LMRWMO
LOWER MISSISSIPPI RIVER
WATERSHED MANAGEMENT ORGANIZATION

Board of Managers Meeting Agenda

Wednesday - June 10th, 2026 - 3:00 p.m.

West St. Paul Municipal Center & City Hall
Council Chambers
1616 Humboldt Ave West St. Paul, MN 55118

1.	Call Meeting to Order	
	1.1 Identification of Voting Board Members	
	1.2 Approval of Agenda* (Additions/Corrections/Deletions)	Action
	1.3 Opportunity for Public Comment (Please limit to 2 minutes per person)	
2.	Approve May 13th, 2026 Meeting Minutes - Chair *	Action
3.	Approve June 10th, 2026 Financial Summary & Invoice Payment - Treasurer * **	Action
4.	MnDOT Metro Flood Resilience Partnership Discussion - Paul Hudalla, MSA	Discussion
5.	2026 Metro Children's Water Festival Request for Sponsorship - SWCD *	Action
6.	Review and Accept Draft 2025 Financial Audit - SWCD **	Action
7.	Diagnostic Study Letter of Support - SWCD *	Action
8.	July 8th Meeting Conflict (Interstate Valley Creek Event) and Rescheduling - SWCD	Action
9.	Board Member Updates	Information
10.	City Staff Advisor Updates	Information
11.	Adjourn - Next Meeting: TBD	

* Materials included in full packet
** Materials posted separately on website
https://LMRWMO.org/about-us/meeting-information/

JOE BARTEN - LMRWMO ADMINISTRATOR
C/O DAKOTA COUNTY SOIL & WATER CONSERVATION DISTRICT
www.LMRWMO.org

4100 220TH ST. WEST SUITE 102
FARMINGTON, MN 55024

LMRWMO
LOWER MISSISSIPPI RIVER
WATERSHED MANAGEMENT ORGANIZATION

Board of Managers Meeting Minutes

Wednesday - May 13th, 2026 - 3:00 p.m.
West St. Paul Municipal Center/City Hall
1616 Humboldt Ave West St. Paul, MN 55118

Managers and Alternates in Attendance:

Sharon Lencowski (Chair) Inver Grove Heights
Leslie Pilgrim, Mendota Heights
Mary Kleinberg, Lilydale
Judd Dudgeon, Inver Grove Heights
Shane Bredy, South St. Paul
Steve Gebauer (Sec/Tres), Mendota Heights
Tom Sutton, Lilydale
Brian Jastram, Saint Paul
Daniel Anderson, South St. Paul

Advisors and Others in Attendance:

Krista Spreiter, Mendota Heights
Brady Zeug, Saint Paul
Conor Resnikoff, South St. Paul
Greg Williams, Barr Engineering
Pat Murphy, Saint Paul
Chris English, Inver Grove Heights
Jess Hall, West St. Paul
Joe Barten, Dakota County SWCD

DRAFT

1. Call Meeting to Order

1.1 Public Comment / Introductions
Audience members may address the Board regarding items not on the agenda.

1.2 Approval of Agenda* (Additions/Corrections/Deletions)

Motion by Gebauer to approve the meeting agenda, second by Anderson; motion passed.

2. Approve April 8th, 2026 Meeting Minutes

Motion by Sutton to approve the previous meeting minutes, second by Gebauer; motion passed.

3. Approve May 13th, 2026 Financial Summary & Invoices

Spreiter summarized the information in the packet.

Motion by Sutton to approve the financial summary, second by Anderson; motion passed.

4. Liability Waiver

Pilgrim asked that the Administrator verify with the LMRWMO legal counsel or insurance provider that the liability coverage extends to each Board member.

Motion by Anderson to not waive the liability limits for insurance and for the Administrator to submit the waiver to the insurance provider, second by Sutton; motion passed.

5. Ivy Falls Request for Proposals

Barten provided the draft Request for Proposals (RFP) to study Ivy Falls Creek. He asked for Board feedback on the RFP process to solicit proposals, the opportunity to go directly to a consultant vs. obtaining proposals from multiple consultants, as well as any feedback on the content of the RFP prior to finalization.

Gebauer noted that with failed walls, geo-technical investigation may be helpful to include. Spreiter noted that the wooden weirs are failing but the gabion walls are generally in good condition and Barten added that they will also be assessed for longevity and any need for repairs. Pilgrim asked if additional water monitoring could be done, and Barten replied that monitoring is outside the scope for this grant but the WMO could do more on their own or possibly as part of future grant funded contaminant monitoring. Williams mentioned the Watershed Outlet Monitoring Program (WOMP) monitoring parameters could also be considered for future water testing. Pilgrim asked that a presentation of the report be included as a deliverable in the RFP.

Motion by Anderson to approve the Ivy Falls Creek Request for Proposals with edits as discussed and finalization by the Administrator and to send out to three qualified consultants, second by Gebauer; motion passed.

6. Updates & Handouts

6.1 Annual Report: The completed 2025 LMRWMO Annual Report is included in the packet for information.

6.2 Storm Drain Stenciling Materials: There are stenciling kits available to member Cities to use. Please contact the Administrator if you would like to host one or use one.

6.3 Board Member/Alternate Updates: Kleinberg mentioned an event hosted by Lilydale on May 29th at the Pool & Yacht club discussing the history of historic Lilydale, near the river in now Lilydale Park. Pilgrim mentioned a raingarden project at Two Rivers High School and noted that the Dakota SWCD has funding for voluntary projects such as that.

6.4 City Advisor Updates: City staff provided updates on relevant projects in their Cities. William noted that Saint Paul staff asked about LMRWMO requirements from the most recent plan update and suggested that Barr could create a summary or "cheat sheet" of relevant requirements for the LMRWMO. The Board generally agreed for Barr to undertake that work.

7. Adjournment & Next Meeting

Meeting adjourned at 4:15 pm. The next Board meeting is scheduled for June 10th, 2026 at the West St. Paul Municipal Center/City Hall.

