



REGULAR MEETING AGENDA

June 15, 2023 • 6:00 p.m.

The meeting packet can be found on the Commission's website:

<http://pioneersarahcreek.org/pages/Meetings/>

1. Call to Order.
 - a. Approve Agenda.*
2. Consent Agenda.
 - a. May meeting minutes.*
 - b. June Claims/Treasurer's Report.*
3. Open forum.
4. Action Items.
 - a. 2024 Budget and Member Assessments.*
 - b. 2022 Audit.*
 - c. GS68 Assurance Letter.*
5. Old Business.
6. New Business.
 - a. Hennepin County Opportunity Grants.*
7. Education.
8. Staff Reports.
 - a. Engineer's Report.*
 - b. HCEE Report.*
 - c. TRPD Report.
9. Commissioner Reports.
10. Other Business.
11. Adjournment. (Next scheduled meeting: July 20, 2023). Z:\Pioneer-SarahCreek\Meetings\Meetings 2023\6 agenda.docx



ADMINISTRATIVE OFFICE: 3235 Fernbrook Lane N • Plymouth, MN 55447
763.553.1144 • Fax: 763.553.9326 • amy@jass.biz • www.pioneersarahcreek.org

REGULAR MEETING

Minutes

May 18, 2023

1. CALL TO ORDER. A regular meeting of the Pioneer-Sarah Creek Watershed Management Commission was called to order by Chair Joe Baker at 6:07 p.m., Thursday, May 18, 2023, at Maple Plain City Hall, 5050 Independence Street, Maple Plain, MN.

Present: Mark Workcuff, Greenfield; Joe Baker, Independence; Brenda Daniels, Loretto; Andrew Burak, Maple Plain; Pat Wulff, Medina; Peter Vickery, Minnetrista; Roz Davis, Hennepin County Environment and Energy (HCEE); Brian Vlach, Three Rivers Park District (TRPD); Andrew Vistad, Hakanson-Anderson; and Amy Juntunen, JASS.

2. AGENDA. Motion by Daniels, second Vickery by to approve the agenda* with the addition of item 6.a. 2024 Proposed Budget. *Motion carried unanimously.*

3. CONSENT AGENDA. Motion by Wulff, second by Daniels to approve the Consent Agenda as presented. *Motion carried unanimously.*

a. **April Regular Meeting Minutes.***

b. **May Treasurer's Report/Monthly Claims *** totaling \$5,478.94

4. OPEN FORUM.

5. ACTION ITEMS.

a. **2022-017 Kettering Creek, Greenfield.*** This is a 32-lot residential subdivision on 9.29 acres. Stormwater discharge from the site flows to the northwest, northeast, and southeast. Overall, stormwater discharge flows to the Crow River. This project meets Commission standards for rate and water quality, as well as erosion and sediment control. Staff recommends approval contingent on receipt of 1) an O&M agreement with the city; and 2) a buffer establishment plan to reseed wetland buffers impacted by grading.

Motion by Daniels, second by Burak to approve project 2022-017 with the two contingencies noted. *Motion carried unanimously.*

b. **2023-02 Rockvam Boatyards, Independence.*** This is a single-lot commercial redevelopment to create a boat storage facility. Stormwater discharge from the site flows east to wetlands surrounding Pioneer Creek. The site plan includes biofiltration on-site. The applicant does have a SWPPP as required due to Pioneer Creek's impairment for construction activities. This project meets Commission standards. Staff recommends approval contingent on receipt of 1) an O&M agreement with the city for the BMPs on site; and 2) a buffer establishment plan in case wetland buffers are impacted during construction.

Motion by Daniels, second by Workcuff to approve project 2023-02 with the two contingencies noted. *Motion carried unanimously.*

c. **Whaletail Lake Alum Treatment Agreement.*** This project received a BWSR Clean Water Fund (CWF) grant of \$405,000. The grant requires a 25% match. The Cooperative Agreement details each

Greenfield • Independence • Loretto • Maple Plain • Medina • Minnetrista

*Included in meeting packet.

partner's contribution to make that match. The grant received is more than the project is likely to cost due to the inclusion of pH buffer costs in the grant application. Since the application, it has been determined that a pH buffer application will not be necessary. The Agreement states that the Commission share is not-to-exceed \$60,000, with the TRPD share not-to-exceed \$30,000 and the City of Minnetrista share not-to-exceed \$15,000. A Hennepin County Opportunity Grant could be applied for this project in fall 2023, which would lower the partner contribution amounts as well as the lower-than-anticipated project cost. The Cooperative Agreement has already been signed by TRPD and Minnetrista. The DNR and MPCA have issued permits for the project. The first treatment of 100 acres at a depth of nine feet is scheduled for next week. The second treatment will occur in 2024.

The City sent a letter to homeowners on the lake to notify them of the project and to attend a council meeting or contact Vlach directly with questions. Vlach provided a short presentation to the Commission describing the properties of alum, how and why it is used in lake management, and the benefits to the plant and fish communities.

Motion by Wulff, second by Vickery to approve the Cooperative Agreement as presented and authorize the Chair to sign the agreement. *Motion carried unanimously.*

d. Stabilization Project Letter of Assurance.* The Board of Water and Soil Resources (BWSR) now requires assurances from LGUs using grant funds for bank stabilization projects. The letter of assurance is to state that the Commission will have the funds to correct any failures to the stabilization project within a reasonable timeframe (12-18 months). Example assurance letters from other watershed organizations were included in the packet. This letter of assurance is required from the Commission for the CIP GS68 (Gully Stabilization 68) project and from TRPD for the Lake Rebecca Channel Stabilization project, both on the CIP for 2023 using WBIF grant funds.

Motion by Vickery, second by Burak to approve Staff to draft a letter of assurance for review and approval at the June meeting. *Motion carried unanimously.*

6. OLD BUSINESS.

2022-18 Windsong Golf Club, Independence.* Contingencies for this project approval included updated calculations for stormwater rate. The applicant has submitted new information and are now meeting the 100-year volume reduction and a 30% reduction in TP. This item is informational and requires no action.

7. NEW BUSINESS.

2024 Proposed Budget and Member Assessments.* According to the Joint Powers Agreement, the Commission must on or before June 21 of each year adopt a budget for the coming year. The budget must be transmitted along with notice of the apportionment of costs to each city by July 1. Member cities then have until August 15 to comment on or raise objections to the budget. If no objections are submitted, the budget proceeds as adopted. If objections are submitted in writing, the Commission must hold a public hearing to consider modifying the budget or proceeding with no change.

The proposed budget has been reformatted from what has been presented previously in that it separates out the operating expenses from the capital and other non-operating expenses and revenues. This

allows the reader to more clearly determine if the assessments and project review fees are adequately funding operating expenses, or whether the Commission is operating a deficit or surplus. It is analogous to a General Fund budget rather than an all-funds style presented in previous years.

The 2024 budget as proposed is a continuation of the programs and activities undertaken in 2022, with some slight modifications. The proposed operating budget is about a \$5,000 decrease over the 2023 budget. The budget does not include updated amounts for 2024 monitoring costs or County Outreach. Overall, there is no proposed increase in member assessments which have remained flat at \$131,800 since 2020. There are some minor changes to the 2023 approved budget, with an overall projected operating deficit of approximately \$2,500 to be paid from reserves. Staff will break out engineering expenses in 2023 and 2024 between general engineering, project reviews, and project engineering for CIPs to provide better clarity on those expenses.

A budget subcommittee meeting was scheduled for Friday, June 2 at 4:30 p.m. via Zoom. Juntunen will send an invitation to all Commissioners and create a public notice of the meeting.

