller projects and will result in an estimated phosphorus load reduction of 35 pound per year to Moody Lake. He noted that Jason Naber from EOR is available to answer any Board questions. Mr. Kinney presented a slide with a project overview.

Manager Anderson moved to authorize the administrator, on advice of counsel, to

enter into an agreement with EOR in accordance with the 3-31-2022 scope of work and authorize Task 1 of said scope of work in an amount not to exceed \$25,702. Seconded by Manager Loth. Upon a roll call vote, the motion carried 5-0.

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

b) WJD-6 Wetland Restoration Scope of Work

Mr. Kinney introduced the topic and explained that Jason Naber from EOR is available to answer questions. He noted that there are two current District projects in the Washington Judicial Ditch 6 (WJD-6) area, this wetland restoration being one of them. He explained that this project is located near Scandia Trail. Mr. Kinney further expanded that this project would be similar to another District project previously completed in the Bixby Park area. The current project would enhance a degraded wetland habitat and result in an estimated 44 pound per year phosphorus load reduction to Forest Lake. He noted that Kyle Crawford is also available to answer any questions.

Mr. Kinney explained that the staff recommendation is to authorize the EOR scope of work.

Manager Anderson moved to authorize the administrator, on advice of counsel, to enter into an agreement with EOR in accordance with the 3-30-2022 scope of work and authorize Phases 1-3 of said scope of work in an amount not to exceed \$38,017. Seconded by Manager Toavs. Upon a roll call vote, the motion carried 5-0.

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

c) Lower St. Croix 1WIP Partnership

Mr. Kinney explained that Manager Anderson and Manager Schmaltz serve on the policy committee for the Lower St. Croix One Watershed One Plan (LSC 1WIP) Partnership and would like to bring information to the full Board regarding a partnership proposal for "fast-track" project approval.

Manager Anderson noted the genesis of the proposal in last year's funding action for the South Washington Watershed District's Ravine Stabilization Project. This project entailed stabilization of bluff line that was eroding significantly before the project was planned for implementation. She noted that the project was moved to the top of the list for WBIF funding. Manager Anderson recommended to the policy committee that it establish a procedure for such situations. In her view, though, and that of Manager Schmaltz, the proposed policy is at odds with the premise of the Lower St. Croix 1W1P to follow a prioritization, targeting, and monitoring approach to project implementation. She noted that when fast-tracking, it is cutting out this basic principle. Manager Anderson asked for a Board consensus to present this position to the policy committee as that of the CLFLWD Board.

Manager Loth asked for an overview of the watershed implementation funding source.

Manager Anderson explained that this funding was specifically created for dispensing money from the Clean Water Fund. She explained that the money comes into the state of Minnesota and is passed through the Board of Water and Soil Resources to the entities that primarily deal with water quality in Minnesota. She explained the scientific approach that watershed districts take to obtain such funds. She noted that the LSC 1W1P is an expansive boundary idea that allows funds to be redirected to fund projects within the expansive boundary. She noted that the LSC 1W1P allows the decision of where funding is going to be completed at a more local level. She noted that each entity must take decisions to their full boards. She noted the creation of a 2-year work plan based on the LSC 1W1P 10-year plan.

Managers discussed the Board of Water and Soil Resources' competitive bid process for Clean Water Funds. Manager Anderson noted the CLFLWD's success in this process. She explained that the LSC 1W1P can make the distribution of funds more equitable.

President Schmaltz explained the "fast-tracking" process. He noted that counties and watershed districts independently have the statutory authority to declare an "emergency" project.

Manager Bakke clarified what the recommendation to the Lower St. Croix Partnership would be.

Manager Toavs moved to recommend the LSC Policy Committee disapprove the "fast tracking" of projects and the "emergency" funding of projects through the Watershed Based Implementation Funding grant. Seconded by Manager Schmaltz. Upon a roll call vote, the motion carried 5-0.

Manager	Aye	Nay	Absent	Abstain
Stephen Schmaltz	X			
Christopher Loth	X			
Dave Bakke	X			

Jackie Anderson	X			
Doug Toavs	X			

At the request of Ms. Heinz, the Board confirmed that it would like this item to be taken to the next Lower St. Croix Policy Committee meeting as an action item.

