

BOARD OF DIRECTORS MEETING AGENDA

7:00 PM April 24, 2019

Vadnais Heights City Hall, Council Chambers; 800 County Road E, East, Vadnais Heights

- I. **Call to Order**, Chair, Jim Lindner
- II. **Approval of Agenda**
- III. **Approval of Minutes** from February 20, 2019
- IV. **Visitors and Presentations**
- V. **Consent Agenda**
 - A. Approval of Minutes
 - B. Confirmation of Vice Chair election – Marty Long
- VI. **Business**
 - A. Audit presentation – Chris Knopik, Liz Towne, CLA 🐦
 - B. Water Plan Amendment- Dawn/Stephanie 🐦
 - C. Insurance and JPA change direction – Stephanie 🐦
 - D. Lambert Creek
 1. Lambert Lake 319 grant funded, loan, & general obligation note – Dawn 🐦
 2. SEH update on Lambert Lake – Dawn/Brian
 3. DIY monitoring units – Dawn 🐦
 - E. Pleasant/Deep/Charley
 1. Contract with Carp Solutions – Dawn 🐦
 2. Lake association development – Dawn
- VII. **Operations and Administration - Reports**
 - A. TEC Report and Financial – April – Paul Duxbury/Stephanie
 - B. Draft 2020 Budget – first consideration – Stephanie
 - C. Education – Nick
 1. Annual report, water matters, spring events
 - D. Project updates
 1. Goose Lake
 - a) Oak Knoll Pond study & WBF updates – Tyler
 - b) Alum treatment preparation – Dawn
 2. Birch Lake – 4th and Otter update – Tyler
 3. Great River Greening proposal accepted – Dawn
 - E. WCA-Sucker Trail - Brian
 - F. Wetland health assessment
 1. Frog and toad call surveys – Dawn
 2. Consultant delineation & assessment – Brian 🐦
 - G. Cooperative Weed Management Agreement MOU and update – Dawn
- VIII. **Discussion**
 - A. Water Gremlin questions – Stephanie
 - B. Trumpeter swans at Sucker Channel – Dawn 🐦

IX. Administration Communication –

XI. Adjourn

Next regular meeting: June 26th

Reminders:

- LimnoTech DIY automated sampling unit assembling workshop on May 13, 9:00 am - 2:00 pm at VLAWMO office
- North Oaks follow-up stakeholder meeting: May 14, 6:00-7:00 pm (at Caribou Coffee)



MINUTES OF THE BOARD OF DIRECTORS
 February 20, 2019

Attendance		Present	Absent
Dan Jones, Chair	City of White Bear Lake	X	
Jim Lindner, Vice Chair	City of Gem Lake	X	
Rob Rafferty, Secretary-Treasurer	City of Lino Lakes	X	
Ed Prudhon	White Bear Township		X
Kara Ries (alternate)	City of North Oaks	X	
Patricia Youker	City of Vadnais Heights	X	
Stephanie McNamara	Administrator	X	
Brian Corcoran	Water Resources Mgr.	X	
Dawn Tanner	Program Development Coord.	X	
Nick Voss	Education & Outreach Coord.	X	
Tyler Thompson	GIS Watershed Tech.	X	

Others in attendance: Paul Duxbury, VLAWMO TEC commissioner & representative

I. Call to Order

The meeting was called to order at 7:00 pm by Chair Jones.

II. Approval of Agenda

A motion was made by Lindner and seconded by Rafferty to approve the meeting agenda. Vote: all aye. Motion passed.

III. Approval of Minutes from December 12, 2018

A motion was made by Lindner and seconded by Jones to approve the minutes from the December 12, 2018 Board of Directors Meeting. Vote: all aye, Youker & Ries abstain. Motion passed.

IV. Visitors and Presentations

None present

V. Business

A. Election of Officers and appointments

2018 Board officers included: Chair, Dan Jones; Jim Lindner, Vice Chair; Rob Rafferty, Secretary-Treasurer. Finance and Policy & Personnel Committees meet 1-3 times per year and assist in recommendations for new policies, policy updates, recommendations to the Board, and human resources direction.

A motion was made by Jones to nominate and seconded by Rafferty to elect Jim Lindner as Chair for 2019. Vote: all aye. Motion passed.

The Board discussed Vice Chair nominations and that Long had expressed interest in being an officer.

A motion was made by Jones to nominate and seconded by Rafferty to elect Long as Vice Chair for 2019. Vote: all aye. Motion passed.

Rafferty informed Jones that he would continue as Secretary Treasurer if the Board wants him to stay in this role.

A motion was made by Linder to nominate and seconded by Jones to elect Rob Rafferty as Secretary-Treasurer for 2019. Vote: all aye. Motion passed.

The Board thanked Rafferty for his willingness to serve.

McNamara stated 1-2 representatives from the Board were sought as representatives to the Minnesota Association of Watershed Districts (MAWD). Lindner questioned what the MAWD does and if it is a voting organization. McNamara explained that it has a staff, budget and is mainly focused on various watershed issues, but mainly education. Lindner asked how large the org is. McNamara explained there are 40 watersheds and 9 Board members, though VLAWMO is not a master member.

A motion was made by Lindner and seconded by Rafferty to nominate Dan Jones, as well as himself to represent for VLAWMO for MAWD. Vote: all aye. Motion passed.

A motion was made by Rafferty and seconded by Youker to nominate Jim Lindner, as well as himself to serve on the Policy & Personnel Committee. Vote: all aye. Motion passed.

VLAWMO requires the Board to appoint a Chair for our Technical Committee. The TEC has nominated Jim Grisim to continue as TEC Chair for 2019.

A motion was made by Lindner and seconded by Jones to appoint Jim Grisim as Chair for the VLAWMO TEC for 2019. Vote: all aye. Motion passed.

B. General Engineering Services – consideration

After the December 2018 Board meeting it was approved to submit an RFP for general engineering services for 2019-2020 (2 year agreement) on an as-needed basis. Eight proposals were received, as were presented in the February Board packet. **Staff is recommending entering into a 2-year agreement with S.E.H. Engineering. The consultant would provide service on an as-needed basis. The Board would authorize the Chair to sign the agreement when it is available. Costs for 2019 would not exceed \$30,000 unless approved by the Board. Larger project engineering would still be bid out per VLAWMO bidding policy. Staff is proposing lifting the arbitrary cap on per-projects engineering costs.**

Discussion: Lindner asked if VLAWMO has had an engineer before. McNamara explained we have not had a general engineer on staff. McNamara outlined the top 3 engineers staff picked for consideration. Rafferty questioned about the higher cost for HEI, and what this entailed. McNamara explained this is for hourly rates. Lindner explained that he was under the assumption the Engineer would be to fill in gaps and answer questions staff would not be able to on its own, for project development. Jones explained he has seen this happen time and time again that not having a paid engineer on retainer has been a hang up that holds up projects. Rafferty asked if this is a retainer, or if this is on an as-needed basis. He mentioned his concern that not having the engineer on retainer that they might not have skin in the game. McNamara explained this would be addressed in the agreement and isn't a large concern.

A motion was made by Jones and seconded by Youker to select S.E.H. as VLAWMO's General Engineering Services engineer for 2019-2020, as well as removing the arbitrary \$10,000 cap per project engineering. Vote: all aye. Motion passed.

C. Lambert Creek

1. Lambert Lake maintenance & BMP enhancements

Tanner discussed the needed maintenance for Lambert Lake, including dredging and repair/replacement of the fiberglass sheetpiling, as well as improvement including a meander and biochar channel treatment throughout, which would help address nutrient and bacteria loading as identified in the Lambert Creek TMDL study.

2. 319 Grant application

Staff is requesting support from the Board to move forward with submittal of the prepared 319 MPCA grant funds application for funding of Lambert Lake maintenance and improvements. The draft proposal and budget was included in the Board packet for review.

Staff is requesting Board supports submittal of the MPCA 319 grant funding application.

Discussion: Different funding avenues were discussed, such as loans and using other grants for match amounts for the 319 grant. It was discussed that this is all preliminary and this staff request is only authorization to move ahead with grant submittal, and there is no commitment from VLAWMO at this point. If a grant amount is approved but is deemed not suitable, the funds can be turned down.

A motion was made by Rafferty and seconded by Youker to support the submittal of the 2019 MPCA 319 grant application for Lambert Lake Project funding. Vote: all aye. Motion passed.

D. Annual Report consideration of draft

A draft of the 2018 VLAWMO Annual Report has been prepared and staff is seeking Board approval of the Draft for staff to finalize and submit to BWSR before the April submittal deadline.

Discussion:

A motion was made by Jones and seconded by Lindner to approve the Draft 2018 VLAWMO Annual Report for finalization and authorizes staff to submit the final copy for the April submittal deadline. Vote: all aye. Motion passed.

E. Birch Lake – 4th & Otter authorization for bidding

Draft plans for the 4th & Otter iron enhanced sand filter have been brought to 60% design, along with a construction cost estimate between \$55,000 and \$80,000. Staff is seeking authorization from the Board to submit the Project for construction bid once the final plans and bid documents have been finalized before the April 24th Board meeting, in the interest of timeliness for receiving bids for the beginning of the 2019 construction season.

Discussion: Rafferty asked Voss to explain who BWSR is for the new Board member and alternate.

A motion was made by Jones and seconded by Ries to authorize staff to submit the 4th & Otter Hotspot Remediation Project for construction bidding upon receipt of final design and bidding documents. Vote: all aye. Motion passed.

F. Contract with RCSWCD – vegetation & bathymetry on Birch, Goose, W. Vadnais

The RSWCD has provided a bid for 2019 surveys on Birch, Goose, and West Vadnais Lakes. **Staff is requesting authorization from the Board for staff to enter into an agreement with the RSWCD for 2019 lake surveys for the proposed bid of \$11,768.**

A motion was made by Lindner and seconded by Youker to authorize staff to enter into the agreement with the RSWCD for 2019 lake surveys for the proposed bid of \$11,768. Vote: all aye. Motion passed.

VI. Consent Agenda

A. Designation of Legal publication, legal counsel, and 2019 meeting dates

McNamara presented items on the consent agenda for approval, including (1) designation of 2019 legal counsel (Kennedy & Graven), (2) legal publication (Press Publications), and (3) 2019 Board meeting dates. **Staff is recommending the Board authorize the consent agenda for approval of the above items: (1) confirmation of the services of the firm of Kennedy & Graven, principal attorney, Troy Gilchrist for 2019 on an as-needed basis; (2) VLAWMO continue to use Press Publication for public notices to our jurisdiction and VLAWMO will advertise in League of MN Cities publication as appropriate; (3) regular 2019 Board meeting dates of February 20, April 24, June 26, August 28, October 23, and December 11.**

A motion was made by Rafferty and seconded by Jones to authorize the approval of the items on the consent agenda ([1] 2019 designation of legal counsel, [2] designation of legal publication, [3] 2019 Board meeting dates). Vote: all aye. Motion passed.

VII. Operations and Administration

A. TEC Report and Financial – February

The December VLAWMO Technical Commission Report to the Board was presented by TEC Commissioner Paul Duxbury and the December financial report was discussed by McNamara. Duxbury mentioned the Weston Woods agenda item and action from the February TEC meeting. McNamara discussed staff will be working with White Bear Twp to resolve the case.

B. Education Events

Voss presented past and upcoming education events planned for 2019.

C. Project updates

1. Goose Lake

a) Stakeholder meeting, alum application, speed limit/no wake

Tanner presented past and ongoing operations for the Goose Lake subwatershed, including the January stakeholder meeting, 2019 resubmittal of the CWF grant for alum treatment, and a speed limit/no wake zone on Goose Lakes.

b) Oak Knoll pond study & WBF

Tanner presented and overview of the Oak Knoll pond spent lime treatment project with Barr Engineering, as well as the current status of the Watershed Based Funding grant project.

2. Great River Greening request

Tanner has prepared and submitted a proposal to Great River Greening to include in their larger 2019 proposal for LCCMR Outdoor Heritage funds that would restore 20-40 acres of DNR native plant communities in Vadnais-Sucker Park in VLAWMO.

3. North Oaks stakeholder meeting (March 12, 6:00-7:00 pm)

The upcoming North Oaks stakeholder meeting is being coordinated with NOHOA, City of North Oaks, and the NRC to discuss citizen survey results, lake SLMPs, SPRWS lake levels, prioritization of BMPs for future implementation and the possibility of forming a joint lake improvement district or association.

D. Wetland health assessment – West Vadnais north wetland

McNamara presented that with the RWMD's interest in lowering West Vadnais' water level by .8 ft, staff is concerned with the potential impact this could have on the Lake's north wetland, which has yet to be surveyed for health and species diversity as a natural resource. **Staff is requesting authorization to acquire at least 2 bids for a MNRaM assessment, as well as an RFQA on targeted wetlands within the Vadnais Sucker Park, as well as to proceed with the lowest reasonable bid to secure the required information.**

A motion was made by Jones and seconded by Youker to authorize staff to submit for bids to assess the Vadnais-Sucker wetland for MNRaM, as well as an RFOA to select the lowest reasonable bid. Vote: all aye. Motion passed.

VIII. Discussion

A. “Water Matters” workshop/presentations at Board

Voss gauged the Board’s interest in future “Water Matters” workshops and dates for 2019.

Discussion: Lindner encouraged Board members to send ideas to Nick, and the first one would take place the evening of the June meeting.

IX. Administration Communication – Audit

McNamara reported the 2018 financial audit will begin February 21st.

X. Adjourn

A motion was made by Rafferty and seconded by Ries to adjourn at 8:35 pm. Vote: all aye. Motion passed.

Minutes compiled and submitted by Tyler Thompson.

DRAFT



800 County Road E E, Vadnais Heights, MN 55127
www.vlawmo.org; Office@vlawmo.org

To: Board of Directors

From: Stephanie McNamara, Administrator

Date: April 2019

Re: Consent agenda,

- A. Board minutes may be taken off consent if any Board member wishes to discuss or amend the draft minutes.
- B. Director Marty Long was elected Vice Chair at the February meeting pending his acceptance of that position. Director Long has indicated a willingness to serve. This offers the Board an opportunity to confirm that election for the minutes.



Board of Directors and Management
Vadnais Lake Area Water Management Organization
Vadnais Heights, Minnesota

In planning and performing our audit of the financial statements of the governmental activities and the major fund of the Vadnais Lake Area Water Management Organization (the Organization) as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

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

Material weaknesses

We consider the following deficiencies in the Organization's internal control to be material weaknesses.

Financial reporting process

The board of directors and management share the ultimate responsibility for the Organization's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

The Organization engages CliftonLarsonAllen LLP (CLA) to assist in preparing its financial statements and accompanying disclosures, including adjustments for the conversion from modified to full accrual balances. Adjustments also included recording special assessments receivable and other receivables and payables. However, as independent auditors, CLA cannot be considered part of the Organization's internal control system. As part of its internal control over the preparation of its financial statements, including disclosures, the Organization has implemented a comprehensive review procedure to ensure that the financial statements, including disclosures, are complete and accurate. Such review procedures should be performed by an individual possessing a thorough understanding of accounting principles generally accepted in the United States of America and knowledge of the Organization's activities and operations.

Material weaknesses (continued)

Financial reporting process (continued)

The Organization's personnel have not monitored recent accounting developments to the extent necessary to enable them to prepare the Organization's financial statements and related disclosures, to provide a high level of assurance that potential omissions or other errors that are material would be identified and corrected on a timely basis. If the financial statements are not properly monitored, the financial statements on a monthly basis may not be consistent with the annual financial statements.

The outsourcing of this service is not unusual in organizations of your size and is a result of management's cost benefit decision to use our accounting expertise rather than to incur internal resource costs.

Other deficiencies in internal control and other matters

During our audit, we became aware of other deficiencies in internal control and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. While the nature and magnitude of the other deficiencies in internal control were not considered important enough to merit the attention of the board of directors they are considered of sufficient importance to merit management's attention and are included herein to provide a single, comprehensive communication for both those charged with governance and management.

Documentation and review

During our testing of internal controls, it was noted in several areas the documentation of review was not retained or indicated on the supporting statements. These areas include payroll registers, bank reconciliations, and journal entries. We recommend the Organization review their policies and procedures and ensure a formal review process is in place for all areas. These review processes should include proper documentation of the reviews.

Credit cards

During our testing of credit card disbursements, it was noted the Administrator's credit card statements are being reviewed by the Water Resource Technician. Proper level of authority should be reviewing activity to ensure appropriate charges. We recommend the Administrator's activity be reviewed by a member of the board of directors periodically and that this review is documented.

Fund balance policy

During our preparation of the financial statements, it was noted the Organization is not meeting their own fund balance policy of keeping unassigned fund balance at 35-50% of next year's budgeted expenditures. In prior year unassigned fund balance was 13% of next year's budgeted expenditures and in the current year unassigned fund balance was 32%. Not aligning with policies related to fund balance can lead to cash flow problems in the future. We recommend reviewing the next year's budget and reviewing the fund balance policy to ensure proper cash flow and adherence to such policy.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

* * *

This communication is intended solely for the information and use of management, board of directors, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 24, 2019

DRAFT

April 24, 2019

CliftonLarsonAllen LLP
220 South 6th Street, Suite 300
Minneapolis, MN 55402

This representation letter is provided in connection with your audit of the financial statements of Vadnais Lake Area Water Management Organization, which comprise the respective financial position of the governmental activities and the major fund as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

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

We confirm, to the best of our knowledge and belief, as of April 24, 2019, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 5th, 2019, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.

- Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
- We have not identified or been notified of any uncorrected financial statement misstatements.
- In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
- We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

- Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
 - We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements.
 - We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
 - There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
 - We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
 - We have a process to track the status of audit findings and recommendations.
 - We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
 - We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to VLAWMO, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
 - There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
 - We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

- The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
- The financial statements properly classify all funds and activities.
- All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

- We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signature: _____ Title: _____

Signature: _____ Title: _____

**VADNAIS LAKE AREA WATER
MANAGEMENT ORGANIZATION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2018

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
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YEAR ENDED DECEMBER 31, 2018**

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INTRODUCTORY SECTION

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
 BOARD OF DIRECTORS AND APPOINTED OFFICIALS
 YEAR ENDED DECEMBER 31, 2018**

BOARD OF DIRECTORS

<u>Name</u>	<u>Title</u>	<u>Member City</u>
Dan Jones	Chairperson	White Bear Lake
Jim Lindner	Vice-Chair	Gem Lake
Rob Rafferty	Treasurer	Lino Lakes
Marty Long	Board Member	North Oaks
Ed Prudhon	Board Member	White Bear Township
Terry Nyblom	Board Member	Vadnais Heights

TECHNICAL COMMISSION

<u>Name</u>	<u>Title</u>	<u>Member City</u>
Jim Grisim	Chairperson	White Bear Lake
Bob Larson	Treasurer	North Oaks
Gloria Tessier	Commissioner	Gem Lake
Marty Asleson	Commissioner	Lino Lakes
Paul Duxbury	Commissioner	White Bear Township

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Directors
Vadnais Lake Area Water Management Organization
Vadnais Heights, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Vadnais Lake Area Water Management Organization (the Organization), Vadnais Heights, Minnesota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Organization as of December 31, 2018, and the respective changes in financial position 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.

Report on Summarized Comparative Information

We have previously audited Vadnais Lake Area Water Management Organization's 2017 financial statements of the governmental activities and major fund, and we expressed unmodified opinions on those financial statements in our report dated April 24, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited information from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the schedule of employer's share of PERA net pension liability, and the schedule of employer's share of PERA contributions on page 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 24, 2019

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

As management of the Vadnais Lake Area Water Management Organization (the Organization), Vadnais Heights, Minnesota, we offer readers of the Organization's financial statements this narrative overview and analysis of the financial activities of the Organization for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the Organization exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$810,122 (*net position*). Of this amount, \$309,277 (*unrestricted net position*) may be used to meet the Organization's ongoing obligations.
- The Organization's total net position increased by \$266,076
- As of the close of the current fiscal year, the Organization's General Fund reported combined ending fund balances of \$607,317, an increase of \$190,268 in comparison with the prior year.
- The ending General Fund balance was \$607,317. Of this balance, \$340,591 is committed purposes disclosed in the financial statements.
- The Organization's unrestricted cash and temporary investments as of December 31, 2018 increased to \$687,715 from \$458,142 as of December 31, 2017.

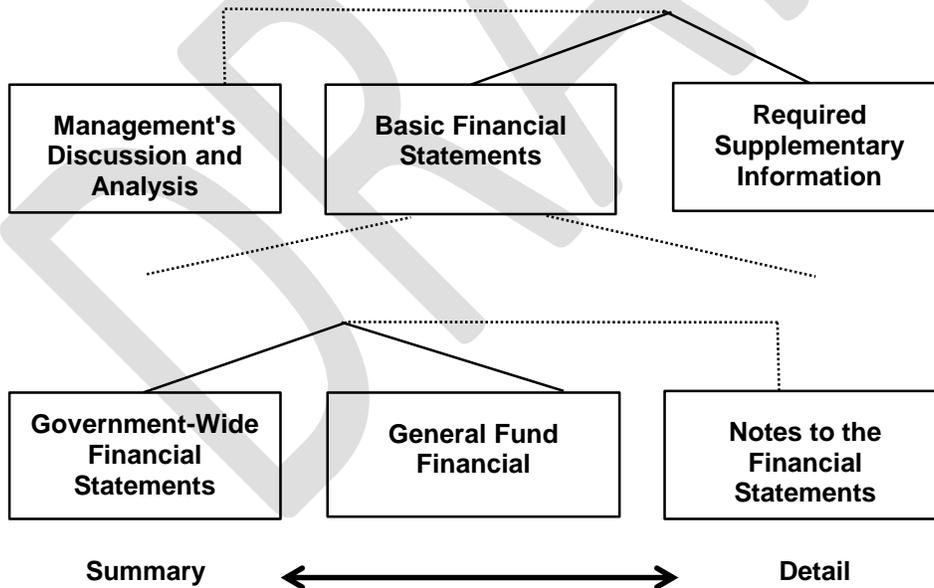
**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Organization's basic financial statements. The Organization's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) General Fund financial statements, and 3) notes to the financial statements. This report also contains other required supplemental information in addition to the basic financial statements themselves.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Figure 1 shows how the required parts of this annual report are arranged and relate to one another.

**Figure 1
Required Components of the Organization's Annual Financial Report**



**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Overview of the Financial Statements (Continued)

Figure 2 summarizes the major features of the Organization's financial statements, including the portion of the Organization government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Figure 2
Major Features of the Government-Wide and Fund Financial Statements**

	Fund Financial Statements	
	Government-Wide Statements	General Fund
Scope	Entire Organization	The activities of the Organization
Required financial statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Organization's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Organization's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Organization is improving or deteriorating.

The *statement of activities* presents information showing how the Organization's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., grants and earned but unused vacation and sick leave).

The governmental activities of the Organization include general and administrative, programs, and projects.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Organization, like other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Organization currently only uses a general fund.

General Fund

The *General Fund* is used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, the General Fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the General Fund is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *General Fund* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the General Fund balance sheet and the General Fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between the *General Fund* and *governmental activities*.

The Organization adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Organization, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$810,122 at the close of the most recent fiscal year.

The largest portions of the Organization's net position are unrestricted and available to meet the ongoing needs of the Organization. The Organization has a total of 62% classified as investment in capital assets (e.g., land, buildings, machinery, and equipment). The Organization uses these capital assets to provide services to its member cities; consequently, these assets are not available for future spending.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Government-Wide Financial Analysis (Continued)

Vadnais Lake Area Water Management Organization's Summary of Net Position

	December 31,		Increase (Decrease)
	2018	2017	
ASSETS			
Current	\$ 1,572,820	\$ 1,336,785	\$ 236,035
Capital, Net of Accumulated Depreciation	500,845	408,909	91,936
Total Assets	<u>2,073,665</u>	<u>1,745,694</u>	<u>327,971</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Resources	59,386	107,344	(47,958)
LIABILITIES			
Current	970,284	941,608	28,676
Noncurrent	271,547	316,951	(45,404)
Total Liabilities	<u>1,241,831</u>	<u>1,258,559</u>	<u>(16,728)</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Resources	<u>81,098</u>	<u>50,433</u>	<u>30,665</u>
NET POSITION			
Net Investment in Capital Assets	500,845	408,909	91,936
Unrestricted	<u>309,277</u>	<u>135,137</u>	<u>174,140</u>
Total Net Position	<u>\$ 810,122</u>	<u>\$ 544,046</u>	<u>\$ 266,076</u>

At the end of the current fiscal year, the Organization is able to report positive balances in both categories of net position.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Government-Wide Financial Analysis (Continued)

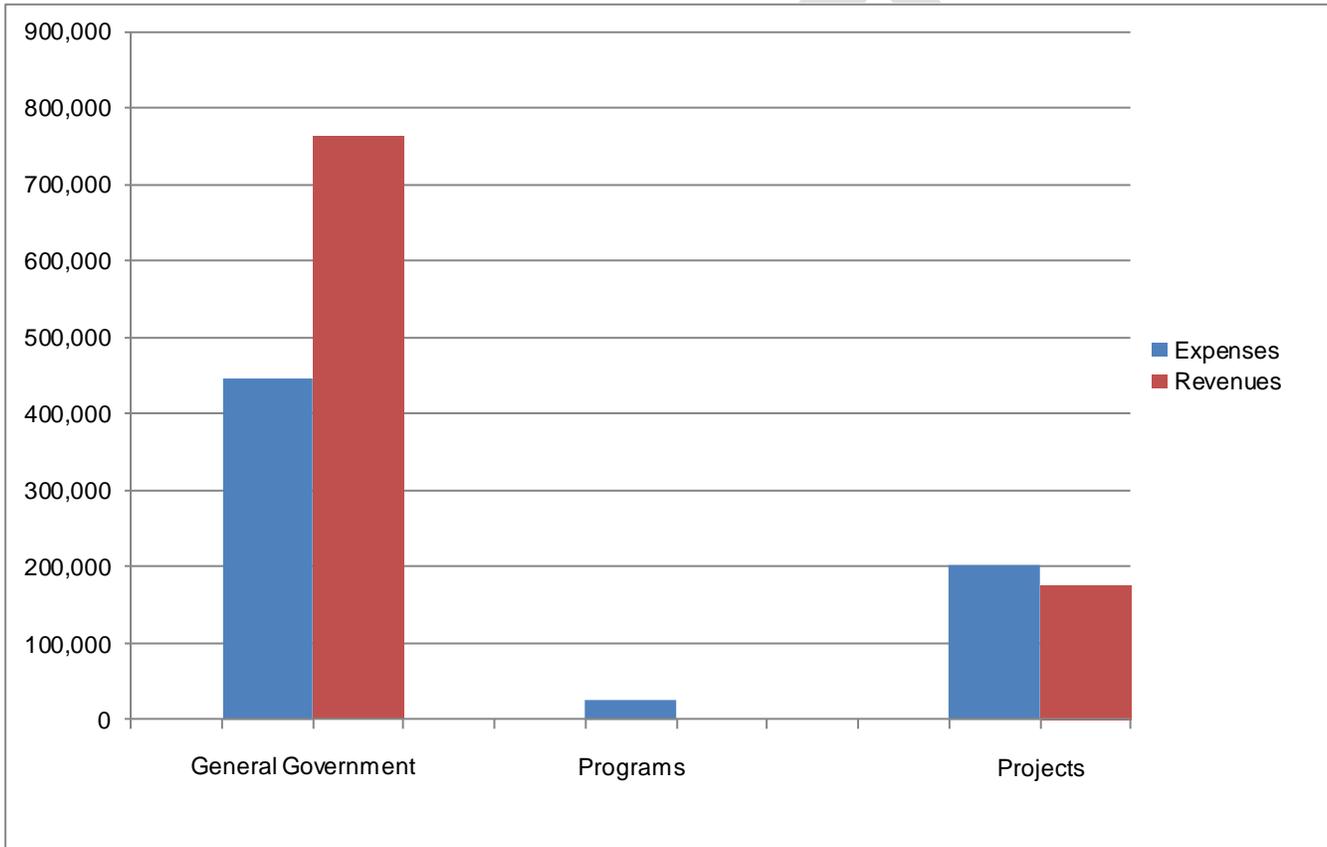
Vadnais Lake Area Water Management Organization's Changes in Net Position

	December 31,		Increase (Decrease)
	2018	2017	
REVENUES			
Program:			
Charges for Services	\$ 756,604	\$ 652,720	\$ 103,884
Operating Grants and Contributions	176,599	321,057	(144,458)
General:			
Unrestricted Investment Earnings	7,565	2,319	5,246
Total Revenues	<u>940,768</u>	<u>976,096</u>	<u>(35,328)</u>
EXPENSES			
General and Administrative	446,811	492,069	(45,258)
Programs	26,241	33,107	(6,866)
Projects	201,640	128,359	73,281
Total Expenses	<u>674,692</u>	<u>653,535</u>	<u>21,157</u>
CHANGE IN NET POSITION	266,076	322,561	(56,485)
Net Position - January 1	<u>544,046</u>	<u>221,485</u>	<u>322,561</u>
NET POSITION - DECEMBER 31	<u>\$ 810,122</u>	<u>\$ 544,046</u>	<u>\$ 266,076</u>

VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018

Government-Wide Financial Analysis (Continued)

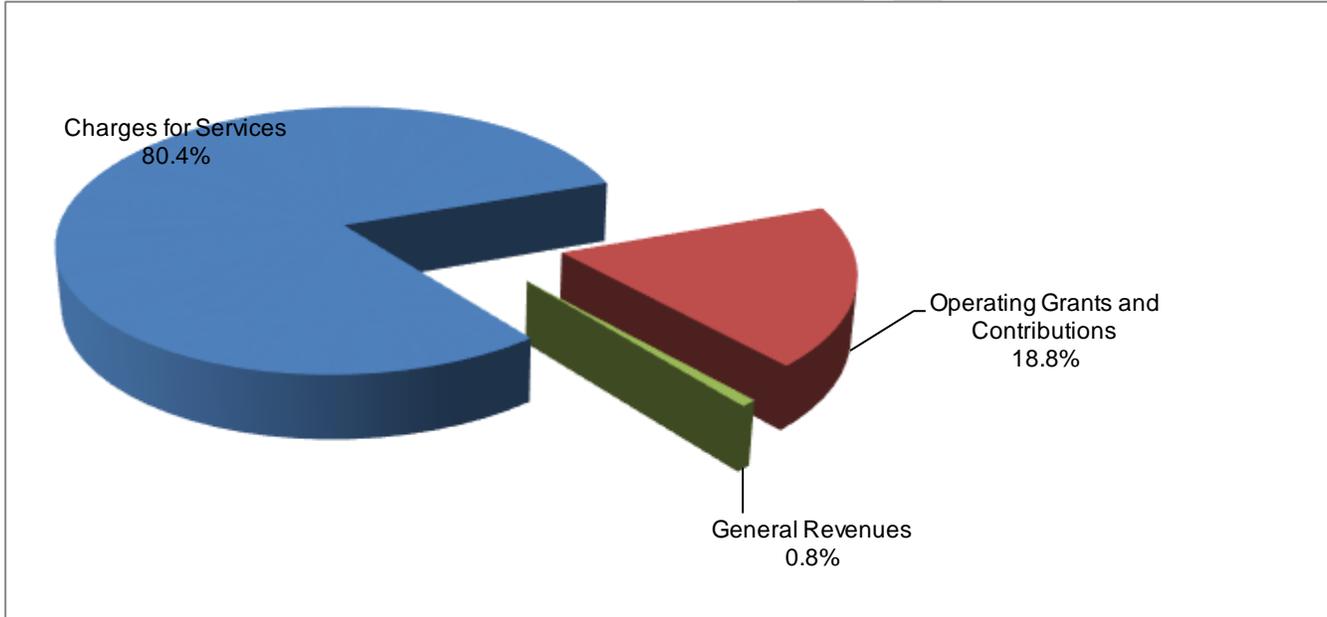
Expenses and Program Revenues – Governmental Activities



**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Government-Wide Financial Analysis (Continued)

Revenues by Source – Governmental Activities



Financial Analysis of the General Fund

As noted earlier, the Organization uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

General Fund

The focus of the Organization's *General Fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Organization's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Organization's General Fund reported an ending fund balance of \$607,317 an increase of \$190,268 in comparison with the prior year. Approximately 44% of the total amount, \$266,726, constitutes unassigned fund balance, which is available for spending at the Organization's discretion. The remainder fund balance of \$340,591 is committed for purposes described in the notes to the financial statements. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 81% of 2018 fund expenditures and 46% of 2017 fund expenditures.

General Fund Budgetary Highlights

The Organization's General Fund budget was not amended during the year. Actual revenues were over budget by \$172,845, mainly due to intergovernmental grants exceeding budget by \$151,278. Expenditures were under budget with a variance of \$17,423 mostly due to project costs being lower than anticipated.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2018**

Capital Asset and Debt Administration

Capital Assets

The Organization's investment in capital assets for its governmental activities as of December 31, 2018, amounts to \$500,845 (net of accumulated depreciation).

Additional information on the Organization's capital assets can be found in Note 3 of this report.

Economic Factors and Next Year's Budgets

The Organization considered and prepared the 2019 budget based on the following factors:

- Revenue is primarily from the storm sewer utility assessment, with occasional income from grants, service fees, and interest.
- Expenditures fall into three main categories: Programs, projects, and general and administration.
- Programs include: monitoring and data analysis, sustainable lake plans, cost-share, education and outreach, maintenance, and 30% of payroll for five employees.
- Projects include capital projects such as the Sucker Lake channel restoration, year four of the bacteria source monitoring on Lambert Creek, Lambert Creek hydrologic study, and development of the Whitaker Treatment wetland project occupying 40% of payroll for five employees.
- Operations and administration include office rent and supplies, bookkeeping and general and program audit, information systems, insurance, and 30% payroll for five employees and legal expenses.

All of these factors were considered in preparing the Organization's budget for the 2019 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Organization's finances for all those with an interest in the Organization's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Stephanie McNamara, Administrator, Vadnais Lake Area Water Management Organization, 800 County Road E East, Vadnais Heights, MN 55127.