DRAFT

LMR WMO
LOWER MISSISSIPPI RIVER
WATERSHED MANAGEMENT ORGANIZATION

FINANCIAL SUMMARY
May 14, 2026 to June 10, 2026

Beginning Balance - Gateway Bank Checking Account:				**$151,371.23**
Deposit(s)				
Deposit(s)	5/14/2026	Sunfish Lake 2026 Dues		$4,261.18
Payment(s)				
5060	*6/10/2026*	*Barr Engineering*	-	$7,888.00
			-	
		Checking Ending Balance		**$147,744.41**
Beginning Balance - Gateway Bank Savings Account:				
				$271,665.61
Deposit(s)	5/29/2026	May 2026 Interest	+	$588.36
		Savings Ending Balance		**$272,253.97**
Available Total Balance at Gateway Bank				**$419,998.38**

LMRWMO 2026 Budget & Financial Summary

Revenue	Budget	2025 Budget Carryover: Dec 11 2025 - Jan 14 2026	2025 Budget Carryover: Jan 15 - Feb. 11 2026 (2025 Budget)	2026 Budget Monthly Revenue: Feb 12 - March 11 2026 (2026 Budget)	2026 Budget Monthly Revenue: Mar 12 - April 8 2026	2026 Budget Monthly Revenue: April 9 - May 13 2026	2026 Budget Monthly Revenue: May 14 - June 10 2026	2026 Budget Totals	Variance	Percent Received
Dues from Members	**$176,784.00**				$155,792.18		$4,261.18	$160,053.36	**$16,730.64**	**91%**
Interest & LMCIT Rebate	**$3,000.00**	$582.19	$583.45	$528.13	$585.87	$568.19	$588.36	$3,436.19	**($436.19)**	**115%**
Grant Revenue (Estimated)	**$150,000.00**		$16,710.69					$16,710.69	**$133,289.31**	**11%**
Subtotal Operating Revenue	**$179,784.00**	**$582.19**	**$17,294.14**	**$528.13**	**$156,378.05**	**$568.19**	**$4,849.54**	**$180,200.24**		

Expenses	Budget	2025 Budget Carryover: Dec 11 2025 - Jan 14 2026	2025 Budget Carryover: Jan 15 - Feb. 11 2026 (2025 Budget)	2026 Budget Monthly Expenses: Feb 12 - March 11 2026 (2026 Budget)	2026 Budget Monthly Expenses: Mar 12 - April 8 2026	2026 Budget Monthly Expenses: April 9 - May 13 2026	2026 Budget Monthly Expenses: May 14 - June 10 2026	2026 Budget Totals	Remaining Budget	Percent Expended
Engineering/Technical Assistance								$0.00		
Meetings (Barr)	**$7,000.00**	$462.50	$370.00	$585.00	$585.00	$546.00	$585.00	$2,301.00	**$4,699.00**	**33%**
Technical Assistance (Barr)	**$6,500.00**	$840.50	$985.00	$232.50	$1,947.50	$1,445.50	$800.00	$4,425.50	**$2,074.50**	**68%**
Plan Implementation / Project Mgmt. (SWCD) & (WSB[2])	**$21,200.00**		$1,000.00			$4,105.50		$4,105.50	**$17,094.50**	**19%**
Review Local Water Plans (Barr)	**$3,000.00**							$0.00	**$3,000.00**	**0%**
Project Study/Implementation								$0.00		
Priority Watershed Modeling - FY-23 WBIF Match	**$12,000.00**							$0.00	**$12,000.00**	**0%**
Watershed Wide Hydrologic / Hydraulic Model - FY-25 AIG Match	**$9,800.00**							$0.00	**$9,800.00**	**0%**
Seidls Lake Carp Study	**$5,000.00**							$0.00	**$5,000.00**	**0%**
Landscaping for Clean Water Projects	**$10,000.00**		$2,550.00					$0.00	**$10,000.00**	**0%**
Monitoring								$0.00		
Water Monitoring (CAMP) and Reports, Augusta Gage	**$16,500.00**		$5,589.50			$2,089.00		$1,707.50	**$14,792.50**	**10%**
Education								$0.00		
WMO Biannual E-Newsletter	**$2,700.00**		$1,650.00					$0.00	**$2,700.00**	**0%**
Landscaping for Clean Water Classes	**$10,000.00**									
Chloride Education at Libraries	**$1,500.00**					$815.00		$815.00	**$685.00**	**54%**
Storm Drain Stenciling Program	**$3,000.00**							$0.00	**$3,000.00**	**0%**
Stewards	**$3,650.00**		$250.00			$1,102.50		$1,102.50	**$2,547.50**	**30%**
Metro Watershed Partners Membership & Welcome Kits	**$1,000.00**	$1,000.00						$1,000.00	**$0.00**	**100%**
Website Maintenance and Updates	**$4,000.00**		$800.00			$1,492.50		$1,492.50	**$2,507.50**	**37%**
Board Education	**$500.00**							$0.00	**$500.00**	**0%**
Administration								$0.00		
General Administration	**$38,000.00**		$10,300.00			$11,127.50		$11,127.50	**$26,872.50**	**29%**
Grant Development / Review	**$3,000.00**							$0.00	**$3,000.00**	**0%**
Hold Annual TAC Meeting	**$1,000.00**							$0.00	**$1,000.00**	**0%**
Insurance	**$2,700.00**							$0.00	**$2,700.00**	**0%**
Attorney and Audit	**$5,800.00**	$68.00		$204.00				$204.00	**$5,596.00**	**4%**
Subtotal Operating Expenses	**$167,850.00**	$2,371.00	$23,494.50	$1,021.50	$2,532.50	$22,723.50	$1,385.00	$28,281.00	**$139,569.00**	**17%**
Grant Expenses	**$400,000.00**	$1,980.50	$2,256.00	$17,823.69	$74,795.30	$11,711.50	$6,503.00	$113,089.49	**$286,910.51**	**28%**
Overall Fund Balance		**$404,626.82**	**$396,170.46**	**$377,853.40**	**$456,903.65**	**$423,036.84**	**$419,998.38**			
Total Grant Balance		**$150,421.50**	**$236,750.04**	**$218,926.35**	**$144,131.05**	**$132,419.55**	**$125,916.55**			
Operating Fund Balance		**$254,205.32**	**$159,420.42**	**$158,927.05**	**$312,772.60**	**$290,617.29**	**$294,081.83**			
Unencumbered Operating Fund Balance[1]		**$214,205.32**	**$119,420.42**	**$118,927.05**	**$272,772.60**	**$250,617.29**	**$254,081.83**			

2026 Budget Notes:

1. $40,000 set aside for 2033 Watershed Plan Update, $10,000 additional annually encumbered.
2. Board approved $13,700 in work by WSB for Concord St. Ravine assessment on 1-14-26

General: Budget is an estimate and will vary depending on changing priorities and grant project progress.

Balances Explained:

Overall Fund Balance	Balance of all ban Balance of all bank accounts
Total Grant Balance	Grant funds in-hai Grant funds in-hand
Operating Fund Balance	WMO funds witho WMO funds without grants
Unencumbered Operating Fund Balance	WMO funds not a WMO funds not already dedicated to future expenses

