

1 **DRAFT MINUTES OF THE REGULAR MEETING OF THE**
2 **COMFORT LAKE–FOREST LAKE WATERSHED DISTRICT**
3 **Thursday, March 23, 2023**

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5 **1. Call to Order**

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7 President Schmaltz called the March 23, 2023, regular board meeting to order at 6:30
8 p.m. via online video conference.

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10 **Managers Present:**

11 Steve Schmaltz, President
12 Dave Bakke, Secretary
13 Jackie Anderson, Treasurer

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15 **Absent:**

16 Christopher Loth, Vice President
17 Douglas Toavs, Assistant Treasurer

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19 **Staff Present:**

20 Mike Kinney, Administrator
21 Aidan Read, Land Management Specialist
22 Bobbie Law, Office Manager
23 Emily Heinz, Planning Coordinator
24 Jessica Lindemyer, Operations and Outreach Specialist
25 Jess Hall, GreenCorps Member

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27 **Others Present:**

28 Cecilio Olivier, Emmons & Olivier Resources
29 Joe Pallardy, Emmons & Olivier Resources
30 Chuck Holtman, Smith Partners

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32 **2. Setting of Meeting Agenda**

33 Manager Anderson moved to approve the agenda as presented. Seconded by Manager
34 Bakke. Upon a roll call vote, the motion carried 3-0.

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

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3. Consent Agenda

- a) Regular Board Meeting Minutes – January 26, 2023
- b) Regular Board Meeting Minutes – February 9, 2023
- ~~e) Regular Board Meeting Minutes – February 23, 2023~~

The February 23rd minutes were removed from the consent agenda.

Manager Anderson moved to approve the consent agenda as amended. Seconded by President Schmaltz. Upon a roll call vote, the motion carried 3-0.

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

4. Public Open Forum

There were no comments.

5. Citizen Advisory Committee Update

a) CAC Member Appointment

Aidan Read noted the Citizen Advisory Committee (CAC) did not meet in March due to members being unavailable. The CAC met in February and mainly discussed the proposed residential cost-share program framework. Mr. Read introduced the nomination of Mike Miron to the CAC. Mr. Read explained that Mr. Miron is a teacher at Forest Lake High School, has attended several CAC meetings and will be a good addition to the CAC. Mr. Miron resides outside the District boundaries, but, by statute, the Board may appoint non-residents that will contribute to the CAC. Mr. Miron has expressed interest in providing his experience and expertise as an educational professional to the CAC.

Manager Anderson moved to appoint Mike Miron to serve on the District’s Citizen Advisory Committee for 2023. Seconded by Manager Bakke.

Manager Anderson agreed that Mr. Miron will be a valuable member of the CAC and welcomed him aboard. President Schmaltz agreed.

Upon a roll call vote, the motion carried 3-0.

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

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President Schmaltz indicated he appreciates the CAC’s comments on the residential cost-share program framework.

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6. Aquatic Invasive Species Update

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Administrator Kinney reported that Garrett Miller will not provide an update as he is on leave until the end of April. Mr. Kinney explained that other staff are stepping in to ensure Mr. Miller’s duties are performed during his leave.

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7. New Business

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a) Forest Lake Alum Treatment Scope of Work

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President Schmaltz moved to authorize the administrator, on advice of counsel, to enter into an agreement with EOR, in accordance with the February 14, 2023, scope of work and in an amount not to exceed \$38,200. Seconded by Manager Anderson.

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Joe Pallardy gave a presentation on the alum treatment project and the proposed scope of work. He explained that the alum treatment will be the final step to get Forest Lake to its long-term water quality goals, including a phosphorus concentration of 30 micrograms per liter.