DRAFT

BASIC FINANCIAL STATEMENTS

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
STATEMENT OF NET POSITION
DECEMBER 31, 2018**

	<u>Governmental Activities</u>
ASSETS	
Cash and Temporary Investments	\$ 687,715
Restricted Cash	29,661
Receivables:	
Accounts	3,259
Special Assessments	852,185
Capital Assets:	
Depreciable Assets, Net of Accumulated Depreciation	<u>500,845</u>
Total Assets	<u>2,073,665</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Resources	59,386
LIABILITIES	
Accounts Payable	68,858
Escrow Deposits Payable	29,638
Salaries Payable	22,618
Due to Other Government	7,292
Unearned Revenue	830,878
Compensated Absences Payable:	
Due Within One Year	11,000
Due in More than One Year	33,001
Net Pension Liability:	
Due in More than One Year	<u>238,546</u>
Total Liabilities	<u>1,241,831</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Resources	<u>81,098</u>
NET POSITION	
Net Investment in Capital Assets	500,845
Unrestricted	<u>309,277</u>
Total Net Position	<u><u>\$ 810,122</u></u>

See accompanying Notes to Financial Statements.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
General and Administrative	\$ 446,811	\$ 756,604	\$ 173,839	\$ -	\$ 483,632
Programs	26,241	-	-	-	(26,241)
Projects	201,640	-	2,760	-	(198,880)
Total	<u>\$ 674,692</u>	<u>\$ 756,604</u>	<u>\$ 176,599</u>	<u>\$ -</u>	258,511
GENERAL REVENUES					
Unrestricted Investment Earnings					<u>7,565</u>
CHANGE IN NET POSITION					266,076
Net Position - January 1					<u>544,046</u>
NET POSITION - DECEMBER 31					<u>\$ 810,122</u>

See accompanying Notes to Financial Statements.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2018
(WITH SUMMARIZED COMPARATIVE INFORMATION AS OF DECEMBER 31, 2017)**

	2018	2017
ASSETS		
Cash and Temporary Investments	\$ 687,715	\$ 458,142
Restricted Cash	29,661	29,643
Receivables:		
Accounts	3,259	75,503
Special Assessments	852,185	773,497
Total Assets	\$ 1,572,820	\$ 1,336,785
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 68,905	\$ 85,376
Escrow Deposits Payable	29,591	29,591
Salaries Payable	22,618	32,176
Due to Other Government	7,292	10,461
Unearned Revenue	830,878	752,436
Total Liabilities	959,284	910,040
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Special Assessments	6,219	9,696
FUND BALANCES		
Committed	340,591	316,550
Unassigned	266,726	100,499
Total Fund Balances	607,317	417,049
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,572,820	\$ 1,336,785

See accompanying Notes to Financial Statements.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2018**

Amounts reported for the governmental activities in the statement of net position are different because:

Total Fund Balances - Governmental	\$ 607,317
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of Capital Assets	636,318
Less: Accumulated Depreciation	(135,473)
Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Compensated Absences Payable	(44,001)
Pension Liability	(238,546)
Some receivables are not available soon enough to pay for the current periods expenditures, and therefore are unavailable in the funds.	
Special Assessments	6,219
Governmental funds do not report long-term amounts related to pensions.	
Deferred Outflows of Pension Resources	59,386
Deferred Inflows of Pension Resources	<u>(81,098)</u>
Total Net Position - Governmental Activities	<u><u>\$ 810,122</u></u>

VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND
YEAR ENDED DECEMBER 31, 2018
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2017)

	2018	2017
REVENUES		
Charges for Services	\$ 758,935	\$ 652,306
Intergovernmental Grants	176,278	361,049
Interest on Investments	7,565	2,319
Miscellaneous	1,467	2,432
Total Revenues	944,245	1,018,106
EXPENDITURES		
Current:		
General and Administrative	434,160	454,060
Programs	22,141	32,407
Projects	297,676	429,995
Total Expenditures	753,977	916,462
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	190,268	101,644
Fund Balances - January 1	417,049	315,405
FUND BALANCES - DECEMBER 31	\$ 607,317	\$ 417,049

See accompanying Notes to Financial Statements.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018**

Amounts reported for the governmental activities in the statement of activities are different because:

Total Net Change in Fund Balances - Governmental Funds	\$	190,268
Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.		
Depreciation Expense		(26,735)
Capital Outlays		118,671
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.		
Special Assessments		(3,478)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Pension Expense		(10,740)
Compensated Absences		<u>(1,910)</u>
Change in Net Position - Governmental Activities	\$	<u><u>266,076</u></u>

VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2017)

	2018				2017
	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	Amounts	Final Budget	Amount
REVENUES					
Charges for Services	\$ 745,400	\$ 745,400	\$ 758,935	\$ 13,535	\$ 652,306
Intergovernmental Grants	25,000	25,000	176,278	151,278	361,049
Interest on Investments	500	500	7,565	7,065	2,319
Miscellaneous	500	500	1,467	967	2,432
Total Revenues	<u>771,400</u>	<u>771,400</u>	<u>944,245</u>	<u>172,845</u>	<u>1,018,106</u>
EXPENDITURES					
General and Administrative:					
Wages	327,500	327,500	281,092	46,408	300,091
Payroll Taxes and Employee Benefits	83,000	83,000	74,781	8,219	80,106
Legal	3,000	3,000	4,996	(1,996)	4,020
Professional Services	8,400	8,400	19,179	(10,779)	20,039
Information Systems	21,500	21,500	16,012	5,488	15,050
Insurance	5,200	5,200	5,251	(51)	5,110
Office	23,700	23,700	20,106	3,594	20,362
Staff Training	4,000	4,000	3,573	427	2,727
Telephone	-	-	3,240	(3,240)	2,640
Miscellaneous	5,200	5,200	5,930	(730)	3,915
Programs:					
Monitoring	39,000	39,000	22,141	16,859	32,407
Maintenance	5,000	5,000	-	5,000	-
Projects	245,900	245,900	297,676	(51,776)	429,995
Total Expenditures	<u>771,400</u>	<u>771,400</u>	<u>753,977</u>	<u>17,423</u>	<u>916,462</u>
EXCESS (DEFICIENCY) OF REVENUES					
OVER (UNDER) EXPENDITURES					
	-	-	190,268	155,422	101,644
Fund Balances - January 1	417,049	417,049	417,049	-	315,405
FUND BALANCES - DECEMBER 31	<u>\$ 417,049</u>	<u>\$ 417,049</u>	<u>\$ 607,317</u>	<u>\$ 155,422</u>	<u>\$ 417,049</u>

See accompanying Notes to Financial Statements.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Vadnais Lake Area Water Management Organization (the Organization), Vadnais Heights, Minnesota, was established to meet the requirements of the Metropolitan Surface Water Management the Act, re-codified as Minnesota statutes, chapters 103-b and 103-d.

The general purpose of the Organization is to establish a jointly and cooperatively developed water management plan and program to (1) protect, preserve, and use natural surface and groundwater storage and retention systems; (2) minimize capital expenditures necessary to correct flooding and water quality problems; (3) identify and plan for means to effectively protect and improve surface and groundwater quality; (4) establish more uniform local policies and official controls for surface water, wetland and groundwater management; (5) prevent erosion of soil into surface water systems; (6) promote groundwater recharge; (7) protect and enhance fish and wildlife habitat and water recreational facilities; and (8) secure other benefits associated with the proper management of surface ground water, and be in accordance with the Act.

The Organization is governed by a board of directors which consists of six members, one from each of the following governmental units: City of North Oaks, City of White Bear Lake, City of Lino Lakes, White Bear Township, City of Vadnais Heights, and City of Gem Lake. The board of directors exercises legislative authority and determines all matters of policy. The board of directors appoints personnel responsible for the proper administration of all affairs relating to the Organization's activities.

The Organization has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Organization are such that exclusion would cause the Organization's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization, or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The Organization has no component units that meet the GASB criteria.

Government-Wide and General Fund Financial Statements

The government-wide financial statements (i.e., the statements of net position and the statements of activities) report information on all of the nonfiduciary activities of the Organization.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and 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. Amounts reported as *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. Other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for the General Fund.

Measurement Focus, Basis of Accounting, and Basis of 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.

The General Fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Organization considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Charges for service, assessments to members, grants, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Organization.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Nonexchange transactions, in which the Organization receives value without directly giving equal value in return, include grants, entitlement, and donations. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Organization must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Organization on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The Organization reports the following major governmental fund:

The *General Fund* is the Organization's primary operating fund. It accounts for all financial resources of the Organization.

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

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

The Organization's cash and temporary investments are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources,
and Net Position/Fund Balance (Continued)**

Deposits and Investments (Continued)

The Organization may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of 13 months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
6. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
7. Repurchase or reverse repurchase 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, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
8. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

The Minnesota Municipal Money Market (4M) fund operates in accordance with appropriate state laws and regulations. The 4M fund is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under rule 2a7. The reported value of the pool is the same as the fair value of the pool shares. Financial statements of the 4M fund can be obtained by contacting RBC Global Asset Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Restricted Assets

Certain assets of the Organization are set aside for repayment of individual property owners once they meet specific criteria.

Accounts Receivable

Accounts receivable include amounts billed for services provided before year-end.

Special Assessments

Special assessments represent storm sewer utility charges. These assessments are recorded as receivables upon certification to the County. Special assessments are recognized as revenue in the year they are collected or received in cash or within 60 days after year-end. General Fund special assessments receivables are offset by deferred inflows of resources or unearned revenue in the fund financial statements.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the Organization as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the Organization are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure	15 – 30 Years
Equipment	5 – 7 Years

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Organization has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

Compensated Absences

It is the Organization's policy to permit employees to accumulate earned but unused vacation and sick benefits, which will be paid to the employee upon separation without the considerations of number of years of service. A liability for these amounts is reported in the General Fund only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is used to pay employee benefits upon termination for governmental and proprietary funds.

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year-end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies as needing to be reported in this category. Accordingly, the item, unavailable revenue, is reported only in the General Fund balance sheet. The General Fund reports unavailable revenues from one source: special assessments. The unavailable amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Furthermore, the Organization has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statements of net position, and results from actuarial calculations.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Fund Balance

In the General Fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the Organization is bound to observe constraints imposed upon the use of resources reported in the General Fund. These classifications are defined as follows:

Nonspendable – Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

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

Committed – Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the board of directors, which is the Organization's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the board of directors modifies or rescinds the commitment by resolution.

Assigned – Amounts constrained for specific purposes that are internally imposed. In the General Fund, assigned amounts represent intended uses established by the board of directors itself or by an official to whom the governing body delegates the authority. The board of directors has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Administrator.

Unassigned – The residual classification for the General Fund and also negative residual amounts in other funds.

The Organization considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the Organization would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The Organization has formally adopted a fund balance policy for the General Fund. The Organization's policy is to maintain a minimum unassigned fund balance of 35% to 50% of budgeted operating expenditures for cash-flow timing needs.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance (Continued)

Net Position

Net position represents the difference between assets and liabilities. Net position is displayed in three components:

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 – Consist of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Unrestricted Net Position – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

Comparative Data/Reclassifications

Comparative total data for the prior year has been presented for the fund financial statements in order to provide an understanding of the change in financial position. Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year’s presentation.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. All annual appropriations lapse at year-end. The Organization does not use encumbrance accounting.

During the budget year, supplemental appropriations and deletions are or may be authorized by the board of directors. The budget was not amended by the board of directors in 2018.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 DETAILED NOTES ON ACCOUNTS

Deposits and Investments

Deposits

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the Organization's deposits may not be returned or the Organization will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the board of directors, the Organization maintains deposits at those depository banks which are members of the Federal Reserve System.

Minnesota statutes require that all Organization deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds, or irrevocable standby letters of credit from Federal Home Loan Banks.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a 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 selection should be approved by the Organization.

At year-end, the Organization's carrying amount of deposits was \$28,745 and the bank balance was \$29,661. The entire bank balance was covered by federal depository insurance.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 DETAILED NOTES ON ACCOUNTS (CONTINUED)

Deposits and Investments (Continued)

Investments

The Organization does not have an investment policy and is permitted to invest its idle funds as authorized by Minnesota Statutes as follows:

- 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 and received 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 rate “A” or better.
- Bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System.
- Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by a least two nationally recognized rating agencies, and maturing in 270 days or less.
- Guaranteed investment contracts guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies if similar debt obligations of the issuer or the collateral pledged by the issuer is in the top two rating categories.
- Repurchase or reverse purchase agreement and securities lending agreements 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, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

Interest rate risk – Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. Investments are categorized to give an indication of the level of interest rate risk assumed at year-end. Investments as of December 31, 2018 are as follows:

Type of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Fair Value and Carrying Amount
Pooled Investments:			
Minnesota Trust Term Series	N/A	Less than 6 Months	\$ 383,024
Minnesota Municipal Money Market Fund	N/A	Less than 6 Months	304,691
Total Investments			<u>\$ 687,715</u>

(1) Ratings are provided by Moody's where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 DETAILED NOTES ON ACCOUNTS (CONTINUED)

Deposits and Investments (Continued)

Investments (Continued)

The investments of the Organization are subject to the following risks:

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes limit the Organization’s investments to the list on page 29 of the notes.

Custodial Credit Risk – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

The Organization does not have an investment policy that addresses the risks described above.

The Minnesota Municipal Money Market Fund Trust and the US Bank Money Market are money market accounts that are valued at amortized cost with maturities of investments of one year or less.

The Minnesota Municipal Money Market Trust Fund does not have its own credit rating. PMA Financial Network, Inc., who administers the Minnesota Municipal Money Market Fund Trust, holds an organization credit rating of AA by Standard & Poor’s.

A reconciliation of cash and temporary investments as shown in the financial statements of the Organization follows:

Carrying Amounts of Deposits	\$ 28,745
Investments	688,607
Cash on Hand	24
Total	<u>\$ 717,376</u>
Cash and Investments	
Unrestricted	\$ 687,715
Restricted	29,661
Total	<u>\$ 717,376</u>

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 DETAILED NOTES ON ACCOUNTS (CONTINUED)

Fair Value Measurements

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

The Organization follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the Organization has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statement of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial asset and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use a pricing the asset.

Assets measured at fair value on a recurring basis:

Type	December 31, 2018			Total
	Level 1	Level 2	Level 3	
N/A	\$ -	\$ -	\$ -	\$ -
Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-
Investments Held at Amortized Cost				688,607
Total Investments				<u>\$ 688,607</u>

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 DETAILED NOTES ON ACCOUNTS (CONTINUED)

Fair Value Measurements (Continued)

The Minnesota Municipal Money Market Fund Trust is an external investment pool (the Pool) that is managed to maintain a dollar-weighted average portfolio maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The Pool elects to measure its investments at amortized cost in accordance with accounting statements issued by the Government Accounting Standards Board.

Restricted Assets

The Organization set aside the following cash balances for repayment of individual property owners:

Mitigation Restricted Cash \$ 29,661

Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets, Being Depreciated:				
Infrastructure	\$ 181,219	\$ 431,944	\$ -	\$ 613,163
Equipment	23,155	-	-	23,155
Construction in Process	<u>313,273</u>	<u>118,671</u>	<u>(431,944)</u>	<u>-</u>
Total Capital Assets Being Depreciated	517,647	550,615	(431,944)	636,318
Less Accumulated Depreciation for:				
Infrastructure	(95,379)	(23,936)	-	(119,315)
Equipment	<u>(13,359)</u>	<u>(2,799)</u>	-	<u>(16,158)</u>
Total Accumulated Depreciation	<u>(108,738)</u>	<u>(26,735)</u>	<u>-</u>	<u>(135,473)</u>
 Total Governmental Activities	 <u>\$ 408,909</u>	 <u>\$ 523,880</u>	 <u>\$ (431,944)</u>	 <u>\$ 500,845</u>

The full depreciation expense amount was charged to projects.

Operating Lease

The Organization entered into a lease agreement with the City of Vadnais Heights for office space. The lease agreement has an effective period beginning January 1, 2018 and will be terminated on December 31, 2020.

The lease agreement calls for monthly payments for office space, as well as amounts for the Organizations portion of normal operating expenses, such as: janitorial, secretarial, office supplies, postage, utilities, IT support, and any other costs that arise.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 DETAILED NOTES ON ACCOUNTS (CONTINUED)

Operating Lease (Continued)

The Organization paid \$20,106 and 20,362 for rent and other office expenses in 2018 and 2017, respectively. The Organization's future obligations for rent and office expenses under their new lease are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 21,780
2020	22,200
Total	<u>\$ 43,980</u>

Unearned Revenue

The General Fund reports unearned revenue in connection with receivables for revenues that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported were as follows:

	<u>Unearned</u>
Special Assessments Receivable	<u>\$ 830,878</u>

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities					
Compensated Absences Payable	\$ 42,090	\$ 28,138	\$ (26,227)	\$ 44,001	\$ 11,000
Government-Type Activity					
Long-Term Liabilities	<u>\$ 42,090</u>	<u>\$ 28,138</u>	<u>\$ (26,227)</u>	<u>\$ 44,001</u>	<u>\$ 11,000</u>

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 3 DETAILED NOTES ON ACCOUNTS (CONTINUED)

Fund Balance Classifications

At December 31, 2018, portions of the Organization's fund balance are not available for appropriation due to board of directors' action (committed). The following is a summary of the commitments:

Commitments:	
Insurance	\$ 400
Information Systems	2,500
Legal Assistance	3,000
Storm Sewer Utility	2,000
Training	1,000
Misc and Mileage	1,000
Admin-Payroll	32,500
Monitoring & Equipment	9,200
Goose Lake	113,696
Birch Lake	18,923
Pleasant Charley	5,000
Education and Marketing	3,500
Sucker Vadnais	64,900
Lambert Creek Restoration	50,000
Community Blue	4,300
Landscape	1,500
Facilities Maintenance	27,172
Total Committed	<u><u>\$ 340,591</u></u>

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE

Plan Description

The Organization participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota statutes, chapters 353 and 356. PERA's defined benefit pension plans are tax-qualified plans under Section 401 (a) of the Internal Revenue Code.