8. EDUCATION.

Watershed Flow / Hydrology Presentation.** Staff provided copies of the watershed map noting the flow of all streams to Commissioners for inclusion in the Commissioner Handbook. Vlach used a poster-sized version of the map to illustrate and describe the location and flow of the creeks in the watershed, as well as identified impairments. The map includes the area of Carver County that is within the hydrological boundary of the Pioneer-Sarah Creek Watershed but outside of the jurisdictional boundary, which is the county boundary in that area. Vlach also detailed the lakes in the watershed and their impairments, if any.

9. STAFF REPORTS.

a. Engineer's Report.* The staff report details ongoing project reviews and was included in the meeting packet for review. Vistad commented that he had received a call from a local landscape company that had recently purchased a hydraulic dredge barge and asked to test it on open water surrounded by wetlands on private property just north of Lake Ardmore. The company purchased the equipment due to multiple requests to clean stormwater ponds. Staff will retain their information for the pond scraping portion of the GS68 project.

b. HCEE Report.* The County sent a postcard to homeowners on Lakes Sarah and Independence in 2022. County staff are following up on that mailing now and have two site visits scheduled so far. County staff are also focused on re-engaging with landowners from the Dance Hall Creek SWA and have performed two site visits and one virtual visit in that area. Three other landowners are also looking for County engagement. There is one large wetland that could be restored if the four to five landowners agree and sign a letter of support prior to CWF grant application deadlines.

c. TRPD Report. The 2023 monitoring stations have been set up. TRPD is planning to complete several vegetation surveys this spring. The Whaletail alum treatment is scheduled for next week.

10. COMMISSIONER REPORTS.

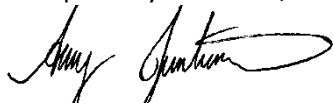
Baker shared that the Lake Sarah visual CLP survey only identified about nine acres for treatment. A post-treatment survey will also be completed. LSIA received a \$10,000 grant this year so the application cost may be fully covered. For the past several years the Commission has provided 25% of the funding necessary for the CLP and EWM herbicide treatments.

11. OTHER BUSINESS.

The **next regular meeting** is scheduled for June 15, 2023 at Maple Plain City Hall.

12. ADJOURNMENT. There being no further business, motion by Daniels, second by Baker to adjourn. The meeting was adjourned at 8:30 p.m.

Respectfully submitted,



Amy Juntunen
Administrator
AAJ:tim

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**Pioneer-Sarah Creek Watershed
Cash Disbursements Journal
For the Period From Jun 1, 2023 to Jun 30, 2023**

Filter Criteria includes: Report order is by Date. Report is printed in Detail Format.

Date	Check #	Account ID	Line Description	Debit Amount	Credit Amount
6/15/23	1688	50110	22-18 Windsong Golf Club Expansion	1,322.50	
		50100	General Engineering	719.48	
		10100	Hakanson Anderson Associates, Inc.		2,041.98
6/15/23	1689	51100	Administration	1,128.58	
		51100	Meeting-related	1,024.44	
		51100	Bookkeeping / Budget / Audit Prep	557.74	
		51400	Website	18.75	
		51120	Project Review Support	7.12	
		51140	Grant Opportunities	318.75	
		10100	Judie Anderson's Secretarial Service		3,055.38
6/15/23	1690	66010	Whaletail Lake Alum Treatment	183,028.00	
		10100	Solitude Lake Management, LLC		183,028.00
6/15/23	1691	26720	Return 2019 WBIF Funds	7,007.00	
		10100	MN Board of Water and Soil Resources		7,007.00
Total				195,132.36	195,132.36

INVOICE SUMMARY FROM HAKANSON ANDERSON

PIONEER SARAH WATERSHED MANAGEMENT COMMISSION

INVOICES FOR APRIL 2023

Project ID & Description	Invoice Number	Invoice Date	Amount
PSC216 2022-18 WINDSONG GOLF CLUB EXPANSION	50693	05/19/23	1,322.50
PSC901-2023 GENERAL ENGINEERING FOR PIONEER SARAH WMC 2023	50694	05/19/23	719.48
			2,041.98



3601 Thurston Avenue
Suite 101
Anoka, MN 55303

Pioneer Sarah Watershed Management Commission
3235 Fernbrook Lane
Plymouth, MN 55447

Invoice number 50693
Date 05/19/2023

Project **PSC216 2022-18 WINDSONG GOLF CLUB EXPANSION**

Professional Services Provided Through 04/30/2023

MUNICIPAL REVIEW

Professional Fees

	Date	Hours	Rate	Billed Amount
Andrew Vistad DEVELOPMENT REVIEW NO 3	04/12/2023	3.50	115.00	402.50
Andrew Vistad DEVELOPMENT REVIEW NO 3	04/13/2023	3.50	115.00	402.50
Andrew Vistad DEVELOPMENT REVIEW NO 3	04/14/2023	3.50	115.00	402.50
Andrew Vistad DEVELOPMENT REVIEW NO 3	04/25/2023	1.00	115.00	115.00
PROFESSIONAL FEES SUBTOTAL				1,322.50
MUNICIPAL REVIEW SUBTOTAL				1,322.50
AMOUNT DUE THIS INVOICE				1,322.50

Invoice Summary	Current Billed	Prior Billed	Total Billed
Total	1,322.50	8,872.50	10,195.00



3601 Thurston Avenue
Suite 101
Anoka, MN 55303

Pioneer Sarah Watershed Management Commission
3235 Fernbrook Lane
Plymouth, MN 55447

Invoice number 50694
Date 05/19/2023

Project **PSC901-2023 GENERAL ENGINEERING
FOR PIONEER SARAH WMC 2023**

Professional Services Provided Through 04/30/2023

GENERAL ENGINEERING

Professional Fees

	Date	Hours	Rate	Billed Amount
Andrew Vistad <i>PRE-PROJECT PERMITTING QUESTIONS</i>	04/06/2023	1.00	115.00	115.00
Andrew Vistad <i>GS68 SITE VISIT; LANDOWNER COMMUNICATION MONTHLY MEETING</i>	04/20/2023	4.50	115.00	517.50
Andrew Vistad <i>PRE-PROJECT QUESTION</i>	04/24/2023	0.50	115.00	57.50
PROFESSIONAL FEES SUBTOTAL				690.00

Reimbursables

	Date	Units	Rate	Billed Amount
MILEAGE	04/20/2023	45.00	0.655	29.48
REIMBURSABLES SUBTOTAL				29.48
GENERAL ENGINEERING SUBTOTAL				719.48
AMOUNT DUE THIS INVOICE				719.48

Invoice Summary

	Current Billed	Prior Billed	Total Billed
Total	719.48	1,312.35	2,031.83



Pioneer-Sarah Creek Watershed Management Commission
3235 Fernbrook Lane Plymouth, MN 55447

3235 Fernbrook Lane
Plymouth MN 55447

June 9, 2023

				Total Project Area	
				Total Project Area	
General Administration					
Administrative		70.00	0.000		
Administrative	3.57	75.00	267.750		
Administrative - virtual		80.00	0.000		
Handbook		75.00	0.000		
Office Support	10.00	75.00	750.000		
Public storage	1.00	109.48	109.480		
Data Processing/File Mgmt		70.00	0.000		
Archiving		70.00	0.000		
Reimbursable Expense	1.35	1.00	1.350	1,128.580	Administration
Meeting packets, attendance, Minutes and Meeting follow-up					
Administrative		70.00	0.000		
Administrative	7.02	75.00	526.500		
Admin - offsite	4.25	80.00	340.000		
Reimbursable Expense	157.94	1.00	157.940	1,024.440	Meeting-related activities
Bookkeeping, Budget, Audit Prep, Treas Report					
Bookkeeping		70.00	0.000		
Bookkeeping, budget, audit requests	2.00	75.00	150.000		
Budget - virtual	0.75	80.00	60.000		
Treasurer's Reports	1.25	75.00	93.750		
Audit Prep		70.00	0.000		
Audit Prep	3.08	75.00	231.000		
Reimbursable Expense	22.99	1.00	22.990	557.740	Bookkeeping/TRs
Website					
Weebly hosting - 1 year		1.00	0.000		
Pages, links, uploads		75.00	0.000		
Administrative	0.25	75.00	18.750	18.750	Website
Project Reviews					
Administrative		70.00	0.000		
Administrative		75.00	0.000		
File Management/Archiving		70.00	0.000		
Reimbursable Expense	7.12	1.00	7.120	7.120	Project Reviews
Grant Opportunities/Applications					
Secretarial		70.00	0.000		
Administrative	4.25	75.00	318.750		Grant opportunities/
Administrative - offsite		80.00	0.000		applications
Reimbursable Expense		1.00	0.000	318.750	
			3,055.380	3,055.380	