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The treatment will be a split-dose, with the first application occurring in September 2023 and the second application slated for 2025, pending monitoring results in 2024. Mr. Pallardy elaborated on the treatment timeline, explaining that the treatment will be most effective if applied in early- to mid-September due to the lake turnover and phosphorus release that typically occur that time of year. In 2024, the District and Emmons & Olivier Resources (EOR) will collect sediment cores and water quality data in order to evaluate effectiveness of the first alum application. Mr. Pallardy presented scientific data supporting the effectiveness of alum treatments in binding phosphorus.

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Mr. Pallardy described the civic engagement involved in the project. He explained that EOR will support District staff with public outreach, particularly as it relates to answering technical questions and supporting messaging to the community (e.g., language translation support).

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Manager Anderson asked if there would be any boating restrictions during the treatment. Mr. Pallardy responded that he did not expect that to be necessary. The treatment will occur only in the middle basin. He indicated that it wouldn’t be ideal

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110 for a watercraft to drive right behind the alum applicator barge, but normal traffic
111 elsewhere in the lake shouldn't be an issue. Manager Anderson suggested staff
112 coordinate with President Schmaltz and the Forest Lake Lake Association to
113 disseminate messaging on this topic.

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115 President Schmaltz asked why the September timing is necessary. Mr. Pallardy
116 explained that in-lake phosphorus concentration monitoring data factor into this
117 decision. Higher phosphorus concentrations in the month of September due to
118 dissipation of the thermocline mean that is the best time to do the alum treatment.
119 Having the phosphorus suspended in the water column will allow the alum to
120 connect and bind to the phosphorus, bringing it to the bottom of the lake and making
121 it unavailable for future algae growth.

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123 Upon a roll call vote, the motion carried 3-0.

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

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126 **b) 2022 Year in Review, Annual Report, Progress Report**

127 Emily Heinz explained there are three reports that are generated by staff each year.
128 The Year in Review infographic is generated by Jessica Lindemyer, and is a one-
129 page, high-level summary of the District's work. The Annual Report is a requirement
130 of state statute, and is the next level of detail with respect to the District's activities.
131 The Annual Report must be submitted to the State by April 30.

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133 Ms. Heinz explained the District's history with its Progress Report. She noted that the
134 Progress Report has undergone a process of improvement over the years, which has
135 resulted in a lot of content. The 2021 Progress Report was almost 300 pages long.
136 State statute requires watershed districts to evaluate progress toward goals at least
137 once every two years. She recommended the District produce the full Progress Report
138 on a two-year basis. In the off years, starting with this year, she proposed a shortened
139 Progress Summary which would be shorter in length and focus on high priority items
140 such as progress toward water quality goals.

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142 Manager Anderson agreed with the proposed timing of the Progress Report. She
143 requested that the report use more graphics to communicate data, as opposed to
144 text-heavy paragraphs. President Schmaltz recommended managers review the
145 Annual Report and provide comments to staff. He stressed the importance of
146 communicating the data so that readers understand the implications of the data.

147 Manager Bakke asked if other watershed districts' annual reports are posted to the
148 Board of Water and Soil Resources' website. He suggested it would be useful to review
149 other watershed districts' annual reports and compare. Ms. Heinz indicated she
150 would look into this. President Schmaltz stated that the reports are well presented
151 and that he supports the idea of tightening up the progress report and focusing on
152 the story the District wants to tell.

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154 **c) 2022 DIY and CAT Water Monitoring Report**

155 Mr. Kinney noted staff will give a presentation on the monitoring data at the April 13th
156 regular board meeting. He explained that staff undergoes a continual process of
157 improvement on these reports to try and tell the District's story and convey progress
158 in an easy-to-understand way. He asked that managers provide any comments on
159 the documents to him before then.

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161 Manager Bakke asked if it is possible to include the names of the monitoring
162 volunteers in the report and give them recognition. Mr. Kinney indicated this is
163 possible. He noted that staff will consider how to acknowledge and recognize
164 volunteers on an annual basis.

