

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

1. Call to Order

President Schmaltz called the July 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; Emily Heinz, Planning Coordinator; Jessica Lindemyer, Operations and Outreach Specialist; Aidan Read, Land Management Specialist (CLFLWD staff); Cecilio Olivier (Emmons & Olivier Resources); Chuck Holtman (Smith Partners); Hanna Valento (Forest Lake City Council).

2. Setting of Meeting Agenda

President Schmaltz requested addition of a grant program update and an administrator review update under old business.

Manager Anderson moved to approve the agenda as amended. Seconded by Manager Toavs. Upon a roll call vote, the motion carried 4-0 (President Schmaltz temporarily lost connection).

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

3. New Business

a) CR50 Iron Enhanced Sand Filter Contract Award

Mr. Kinney explained that project bids were opened on June 30, 2022. Nine bids were received and the low bid, from Dresel Contracting, is slightly below the engineer’s estimate. The engineer has provided a memorandum finding that the bid of Dresel Contracting is responsive and that Dresel Contracting is a responsible contractor and recommending that the contract be awarded to that firm.

Manager Loth moved to adopt resolution 22-07-01, awarding the contract to Dresel Contracting in the amount of \$1,068,334.15. Seconded by Manager Toavs. Upon a roll call vote, the motion carried 4-0-1.

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

b) Request for MAWD Resolutions

Mr. Kinney explained that each year the Minnesota Association of Watershed Districts (MAWD) solicits proposed resolutions on legislative or policy matters for consideration by the MAWD resolutions committee and by the membership at the annual MAWD meeting before the legislative session. He noted that the item is informational at this point and that if the board wishes to submit a proposed resolution, it is due to MAWD by September 1, 2022.

Manager Anderson added that a resolution can concern a specific district, a region of the State, or the entire State of Minnesota. She also noted that it can be something that requests legislative action, requests MAWD advocacy, or impacts the MAWD bylaws. Managers discussed possible topics and the course of action managers can take if they would like to propose a resolution. Manager Anderson explained that it could be as simple as a manager bringing forth an idea and then staff and legal counsel would work together to prepare a resolution for board consideration and approval. Manager Loth ask if staff could propose a resolution in the same way a manager would. Mr. Kinney explained that staff may propose a matter to the board, but that resolutions must come from the board.

4. Old Business

a) 2023 Draft Budget

Ms. Heinz explained that the 2023 budgeting process is slightly different, with a focus on staff preparing the proposed budget and managers sending any questions to staff. Staff will then compile questions and answers in written format for the managers to review at their leisure, rather than going through each line item in the budget as a full board. She explained that the newest information to be released is the 2022 estimated market value and net tax capacity. The Minnesota state government provides this information annually. She explained that the 2022 year is utilized to estimate 2023 figures. She noted that Washington County produces a tax impact calculator to estimate how the levy affects each household.

President Schmaltz asked for staff to display the estimated market values for the previous years. Ms. Heinz explained that this information is provided by the State to every watershed district each year. She highlighted the trend over recent years in which the proportion of taxable value within the District located within Washington County declines slightly. She explained the levy certification process. Managers discussed net tax capacity scenarios. Manager Anderson noted the increases. Managers requested additional 2023 data, numbers, and ratios to be presented at a future meeting. Ms. Heinz gave an overview of the levy-focused page of the 2023 proposed budget. She highlighted the percentage increase scenarios outlined for 2022-2027.

Manager Anderson requested information on differences in budgeted expenses versus year-to-date expenditures under the 3-000 Programs section of the proposed 2023 budget. She noted that they do not align. She asked what has contributed to the lower spending amounts when a larger number is budgeted. Ms. Heinz explained that when budgeting utilizing the 10-year management plan, many of the programs like monitoring were estimated to be contracted out, making them more expensive. She further clarified that the low year-to-date expenses are due to the fact that these programs are being run by in-house District staff. Manager Anderson requested that footnotes be added when there are major differences in dollar amounts. Manager Schmaltz suggested that all managers send in their questions to District staff so they can be written up and utilized and reviewed by all managers.

Manager Anderson asked legal counsel if the general fund with \$250,000 would need to have to stay at that amount. Mr. Holtman confirmed that the maximum general fund levy amount is set by statute at \$250,000. He noted that a levy to the implementation fund is not limited. Manager Anderson suggested staff consider a contingency or opportunity fund. She suggested a \$100,000 to \$150,000 range so that the board can act on items that come up without having to shift funds from another item.

Manager Bakke noted his appreciation for the questions asked by managers and District staff's diligence to answer those questions thoroughly.

b) State of the Watershed Public Meeting & District Tour Update

Ms. Lindemyer provided an update on two events scheduled to occur in Fall 2022, the District tour and the State of the Watershed public meeting. She noted that both of these events have been held before with the most recent events occurring in 2019, due to the interference of the COVID-19 pandemic. She noted that both of these events have been quite successful in the past and have been well attended by the public. Staff will be incorporating elements from previous iterations of the events into planning the new ones but will also be adding new virtual elements.

Ms. Lindemyer requested the board review the proposed dates of August 27th and September 27th for the District events. She confirmed that neither date has conflicting scheduling with any city or county meetings. She noted good attendance in the past by

city council and county board members. She highlighted the watershed champion awards that will be presented at the State of the Watershed event.

Ms. Lindemyer gave an overview of the survey results for the District logo. She noted that the results did not present an obvious winner as between the two logos presented by Artisan Venture Lab. However, comments at Arts in the Park favored the traditional logo over the modern logo. She explained that further iterations of the logo designs will be brought forward by Artisan Venture Lab soon.