**Please Remit Payment to:**

Solitude Lake Management, LLC
 1320 Brookwood Drive
 Suite H
 Little Rock, AR 72202
 Phone #: (888) 480-5253
 Fax #: (888) 358-0088

INVOICE

Page: 1

Invoice Number: PSI-77839
 Invoice Date: 5/30/2023

Bill

To: Three Rivers Park District
 3000 Xenium Lane North,
 Minneapolis, MN 55441

Ship

To: Three Rivers Park District
 3000 Xenium Lane North,
 Plymouth, MN 55441

Ship Via
 Ship Date 5/30/2023
 Due Date 6/29/2023
 Terms Net 30

Customer ID 15153
 P.O. Number
 P.O. Date 5/30/2023
 Our Order No.

Item/Description	Unit	Order Qty	Quantity	Unit Price	Total Price
Annual Maintenance					
One-Time Service					
ALUM: Treatment		1	1	183,028.00	183,028.00
Whaletail Lake - Three Rivers Park District					
Whaletail Lake - South Basin					
Mobilization / Demobilization: \$29,597.80					
Aluminum Sulfate (per gallon): \$153,430.20					
• 77,490 gallons applied at \$1.98 per gallon					

Amount Subject to Sales Tax 0.00
 Amount Exempt from Sales Tax 183,028.00

Subtotal: 183,028.00
 Invoice Discount: 0.00
 Total Sales Tax: 0.00
 Payment Amount: 0.00
Total: 183,028.00



Minnesota Board of Water and Soil Resources

Return of State Grant Funds

This form is to be used when returning unspent or unencumbered State of MN grant funds. As stated within the **Closing out a BWSR Grant** section of the BWSR Grant Administration Manual, any funds remaining unspent or becoming unobligated or unencumbered at the conclusion of the grant contract period, must be returned within 30 calendar days of the end of the grant agreement period.

Grant Title: 2019 - Watershed Based Funding Metro (Pioneer-Sarah Creek WMC)

Grant Code: P19-3271

Grant Allocation: Watershed Based Funding Metro 2019

Grantee: Pioneer-Sarah Creek WMC

Fiscal Agent:

Grant Fiscal Year: 2019

Agreement PO#: 3000009671

To ensure accurate processing, please review the following required details and update as needed:

Check Number	1691
Refund Amount	\$7,007.00
Contact Name	Amy Juntunen
Contact Phone Number	763-553-1144

This completed form and the check for unspent grant funds should be mailed to BWSR. Retain a copy for your file.

Make check payable to and mail to:

MN Board of Water and Soil Resources
520 Lafayette Road N
St. Paul, MN 55155
651-296-3767

**Pioneer-Sarah Creek Watershed Management Commission
2024 Proposed Budget**

	2020	2021	Approved 2022	2022 Actual (unaudited)	Approved 2023	Proposed 2024
	Actual	Actual	Budget		Budget	Budget
Operating Revenues						
Member Dues	103,800	103,800	103,800	103,800	103,800	103,800
Project Review Fees	12,500	3,950	6,000	51,812	6,000	6,000
Interest and Dividend Income	2,129	69	1,460	10,609	70	8,500
Total Operating Revenue	118,429	107,819	111,260	166,221	109,870	118,300
Operating Expenses						
Engineering/Consulting-General	11,359	15,479	32,500	43,373	25,000	25,000
Engineering Project Reviews						
Engineering Design/CIP						
Administrative Expense	31,855	22,939	36,000	23,884	36,000	36,000
Adm-Project Reviews	598	377	750	1,512	750	750
Adm-CIP Mgmt	394	126	1,000	0	1,000	1,000
Adm - Tech Support	0	249	750	0	750	750
Legal Expense	62		500	75	500	500
Audit Expense	4,500	4,500	4,500	4,700	4,500	4,700
Insurance	2,580	2,067	2,800	2,435	2,800	2,800
Website	1,015	389	1,500	585	1,500	1,500
TAC Meetings	0		2,500	1,019	5,000	5,000
Lakes Monitoring - TRPD	8,100	8,100	10,500	10,500	11,164	11,920
Lakes Monitoring - CAMP	760	0	760	760	760	760
Stream Monitoring	9,500	9,500	12,200	12,200	12,200	13,300
Education	1,670	1,020	2,500	725	2,500	2,500
Education-Events	0		500	0	500	500
Invertebrate Monitoring	0		0	0	0	0
Grant Writing	0		1,000	399	1,000	1,000
Fifth Gen Plan	0		0	0	0	0
Management Plan - Admin	2,467		1,000	393	1,000	1,000
Fourth Gen Plan	29,417		0	0	0	0
Hennepin County Outreach	0	8,026	0	10,000	12,000	14,000
Operating Expenses	104,287	72,771	111,260	112,560	118,924	122,980
Net Operating Income	14,142	35,047	0	53,661	-9,054	-4,680

**Pioneer-Sarah Creek Watershed Management Commission
2024 Proposed Budget**

	2020	2021	Approved 2022	2022 Actual (unaudited)	Approved 2023	Proposed 2024
	Actual	Actual	Budget		Budget	Budget
Grant/CIP Revenue						
CIP Income	28,000	28,000	28,000	28,000	28,000	28,000
CIP Partner Cost-Share	38,500					
Lake Sarah TMDL Imple	4,901	3,416	0	4,792	0	0
Grant - Baker Park Ravine	225,900		0	21,372	0	0
WBIF FY19		5,831				
WBIF FY21	23,327	135,585	135,584			
WBIF FY23					79,612	79,612
Grant - Whaletail Alum						202,500
Grants - From Fund Balance	93,956					
Total CIP/Grant Revenues	414,584	172,832	163,584	54,164	107,612	310,112
CIP/Grant Expenses						
Capital Improvement Project	11,925	5,176	28,000	17,278	28,000	28,000
WBIF FY21	49,979		135,584	35,447	79,612	79,612
Grant - Whaletail Alum						202,500
Lake Sarah Implementation	4,901	3,416	0	4,792	0	0
Baker Park Ravine	342,205		0	21,761	0	0
Total CIP/Grant Expenses	409,009	8,592	163,584	79,279	107,612	310,112
Net CIP/Grant Income	5,575	164,240	0	-25,115	0	0
Net Income	19,718	199,287	0	28,546	-9,054	-4,680