Mr. Kinney clarified that the funds have a one-year extension period and will not be allocated if not used in that period.

d) City of Forest Lake, FLLA and CLFLWD AIS Agreement

Mr. Kinney explained that the District has been involved with the City of Forest Lake and the FLLA regarding lake management activities on Forest Lake for many years but without a formal structure in place. He noted that the partners would like the process and financial aspects be tracked through an agreement. He noted that the management activities on Forest Lake include aquatic invasive species management and aquatic plant harvesting (i.e., mechanical harvest regardless of plants being native or invasive). He clarified that harvesting is solely a Forest Lake Lake Association (FLLA) and a City of Forest Lake effort with the aquatic invasive species (AIS) being the District focus. Mr. Kinney also described the plan for invoicing and reimbursement. If this proposal is approved, he explained that the agreement will go to City Council for review after the Board meeting.

Manager Schmaltz further expanded that the goal is to involve as many partners as possible in the Lake Association’s efforts to protect the the lake and in so doing give better access to grant funding. He noted that the City of Forest Lake’s contribution has fluctuated over the years but is typically in the range of \$60,000 to \$65,000 a year. He noted that this agreement proposes to provide the City with some comfort in knowing that there is a paper trail and evidence of what its contributions are being put towards. He noted that he attended the Forest Lake City Council meeting regarding the concept of a contract and the City was in favor.

Manager Anderson explained that it is a great idea to have a formal agreement in place. She sought to clarify certain language in the document, specifically, referencing "recreational" quality in section 1, clarifying in section 3 the reference to burdened staff costs and hired contractor costs, and referencing in that section "harvesting" expenditures.

Managers discussed the breakdown of costs and reimbursements. District staff made it clear that the District does not directly or indirectly finance native vegetation harvesting practices; the City and the Forest Lake Lake Association will be the agencies to cover these expenditures. Language to clarify the agreement was recommended to be added. Mr. Kinney noted that the management of curly-leaf pondweed is the only expense that is unpredictable. He explained that all other costs are predictable and do not fluctuate from year to year.

Manager Anderson moved to approve the 2022 City of Forest Lake, FLLA, and CLFLWD AIS Agreement with the three indicated modifications, and to authorize the administrator to execute the contract, with any non-substantive changes and on advice of counsel. Seconded by Manager Schmaltz. Upon a roll call vote, the motion carried 5-0.

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

e) Retroactive General Fund Transfer

Mr. Kinney stated that President Schmaltz and Treasurer Anderson met with the audit team regarding the draft audit report. He noted that the general fund had drawn down. He explained that during this meeting the auditor's recommendation was to transfer from the program/project fund to the general fund.

President Schmaltz and Manager Anderson advised that she and staff have been preparing a general fund policy that she will bring to the Board for consideration.

Manager Bakke moved to adopt resolution 22-04-01. Seconded by Manager Toavs. Upon a roll call vote, the motion carried 5-0.

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

f) New Staff Introduction

Mr. Kinney introduced a new staff member, Mike Sandager. Mr. Sandager introduced himself to the Board, noting his school and work history. He is excited to join the team. The managers welcomed him.

4. Old Business

a) WJD-6 Diversion Drainage Report – CR50 Iron Enhanced Sand Filter

Mr. Kinney introduced Mr. Crawford and Mr. Olivier for any discussion regarding the diversion report submitted by EOR. Mr. Holtman noted that the items can be

discussed, but that the actual presentation of the report findings would be given during the public hearing for the project on April 28th, 2022.

Mr. Crawford gave a high-level overview. He explained that the major factors that EOR staff investigated were ensuring that there would not be a reduction in drainage capacity for landowners in the drainage area. He explained that there is no reduction in capacity for the Washington Judicial Ditch 6 (WJD-6) system.

Manager Anderson asked how this project is being funded. Mr. Kinney explained that the District has a Clean Water Fund grant for this project and can tap into a federal Section 319 Small Watershed Focus grant as well. The remaining project balance will be funded by the District’s ad-valorem tax levy.

