



Board of Managers Meeting Agenda

Wednesday - June 10th, 2020 - 3:00 p.m.

Held Remotely Online

1. Call Meeting to Order
 - 1.1 Public Comment / Introductions
Audience members may address the Board regarding items not on the agenda. Please limit to three minutes.
 - 1.2 Approval of Agenda* (Additions/Corrections/Deletions) Action
2. CONSENT AGENDA
 - 2.1 Approval of May 13th, 2020 Meeting Minutes - Chair* Action
 - 2.2 Approval of June 10th, 2020 Financial Summary & Invoices - Treasurer* Action
3. Discuss MWS 2020-2021 Continuing Participation - SWCD* Action

The Freshwater Society (FWS) is beginning outreach for the 2020-2021 Master Water Steward (MWS) program. The LMRWMO sponsored 2 participants for the past three years of the program. The current MWS participants have been forced to modify their plans for participation in the program due to COVID-19. Included in the packet are meeting notes between FWS staff and program partners who met via Zoom to discuss the program. The LMRWMO Administrator was not able to attend that meeting.

The LMRWMO Administrator is looking for direction on the Board's willingness to continue participating in the program and if so, direction on beginning outreach efforts to recruit new participants.
4. Review the 2019 Financial Audit and Approve Submittal to State - SWCD* Action

The 2019 audit management representation letter and financial statements are included in the packet. Requesting authorization to sign management letter and guidance on any requested changes for the auditor and (or) submittal of the audit to the State of MN.
5. Discuss LMRWMO Visioning Exercise Follow-Up - Barr* Discussion/Action
6. Discuss Watershed Plan Update Continuance or Delay - SWCD Discussion
7. Discuss Capital Region Watershed District Draft Plan Implementation Item - SWCD* Discussion/Action
8. Updates and Handouts
 - 8.1 Grant Tracking Update - Barr** Information
 - 8.2 Other Updates / Member City Updates Information
9. Agenda Items for Next Meeting: July 8th, 2020, Location & Format TBD
10. Adjourn

Please note, the June 10, 2020 LMRWMO Board meeting will take place **via teleconference by phone and/or the web-based application, Zoom at 3:00 pm**. We are following provisions in Minnesota Open Meeting Law addressing meetings in the case of pandemic. Please visit the meeting listing below for instructions on how to participate. **The meeting link will be open at 2:15, 45 minutes prior to the start time, to allow for technical troubleshooting for people to get connected and into the meeting.**

LMRWMO June Board Meeting

Time: Jun 10, 2020 02:15 PM Central Time (US and Canada)

Join Zoom Meeting

<https://dakotacountymn.zoom.us/j/91226674442?pwd=QVlrMlkrVXpXWnVockJEa3pRODhLdz09>

Meeting ID: 912 2667 4442

Password: 007953

One tap mobile

+13126266799,,91226674442#,,1#,007953# US (Chicago)

+16465588656,,91226674442#,,1#,007953# US (New York)

Dial by your location

+1 312 626 6799 US (Chicago)

+1 646 558 8656 US (New York)

Meeting ID: 912 2667 4442

Password: 007953

Find your local number: <https://dakotacountymn.zoom.us/j/91226674442?pwd=QVlrMlkrVXpXWnVockJEa3pRODhLdz09>

*Materials included in full packet

**Materials available separately on website:

www.dakotacountyswcd.org/watersheds/lowermisswmo/agendas.html



MEETING MINUTES

Board of Managers Regular Meeting

May 13, 2020 - 3:00 p.m.

Meeting Held Remotely

Managers and Alternates in Attendance:

Sharon Lencowski, (Chair) Inver Grove Heights

Mary Jeanne Schneeman, (Sec/Tres) Mendota Heights

Sheila Vanney, West St. Paul

Jill Smith, Mendota Heights (Alt)

Karen Reid, (Vice Chair) Saint Paul

Tom Sutton, Lilydale

Patti O'Leary, Sunfish Lake

Lyle Hanzal, Lilydale (Alt)

Advisors and Others in Attendance:

Tom Kaldunski, Inver Grove Heights

Krista Spreiter, Mendota Heights

Cody Joos, West St. Paul

Greg Williams, Barr Engineering

David Holmen, Dakota County SWCD

Ryan Ruzek, Mendota Heights

Sue Polka, South St Paul

Dawn Gaetke, Inver Grove Heights

Janna Kieffer, Barr Engineering

Joe Barten, Dakota County SWCD

1. Call Meeting to Order

The meeting was called to order by Chair Lencowski at 3:00 p.m.

1.1 Public Comment / Introductions

1.2 Approval of Agenda

Lencowski asked for any changes to the agenda, Barten asked to move item number 7 to the end of the agenda.

MOTION by Vanney to approve the agenda for the May 13, 2020 meeting, second by Reid; Roll call approval by Lencowski, Schneeman, Sutton, Reid, Vanney; motion passed.

CONSENT AGENDA

2. Approval of the March 11th, 2020 Meeting Minutes

Lencowski asked if there were any changes to the previous meeting minutes; one minor change was noted by Sutton.

3. Approval of May 13, 2020 Financial Summary & Invoices

Spreiter provided an overview of the financial summary including invoices to be paid and recommended approval. There was discussion on getting the checks signed.

4. Authorization for the LMRWMO Administrator to sign and execute the engagement letter with Peterson Company Ltd. for the 2019 Audit, on behalf of the LMRWMO.

5. Authorize the LMRWMO Administrator to execute a revised contract with the Freshwater Society (FWS) to fund the previously approved research project with a revised completion date of June 30, 2021.

MOTION by Reid to approve agenda items 2-5 on the consent agenda as presented, second by Sutton; Roll call approval by Lencowski, Schneeman, Sutton, Reid, Vanney; motion passed.

REGULAR AGENDA

6. Discuss Funding of 2020 Landscaping for Clean Water (LCW) Classes

Lencowski summarized the information provided in the packet. Vanney, Reid, and Lencowski noted that they expect additional work necessary with the changeover, recommended fully funding the program per the agreement, and noted concern that it may even be underfunded. Lencowski noted that if there is additional cost, there perhaps could be additional funding provided. Barten replied that at this time the SWCD Manager is not currently asking for additional funding above the agreed to amount but that he will let Brian Watson know there may be support for additional funding.

MOTION by Reid to approve funding of the Landscaping for Clean Water program at the original agreed to amount, second by Schneeman; Roll call approval by Lencowski, Schneeman, Sutton, Reid, Vanney; motion passed.

7. LMRWMO Watershed Management Plan Visioning Exercise

Williams and Barten facilitated a discussion on the visioning statement and direction and role of the LMRWMO long term. Williams summarized responses received prior to the meeting. There was thorough and thoughtful discussion on the various aspects of the vision statement for the LMRWMO, whether it was specific enough, how open ended it could be, which portions should be added, changed, removed, or abbreviated, specific language which should be included, etc. Williams will take the input from the conversation and process them for future discussion.

8. Updates

8.1 Grant Tracking Update

There were no items specifically mentioned from the grant tracking spreadsheet.

8.2 2019 LMRWMO Annual Report & 2020 Newsletter

Barten noted that the annual report and newsletter had been submitted to BWSR.

8.3 2020 Metro Watershed Based Implementation Funding (WBIF) Update

Barten provided an update on the Metro WBIF program. Kaldunski noted that the City convene process was quite difficult.

8.4 Other Updates / Member City Updates

Member Cities provided updates on relevant projects in their municipalities.

9. Review Proposal to Update LMRWMO Website and Consider Approval to Discussion/Action Execute Contract to Perform Work - SWCD*

Barten summarized the information provided in the packet. Holmen provided background on the potential website update by 144 design. The Board discussed the need to update the website and there was general agreement to go forward with the proposal to update the website.

MOTION by Vanney to authorize the LMRWMO Administrator to coordinate and execute an agreement or contract with the Dakota County SWCD or 144 Design to update LMRWMO website, second by Schneeman; Roll call approval by Lencowski, Schneeman, Vanney, Hanzal; motion passed.