Pioneer-Sarah Creek Watershed Management Commission

Proposed 2024 Member Assessments

2022	2021 Market Value PSC Basin	Increase in MV over Prev Year	2022 Op Budget		Increase over Prev Year	
			%age	Amount	%age	Amount
Greenfield	522,787,116	6.13%	29.78	39,249.05	0.41%	159.86
Independence	634,578,595	6.06%	36.15	47,641.96	0.35%	164.59
Loretto	71,882,465	2.89%	4.09	5,396.69	-2.66%	(147.35)
Maple Plain	139,787,990	5.68%	7.96	10,494.80	-0.01%	(1.31)
Medina	183,452,639	1.84%	10.45	13,772.99	-3.65%	(521.12)
Minnetrista	203,053,025	8.15%	11.57	15,244.52	2.32%	345.33
TOTALS	1,755,541,830	5.70%	100.00	131,800.00	-3.24%	(0.00)
2023	2022 Market Value PSC Basin	Increase in MV over Prev Year	2023 Op Budget		Increase over Prev Year	
			%age	Amount	%age	Amount
Greenfield	670,597,971	28.27%	30.24	39,857.93	1.55%	608.88
Independence	807,025,180	27.17%	36.39	47,966.67	0.68%	324.70
Loretto	91,101,430	26.74%	4.11	5,414.74	0.33%	18.05
Maple Plain	171,633,500	22.78%	7.74	10,201.28	-2.80%	(293.52)
Medina	223,678,840	21.93%	10.09	13,294.66	-3.47%	(478.32)
Minnetrista	253,459,640	24.82%	11.43	15,064.73	-1.18%	(179.79)
TOTALS	2,217,496,561	26.31%	100.00	131,800.00	0.00%	0.00
2024	2023 Market Value PSC Basin	Increase in MV over Prev Year	2024 Op Budget		Increase over Prev Year	
			%age	Amount	%age	Amount
Greenfield	729,852,100	8.84%	29.97	39,496.41	-0.91%	(361.52)
Independence	893,785,400	10.75%	36.70	48,367.76	0.84%	401.09
Loretto	98,831,000	8.48%	4.06	5,348.30	-1.23%	(66.44)
Maple Plain	197,707,100	15.19%	8.12	10,699.04	4.88%	497.77
Medina	238,002,900	6.40%	9.77	12,879.68	-3.12%	(414.99)
Minnetrista	277,347,100	9.42%	11.39	15,008.81	-0.37%	(55.91)
TOTALS	2,435,525,600	9.83%	100.00	131,800.00	0.00%	(0.00)

PIONEER-SARAH CREEK WATERSHED
MANAGEMENT COMMISSION

Financial Statements and
Supplemental Information
For the Year Ended
December 31, 2022

PRELIMINARY DRAFT
For Review and Discussion
Subject to Change

Pioneer-Sarah Creek Watershed Management Commission

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INDEPENDENT AUDITORS' REPORT

Commissioners
Pioneer-Sarah Creek Watershed Management Commission
Plymouth, Minnesota

Opinion

We have audited the accompanying financial statements of the governmental activities and major fund of the Pioneer-Sarah Creek Watershed Management Commission (the Commission), which comprise the statement of net position and governmental fund balance sheet as of December 31, 2022, and the related statement of activities and governmental fund revenues, expenditures and changes in fund balances/net position for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Commission as of December 31, 2022, the respective changes in the financial position thereof, and the budgetary comparison for the General Fund 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 the auditing standards generally accepted in the United States of America. 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 the Commission 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

The Commission's 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 the Commission's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the Commission'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 the Commission'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.

Prior Year Comparative Information

We have previously audited the Commission's financial statements for the year ended December 31, 2021 and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated June 28, 2022. In our opinion, the partial comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting

We have also issued our report dated June 30, 2023, on our consideration of the Commission'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 the internal control over financial reporting or on compliance.

PRELIMINARY DRAFT
For Review and Discussion
Subject to Change

June 30, 2023

BASIC FINANCIAL STATEMENTS

PIONEER-SARAH CREEK WATERSHED MANAGEMENT COMMISSION

Statement of Net Position and
Governmental Fund Balance Sheet

As of December 31, 2022

(with Partial Comparative Actual Amounts as of December 31, 2021)

	Governmental Activities	
	2022	2021
Assets		
Cash and temporary investments	\$ 558,415	\$ 484,713
Restricted cash	129,262	142,592
Due from other governments	41,600	20,228
Total assets	<u>\$ 729,277</u>	<u>\$ 647,533</u>
Liabilities and Fund Balances/Net Position		
Liabilities		
Accounts payable	\$ 62,009	\$ 8,812
Unearned revenue	129,262	142,592
Total liabilities	<u>191,271</u>	<u>151,404</u>
Fund balances/net position		
Assigned fund balances/net position		
Assigned for capital improvement projects	165,127	154,405
Assigned for fourth generation plan	25,000	25,000
Total assigned funds	<u>190,127</u>	<u>179,405</u>
Unrestricted/unassigned fund balances/net position	<u>347,879</u>	<u>316,724</u>
Total assigned or unrestricted fund balances/net position	<u>538,006</u>	<u>496,129</u>
Total fund balances/net position	<u>538,006</u>	<u>496,129</u>
Total liabilities and fund balances/net position	<u>\$ 729,277</u>	<u>\$ 647,533</u>

PRELIMINARY DRAFT
For Review and Discussion
Subject to Change

PIONEER-SARAH CREEK WATERSHED MANAGEMENT COMMISSION

Statement of Activities and
Governmental Fund Revenues, Expenditures, and
Changes in Fund Balances/Net Position
Budget and Actual

Year Ended December 31, 2022

(with Partial Comparative Actual Amounts for the Year Ended December 31, 2021)

	Governmental Activities			2021
	2022			
	Original and Final Budget	(Audited)	Over (Under)	(Audited)
Revenue				
Member assessments	\$ 131,800	\$ 131,800	\$ -	\$ 131,800
Charges for services - project and wetland review fees	6,000	51,812	45,812	3,950
Grants	135,584	34,701	(100,883)	-
Reimbursements	-	4,792	4,792	3,416
Interest income	1,460	10,609	9,149	69
Total revenue	274,844	233,714	(41,130)	139,235
Expenditures				
Current				
Administration	42,500	27,397	(15,103)	24,080
Education	3,000	725	(2,275)	1,020
Insurance	2,800	2,435	(365)	2,067
Professional fees	5,000	4,775	(225)	4,500
Technical support	32,500	43,373	10,873	15,479
Water monitoring	23,460	23,460	-	17,600
Watershed programs	1,000	10,000	9,000	8,026
Watershed plan	1,000	393	(607)	-
Capital outlay				
Improvement projects - commission funds	28,000	22,070	(5,930)	8,592
Improvement projects - grants	135,584	57,209	(78,375)	-
Total expenditures	274,844	191,837	(83,007)	81,364
Net change in fund balances/net position	\$ -	41,877	\$ 41,877	57,871
Net fund balances/net position				
Beginning of year		496,129		438,258
End of year		\$ 538,006		\$ 496,129

PRELIMINARY DRAFT
For Review and Discussion
Subject to Change

Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements
December 31, 2022

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization

The Pioneer-Sarah Creek Watershed Management Commission is formed under a Joint Powers Agreement, as amended according to Minnesota Statutes Sections 103B.201 through 103B.255 and Minnesota Rules Chapter 8410 relating to Metropolitan Area Local Water Management and its reporting requirements. Pioneer-Sarah Creek Watershed Management Commission was established in October, 1984 to protect and manage the natural resources of the Pioneer-Sarah Creek Watershed.

The Commission is considered a governmental unit but is not a component unit of any of its members. As a governmental unit, the Commission is exempt from federal and state income taxes.

Reporting Entity

A joint venture is a legal entity resulting from a contractual agreement that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain either an ongoing financial interest or an ongoing financial responsibility. The Commission is considered a joint venture.

As required by accounting principles generally accepted in the United States of America, these financial statements include the Commission (the primary government) and its component units. Component units are legally separate entities for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component's unit board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or is fiscally dependent upon by the potential component unit. Based on these criteria, there are no component units required to be included in the Commission's financial statements.

Government-Wide and Fund Financial Statement Presentation

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information about the reporting government as a whole. These statements include all the financial activities of the Commission. 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 or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and grants or contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other internally directed revenues are reported instead as general revenues.

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements (continued)
December 31, 2022**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Fund Financial Statement Presentation**

The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, expenditures, additions, and deductions. Resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The resources of the Commission are accounted for in one fund:

- **General Fund (Governmental Fund Type)** – This fund is used to receive dues and miscellaneous items which may be disbursed for any and all purposes authorized by the bylaws of the Commission.