Manager Anderson moved to accept the Washington Judicial Ditch 6 Diversion Findings Report prepared by Emmons & Olivier Resources, direct that a public hearing for the diversion petition be held at the April 28th Board Meeting, and direct the administrator to give notice of the public hearing to all affected property owners and the City of Forest Lake. Seconded by Manager Toavs. Upon a roll call vote, the motion carried 4-0.

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

In response to a question from Manager Bakke, EOR representatives affirmed that the project would not have an impact on homeowners' beneficial drainage in the area.

b) 2021 Progress Report Presentation

Ms. Heinz gave an overview of the progress report including information on the following topics:

- 10-year Watershed Management Plan
- 5000 Series – Projects
- Lake goals, including District goals and state goals for water quality
- Lake water quality grades
- State standards and evaluating progress towards those standards
- Lake data including long term trends
- Management activities to reach standards and goals
- MN Pollution Control Agency (MPCA) impairment listing status
- Lake overviews for Moody Lake, Bone Lake, Birch Lake, School Lake, Little Comfort Lake, Shields Lake, Lake Keewahntin, Forest Lake, and Comfort Lake
- Lakes qualifying for delisting at this time - Bone Lake, School Lake, Shields Lake, and Comfort Lake. Ms. Heinz offered the staff perspective that the

District might wait to initiate delisting to secure additional load reductions and otherwise be comfortable that improved lake conditions are well established

- Second Lake (a small lake without public access in Chisago County) was recently de-listed for nutrient impairment
- Next steps – continue annual monitoring program and perform project operations and maintenance

Manager Bakke complimented staff on their work and explained that the data show a strong story of the status of District lakes. He noted that Ms. Heinz discussed being "below" state standard he asked if that is positive. Ms. Heinz clarified that for Secchi readings the goal is to be higher and for phosphorus and chlorophyll the goal is to be below state standards. Manager Bakke asked if the annual report is in final form. Ms. Heinz explained that the included audit materials and the 2021 water monitoring report information are not yet final. She noted that the audit report and monitoring report both still need to be approved by the Board.

Manager Anderson asked why the District doesn't move forward with the de-listing of lakes that qualify for it. Mr. Kinney explained that staff recommend collecting more monitoring data and confirming lakes stay at these water quality levels before de-listing. Manager Anderson explained how the District's approach to water quality improvements started at the upstream water bodies and worked down the flow path that ends near Comfort Lake. She explained that Comfort Lake and Little Comfort Lake are the last steps in the process. She noted that it is important to de-list lakes when it is possible. Manager Anderson explained that the District goals are more strenuous than the state standards.

Manager Anderson noted the occasional occurrence of phosphorus and the chlorophyll not correlating in Comfort Lake. She would like a deeper explanation of this relationship.

Manager Anderson noted the dry conditions in 2021. She explained how that may have limited nutrients flowing through the system. She noted the high level of precipitation in the spring of 2022 stating that she thinks staff may see some different readings coming in in the 2022 monitoring season, and she looks forward to seeing the data.

Mr. Olivier explained that 2021 was an unusual year and that a reason to wait to de-list is to see how conditions evolve in 2022.

c) 2021 Water Monitoring Report

Mr. Olivier introduced Mr. Rundhaug. Mr. Rundhaug presented a 2021 monitoring summary. He covered multiple topics including:

- The purpose of monitoring
- Lake stratification
- Overview of lake drainage

- Water quality factors monitored - total phosphorus, chlorophyll-a, and Secchi depth
- Overview of lakes monitored in 2021 with a focus on Forest Lake, Comfort Lakes, and Bone Lake
- Climate context
- Total phosphorus load percentages and volume percentages
- How District streams impact District lakes
- Fall turnover events
- Total phosphorus concentrations
- Inlet vs. outlet conditions
- Bottom phosphorus observations
- Phosphorus goal summary
- Phosphorus trends – improving, declining, significantly improving, significantly declining

Managers discussed the effect of drought conditions on the water quality data.

Manager Anderson moved to accept the draft 2021 Water Monitoring Report prepared by Emmons & Olivier Resources and presented at the April 14th Board meeting. Seconded by Manager Bakke. Upon a roll call vote, the motion carried 5-0.