165
166 President Schmaltz asked how the monitoring data alert staff to problems with water
167 quality. Mr. Kinney explained how phosphorus loading is calculated and used in
168 evaluating water quality issues. Mr. Olivier noted that EOR and staff review the data
169 to look for phosphorus load hot spots.

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171 President Schmaltz thanked staff for the information and thanked the volunteers for
172 their time.

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174 **8. Old Business**

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176 **a) Residential Cost-Share Program Framework**

177 Manager Bakke moved to approve the Comfort Lake–Forest Lake Watershed District
178 Residential Cost-Share Program Policy as presented, direct the Administrator to
179 distribute this information to the lake associations, and begin implementation.
180 Seconded by President Schmaltz.

181
182 Aidan Read presented an overview of comments received from managers regarding
183 the proposed program framework. Comments fall into one of three categories: a)
184 general comments and minor revisions/suggestions, b) specific program questions
185 and comments, c) comments and questions on the central program structure and
186 implementation. Mr. Read recommended that the framework, as currently presented,
187 is ready for the pilot stage of implementation. He noted that information gathered in
188 the pilot year is essential for further development of the District's cost-share
189 programs.

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Manager Bakke asked about the rollout plan for the program. Mr. Kinney explained that the materials will be posted, staff will do public outreach, and residents will be able to apply. President Schmaltz indicated that there are a lot of shoreline residents on District lakes, and that those residents are the target audience for shoreline restorations. He recommended coordinating with the lake associations to do outreach. Manager Bakke noted that there is a Bone Lake Association meeting next Tuesday. Mr. Kinney noted that Mr. Read will attend the Bone Lake Association meeting and can speak on the program.

Manager Anderson referenced President Schmaltz’s comment that the program gives emphasis to riparian improvements. She asked if the program is exclusive to shoreline residents or if it is District-wide. Mr. Kinney noted the District’s shoreline restoration goals and how this program will help achieve those goals, but the program isn’t exclusionary. Manager Anderson suggested the pilot program be clear that the focus is on riparian landowners, so that residents have clear expectations. She recommended the pilot year be exclusive to shoreline properties, and the second year of implementation would be expanded to allow non-shoreline applicants. Mr. Kinney noted that staff’s recommendation is to focus outreach to lakeshore owners in order to identify shoreline restoration projects, but he does not recommend intentionally excluding non-lakeshore owners. He recommended that if a non-lakeshore owner applies for funding, the District should consider that application against the ranking criteria like any other project.

Upon a roll call vote, the motion carried 2-0.

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

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b) Clean Water Partnership Loan B

Manager Anderson moved to adopt resolution 23-03-03. Seconded by President Schmaltz.

Ms. Heinz provided an overview of the proposed loan amendment, stating that this topic was discussed throughout past budgeting processes. The bullet points in the memo reflect the plan that was first presented in October 2021. Ms. Heinz noted that the District had budgeted for \$1.6 million in loan disbursements in 2022, but was only able to receive \$1 million from MN Pollution Control Agency (PCA). She explained that the PCA must consider cash flow within the loan program, and it was unable to issue

227 loan awards higher than \$1 million last year. Similarly, the PCA is unable to issue more
 228 than \$750,000 at this time. President Schmaltz asked if the lower loan amounts are
 229 going to have an impact on the District's cash flow. Ms. Heinz indicated this could be
 230 a concern, and she will be communicating with Administrator Kinney to ensure
 231 spending aligns with cash flow.

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 233 Upon a roll call vote, the motion carried 3-0.

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

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236 **9. Report of Staff**

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238 **a) Administrator**

239 Administrator Kinney noted he is working with the consulting company, ISG Inc., on
 240 office space visioning. President Schmaltz suggested that two managers meet with
 241 the new landlord at the District's office rental space to plan ahead for future lease
 242 needs. Mr. Kinney noted he has an upcoming meeting with ISG, and he will report
 243 back to the managers after that meeting and discuss next steps. Manager Anderson
 244 and Manager Bakke volunteered to meet with the landlord and support this effort.
 245 President Schmaltz asked if this requires a formal action of the board. Legal Counsel
 246 Holtman indicated that this would not be necessary.