Typically, separate fund financial statements are provided for Governmental Funds. However, due to the simplicity of the Commission's operation, the Governmental Fund financial statements have been combined with the government-wide statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, and deferred inflows/outflows of resources generally are included on the statement of net position and governmental funds balance sheet. Operating statements of this fund present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under this basis of accounting, transactions are recorded in the following manner:

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if collected 60 days after year-end. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met. Grant advances received for which not all eligibility requirements have been met are reported as unearned revenue at year-end. All significant revenue sources are considered susceptible to accrual.
2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred; however, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used.

Budgets

The amounts shown in the financial statements as "budget" represent the budget amounts based on the modified accrual basis of accounting. A budget for the General Fund is adopted annually by the Commission. Appropriations lapse at year-end. Budgetary control is at the fund level.

Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements (continued)
December 31, 2022**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 those estimates.

Members' Contributions

Members' contributions are calculated based on the member's share of the taxable market value of all real property within the watershed to the total taxable market value of all real property in the watershed.

Capital Assets

The Commission follows the policy of expensing any supplies or small equipment at the time of purchase. The Commission currently has no capitalized assets.

Risk Management

The Commission is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; error and omissions; and natural disasters. The Commission participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool for its general property, casualty, and other miscellaneous insurance coverages. LMCIT operates as a common risk management and insurance program for a large number of cities in Minnesota. The Commission pays an annual premium to LMCIT for insurance coverage. The LMCIT agreement provides that the trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in insurance coverage during the year ended December 31, 2022.

Due from other governments

The Commission utilizes an allowance for uncollectible accounts to value its receivables; however it considers all of its receivables to be collectible as of December 31, 2022 and 2021.

Net Position

In the government-wide financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in three components:

Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements (continued)
December 31, 2022**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Net Position (continued)**

Net Investment in Capital Assets - Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.

Restricted Net Position - Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted Net Position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

The Commission applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Commission's financial statements for the year ended December 31, 2021, from which the summarized information was derived. Also, certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

Grants Receivable

In 2018, the Commission was awarded a grant of \$416,000 from the Board of Water and Soil Resources (BWSR) to fund the achievement of phosphorus watershed load reductions on Lake Independence. The Commission was also awarded a Hennepin County Opportunity Grant of \$59,500 to fund this project. The Commission, the City of Independence, the City of Medina and the Three Rivers Park District each funded \$10,500. The Lake Independence Citizens Association funded \$2,500.

As of December 31, 2022, the Commission had received \$478,400 of grant money and cost-share funding and incurred \$498,628 of direct project costs. Grants receivable, included in due from other governments, was \$41,600 and \$20,228 as of December 31, 2022 and 2021, respectively. This project was substantially complete as of December 31, 2022. BWSR has given the Commission approval to re-allocate the remaining grant funds to other Clean Water projects.

Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements (continued)
December 31, 2022**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Unearned Revenue**

The Commission recognizes grant revenue as it becomes eligible to receive the grant. If the grant has restrictions that have not been satisfied, the revenue is deferred until the Commission has satisfied them.

In 2019, the Commission was awarded a grant of \$58,317 from the Board of Water and Soil Resources as part of the Watershed Based Funding Grants Program. The Commission allocated this grant to stream stabilization and shoreline restoration at Lake Ardmore. Total project costs were \$93,179. The Commission contributed \$4,500, and the City of Medina contributed \$24,500. The Three Rivers Park District provided in-kind services worth \$18,700. As of December 31, 2021, the Commission had received \$52,486 of the grant money and incurred \$45,479 expenditures. The project was substantially complete as of December 31, 2022. Unearned revenue was \$7,007 as of December 31, 2022 and 2021. The Commission expects to expend the remainder of the grant money in 2022.

In 2021, the Commission was awarded a grant of \$271,168 for projects in the North and South Fork Crow major watershed. During 2021, the Commission received \$135,585 of the grant money. The Commission incurred grant expenses of \$13,330 during 2022. Unearned revenue was \$122,255 and \$135,585 as of December 31, 2022 and 2021.

NOTE 2 – ASSETS, LIABILITIES AND NET POSITION**A. Deposits**

In accordance with applicable Minnesota Statutes, the Commission maintains a checking account authorized by the Commission.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the Commission's deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The Commission has no additional deposit policies addressing custodial credit risk.

At year-end, the Commission had no funds held in its bank account. All funds were transferred to their 4M Fund investment account. (see below)

Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements (continued)
December 31, 2022**NOTE 2 – ASSETS, LIABILITIES AND NET POSITION (CONTINUED)****B. Investments**

At December 31, 2022 and 2021, the Commission held \$687,676 and \$627,305 (approximate cost and fair value), respectively, in investments with PMA Financial Network in Minnesota 4M Funds Holdings.

The Minnesota Municipal Money Market (4M) Fund is an external investment pool regulated by Minnesota Statutes that are not registered with the Securities Exchange Commission (SEC), but follow the regulatory rules of the SEC. The Commission's investment in these funds is measured at the value per share provided by the pool, which are based on an amortized cost method that approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Fund.

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the Commission would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission does not have a formal investment policy addressing this risk, but typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the Commission's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. The Commission's investment policies do not further address credit risk.

Concentration Risk – This is the risk associated with investing a significant portion of the Commission's investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The Commission does not have an investment policy limiting the concentration of investments.

Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The Commission does not have an investment policy limiting the duration of investments.

Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements (continued)
December 31, 2022**NOTE 3 – 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. The classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by the state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the Board of Commissioners. Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints consisting of amounts intended to be used by the Commission for specific purposes that do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority.
- **Unassigned** – The residual classification for the General Fund; amounts that are available for any purpose.

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

Pioneer-Sarah Creek Watershed Management Commission

Notes to Financial Statements (continued)
December 31, 2022**NOTE 4 – MEMBERS' ASSESSMENTS**

Dues received from members were as follows:

	Year Ended December 31			
	2022		2021	
	Amount	Percentage	Amount	Percentage
Greenfield	\$ 39,249	29.78 %	\$ 39,089	29.66 %
Independence	47,642	36.15	47,478	36.02
Loretto	5,397	4.09	5,544	4.21
Maple Plain	10,495	7.96	10,496	7.96
Medina	13,773	10.45	14,294	10.85
Minnetrista	15,244	11.57	14,899	11.30
	<u>\$ 131,800</u>	<u>100.00 %</u>	<u>\$ 131,800</u>	<u>100.00 %</u>

June 15, 2023
 Marcey Westrick
 Central Region Manager
 MN Board of Water and Soil Resources
 520 Lafayette Road North
 St. Paul, MN 55155

Regarding Project Assurances for GS68 Gully Stabilization Utilizing FY23 Watershed-based Implementation Funds

The Pioneer-Sarah Creek Watershed Management Commission (hereafter Commission) and its partners are grateful to the MN Board of Water and Soil Resources (BWSR) for the award of fiscal year 2021 (FY2021) Watershed-based Implementation Fund (WBIF) grant dollars for the GS68 Gully Stabilization project.

Following review of the project assurance requirements listed in the Grant Administration Manual, the Assurance Measures for Watershed-based Implementation Funding webpage, and the Watershed-based implementation Funding Program Frequently Asked Questions webpage, we are confident our organization is able to meet the expectations BWSR has established for ensuring project success over the lifetime of the installed practice. We understand the need to have sufficient assurances to know that state grant and taxpayer dollars are used effectively and where most needed. **Table 1** outlines each WBIF assurance measure and what the Commission will commit to ensure BWSR expectations, and each assurance measure, are met.