10. Adjourn - Meeting adjourned by Chair Lencowski at 4:50 p.m.



FINANCIAL SUMMARY
May 14, 2020 to June 11, 2020

Beginning Balance - Key Community Bank				\$325,755.29
Interest	5/29/2020	May 2020 Interest	+	\$18.40
			+	
Deposits	5/20/2020	Dues from South Saint Paul	+	\$14,162.11
			+	
			+	

To be approved at this meeting:

Key Community Bank:

Bank Fee			-	
Bank Fee	5/29/2020	Paper Statement Fee May	-	\$2.00
3699	6/11/2020	Barr Engineering	-	\$2,216.00
			-	
			-	
			-	

Available Balance at Key Community Bank **\$337,717.80**

Gateway Bank Accounts:

<u>Savings</u>				Balance	\$70,850.70
Deposits	Interest	5/29/2020	+		\$30.08
			+		
			-		
				Ending Balance	<u>\$70,880.78</u>
<u>Checking</u>				Balance	\$1,000.00
			-		
				Ending Balance	<u>\$1,000.00</u>

Available Balance at Gateway Bank **\$71,880.78**

Available Balance - Key Community & Gateway Banks **\$409,598.58**

4th Generation Plan Balance for 2020 **\$45,000.00**

*Balance includes dedicated funds to 4th Generation Watershed Plan

Payee: 1849 LOWER MISSISSIPPI RIVER WMO

Check No. - 137106

Stub 1 of 1

Check Date - 5/18/2020

Supplier Invoice No	Date	Remark	Reference	Amount
2020-05	3/24/2020	2020 LMRWMO DUES		14,162.11

DEPOSIT TICKET

LOWER MISSISSIPPI RIVER WMO
 125 - 3RD AVENUE NORTH
 SOUTH SAINT PAUL, MN 55075

KEY COMMUNITY BANK

5064 Bishop Ave.
 Lower Grove Heights, MN 55076 Visit us at
 Phone (651) 457-7357 www.keycommunitybank.com

DATE 5-20-2020
 DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL
 LIST CHECKS SINGLY OR ATTACH LIST

CURRENCY

COIN

CHECK I.D.

137106

14162.11

FROM
OTHER
SIDE

\$

PLEASE ENTER TOTAL HERE

\$

14162.11

14,162.11

Checks and other items are received for deposit
 subject to the provisions of the Uniform Commercial
 Code or any applicable collection agreement.



INVOICE

Barr Engineering Co.
4300 MarketPointe Drive, Suite 200
Minneapolis, MN 55435
Phone: 952-832-2600; Fax: 952-832-2601
FEIN #: 41-0905995 Inc: 1966

Ms. Nancy Bauer
Lower Mississippi River Water Mgmt. Org.
City of Mendota Heights
1101 Victoria Curve
Mendota Heights, MN 55118

May 14, 2020
Invoice No: 23190078.00 - 228

Total this Invoice	\$2,216.00
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Regarding: Watershed Management Organization

The following invoice is for professional services related to the above project, which include:

- Reviewing allowable flow and allowable volume methodology from Joint Powers Agreement
- Responding to questions about monitoring locations
- Revising XP-SWMM modeling in and cost calculations in support of the Seidl's Lake Pump Station cost allocation
- Communicating with LMRWMO Administrator and project management

Professional Services from March 21, 2020 to April 17, 2020

Job	2020	2020 Engineering Services
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Task	001	Board Meetings
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Labor Charges

	Hours	Rate	Amount
Support Personnel II			
Nypan, Nyssa	.80	95.00	76.00
	.80		76.00
Subtotal Labor			76.00
		Task Subtotal	\$76.00

Task	002	Technical Assistance
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Labor Charges

	Hours	Rate	Amount
Principal			
Kieffer, Janna	2.50	170.00	425.00
Support Personnel II			
Nypan, Nyssa	.50	95.00	47.50
	3.00		472.50
Subtotal Labor			472.50
		Task Subtotal	\$472.50

Task	003	Seidl's Lake Cost Allocation
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PLEASE REMIT TO ABOVE ADDRESS and INCLUDE INVOICE NUMBER ON CHECK.

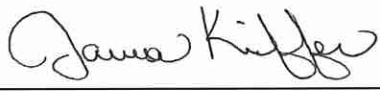
Terms: Due upon receipt. 1 1/2% per month after 30 days. Please refer to the contract if other terms apply.

Labor Charges

	Hours	Rate	Amount	
Engineer / Scientist / Specialist III				
Williams, Sterling	11.50	145.00	1,667.50	
	11.50		1,667.50	
Subtotal Labor				1,667.50
		Task Subtotal		\$1,667.50
		Job Subtotal		\$2,216.00
		Total this Invoice		\$2,216.00

Thank you in advance for your prompt processing of this invoice. If you have any questions, please contact your Barr Project Manager, Janna M. Kieffer Phone: 952-832-2785 or E-Mail: jkieffer@barr.com.

Barr declares under the penalties of law that this account, claim or demand is just and no part of it has been paid.

Authorized By: 
Janna Kieffer

Billing Backup

Thursday, May 14, 2020

Barr Engineering Co. Invoice 228 Dated 5/14/2020 9:09:44 AM

Job	2020	2020 Engineering Services
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Task	001	Board Meetings
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Labor Charges

			Hours	Rate	Amount
Support Personnel II					
	Support Personnel II				
NJN	9 - Nypan, Nyssa	3/23/2020	.50	95.00	47.50
NJN	9 - Nypan, Nyssa	3/24/2020	.30	95.00	28.50
			.80		76.00
Subtotal Labor					76.00

Task Subtotal \$76.00

Task	002	Technical Assistance
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Labor Charges

			Hours	Rate	Amount
Principal					
Principal					
JMK2	1 - Kieffer, Janna	3/24/2020	.20	170.00	34.00
	misc coordination				
JMK2	1 - Kieffer, Janna	3/25/2020	1.10	170.00	187.00
	review allowable flow memo revisions, discuss approach (VT)				
JMK2	1 - Kieffer, Janna	3/26/2020	1.00	170.00	170.00
	review allowable flow memo revisions, discuss approach (VT)				
JMK2	1 - Kieffer, Janna	3/30/2020	.20	170.00	34.00
	respond to question about monitoring location				
Support Personnel II					
Support Personnel II					
NJN	9 - Nypan, Nyssa	4/17/2020	.50	95.00	47.50
			3.00		472.50
Subtotal Labor					472.50

Task Subtotal \$472.50

Task	003	Seidls Lake Cost Allocation
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Labor Charges

			Hours	Rate	Amount
Engineer / Scientist / Specialist III					
	Engineer / Scientist / Specialist III				
SGW	3 - Williams, Sterling	3/24/2020	6.00	145.00	870.00
	Seidls cost call and calcs				
SGW	3 - Williams, Sterling	3/25/2020	1.00	145.00	145.00

PLEASE REMIT TO ABOVE ADDRESS and INCLUDE INVOICE NUMBER ON CHECK.

Terms: Due upon receipt. 1 1/2% per month after 30 days. Please refer to the contract if other terms apply.

Project	23190078.00	Lower Mississippi River	Invoice	228
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	Seidls cost call and calcs					
SGW	3 - Williams, Sterling	3/26/2020	3.00	145.00	435.00	
	Seidls cost call and calcs					
SGW	3 - Williams, Sterling	4/3/2020	1.50	145.00	217.50	
	Cost allocation call with Joe					
			11.50		1,667.50	
	Subtotal Labor					1,667.50
				Task Subtotal		\$1,667.50
				Job Subtotal		\$2,216.00
				Total this Project		\$2,216.00
				Total this Report		\$2,216.00