General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the Organization are covered by the General Employees Plan. General Employees Plan (GERF) members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90% funded for two consecutive years, benefit recipients are given a 2.5% increase. If the plan has not exceeded 90% funded, or have fallen below 80%, benefit recipients are given a 1% increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30 will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30 will receive a pro rata increase.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

General Employees Fund Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated Plan members is 1.2% of average salary for each of the first 10 years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2018 and the Organization was required to contribute 7.50% for Coordinated Plan members. The Organization's contributions to the General Employees Fund for the year ended December 31, 2018 and 2017, were \$21,847 and \$23,227, respectively. The Organization's contributions were equal to the required contributions as set by state statute.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

Pension Costs

General Employees Fund Pension Costs

At December 31, 2018, the Organization reported a liability of \$238,546 for its proportionate share of the General Employees Fund's net pension liability. The Organization's net pension liability reflected a reduction due to the state of Minnesota's contribution of \$16 million to the fund in 2018. The state of Minnesota is considered a nonemployer contributing entity and the State's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the Organization totaled \$7,929. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Organization proportion of the net pension liability was based on the Organization contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the Organization's proportion was 0.0045% which was an increase of 0.0002% as its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Organization recognized pension expense of \$31,748 for its proportionate share of GERF's pension expense. In addition, the Organization recognized an additional \$1,839 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2018, the Organization reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 6,314	\$ 6,957
Changes in Actuarial Assumption	22,787	26,803
Net Difference Between Projected and Actual Earnings on Plan Investments	-	24,376
Changes in Proportion	19,769	22,962
Contributions to GERF Subsequent to the Measurement Date	10,516	-
Total	<u>\$ 59,386</u>	<u>\$ 81,098</u>

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

\$10,516 reported as deferred outflows of resources related to pensions resulting from the Organization's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 10,432
2020	(10,672)
2021	(27,010)
2022	(4,978)

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% Per Year
Active Member Payroll Growth	3.25% Per Year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Benefit increases for retirees are assumed to be 1% per year for all future years for the General Employees Plan through 2044 and then 2.5% thereafter.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the General Employees Plan was completed in 2015.

The following changes in actuarial assumptions occurred in 2018:

General Employees Fund

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

Actuarial Assumptions (Continued)

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stock	36.00%	5.10%
International Stock	17.00	5.30
Bonds	20.00	0.75
Alternative Assets	25.00	5.90
Cash	2.00	-
Total	100.00%	

Discount Rate

The discount rate used to measure the total pension liability in 2018 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund, the Police and Fire Fund, and the Correctional Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the Organization's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Organization's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	City Proportionate Share of NPL		
	1% Decrease (6.50%)	Current (7.50%)	1% Increase (8.50%)
GERF	\$ 387,668	\$ 238,546	\$ 115,450

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

NOTE 5 OTHER INFORMATION

Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Organization carries insurance. The Organization pays annual premiums for its workers' compensation and property and casualty insurance. Settled claims have not exceeded the Organization's coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The Organization's management is not aware of any incurred but not reported claims.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018**

Schedule of Employer's Share of PERA Net Pension Liability – General Employees Retirement Fund

Fiscal Year Ending	Organization's Proportion of the Net Pension Liability	Organization's Proportionate Share of the Net Pension Liability (a)	States Proportionate Share of the Net Pension Liability Associated with the City (b)	Total (a+b)	Organization's Covered Payroll (c)	Organization's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2018	0.0041 %	\$ 238,546	\$ -	\$ 238,546	\$ 291,293	81.9 %	47.9 %
6/30/2017	0.0041	306,429	-	306,429	309,693	98.9	68.9
6/30/2016	0.0041	332,900	-	332,900	286,044	116.4	78.2
6/30/2015	0.0041	212,483	-	212,483	242,844	87.5	78.2

Schedule of Employer's Share of PERA Contributions – General Employees Retirement Fund

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Organization's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/18	\$ 21,847	\$ 21,847	\$ -	\$ 291,293	7.50 %
12/31/17	23,227	23,227	-	309,693	7.50
12/31/16	19,128	19,128	-	255,040	7.50
12/31/15	19,530	19,530	-	260,400	7.50

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Organization will present information for only those years for which information is available.

NOTES TO SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS

The following changes in actuarial assumptions occurred in 2018:

General Employees Fund

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018**

**NOTES TO SCHEDULE OF CHANGES IN NET PENSION LIABILITIES AND RELATED RATIOS
(CONTINUED)**

The following changes in plan provisions and actuarial assumptions occurred in 2017:

General Employees Fund

- The State's special funding contribution increased from \$6 million to \$16 million.
- The Combined Service Annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and nonvested deferred members. The revised CSA loads are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

The following changes in actuarial assumptions occurred in 2016:

General Employees Fund

- The assumed post-retirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate was changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

The following changes in plan provisions and actuarial assumptions occurred in 2015:

General Employees Fund

- On January 1, 2015 the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6 million, which meets the special funding situation definition, is due September 2015.
- The assumed post-retirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

OTHER REQUIRED REPORT

DRAFT



INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Directors
Vadnais Lake Area Water Management Organization
Vadnais Heights, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and the major fund of the Vadnais Lake Area Water Management Organization (the Organization), Vadnais Heights, Minnesota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated April 24, 2019.

The *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota statute §6.65, contains six categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories except that we did not test for compliance with the provisions for tax increment financing because the Organization does not have any established tax increment financing districts.

In connection with our audit, nothing came to our attention that caused us to believe that the Organization failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*. 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 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 relating to the provisions of *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 24, 2019



800 County Road E E, Vadnais Heights, MN 55127
www.vlawmo.org; Office@vlawmo.org

To: Board of Directors
From: Dawn Tanner & Stephanie McNamara
Date: April 24, 2019
Re: **VI.B. Water Plan Amendment**

Dawn and Stephanie have been working with BWSR to prepare an Amendment to the Water Plan. A draft of proposed changes is available on the VLAWMO website. A summary of proposed changes and brief rationale is included in the packet.

We received approval to submit the Amendment to the Board at the TEC on April 12. The amendment is available for review on the VLAWMO website: [Draft VLAWMO Plan Amendment9.docx](#). Changes are indicated by strike-out text or underlined text and **highlighted in red**. The changes in the budget are also available there as a separate excel spreadsheet: [2019 VLAWMO CWMP Budget](#).

Briefly, we seek to:

- Expand upon wetland surveys and monitoring
- More explicitly include restoration projects when identified from surveys & monitoring
- Define next steps for Lambert Lake and Birch Lake
- Update the SLMP schedule to reflect approved changes for focal years
- Update budget to reflect current prices and project implementation schedules (to the best of our knowledge and ability)

Recommendation: We request that the Board authorize distribution of the draft plan amendments by VLAWMO and establish notice for the public meeting.

Water Plan Amendment: Changes and Brief Explanation

VLAWMO requests a Water Plan Amendment to reflect changes in our SLMP schedule and update projects and the budget. SLMP schedule changes were approved by the Board in December (check). Project updates are needed to expand efforts because many projects originally specified in the plan have been completed or are underway. We updated budget items tied to SLMP schedule changes, increased funds for surveys completed as part of SLMPs reflecting new technology used and therefore total cost, and completed a more general budget update. Project updates include statement of VLAWMO's maintenance work as the ditch authority on Lambert Creek and an expanded description of LC activities including addressing TMDL priorities. We describe expanding wetland surveys, and identifying and implementing restoration when feasible to support wetland function for water quality. VLAWMO sought guidance from BWSR in the process and have incorporated changes suggested through that process.

All changes are indicated in the Water Plan. Deletion are stricken and additions are underlined. Changes are highlighted in red. Minor edits are not explained in detail but are all indicated in the Water Plan.

Substantive content changes described:

- P. 4 and P. 26: Added Lambert Creek to the impaired water priorities. The previous version was specific to lake impairment and nutrient reductions. We expand the language to include Lambert Creek, which is impaired for bacteria.
- P. 5 and P. 27: Added strategy 1-1-5. In addition to installing BMPs, we more specifically recognize the role of healthy ecosystems in buffering against sudden environmental changes (e.g., storm events). We add an emphasis on including restoration “when feasible” and plan to do so working with partners.
 - An example of our intended actions is currently underway. We wrote a proposal to Great River Greening for restoration work in Vadnais-Sucker Lakes Regional Park. Restoration areas target native wetland habitats and habitat edges that are being colonized by buckthorn. We obtained permission from SPRWS to go ahead with the proposal. GRG has selected our project to include in their larger compiled proposal that will go to LCCMR and Outdoor Heritage later this year. If the project is funded, we will work with GRG ecologists to support restoration, provide in-kind match with employee time, and work to maintain buckthorn removal areas after the 3-year grant period is completed. GRG will complete work, build detailed planning, handle related RFPs, conduct grant reporting, and maintain grant records as required by law.
- P. 5 and P. 28: Added strategy 1-3-2. We include monitoring of sensitive wetland species and indicators of water quality to improve information about wetland health and identify areas for protection/restoration.
- P. 37: Updated the SLMP schedule as previously proposed by VLWAMO and approved by the Board.
- P. 42: Changed capital projects to infrastructure to broaden the definition and include ditch maintenance.

Subwatershed activity changes:

- P. 47: Include maintenance and new work on Lambert Lake, Creek, and pond.
- P. 48: Broaden subwatershed-scale projects beyond only the Polar Chevrolet Channel and include implementation for nutrient and internal load reductions.
- P. 51: Includes need expressed by stakeholders for carp management, water-quality improvements, and new information that may need to be included in sediment studies with interactions between Charley and Pleasant Lakes.
- P. 52: Add emphasis on understanding, protecting, and restoring native vegetation areas in Vadnais-Sucker Lakes Regional Park.

Budget modification explanation:

- Moved projects to reflect current SLMP scheduled tasks
- Increased funds allocated for surveys to reflect increased costs due to new information availability (e.g., bathymetry and biomass)
- Moved large projects that are still planned but have not yet been implemented (e.g., Goose Lake alum treatment, Lambert Creek BMPs)
- Added \$30,000 per year to Operations & Administration for engineering services approved by the Board.
- Added \$10,000 per year to Monitoring & Studies intended for wetland surveys and related monitoring efforts.

To: VLAWMO Board of Directors

From: Stephanie McNamara

Date: April 19, 2019

Re: VI. C. Insurance and JPA change direction

The cost of the VLAWMO insurance for Errors and Omissions has gone up significantly which prompted exploration of alternatives. Once again purchasing comprehensive insurance through the League of MN Cities has come up as a lower cost alternative. Current: about \$5,308; LMC: \$4,265.

In order to purchase insurance through the LMC, they are requiring some additional language regarding liability to our Joint Powers Agreement. The language is below for your review (pg. 7 of the JPA). The six member communities would need to agree to this as an amendment to the VLAWMO JPA.

Subdivision 14. Insurance. VLAWMO may contract for or purchase such insurance as the Board deems necessary for its protection.

1. VLAWMO is a separate and distinct public entity to which the parties have transferred all responsibility and control for action taken pursuant to this Agreement.
2. VLAWMO shall defend and indemnify the parties, and their officers, employees, and volunteers, from and against all claims, damages, losses, and expenses, including attorney fees, arising out of the acts or omissions of the Joint Powers Board in carrying out the terms of this Agreement. This Agreement does not constitute a waiver on the limitations of liability set forth in Minnesota Statutes, section 466.04.
3. Nothing herein shall be construed to provide insurance coverage or indemnification to an officer, employee, or volunteer of any member for any act or omission for which the officer, employee, or volunteer is guilty of malfeasance in office, willful neglect of duty or bad faith.
4. To the fullest extent permitted by law, action by the parties to this Agreement are intended to be and shall be construed as a "cooperative activity," and it is the intent of the parties that they shall be deemed a "single governmental unit" for purposes of liability, as set forth in Minnesota Statutes, section 471.59, subd. 1a(a), and provided further that for purposes of that statute, each party to this Agreement expressly declines responsibility for the acts and omissions of another party. The parties to this Agreement are not liable for the acts or omissions of another party to this Agreement except to the extent they have agreed in writing to be responsible for the acts or omissions of the other parties.
5. Any excess or uninsured liability of any individual officer, employee or volunteer that arises from his or her own malfeasance, willful neglect of duty or bad faith.

Recommendation: VLAWMO will send the attached additional language regarding insurance to its membership for consideration. Questions or comments should be returned to VLAWMO by the end of May. A signed JPA amendment should be forwarded to VLAWMO for distribution to the whole membership by July 15th.



800 County Road E E, Vadnais Heights, MN 55127
www.vlawmo.org; Office@vlawmo.org

To: Board of Directors

From: Dawn Tanner

Date: April 24, 2019

Re: VI.D. Lambert Creek

Our MPCA 319 proposal was funded. We received the announcement on April 4 from Cindy Penny at MPCA. The budget for the project is attached. In summary, the grant includes:

Grant: \$302,679 **In-kind Match:** \$25,367.25 **Cash Match:** \$176,080 **Loan:** \$388,000

When we received approval, we needed to complete the checklist for citing EPA's Nine Key Elements of a Watershed-Based Plan. MPCA will complete the document that is sent to EPA. We built the reference document with hyperlinks and page numbers for the Nine Element Review. That was due on April 17. We sent it in on April 9. Receipt was confirmed by Cindy Penny. She will let us know when the review is back from EPA. At that point, we will begin working on a more detailed workplan that will also be approved by EPA. We need to sign and return the general obligation note saying that we have the ability to receive grant funding and the loan. We are not obligated to accept funding by signing this document.

Estimated timeframe for funds to be released is: spring 2020. **Loan repayment:** No repayment begins during the 3-year grant period. That period may be extended by 1 year for a total of 4 years. Repayment begins after that and has a 10-year repayment cycle. There is no interest nor fees charged on the loan.

VIAWMO is working with SEH to refine the maintenance portion of the project. Soil borings are being collected, and an estimate of project costs should be ready for the June Board meeting.

VLAWMO is planning to go forward in building and using 4 DIY automated monitoring units with LimnoTech. We held an informational workshop Feb. 25 with VLAWMO staff and representatives from SPRWS, North Oaks, TEC, and RCSWCD. Units will be placed along Lambert Creek at flumes where flow rate can be used to calculate pollutant loads pre/post 319 project construction and implementation. We have an assembling workshop scheduled for May 13. Cost for the contract with LimnoTech is: \$10,825.

Recommendation: We request that the Board approve the grant, authorize signing the general obligation note, and approve the contract from LimnoTech for DIY monitoring units.



800 County Road E E, Vadnais Heights, MN 55127
www.vlawmo.org; Office@vlawmo.org

To: Board of Directors

From: Brian Corcoran

Date: April 24, 2019

Re: VI.D. 2 S.E.H update on Lambert Lake

S.E.H is moving forward with a soil investigation scope for the failing fiberglass sheet pile. This information will allow S.E.H to determine how long new sheet pile will need to be in order to be securely placed into solid ground. Once this information is determined S.E.H will provide an engineer's estimate on replacing the failing sheetpile.

Scope of Work & Budget Justification
for LimnoTech to provide

Design and Training Workshop to Build Open Source Water Monitoring Stations

A proposal to

Vadnais Lake Area Water Management Organization
800 East Co. Rd. E
Vadnais Heights, MN 55127

Submitted: April 5, 2019



7300 Hudson Blvd.
Suite 295
Oakdale, MN 55128
651.330.6038
www.limno.com

April 5, 2019

Stephanie McNamara | Administrator
Vadnais Lake Area Water Management Organization
800 East Co. Rd. E
Vadnais Heights, MN 55127

RE: Design and Training Workshop to Build Open Source Water Monitoring Stations

Dear Stephanie,

LimnoTech is pleased to submit this proposal to serve your overall goal to establish a cost-effective, wireless, water monitoring station network within Vadnais Lake Area.

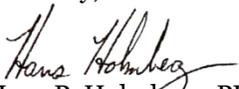
We understand that you seek LimnoTech's assistance in getting your wireless monitoring network off the ground, by requesting that we submit a proposal to pilot new environmental Internet of Things (IoT) devices, based on the open-source, do-it-yourself (DIY) technologies developed by the EnviroDIY community.

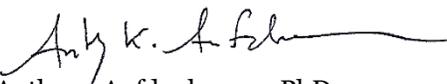
We attach a proposed scope of work and budget to provide details and costs for the following tasks:

1. Procure components for four wireless water level stations
2. Build EnviroDIY stations in workshop with staff
3. Provide Enviro IoT deployment and maintenance support

We would love to serve you on this innovative project and look forward to discussing our approach and capabilities further.

Sincerely,


Hans P. Holmberg, PE
Associate Vice President


Anthony Aufdenkampe, PhD
Senior Environmental Scientist

SCOPE OF WORK

Vadnais Lake Area Water Management Organization (VLAWMO) has an overall goal to establish a cost-effective, wireless, water monitoring station network within Vadnais Lake Area, that can be readily maintained and expanded by VLAWMO staff, partners, and volunteers.

We are seeing a revolution in low-cost wireless sensing devices that share real-time data via the internet. This Internet of Things (IoT) revolution has great potential to transform water quality monitoring. Many IoT devices are built on open-source hardware and software that was designed for use by hobbyists. Do-it-yourself (DIY) environmental monitoring geeks have combined these open-source electronic capabilities to develop sophisticated, solar-powered wireless water quality monitoring stations at a fraction of the cost of commercial, black-box systems. These new environmental IoT (EnviroIoT) technologies are surprisingly easy to build, program and maintain due to their open-source roots. For this reason, many watershed districts and water management organizations in Minnesota have begun to pilot EnviroIoT monitoring, including Riley Purgatory Bluff Creek Watershed District (RPBCWD), Comfort Lake Forest Lake Watershed District (CLFL WD), and Mississippi Water Management Organization (MWMO).

