



MEMORANDUM

Comfort Lake-Forest Lake Watershed District

Date: October 5, 2023
To: CLFLWD Board of Managers
From: Mike Kinney, District Administrator
Subject: Lessard-Sams Outdoor Heritage Fund Grant Agreement



Background/Discussion

Pursuant to action of the Board of Managers at the May 25, 2022 meeting, the District applied for a \$4.5 million Lessard-Sams Outdoor Heritage Fund (LSOHF) grant to acquire and restore approximately 300 acres of land south of Bone Lake. This site is identified as one of the high priority areas for implementation in the Watershed Management Plan (WMP). This site has been evaluated against the land acquisition criteria in the WMP and determined to be a desirable acquisition. The site provides opportunities to achieve water quality improvements for the high priority lake, Bone Lake, which is located nearby.

Because grant requests exceeded available funds, the District (among others) was awarded a portion of the grant request in the amount of \$1.9 million. The grant was approved by the legislature this June, and the grant period began July 1, 2023.

Administrator Kinney is still in discussion with the landowner regarding the selling price. The District first obtained an appraisal from an appraiser retained on December 1, 2022. At the request of the landowner, the parcel sizes were adjusted and thus the District has since retained a second appraiser for the purpose of establishing a sound valuation. Our hope is to align the seller's desired price with the appraisal. The LSOHF grant prohibits the District from paying greater than 110% of the appraised price on a land purchase.

The \$4.5 million request in the grant application included \$975,000 for restoration construction and engineering. The final grant work plan entailed removing the restoration work due to the lower grant award amount. That is, the District is not required to complete the restoration work as part of the current LSOHF grant agreement. The final grant work plan entails acquisition only. Even so, the District may need additional revenues to close on this property, in light of the differential between the grant award and where a negotiated price may end up. Once we are more certain that the acquisition will go through, staff plans to seek additional grant and/or partner revenue sources to complete the acquisition. The District may also seek additional grant funds to complete the restoration work once the property closing is complete.



MEMORANDUM

Comfort Lake-Forest Lake Watershed District

Before the District can receive reimbursements, it must execute the grant agreement. The LSOHF delegates grant administration to the Department of Natural Resources (DNR). The District will work with the DNR to execute the grant agreement.

Recommended Motion

Proposed Motion #1: Manager _____ moves to adopt resolution 23-10-02. Seconded by Manager _____.

Proposed Motion #2: Manager _____ moves to adopt resolution 23-10-03. Seconded by Manager _____.

Attached:

- Resolution 23-10-02: Authorizing Execution of Grant Agreement
- Resolution 23-10-03: Conflict of Interest Policy

**COMFORT LAKE-FOREST LAKE WATERSHED DISTRICT
BOARD OF MANAGERS**

RESOLUTION 23-10-02

**AUTHORIZING EXECUTION of GRANT AGREEMENT for
FY23 LESSARD-SAMS OUTDOOR HERITAGE FUND PROJECT:
BONE LAKE SOUTH WETLAND ACQUISITION**

Manager _____ offered the following resolution and moved its adoption, seconded by Manager _____:

WHEREAS the District has adopted a watershed management plan (WMP) in accordance with Minnesota Statutes §103B.231 that identifies priority areas and program 3012 Land Acquisition & Management for the purpose of acquiring land and land access to support capital projects and reinforce public education and recreation;

WHEREAS the District has identified a potential property acquisition that supports the Land Acquisition & Management Program and entails land acquisition of parcels located south of Bone Lake, owned by Roger Larson, and in an area identified as a priority area, per Figure 2-5 Priority Areas, in the Watershed Management Plan;

WHEREAS the District applied for a Lessard-Sams Outdoor Heritage Fund grant and was awarded a grant in the amount of \$1,942,000;

WHEREAS the District's legal counsel has reviewed the grant agreement and finds it acceptable, and the Board will budget over the subsequent fiscal years of the grant period, as necessary, for required local cost share and other associated costs of this project for which the District is responsible;

THEREFORE BE IT RESOLVED that the Board President is authorized to sign the grant agreement, on advice of counsel; and

BE IT FURTHER RESOLVED that the District Administrator is to establish one or more separate project funds for receipt and proper management of grant funds.

The question was on the adoption of the above resolution and there were ___ ayes and ___ nays as follows:

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

The President declared the resolution adopted.

Dated: October 12, 2023

Dave Bakke, Secretary

* * * * *

I, Dave Bakke, Secretary of the Comfort Lake-Forest Lake Watershed District Board of Managers, do hereby certify that the above resolution is a true and correct transcription of an action of the Board taken on the date above indicated.

IN TESTIMONY WHEREOF, I have hereunto set my hand this _____ day of _____ 2023.

Dave Bakke, Secretary

**COMFORT LAKE-FOREST LAKE WATERSHED DISTRICT
BOARD OF MANAGERS**

RESOLUTION 23-10-03

**ADOPTING CONFLICT of INTEREST POLICY for
FY23 LESSARD-SAMS OUTDOOR HERITAGE FUND PROJECT:
BONE LAKE SOUTH WETLAND ACQUISITION**

Manager _____ offered the following resolution and moved its adoption, seconded by Manager _____:

WHEREAS the Comfort Lake – Forest Lake Watershed District (“District”) has been awarded a grant in the amount of \$1.9 million from the Lessard-Sams Outdoor Heritage Fund (LSOHF) to acquire and restore up to 300 acres of land south of Bone Lake (the “Project”);

WHEREAS as a requirement of the grant agreement, throughout the term of the agreement the District must maintain a conflict of interest policy that conforms to Minnesota Department of Administration, Office of Grants Management, Policy No. 08-01;

WHEREAS Policy No. 08-01 requires that the District maintain and follow its own documented conflict of interest policy and procedures with respect to an organizational conflict of interest, which is defined as when:

- A grantee’s objectivity in carrying out a grant is compromised due to a competing duty or loyalty; or
- A grantee or grant applicant has an unfair competitive advantage by having been furnished, without authority, proprietary information or source selection information not available to all competitors.

WHEREAS the Bylaws of the District Board of Managers (“Board”) sets forth a conflict of interest policy in accordance with Minnesota Statutes §10A.07;

NOW, THEREFORE, BE IT RESOLVED that all members of the Board, in making decisions that involve the expenditure of Project grant funds, will follow the requirements and procedures of the District conflict of interest policy with respect to any potential or actual organizational conflict of interest, as defined above, and the District Administrator, in the event of same, will advise the Board

in writing and determine in coordination with the Board how the decision at hand will be made so as to avoid an organizational conflict of interest; and

BE IT FURTHER RESOLVED that in the event of an actual, potential or perceived conflict of interest, as defined in the "ENRTF/OHF Pass-Through Grant Agreement Conflict of Interest Disclosure" attached hereto, the District Administrator will notify the State's Authorized Representative for the grant.

The question was on the adoption of the above resolution and there were ___ ayes and ___ nays as follows:

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

The President declared the resolution adopted.

Dated: October 12, 2023

Dave Bakke, Secretary

* * * * *

I, Dave Bakke, Secretary of the Comfort Lake-Forest Lake Watershed District Board of Managers, do hereby certify that the above resolution is a true and correct transcription of an action of the Board taken on the date above indicated.

IN TESTIMONY WHEREOF, I have hereunto set my hand this _____ day of _____ 2023.

Dave Bakke, Secretary