This project is being paired with work to remove accumulated gully sediment in the downstream wetland adjacent to Lake Sarah Heights Drive and directly north of Lake Sarah, identified as the 'GS68 Pond Scrape' in the WBIF work plan. This work to stabilize the gully will span two private properties in the City of Independence and Commission staff and leadership are working with those residents to determine the most effective way to access the property, complete construction, and ensure maintenance access and completion over the project's lifetime. Both of these projects are currently planned to be designed this summer, bid in early fall, awarded in mid-fall, and completed in late fall or winter 2023-2024.

The Commission is committed to coordinating and completing maintenance of this project over its 20-year lifetime. As part of design drafting, the Commission will work with its engineer to draft an Operations and Maintenance (O&M) agreement which will detail the necessary activities to be completed to maintain the practice over its lifetime. Any agreements with the private landowners will include a clause or clauses detailing how and where maintenance will occur and who will be the responsible party for it. The Commission will maintain a budget adequate to complete maintenance as outlined in the O&M agreement. While the Commission is to maintain sufficient budget to meet BWSR's project assurances for maintenance of this project, the Commission nor the collaborating private landowners, will maintain or repair the project if the need for maintenance is caused by "Acts of God" or

Commented [KG1]: We used FY21 for GS68 and FY23 for the wetland scrape... which is why this says FY21.

Brian – when you write this for the TRPD project you should say 'FY23'

force majeure, or damage so extensive that it would result in costs greater than 50% of the original construction cost.

The Commission has an annual budget with sufficient resources to cover 40% of the total construction cost, consistent with what the Commission feels is a reasonable cost to address failures or other corrections for the project over its project lifetime. Based on the preliminary cost estimate completed for this project (i.e. GS68 Gully Stabilization), the Commission currently estimates this amount to be \$14,790. This maintenance fund will be identified in the Commission's capital improvement project list.

The Commission expects the commitments outlined in this letter will fulfill BWSR requirements for project assurances for streambank and channel stabilizations. We thank BWSR for their financial support in protecting water quality in Lake Sarah and across the Pioneer-Sarah Creek Watershed.

Sincerely,

Joe Baker, Commission Chair

Pioneer-Sarah Creek Watershed Management Commission

Commented [KG2]: Two letters provided by BWSR had O&M costs ranging from 20-40%. 40% seemed reasonable as this project is on the cheaper end of channel stabilizations and mobilization/restoration isn't scalable. Andrew verified 40% is reasonable

Commented [KG3]: How/where to keep these funds should be discussed by Commission. This seems to me to be the most straight-forward solution, where we could add a 'BMP Critical Maintenance' line item. Just need to ensure annual CIP has funds >\$15K more than annual allocations, which the Commission has had for many years.

Table 1: Assurance measures, as outlined by the MN Board of Water and Soil Resources (BWSR) for Watershed-based Implementation Funding (WBIF) and the commitments Pioneer-Sarah Creek Watershed Management Commission (PSCWMC) will make to meet the measures.

BWSR Assurance Measure	BWSR Expectation *	Explanation & PSCWMC Commitment
1: Prioritized, Targeted, and Measurable Work is Making Progress Toward Achieving Clean Water Goals	Measurable outcomes, including pollution reduction estimates, are established and met.	The project as proposed will reduce pollutant loading to Lake Sarah including reductions of 4.0 lbs-TP/year and 3.5 tons-sediment/year over at least the 20-year project lifetime.
2. Programs, Projects, and Practices are Being Implemented in Priority Areas	Project identified in priority area as listed in Comprehensive Watershed Management Plan and as a result of targeted on-the-ground outreach and project development work.	<p>Both basins (East and West) of Lake Sarah are listed as impaired for aquatic recreation due to nutrient pollution, driven largely from high phosphorus loading from the watershed. PSCWMC's 4th Generation Watershed Plan (page 4-3) listed four main priorities, including to (1) make systematic progress toward achieving water quality goals by 2030... to meet water quality standards in the following lakes: Independence, Sarah, Spurzem, Half Moon, and Ardmore and (2) work in a coordinated way with urban and rural property owners...to conserve our water and natural resources and deliver implementation projects. This project directly addresses plan goals B.2, B.3, B.6, D.2, and F.2.</p> <p>This project was identified during outreach of the Lake Sarah and Lake Independence Stormwater Retrofit Analysis and was chosen by the group convened to allocate WBIF grant dollars as a cost-effective project to address watershed loading to Lake Sarah.</p>
3. Grant Work is On-schedule and On-budget	Completed project timelines and expenditures in-line with expectations of work plan budget and schedule.	This project will be managed by PSCWMC's engineer, Andrew Vistad. A preliminary line-item budget was used to establish the project budget in the work plan. This project is tentatively scheduled for completion in fall/winter 2023-2024. WBIF dollars will be used judiciously to complete this project or (with BWSR approval via work plan amendment) another similar project which may benefit Lake Sarah. If no project can be found and completed by December 31, 2025, WBIF dollars will be returned to BWSR.

BWSR Assurance Measure	BWSR Expectation *	Explanation & PSCWMC Commitment
4. Leverage of Non-state Funds	Where possible, look to leverage additional funds.	WBIF policy requires grantees to provide 10% match to grant funds. PSCWMC is going above-and-beyond this requirement and matching state grant funds by 25% to complete GS68 Gully Stabilization and the adjacent GS68 Wetland Scrape, which will be completed together. Additional commitments from private landowners, including in-kind assistance with construction preparation and restoration and/or maintenance are actively being discussed and will supplement PSCWMC's commitment.

* This paraphrases the full list of expectations, indicators, and metrics listed on the Assurance Measures for Watershed-based Implementation Funding webpage.

From: [Kristopher Guentzel](#)
To: [Kristopher Guentzel](#)
Cc: [Ellen B Sones](#)
Subject: Hennepin County Opportunity Grants
Date: Thursday, June 1, 2023 4:57:57 PM

Good afternoon,

You're receiving this email as someone that works closely with Hennepin County Land & Water staff, or as someone that inquired about the County's Natural Resources Grant program.

We are currently accepting applications for Opportunity Grants now through July 20th!

Opportunity Grants provide county residents, government organizations, nonprofits, and businesses with dollars to implement projects that protect water quality and preserve and restore natural areas. Hennepin County is accepting applications for grants to fund projects that will be installed in winter 2023 through 2025. The Opportunity Grant [application](#), [program guidelines](#), and other program details can be found [on our website](#). You can also learn about past Opportunity Grant projects on the [Hennepin County Natural Resource online GIS story map](#).

We're hosting a workshop for potential grant applicants to learn more about the program, eligibility requirements, and how to fill out and submit their application. The workshop will be held remotely on June 15th from 3:30-4:30pm and will be recorded and posted on the website for those unable to attend. If you are interested in attending [you must RSVP](#) to receive a meeting invitation.

Applications may be submitted via email to Ellen Sones (Ellen.Sones@hennepin.us) and will be accepted until July 20th. Applications submitted by that date will be evaluated and a preliminary funding decision is anticipated by the end of August. Grant dollars become available only after County Board approval in Fall 2023.

For more information on the Natural Resource Grant program and eligibility requirements, [please see our website](#).