LMRWMO 2020 Financial Summary				Actual Revenues					
ESTIMATED REVENUES AND ASSETS	Budget	Dec 12 2019 - Jan 8 2020	Jan 9 - Feb 12 2020	Feb 13 - Mar 11 2020	Mar 12 - May 13 2020	May 14 - June 10 2020		Total	Variance
Use of Fund Balance	\$34,750							\$0.00	\$34,750.00
Dues from Members	\$110,224				\$96,062.24	\$14,162.11		\$110,224.35	(\$0.35)
Interest	\$500	\$81.25	\$84.89	\$100.56	\$100.08	\$48.48		\$415.26	\$84.74
Other/Grant Match	\$0							\$0.00	\$0.00
LMCIT Rebate	\$500	\$163.00						\$163.00	\$337.00
Other Grants	\$0.00	\$150,000.00						\$150,000.00	(\$150,000.00)
BWSR FY16-18 CWF & FY19 WBF Grants ²	\$250,000.00							\$0.00	\$250,000.00
TOTAL	\$395,974.00	\$150,244.25	\$84.89	\$100.56	\$96,162.32	\$14,210.59		\$260,802.61	
Actual Expenses									
ESTIMATED EXPENSES AND LIABILITIES	Budget	Dec 12 2019 - Jan 8 2020	Jan 9 - Feb 12 2020	Feb 13 - Mar 11 2020	Mar 12 - May 13 2020	May 14 - June 10 2020		Total	Balance Remaining
Engineering/Technical Assistance									
Technical Assistance	\$5,500.00	\$317.00	\$817.00	\$34.00	\$2,972.00	\$2,140.00		\$6,280.00	(\$780.00)
Meetings	\$6,000.00	\$675.40	\$523.00	\$507.50	\$1,308.50	\$76.00		\$3,090.40	\$2,909.60
Plan Reviews	\$0.00							\$0.00	\$0.00
Watershed Plan Amendment	\$40,000.00				\$2,491.50			\$2,491.50	\$37,508.50
Project Planning/Implementation									
Plan Implementation	\$0.00							\$0.00	\$0.00
Landscaping for Clean Water Projects	\$15,000.00		\$6,000.00					\$6,000.00	\$9,000.00
Water Monitoring	\$6,500.00	\$330.00	\$924.00		\$480.00			\$1,734.00	\$4,766.00
Seidl's Lake Grant	\$0.00	\$150,000.00						\$150,000.00	(\$150,000.00)
Education									
Landscaping for Clean Water Workshops	\$6,400.00				\$1,600.00			\$1,600.00	\$4,800.00
Master Water Stewards Program	\$8,500.00	\$500.00	\$1,600.00		\$6,400.00			\$8,500.00	\$0.00
Storm Drain Stenciling Program	\$0.00							\$0.00	\$0.00
Storwater Signage Program	\$2,500.00							\$0.00	\$2,500.00
WMO Tabling/Event Materials	\$600.00							\$0.00	\$600.00
Host Neighborhood or Lake Assn. Mtgs	\$1,200.00							\$0.00	\$1,200.00
General Education Requests	\$1,000.00				\$200.00			\$200.00	\$800.00
Metro Watershed Partners Membership	\$1,000.00			\$1,000.00				\$1,000.00	\$0.00
Board Tour / Boat Tour	\$4,000.00							\$0.00	\$4,000.00
Website Maint.	\$1,700.00		\$385.00		\$545.00			\$930.00	\$770.00
CAC Coordination	\$1,120.00							\$0.00	\$1,120.00
Board Education	\$1,500.00							\$0.00	\$1,500.00
Administration									
General Administration	\$30,000	\$2.00	\$5,459.10	\$4.00	\$9,854.00	\$2.00		\$15,321.10	\$14,678.90
Accounting Services	\$1,400							\$0.00	\$1,400.00
Insurance	\$2,500							\$0.00	\$2,500.00
Attorney and Audit	\$4,500	\$255.00		\$85.00	\$102.00			\$442.00	\$4,058.00
BWSR FY16-19 CWF & WBF Grants ³	\$550,000.00	\$0.00	\$487.50	\$0.00	\$78,317.35	\$0.00		\$78,804.85	\$471,195.15
Subtotal Operating Costs Only	\$140,920.00	\$2,079.40	\$15,708.10	\$1,630.50	\$25,953.00	\$2,218.00		\$47,589.00	
TOTAL	\$831,840.00	\$152,079.40	\$16,195.60	\$1,630.50	\$104,270.35	\$2,218.00		\$276,393.85	
Overall Fund Balance		\$423,354.67	\$407,243.96	\$405,714.02	\$397,605.99	\$409,598.58			
Total Clean Water Fund Grant Balance		\$276,463.72	\$275,976.22	\$275,976.22	\$197,658.87	\$197,658.87			
LMRWMO Operating Fund Balance		\$146,890.95	\$131,267.74	\$129,737.80	\$199,947.12	\$211,939.71			
Unencumbered Operating Fund Balance ¹		\$101,890.95	\$86,267.74	\$84,737.80	\$154,947.12	\$166,939.71			

Carryover Fund Balance from Dec. 12, 2019 \$ 425,189.82

2020 Budget Notes:

1. \$45,000 total set aside in 2020 for Watershed Management Plan
2. Includes final payment for Alum Treatment grant and 40% payment for Thompson Lake grant
3. Budget is an estimate and will vary depending on grant project progress.

LMRWMO Grants Financial Summary (2016-2020)													
ESTIMATED REVENUES AND ASSETS	Budget	Sum: Mar 10 - Dec 14 2016	Sum: Dec 15, 2016 - Dec 13, 2017	Sum: Dec 14, 2017 - Dec 12, 2018	Sum: Dec 13 2018 - Dec 11 2019	Dec 12 2019 - Jan 8 2020	Jan 9 - Feb 12 2020	Feb 13 - Mar 11 2020	Mar 12 - May 13 2020	May 14 - June 10 2020	Total	Variance	
BWSR FY16-18 CWF Grant Payment - Thompson Lake	\$576,000.00	\$288,000.00									\$288,000.00	(\$288,000.00)	
BWSR FY16-18 CWF Grant Payments - Alum	\$196,000.00	\$98,000.00			\$78,400.00						\$176,400.00	(\$19,600.00)	
BWSR FY18 CWF Grant Payments - Cherokee	\$700,000.00			\$350,000.00	\$280,000.00						\$630,000.00	(\$350,000.00)	
*Lake Augusta Matching Funds¹	\$24,500.00		\$37,500.00								\$37,500.00	\$13,000.00	
*Sunfish Lake Matching Funds	\$24,500.00	\$26,129.13	\$670.97								\$27,000.10	\$2,500.10	
Thompson Lake Matching Funds	\$144,000.00										\$0.00	(\$144,000.00)	
FY-2019 Watershed Based Funds	\$144,670.00				\$72,335.00						\$72,335.00	(\$72,335.00)	
TOTAL MATCH FUND RECEIVED	\$193,000.00	\$26,129.13	\$38,370.97	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$64,506.10	(\$128,493.90)	
TOTAL GRANT FUNDS RECEIVED	\$1,616,670.00	\$386,000.00	\$0.00	\$350,000.00	\$430,735.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,166,735.00	(\$808,335.00)	
ESTIMATED EXPENSES AND LIABILITIES	Budget	Sum: Mar 10 - Dec 14 2016	Sum: Dec 15, 2016 - Dec 13, 2017	Sum: Dec 14, 2017 - Dec 12, 2018	Sum: Dec 13 2018 - Dec 11 2019	Dec 12 2019 - Jan 8 2020	Jan 9 - Feb 12 2020	Feb 13 - Mar 11 2020	Mar 12 - May 13 2020	May 14 - June 10 2020	Total	Balance Remaining	
Internal Phosphorus - Augusta & Sunfish													
Grant Administration	\$8,000.00		\$3,900.00	\$2,062.50	\$2,834.35						\$8,796.85	(\$796.85)	
Project Development	\$10,000.00	\$4,904.33	\$4,955.20	\$487.50	\$261.42						\$10,608.45	(\$608.45)	
Lake Augusta Alum Treatment													
Lk Augusta Stakeholder Participation	\$2,500.00		\$2,475.00								\$2,475.00	\$25.00	
Lk Augusta Alum Dosing	\$20,000.00		\$19,856.75	\$3,161.90	\$1,824.10						\$24,842.75	(\$4,842.75)	
Lk Augusta Alum Application	\$55,000.00		\$55,000.00								\$55,000.00	\$0.00	
Lk Augusta Alum Application Match	\$24,500.00		\$37,493.70								\$37,493.70	(\$12,993.70)	
Lk-Augusta-Shoreline/Inlet-Engineerirg	\$0.00												
Lake Augusta Shoreline / Inlet Assess	\$7,000.00										\$0.00	\$7,000.00	
Sunfish Lake Alum Treatment													
Sunfish Lake Stakeholder Participat	\$4,000.00	\$4,104.48									\$4,104.48	(\$104.48)	
Sunfish Lake Alum Dosing	\$20,000.00		\$20,272.47								\$20,272.47	(\$272.47)	
Sunfish Lake Alum Application	\$63,000.00		\$63,000.00								\$63,000.00	\$0.00	
Sunfish Lake Alum Application Match	\$24,500.00		\$27,000.10								\$27,000.10	(\$2,500.10)	
Sunfish Lake Rainbarrel Program	\$6,000.00		\$6,000.00	\$487.50							\$6,487.50	(\$487.50)	
Sunfish Lake Shoreline Survey	\$500.00		\$412.50								\$412.50	\$87.50	
Thompson Lake Stormwater Improvements													
Grant Administration	\$15,000.00		\$1,912.50	\$2,437.50	\$3,256.48			\$865.32			\$8,471.80	\$6,528.20	
Project Development	\$15,000.00	\$1,077.50	\$4,347.50	\$8,737.50	\$5,983.64		\$112.50				\$20,258.64	(\$5,258.64)	
Education and Outreach	\$18,000.00			\$2,375.00	\$18,072.64			\$315.23			\$20,762.87	(\$2,762.87)	
Engineering, Design, Permitting	\$140,000.00		\$1,960.00	\$44,409.65	\$56,869.10			\$3,090.26			\$106,329.02	\$33,670.98	
Forebay, Wetland, & Pond Install	\$344,000.00				\$72,719.65			\$71,912.11			\$144,631.75	\$199,368.25	
Match	\$144,000.00			\$11,102.41	\$63,382.60						\$74,485.01	\$69,514.99	
Water Reuse Irrigation System	\$44,000.00										\$0.00	\$44,000.00	
Cherokee Heights Stormwater													
Grant Administration	\$12,000.00			\$520.00	\$5,014.73			\$1,550.37			\$7,085.10	\$4,914.90	
Project Development	\$10,000.00			\$5,240.00	\$5,543.36		\$375.00	\$252.39			\$11,410.75	(\$1,410.75)	
Rainbarrel Program	\$15,000.00			\$840.00	\$11,163.91						\$12,003.91	\$2,996.09	
Ravine Stabilization	\$275,000.00				\$187,519.28						\$187,519.28	\$87,480.72	
Ravine Stabilization Match	\$210,000.00				\$57,996.18						\$57,996.18	\$152,003.82	
Design	\$137,000.00				\$90,323.45						\$90,323.45	\$46,676.55	
Stormwater BMP Construction	\$211,000.00				\$137,011.46						\$137,011.46	\$73,988.54	
Match	\$170,000.00				\$117,003.82						\$117,003.82	\$52,996.18	
Design	\$40,000.00				\$25,448.93						\$25,448.93	\$14,551.07	
FY 2019 Watershed Based Funding													
Grant Administration	\$8,000.00				\$37.35				\$43.23		\$80.58	\$7,919.42	
Education Program Implementation	\$36,000.00				\$914.60						\$914.60	\$35,085.40	
Education Program Project Dev.	\$4,670.00				\$87.41				\$144.22		\$231.63	\$4,438.37	
Match	\$4,670.00										\$0.00	\$4,670.00	
Interstate Valley Creek Project Dev.	\$4,000.00				\$74.69						\$74.69	\$3,925.31	
Interstate Valley Creek Study	\$44,000.00										\$0.00	\$44,000.00	
Interstate Valley Creek Study Match	\$25,000.00										\$0.00	\$25,000.00	
Lake Augusta Project Development	\$4,000.00				\$373.45				\$144.22		\$517.67	\$3,482.33	
Lake Augusta Study	\$44,000.00										\$0.00	\$44,000.00	
Lake Augusta Study Match	\$30,000.00										\$0.00	\$30,000.00	
TOTAL GRANT EXPENSE	\$1,616,670.00	\$10,086.31	\$184,091.92	\$70,759.05	\$625,334.00	\$0.00	\$487.50	\$0.00	\$78,317.35	\$0.00	\$969,076.13	\$647,593.87	
TOTAL MATCH EXPENSE	\$632,670.00	\$0.00	\$64,493.80	\$11,102.41	\$238,382.60	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$313,978.81	\$318,691.19	
LMRWMO GRANT FUND BALANCE													
		\$375,913.69	\$191,821.78	\$471,062.73	\$276,463.72	\$276,463.72	\$275,976.22	\$275,976.22	\$197,658.87	\$197,658.87			