Managers agreed by consensus that August 27th and September 27th for the District events would work well.

c) Minnesota Association of Watershed Districts (MAWD): Summer Tour

Mr. Kinney requested that any interested managers advise staff if they would like to be registered for the event and accommodations.

d) Commercial/Community Grant Program Update

Manager Anderson explained that she has been working on the program provided by staff. She noted that there is additional and thorough detail included. She recommended the programs be split and incorporate a new lake association grant program as well. She suggested a special meeting to discuss this item.

e) Administrator and Staff Review

Mr. Kinney explained that on May 25th he met with Gallagher staff where they gave a presentation including their observations and recommendations. Gallagher also presented a review including the use of smart goals. He explained how this framework is more quantifiable. He explained that the board will be considering the number of times they meet with the managers to conduct a formal review. He noted that Gallagher proposes was a quarterly check-in, for the board and the administrator, tied to the administrator's specific smart goals.

5. Program/Project Update

a) Project Update

Mr. Kinney gave the monthly project update. He included updates on:

- Bone Lake Northeast Wetland Enhancement “Legacy Load Project”: Spreading of natural materials removed was completed along with some clean-up done by staff and Manager Bakke. The seed is growing. The project is completed. The next steps will be to meet with the owners of the property, the Dahlin family, to identify their long-term goals.
- County Road 50 Iron Enhanced Sand Filter: The contract was awarded on July 14th. Easements have been finalized by District staff.

- Little Comfort Lake Subwatershed Enhancement “School/Little Comfort Channel Project”: The survey was conducted on May 23rd. Two restoration concepts are being developed.
- Little Comfort Lake Subwatershed enhancement “East Wetland Project”: Additional design elements are under consideration, including a gravel pit area. The owner of the gravel pit was interested in having a permanent wet pond, but this will not be feasible. The owner is open to allowing the District to acquire the property in order to complete the project. EOR is running a cost analysis for the project.
- Sunrise River Drained Wetland Restoration “Tax Forfeit Property”: Seven people attended a June 22 open house. Funding for the project is being discussed by the Lower St. Croix One Watershed One Plan partnership. Managers discussed the depth of ponds associated with the project.
- Moody Capstone Project: Landowner outreach continues toward implementing several of these small projects.
- WJD6 Western Tributary Wetland: Landowner outreach has continued, and agreement is being completed with the landowners.

b) Program Update

Mr. Read gave the monthly project update. He included updates on:

- 3004C: Agricultural and rural lands incentives: Mr. Read gave an overview of the agricultural goals presented in the 10-year watershed management plan (WMP), and the programs being developed to meet those goals. Topics covered included:
 - Farmer-led council
 - Cost-share development
 - Technical assistance
- Farmer-led Council: Mr. Read explained that this program is called for in the WMP. He noted that he has been able to engage a good number of diverse farmers considering the overall number of farmers within the District. He stated that the vision for this program is to give the District a partnership with farmers to provide technical insight, experience, and input regarding the District cost-share incentive programs. Managers discussed the number of farms in the District. Mr. Read clarified that it may be difficult to define what is a “farm”. He noted his work to identify farmers in the District. Mr. Kinney highlighted the land being rented out for farming purposes. Mr. Read explained that per his data, 90 addresses would qualify as a “farm”. Mr. Read explained that the farmer-led council has been meeting in person. Mr. Read also holds informal coffee hour meetings at Kodiak Coffee that bring in a diverse group of farmers wanting to connect. Mr. Read noted that the farmer-led council currently has 9 individuals representing 7 farming operations. The next steps for the council include ongoing meetings, sharing of knowledge and experience, and formalizing cost-share policies.
- Cost-Share: Mr. Read noted that this program is still in development. He plans to develop a cost share policy for both structural and non-structural practices. He

is partnering with the Lower St. Croix One Watershed One Plan partnership to develop this program. Mr. Read explained that the District has two agricultural non-structural practices that were first implemented using project funds.

- Technical Assistance: Mr. Read explained that he is working towards his conservation planning certification. He noted that it is standardized and used by the NRCS and focuses on non-structural practices. Technical assistance this year has included manure management, grazing management, and forage selection and management.
- Goals: Achieved goals 2 & 3 as stated in the 10-year management plan.
- Metrics: Mr. Read completed 3 site visits at new farms, held 2 successful Farmer-led Council events, 80 acres converted from row crops to harvestable forage, 1 acre converted from row crops to native perennial vegetation, and 14 No-Till Magazine subscriptions.
- Next Steps: Developing relationships, formalizing cost-share incentive program, leverage cost-share dollars.

Manager Anderson is impressed with the accomplishments of the program. Managers discussed the long-term value of the program.

6. Summary and Approval of Board Direction

A summary of the Board direction was presented as listed:

- Staff will add footnotes to the budget explaining large budgetary differences between the 2023 budget and the 10-year watershed management plan budget amount.
- Staff will direct its attention to ensuring that the budget provides funding for the first six months of the calendar year, for general operating costs including staff benefits and wages.
- Managers will compile all their 2023 budget questions for staff to review and answer in a written format to be shared with the board of managers.
- Staff will check in to the treatment of wastewater in the Comfort Lake management area regarding the koi fish ponds in that area.
- Staff will investigate a possible wetland encroachment near the Liberty Ponds development.
- Staff will revise the letter to the Forest Lake Lake Association that reviews all District spending on Forest Lake, not just spending on aquatic invasive species management.

7. Adjourn

a) Next regular board meeting – July 28th, 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 8:15 p.m.

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

Dave Bakke, Secretary _____