LimnoTech staff are nationally-recognized leaders in development and deployment of professional-grade environmental IoT monitoring stations for the emerging Internet of Water.

Here we propose to serve VLAWMO's interest in to pilot a EnviroIoT monitoring network, by training your staff to build four wireless water level stations with environmental Internet of Things (IoT) capabilities and based on open-source, do-it-yourself technologies developed by the EnviroDIY community (<https://www.envirodiy.org>).



Task 1. Procure components for four wireless water level stations

LimnoTech will design, procure components, assemble and program four wireless, solar-powered, ultra-sonic water level monitoring stations for three flumes along the channel from Rice Lake to East Vadnais Lake and the stormwater pipe for Ditch 3 at Whitaker (upstream Sobota Slough). The ultra-sonic water level sensor will look down and measure distance to water with 1-2 mm of precision. Coupled with the precise rating curves at the three flumes, or pipeflow equations at Whitaker, these measurements can readily be converted into a continuous and real-time estimation of volumetric water flows, or discharge.

Real-time records of water level and discharge, readable from a smart phone, provide exceptionally valuable information during water sampling efforts. In addition, because water quality loads are calculated by multiplying water quality concentrations (from the lab)



times discharge, and because discharge can easily increase 100-10,000 times during a storm, having continuous discharge data can radically improve estimates of pollutant loads.

The brain of our solar-powered, wireless stations is the [EnviroDIY Mayfly data logger board](http://data.envirodiy.org). These monitoring stations will wirelessly send their data every 15 minutes to the EnviroDIY Data Sharing Portal, <http://data.envirodiy.org>, which is built on Internet of Water standards and web services for open data access and machine-to-machine data exchange. Data can be viewed from any web browser or phone, and can then be manually downloaded or automatically harvested at any time from this website in a variety of formats, including comma separated values (CSV). These stations can be readily upgraded with additional water quality sensors – such as turbidity, dissolved oxygen, chlorophyll, conductivity, or water temperature – at any time in the future.

LimnoTech will design these EnviroDIY water level stations, procure all components, and organize them in to kits that will be delivered to VLAWMO staff for the proposed workshop (Task 2). LimnoTech will also pre-program and test each Mayfly datalogger board to work with the selected sensor(s), such that the stations will immediately begin to operate as soon as the kits have been assembled and powered up.

Task 2. Build EnviroDIY stations in workshop with staff

LimnoTech will develop and lead a full-day, hands-on training workshop with VLAWMO staff (up to 5 people). We will teach and lead participants how to assemble functioning stations with the components that we will procure and organize into kits (Task 1). After kits have been assembled and powered up, by early afternoon, LimnoTech will teach VLAWMO staff how to manage activate and manage their cell radio SIM cards and plans, and how to view, access, and manage their online data using the EnviroDIY Data Sharing Portal.



Task 3. Provide Enviro IoT deployment and maintenance support

LimnoTech will provide with this contract up to 10 hours of additional phone, email and in-person support, to assist VLAWMO staff resolve any questions or issues they might have with deployment and maintenance of the EnviroDIY water level stations.

The LimnoTech Team:

LimnoTech’s services for this project will be primarily provided by Anthony Aufdenkampe, Ph.D., a Senior Scientist with more than 20 years of experience synthesizing monitoring data and models for watersheds. Anthony is the founder of the EnviroDIY open-source hardware and software project, beginning while he was faculty at the Stroud Water Research Center. Anthony is co-leading LimnoTech’s Environmental IoT program. He may be supported for selected tasks by additional LimnoTech staff.

COST

Budgets by Tasks

The combined cost of all three tasks total \$10,825.

Task / Activity	Labor Cost by Task	Non-Labor by Task	Total by Task
Task 1. Procure components for four wireless water level stations	\$ 1,750	\$ 4,175	\$ 5,925
Task 2. Build EnviroDIY stations in workshop with staff	\$ 3,150	\$ -	\$ 3,150
Task 3. Provide Enviro IoT deployment and maintenance support	\$ 1,750	\$ -	\$ 1,750
Totals:	\$ 6,650	\$ 4,175	\$ 10,825

Budget Justification

Personnel: **Anthony Aufdenkampe** will manage the project and do the majority of the work. He may be supported for selected tasks by additional LimnoTech staff.

Labor Rates: We offer our 2019 labor rates for the entire duration of this project. These rates include all benefits and overhead costs, according to our 2015 Federal Acquisition Regulation (FAR) Overhead Audit report. Aufdenkampe's 2019 rate is \$175 per hour, and all other potential staff for this project bill at lower rates.

Non-labor: We offer monitoring station hardware at the direct costs of hardware components and shipping plus our typical 10% Fee on Other Direct Costs (non-labor).

Budget									
VLAWMO Bacteria, Sediment, & Nutrient Reduction Project									
Vadnais Lake Area Water Management Organization									
Itemized project budget and expenditures									
Proposed Loan Funds									
Objective 1: Repair and Enhance Lambert Lake	Cost category	Unit cost	Rate	Quantity					Loan Budget Total
Task A: Replace failing fiberglass sheet pile with steel sheet pile (420 total feet)	BMP Long-term Repair/Enhancement	\$388,000.00							\$388,000.00
Loan Total									\$388,000.00
Proposed Grant Funds									
Objective: Enhance Lambert Lake, design, install, and monitor new, innovative BMPs	Cost category	Unit cost	Rate	Quantity	Grant	In kind match	Cash match	Total match	Budget total
Objective 2: BMP Engineering and Technical Assistance									
Engineering and Technical Assistance	Engineering	\$40,000.00			\$25,000.00		\$15,000.00		\$40,000.00
VLAWMO Staff Coordination	Coordinator	\$43.86	/hour	200		\$8,772.00			\$8,772.00
UMN engineering, substrate and groundwater analysis	Engineering	\$19,000.00			\$9,000.00		\$10,000.00		\$19,000.00
Objective 2 - Total									\$67,772.00
Objective 3: Install BMPs									
Task A: Dredge pond to remove accumulated sediment	BMP Maintenance	\$120,000.00			\$74,000.00		\$46,000.00		\$120,000.00
Task B: Sediment testing (3 samples)	Lab Analysis	\$2,335.00			\$2,335.00				\$2,335.00
Task C: Offsite removal of sediment	BMP Maintenance	\$30,000.00			\$15,000.00		\$15,000.00		\$30,000.00
Task D: Build 2,000-foot meander from Lambert Lake and reconnect to ditch	BMP Implementation	\$120,000.00			\$87,000.00		\$33,000.00		\$120,000.00
Task E: Sediment testing (3 samples)	BMP Implementation	\$2,335.00			\$2,335.00				\$2,335.00
Task F: Offsite removal of sediment from meander	BMP Implementation	\$20,000.00			\$10,000.00		\$10,000.00		\$20,000.00
Objective 3 - Total									\$294,670.00
Objective 4: Design and Install Biochar Cells									
Task A-C: Lab test, work with vendor to design, select placement	Engineering	\$22,509.00			\$12,509.00		\$10,000.00		\$22,509.00
Task D: Installation of biochar cells, includes perforated tubes, accessories, and support rods anchored through peat	BMP Implementation	\$5,500.00			\$5,500.00				\$5,500.00
Objective 4 - Total									\$28,009.00
Objective 5 & 6 - Monitoring									
Design sensors and sampling protocol and install	Engineering and Research	\$35,000.00			\$25,000.00		\$10,000.00		\$35,000.00
Staff Monitoring	Water Resources Manager	\$42.08	/hour	80		\$3,366.40			\$3,366.40
Bacteria Samples Lab Analysis	Lab Fees (Donated by SPRWS)					\$780.00			\$780.00
Nutrient Samples Lab Analysis	Lab Fees						\$7,080.00		\$7,080.00
Analyze Data, enter into databases, and develop research paper	Research	\$55,000.00			\$35,000.00		\$20,000.00		\$55,000.00
Objective 5 & 6 - Total									\$101,226.40
Grant Administration									
Staff Coordination	Administrator	\$69.17	/hour	65		\$4,496.05			\$4,496.05
Staff Coordination	Coordinator	\$43.86	/hour	120		\$5,263.20			\$5,263.20
Total									\$9,759.25
Education and Outreach									
Programming	E&O Coordinator	\$33.62	/hour	80		\$2,689.60			\$1,344.80
Total									\$2,689.60
Grant Total					\$ 302,679.00	\$ 25,367.25	\$ 176,080.00	\$ 201,447.25	\$ 504,126.25



800 County Road E E, Vadnais Heights, MN 55127
www.vlawmo.org; Office@vlawmo.org

To: Board of Directors
From: Dawn Tanner
Date: April 24, 2019
Re: VI. E. Pleasant-Deep-Charley

We have been using results of the resident surveys from SLMPs, retrofit reports by RCSWCD, and stakeholder meetings to identify priority projects. Control of Common carp has been identified as a priority in the chain of lakes. Control of carp was frequently stated specifically as a goal toward improving lake quality in resident surveys. The turbidity of water, algal blooms, and odor were also rated high as concerns consistently across the surveys from residents at each of the three lakes.

Recognizing these concerns and the role that carp play in degrading water quality (feeding in the bottom, disturbing sediments, mixing sediment and nutrients into the water column, and stimulating algae growth), VLAWMO consulted with Carp Solutions, a company that grew out of a University of Minnesota team researching carp control strategies. Carp Solutions has advised us to proceed in a 3-step plan to:

- 1) Year 1 (Summer 2019): Conduct a population assessment to determine population size in Pleasant Lake. During capture for population assessment, PIT tags will be injected into the fish so that their movement patterns can be determined in year 2. Population data is needed to determine how much biomass needs to be removed to result in improved water quality.
- 2) Year 2 (early Spring): Use antennae to monitor movement of carp for spawning and identify areas to focus control efforts. Recommendations for optimal carp control result from Y1 and Y2.
- 3) Year 3 (Summer/ongoing): Use movement information to remove carp. A possibility may involve using citizen scientists to bait nets with corn to acclimate the carp to feeding at these locations. When carp are acclimated, large amounts of fish can be netted and removed.

Cost for year 1: \$4,852

Cost for year 2: \$10,489

VLAWMO is working with NOHOA to develop a lake association dedicated to improving water quality in North Oaks. Our draft plan is that VLAWMO would fund year 1 of the carp work. We would partner with the lake association and pay half of the needed funds for year 2.

Recommendation: We request that the Board approve \$15,341 for a 2 year carp survey to begin in 2019 and be completed in 2020.



Determining the abundance and size structure of common carp in Pleasant Lake with management recommendations

March 21, 2019

Attn: Dawn Tanner- VLAWMO

Prepared by: Jordan Wein, Przemek Bajer
Carp Solutions LLC

www.carpsolutionsmn.com

This is a two-year proposal based on a start date of June 1st, 2019. This proposal was written to address the need for a biomass estimate for Pleasant Lake and monitoring of common carp movement between Pleasant Lake and Deep Lake. To achieve this, we propose using electrofishing surveys between the months of July and September of 2019 (Year 1) to estimate the population using catch per effort. Simultaneously, we will be implanting carp captured in Pleasant Lake with passive integrated transponder (PIT) tags. This will set the stage for monitoring and tracking their movement between the lakes in 2020 (Year 2). An antenna array will be installed near the time of ice out in spring 2020 along the creek between the lakes and will detect tagged carp as they pass through. As proposed, this project has a not to exceed total cost of **\$15,341**.

VLAWMO will need to purchase PIT tags (\$400). This cost is included in the not to exceed total above.

Specific objectives, methodology and approach reflect our experience assessing carp populations. The amount of effort to address each objective is chosen to assure adequate data collection while minimizing the time and cost.

Thank you for considering our proposal.

Objective 1: Electrofishing surveys to implant PIT tags and estimate carp abundance, biomass, size structure

We will conduct boat electrofishing surveys between June and September to estimate the population and implant carp with PIT tags. We estimate that 12 electrofishing transects will be necessary to implant between 100-200 carp. If catch rates are low, we will add two additional transects at no extra cost. It is important that these transects are conducted on 3 separate days (4 transects per day) as carp catch rates might be influenced by the weather. It is also important to tag on 3 different days because different groups of carp may be entering and leaving the lake on different dates during early spring when carp are especially likely to migrate.

All captured carp will be counted, measured for length, implanted with PIT tags and released. The mean catch rate per hour will be used to estimate carp abundance and biomass using a published relationship (Bajer et al. 2012). The carp will be released for monitoring of passage between Pleasant Lake and Deep Lake via a PIT array antenna (Objective 2). Other fish will be noted.

Client Cost: \$4,852

- Electrofishing estimate: Twelve 60 minute boat transects x \$260 = \$3,120
- Implanting PIT tags 6 hours x 160 = \$960
- Boat setup & cleanup: 1 hour x 3 days x \$160/hour = \$480
- Travel time: (1 hour round trip) x 3 days x \$80/hour = \$240
- Mileage: (30 miles round trip) x 3 days x \$0.58/mile (IRS rate) = \$52



Figure 1. Boat electrofishing survey.

Objective 2 – Movement monitoring

The objective of this effort is to monitor the movement of carp between Pleasant Lake and Deep Lake. We will implant up to 200 PIT tags during electrofishing transects (Objective 1, 2019) and release them back to Pleasant Lake. We will then design and construct the power supply, data logger, tuner, and antenna specific to the crossing between the lakes (Figure 2). We will then transport the system to the field site, install it, test and tune the antenna in the water. We will conduct initial troubleshooting and optimization of the array to ensure the highest detectability and consistent data stream to the data logger. This process is highly site-dependent. However, if more is required to accomplish this task than budgeted, we will conduct that work at no extra cost.

Following initial install, monthly technical checkups of the system will be required to ensure the system is optimized and is working properly. These checkups need to be regular to address functionality issues that would result in system failure and missed data. During each check-up the antennas will be re-tuned to maximize read range, debris will be removed from the antenna, antenna will be examined for signs of damage (if needed, we will replace the antenna at no extra cost) and data will be downloaded.

Concluding the year of monitoring (spring of 2021), we will compile all the data collected from Objective 1 and 2 and prepare a report with follow up recommendations.



Figure 2. An example of a PIT antenna array similar to what will be placed between Pleasant and Deep Lake.

Client Cost: \$10,088

- Antenna array:
 - o Design and construction (Crew of 2): 10 hours X \$160/hour = \$1,600
 - o Installation and optimization (Crew of 2): 10 hours X \$160/hour = \$1,600
 - o Monthly rental: \$300/month X 12 months = \$3,600
 - o Technical maintenance (Crew of 1): 1.5 hours/month X 12 months X \$100/hour = \$1,800
- Mileage: (30 miles round trip) x 12 trips x \$0.58/mile (IRS rate) = \$209
- Travel time: 1 hour/round trip X 12 trips X \$50/hour = \$600
- Data analysis and report (Wein): 4 hours X \$100/hour = \$400
- Revisions and management recommendations (Bajer): 2 hrs X \$140/hour = \$280

Overall Inclusive Client Cost: \$15,341

	Description	Units needed	Cost per unit	Line item total
2019--Objective 1: Biomass estimates	At least 4 60-minute electrofishing surveys per day	12	\$260	\$3,120.00
	Implanting PIT tags	6	\$160	\$960.00
	PIT tags (Purchased by VLAWMO)	200	\$2.00	\$400.00
	1 hour per day for boat setup and decontamination	3	\$160.00	\$480.00
	Travel time (1 hour per round trip)	3	\$80.00	\$240.00
	Mileage of 3 round trips X 30 miles/trip	90	\$0.58	\$52.20
2020--Objective 2: Movement monitoring	Antenna array: Design and construction	10	\$160	\$1,600.00
	Antenna array: Installation	10	\$160	\$1,600.00
	Antenna array: Monthly rental	12	\$300	\$3,600.00
	Antenna array: Maintenance, monthly checks (1.5h/month)	18	\$100	\$1,800.00
	Mileage	360	\$0.58	\$208.80
	Travel time (1 hour per round trip)	12	\$50	\$600.00
2020--Objective 3: Analysis and report	Data analysis, report (Wein)	4	\$100	\$400.00
	Final revisions and management recommendations	2	\$140	\$280.00
	Overall contract with Carp Solutions			\$14,941
	Internal VLAWMO			\$400
	Overall Cost			\$15,341

Our rates:

Ph.D. level (Bajer) \$140/hour
 Project Managers/Crew Leads \$ 100/hour
 Technicians \$60/hour

Activity personnel requirements/rates:

Boat electrofishing: \$260/hour (crew of two \$100+ \$60 + boat wear and tear \$100)
 Time traveling = 50% of hourly rates using shortest Google Maps time
 Mileage: We charge the 2019 IRS mileage rate of \$0.58 per mile.

