

Middle Fork Crow River Watershed District Meeting Minutes
August 19th, 2024 at 6:30 pm at the MFCRWD Office

Board of Managers Present: Ruth Schaefer, Jay Hedtke (arrived at 6:33 p.m.), Jeff Gertgen, Shane Braegelman (arrived at 6:33 p.m.), Amanda Toutges.

Staff & Guests Present: Dan Coughlin – District Administrator; Andy Johnson – Project Manager; Jon Morales – Program Manager; Leah Melges – Office & Finance Manager; Erin Vruwink – Summer Intern; and John Kolb – District Attorney; Brian Weist – DLARA; Anita Hagen - DLARA
Attending Virtually: Chris Stephan – Moleaer Inc (joined at 6:38 p.m., departed at 8:05 p.m.); Brady Schmitz – District Engineer

1. President Schaefer called the meeting to order at 6:30 p.m.
2. President Schaefer recited the District’s mission statement: “We exist for the protection and preservation of water quality in the Middle Fork Crow River Watershed District.”
3. Additions / Corrections to the Agenda: **A motion to approve the updated distributed agenda made by Manager Gertgen, seconded by Manager Hedtke. Motion passed unanimously.**
4. Consent Agenda
 - a. Financial Report
 - i. Finance Report
 - ii. Approval of Payables / Expenditures
 - b. Resolution 2024-18, Approval of 2024-25 WPLMN Workplan Agreement
 - c. Regular Board Meeting Minutes – July 10th, 2024
Motion by Manager Gertgen, seconded by Manager Toutges to approve the Consent Agenda. The motion passed unanimously.
5. Discussion / Business Items
 - a. Resolution 2024-19, Project Order: Green Lake Subwatershed / 319 Grant Project:
District Attorney John Kolb presented a resolution to establish a special fund to support all projects regarding watershed land impacting Green Lake. **A motion made by Toutges, seconded by Manager Braegelman to approve Resolution 2024-19. The motion passed unanimously.**
 - b. DLARA Request to Partner with MFCRWD on a Nanobubble Treatment Project:
Prior to the start of discussions, Manager Gertgen presented a disclaimer disclosing that he owns property and a recreational resort on Diamond Lake and that he will act objectively and impartially on this matter. Following an alarming red algae bloom on Diamond Lake in July of this summer, the Diamond Lake Area Recreation Association (DLARA) presented a partnership opportunity with the District to finance a nanobubble unit through an application for a Clean Water Fund loan. Manager Toutges inquired whether DLARA has had conversations with landowners regarding pesticides/fertilizer management being applied to their lawns that may be

contributing to nutrients entering the lake. Board President Brian Weist reported that past conversations have been had regarding these issues and welcomed the suggestion to revisit these conversations with homeowners.

DLARA will host an informational meeting for homeowners on Aug 24th, 2024, and District Administrator Coughlin and Chris Stephan, from Moleaer Inc, will be there to provide more information about nanobubble treatments. The DLARA board voted unanimously to proceed with the project and plans for installation at the county park, contingent upon the District being willing to partner with them on the acquisition of a nanobubble treatment unit. DLARA has proposed to finance the electricity and operational costs for the unit if the District would purchase a 4,500 gpm nanobubble unit, provide general oversight, insurance, and retain ownership of the system. Purchase would be dependent on the state authorizing a loan to cover the nearly \$1 million dollar purchase and installation costs of a nanobubble system, pipes, initial electrical power connections, etc.

If approved, the loan would involve a 7-year debt service at 1.5% annualized interest that would have annual payments of approximately \$150,000. The servicing of the debt would involve a district-wide levy. Attorney John Kolb recommended that a public hearing be held ahead of final adoption of the 2025 levy if the nanobubble system were to be funded with a district project levy. Kolb noted that for initial budget planning purposes, the debt service amount could be included as part of the District's general fund levy. The Board indicated their willingness to include the nanobubble system in the draft 2025 budget; and they authorized staff to begin the loan application process with the State.

c. Discussion of 2025 Draft Budget Highlights:

i. Motion to Schedule Budget / Levy Public Hearing

The Budget / Levy hearing has historically been held at 6:00 p.m. prior to the regular monthly board meeting that would follow. Manager Toutges stated she will not be present that evening. **A motion by Manager Gertgen was made to set the Budget / Levy Public Hearing on September 10th, 2024, at 6:00 p.m. at the MFCRWD board room, seconded by Manager Braegelman. The motion passed unanimously.**

Motion by Manager Gertgen, seconded by Manager Toutges to authorize advertising the budget as presented by the Administrator. Motion passed unanimously.

ii. General Overview (Inflation rate, contract rates, assumptions used)

District Administrator Coughlin shared that, without the addition of the levy amount for a Diamond Lake nanobubble treatment loan, and even with the addition of a 3.3% COLA to account for inflation, the 2025 projected levy amounts are just below the prior fiscal year

2024 levy amounts. He explained that the levy was able to remain largely the same due to a few factors including the retirement of a small loan obligation, better and more complete financial data now that the Banyon accounting system is fully functional, a few one-time projects funded through the general fund this year that will not need funding next year, and less funds needed next year in a couple individual project accounts. It was also noted that three general fund subsets (Diamond Lake Subwatershed, Spicer, and Belgrade) will be moved out of general fund in 2025 as they have been established as their own special project funds.