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248 **b) Emmons & Olivier Resources**

249 Mr. Olivier reported that there are a lot of projects moving forward currently. President
 250 Schmaltz stated it is good to see so many project updates coming forward at board
 251 meetings.

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253 **c) Smith Partners**

254 Nothing to report.

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256 **10. Report of Treasurer**

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258 **a) Approval of Bills and Treasurer's Report**

259 Manager Anderson reported income for the period of \$100,774.75 and expenses in
 260 the amount of \$696,401.71.

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262 Manager Anderson moved to accept the Treasurer’s Report and pay the bills in the
 263 amount of \$696,401.71. Seconded by President Schmaltz. Upon vote, the motion
 264 carried 3-0.
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Manager	Aye	Nay	Absent	Abstain
Dave Bakke	X			
Christopher Loth			X	
Doug Toavs			X	
Jackie Anderson	X			
Stephen Schmaltz	X			

266
 267 Manager Anderson recommended switching the District’s savings account to First
 268 Resource Bank, which has a higher interest rate compared to the District’s current
 269 savings account at First State Bank of Wyoming. She explained the difference in
 270 interest revenues, which is significant. Manager Bakke asked where the bank is
 271 located. Manager Anderson answered that it is located in Forest Lake. It was formerly
 272 Lake Area Bank, and the District has had an account with that bank for years.
 273 President Schmaltz recommended talking with the District’s accountant or auditor
 274 about the switch. Manager Anderson indicated she has been in touch with the
 275 auditor.
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277 Administrator Kinney explained he has been looking into this topic for a while. Given
 278 current interest rates, now is an ideal time to make the switch. He noted the District
 279 already has a relationship with First Resource Bank, which is a positive.
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281 Legal Counsel Holtman explained that state law requires the District’s bank to provide
 282 third party collateral in order to protect District funds in excess of the FDIC threshold.
 283 This requires the bank to provide to the District a guarantee of a reliable third party
 284 to cover 110% of the amount, in the event the bank defaults. He explained the District
 285 has a letter of credit in place currently. He advised Manager Anderson to ensure the
 286 collateral covers the District’s additional funds. Manager Anderson indicated she
 287 would send the final documents to Mr. Holtman for review before finalizing the switch.
 288

289 Manager Anderson moved to authorize herself as Treasurer to transfer the District’s
 290 savings account funds from First State Bank of Wyoming to First Resource Bank.
 291 Seconded by President Schmaltz. Upon a roll call vote, the motion carried 3-0.
 292

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

Stephen Schmaltz	X			
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294 **11. Report of Officers and Managers**

295 Manager Anderson and Manager Bakke had nothing to report.

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297 President Schmaltz explained he is working with Administrator Kinney to schedule a
 298 special meeting to discuss the Administrator’s SMART goals.

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300 **12. Summary and Approval of Board Direction**

301 Board directives were summarized:

- 302 • Manager Anderson asked that progress report text be kept concise and display
 303 results in a graphic format
- 304 • President Schmaltz requested that, when data is presented, the report advise
 305 the reader of the implications of the data
- 306 • Manager Bakke asked that staff look at other watershed districts’ annual reports
- 307 • Manager Bakke asked that volunteers’ names be included in the CAT/DIY
 308 monitoring report for recognition
- 309 • President Schmaltz asked that information be included in the reports about the
 310 meaning of the phosphorus concentration data and the relevant thresholds

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312 **13. Adjourn**

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314 **a) Next regular board meeting – April 13, 2023**

315 Manager Anderson moved to adjourn the meeting. Seconded by Manager Bakke.

316 Upon a roll call vote, the motion carried 3-0, and the meeting was adjourned at 7:58
 317 p.m.

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

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320 Dave Bakke, Secretary _____