LMRWMO 2026 Grant Budget & Financial Summary

	Budget	Jan 12 2023 - Jan 10 2024	Jan 11, 2024 - Jan 8 2025	Jan 9 2025 - Jan 14, 2026	Jan 15 - Feb 11 2026	Feb12 - Mar 11 2026	Mar 12 - April 8 2026	April 9 - May 13 2026	May 14 - June 10 2026	Total	Variance	Percent Received/ Expended
BWSR - FY 2023 Watershed Based Implementation Funding (Priority Watershed Project ID & Model - Thompson, Rogers, Seidls)												
Revenue												
BWSR FY-2023 WBIF Payment	**$118,385.00**	$59,193.00								$59,193.00	**$59,192.00**	**50%**
WBIF Matching Funds (LMRWMO)	**$12,000.00**									$0.00	**$12,000.00**	**0%**
Total Revenue	**$130,385.00**	**$59,193.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$59,193.00**	**$71,192.00**	**45%**
Expenses												
Grant Administration	**$8,000.00**		$769.50	$517.00	$188.00			$749.00		$2,223.50	**$5,776.50**	**28%**
Project Development	**$10,000.00**		$1,491.00	$3,713.00	$1,833.00			$1,337.50		$8,374.50	**$1,625.50**	**84%**
Priority Watershed Project ID & Model	**$100,385.00**			$983.50		$536.50	$1,554.45	$2,940.50	$4,829.50	$10,844.45	**$89,540.55**	**11%**
Match)	**$12,000.00**									$0.00	**$12,000.00**	**0%**
Total Expenses	**$130,385.00**	**$0.00**	**$2,260.50**	**$5,213.50**	**$2,021.00**	**$536.50**	**$1,554.45**	**$5,027.00**	**$4,829.50**	**$21,442.45**	**$108,942.55**	**16%**
FY-23 WBIF Balance		**$59,193.00**	**$56,932.50**	**$51,719.00**	**$49,698.00**	**$49,161.50**	**$47,607.05**	**$42,580.05**	**$37,750.55**	**$37,750.55**		
BWSR - FY 2025 Watershed Based Implementation Funding (Ivy Falls Creek Study)												
Revenue												
BWSR FY-2025 WBIF Payment	**$102,410.00**			$51,205.00						$51,205.00	**$51,205.00**	**50%**
WBIF Matching Funds (LMRWMO)	**$10,241.00**									$0.00	**$10,241.00**	**0%**
Total Revenue	**$112,651.00**	**$0.00**	**$0.00**	**$51,205.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$51,205.00**	**$61,446.00**	**45%**
Expenses												
Grant Administration	**$6,410.00**							$535.00		$535.00	**$5,875.00**	**8%**
Project Development	**$28,000.00**				$235.00			$856.00		$1,091.00	**$26,909.00**	**4%**
Ivy Falls Stream and Watershed Study	**$68,000.00**									$0.00	**$68,000.00**	**0%**
Match)	**$10,241.00**									$0.00	**$10,241.00**	**0%**
Total Expenses	**$112,651.00**	**$0.00**	**$0.00**	**$0.00**	**$235.00**	**$0.00**	**$0.00**	**$1,391.00**	**$0.00**	**$1,626.00**	**$111,025.00**	**1%**
FY-25 WBIF Balance		**$0.00**	**$0.00**	**$51,205.00**	**$50,970.00**	**$50,970.00**	**$50,970.00**	**$49,579.00**	**$49,579.00**	**$49,579.00**		
MN DNR - Conservation Partners Legacy Grant (Seidls Lake Shoreline Restoration)												
Revenue												
Grant Reimbursement Payments	**$382,000.00**		$70,192.78	$257,751.06	$16,710.69					$344,654.53	**$37,345.47**	**90%**
City Matching funds	**$81,000.00**										**$81,000.00**	**0%**
Total Revenue	**$463,000.00**	**$0.00**	**$70,192.78**	**$257,751.06**	**$16,710.69**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$344,654.53**	**$118,345.47**	**74%**
Expenses												
Grant Administration/Project Mgmt	**$26,000.00**	$15,118.00	$6,171.50	$5,211.50						$26,501.00	**($501.00)**	**102%**
Construction	**$276,000.00**			$176,035.74		$13,557.19	$66,613.85			$256,206.78	**$19,793.22**	**93%**
Engineering	**$46,000.00**			$54,034.25		$3,153.50	$5,260.00			$62,447.75	**($16,447.75)**	**136%**
Engineering	**$35,000.00**			$35,209.50						$35,209.50	**($209.50)**	**101%**
Total Expenses	**$383,000.00**	**$15,118.00**	**$6,171.50**	**$235,285.99**	**$0.00**	**$16,710.69**	**$71,873.85**	**$0.00**	**$0.00**	**$380,365.03**	**$2,634.97**	**99%**
Seidls Lake Shoreline Balance		**-$15,118.00**	**$48,903.28**	**$71,368.35**	**$88,079.04**	**$71,368.35**	**-$505.50**	**-$505.50**	**-$505.50**	**-$501.00**		
BWSR - FY-25 Accelerated Implementation Grant (Modeling)												
Revenue												
Grant Reimbursement Payments	**$98,000.00**			$49,000.00						$49,000.00	**$49,000.00**	**50%**
Matching funds (LMRWMO)	**$9,800.00**									$0.00	**$9,800.00**	**0%**
Total Revenue	**$107,800.00**	**$0.00**	**$0.00**	**$49,000.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$49,000.00**	**$58,800.00**	**45%**
Expenses												
Grant Administration	**$7,000.00**							$481.50		$481.50	**$6,518.50**	**7%**
Project Development	**$11,000.00**							$2,140.00	$1,673.50	$3,813.50	**$7,186.50**	**35%**
Consultant - Develop Models	**$80,000.00**			$997.00		$576.50	$1,367.00	$2,672.00		$5,612.50	**$74,387.50**	**7%**
Consultant - Develop Models (WMO Match)	**$9,800.00**									$0.00	**$9,800.00**	**0%**
Total Expenses	**$107,800.00**	**$0.00**	**$0.00**	**$997.00**	**$0.00**	**$576.50**	**$1,367.00**	**$5,293.50**	**$1,673.50**	**$9,907.50**	**$97,892.50**	**9%**
FY-25 AIG Balance		**$0.00**	**$0.00**	**$48,003.00**	**$48,003.00**	**$47,426.50**	**$46,059.50**	**$40,766.00**	**$39,092.50**	**$39,092.50**		

	Budget	Jan 12 2023 - Jan 10 2024	Jan 11, 2024 - Jan 8 2025	Jan 9 2025 - Jan 14, 2026	Jan 15 - Feb 11 2026	Feb12 - Mar 11 2026	Mar 12 - April 8 2026	April 9 - May 13 2026	May 14 - June 10 2026	Total	Variance	Percent Received/ Expended
TOTAL GRANT FUNDS RECEIVED	**$593,385.00**	**$59,193.00**	**$70,192.78**	**$357,956.06**	**$16,710.69**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$455,052.53**	**$189,537.47**	**77%**
PASS THROUGH MATCH RECEIVED	**$81,000.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$93,000.00**	**0%**
LMRWMO MATCH PROVIDED	**$12,000.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$10,844.45**	**$189,537.47**	**90%**
GRANT EXPENSES (MINUS WMO MATCH)	**$413,000.00**	**$15,118.00**	**$8,432.00**	**$241,496.49**	**$2,256.00**	**$17,823.69**	**$74,795.30**	**$11,711.50**	**$6,503.00**	**$392,589.03**	**$122,820.97**	**95%**
PASS THROUGH MATCH EXPENSES	**$81,000.00**	**$0.00**	**$0.00**	**$89,243.75**	**$0.00**	**$3,153.50**	**$5,260.00**	**$0.00**	**$0.00**	**$108,501.70**	**-$27,501.70**	**134%**

NET GRANT FUNDS BALANCE (MINUS WMO MATCH)	**$44,075.00**	**$105,835.78**	**$222,295.35**	**$236,750.04**	**$218,926.35**	**$144,131.05**	**$132,419.55**	**$125,916.55**	

From:	Adriana Atcheson
To:	Barten, Joe
Cc:	Madeline Seveland (mseveland@carvercountymn.gov); Pata, Katie
Subject:	2026 Children"s Water Festival Sponsorship request - Lower Mississippi River WMO
Date:	Thursday, May 28, 2026 12:35:23 PM
Attachments:	CWF sponsorship form_Lower Mississippi River Watershed Management Organization.pdf

EXTERNAL EMAIL WARNING: This email originated from outside Dakota County. Unless you are expecting this email, **DO NOT** click on attachments, links, or enter your credentials to login.