Summary		Elink Verification 2: 1-20
<u>Internal Phosphorus - Augusta & Sunfish</u>		
\$196,000.00	Total Grant	
\$64,493.80	Match	
\$196,000.00	Spent	\$196,000.00
\$0.00	Balance	100.00%
<u>\$196,000.00</u>	Funds Received 90%	
\$0.00	Funds on Hand	
<u>Thompson Lake Stormwater Improvements</u>		
\$576,000.00	Total Grant	
\$300,454.08	Spent	\$224,158.66
\$74,485.01	Match	
\$345,060.91	Balance	
<u>\$288,000.00</u>	Funds Received 50%	
-\$12,454.08	Funds on Hand	
<u>Cherokee Heights Stormwater</u>		
\$700,000.00	Total Grant	
\$470,802.88	Spent	\$468,625.12
\$175,000.00	Match	
\$434,197.12	Balance	
<u>\$630,000.00</u>	Funds Received 90%	
\$159,197.12	Funds on Hand	
<u>FY 2019 Watershed Based Funding</u>		
\$144,670.00	Total Grant	
\$1,819.17	Spent	\$1,487.50
\$0.00	Match	
\$142,850.83	Balance	
<u>\$72,335.00</u>	Funds Received 50%	
\$70,515.83	Funds on Hand	\$562,300.91

1. Includes \$35,000 from City, \$2,500 from Lake Augusta residents.
Note: Budget reflects most recent BWSR work plan, not original work plan
Note: Revenue and expenditures from 2016, 2017, 2018, and 2019 are shown but have been aggregated

Notes from Master Water Steward Partner Check-In

May 11, 2020

2:30 – 4:00 PM

Zoom

Maya, Christina, Lindsay, Angie, Gael, B, Abby, Sage, Gretchen Piper

Kris and Alex

1. **How is it going working with Stewards during this time? Do you have any challenges or tips to share?**

- Gael - Most volunteer events are cancelled, so not super sure what to do with them
 - Several have called and are concerned about getting their hours in. Maybe FWS should release a statement about not needing to meet hours for this year?
- Angie - Converting workshops to webinars - but still not tons of things for them to do
 - Some are asking, some have gone silent
 - Hands-on activities to do remotely - Water Pollution "Who Dun it?" and Independent Stream Invertebrate hunt
- MWMO steering team still meeting monthly - creating newsletter for all stewards
 - Increase visibility of doing things for water while modeling safe practices
 - There are things to be done - Stewards empowering each other
- Sage - Zoom meetings on Saturday mornings with current Steward candidates - continuing work on projects, adopt-a-drain, lawns to legumes
 - Sent more emails to stewards in the beginning of quarantine
 - Wants to schedule a zoom meeting with all of their stewards
 - Park restoration in RWMWD since classroom kids can't to help
- RPBCWD
 - B - many stewards are on CAC or Board and have hard time switching to or lack of interest in their MWS roles
 - Maya - Produced a worksheet "Protecting our waters while protecting ourselves"
 - Google folder to share photos of stewards doing water work
 - Encouraging social media posting
- Question about using Stewards on NextDoor to promote things - maybe WD proof all posts?
- Lindsay - shifted from an Earth Day focus to a virtual meeting with stewards in March to connect and see how they are doing
 - Sending some opportunities to stewards who may have capacity
 - Share invitations to volunteer, but not apply pressure
 - Hard to tell them anything without knowing what summer looks like
 - Sidewalk chalk messages by raingardens/projects
- Angie - Master Gardeners have called off all volunteer hours

Discussion about an official statement from Freshwater on volunteer hours:

- Sage likes nebulousness to allow for some freedom
- Christina - hours can be implemented anywhere. Their capstone completion is okay.
- No pressure, just do what you can
- Maybe hours count toward next year?

- We are already lenient on hours
- We are having conversations with our partners
- We encourage you to get outside safely if you can. Only do what you feel safe and comfortable doing and work with your partner if you're having a hard time.

2. What are your plans for participation in MWS this coming year? How can the MWS program adapt to best serve your needs in the coming year?