Our references:

Name	Organization	Email
Matt Kocian	Rice Creek Watershed District	mkocian@ricecreek.org
Bill Bartodziej	Ramsey Washington Metro Watershed District	bill.bartodziej@rwmwd.org
Brian Vlach	Three Rivers Park District	brian.vlach@threeriversparks.org
Melissa Bokman	Scott County Watershed Management Organization	mbokman@co.scott.us
Jamie Schurbon	Anoka Conservation District	Jamie.schurbon@anokaswcd.org
Andrew Edgcumbe	Carver County Watershed Management Organization	aedgcumbe@co.carver.mn.us
Amy Linnerooth	Nicollet County	amy.linnerooth@co.nicollet.mn.us

Completed or ongoing projects:

Organization	Years of work
Anoka Conservation District/Martin and Typo Chain	1
Carver County Watershed Management Organization/Benton Lake	1
Nicollet County/Swan and Middle Lake watershed	1
Rice Creek Watershed District/Long Lake Chain	3
Ramsey Washington Metro Watershed District/Phalen Chain	3
Ramsey Washington Metro Watershed District/Owasso Chain	1
Scott County Watershed Management Organization/Cedar Lake	1
Three Rivers Park District/Lake Independence watershed	3
Shell Rock River Watershed District/Fountain and Albert Lea Lakes	1

Why work with Carp Solutions

Carp Solutions is a University of Minnesota Startup that uses the latest science and techniques to assess carp abundance and manage carp populations. For example, in 2017 we tested the first low-voltage electric guidance system to guide carp into traps during spawning migrations. We also developed a baited box net approach where carp are trained to form large feeding aggregations and then removed. This process is facilitated by engaging lake residents and citizens. More recently, we have been developing affordable technologies to autonomously track the movement of adult and juvenile carp between lakes. We are also strong believers in Integrated Pest Management philosophies that exploit weaknesses in pest's biology to develop cost-effective solutions. We are currently engaged in carp assessment and management in Minnesota, Michigan and Colorado.

Key Personnel



Przemek Bajer Ph.D.— Owner: As a faculty member at the University of Minnesota, he has been at the forefront of common carp research and management since 2006. Many of the most referenced scientific publications on carp management in North America have been authored by Dr. Bajer. He has a PhD in fisheries Sciences and is experienced in many aspects of carp management, biology and ecology. He will oversee the entire project, particularly data synthesis and management recommendations.



Jordan Wein, M.Sc.--Project manager: He has managed all projects for Carp Solutions since June 2015. He has worked previously on closely related projects from 2008-2010 and has a M.S. in Ecology, Evolution and Behavior. His communication and education-based focus establishes lasting relationships with clients and residents on all projects. He will manage all field operations, data collection, and logistics of Carp Solutions staff.



Aaron Claus M.Sc.— Project Manager: Previously studying chemical ecology of Bigheaded carps during his graduate academic career, he has broad interests in fish biology, behavior, and management. Starting work for Carp Solutions in 2016, he is an experienced and efficient field operator. He will conduct field work with seasonal technicians, analyze collected data, and prepare reports.

References:

Bajer, P. G. and P. W. Sorensen. 2012. Using Boat Electrofishing to Estimate the Abundance of Invasive Common Carp in Small Midwestern Lakes. North American Journal of Fisheries Management 32(5): 817-822.

TEC Report to the Board
April 2019

Programs & Projects	Effort Level	Completion Date	Comments
	LOW		
	MED		
	HIGH		
Projects			
Oak Knoll Pond		2019	Grant agreement executed between Barr & BWSR; notice letter mailed to residents around Pond. Staff awaiting monitoring plan for review, and upcoming action from Barr. Treatment anticipated in June.
Goose Lk subshed project		2017-2020	Final inputs for the modeling have been secured from MNDoT. The report from Barr should be available in March.
Lambert Creek - Ditch 14, branches		2019	Staff developing creek/ditch policy and working with contractors on Lambert Lake maintenance costs
Birch Lake		2017-19	Comments from RC and WBL are being worked into final plans, and bid documents are being prepared.
Vadnais Sucker Park		2018-20	Grant request has been submitted to Great River Greening for help with AIS removal and habitat restoration in select areas of Vadnais Sucker park.
Whitaker Wetlands		2019	Will begin season 2 of monitoring in May, working on agreement with U of M for pathogen sampling
Programs			
Outreach		4/2/2019	2018 Annual Report, annual report summary, water monitoring report, 2018 summary slideshow (online), and cost-share brochures are complete and being promoted in the community.
Education		Ongoing.	Visited Frassatti Academy 3/27 to present the Watershed Game. Additional visits to Elementary Schools, Central, and Chippewa Middle Schools upcoming.
Website		4/1/2019	Resources for residents page updated for Spring/Summer, new promotion and links for the new adopt-a-drain.org website.
WAV		April-May	A variety of volunteer events are planned for Spring: Trash Pick-up (4/13), volunteer info session (4/10), and an AIS volunteer training (4/17). Adopt-a-Raingarden volunteers are helping maintain raingardens.
Cost Share		ongoing	Several site visits made, 1 LL1 app. received, and multiple LL2 grant applications expected for 2018.
GIS		ongoing	GIS transfer to ArcOnline in progress. Several surveys taken.
Monitoring		ongoing	Season to begin in May
WCA		ongoing	Staff developing wetland replacement policy, working on year end report, few project reviews

TEC Report to the Board
April 2019

Admin & Operation			
SLMPs		2019	Surveys by RSWCD planned for W. Vadnais, Birch and Goose Lakes. Dates will be set when the weather is more certain.
Budget		June 2019	The draft 2020 budget has has gone to the Finance committee and will be introduced at Board, with further discussion at TEC in May.
Administration		Sept. 2018	The audit of 2018 by CLA is complete and will be presented at Board in April.
SSU		ongoing	2019 SSU fee will go out on the spring property tax statements
Water Plan		ongoing	The draft Water Plan amendment is being recommended by the TEC to the Board for public notice. The last two Local Water Plans

FINANCIAL SUMMARY as of 4/1/2019			CD's		4M Term Series	
				Maturity	Rate	
4M Account (1.10)	4M Plus (1.23)	Total	Term series			
\$265,312	\$306,361	\$571,673				

Budget Summary	Actual Expense YTD	2019 Budget amended	Remaining in Budget	% YTD
Operations	\$154,091	\$566,570	\$497,535	25%
CIP	\$45,419	\$259,200	\$566,134	8%
Total	\$199,510	\$825,770	\$626,260	24%

April-19		Actual 4/1/19	Actual to Date	2019 Budget	2018 carry over/Grants	Remaining in Budget	2019 Available	Act vs. Budget
BUDGET #	INCOME							
5.11	Storm Water Ut	\$0	\$0	\$836,150	\$0	\$836,150	\$836,150	0%
5.12	Service Fees	\$0	\$0	\$200	\$0	\$200	\$200	0%
5.13	Interest	\$1,916	\$3,705	\$1,300	\$0	(\$2,405)	\$1,300	285%
5.14	Misc. income - V	\$0	\$0	\$5,000	\$0	\$5,000	\$5,000	0%
5.15	Other Income G	\$0	\$22,313	\$20,000	\$0	(\$2,313)	\$0	
5.16	Transfer from re	\$0	\$0	\$0	\$0	\$0	\$0	
	TOTAL	\$1,916	\$280,002	\$862,650	\$0	\$836,632	\$842,650	32%
	EXPENSES							
3.1	Operations & Administration							
3.110	Office - rent, cop	\$2,132	\$7,767	\$23,700	\$0	\$15,933	\$23,700	33%
3.120	Information Sys	\$520	\$5,436	\$22,000	\$2,500	\$19,064	\$24,500	22%
3.130	Insurance	\$0	\$187	\$5,200	\$400	\$5,413	\$5,600	3%
3.141	Consulting - Aud	\$6,000	\$6,000	\$6,400	\$0	\$400	\$6,400	94%
3.142	Consulting - Bod	\$563	\$563	\$2,000	\$0	\$1,437	\$2,000	28%
3.143	Consulting - Leg	\$0	\$0	\$4,000	\$3,000	\$7,000	\$7,000	0%
3.150	Storm Sewer Ut	\$0	\$1,172	\$13,500	\$2,000	\$14,328	\$15,500	8%
3.160	Training (staff/t	\$0	\$355	\$4,500	\$1,000	\$5,145	\$5,500	6%
3.170	Misc. & mileage	\$229	\$1,189	\$5,500	\$1,000	\$5,311	\$6,500	18%
3.191	Administration -	\$24,291	\$67,300	\$340,260	\$30,000	\$302,960	\$370,260	18%
3.192	Employer Liabil	\$6,175	\$24,601	\$88,810	\$2,500	\$66,709	\$91,310	27%
3.2	Monitoring and Studies							
3.210	Lake and Creek	\$0	\$0	\$24,000	\$0	\$24,000	\$24,000	0%
3.220	Equipment	\$0	\$8,409	\$2,000	\$9,200	\$2,791	\$11,200	75%
3.3	Education and Outreach							
3.310	Public Educatio	\$0	\$2,461	\$7,200	\$1,500	\$6,239	\$8,700	28%
3.320	Marketing	\$190	\$2,162	\$7,500	\$2,000	\$7,338	\$9,500	23%
3.330	Community Blue	\$0	\$833	\$10,000	\$4,300	\$13,467	\$14,300	6%
	<i>Total Core functions: Ops, Monit</i>	<i>\$40,100</i>	<i>\$154,091</i>	<i>\$566,570</i>	<i>\$59,400</i>	<i>\$497,535</i>	<i>\$625,970</i>	<i>25%</i>
	Capital Improvement Projects and Programs							
3.4	Subwatershed Activity							
3.410	Gem Lake	\$0	\$0	\$1,200	\$0	\$1,200	\$1,200	
3.420	Lambert Creek	\$0	\$22,313	\$45,000	\$50,000	\$72,687	\$95,000	23%
3.425	Goose Lake	\$2,432	\$10,146	\$67,000	\$113,696	\$170,550	\$180,696	6%
3.430	Birch Lake	\$6,410	\$11,752	\$10,000	\$18,923	\$17,171	\$28,923	41%
3.440	Gilf Black Tam v	\$0	\$0	\$54,000	\$0	\$54,000	\$54,000	0%
3.450	Pleasant Charle	\$0	\$5,746	\$15,000	\$5,000	\$14,254	\$20,000	29%
3.460	Sucker Vadnais	\$0	(\$45,700)	\$2,000	\$64,900	\$112,600	\$66,900	-68%
3.48	Programs							
3.481	Landscape 1	\$0	\$0	\$24,000	\$0	\$24,000	\$24,000	0%
3.482	Landscape 2	\$0	\$0	\$20,000	\$1,500	\$21,500	\$21,500	0%
3.483	Project Researc	\$0	\$0	\$14,000	\$30,000	\$44,000	\$44,000	0%
3.470	Facilities Maint	\$0	\$0	\$5,000	\$27,172	\$32,172	\$32,172	0%
3.5	Regulatory							
3.510	Engineer Plan r	\$0	\$0	\$2,000	\$0	\$2,000	\$2,000	0%
	<i>Total CIP & Prog</i>	<i>\$8,842</i>	<i>\$45,419</i>	<i>\$259,200</i>	<i>\$311,191</i>	<i>\$566,134</i>	<i>\$570,391</i>	<i>8%</i>
	Total of Core Op	\$48,942	\$199,510	\$825,770	\$370,591	\$1,063,669	\$1,196,361	17%

Fund Balance		3/1/2019	4/1/2019
4M Account		\$133,449	\$265,312
4M Plus Savings		\$230,788	\$306,361
Total		\$364,237	\$571,673

Restricted funds	4/1/2019
Mitigation Savings	\$29,640
Term Series (3/28/19)	\$0

Vadnais Lake Area Water Management Orga
Profit & Loss
March 9 through April 12, 2019

3:34 PM

04/03/2019

Cash Basis

Mar 9 - Apr 12, 19

Ordinary Income/Expense	
Income	
Mitigation Interest	1.51
5.1 · Income	
5.13 · Interest	1,916.20
Total 5.1 · Income	<u>1,916.20</u>
Total Income	<u>1,917.71</u>
Gross Profit	<u>1,917.71</u>
Expense	
3.1 · Administrative/Operations	
3.110 · Office	
Copies	37.56
Phone/Internet/Machine Overhead	275.00
Postage	45.50
Rent	1,540.00
Supplies	234.22
Total 3.110 · Office	<u>2,132.28</u>
3.120 · Information Systems	
IT Support	467.00
Software	32.20
WEB	20.83
Total 3.120 · Information Systems	<u>520.03</u>
3.141 · Audit	6,000.00
3.142 · Bookkeeping help	562.50
3.160 · Training (staff/board)	0.00
3.170 · Misc. & mileage	229.10
3.191 · Employee Payroll	
payroll	24,291.20
	0.00
	0.00
	0.00

	Mar 9 - Apr 12, 19
	<u>0.00</u>
Total 3.191 · Employee Payroll	24,291.20
3.192 · Employer Liabilities	
Admin payroll processing	44.92
Administration FICA	1,797.71
Administration PERA	1,821.84
Insurance Benefit	2,506.98
3.192 · Employer Liabilities - Other	4.00
Total 3.192 · Employer Liabilities	<u>6,175.45</u>
Total 3.1 · Administrative/Operations	39,910.56
3.2 · Monitoring and Studies	
3.220 · Equipment	0.00
Total 3.2 · Monitoring and Studies	<u>0.00</u>
3.3 · Education and Outreach	
3.310 · Public Education	0.00
3.320 · Marketing	189.80
Total 3.3 · Education and Outreach	<u>189.80</u>
3.4 · Capital Imp. Projects/Programs	
3.425 · Goose Lake	
WB Funding - Goose subshed	2,431.50
Total 3.425 · Goose Lake	<u>2,431.50</u>
3.430 · Birch Lake	
4th & Otter project	6,410.00
Total 3.430 · Birch Lake	<u>6,410.00</u>
Total 3.4 · Capital Imp. Projects/Programs	<u>8,841.50</u>
Total Expense	<u>48,941.86</u>
Net Ordinary Income	<u>-47,024.15</u>
Net Income	<u><u>-47,024.15</u></u>

Vadnais Lake Area Water Management Organization

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Check Detail

04/03/2019

March 9 through April 12, 2019

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check eft		03/18/2019	Reliance Standard		Checking - 1987		-184.38
				Insurance Benefit		-184.38	184.38
TOTAL						-184.38	184.38
Check eft		03/20/2019	further		Checking - 1987		-4.00
				3.192 · Employer Liabilities		-4.00	4.00
TOTAL						-4.00	4.00
Check	4686	04/12/2019	Tyler J Thompson		Checking - 1987		-54.35
				3.170 · Misc. & mileage		-35.38	35.38
				Supplies		-18.97	18.97
TOTAL						-54.35	54.35
Check	4687	04/12/2019	Barr Engineering Co		Checking - 1987		-8,841.50
				WB Funding - Goose subshed		-2,431.50	2,431.50
				4th & Otter project		-4,117.50	4,117.50
				4th & Otter project		-2,292.50	2,292.50
TOTAL						-8,841.50	8,841.50
Check	4688	04/12/2019	Stephanie Oliver McNamara		Checking - 1987		-234.50
				Insurance Benefit		-135.50	135.50
				Insurance Benefit		-99.00	99.00
TOTAL						-234.50	234.50
Check	4689	04/12/2019	Brian Corcoran		Checking - 1987		-49.30

	3.170 · Misc. & mileage	-49.30	49.30
TOTAL		<u>-49.30</u>	<u>49.30</u>
Check 4690 04/12/2019 Innovative Office Solutions	Checking - 1987		-241.68
	Supplies	-215.25	215.25
	3.320 · Marketing	-26.43	26.43
TOTAL		<u>-241.68</u>	<u>241.68</u>
Check 4691 04/12/2019 Dawn Tanner	Checking - 1987		-122.96
	3.170 · Misc. & mileage	-122.96	122.96
TOTAL		<u>-122.96</u>	<u>122.96</u>
Check 4692 04/12/2019 Nicholas Voss	Checking - 1987		-38.27
	3.170 · Misc. & mileage	-21.46	21.46
	3.320 · Marketing	-16.81	16.81
TOTAL		<u>-38.27</u>	<u>38.27</u>
Check 4693 04/12/2019 City of Vadnais Heights	Checking - 1987		-1,898.06
	Rent	-1,540.00	1,540.00
	Phone/Internet/Machine Overhead	-200.00	200.00
	Phone/Internet/Machine Overhead	-75.00	75.00
	Postage	-45.50	45.50
	Copies	-37.56	37.56
TOTAL		<u>-1,898.06</u>	<u>1,898.06</u>
Check 4694 04/12/2019 City of White Bear Lake	Checking - 1987		-30,043.77
	payroll	-24,291.20	24,291.20
		0.00	0.00
		0.00	0.00
		0.00	0.00

	Administration FICA	-1,797.71	1,797.71
	Administration PERA	-1,821.84	1,821.84
	Insurance Benefit	-2,088.10	2,088.10
	Admin payroll processing	-44.92	44.92
		0.00	0.00
TOTAL		<u>-30,043.77</u>	<u>30,043.77</u>

Check 4695 04/12/2019 City Of Roseville

Checking - 1987

-467.00

	IT Support	-467.00	467.00
TOTAL		<u>-467.00</u>	<u>467.00</u>

Check 4696 04/12/2019 CliftonLarsonAllen

Checking - 1987

-6,562.50

	3.141 · Audit	-6,000.00	6,000.00
	3.142 · Bookkeeping help	-562.50	562.50
TOTAL		<u>-6,562.50</u>	<u>6,562.50</u>

Vadnais Lake Area Water Management Organization
Custom Transaction Detail Report
March 9 through April 12, 2019

3:39 PM

04/03/2019

Accrual Basis

Type	Date	Num	Name	Memo	Account	Clr	Split	Amount	Balance
Mar 9 - Apr 12, 19									
Credit Card Charge	03/12/2019		Fresh Thyme	north oaks stakeholder myg	US Bank CC		3.320 · Marketing	21.42	21.42
Credit Card Charge	03/15/2019		FastSigns	wildlife sign - photo exhibit	US Bank CC		3.320 · Marketing	50.00	71.42
Credit Card Charge	03/15/2019		Adobe "Creative Cloud		US Bank CC	√	Software	32.20	103.62
Credit Card Charge	03/15/2019		Google*SVCAPPS_VLAWM		US Bank CC	√	WEB	20.83	124.45
Credit Card Charge	03/15/2019		Amazon.com	foam boards	US Bank CC	√	3.320 · Marketing	75.14	199.59
Transfer	03/21/2019			fund transfer	US Bank CC		Checking - 1987	-582.86	-383.27
								-383.27	-383.27
Mar 9 - Apr 12, 19									



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To: the Board of Directors
From: Stephanie McNamara
Re: VII. B. Draft 2020 Budget – Preliminary review

Draft 2020 VLAWMO Budget. The first draft of the 2020 budget and the narrative footnotes are attached. The projected increase to the Storm sewer utility fees is about 6.6%, substantially less than last year. This is the Board preliminary review in April. The Finance committee has seen this draft. Final approval will be at the June Board meeting so there is time for discussion and consideration at both meetings. Please contact me if you have any questions or recommendations outside of the two Board meetings. There are two new line items in the budget.