Joe,

Attached is information about the 2026 Metro Children's Water Festival. If Lower Mississippi River WMO is interested, general sponsorship options are outlined in the attached letter. Please let me know if you have any questions.

Additionally, we are hoping you may consider assisting with transportation costs for some of the schools attending from your watershed district. Schools can request busing reimbursement as part of their registration. In recent years, we have had an increased number of schools indicating that they need assistance with transportation costs to attend the festival. The following schools attending from your district have requested busing reimbursement:

- Moreland Arts and Health Sciences Magnet School – 2 buses
- Riverview Spanish/English Dual Immersion – 1 bus

If your organization is interested in providing funding to assist with busing reimbursement for these schools, please let me know. Schools can receive a maximum reimbursement of $500/bus for up to 4 buses.

Thank you for your consideration!

Adriana Atcheson | Senior Planner
she, her, hers (Why is this important?)
Washington County Department of Public Health and Environment
14949 62nd Street North, Stillwater, MN 55082
651-430-6716

Rooted in Connection, Growing with Direction

May 28, 2026

Dear Joe Barten,

We are kicking off the fund-raising campaign for the **29th annual Metro Children's Water Festival (MCWF)**. We are excited again this year to be inviting around 1,900 4th graders!

What is the Metro Children's Water Festival?
The festival is an interactive, hands-on, educational outreach program. The festival educates, motivates and challenges children to understand, conserve and protect water resources. It is one of the premier K-12 education events in the metro area and helps teachers achieve state and school district science standards for 4th grade. The festival is one of the largest education collaborations in the metro area and has been increasing awareness of water issues and solutions in students and adults for more than 25 years. Since it began in 1998 over 30,000 students have attended the in-person festivals.

Why sponsor the Children's Water Festival?

- It provides free education on water resources to 4th graders in the metro area.
- It inspires students to learn more about water resources and protect clean water for future generations.
- It provides science enrichment that helps teachers meet state education standards.
- It creates enthusiasm and awareness around one of our most precious resources.
- Be recognized as a business or entity that supports water and environmental learning. Sponsors are recognized at the festival, in the festival booklet, on https://metrocwf.org/sponsors/, and through press releases and articles. We can provide the CWF logo to put on your website.

How will funds be used?
The festival is provided free to students. Sponsored funds cover rental charges for the State Fair Grounds where it's hosted, presenter fees, food & beverages for volunteers and presenters, materials for certain activities, and website hosting and maintenance. Sponsorship also covers some busing costs for schools that cannot afford transportation. Most organizers and the planning committee members are from public and private agencies that volunteer their time and expertise.

How to sponsor
Fill out and return the enclosed sponsor form. Thank you for supporting this event that gives so much to the children of Minnesota and identifies the metro area as a national leader in environmental stewardship.

Learn more at https://metrocwf.org/

Thank you,

A Atcheson

Adriana Atcheson
Metro Children's Water Festival Planning Committee
651-430-6716 or adriana.atcheson@washingtoncountymn.gov

Metropolitan Conservation Districts

2026 METRO CHILDREN'S WATER FESTIVAL

SPONSOR FORM

Sponsors will be recognized in the Festival Program, at Festival site, in any press releases and on the website. The Festival Program will be distributed to all participants (teachers, presenters, sponsors and volunteers) at and after the Festival.

_____We would like to be a Festival sponsor by funding educational materials, transportation, presenters and facility rental: (*Please circle one.)*

$250 $500 $1000 $2000 Other $_____

_____We would be interested in having a company representative help the day of the event.

- -

Please pay with a check payable to: Metro Conservation Districts (no electronic payments)

CONTACT NAME_____**DATE**_____

COMPANY_____

(Please print this exactly as you wish it to appear in the program.)

ADDRESS_____

(Street, City or Town, Zip)

PHONE_____ **E-MAIL**_____

PLEASE RETURN CHECK AND COMPLETED FORM TO:

Adriana Atcheson
Washington County
Department of Public Health & Environment
14949 62nd Street North
Stillwater, MN 55082

Metro Children's Water Festival

LOWER MISSISSIPPI RIVER
WATERSHED MANAGEMENT ORGANIZATION

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
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LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
ORGANIZATION
DECEMBER 31, 2025

Board of Managers:

	City
Sharon Lencowski (Chair)	Inver Grove Heights
Vacant (Alternate)	Inver Grove Heights
Tom Sutton	Lilydale
Mary Kleinberg (Alternate)	Lilydale
Steve Gebauer (Secretary/Treasurer)	Mendota Heights
Leslie Pilgrim (Alternate)	Mendota Heights
Karen Reid (Vice Chair)	St. Paul
Brian Jastram (Alternate)	St. Paul
Daniel Anderson	South St. Paul
Kendra Sommerfeld (Alternate)	South St. Paul
Dan Halvorsen	Sunfish Lake
Vacant (Alternate)	Sunfish Lake
Analiese Miller	West St. Paul
Doug Fromm (Alternate)	West St. Paul

Advisors:

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

Greg Williams – Barr Engineering – Engineer

Joel Jamnik – Campbell, Knutson, Scott & Fuch, P.A. - Attorney

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited 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, 2025, 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.

In our opinion, the accompanying financial statements 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, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lower Mississippi River Watershed Management Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lower Mississippi River Watershed Management Organization's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lower Mississippi River Watershed Management Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lower Mississippi River Watershed Management Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 14 and the note to the required supplementary information on page 15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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Other Information

Management is responsible for the other information. The other information comprises the WMO's organizational information under the introductory section but does not include the financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated June 4, 2026 on our consideration of 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 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 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

June 4, 2026

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LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Governmental Activities
Assets:	
Cash	$ 408,978
Due from other governments	16,711
Prepaid expense	997
Total Assets	426,686
Liabilities:	
Accounts payable	30,102
Unearned revenue	150,926
Total Liabilities	181,028
Net Position:	
Unrestricted	245,658
Total Net Position	$ 245,658

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See accompanying notes to the financial statements and Independent Auditor's Report.

LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Net Position: Governmental Activities
Governmental Activities:					
General government	$ 47,041	$ -	$ 271,261	$ -	$ 224,220
Programs	264,216	-	-	-	(264,216)
Total Governmental Activities	$ 311,257	$ -	$ 271,261	$ -	(39,996)
General Revenues:					
Member contributions					153,726
Unrestricted interest earnings					4,583
Miscellaneous					170
Total General Revenues					158,479
Change in Net Position					118,483
Net Position - January 1					127,174
Net Position - December 31					$ 245,657

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See accompanying notes to the financial statements and Independent Auditor's Report.

LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2025

	General Fund
Assets	
Cash and cash equivalents	$ 408,978
Due from other governments	16,711
Prepaid expense	997
Total Assets	$ 426,686
Liabilities and Fund Balance	
Liabilities	
Accounts payable	$ 30,102
Unearned revenue	150,926
Total Liabilities	181,028
Fund Balance	
Non-spendable - prepaid expense	997
Assigned - water management plan	30,000
Unassigned	214,661
Total Fund Balance	245,658
Total Liabilities and Fund Balance	$ 426,686
Total Fund Balance	$ 245,658
Net Position of Governmental Activities	$ 245,658

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See accompanying notes to the financial statements and Independent Auditor's Report.

LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund
Revenues	
Member contributions	$ 153,726
Intergovernmental	271,261
Interest income	4,583
Other	170
Total Revenues	429,740
Expenditures	
Current:	
General government:	
Administrative	38,800
Insurance	2,749
Professional fees	5,492
Program expenditures:	
Engineering	21,067
State grants	182,943
Other	60,206
Total Expenditures	311,257
Net Change in Fund Balance	118,483
Fund Balance - January 1	127,174
Fund Balance - December 31	$ 245,657
Net Change in Fund Balance - Governmental Fund	$ 118,483
Change in Net Position of Governmental Activities	$ 118,483

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See accompanying notes to the financial statements and Independent Auditor's Report.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

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 is governed by a fourteen-member Board of Managers (7 managers and 7 alternate managers) appointed by each of the member municipalities.

The financial statements present the WMO and its component units. The WMO includes all funds, account groups, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the WMO are financially accountable and are included within the basic financial statements of the WMO because of the significance of their operational or financial relationships with the WMO.

The WMO is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization or if there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the WMO.

Blended Component Units - Reported as if they were part of the WMO.

Joint Ventures and Jointly Governed Organizations - The relationship of the WMO with the entity is disclosed.

Related Organization - The relationship of the WMO with the entity is disclosed.

As a result of applying the component unit definition criteria above, we have not identified any organizations that are considered to be component units of the WMO.

Government-Wide Fund Financial Statements

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

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Fund Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Internally dedicated revenues are reported as general revenues rather than program revenues.

Fund financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide 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 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 revenues to be available if they are collected within 60 days of the end of the current 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 period are all considered to be susceptible to accrual and so have been recognized as revenues of the current 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.

Assets, Liabilities, and Net Position/Fund Balance

Cash

Cash consists of a checking and savings account.

Due from Other Governments

Due from other governments are recorded for past state grant amounts that were received after year-end and all eligibility requirements were met.

Prepaid Expense

Prepaid expense is for an item that will provide future benefit over the next twelve months.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position/Fund Balance (Continued)

Unearned Revenue

Unearned revenue is recorded for amounts of state grants received prior to satisfying all eligibility requirements imposed by the providers.

Fund Balance Classifications

In the fund financial statements, governmental funds report fund classifications comprise a hierarchy based primarily on the extent to which the WMO is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. These classifications are as follows:

Non-spendable – These are amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.

Restricted – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.

Committed – These are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the government's highest level of decision-making authority, which is the Board of Managers, and that remain binding unless removed by subsequent formal action of the Board of Managers.

Assigned – These are amounts that are constrained by the WMO's intent to be used for specific purposes but are neither restricted nor committed and include all remaining amounts (except for negative balances) that are reported in governmental funds, other than the Administrative Fund, that are not classified as non-spendable, restricted, or committed. Assignments are made by the WMO's Administrator based on the Board of Manager's direction.

Unassigned – These are residual amounts in the Administrative Fund not reported in any other classification. The Administrative Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of non-spendable, restricted, and committed fund balances exceed the total net resources of that fund.

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

Net Position

Net position represents the difference between assets and liabilities in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to construct or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates.

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 are 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, 2025, the unassigned fund balance of the General Fund was 474% of the budgeted expenditures.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk - Deposits: This is the risk that in the event of a bank failure, the WMO's deposits may not be returned to it. Minnesota Statutes requires all deposits be protected by federal deposit insurance, corporate surety bonds, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. As of December 31, 2025, the WMO's bank balance was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution's trust department or agent and in the WMO's name.

The WMO did not have formal policies in place as of December 31, 2025, to address custodial credit risk for deposits. The WMO also did not have policies in place to address credit risk, concentration of credit risk, interest rate risk and custodial credit risk for investments.

At December 31, 2025, cash and investments were comprised of deposits at a commercial bank.

NOTE 3 - UNEARNED REVENUE

Unearned revenue represents unearned advances from the Minnesota Board of Water and Soil Resources (BWSR) for clear water funds. Revenue will be recognized when the related program expenditures are recorded. Unearned Revenue for the year ended December 31, 2025, consisted of the following: Watershed Funds $102,924; Accelerated Implementation Grant $48,002; Total $150,926.

NOTE 4 - 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 2025, the WMO assessed the members $153,726 in member contributions.

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NOTE 5 - 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 6 - RISK MANAGEMENT

The WMO purchases commercial insurance coverage through the League of Minnesota Cities Insurance Trust (LMCIT) with other cities in the state, which is a public entity risk pool currently operating as a common risk management and insurance program. The WMO pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining, through commercial companies, for excess claims. The WMO is covered through the pool for any claims incurred but unreported, however, retains risk for the deductible portion of its insurance policies. The amount of these deductibles are considered immaterial to the financial statements.

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

At December 31, 2025, there were no other claims liabilities reported in the fund based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 7 - 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.

NOTE 8 - SUBSEQUENT EVENTS

The WMO has evaluated events and transactions for potential recognition or disclosure through June 4, 2026, the date the financial statements were available to be issued.

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LOWER MISSISSIPPI RIVER WATERSHED MANAGEMENT ORGANIZATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Original/Final Budget	Actual Amounts	Over (Under)/Final Budget
Revenues			
Member contributions	$ 153,725	$ 153,726	$ 1
Intergovernmental	541,398	271,261	(270,137)
Interest income	2,800	4,583	1,783
Other	200	170	(30)
Total Revenues	698,123	429,740	(268,383)
Expenditures			
Current:			
General government:			
Administrative	33,000	38,800	5,800
Insurance	2,500	2,749	249
Professional fees	5,500	5,492	(8)
Programs:			
Engineering	19,500	21,067	1,567
State grants	391,495	182,943	(208,552)
Other	83,700	60,206	(23,494)
Total Expenditures	535,695	311,257	(224,438)
Net Change in Fund Balance	$ 162,428	$ 118,483	$ (43,945)
Fund Balance - January 1		127,174	
Fund Balance - December 31		$ 245,657	

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See accompanying note to required supplementary information and Independent Auditor's Report

NOTE 1 – BUDGETARY INFORMATION

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.