- Start talking from the first class about how people can work with the public and volunteer upon completion of training
- Lindsay - we've made changes to make classes more accessible, but it reduces partner connection to Stewards
 - Is it possible to make this entirely virtual?
 - If WD's want to have in person meetings they can choose to do so
- Angie - having higher participation rates by putting things online but maybe lose community feeling
- Abby - loss of connection with people through all the changes but Zoom allows for more freedom and easier participation, content can still be given and there are ways to build community through Zoom - smaller groups and different activities - Zooms of 10- 12 can be productive
- RPBCWD was thinking about taking a break this year, but maybe would participate with virtual setting
- Outstate participation - being completely online and adapting curriculum for different landscapes could allow for more greater MN participation
- WCA and other continuing ed opportunities put completely online to engage certified stewards
 - Possibly subsidized by WD's
- 9- mile - wants to take a break to re-engage stewards they have
 - Increase completion of capstones - HOAs are hard to get projects through
 - Need to figure out volunteer management - ideally have stewards step up and take on their own management
 - Dial in on the people they have to keep them engaged
 - Look at cost/benefit for program when stewards drop out at end of program
- Work with smaller and different WD's to develop leadership like MWMO steering team
- Abby - participates in steering team, but no longer needs to run it herself
 - Slow, but sure momentum - "baby steps"
 - Having events for stewards across the metro - more inclusion of all WDs
 - Allowing the stewards to organize metro-wide stemming from MWMO
 - Partners don't lead, but participate
- Lindsay - wants to use this conversation in talking to their board
 - Wants to consider capacity for managing existing stewards
 - Would prioritize infrastructure and support for existing stewards
- Hennepin - plans to have another cohort
- Education value vs. project and volunteer hours ROI
 - Think about this when approaching new partners
 - There is so much value in MWS training - learning and depth of relationship building. Organizations like Hennepin County can more easily simply value this educational component. Watershed district boards want

to see ROI - what we keep out of the River rather than how much people know

- Recruitment is so variable each year - This year's group appeared, coalesced, and let me run with them!
- Strengthen sense of community across the metro to keep up momentum
- Sage - doesn't want to withdraw from the program just because she can't get recruits
- Hard to do intensive course with virtual setting - can't do 6 hour zooms!
- 9mile is planning to latch onto adopt-a-drain on their own
 - Connect with cities on their goals - pet waste, adopt-a-drain, smaller capstone projects
- Abby - stewards are too shy to talk to their neighbors and give advice
 - They lack experience in consultations - access to an expert to call
- Fewer volunteers with deeper knowledge would be ideal, but we need to cast a wide net and include more people to allow the strongest leaders to emerge
 - Need to have mentorship included from experienced stewards
- RPBCWD stewards prefer to wear CAC hats, not MWS hats

Next Steps

FW: Craft a statement regarding volunteer hour expectations throughout COVID-19 restrictions and send to all Stewards.

Partners: Reach out to your Stewards again. Use the questions below and share anything you learn with us.

Questions for your Stewards:

- 1. How do you see yourself continuing your Steward work under COVID-19 restrictions? How can we support you?**
- 2. Would it be helpful to connect with other Stewards so you can encourage each other in your work? How would you like to see this happen? How can I support you in this?**
- 3. What about your Steward work is fun and meaningful?**

May 20, 2020

Peterson Company Ltd.
570 Cherry Drive
Waconia, MN 55387

This representation letter is provided in connection with your audit of the financial statements of Lower Mississippi River Watershed Management Organization, which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of December 31, 2019, and the respective changes in financial position for the period then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of May 20, 2020 the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 21, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Lower Mississippi River Watershed Management Organization is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

11) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of Lower Mississippi River Watershed Management Organization or summaries of actions of recent meetings for which minutes have not yet been prepared.

12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

- a) Management,
- b) Employees who have significant roles in internal control, or
- c) Others where the fraud could have a material effect on the financial statements.

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.

16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

17) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

18) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

21) The Lower Mississippi River Watershed Management Organization has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.

23) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

24) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

- 25) The Lower Mississippi River Watershed Management Organization has satisfactory title to all owned assets and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 26) The Lower Mississippi River Watershed Management Organization has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 27) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 28) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 29) All funds that meet the quantitative criteria in [GASB Statement Nos. 34](#) and [37](#) for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 30) Components of net position (net investment in capital assets; restricted; and unrestricted), and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and approved.
- 31) Provisions for uncollectible receivables have been properly identified and recorded.
- 32) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 33) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 34) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 35) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 36) We have appropriately disclosed the Lower Mississippi River Watershed Management Organization's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position is properly recognized under the policy.
- 37) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 38) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior periods. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 39) With respect to the Budgetary Comparison Schedule.
 - a) We acknowledge our responsibility for presenting the Budgetary Comparison Schedule in accordance with accounting principles generally accepted in the United States of America, and we believe the Budgetary Comparison Schedule including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Budgetary Comparison Schedule have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the Budgetary Comparison Schedule is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

**LOWER MISSISSIPPI RIVER
WATERSHED MANAGEMENT ORGANIZATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2019

DRAFT

**LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
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FOR THE YEAR ENDED DECEMBER 31, 2019**

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**LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
ORGANIZATION
DECEMBER 31, 2019**

Board of Managers:

	<u>City</u>
Sharon Lencowski (Chair) Vacant (Alternate)	Inver Grove Heights Inver Grove Heights
Tom Sutton Lyle Hanzal (Alternate)	Lilydale Lilydale
Mary Jeanne Schneeman (Secretary/Treasurer) Jill Smith (Alternate)	Mendota Heights Mendota Heights
Karen Reid (Vice Chair) Vacant (Alternate)	St. Paul St. Paul
Jim McClosky John Ross (Alternate)	South St. Paul South St. Paul
Patti O'Leary Jim Stowell (Alternate)	Sunfish Lake Sunfish Lake
Sheila Vanney Vacant (Alternate)	West St. Paul West St. Paul

Advisors:

Joe Barten - Dakota County Soil and Water Conservation District - Administrator

Greg Williams - Barr Engineering - Engineer

Roger Knutson - Campbell, Knutson, P.A. - Attorney

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers
Lower Mississippi River Watershed Management Organization
Mendota Heights, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of Lower Mississippi River Watershed Management Organization, Mendota Heights, Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Lower Mississippi River Watershed Management Organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of Lower Mississippi River Watershed Management Organization, as of December 31, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 16, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lower Mississippi River Watershed Management Organization's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2020, on our consideration of the Lower Mississippi River Watershed Management Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lower Mississippi River Watershed Management Organization's internal control over financial reporting and compliance.

Peterson Company Ltd

Peterson Company Ltd
Waconia, Minnesota

May 20, 2020

DRAFT

LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	Governmental Activities
Assets:	
Cash	\$ 575,455
Prepaid items	1,240
Total Assets	<u>576,695</u>
Liabilities:	
Accounts payable	14,955
Accrued project expenses	151,577
Unearned revenue	278,133
Total Liabilities	<u>444,665</u>
Net Position:	
Unrestricted	132,030
Total Net Position	<u>\$ 132,030</u>

The accompanying notes are an integral part of these financial statements.

LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Net Position
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General government	\$ 21,841	\$ -	\$ -	\$ -	\$ (21,841)
Programs	649,640	-	584,989	-	(64,651)
Total Governmental Activities	<u>\$ 671,481</u>	<u>\$ -</u>	<u>\$ 584,989</u>	<u>\$ -</u>	<u>(86,492)</u>
General Revenues:					
Grants and contributions not restricted to specific programs					94,208
Unrestricted interest earnings					1,470
Other					844
Total General Revenues					<u>96,522</u>
Change in Net Position					<u>10,030</u>
Net Position - January 1					<u>122,000</u>
Net Position - December 31					<u>\$ 132,030</u>

The accompanying notes are an integral part of these financial statements.

LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2019

	General Fund
Assets	
Cash	\$ 575,455
Prepaid items	1,240
Total Assets	<u>\$ 576,695</u>
Liabilities and Fund Balance	
Liabilities	
Accounts payable	\$ 14,955
Accrued project expenses	151,577
Unearned revenue	278,133
Total Liabilities	<u>444,665</u>
Fund Balance	
Nonspendable	1,240
Assigned for watershed plan development	40,000
Unassigned	90,790
Total Fund Balance	<u>132,030</u>
Total Liabilities and Fund Balance	<u>\$ 576,695</u>
Total Fund Balance	<u>\$ 132,030</u>
Net Position of Governmental Activities	<u>\$ 132,030</u>

The accompanying notes are an integral part of these financial statements.

LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund
Revenues	
Member contributions	\$ 94,208
Intergovernmental	584,989
Interest income	1,470
Other	844
Total Revenues	<u>681,511</u>
Expenditures	
Current:	
General government:	
Administrative	14,955
Insurance	1,642
Professional fees	5,244
Programs:	
Engineering	10,269
CWF grants	581,038
Other	58,333
Total Expenditures	<u>671,481</u>
Net Change in Fund Balance	10,030
Fund Balance - January 1	<u>122,000</u>
Fund Balance - December 31	<u><u>\$ 132,030</u></u>
Net Change in Fund Balance - Governmental Fund	<u>\$ 10,030</u>
Change in Net Position of Governmental Activities	<u><u>\$ 10,030</u></u>

The accompanying notes are an integral part of these financial statements.

**LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 1 - Summary of Significant Accounting Policies

The Lower Mississippi River Watershed Management Organization (the WMO) was established by a Joint Powers Agreement on October 25, 1985, between the cities of Inver Grove Heights, Lilydale, Mendota Heights, St. Paul, South St. Paul, Sunfish Lake, and West St. Paul, Minnesota. The WMO was formed to meet the requirements of the Metropolitan Surface Water Management Act under the provisions of Minnesota Statutes 103B. The Act requires, among other things, the preparation of Watershed Management Plans in the Minneapolis-St. Paul Metropolitan area.

The purpose of the Watershed Management Plan is to:

- Protect, preserve, and use natural surface and groundwater storage and retention systems.
- Minimize public capital expenditures needed to correct flooding and water quality problems.
- Identify and plan for the means to effectively protect and improve surface and groundwater quality.
- Establish more uniform local policies and official controls for surface and groundwater management.
- Prevent erosion of soil into surface water systems.
- Promote groundwater recharge.
- Protect and enhance fish and wildlife habitats and water recreational facilities.
- Secure the other benefits associated with the proper management of surface and groundwater.

The WMO comprises 35,548 acres and includes all or part of the cities of Inver Grove Heights, Lilydale, Mendota Heights, St. Paul, South St. Paul, Sunfish Lake, and West St. Paul, Minnesota.

The WMO submitted its Watershed Management Plan to the Minnesota Board of Water and Soil Resources on July 19, 1988. That Board, which has final approval authority for Watershed Management Plans, formally approved the Watershed Management Plans of the WMO on July 26, 1989. Each municipality within the WMO has developed, or is in the process of developing, a specific local water management plan to accomplish the various watershed management objectives of the WMO. On September 29, 2011, the WMO adopted its third-generation Watershed Management Plan.

The WMO is governed by a seven-member Board of Managers. The Board consists of seven representatives appointed by each of the member municipalities.

The financial statements of the WMO have been prepared in conformity with generally accepted accounting principles as applied to government units by the Governmental Accounting Standards Board (GASB). The WMO's accounting policies are described below:

Financial Reporting Entity

Generally accepted accounting principles require that the financial reporting entity include the primary government and component units for which the primary government is financially accountable. Under these principles the WMO does not have any component units.

**LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Government-Wide Fund Financial Statements

The government-wide fund financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the WMO. The governmental activities are supported by member contributions and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general government revenues.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the WMO considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the WMO.

The WMO reports one major governmental fund. The General Fund (Administrative Fund) is the general operating fund of the WMO. It is used to account for financial resources to be used for general administrative expenditures and programs of the WMO.

Budgets

Budgets are adopted annually by the Board of Managers. During the budget year, supplemental appropriations and deletions are, or may be, authorized by the Board. The amounts shown in the financial statements as "Budget" represent the original budgeted amounts plus all revisions made during the year and/or for the year. Encumbrance accounting, under which purchase orders, contracts and other commitments of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the WMO.

**LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

The WMO monitors budget performance on the fund basis. All amounts over budget have been approved by the Board through the disbursement approval procedures.

At December 31, 2019, the WMO's actual expenditures exceeded final budget by \$577,401. This excess is primarily due to approved grant expenditures from State grants awarded which are not included in the WMO's annual operating budget.

Cash

Cash is stated at fair value, except for non-negotiable certificates of deposit, which are on a cost basis and short-term money market investments, which are stated at amortized cost.

In accordance with the provisions of GASB Statement No. 31, the WMO reports investments at fair value in the financial statements. In accordance with the provisions of GASB No. 31, the WMO has reported all investment income, including changes in fair value of investments, as revenue in the operating statements.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

Prepaid Items

Certain payments to vendors (insurance) reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

Unearned Revenue

Governmental funds and government-wide financial statements report unearned revenue in connection with resources that have been received, but not yet earned.

Classification of Net Position

Net position in the government-wide financial statements is classified in the following categories:

Unrestricted net position – the amount of net position that does not meet the definition of restricted or investment in capital assets.

LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable – consists of amounts that are not in spendable form, such as prepaid items.

Restricted – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed – consists of internally imposed constraints. These constraints are established by resolution of the WMO Board.

Assigned – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the WMO's intended use. These constraints are established by the WMO Board and/or management.

Unassigned – is the residual classification for the general fund.

When both restricted and unrestricted resources are available for use, it is the Board's policy to first use restricted resources, and then use unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the Board's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned.

Minimum Unassigned Fund Balance Policy

The WMO has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue sources of the General Fund is member contributions and intergovernmental revenues. It is the WMO's goal to begin each fiscal year with sufficient working capital to fund operations throughout the year.

The policy establishes a year-end targeted unassigned fund balance amount of 40% of the budgeted operating expenditures for cash-flow timing needs. At December 31, 2019, the unassigned fund balance of the General Fund was 97% of the budgeted expenditures.

Subsequent Events

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The extent of the impact of COVID-19 on the WMO's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the WMO's customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the WMO's financial condition or results of operations is uncertain.

In preparing these financial statements, the WMO has evaluated events and transactions for potential recognition or disclosure through May 20, 2020, the date the financial statements were available to be issued.

**LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Recently Issued Accounting Standards

In February 2016, the FASB issued Accounting Standards Update, Leases (Topic 842), intended to improve financial reporting about leasing transactions. The ASU affects all companies and other organizations that lease assets such as real estate, airplanes, and manufacturing equipment. Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with current Generally Accepted Accounting Principles (GAAP), the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. However, unlike current GAAP, which requires only capital leases to be recognized on the statement of net position and statement of activities, the new ASU will require both types of leases to be recognized on the statement of net position and the statement of activities. The ASU leases will take effect for all non-public companies for fiscal years beginning after December 15, 2020.

Note 2 - Accounting Standards Adopted

This fiscal year the WMO adopted the Accounting Standards Update (ASU) No. 2014-09 – Revenue from Contracts with Customers (Topic 606). The new standard did not materially affect its statement of net position or statement of activities.

Note 3 - Deposits and Investments

Deposits

In accordance with Minnesota Statutes, the WMO maintains deposits at those depository banks authorized by the WMO Board, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all WMO deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the WMO Treasurer or in a financial institution other than that furnishing the collateral. Authorized collateral includes the following:

- a) United States government treasury bills, treasury notes and treasury bonds;
- b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- c) General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- d) General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;

**LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

- e) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation; and
- f) Time deposits that are fully insured by any federal agency.

At December 31, 2019, the carrying amount of the WMO's deposits were \$575,455 and the bank balance was \$575,455.

Custodial Credit Risk Deposits

Custodial credit risk is the risk that in the event of a bank failure, the WMO's deposits may not be returned to it. State statutes require that insurance, surety bonds or collateral protect all WMO deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. The WMO has no additional deposit policies addressing custodial credit risk. As of December 31, 2019, the WMO's deposits were not exposed to custodial credit risk.

Note 4 - Unearned Revenue

Unearned revenue represents unearned advances from the Minnesota Board of Water and Soil Resources (BWSR) for clean water funds. Revenues will be recognized when the related program expenditures are recorded. Unearned revenue for the year ending December 31, 2019 consists of a 2018 CWF for \$207,285 and Watershed Funds of \$70,848 for a total of \$278,133.

Note 5 - Member Contributions

In accordance with the provisions of the Joint Powers Agreement (Section 9, Subd. 2), members agreed to contribute each year to the General Fund. Each member's percentage share is based on an average of the following two percentages:

- (1) The percentage of the total assessed valuation of all real property within WMO which lies within the member's boundaries; and
- (2) The percentage of the total area in WMO which lies within the member's boundaries.

For 2019, the WMO assessed the members \$249,735 in member contributions.

Note 6 - Member Reimbursements

Members reimburse the WMO for amounts expended for projects that indirectly benefit them. The WMO depends on member reimbursements in order to carry out its project activities.

Note 7 - Grants

The WMO receives financial assistance from governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the WMO at December 31, 2019.

**LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

Note 8 - Risk Management

The WMO is exposed to various risks of loss for which the WMO carries commercial insurance policies.

Property and casualty insurance coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The WMO pays an annual premium to the LMCIT. The WMO is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts.

There were no reductions in insurance coverage from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

Note 9 - Stewardship, Compliance and Accountability

Excess of expenditures over budget – The General Fund had expenditures in excess of budget for the year as follows: Expenditures \$671,481; Budget \$94,081; Excess \$577,400. This excess is primarily due to approved grant expenditures from State grants awarded which are not included in the WMO's annual operating budget.

Note 10 - Commitments and Contingencies

The WMO is not aware of any existing or pending lawsuits, claims or other actions in which the WMO is a defendant.