- a. **Consultant – Engineering and technical.** This creates a budget category for this general services engineering cost. We have, quite literally, just started to work with S.E.H. so the estimate of \$30,000 was left for 2020. It retires the ‘Project research and feasibility’ under the Programs section of the budget. Other work that might have been done under Project research and feasibility will fall under the appropriate subwatershed budget. This budget shift essentially moves this general engineering expense from Capital spending to the Operation part of the budget that funds other professional consultants we use such as legal, audit and bookkeeping.
- b. **Wetland assessment & management.** This is a new category under the Monitoring part of the budget. As noted in the Footnotes: It allows VLAWMO to pursue wetland health assessment within the watershed as identified in Goal 1-3, ‘minimize the loss of wetland function and value within the watershed’. It is also addressed by Goal 4-1, ‘the need for adequate data, analysis, financing and staff capacity’. VLAWMO will be building its understanding of its 500+ wetlands one complex, allowing for informed management decisions. The \$10,000 budget should allow some wetland delineation and MN Routine Assessment Methodology (MNRAM) to be done a targeted wetland complex. We are hoping to start with a section of Vadnais-Sucker park that contains native wetland plant communities. This is rare in the metro area.

No action is requested at this meeting, however Board discussion and direction is appreciated. Once again, Board action is scheduled for June.



VLAWMO BUDGET DR 2020		Actual		Approved	2018 Working	Actual	Approved	2019	Apvd w-FB	Draft		
EXPENSE		Actual 2016	2017	2017	2018	Budget (w-FB)	2018	2019 Budget	Fund balance	2019	2020	
3.1	Operations & Administration	\$447,387	\$459,740	\$452,823	\$481,500	\$499,890	\$441,626	\$517,450	\$42,400	\$559,850	\$554,000	budget 6.9%
	3.110 Office	\$22,000	\$23,740	\$23,001	\$23,700	\$23,700	\$23,192	\$24,980	\$0	\$24,980	\$25,200	\$220 lease +\$450
	3.120 Information systems	\$19,890	\$19,500	\$14,911	\$21,500	\$24,000	\$15,927	\$22,000	\$2,500	\$24,500	\$20,000	\$500 actual lower + software PS & GIS & QB
	3.130 Insurance	\$4,370	\$5,200	\$5,110	\$5,200	\$5,700	\$5,251	\$5,200	\$400	\$5,600	\$5,800	\$0 slightly higher
	3.141 Consulting -Audit	\$6,780	\$6,800	\$6,170	\$6,400	\$6,400	\$6,265	\$6,700	\$0	\$6,700	\$6,700	\$300 the same
	3.142 Consulting - Bookkeeping	\$2,148	\$1,500	\$1,420	\$2,000	\$2,000	(\$70)	\$2,000	\$0	\$2,000	\$1,500	-500 help from Karla
	3.143 Consulting - Legal	\$3,607	\$3,000	\$4,020	\$3,000	\$6,890	\$2,329	\$4,000	\$3,000	\$7,000	\$4,000	\$1,000 the same
	3.144 Consutling - Eng. & Tech.										\$30,000	
	3.150 Storm Sewer Utility	\$12,078	\$16,000	\$12,449	\$13,500	\$16,500	\$12,914	\$13,500	\$2,000	\$15,500	\$14,000	\$0 slightly higher
	3.160 Training - staff, board,TEC	\$1,781	\$4,000	\$3,016	\$4,000	\$4,500	\$3,393	\$4,500	\$1,000	\$5,500	\$4,500	\$500 slightly higher
	3.170 Misc & contingency	\$3,236	\$7,000	\$4,026	\$5,200	\$9,200	\$4,011	\$5,500	\$1,000	\$6,500	\$5,500	-500 the same 2018
	3.191 Employee payroll	\$298,211	\$303,000	\$298,761	\$314,000	\$318,000	\$293,819	\$340,260	\$24,000	\$364,260	\$347,200	added amt 3.5%
	3.192 Employee liability	\$62,343	\$70,000	\$79,939	\$83,000	\$83,000	\$74,596	\$88,810	\$8,500	\$97,310	\$89,600	3.5%
3.2	Monitoring & Studies	\$20,617	\$25,500		\$25,000	\$28,500	\$13,953	\$26,000	\$9,200	\$35,200	\$26,000	4%
	3.210 Lake & creek program lab analysis	\$18,751	\$23,000	\$23,523	\$22,500	\$22,500	\$13,146	\$24,000	\$4,000	\$28,000	\$22,000	1500
	3.220 Equipment	\$1,866	\$2,500	\$1,454	\$2,500	\$6,000	\$807	\$2,000	\$5,200	\$7,200	\$4,000	-500
	3.230 Wetland assessment & mangagement										\$10,000	
3.3	Education & Outreach	\$13,292	\$34,000		\$24,000	\$29,700	\$9,725	\$28,000	\$7,800	\$35,800	\$26,000	14%
	3.310 Public Education	\$977	\$7,000	\$6,136	\$7,000	\$7,200	\$3,617	\$9,500	\$1,100	\$10,600	\$8,500	\$2,500 2019 Master Water stewards
	3.320 Outreach and marketing	\$4,315	\$7,000	\$1,204	\$7,000	\$7,500	\$2,008	\$8,500	\$2,400	\$10,900	\$7,500	\$1,500
	3.330 Community Blue education grant	\$8,000	\$20,000	\$700	\$10,000	\$15,000	\$4,100	\$10,000	\$4,300	\$14,300	\$10,000	\$0
3.4	Capital Improvement Projects &	\$186,624	\$125,900		\$240,900	\$527,850	\$313,278	\$259,200	\$281,192	\$538,392	\$281,000	7.1%
	Subwatershed Activity				\$174,900	\$417,140	\$259,459	\$194,200	\$252,519	\$446,719	\$232,000	
	3.410 Gem Lake subwatershed		\$0	\$0	\$0	\$0	\$0	\$1,200	\$0	\$1,200	\$0	
	3.420 Lambert Creek subwatershed	\$111,358	\$1,000	\$323,384	\$57,000	\$163,290	\$224,913	\$45,000	\$50,000	\$95,000	\$110,000	\$45,000 ditch atuhc \$30K
	3.425 Goose Lake subwatershed	\$19,096	\$14,900	\$12,534	\$60,000	\$117,365	\$14,668	\$67,000	\$113,696	\$183,696	\$60,000	\$67,000 alum dosi \$53,000 Matches: 45k+15k
	3.430 Birch Lake subwatershed	\$0	\$5,700	\$12,469	\$22,200	\$26,900	\$7,977	\$10,000	\$18,923	\$33,923	\$10,000	shoreline work, catch \$90,000 neighborhood rg?
	3.440 Gilfillan Black Tamarack Wilkinson	\$0	\$17,600	\$17,915	\$30,000	\$35,185	\$5,892	\$54,000	\$0	\$54,000	\$30,000	Wilk BMP, SLMP study
	3.450 Pleasant Charley Deep subwatershed		\$5,700	\$0	\$5,700	\$9,400	\$3,576	\$15,000	\$5,000	\$8,200	\$10,000	Charley sed. Study carp or wetland rest.
	3.460 Sucker Vadnais subwatershed		\$0	\$0	\$0	\$65,000	\$2,433	\$2,000	\$64,900	\$70,700	\$12,000	Sucker channel carp or wetland rest.
	3.48 Programs					\$110,710	\$53,819	\$63,000	\$28,673	\$91,673	\$49,000	
	3.481 Landscape 1 - cost-share	\$14,270	\$24,000	\$19,094	\$24,000	\$28,500	\$20,843	\$24,000	\$0	\$24,000	\$24,000	
	3.482 Landscape 2	\$20,000	\$30,000	\$10,000	\$30,000	\$30,000	\$6,605	\$20,000	\$1,500	\$21,500	\$20,000	
	3.483 Project research and feasibility - wa	\$18,676	\$17,000	\$20,223	\$5,000	\$21,500	\$22,834	\$14,000	\$0	\$14,000	\$0	
	3.484 Maintenance & operations	\$3,224	\$10,000	\$2,290	\$5,000	\$30,710	\$3,538	\$5,000	\$27,173	\$32,173	\$5,000	
3.5	Regulatory	\$0	\$5,000		\$2,000	\$2,000	\$1,694	\$2,000	\$0	\$2,000	\$2,000	
	3.510 Engineering plan review	\$0	\$5,000	\$0	\$2,000	\$2,000	\$1,694	\$2,000	\$0	\$2,000	\$2,000	
Total budget		\$667,920	\$650,140	\$903,749	\$773,400	\$1,087,940	\$780,277	\$832,650	\$340,592	\$1,171,242	\$889,000	6.34%

INCOME		2016 Actual		2017	Ap. 2018	Ap 2018	Actual 2018	Ap. 2019	FB 2019	2019	Dr 2020	Increase
5.1												\$54,650 budget
	5.11 Storm Sewer Utility	\$498,792	\$645,440	\$655,124	\$747,400	\$747,400	\$755,211	\$826,150		\$826,150	\$880,800	830878.3 SSU inc. 6.62%
	5.12 Fees for Service	\$500	\$500	\$100	\$500	\$500	\$200	\$200		\$200	\$200	2019 SSU
	5.13 Interest	\$577	\$200	\$1,581	\$500	\$500	\$5,979	\$1,300		\$1,300	\$5,000	est. '20 SSU
	5.14 Misc. income - WCA admin grant	\$5,848	\$4,000	\$4,360	\$5,000	\$5,000	\$2,440	\$5,000		\$5,000	\$3,000	inc in SSU
	5.15 Other funding sources - grants, donations		\$0	\$202,264	\$20,000	\$20,000	\$241,579	\$0		\$0	\$0	\$1,010,650 w/ grants Grants
	5.16 Transfer from reserves or fund bal	\$50,000	\$0	\$90,000	\$0	\$316,540	\$0	\$0	\$340,592	\$340,592	\$0	change w/grants 23.5%
Total income		\$555,717	\$650,140	\$953,429	\$773,400	\$1,089,940	\$1,005,409	\$832,650		\$1,173,242	\$889,000	\$291,428 Fund Balance target

Footnotes for the 2020 VLAWMO Budget

1. **3.110 - \$24,980 Office.** The rental expenses are anticipated to increase under a lease with the City of Vadnais Heights. Details are in the table below. Rent includes the main office, 4 cubicles, storage space and access to conference rooms. Telephone, internet and office machine overhead is \$3,240 for 2018. Postage, copies and supplies are estimated.

Office expense	2016 amended	2017 amended	2018 proposed	2019	2020
Rent	17400	17,400	17,640	17880	18,120
Tel /Internet/ machine use	2820	2820	3000	3180	3,360
Postage	550 *	600 *	600 *	600 *	620 *
Copies	450 *	500 *	500 *	550 *	1050 *
Supplies	1950 *	2000 *	2000 *	2050 *	2050 *
total	\$23,170	\$23,320 *	\$23,740 *	\$24,260	\$25,200 *

*estimated

2. **3.12 - \$20,000. Information systems** – This covers the critical IT annual maintenance costs, hardware updates and software licenses:
 - a. Roseville – Metro INET 14% or \$50/mo inc.\$11,200
 - b. website hosting, update fund,support & email (HDR) \$3000,
 - c. Google apps for government \$250
 - d. GIS web hosting & update to the GIS mapping system (Houston), \$1300,
 - e. Adobe software for (\$52 * 4 *apro*) + (\$33 * 12 *cs*) + (\$9*12 *ps*) = \$712
 - f. ESRI ArcView license renewal (\$710) & GIS User group dues \$255.
 - g. Software updates: \$500
 - h. Hardware updates (1.33 laptops): \$2000
3. **3.13 - \$5800. Insurance.** Public official’s errors and omissions insurance has additional broker fees. The cost of the League of MN Cities insurance and membership is being explored as a viable and less costly alternative. Worker’s compensation insurance tracks with payroll costs.
4. **3.141- \$6700. Consulting - Audit.** This amount is an estimate as VLAWMO will need to go out for bid for 2020.
5. **3.142 \$2000 Consulting - Bookkeeping.** We have taken bookkeeping in house. However, it has proven very useful to ask for special Quick books assistance at year-end. This amount is probably slightly higher than we used this year but we are allowing a little buffer. ine item will allow for the hire of a new bookkeeper for 2019 if this proves most efficient or to secure Quick books technical help.
6. **3.143 \$4000 Consulting - Legal** This is the same as 2018 budget. We may want to consider a JPA update to address insurance needs.
7. **3.144 \$30,000 Engineering and Technical. This is a New budget item** for engineering or technical general services. This is an estimate and the same as 2019. As of this memo, VLAWMO has just entered into a contract S.E.H.

8. **3.150 \$14,000 Storm Sewer Utility.** This budget item provides consultant assistance to translate our annual budget into SSU fees for each of 11,000+ parcels within VLAWMO and assistance certifying those parcels to two Counties. This assistance is critical to the SSU, the main source of VLAWMO funding. Consulting fees vary slightly from year to year depending on property divisions and other changes during the year. Property roll changes later in the calendar year tend to be more expensive to us as it requires reapportioning already determined or certified fees. Certification payments to the counties are about \$4500.
9. **3.160 \$4,500 Training: staff, Board, TEC.** Five staff and some volunteers taking advantage of occasional excellent workshops. \$1000 is included the training budget to provide the beginning of the educational assistance fund consistent with the policy adopted by the Board to provide up to \$1000 annually to staff going back to school. So far staff has not taken advantage of this but there is interest. The \$1000 if not used is intended to roll over in case more than one at a time is taking advanced training or coursework.
10. **3.170 Misc. & contingency \$5500** This item was reduced in 2017 based on 2016 expenditures and is the same as 2019. Mileage at federal rates, legal notices and other expenses are paid with this budget item. Our contingency budget represents less than 1.0% of the total budget.
11. **3.191 & 3.092. Administration or staff payroll: \$347,200 + \$89,600 = \$436,800** (employer liability – FICA, PERA, health insurance) is proposed for 2020 which allows for up to a 3% average increase and market adjustments. Background: 2016 is the first full year of five full time employees. This was not budgeted in 2016 which resulted in about \$30,000 drawn from reserves. After functioning at 4 staff members for the first 4 months of 2016 the fifth staff member started in as an intern May. This allowed for some 2016 savings. The 2017 budget was already approved by the time the Board considered health insurance for employees. Changes in the health insurance market were not reflected in the health benefit stipend (remained @ \$4700 for 8 years). The Board to authorized health insurance & a Health Savings Account in 2017. Our employer liability which includes health insurance, FICA, PERA, and payroll processing stayed under budget in 2018. A slight increase is budgeted for 2020. Paying staff is our biggest single expense, but critical to all other programs. VLAWMO benefits include vacation and sick leave (based on length of service), paid holidays, health insurance & HSA, PERA (required public pension) and short term disability.
12. **3.21. \$22,000 Lake and creek lab analysis** . Actual costs decreased in 2018 due to a change in lab. VLAWMO still partners with Ramsey County on chloride testing. VLAWMO is partnering with the St. Paul Regional Water Service enumeration bacteria sampling and analysis. The bacteria testing costs are reflected in the project costs rather than here in the general program expenses SPRWS does the analysis and VLAWMO purchases the testing media. The first years of Whitaker wetland monitoring will paid from the CIP budget under the grant. DNA analysis was done by Weston labs in California and is paid under the CIP.