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

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CERTIFIED PUBLIC ACCOUNTANTS

570 Cherry Drive | Waconia, Minnesota 55387
952.442.4408 | Fax: 952.442.2211 | www.pclcpas.com

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 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, 2025, 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 June 4, 2026.

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 as a basis for designing 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 the Lower Mississippi River Watershed Management Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 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 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.

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2025-001 and 2025-002, that we consider to be significant deficiencies.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lower Mississippi River Watershed Management Organization's 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 financial statements. 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 Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the WMO's responses to the internal control findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The Lower Mississippi River Watershed Management Organization's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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
Waconia, Minnesota

June 4, 2026

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PETERSON COMPANY LTD
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2025, 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 June 4, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that the Lower Mississippi River Watershed Management Organization failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public 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
Waconia, Minnesota

June 4, 2026

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2025-001: 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 and Context: Substantially all accounting procedures are performed by one person.

Cause: The WMO's limited size and staffing resources have made it difficult for management to provide sufficient staffing to fully segregate incompatible duties in a cost-effective matter.

Effect: Without sufficient segregation of duties, the risk significantly increases that error and fraud, including misappropriation of assets, could occur and not be detected within a timely basis.

Prior Year Finding: Yes, 2024-001.

Recommendation: Management and the board should consider a formal evaluation of their risks associated with this lack of duties segregation. In response to the identified risks, consideration should be given to identifying and implementing controls that could help mitigate the risks associated with lack of segregation of duties, such as providing increased management oversight and an independent reconciliation of accounts. 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.

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2025-002: Financial Statement Presentation

Criteria: The WMO's management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of the financial statements in accordance with generally accepted accounting principles.

Condition and Context: As part of the audit, management requested us to prepare a draft of the financial statements, including the related notes to the financial statements. Management has accepted responsibility for the financial statements and reviewed them.

Cause: The WMO has a limited number of personnel with financial reporting experience.

Effect: The design of the controls over the financial reporting process would affect the ability of the WMO to report its financial data consistently with the assertions of the management in the financial statements.

Prior Year Finding: Yes, 2024-002.

Recommendation: We recommend that the WMO be aware of the requirements for fair presentation of the financial statements in accordance with the generally accepted accounting principles. Should the WMO elect, based upon an analysis of costs and benefits, to establish the full oversight of the financial statement preparation of an appropriate level, we suggest management establish effective review policies and procedures including but not limited to the following: reconciling general ledger amounts to the draft financial statements; review of all supporting documentation and explanations for journal entries proposed by us; complete the disclosure checklist; review and approval of schedules and calculations supporting the amounts included in the notes to the financial statements; apply analytic procedures to the draft financial statements; and perform other procedures considered necessary by management.

Management Response: The WMO understands that this is required communications for the preparation of the financial statements.

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From: Emily Heinz
To: Barten, Joe; Perrine, Kelly; Michael Kinney; Blayne Eineichner
Subject: RE: Bush Foundation Grant - Sequential Diagnostic Assessment
Date: Tuesday, June 2, 2026 12:11:07 PM
Attachments: image007.png
image008.png
image009.png
image010.jpg
image011.png
image012.png
image013.png
image014.png
Application Language_Bush Foundation_SDA+.docx
Application Budget_Bush Foundation_SDA+.xlsx

EXTERNAL EMAIL WARNING: This email originated from outside Dakota County. Unless you are expecting this email, **DO NOT** click on attachments, links, or enter your credentials to login.

Hi all – here's a cleaned up, updated draft of the proposal (that meets character limits!) and budget. Please let me know what your thoughts are regarding an additional blurb for each partner organization (again, your mission statement and/or general organizational description you use for these sorts of things). Any thoughts on the budget are welcome as well! Thanks!

As discussed, here is a concise summary of what Sequential Diagnostic Assessment is:

The Sequential Diagnostic Assessment process is a more effective way to target pollution sources and identify the water quality improvement projects necessary to clean up degraded lakes. This is because the Sequential Diagnostic Assessment process utilizes water monitoring data collected at tributaries flowing to the lake being diagnosed.

The Sequential Diagnostic Assessment process entails a scientific analysis of potential pollutant sources to a lake. It prioritizes tributaries flowing to the lake and measuring the pollutant load coming from the tributary. One common example is wetlands located adjacent to and degraded by historic cattle operations. The cattle manure accumulates in the wetland over time, turning the wetland into a legacy pollutant source. Legacy pollutant loading sources are present throughout the state, though they often remain hidden, only to be uncovered through diagnostic water monitoring.

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Grant Application Drafting Form

Text must be pasted into web portal here: https://www.tfaforms.com/4834917
https://www.bushfoundation.org/opportunities/community-innovation/
https://files.dnr.state.mn.us/assistance/backyard/shorelandmgmt/minnesota-vanishing-natural-shorelines.pdf-

INTRODUCE YOUR ORGANIZATION

1. Briefly tell us about your organization and what you do. Feel free to copy and paste from your website or other materials.
   [Max 1,400 characters] Microsoft Word character count = 1,352
   Answer:

   The Comfort Lake-Forest Lake Watershed District (CLFLWD or District) is a special unit of local government established by MN statute and charged with managing water resources. The CLFLWD's mission is to protect and enhance local ecosystems and natural water resources.

   Project partners include Vermillion River Watershed Joint Powers Organization, Lower Mississippi River Watershed Management Organization, and multiple municipalities.

   Watershed districts' boundaries are determined by hydrologic boundaries (i.e., how water flows) and therefore overlap with multiple political jurisdictions. Project partners share their jurisdictions with counties, soil and water conservation districts, municipalities, and MN One Watershed-One Plan partnerships. Project partners are highly collaborative organizations with numerous active partnerships.

   The CLFLWD is committed to a scientific, data-driven process for watershed management. The District analyzes the cost-benefit of its water quality projects and implements only the most cost-effective projects. This approach illustrates the Pareto Principle (or 80/20 Rule) and has allowed the District to achieve 80% of water quality improvements by implementing 20% of projects. The District employs adaptive management in its work, which involves data collection and analysis to continually improve its methods.

TELL US ABOUT YOUR IDEA AND WHAT ISSUE IT ADDRESSES

"Sequential Diagnostic Assessment"

2. **We want to know:**
   - What problem are you trying to solve?
   - What are the contributing factors causing this problem, and what are the barriers to solving it?
   - What's your big-picture idea for solving the problem, and how does your idea address the key factors?

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[Max 4,200 characters] Microsoft Word character count = 3,918
Answer:

The Comfort Lake-Forest Lake Watershed District (CLFLWD or District) proposes to refine, test, deploy and spread an innovative process for identifying targeted projects with the highest ROI that result in lake water quality improvement: the Sequential Diagnostic Assessment process.