Kris Guentzel

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Pronouns: he/him

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MEMORANDUM

TO: Pioneer-Sarah Creek Watershed Management Commission
FROM: Andrew Vistad, Hakanson-Anderson
DATE: June 9, 2023
SUBJECT: Staff Report

See Previous staff reports for projects that were completed prior to December 31st, 2022

1. **2019-08 Adams Pest Control, Medina.** Adam's Pest Control is planning to expand their current Medina facility. This property is located on the north side of State Highway 55, just west of Willow Drive. The entire parcel is 46-acres, but only the southern portion (Lot 1-26.6 acres) is being proposed for development at this time. This site plan consists of two new buildings which includes an office building and a warehouse/maintenance building with parking. This project will disturb 10.9 acres and create 4.6 acres of new impervious areas. The Commission's stormwater management plan requires compliance with Rules D, E, F and I.
2. **2022-01 Bushwood Hills Reserve.** is a 5 lot 34.8-acre residential development located in the City of Greenfield. The development is proposing to handle stormwater rate control with 4 Biofiltration basins located within the development. The bio-filtration basins and land use change are expected to reduce phosphorus runoff by 52% and total suspended solids runoff by 58%. Additionally, the bio-filtration basins are providing some abstraction that is working to reduce the volume of runoff that is leaving the site. The engineer has supplied a SWPPP for the development that meets all watershed rules. This project was reviewed for Rule D, Rule E, and Rule I.
3. **2022-003 Hilltop Prairie.** The Hilltop Prairie development is a 13 lot 62.6-acre residential development located in the City of Independence. The development is proposing to handle stormwater rate control with 4 NURP basins located within the development. Due to confining soils and high groundwater levels infiltration or filtration is not feasible. The applicant is creating sections of tree preservation and is also providing additional buffer to gain abstraction credits to offset the lack of infiltration. Additional wetland buffer and tree preservation generate 0.5" of credit over their proposed areas. Stormwater ponds within the development will be maintained by the property owners, an operations and maintenance declaration has been obtained and will be recorded with the lots. Water quality modeling for the site indicates that a 33% reduction in total phosphorus and a 60% reduction in total suspended solids will be achieved. This project was reviewed for Rule D, Rule E, and Rule I.
4. **2022-05 Koch Farm, Sanctuary.** The Koch Farm Sanctuary development is a 33 lot 141.4-acre residential development located in the City of Independence. The development is proposing to handle stormwater rate control with 9 NURP basins located within the development. Due to confining soils and high groundwater levels infiltration or filtration is not feasible. The applicant is creating sections of tree preservation and is also providing additional buffer to gain abstraction credits to offset the lack of infiltration. Additional wetland buffer and tree preservation generate 0.5" of credit over their proposed areas. Stormwater ponds within the

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RULE E - EROSION AND SEDIMENT CONTROL

RULE F - FLOODPLAIN ALTERATION

Language in red indicates current updates

* indicates enclosure

RULE G - WETLAND ALTERATION

RULE H - BRIDGE AND CULVERT CROSSINGS

RULE I - BUFFERS

development will be maintained by the property owners/HOA, an operations and maintenance declaration has been obtained and will be recorded with the lots. Water quality modeling for the site indicates that a 32% reduction in total phosphorus and a 56% reduction in total suspended solids will be achieved. A stream crossing for a mixed use path that connects this development with the development to the south was required by the City of Independence. This project was reviewed for Rule D, Rule E, Rule H, and Rule I.

5. **2022-06 Creekside Meadows**, is a 15 lot 79.2 acre residential development located within the City of Greenfield. The development is proposing to handle stormwater with 3 biofiltration basins. The bio-filtration basins and land use change are expected to reduce phosphorus runoff by 48% and total suspended solids runoff by 41%. Additionally, the bio-filtration basins are providing some abstraction that is working to reduce the volume of runoff that is leaving the site. The engineer has supplied a SWPPP for the development that meets all watershed rules. The developer has not supplied a buffer maintenance plan that outlines establishing the new wetland buffers. The project was reviewed for Rule D, Rule E, and Rule I.

6. **2022-10 Pioneer Highlands**, is a 67 acre rural residential development located in the city of Medina. The development is located roughly half in the Pioneer Sarah Creek Watershed and half in the Elm Creek Watershed. It was agreed that the project would need to obtain a permit from only PSC WMC providing communication with the Elm Creek watershed engineer. The site contains a large closed basin wetland on site. Ultimately the site would drain to both Spurzem Creek and Rush Creek South Fork. Additional wetland buffer was provided to meet stormwater abstraction requirements, to meet state stormwater requirements a wet sedimentation basin is being created to treat the stormwater generated from the shared private drives and some of the residences. The developer's engineer has reached out to discuss a modification to the development plans to provide a filtration basin and reduce some of the additional wetland buffer. The project was reviewed for Rule D, Rule E, and Rule I.

7. **2022-12 Bridgevine Subdivision**, is a 47.5 acre residential subdivision located within the City of Independence on the south shoreline of Lake Independence. The development is proposing to handle stormwater via curb and gutter with inlets and storm sewer. There will be 2 filtration basins and 2 rain gardens located within the development that will capture and treat the water quality volume before being discharged. The site generally flows in 3 directions, to the north discharging into an onsite gully that is identified in the Lake Independence and Lake Sarah SRA as GS46. The eastern part of the site discharges into an offsite gulley that is also identified in the Lake Independence and Lake Sarah SRA as GS50 or the Baker Park Ravine, which has recently been stabilized by a project lead by TRPD. The western portion of the site discharges under South Lake Shore Drive into an existing gully that eventually discharges into Pioneer Creek. The developer has revised and resubmitted plans that address the erosion that is taking place in GS46. A SWPPP has been provided and has been reviewed. The project was reviewed for Rule D, Rule E, and Rule I.

8. **2022-12 Bridgevine Grading Permit**, is a 47.5 acre residential subdivision located within the City of Independence on the south shoreline of Lake Independence. The developer has obtained a grading permit from the City of Independence to comment with grading activities relating to the Bridgevine subdivision project. To facilitate the developer will take the appropriate time to address some site concerns a grading permit will allow them to start construction. The project was reviewed for Rule E.
9. **2022-17 Kettering Creek 2nd**, is a 32 lot 9.29-acre residential development located within the City of Greenfield. The development is proposing to handle stormwater with a biofiltration basin. The development appears to be part of an existing development that was initially constructed in 2004. Stormwater from the site flows away in 4 general directions predominantly to the north and to the south. All of the stormwater from the site eventually converges within the Crow River. The project documentation contains some modeling errors and inconsistencies that need to be addressed. Additionally, the plans do not contain a SWPPP. Plans for this development have been resubmitted, due to the timing of their submission a review was not able to be completed for consideration at the April meeting. The project was reviewed for Rule D, Rule E, and Rule I.
10. **2022-18 Windsong Golf Club Expansion**, is a 125-acre golf club expansion project for the Windsong Farm Golf Club located in the City of Independence. Stormwater for the site generally flows in 2 directions. The central and eastern part of the site flow directly into Fox Lake which eventually discharges into Pioneer Creek to the north. The rest of the site not adjacent to Fox Lake drains to the west underneath Copeland Road to discharge into the Pioneer Creek. Stormwater for impervious surfacing is proposed to be treated by 2 bio-infiltration basins to meet the 1.1" of water abstraction per Rule D. In addition to the onsite BMPs the land use change from agricultural row crops into managed turf has resulted a reduction in total suspended solids and total phosphorus. Updated modeling shows a reduction in TP of 26.3812 lb/yr and a reduction in TSS of 659.2 lb/yr. The project triggers review for Rule D, Rule E, Rule F, and Rule I.
11. **2022-19 Sam's Landscaping Site Plan**, is a 7.05 acre site plan that includes a business office as well as gravel storage area located in the City of Independence. The applicant proposes to manage stormwater with an onsite bio-infiltration basin, to provide stormwater abstraction as well as water quality improvements, and rate control. Comments have been provided to the applicant's engineer to provide guidance on the provided bio-filtration design as well as clarifying changes to the existing drainage patterns. The project was reviewed for Rule D, Rule E, and Rule I.
12. **2022-20 Crimson Woods Development**, is an 8 lot 39.7 acre residential development located within the City of Greenfield. The development is proposing to handle stormwater with an infiltration basin. The infiltration basin and land use change are expected to reduce phosphorus runoff and total suspended solids runoff. Additionally, the infiltration basin is providing abstraction that is working to reduce the volume of runoff that is leaving the site. The engineer

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has supplied a SWPPP for the development that meets all watershed rules. The developer has not supplied a buffer maintenance plan that outlines establishing the new wetland buffers nor an ownership and maintenance agreement for the infiltration basin. The project was reviewed for Rule D, Rule E, and Rule I.

