

MEMORANDUM

Comfort Lake-Forest Lake Watershed District

To: Board of Managers

Date: May 27, 2022

From: Mike Kinney

Subject: Commercial/Community Grant Program

Background – Commercial/Community Grant Program History

The following information is provided per the Board’s request at the May 26th, 2022 regular board meeting. The Commercial/Community Grant Program has been included in the CLFLWD Watershed Management Plan, housed under the 3004 Non-Point Source Pollution Abatement Program, since [2011](#).

Below is a list of projects that the District has record of under this program. This list is generated based on available electronic files, which may be incomplete in some cases, as most projects were completed over a decade ago. Some of the projects in these files are more like partnerships routed through the program, not as simple as application and award.

- Forest Lake Dead End Street Raingardens (2011). Joint undertaking between the City of Forest Lake, CLFLWD, and Great River Greening. Exact funding amount unknown.
- Comfort Lake Boat Launch Raingardens (2011). Funding amount unknown.
- Mattson Funeral Home Water Quality Treatment Project (2013). Approved \$15,000 in grant funding.
- Hosanna Lutheran Church Native Planting (2021). Approved a \$500 plant grant.
- Keys Café Pervious Pavers (year unknown). Electronic files unavailable; may possibly be in paper files.

In reviewing old files in order to compile this list, staff discovered one of the original project ranking forms from 2011. Staff recommends the Board consider establishing a ranking form in order to promote program transparency and equality. [Link to 2011 Project Ranking Form.](#)

Background – Commercial/Community Grant Program Relation to Watershed Management Plan

When creating a new program or revising an existing program, staff recommends the Board consider, among other things, how this program will serve the goals, metrics, and implementation priorities outlined in the Watershed Management Plan (WMP). Below are some applicable references to the 2022-2031 WMP that board members may want to consider.

- [Program Goals – 3004 Non-Point Source Pollution Abatement:](#)
 - o Goal 1: Implement program to achieve shoreline and streambank restoration and maintenance goals under sections 5200 Lakes and 5300 Streams.
- [Resource Goals – 5200 Lakes:](#)
 - o Goal 5: Promote natural, deep rooted, native vegetation buffers to ensure at least 75% of lakeshore parcels have at least 75% natural shoreline condition. [Staff estimates the District will need to restore approximately 500 shoreline properties across multiple lakes in order to achieve this goal]
- [Resource Goals – 5300 Streams:](#)
 - o Goal 4: Promote natural, deep rooted, native vegetation buffers to ensure at least 75% of streambank parcels have at least 75% natural shoreline condition. Quantified streambank buffer goals will be assessed and established.
- [Program Goals – 3011 AIS Prevention & Management:](#)
 - o Goal 2: Manage existing populations of AIS to reduce phosphorus loading.

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- Goal 3: Manage existing populations of AIS to improve native plant diversity by managing AIS populations that pose a risk to native plant health.
- Goal 4: Ensure ecological integrity is protected by providing guidance and technical support to other organizations and residents who manage AIS for recreational benefits.
- [Program Description - 3004D Commercial/Community Grant](#): The CLFLWD Community Grant program offers grants for projects on **commercial, multi-family residential, and non-profit properties** that improve water quality and/or decrease stormwater runoff and/or preserve native plant and wildlife communities affected by lakes, rivers and wetlands. **Potential projects include shoreline and streambank restoration/stabilization, pervious parking lots, raingardens, infiltration facilities, biofiltration facilities, and other stormwater management practices.** Applications are accepted at any time; however, funds are limited and awarded on a first-come, first-served basis. **Highest priority is given to projects resulting in measurable reductions in stormwater and nutrient loadings to receiving water resources and those with opportunities for public education.**
- [Program Description – 3011G Aquatic Invasive Species Management](#): The District will holistically manage aquatic invasive species in District lakes with a view toward the overall health of the water body. **Policies and goals in the CLFLWD Watershed Management Plan are designed around the ecological integrity of water resources within the District. Accordingly, the District’s involvement in the long-term management of AIS present will be based on the benefit to ecological systems.** Specific procedures and priorities for implementing this complex and multi-faceted activity will be detailed under the Comprehensive AIS Prevention & Management Plan (see activity (3011A)). [Note, this over-arching procedure/priority document is not yet completed, but the District has an annual prevention and management plan]

Background – Lake Association Grant Program History

Documented in the [March 11th, 2021](#), summary of board direction, it was requested that the Board and staff give input on the eligibility of lake associations to utilize funds from the District’s community grant program for aquatic invasive species (AIS) treatments.

Staff provided the Board with the Chisago County Lake Improvement District’s (LID) lake association grant as a model to reference at the [March 11th, 2021](#), regular meeting. Following the discussion, the Board directed staff to prepare a draft cost-share program using components of the LID’s program and suggestions made by the Board. Staff drafted this document and brought it to the [March 25th, 2021](#), board meeting. Further discussion occurred at that meeting, and Manager Anderson offered to prepare a draft of an initial framework.