13. **3.22. \$4,000 Equipment** We replaced the canoe in 2019. This pays for maintenance or replacement costs on essential water quality equipment. Life jackets need replacement. This pays for bacteria processing supplies, ice & dry ice for transport and other supplies.
14. **3.23. \$10,000 Wetland assessment & management. This is a New budget item for 2020.** It allows VLAWMO to pursue wetland health assessment at targeted wetland complexes as identified in Goal 1-3, minimize the loss of wetland function and value within the watershed. It is also addressed by Goal 4-1, the need for adequate data, analysis, financing and staff capacity. VLAWMO will be building its understanding of its 500+ wetlands one complex, allowing for informed management decisions.
15. **3.310 Public Education - \$8,500.** This was increase to provide funding for training Master Water Stewards in 2019. As no new stewards are planned for 2020 this number was reduced. It also provides materials and books for working with schools, community organizations and our municipal partners. It pays dues to partner organizations such as NEMO, and Watershed Partners. This is for expenses associated with the Annual Report and subsidizing books for workshops.
16. **3.320 \$7500 Outreach and marketing.** This portion of the budget would fund brochures, community event materials and non- project related signage. Facebook ads, constant contact for e-news distribution, brochures, branding material & swag are included.
17. **3.330 \$10,000 Community Blue Education grant.** Community Blue. This will be the 4th year of the education grant program that partners with community groups within the watershed to promote water resource stewardship. The amount available is set in the budget rather than the policy guidance. Interest has been increasing in the program. 2019 has funded Growing Green Hearts program working with several area churches and mini grant to pay for signs, etc..
18. **3.410 \$0 Gem Lake Subwatershed.** for 2020. The Water Plan describes expenses in other years.
19. **3.320 \$120,000 Lambert Creek Subwatershed..** Major maintenance has been identified Lambert Lake. A 319 grant has been requested which may cover part of the maintenance activities if funded. Either way, the maintenance is a CIP level work. The majority of the funding for the Whitaker Treatment wetlands will come from the LCCMR grant and not reflected here. \$20,000 of this is grant funding. Monitoring by both the University of MN and VLAWMO starts in 2019.
20. **3.425 \$60,000 Goose Lake Subwatershed.** \$60,000 is anticipated to build a project fund or provide grant match funds with partners. The Projects include Alum treatment on Goose Lake, shoreline restoration of targeted areas and a pilot spent lime project in the drainage area.
21. **3.430 \$10,000 Birch Lake Subwatershed.** This is monitoring and follow up work for the project on 4th and Otter Lake Road. The rest is for other collaborative work with BLID.
22. **3.440 \$30,000 Gilfillan Black Tamarack Wilkinson Amelia Subwatershed.** Wilkinson feasibility/BMP work.

23. **3.450 \$10,000 Pleasant Charley Deep Subwatershed.** Charley and or Pleasant special monitoring and feasibility work.
 24. **3.460 \$12,000 Sucker Vadnais Subwatershed.** Work on West Vadnais and or Sucker Lake and channel.
 25. **3.381 \$24,000. Landscape 1 (cost-share).** This program remains popular and effective putting the funds directly back into BMP's in the ground. It remains the same for 2019. The Board and TEC have seen this as a good opportunity to put good stormwater practices directly back into the watershed and foster stewardship and education.
 26. **3.382 \$20,000 Landscape 2.** The Landscape Level 2 grant program as the funding source for those larger (greater than \$10,000) projects brought to VLAWMO by community partners who otherwise could not implement their best management practice.
 27. **3.383 \$0 Project research and feasibility – watershed wide.** This is being provided for under Consultant – Engineering and technical (3.144) or under the subwatershed areas.
 28. **3.484 \$5,000 Maintenance and operations (Facilities maintenance).** This was reduced in 2017. This is based on actual expenditures. The Board has been rolling over unspent funds at year end so the available balance has so far met the 3% increase goal identified in the Water Plan. As VLAWMO installs more projects, out maintenance liability also increases.
 29. **3.510 \$2000 Plan reviews – engineering assistance.** This is a new category established as a core activity under the new plan. Much of the work is done in-house by staff. This would provide assistance of a water resources or civil engineer.
 30. **INCOME. 5.51 \$880,150 Storm Sewer Utility fees.** Last year was: \$826,150. This is an increase of \$6.6%. At those numbers the single family rate would be about \$3.10 annually.
 31. **5.12 Service fees (\$200)** reduced based on actual although this income varies from year to year.
 32. **5.13 Interest (\$5000)** has also been increased to better reflect current interest rates.
 33. **5.14 WCA subgrant & misc. income (\$3000)** – this is dependent on what development activity is happening during the year.
 34. **5.15 \$0 Other funding sources – grants, donations.** No funds are reflected in the budget. However, the final year of the Whitaker grant will be funding monitoring by VLAWMO and the U of M spent & reimbursed (about \$15K). The Clean Water Watershed plan funding may be used in either 2018-19 for the identified project (see Goose Lake subshed above).
 35. **5.16 Transfer from reserves and grants: \$0** is budgeted. VLAWMO is in the process of rebuilding reserves.
-
1. Cost share - \$4000 total, \$2,000 each year. To come from 6.4.4 Financial incentives (6.3.4) in 2016 and Landscape I (3.381) in 2017.

March 2019

2. Technical & design assistance - \$5,000. Other design assistance. Funding will come from Research and feasibility (3.383) in 2019.
3. Subwatershed work on Deep and Amelia (3.35) \$5000. Amelia vegetation/bathymetric SLMP study.



800 County Road E E, Vadnais Heights, MN 55127
www.vlawmo.org; Office@vlawmo.org

To: Board of Directors

From: Nick Voss

Date: April 24, 2019

Re: VII. C. Education and Outreach

Spring event calendar:

- Aquatic Invasive Species volunteer training: April 17th
- Earth day volunteer clean-up: May 4th
- Raingardens and Beyond workshop: May 8th
- Native Plants as Turf Alternatives: May 16th
- Wetlands Wildlife Presentation: May 24th
- Neighborhood plant swap: May 25th
- Community raingarden plating and maintenance: June 1st
- New Science in Turf Management & Irrigation: June 5th (U of M)

More information and flyers for workshops are available on the web calendar, found on the VLAWMO homepage. Please feel free to contact Nick for questions or more information.

The 2018 annual report, annual report summary, water monitoring summary, and new cost share brochure are now available.

A Water Matters presentation has been identified for the August board meeting. Brook Asleson, MPCA Chloride Specialist is available and tentatively reserved for August 28th. Because this is during the State Fair, Brooke also expressed interest in doing the October meeting as a back-up.

To: VLAWMO Board of Directors

From: Dawn Tanner & Tyler Thompson

Date: April 19, 2019

Re: VII. D. Project Updates

1. Goose Lake

a. Oak Knoll Pond Study & WBF in the Goose Subwatershed

Staff met with Barr Engineering, St. Paul Regional Water Service, and RWMWD in the beginning of March to discuss and plan for the spent lime treatment of Oak Knoll Pond in VLAWMO, and Wakefield Pond in RWMWD. VLAWMO staff will be assisting in coordinating spent lime application, as well as water quality sampling efforts. Oak Knoll Pond residents were sent letters in March, explaining the moving forward of the Study, as well as what they can expect to see happening on the Pond in the coming months. The project is the result of an awarded a MSRC grant that was submitted and is being managed by Barr Engineering.

Barr will conduct further sediment sampling on Oak Knoll for dosing rates, and is working with a contractor on the logistics of spent lime application. At this point, sourcing spent lime from White Bear Lake's treatment plant seems to be the favorable option, as it is closer to the slurry form that is ideal for application, as well as having the benefit of being closer, location-wise, to the Pond. Staff is awaiting a monitoring plan and further instruction from Barr.

The majority of the stormsewer data needed for the Goose Lake subwatershed H&H modeling and assessment has been gathered and submitted, though there are were several spots where data was missing or structures were suspected. VLAWMO staff has begun collecting this data with the GNSS surveyor, but was delayed several time due to interrupted snow melt and storms. Staff anticipates having the remaining stormsewer features collected and submitted to Barr for review and use in the modeling around Board meeting time.

b. Alum treatment preparation

VLAWMO is working on two steps to prepare for the alum treatment. The first is drafting a sample ordinance for the City of White Bear Lake to limit boat use on Goose Lake and protect the investment in the alum treatment and water quality. VLAWMO has consulted with Barr Engineering and combined the best advice from peer-reviewed literature and white papers. The draft is supported by Barr Engineering. VLAWMO plans to meet with the ski otters as a major recreational user of the lakes to review the proposed ordinance. We will present a recommendation for a final draft of the ordinance to the Board in June.

A permit is not needed for the alum treatment from MN DNR. A letter of support is needed from MPCA. We have drafted a letter/proposal and included the report from Barr Engineering and submitted that to MPCA. MPCA is considering. They usually are not contacted until after funding is secured. However, BWSR recommended that we get approval in place in advance to improve the chances of funding for our proposal. It is in process.

2. Birch Lake – 4th & Otter update

Finalization of draft plans for the iron-enhanced sand filter on 4th Street and Otter Lake Road, treating 50 acres of storm sewer runoff into Birch Lake are underway. Comments on the draft plans have been received by Ramsey County and the City of White Bear Lake, and are being incorporated into the design plans, moving towards finalization.

A meeting with the Project Partners and Barr Engineering will take place on May 1st to shore up and reach consensus on design comments and their implementation into the plan set. The City of WBL has also requested H&H modeling of the site be completed to assure the filter does not increase 2, 10, and 100 year storm impacts from current conditions. Once the plan set is updated, and Partners are satisfied, plans and bid documents will be finalized and the Project will be posted for construction bid.

3. Great River Greening proposal accepted

Great River Greening: Our proposal has been accepted for restoration of ~45 acres in Vadnais-Sucker Lakes Regional Park. It will now be included in the portfolio of projects that GRG will present to LCCMR and Outdoor Heritage. We will find out how much area will be part of the final restoration project by the end of the summer. Funds will be released summer 2020. Work will likely begin during late summer/fall 2020 because that is the best time to remove buckthorn.



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To: Board of Directors

From: Dawn Tanner and Brian Corcoran

Date: April 24, 2019

Re: VII. F. Wetland health assessment

1. Wetland amphibian survey (frog and toad calls) – Dawn

Dawn will be conducting frog/toad calling surveys in 14 sites in the watershed, representing the core wetland complex areas. Surveys begin in April and will be completed by mid-July.

2. Consultant Delineation & Assessment

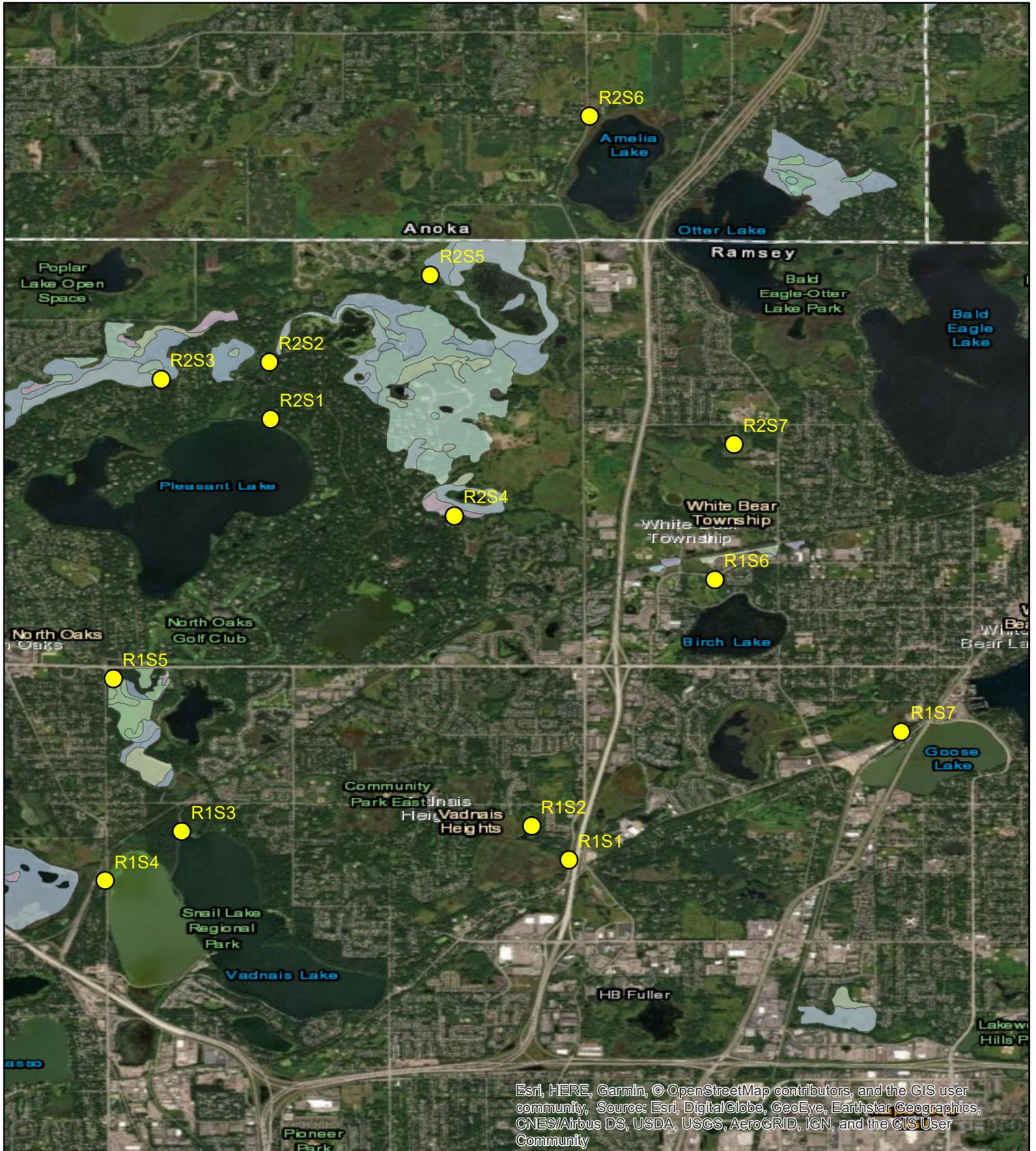
A comprehensive wetland management plan was completed in 2001 to determine functional assessment and management classification for approximately 25% of wetlands in the watershed. Current water plan calls for an updated assessment of wetlands in order to ascertain if the functions of those wetlands have increased, decreased or remained the same.

The RFP will include a level 2 delineations for all wetlands in each of the 7 subwatersheds along with GIS files of all wetland boundaries, MNRAM classifications of all wetlands, wetland and subwatershed summaries as well as restoration possibilities.

This work will allow staff to prioritize degrading wetland complexes in the watershed as well as wetland conditions around impaired waterbodies and aid in future project planning.

Recommendation: Staff recommends moving forward with an RFP for wetland assessment work in the sub-watersheds

Frog and Toad Survey Route Spring/Summer 2019





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To: the Board of Directors
From: Stephanie McNamara
Re: VII. A. Water Gremlin questions

VLAWMO has been contacted by a variety of concerned neighbors who are requested VLAWMO consider being an unbiased third party who would test groundwater and soil for TCE, the volatile organic compound used by Water Gremlin. Some have also requested VLAWMO add lead testing to any sampling it might do. Lambert Creek runs through the Water Gremlin property. As you probably know, onsite testing of soil and water is already being done by a consultant hired by Water Gremlin on their property as part of the terms of the stipulation. I have requested the results from MPCA when it is available.

TCE, was spilled before and infiltrated into the groundwater at Water Gremlin. Information from the MPCA indicates the contamination plume in the soil remained on site. Remediation of the spilled pollutant was completed in the 1990's.

Subsequent spills or spills not detected earlier (if any) may have been able to get into the groundwater. Sediment and water samples can be analyzed for TCE at a cost of \$75 per sample. Question for discussion: might be worthwhile to supplement whatever water sampling is done by MPCA/Water Gremlin? It has been noted by some of the area residents that the trust/credibility factor of both of those groups is a little suspect locally. Obviously, VLAWMO does not need to be in the middle of a firestorm, but is there a role for the watershed? The focus would be limited to water and soil sampling. That is a normal role for VLAWMO. Sampling could ease people's minds or provide direction for further assessment.

One other comment that has come up, is that if the fine money is allowed to be used locally, VLAWMO might be positioned to assist with water related best practices.





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To: Board of Directors

From: Dawn Tanner

Date: April 24, 2019

Re: VIII. C. Trumpeter Swans at Sucker Channel

Following a report from a resident in the community about dead swans at Sucker Channel, Dawn has been working closely with MN DNR, RCSWCD, SPRWS, UMN-VDL, WRC, MPCA, and Pioneer Press to learn and communicate what happened to the swans.

Dawn retrieved 4 dead swans from the park and brought them to the UMN Veterinary Diagnostic Lab for analysis. MN DNR prepared the intake form and approved funding for testing and analysis. Results came back from the lab on March 28. The swans died of lead toxicity. VLAWMO has put together a handout to complement one that is available online by MPCA and requests approval of the Board, with support from TEC, to release as a VLAWMO supported product. The handout is included in the packet.

SPRWS approved placement of educational signs at 2 high-use fishing locations in Vadnais-Sucker Lakes Regional Park.

VLAWMO would like approval from the Board to add the VLAWMO logo to the handout and to use this information to create 2 signs that will be posted at VSLRP. We also ask the Board to consider taking a position on the issue of lead sinkers and shot, especially when it is being used in lakes and streams that are part of the St. Paul water supply.

Recommendation: We request that the board support adopting the swan handout as a VLAWMO product and take a position re: opposing continued use of lead fishing sinkers and shot.

Lead, Water, and Wildlife: Understanding the Issue



What's wrong with lead?

Lead sinkers and shot accumulate on stream and lake beds. Over time, they are picked up by birds to grind food in their gizzard. Because lead is soft, it gets ground up and incorporated into body tissues. When a bird dies of lead poisoning in this manner, they become a poisoned carcass in the landscape. This disperses lead poisoning to other animals and pets.



Lead and humans:

Repeated exposure to lead in low or high doses is a human health hazard. While lead sinkers and shot may seem miniscule, it remains and accumulates in the environment for a long time. This risks human exposure, soil contamination, and even groundwater contamination.

What can we do?

Using non-lead sinkers and shot is a bit more expensive, but is the responsible choice.

Local impacts:

In 2019, an estimated 11 trumpeter swans died of lead poisoning at Sucker Lake in Vadnais Heights. This and other popular fishing spots are often hotspots for abandoned lead sinkers.



**Thank you
for using our
great outdoors
responsibly.**