- iii. Review of Needs / Recommendations for General / Project / Special Funds
Administrator Coughlin mentioned that the 2025 draft budget includes a small increase in the AIS / Short Term Project fund to \$20,000 (up from \$14,500) in order to provide additional funds for ongoing outreach & education efforts with area lake associations. \$9,500 was included for off-the-shelf parts for an aquatic drone project with the NLS robotics team and \$1,500 in funds to compensate the team for their labor. There was also inclusion in the budget for the replacement of some of the meeting room chairs which are starting to wear out.

- iv. Input from Board of Managers

By consensus, the Board authorized staff to apply for any available funding options to finance the Diamond Lake Nanobubble treatment.

- d. Invitation to the Global Nanobubble Summit (Sept 9-10):

Consideration for acceptance of an invitation to the Global Nanobubble Summit was presented to the Board of Managers by District Administrator Dan Coughlin. Moleaer Inc. invited (all-expense-paid trip) District Administrator Coughlin to attend and present on the Tadd Lake Pilot Project at the Global Nanobubble Summit on September 9-10th, 2024 in Los Angeles, CA. The summit date coincides with the MFCRWD Budget / Levy Hearing date, for which Coughlin reported he can participate via Zoom. Coughlin explained that while he was honored to be invited to the event, he said that his primary focus and responsibility is to serve the Board and the District, so he wanted to get the blessing of the Board before accepting the invitation. He said if the managers wanted him to be present in person for the budget hearing, he would turn down the invitation without pause. Coughlin said that even if he were given permission to go, his acceptance would absolutely be contingent upon his ability to attend the District's budget hearing and regular meeting via Zoom.

Manager Gertgen stated he thought it would be good to have the District represented at the conference and he did not see any issue with the Administrator joining the budget hearing remotely. Manager Hedtke and

Braegelman indicated they were fine with the arrangement. Board President Shaefer expressed concern regarding the primary responsibility to the budget meeting, as well as concern regarding accepting an all-expense-paid trip from a company that we are currently engaged in business with. President Schaefer said the final decision should be left up to the Administrator. Coughlin said he did not want to make such a decision himself because of the issues mentioned, which is why he sought the input and blessing of the Board

e. Project Updates:

The District has received the preliminary report from Moleaer's Limnologist Dr. Denise Devotta which highlights improvements in Tadd Lake in comparison to the control Upper Lake.

f. Agenda Additions / Other Matters: None.

6. Reports & Updates

a. Administrator – Dan Coughlin: No additional.

b. Program Manager – Jon Morales:

Program Manager Morales reported that he will be inspecting 14 BMP projects by the end of the calendar year. The WPLMN contract is complete and is just awaiting signatures at the MPCA. Morales reported that he submitted a grant application for an MPCA resiliency grant for the New London Stormwater Projects, which we did not receive. However, there is a BWSR grant application open currently that he will submit for. Kare 11 news station is coming out to meet with Morales on August 26th, 2024 regarding looking at water quality aspects via underwater drones that we have considered collaborating with the NL-S Toolcats Robotics Team on constructing. The team will gather parts throughout this year and then next summer begin assembling the drone. The drone will be a mid-cost drone option at \$10,000. Morales has also been working with the City of New London and MnDot on the overpass project.

c. Project Manager – Andy Johnson:

Project Manager Johnson met with Belgrade city engineers to work on moving forward with stormwater planning. He has an upcoming meeting with the City of Atwater and their engineers, Spencer Johnson and Jared Voge, in the early stormwater planning stages. Johnson has reached out to Spicer regarding early planning stages as well. He continues to work with MPCA's Chris Lundeen on the 319 grant plans, as well as concept designs and surveying for Bergstrom private ditch project, Elkhorn wetland and detention project and Peace Lutheran Church / New London stormwater project. Johnson will also participate in a New London Water Trail meeting to present promotional designs to the county commissioner, and he has reached out to county surveyors to get land and build values to help update assessment benefits for Nest Lake and Diamond Lake.

d. Finance Manager – Leah Melges:

Finance Manager Leah Melges reported that information was sent over to Conway, Deuth & Schmiesing accounting firm regarding restating our Flex Benefits Plan Document, due to multiple amendments to the original 2011 version. Melges has been updating documented procedures for payroll processes including MN Unemployment payments, payroll liability payments and Flex/Dependent Care reimbursements. Melges has also been working with Administrator Coughlin on the 2025 draft budget, as well as continued social media/website updates regarding the Tadd Lake Nanobubble Project. Currently waiting for a response from Mike Woodley, from iSolar, to assist in the LGU rebate process for the solar panel installation.

e. Summer Monitoring Intern / Technician – Erin Vruwink:

Summer Intern / Tech Erin Vruwink shared a resource she created for both the District and Moleaer, an interactive story map overview of the nanobubble treatment in Tadd Lake Nanobubble Pilot Project case study. Upon completion of the project and story map, it will be uploaded to our website.

f. District Engineer – Brady Schmitz:

Stantec has completed the surveys for the Bergstrom Ditch and Elkhorn BMPs. Schmitz is working on draft designs, preliminary costs and cost/benefit analysis. He will be on-site for Lake Calhoun kick-off meeting at the District on August 22nd, 2024 at 10 a.m.

g. District Attorney – John Kolb: No report.

h. Other Reports from Managers / Staff: Ruth was invited to attend the Long Lake-North meeting on August 24th, 2024 and will represent the District there.

7. Public Access Forum: No public input was received.

8. Adjournment: Motion made by Manager Gertgen, seconded by Manager Toutges to adjourn the meeting was made. Motion passed unanimously.

The meeting declared adjourned by President Schaefer at 8:17 pm.

Submitted by,

Leah Melges
Recording Secretary
Office & Finance Manager