On [April 28th, 2021](#), Manager Anderson presented to the Board a draft grant program description that she had prepared. It was requested of the Board to review the document and provide feedback for the following meeting. During the [May 13th, 2021](#), regular meeting, the Board made a motion to approve Manager Anderson’s grant program description as presented, with suggestions made by the Board, and directed Manager Anderson to work with staff and counsel to develop an application and review process. The understanding at the time was that staff and Manager Anderson would bring back the program outline, application form, and review form to the Board for review and approval at a future meeting.

Using the approved program description, staff worked internally to expand upon and develop the grant program. Staff considered the desired outcomes as well as appropriate constraints to fit the public purpose element of disbursing public funds. Several additions were incorporated into the draft, which staff felt enhanced the program and added a process for fair application review. These additions included:

- Review Committee Guidelines: The review committee would consist of only District staff and Citizen Advisory Committee (CAC) members. Members of the review committee that live on or

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are closely affiliated with the applicant's lake should abstain from the review process to avoid real or perceived conflict of interest concerns.

- Funding Scale: To encourage programs and projects that benefit a wider array of taxpayers, the level of funding for an application could be tied to the number of taxpayers who would benefit.
- Program Eligibility: Opening up the grant program to other community organizations and funding projects on waterbodies without lake associations. Establishing a more inclusive eligibility framework would align with the description of the Commercial/Community Grant Program from the Watershed Management Plan (implementation item 3004D).

At the [August 12th, 2021](#), regular board meeting, staff presented the draft program description, application form, and application evaluation document for review and feedback. The initial response was positive, as some board members thought the materials were done very professionally and worked to flesh out the program. However, Manager Anderson felt the draft materials strayed too far from her initial vision for the program. Following this discussion, the Board formally tabled work surrounding this program and directed Manager Anderson to speak with the District's three lake associations for input and to continue coordinating with staff on the development of the program for future presentation to the Board. At that meeting, a suggestion was made to utilize the District's existing community grant program for the time being. However, the District's Commercial/Community Grant Program, as described in the Watershed Management Plan, still does not have an associated application form or review process; it is merely a brief description in the WMP that is focused on non-point source pollution abatement (i.e., stormwater treatment).

On June 17th, 2021, while the program outline/application/review form were still being re-worked, District staff received an application from the Comfort Lakes Association (CLA) requesting grant funds for their Eurasian watermilfoil (EWM) treatment. CLA indicated in their application that they planned to perform a ProcellaCOR treatment by the end of September. With the Lake Association Grant Program tabled, the application was brought to the Board on [September 9th, 2021](#), for input on how to process the application. Despite the program description, application form, and evaluation document still not being finalized, the Board approved payment of \$7,381 to the Comfort Lakes Association from the District's general AIS budget. It should be noted that the program was not publicized in any way, nor were other lake associations offered this same opportunity for grant funding in 2021.

On May 3rd, 2022, District staff met with Comfort Lakes Association board members. The CLA board members mentioned that additional funding would be needed to afford their planned whole-lake Fluridone treatment for EWM. The lake association received a \$25,000 grant from the Minnesota DNR, but treatment expenses are estimated between \$50,000 and \$60,000. The CLA has already contracted Lake Management Inc. for this treatment, and work is anticipated to begin sometime in early-June. In addition to the treatment costs, the CLA also asked if the District would coordinate and possibly fund pre- and post- treatment point intercept (PI) surveys (estimated cost of \$5,400). The CLA did not communicate this expense to the District before the May 3rd meeting. The District did not budget enough for two full point-intercept surveys in its 2022 budget. Rather, the District merely budgeted for a single, less expensive meander survey. The Watershed Management Plan establishes a 5-year cycle for performing full point intercept surveys on District lakes (Comfort Lake is due for its regular 5-year PI survey in 2024).

Lastly, it should be noted again that no other lake association has announced their intention to apply for EWM grant funding as staff has not shared information regarding the grant program due to it being tabled at the August 12th, 2021 regular board meeting and received no further direction following. Only just recently, on May 24th 2022, was a revised draft outline and grant application received by staff from Manager Anderson (attached below).

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Recommendations for Discussion

Staff recommends the Board consider the following when evaluating this program:

1. **Inclusivity** – allow any organization who meets the following WMP description to apply to this program: commercial, multi-family residential, and non-profit properties
2. **Transparency** – approve a framework by which all projects will be ranked; align this ranking form with the goals and priorities in the WMP
3. **Objectivity** – avoid the potential perception of conflict of interest by
 - a. Having board members abstain from voting on projects if they are a member of the organization applying for funding
 - b. Creating an application review and scoring committee composed of technical experts on the applicable topic and individuals who are not a lake association member themselves
4. **Accountability** – ensure grantee buy-in to the project by establishing clear requirements for match funds

Links to Iterations of Draft Lake Association Grant Program Materials

- [Manager Anderson's Lake Association Grant Program Proposal](#) – Approved on May 13th, 2021 and direction for staff to work with Manager Anderson and counsel to incorporate the program into the WMP and develop an application and review process.
- [Staff created Lake Association Grant Program](#) – Program Description, Application Form, and Application Evaluation Document
- [Manager Anderson's Lake Association Grant Program Proposal and Application Form](#) – Sent to staff on May 24th and posted to the May 26th regular board meeting packet