The problem: Minnesota is the land of 10,000 lakes, but many of Minnesota's lakes have degraded water quality and excess algae blooms. Water quality improvement projects are expensive to design, construct, and maintain. Therefore, it is critical that watershed management organizations implement cost-effective projects that directly address the sources of water quality degradation, not just treat the symptoms. Traditional project targeting methods fall short in some ways and need to be enhanced.

Barriers to solving this problem include a lack of funding and lack of knowledge about more effective process.

The solution: the Sequential Diagnostic Assessment process is a more effective way to target pollution sources and identify the water quality improvement projects necessary to clean up degraded lakes. This is because the Sequential Diagnostic Assessment process utilizes water monitoring data collected at tributaries flowing to the lake being diagnosed.

Without the inclusion of tributary monitoring, other data gathering approaches leave critical information gaps which may lead to inefficient projects that fail to significantly move the needle of water quality improvement. The Sequential Diagnostic Assessment process accelerates goal achievement and saves implementation costs in the long run, potentially saving billions of dollars state-wide.

By refining, testing, deploying, and spreading the Sequential Diagnostic Assessment process, the CLFLWD and its partners aim to initiate transformational impact state-wide and overcome the two barriers to adoption (lack of knowledge and lack of funding).

The proposed project involves refining and testing the process on lakes within the CLFLWD, deploying the process on lakes managed by project partners including Vermillion River Watershed JPO and Lower Mississippi River WMO, [and/or UMN/MPCA/SAFL], and spreading the process state-wide through coordination with the MN Pollution Control Agency, MN Board of Water and Soil Resources, One Watershed One Plan initiative, and professional conference presentations. Project partners will establish an interagency work group to collaborate with other watershed management organizations and spread the process.

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The process will be shared through the above mentioned avenues, which will address one of the two barriers – lack of knowledge about the process. Additionally, this will set the stage for conversations with the Board of Water and Soil Resources regarding funding availability for implementation of the process. Currently, MN State grant sources under the Clean Water Fund (administered by the Board of Water and Soil Resources) don't allow diagnostic monitoring as an eligible grant expense. This is based on a lack of understanding of diagnostic monitoring's usefulness. Current grant policies fail to recognize how critical diagnostic monitoring is in identifying cost effective water quality improvement projects. A main goal of this project is to facilitate change at the policy level that would allow the use of grant funds for Sequential Diagnostic Assessment in order to fast track the achievement of regional water quality goals.

In the past, many partners have indicated that their organizations cannot perform diagnostic monitoring because of the upfront investment and lack of grant funding. However, given the high cost of water quality project construction, MN watershed management organizations cannot afford not to target their efforts and maximize cost efficiency. The Sequential Diagnostic Assessment process is the key to maximizing cost efficiency for water quality improvement projects in Minnesota.

3. **Tell us how your idea can make a big, lasting impact. We're looking for solutions that address underlying issues, not just symptoms. It's about creating change in the long run. Tell us:**
   - If your idea works, what would be different?
   - What results do you hope to achieve? Tell us what changes you'd like to see, from the community level to the specific system(s) you aim to influence.
   - What communities would be impacted by your work?
   [Max 2,400 characters] Microsoft Word character count = 2,301
   Answer:

   This project will transform how watershed management organizations approach water quality improvement. It will significantly improve the cost-effectiveness of water quality projects, saving taxpayer dollars and allowing regional lakes to reach state water quality standards on a faster timeline. If adopted state-wide, this process will save billions of dollars in cleaning up lakes and streams.

   The current paradigm in watershed management relies too heavily on desktop data and computer modeling alone; it fails to incorporate real-world monitoring data into the equation. Specifically, desktop analysis alone fails to identify past land management issues such as legacy sources of pollutant loading from the long history of agriculture in the region. These legacy pollutant sources are invisible to naked eye and can only be uncovered through water chemistry analysis. Furthermore, State grant programs fail to provide funding to perform the necessary water monitoring.

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The CLFLWD has a history of innovation in the field of watershed management. It has tested the Sequential Diagnostic Assessment process for several of the lakes in its jurisdiction, leading to significant water quality improvements and the delisting of two lakes from the impaired waters list (a major milestone for water quality improvement). This past work serves as a proof of concept for this process, but further refinement is needed.

The Sequential Diagnostic Assessment process entails a scientific analysis of potential pollutant sources to a lake. It prioritizes tributaries flowing to the lake and measuring the pollutant load coming from the tributary. One common example is wetlands located adjacent to and degraded by historic cattle operations. The cattle manure accumulates in the wetland over time, turning the wetland into a legacy pollutant source. Legacy pollutant loading sources are present throughout the state, though they often remain hidden, only to be uncovered through diagnostic water monitoring.

Minnesotans value our lakes for recreational uses, aesthetics, and environmental benefits. Communities across the state will benefit from this work. Most immediately, the communities of Forest Lake, Scandia, Wyoming, and Apple Valley, will benefit from the water quality improvements on lakes in their area.

4. **Walk us through your project plan. We are looking for plans that are well thought-out, make good use of resources, and show an understanding of how change can happen in your field.**
   We want to know:
   - What steps will you take to implement your idea, and why? We know that plans shift and change — and that's ok! Just explain your current thinking.
   - Why do you think your plan can work? Help us understand your strategy.
   - How are the people most affected by the problem included in your plan?
   [Max 1800 characters] Microsoft Word character count = 1,785

   Answer:

   This proposal will refine the Sequential Diagnostic Assessment process with additional data and partner input, test it on three CLFLWD lakes, deploy it on four partner lakes, and spread the process to additional partners state-wide.

   The proposed plan has four phases: protocol refinement, testing, deployment, and dissemination over a 5-year implementation period. This project is scalable and can be repeated in additional watersheds throughout the state in the future. This plan engages organizations throughout the state and will help improve water quality in lakes for communities statewide.

   Phase 1, Protocol Refinement: Updated writeup of the step-by-step process for implementing the Sequential Diagnostic Assessment process.

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Phase 2, Testing on CLFLWD Lakes: Test the process on three unique lakes within the CLFLWD. Report on water monitoring, project targeting, and cost-benefit analysis. Testing lakes include: Forest Lake because it has dense residential development, Bone Lake because it has rural surrounding land use, and Shields Lake because it is a shallow lake.

Phase 3, Deployment on Partner Lakes: Deploy the process on four partner lakes. Deploying the process in other parts of the state will test its ability to work on different land use scenarios (e.g., dense urban developments versus rural communities). Report on water monitoring data, project targeting, and cost-benefit analysis. Refine the process as necessary to incorporate partner feedback.

Phase 4, Dissemination Statewide: To spread the message, project partners will work with a public relations professional to create an outreach campaign, establish an interagency workgroup with additional watershed organizations, and present results to state agencies and at professional water resource conferences.