13. 2022-21 Centerpoint Energy TH 55 Gas Man Replacement, CenterPoint Energy is proposing to install 1,438 linear feet of 4-inch-diameter natural gas pipeline by horizontal directional drilling. The project will require multiple bore pits to be dug in various locations to connect together sections of gas main. Some of the bore pit locations are within wetland and are adjacent to waterbodies. The project triggers review for Rule E, Rule I.

14. 2023-002 Rockvam Boatyards Site Plan, is a 1.9-acre site plan for a boat storage business located in the City of Independence. The applicant proposes to manage stormwater with an onsite bio-infiltration basin, to provide stormwater abstraction as well as water quality improvements, and rate control. The project will disturb roughly 1.2 acres and create 0.9 acres of new impervious surfacing. The project was reviewed for Rule D, Rule E, and Rule I.

HENNEPIN COUNTY

MINNESOTA

DATE: June 9, 2023

TO: Pioneer-Sarah Creek Watershed Management Commission

FROM: Roz Davis, Kevin Ellis, and Kris Guentzel; Hennepin County Department of Environment and Energy

RE: June Commission Project, Program, and Outreach

Watershed-based Implementation Funds (WBIF) Financial Assurance Letter for GS68

During the May Commission meeting we discussed the need to draft financial assurance letters for both the GS68 Gully Stabilization and the Lake Rebecca Channel Restoration. BWSR is requiring written financial assurances be provided for all streambank and shoreline restoration projects in the event major damage occurs and/or the installation fails. Staff have drafted a letter for the GS68 Gully Stabilization and provided it with June packet materials for Commission review and discussion. A draft of this letter was provided to BWSR staff and they confirmed the letter as drafted would likely meet BWSR's requirements for financial assurance. Staff recommend the Commission provide necessary edits to the draft and approve the draft with those edits so staff may finalize the letter and include it with the Watershed-based Implementation Funds (WBIF) work plan. Three Rivers Park District will also draft a similar letter for the Lake Rebecca Channel Restoration, likely utilizing any feedback provided by the Commission and staff at the June meeting.

Subwatershed Assessments

Spurzem Creek Subwatershed Assessment

Report was substantially completed over the winter, incorporating comments providing by partners. The County met with MPCA staff regarding concerns with BMP installations in/near the Woodlake landfill in Medina. These concerns were incorporated into the draft and staff plan to make this available to partners soon.

Lake Rebecca Subwatershed Assessment

Staff have received a draft report of the Lake Rebecca Subwatershed Assessment from the County consultant. The draft has been provided to partners and stakeholders, who had until March 15th to provide comments. County staff will finalize the document later in summer 2023.

Projects & Outreach

Buffer Inspections

Buffer Law inspections will take place throughout July and August. This year inspections are only occurring north of County Road 10, which just includes portions of the City of Greenfield within PSCWMC jurisdiction.

Lake Rebecca/Zuhrah Shrine Horsemen (ZSH) (4505 CR 92, Independence) BMPs

ZSH has received fencing, waterer, and grazing plans from NRCS. ZSH completed its cost share application and has begun installing fencing consistent with the NRCS plans and intend to complete all fencing installation over the course of 2023 (ZSH is providing labor as an in-kind contribution for the project). ZSH and NRCS agreed to stagger implementation of the fencing in three phases throughout spring, summer, and fall 2023. They anticipate that the waterers will be completed in 2024. Additional design work on the drainage repair is anticipated in 2023.

Pioneer Trail Manure Bunker, Medina (west of Lake Peter)

Commission approved financially supporting the project at the November meeting. The landowner is still gathering quotes from contractors. Project install not expected until late summer or fall 2023.

Vinland National Center

Staff completed a site visit to Vinland National Center and identified several areas for potential projects, particularly to better manage runoff from paved surfaces across the campus. These will likely be phased over a number of years. We recommended implementing several rain gardens in and around the parking lots to control stormwater as part of phase one. During phase two, we suggested addressing the ravine erosion near the back lot, as this area receives most stormwater on the property and drains directly to a wetland adjacent to Lake Independence.

Anderson Wildlife Pond and Habitat Improvement Project

County staff have been working with Bill Anderson, 6476 Fogelman Road in Independence, to assist him in developing a strategy to improve the wildlife value of uplands and lowlands on his property, notably including the removal of invasive species in his oak forest and restoration of a wetland adjacent to County 90. This project has a habitat focus but provides some water quality value and is within the Lake Independence subwatershed, which is a Commission priority. County staff plan to engage the Commission engineer in the coming weeks for guidance on permitting and some of the technical aspects of the project. Implementation within the wetland would likely occur in the late fall or winter when its safe for heaving equipment.

Spring/Summer Outreach

2022 Lake Independence and Lake Sarah outreach follow-up: County staff took inventory of previous outreach efforts in the Lake Independence and Lake Sarah subwatersheds. We have finished reengaging with landowners that had potential cost-effective BMPs, but so far there are no additional projects, outside those listed above, that are able to move forward with design work and cost share assistance for BMP implementation.

Dance Hall Creek: This spring county staff sought to re-engage all landowners in the Dance Hall Creek subwatershed area that was the focus of the 2022 Dance Hall Creek subwatershed assessment. We have performed three site visits and had one virtual visit with landowners. Staff will continue outreach to those who haven't responded. County staff are also gauging interest in doing smaller projects with individual landowners.

One of the owners is now considering implementing wetland habitat enhancements for a small ¼ acre wetland near Greenfield Road, along with drainage improvements to address flooding and sediment erosion around their horse barn. Hennepin County staff are providing technical guidance for the project, but the landowner did not wish to move forward with financial assistance. The wetland enhancements will include excavating accumulated sediment, providing a rolling landscape for wildlife species, and reed canary management. Sediment will be disposed of off-property and staff are waiting for written confirmation regarding the location of the disposal site.

Staff are still working to identify other opportunities to cost share BMP implementation in the subwatershed.

Other Environment and Energy Programming Notes:

- a. The Land and Water Unit is launching a new e-newsletter in July, called "Conservation Connection." This is a fantastic tool as we will be able to consistently reach interested audiences, advertise events, and hopefully this will result in more project leads. Topics will include:
 - a. Simple, DIY tips on how you can improve habitat and water quality through your land management actions
 - b. Creature features: critters, bugs, and plants you might see on your property throughout the year
 - c. Funding opportunities for habitat or water quality projects
 - d. Upcoming opportunities to learn about conservation events like our annual tree sale, open houses, tours, and webinars
 - e. Examples of completed or in-progress projects
 - f. And much more!

We plan to feature projects we've done in partnership with the Commission so please let us know if you'd like to be added to the mailing list.

- b. Hennepin County has a goal of planting 1 million trees in the county by 2030, and we have already surpassed 250,000!
- c. Natural Resources Opportunity Grants are available for larger projects to improve water quality or preserve, establish, or restore natural areas. Grants are available to landowners, which include individuals, government organizations, nonprofit organizations and businesses for projects that preserve and restore the county's natural resources. The deadline for summer applications is July 20th. View more information here: <https://www.hennepin.us/business/conservation/funding-assistance-natural-resources-projects#natural-resources-grants>

- d. Grants, workshops, coaching, and planting guides are available to residents to increase pollinator habitat through the Lawns to Legumes program, offered by the Minnesota Board of Water and Soil Resources and Blue Thumb. Up to \$350 in cost-share funding can be used to plant a pocket planting, pollinator lawn or meadow, or pollinator-friendly trees or shrubs next spring. The deadline to apply is June 30: <https://bwsr.state.mn.us/121>