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

d) Office Space Visioning

President Schmaltz presented an outline of steps he prepared based on the managers’ past work visioning for office space.

Mr. Kinney explained that the District will be extending the lease into 2024. He noted that this would provide about two years and eight months for the Board to consider office space options and make an arrangement.

Manager Schmaltz gave an overview of his compiled list of six items provided to the Board for consideration. He added that the District should inventory land that it owns and score it for natural resource assets; and that the Board should consider new construction versus remodeling, with attention to the escalation in construction costs.

Manager Bakke advocates searching outside the city of Forest Lake but within the District boundary. He notes that building allows the District to customize the space to its needs.

Manager Anderson explained that step one regarding the firm ISG is crucial. She noted the decision to continue with that firm or create a request for proposals needs to be completed. The firm should have an architectural component and the capacity to assist the District in a choice of location. She noted that this is a large effort that will be guided by these outside firms. Manager Anderson noted that she would be interested in collaborating with the firm to create a definitive educational program component for the space.

Managers discussed scoring properties to see what properties are stronger options. Manager Anderson explained that ISG or another firm could assist with that process. She noted that many of the outstanding questions could be answered by a good firm.

Manager Toavs explained that there is a lot to consider for a new manager, but the information provided is good context. He asked if there is the opportunity to share space with complementary agencies or organizations.

Manager Loth explained that comments made by the public lead him to think the opinion leans towards the District considering a developed property rather than building.

President Schmaltz recommended staff re-connect with ISG and continue to work with that firm regarding office space visioning.

Mr. Kinney explained that a strategic plan would help shape the visioning process. He noted that this would include community engagement. Managers discussed optional firms to include in the process. Managers discussed a strategic planning process and outcome goals.

The Board by consensus directed Mr. Kinney to obtain a proposal from ISG the District office visioning process. Mr. Kinney agreed with the suggestion noting ISG's background understanding of the District's goals. He noted that having an elevated level of outside engagement early on will be an essential element in the process. Manager Schmaltz clarified that the Board would be requesting that ISG outline its process, which would include engagement opportunities, and once reviewed the Board could decide to retain ISG.

5. Program/Project Update

a) Project Update

Mr. Kinney gave an update on active District projects including:

- Bone Lake Northeast Wetland Enhancement – Construction was completed on 2-16-22. Temporary site stabilization was put in place on 3-28-22. The full site restoration and planting are set to occur this spring.
- County Road 50 Iron Enhanced Sand Filter (IESF) – Staff is continuing to coordinate with the western landowner and its mortgage company.

Coordination with the City regarding the utility and drainage easement is occurring. Design is in progress: grading, pump design, and outlet design. Emmons and Olivier Resources (EOR) will bring the feasibility study to Board in April. Staff plan to officially request a grant extension this spring.

- Little Comfort Lake Subwatershed Enhancement “East Wetland” - Additional project modeling is underway and alternative design elements are under consideration.
- Sunrise River/Tax Forfeit Drained Wetland Restoration - Project ordered on 3-24-22 at the regular Board meeting. MnDOT coordination is planned for this spring. Staff is planning to officially request a grant extension this spring.

6. Summary and Approval of Board Direction

A summary of the Board direction was presented by Attorney Holtman as listed:

- The Administrator will request a proposal for office space visioning from ISG.

7. Board Liaison Update

President Schmaltz explained that he attends the Washington Conservation District meetings and would like to share his notes with the Board. President Schmaltz encouraged other managers to share any information from meetings and agencies they serve as a liaison.

Managers discussed water monitoring results and 2021 reporting contacts.

Manager Bakke asked for the status of the administrator review process. President Schmaltz explained that the next steps would be discussed sometime during the week of April 18th. Mr. Kinney explained that the assessment process is also being reviewed for all staff to compare to the salary structure. He noted a May target date for completion of that project. Manager Bakke requested this topic come to the full Board soon.

8. Adjourn

a) Next regular board meeting – April 28, 2022

Manager Anderson moved to adjourn the meeting. Seconded by Manager Bakke. Upon a roll call vote, the motion carried 5-0, and the meeting was adjourned at 9:14 p.m.

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

Dave Bakke, Secretary _____