DRAFT

**LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues				
Member contributions	\$ 94,209	\$ 94,209	\$ 94,208	\$ (1)
Intergovernmental	-	-	584,989	584,989
Interest income	500	500	1,470	970
Other	500	500	844	344
Total Revenues	95,209	95,209	681,511	586,303
Expenditures				
Current:				
General government:				
Administrative	20,761	20,761	14,955	5,806
Insurance	2,500	2,500	1,642	858
Professional fees	5,900	5,900	5,244	656
Programs:				
Engineering/plan revisions	11,500	11,500	10,269	1,231
CWF grants	-	-	581,038	(581,038)
Other	53,420	53,420	58,333	(4,913)
Total Expenditures	94,081	94,081	671,481	(577,400)
Net Change in Fund Balance	\$ 1,128	\$ 1,128	\$ 10,030	\$ 8,903
Fund Balance - January 1			122,000	
Fund Balance - December 31			\$ 132,030	

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Managers
Lower Mississippi River Watershed Management Organization
Mendota Heights, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Lower Mississippi River Watershed Management Organization, Mendota Heights, Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Lower Mississippi River Watershed Management Organization's basic financial statements, and have issued our report thereon dated May 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lower Mississippi River Watershed Management Organization's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lower Mississippi River Watershed Management Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Lower Mississippi River Watershed Management Organization's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over financial reporting as described in the accompanying Schedule of Findings and Responses as item 2019-001 to be a significant deficiency.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lower Mississippi River Watershed Management Organization financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lower Mississippi River Watershed Management Organization's Response to Findings

Lower Mississippi River Watershed Management Organization's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. Lower Mississippi River Watershed Management Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Peterson Company Ltd

PETERSON COMPANY LTD
Certified Public Accountants
Waconia, Minnesota

May 20, 2020

INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

To the Board of Managers
Lower Mississippi River Watershed Management Organization
Mendota Heights, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities and the general fund of Lower Mississippi River Watershed Management Organization, as of and for the year ended December 31, 2019, and the related notes to the financial statements which collectively comprise the Lower Mississippi River Watershed Management Organization's basic financial statements, and have issued our report thereon dated May 20, 2020.

In connection with our audit, nothing came to our attention that caused us to believe that Lower Mississippi River Watershed Management Organization failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota Statutes 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Lower Mississippi River Watershed Management Organization's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Peterson Company Ltd

PETERSON COMPANY LTD
Certified Public Accountants
Waconia, Minnesota

May 20, 2020

**LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019**

2019-001 Segregation of Duties

Criteria: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Condition: Substantially all accounting procedures are performed by one person.

Cause: This condition is common to organizations of this size due to the limited number of staff.

Effect: The lack of an ideal segregation of duties subjects the WMO to a higher risk that errors or fraud could occur and not be detected in a timely manner.

Recommendation: Any modification of internal controls in this area must be viewed from a cost/benefit perspective.

Management Response: The WMO has adequate policies and procedures in place to compensate for the lack of segregation of duties. This is done by having all disbursements approved by the Board of Managers and the individual performing the accounting procedures having no authority to execute a transaction.

DRAFT

Memorandum

5.0 LMRWMO Visioning Exercise Follow-up

To: LMRWMO Board of Managers
From: Greg Williams, P.E.
Subject: LMRWMO 4th Generation Plan Update – Preliminary Visioning Exercise Follow-up
Date: June 5, 2020
Project: 23191436.00
c: Joe Barten, LMRWMO Administrator

The Lower Mississippi River Watershed Management Organization (LMRWMO) Board of Managers (Managers) participated in an initial visioning workshop at the May 13, 2020 Manager meeting. The purpose of the workshop was to review the existing LMRWMO vision and begin discussion about potential revisions to the vision. The existing LMRWMO vision reads:

Water resources and related ecosystems are managed to sustain their long-term health and integrity through member city collaboration and partnerships with other water management organizations with member city citizen support and participation.

Prior to the meeting, Managers submitted responses to five questions intended to initiate discussion. The questions and responses are presented in Table 1. There was healthy discussion from a number of participants. Some takeaways from the discussion include:

- There was consensus that the vision, although still applicable, should be updated
- There was consensus that collaboration and partnerships are important elements in achieving the LMRWMO's goals
- There was consensus to omit "partnering with other WMOs" from the vision statement
- Some Managers suggested omitting "tactics" (i.e., means to achieve the vision) from the vision statement
- Opinions were mixed about whether the vision should explicitly reference the Mississippi River
- Opinions were mixed about whether the vision should be measurable; discussion of measurability focused on water quality
- Managers acknowledged the balance of human development and natural systems, but were cautious of allusions to pre-developed conditions
- There was some support for a "catchier" vision statement (possibly supported by a more detailed mission and/or goals)

Based on the discussion at the May 13, 2020 Manager meeting, the LMRWMO Administrator and Barr staff have developed draft vision statements for consideration by the Managers. While the draft vision

statements included below are presented as separate statements, elements from one may be easily transferred to others (e.g., reference to “waters” versus “water resources” versus “Mississippi River”).

Draft Vision Statements:

1. *Water resources are managed for long-term health and integrity through collaboration, partnerships, and the support of engaged citizens.*
2. *A healthy Mississippi River and tributary waters through collaboration, education, and coordinated action*
3. *Healthy waters through collaboration, education, and coordinated action*
4. *Collaboration toward a healthy Mississippi River, from rainfall to outfall*
5. *A healthy river for healthy communities, from rainfall to outfall*
6. *Improve the water quality of the Mississippi River, local lakes, streams and groundwater through member City and citizen collaboration.*
7. *Improve the water quality of the Mississippi River, local lakes, streams and groundwater towards a more natural state through member City and citizen collaboration.*

Requested Manager Action: Consider the above draft vision statements and participate in discussion about what you like or dislike about each at the June 10, 2020 Managers meeting.

Attached: Table 1 LMRWMO Visioning Survey Responses

Table 1. LMRWMO Visioning Survey Responses - May 13, 2020

No.	Question	Manager 1	Manager 2	Manager 3	Manager 4	Manager 5	Manager 6
1	What would you like your LMRWMO legacy to be? How would you like others to see the LMRWMO?	I would like to be considered a good steward of the funds provided to the LMRWMO by the state of Minnesota and would like to see measurable results from our efforts.	I would like to see the LMRWMO be known for bringing disparate cities together to address water issues on a collaborative, strategic manner. I would like to see LMRWMO be known for strategic thinking regarding water management coupled with a strong educational program to make the general public an active partner in increasing water quality.	Creating attractive landscapes that improve the quality of our water bodies and communities. Leaving the waters in better condition than when we arrived. An organization passionate about water quality for the well-being of society.	Improve quality of water bodies and runoff and decrease downstream impacts. Ensure adequate groundwater levels for future area sustainability	I'd like the LMRWMO legacy to be that it is the premier, evidence-based, progressive leader relative to continuously improving community water quality, management and education. I'd like others to view it as the aforementioned leader with measurable and sustainable results.	I would like to see that the general public are more informed as to what watersheds are about and what they accomplish
2	Would you like the LMRWMO to be a leader? If so, how?	Yes. Would like the LMRWMO to be a visible public advocate for the River and our watershed.	I believe that the LMRWMO is a leader in bringing resources to multi-jurisdictional (political) boundaries for increase water quality for all. But a leader brings not only financial support for specific projects but has community support to address current water quality issues and strategies to respond to future situations.	Being a good example in successful collaboration between citizens and organizations for active participation in water quality BMPs. Culture shift to natural, native landscapes for the benefit of our waters.	Excellent and leading collaborator among other entities – working together Note: harder as a WMO with constrained contributions than with a WD	Yes. A progressive leader relative to continuously improving community water quality, management and education; a leader with measurable and sustainable results	I think we should make the public more aware of what the watershed accomplishes. More articles in the media of what we do.
3	Broadly, how should the LMRWMO accomplish its goals?	The LMRWMO should have a broad vision of its mission and work cooperatively with other WMO's, nonprofits (FMR), and government (NP Service, MPCA, etc.). Should continue to stay abreast of new technologies for improving water and environment.	Through developing a strategic plan with an increase emphasis on outreach -- not only on specific projects, but create a roster of ambassadors that can inform their social network and community at large. Also, when planning for the next 10 years, dive into MN demographic information to glean where water impacts will be.	Through strong relationships with partners and stakeholders. Grant funding. Increased public awareness/ education and involvement. Tap into BMPs for businesses – find ways to help them improve with things such as roof run off – where does it go? Many times, I see this just go onto the parking lots.	Use data and benefits to establish priorities Work with other regulatory and regional entities to produce more effective results	Engage broader funding and community citizen and leadership support to accomplish meaningful goals that create sustainable, positive change	I think we should make the public more aware of what the watershed accomplishes. More articles in the media of what we do.
4	What will the LMRWMO look like in 25 years? What would you like to see in 25 years?	Should continue to advocate for local important issues, but also for important issues on the state, regional, and national levels.	I would like to see a variety of support (informational) groups that can feed questions, concerns, and information to the board. This may be one way to broaden community input and buy-in. This may allow for different generational and ethnic/racial representation to LMRWMO management and direction.	Local citizens eager to participate in BMPs. Great water quality in local water bodies for everyone's enjoyment and well-being.	Reduce runoff by ____%. Reduce Phosphates, etc by ____%. Educate public and engage them to implement best practices	Incremental progress (if continue historical pace). A WMO that aggressively leads a more coordinated approach to progressive systemic change versus leading specific unrelated projects that although valuable may not offer systemic transformation.	Hopefully we will have made headway in water quality and erosion of soils, bluffs, surface water and groundwater management
5	Imagine 2 or 3 headlines about the LMRWMO. What would you want them to say?	"Local Watershed Agencies Show Measurable Improvement in the Quality of the Mississippi River" "The MRCCA Leads the Nation in Water Quality and Environmental Improvements"	LRMWMO "project name here" increases water quality into the future. "Hundreds gathered to support another successful....."	before / after pics of projects and stats on how the project improved the water quality, what that means for citizens, and always a little educational tidbit on how individuals can do their part to help water quality.	LMRWMO achieves best of (any of above goals).	"The LMRWMO is transforming community water quality with game-changing initiatives" "The LMRWMO is recognized for driving Minnesota's most progressive water management policy and practices"	Mississippi River is at a measurable and remarkable change