5. **Tell us about the people powering the work. For change to happen, the people leading the work need to be set up for success, and they need great collaborators.**
   Tell us:
   - Who's leading the work? Explain who they are, their roles, how they'll work together, and why they are the right people to move the idea forward.
   - What external partners will you need to make your plan work? If they aren't on board yet, how will you engage them?
   - What other capacity will you need? For example, will you hire additional people or offer training for your team?
   [Max 1800 characters] Microsoft Word character count = 1,005
   Answer:

   Comfort Lake-Forest Lake Watershed District (CLFLWD) staff will lead this innovative effort in coordination with Vermillion River Watershed JPO, Lower Mississippi River WMO, [and/or UMN/MPCA/SAFL]

   The CLFLWD is a special unit of local government that specializes in watershed management work such as this. The CLFLWD staff is a team of 11 full-time professionals that coordinate very closely across the District's various programs to maximize government efficiency. The CLFLWD contracts with an engineering firm for technical assistance, Emmons & Olivier Resources (EOR). District staff and engineers are prepared to implement the proposed plan, and no further hiring or training is needed.

   The Vermillion River Watershed JPO is [insert blurb]

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The Lower Mississippi River WMO is [insert blurb]

Project partners will be critical to deploying and further refining the Sequential Diagnostic Assessment process, are fully committed to the project, and have provided letters of support for this grant application.

6. **Optional: What else would you like us to know?**
   - If there's anything else you'd like us to share, add it here. If not, just leave this space blank — it won't impact how we review your application.
   [Max 2,800 characters] Microsoft Word character count = 2,184
   Answer:

   This work is more important now than ever because of the effects of climate change. For most of Minnesota, climate change means wetter spring seasons and heavier rain events. While flooding can cause damage to homes and infrastructure, it can also negatively impact the health of lakes and streams. Heavy storms result in heavy stormwater runoff and pollution to wetlands, lakes, and streams. Water quality improvement projects are necessary to protect Minnesota lakes from the impacts of climate change.

   The CLFLWD credits the Sequential Diagnostic Assessment process as a key factor in achieving its lake water quality goals almost 20 years ahead of schedule and at a fraction of the cost. In 2011 the District developed a watershed management plan that set a goal of achieving lake water quality goals by the year 2040. Since that time, the District has achieved lake goals for most of its lakes as of the past few years. The Sequential Diagnostic Assessment process has been critical to identifying cost-effective projects, allowing the District to achieve these goals at a much lower cost than it would have without this approach.

   Similarly the District has made significant progress toward removing its lakes from the impaired waters list. In 2010 the District established a Total Maximum Daily Load (TMDL) study for six of its lakes that were impaired for poor water quality. The District has achieved the majority of nutrient load reductions identified in the study, and has de-listed two of the six lakes. The District anticipates de-listing the remaining four lakes within the next few years.

   The Sequential Diagnostic Assessment approach to project targeting can be compared to the statewide initiative for enhanced street sweeping. Many organizations throughout Minnesota have developed enhanced street sweeping plans to target sweeping efforts and maximize water quality improvements. This approach has been standardized and is being deployed throughout the state through the University of MN, MN Sea Grant, and MN Pollution Control Agency's Clean Sweep Program. The success of enhanced street sweeping illustrates how important data-driven project targeting protocols are.

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7. **How much are you requesting from the Bush Foundation for this work?**
   Enter amount with no dollar sign and round to the nearest whole number
   Answer:
   [see budget workbook]

8. **Instead of asking for a budget at this stage, we'd like to get a general sense of how you'd use the grant funds. Please provide a short description of the types of things you'd spend these funds on.** [Max 900 characters] portal remaining characters = 829
   Answer:

   Phase 1, Sequential Diagnostic Assessment Protocol Refinement: Emmons & Olivier Resources (EOR) staff time to lead the protocol refinement, CLFLWD staff time to assist

   Phase 2, Testing on CLFLWD Lakes: CLFLWD and EOR staff time to collect water samples and flow data, review available data sources, analyze water sample lab results, prioritize potential projects to address pollutant loading. Water sample lab costs will be included with this phase.

   Phase 3, Deployment on Partner Lakes: Repeat process with partners on Long Lake, East Lake, Seidls Lake, and Thompson Lake. Further refine process using data from these lakes that have unique surrounding land uses.

   Phase 4, Dissemination Statewide: Staff time to prepare presentation materials, present process to partnership organizations. Public relations professional assistance.

9. **Where will this work take place?**
   Answer: Minnesota

10. **What best describes the geographic community served by the proposed work?**
    a. Rural
    b. Town or city – population over 50,000
    c. Town or city – population under 50,000
    d. Combination: Rural/Town/City

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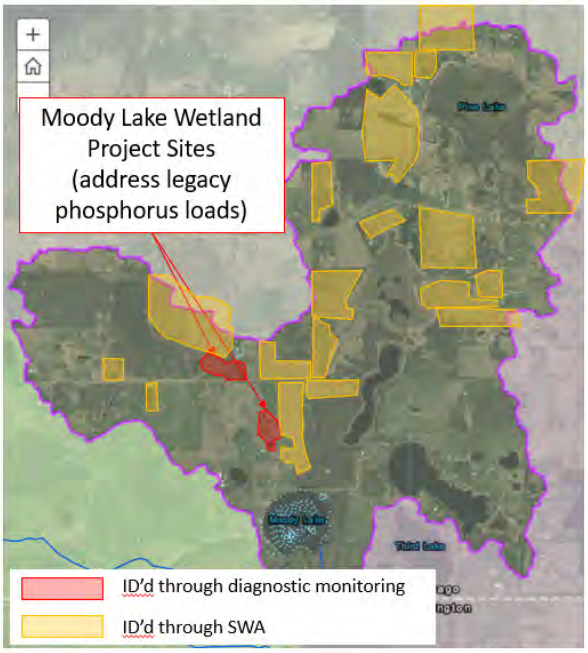
Slide 19

Sequential Diagnostic Assessment Example



- 80% of nonpoint source pollution may be coming from 20% (or less) of the watershed

- Could have implemented dozens of projects all over the watershed without achieving this reduction

Slide 18

Sequential Diagnostic Assessment Example

Moody Lake Sequential Diagnostic Study (2013-2014)

Achieve **80%** of necessary watershed phosphorus load reductions by treating **25%** of the flow to the lake.

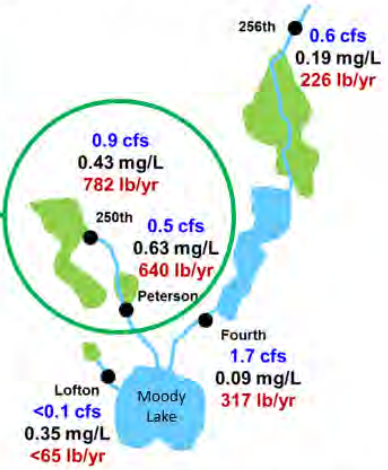


Figure 13. Moody Lake Watershed Flow, Total Phosphorus Concentration, and Total Phos. Loads