Capitol Region Watershed District

595 Aldine Street • Saint Paul, MN 55104

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7.0 CRWD Draft Plan Item

May 15, 2020

CRWD Watershed Management Plan - Local and State Partner Review Roster

*Re: Draft Capitol Region Watershed District 2021 – 2030 Watershed Management Plan
Formal 60-Day Review by State and Local Agencies*

Dear CRWD Watershed Management Plan Reviewers:

Capitol Region Watershed District (CRWD) has completed its draft 2021-2030 Watershed Management Plan. The draft plan was developed over the past year and a half in collaboration with a variety of stakeholders including CRWD's Citizen Advisory Committee, technical advisory committee, community groups and residents who have and will continue to serve key roles in achieving our shared water and natural resource goals. This will be CRWD's third generation plan that will guide our work in a coordinated, thoughtful and effective manner over the next ten years.

CRWD seeks your agency's review and comments on the draft plan during the required formal 60-day review period. The draft plan and accompanying appendices are available for download from the CRWD's FTP site, <https://capitolregionwd.sharefile.com/d-s4708b9e4ef34a5d8>, or CRWD's website - <https://www.capitolregionwd.org/watershed-management-plan/>. CRWD kindly requests your comments on the draft plan no later than **Wednesday, July 15th**. Please submit your comments in writing via email to Anna Eleria, CRWD Division Manager, at aeleria@capitolregionwd.org

Thank you for your time and assistance in reviewing and commenting on CRWD's draft plan. If you have any questions, please contact me (651-303-1587 or mdoneux@capitolregionwd.org) or Anna at (612-618-4357 or aeleria@capitolregionwd.org).

Sincerely,

Mark Doneux

Mark Doneux
Administrator

c: CRWD Board of Managers
City of Falcon Heights
City of Lauderdale
City of Maplewood
City of Roseville
City of Saint Paul
Metropolitan Council
Minnesota Board of Water and Soil Resources
Minnesota Department of Health
Minnesota Department of Natural Resources
Minnesota Department of Transportation
Minnesota Pollution Control Agency
Minnesota State Fair
Ramsey County Public Works Department
Ramsey County Parks and Recreation Department - Soil & Water Conservation Division
Saint Paul Port Authority
Saint Paul Public Schools
University of Minnesota
Lower Mississippi Watershed Management Organization
Minnehaha Creek Watershed District
Mississippi Watershed Management Organization
Ramsey Washington-Metro Watershed District
Rice Creek Watershed District

FUND	PROGRAM/ PROJECT TITLE	PRIORITY LEVEL (Critical, Important, Beneficial)	TARGET LOCATION	MEASURABLE OUTPUTS	PARTNERS								Total Cost	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
					District	Cities	County	State/ Regional Agencies	Other WDs/ WMOs	University /College/ Schools	Business /Developers	Comm. Groups/ Non-Profits											
D	Partner agency plan review and comment	Important	Watershed-wide	# comment letters	P	L	L	L	P				\$236,156	\$20,600	\$21,218	\$21,855	\$22,510	\$23,185	\$23,881	\$24,597	\$25,335	\$26,095	\$26,878
E	GIS Program	Important	Watershed-wide	Updated GIS information and data	L	P	P	P					\$590,390	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239	\$67,196
F	Saint Paul watershed governance exploration	Important	Watershed-wide	Technical memorandum evaluating water governance in Saint Paul	P	L	P	P	P				\$63,673	\$20,600	\$21,218	\$21,855	\$-	\$-	\$-	\$-	\$-	\$-	\$-
G	Public private partnership opportunities	Important	Watershed-wide	# meetings with private partners; # public-private partner initiatives	L	P				P	P	P	\$118,078	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048	\$13,439
H	District Flooding Prioritization and Solution Identification	Important	Watershed-wide	prioritized localized flooding areas and solution identification	L	P	P	P					\$590,390	\$51,500	\$53,045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239	\$67,196
I	Trash management planning and implementation for areas surrounding District infrastructure and water and natural resources	Important	Watershed-wide	trash management plan and volume of trash removed annually	L	P	P	P		P	P	P	\$297,559	\$-	\$-	\$81,955	\$28,138	\$28,982	\$29,851	\$30,747	\$31,669	\$32,619	\$33,598

3.5.11 Watershed Wide Planning and Assessment Projects and Capital Improvements – 370/470

In addition to the projects and capital improvements planned for specific planning subwatersheds (see [Figure 3-1](#)), the District has identified several watershed-wide activities planned over the next 10 years.

Transportation Redevelopment Projects - Stormwater Feasibility Studies/Preliminary Engineering, and Implementation – 370A/470A

Future transportation projects, such as Riverview transit corridor, Gold Line BRT, Rush Line BRT, and I94, offer opportunities to explore improved stormwater management in those corridors. The District shall support transit partners in integrating stormwater management feasibility studies with the planning and design of future transportation projects.

Based on the findings of transit stormwater feasibility studies, the District will support transit partners in the design and construction of stormwater BMPs.

Great River Passage Project Stormwater Feasibility Studies, Preliminary Engineering, and Implementation – 370B/470B

In 2013, the City of Saint Paul adopted the Great River Passage Master Plan, a comprehensive framework for creating vibrancy within the City's 3,500 acres of parkland along a 17-mile stretch of the Mississippi River. Key capital initiatives of the plan include the River Learning Center/National Park Service Mississippi National River and Recreation Area (MNRRA) Headquarters and River Balcony. Both projects are located within the District. The District will support the City of Saint Paul and non-profit partners in stormwater planning and outreach at these sites and others identified in the Master Plan.

The District will support the City of Saint Paul and non-profit partners in the design and construction of highly visible and educational stormwater BMPs.

Watershed Management Plan Update – 370C

The District will commence a 1½ to 2-year long process of updating its 10-year watershed management plan starting in year 8. The update will include identification and prioritization of watershed issues, assessment of current land and water conditions, development of measurable watershed goals, and determination and prioritization of targeted implementation activities.

Partner Agency Plan Review and Comment – 370D

The District will review and comment on federal, state, and local water-related regulations, plans, policies, and studies that are pertinent to the work of the District.

GIS Program – 370E

The District will manage and update its GIS data, resources, and software needs.

Saint Paul Watershed Governance Exploration – 370F

City of Saint Paul staff and its Interagency Work Group have discussed how to implement stormwater management requirements consistently across the City and how watershed district rules and services do not apply to the West Side neighborhood. The City, with support from the District, shall continue exploring the merits and considerations of this topic and work with all agencies involved to further assess possible scenarios. The City's Joint Powers Agreement for water governance relating to the West Side runs through 2023.