










BOARD OF DIRECTORS MEETING AGENDA

7:00 PM April 26, 2017

Location: St. Paul Regional Water Service
1900 Rice Street, St. Paul, MN 55113

- I. Call to Order, Chair, Dan Jones with introductions
- II. Approval of Agenda
- III. Approval of Minutes from February 22, 2017
- IV. Technical Commission Report to the Board (informal)
 - A. Activity Summary
 - B. April Financial Report
- V. New Business
 - A. 2016 Audit Report – Chris Knopik, Clifton Larson Allen LLP 
 - B. 2016 Annual Report - Nick 
- VI. 2017 Work Plan
 - A. Project reports and action
 1. Goose-Wilkinson study update – Greg Wilson & Della Young
 2. Sucker channel restoration project JPA consideration – Kristine 
 3. Lambert Creek Koehler restoration project – Brian
 4. Whitaker Treatment Wetlands – spring activity & bidding – Brian 
 5. Pennington Place Delineation – select delineator – Brian 
 - B. Program Activity
 1. Monitoring & Analysis – new for 2017;
 - Year 4 of Bacteria source monitoring – Brian
 - Automated sampler location - Tyler/Brian
 2. Education and Outreach
 - Community Blue grant fund request - Nick 
 - Community event volunteers
 3. Landscape Grant program update – Kristine
 - C. Operations and Administration
 1. Landscape Level 2 policy update – Stephanie 
 2. Out of state travel policy - Stephanie 
 3. Preliminary budget 2018 – Finance committee 
- VII. Report from the Chair
- VIII. Administrator's Report
- IX. Director's Report
- X. Next regular meeting: June 28th
- XI. Public Comment
- XI. Adjourn



MINUTES OF THE BOARD OF DIRECTORS
 February 22, 2017

In Attendance		Absent	
Craig Johnson	Vadnais Heights - alternate	Ed Prudhon	White Bear Township
Dan Jones	White Bear Lake	Marty Long	North Oaks
Rob Rafferty	Lino Lakes		
Jim Lindner	Gem Lake		
Stephanie McNamara	Administrator		
Kristine Jenson	Program Mgr.		
Brian Corcoran	Water Resources Mgr.		
Nick Voss	Education & Outreach Cord.		
Tyler Thompson	GIS Watershed Tech.		

Others in attendance: Margaret Behrens (Ramsey Conservation District), Mark Graham (City of Vadnais Heights Engineer & TEC Chair)

I. Call to Order

The meeting was called to order at 7:00 pm by Vice Chair Jones. A quorum is present for the meeting.

II. Approval of Agenda

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

III. Approval of Minutes from December 14, 2016

A motion was made by Lindner and seconded by Rafferty to approve the minutes from the December 14, 2016 Board of Directors Meeting. Vote: 3 aye; 1 abstain (Johnson). Motion passed.

IV. Technical Commission Report to the Board

A. Activity Summary

Mark Graham presented the TEC Report to the Board and offered to answer any questions.

B. February Financial Report
 Report submitted to the Board

V. New Business

A. Election & Appointments

1. Election of Officers: Chair, Vice Chair, & Secretary-Treasurer

The Board does not have Chair or Secretary-Treasurer at the moment. There is a need for the seats to be filled so that checks can be signed in a timely manner, start moving ahead with the 2016 audit, and begin work on the 2018 budget.

Jones stated he is willing to serve as Chair. He has served as Vice Chair and Secretary as well as on the Policy & Personnel Committee and the Finance Committee.

A motion was made by Rafferty and seconded by Johnson to nominate Jones as VLAWMO Board Chair. Vote: all aye. Motion passed.

Lindner stated that he would be willing to take the role of Vice Chair. He has been serving on the TEC for the last 8 years but has been filling in for the past Gem Lake Board representative, Bob Uzpen for the past few months. He will continue to serve on the TEC until Gem Lake finds a replacement for him. While on the TEC, he has served as Treasurer and on the Finance Committee. Jones stated that if Lindner takes on the role of Vice Chair, he needs to step away from the Treasurer role on the TEC so as to not have any conflict of interest.

Lindner stated that he is comfortable with doing that. Rafferty nominated Jim Lindner for Vice Chair.

A motion was made by Jones and seconded by Rafferty to nominate Lindner as VLAWMO Board Vice Chair. Vote: all aye. Motion passed.

Rafferty stated that he is willing to fill the Secretary Treasurer role and was so nominated by Jones.

A motion was made by Jones and seconded by Lindner to nominate Rafferty as VLAWMO Board Secretary Treasurer. Vote: all aye. Motion passed.

2. Committee Assignments: Policy & Personnel; Finance

Jones stated that he is willing to continue his service on the Policy & Personnel Committee and the Finance Committee. The Secretary Treasurer usually serves on the Finance Committee as well and Rafferty agreed to perform that duty. Any other open appointments will be filled at the April Board meeting.

3. Appointment of the Technical Commission Chair – Mark Graham

It was moved by Lindner and seconded by Johnson to approve Mark Graham as Chair for the VLAWMO Technical Commission for 2017. Vote: all aye. Motion passed.

4. Setting of 2017 Board meeting dates

The Board currently meets on the 4th Wednesday every two months, except in December. If that schedule stays, the dates for the rest of 2017 are: April 26, June 28, August 26, October 25, and December 13.

It was moved by Lindner and seconded by Johnson to set the 2017 VLAWMO Board meeting dates as described above. Vote: all aye. Motion passed.

5. Designation of Legal Counsel and Legal Publication

Legal Counsel

Every two years, as required, VLAWMO seeks proposals for professional services such as legal counsel. Invitations were sent to established firms and the request for proposal (RFP) was published in the League of Minnesota Cities electronic jobs board. In hiring, VLAWMO will follow the League of MN Cities guidance manual. VLAWMO does not have to take the least expensive for professional services. It can choose who best fits its needs.

Four proposals were received:

Kennedy & Graven – Troy Gilchrist, current counsel

Rinke Noonan – John Kolb

Eckberg Lammers – Andy Pratt

Holstad & Knaak, - Fritz Knaak

A spreadsheet was submitted to the Board prior to the meeting to review and evaluate the candidates. All proposals were evaluated based on requires set out in the RFP. VLAWMO has found that although an attorney is needed only occasionally, they should have a solid foundation in BOTH municipal and water law and they should NOT represent any of our JPA municipalities. The two more expensive (hourly rate) firms, Kennedy & Graven and Rinke Noonan had substantially more experience than the other two. This can translate into both effectiveness and efficiency. For example, last year there was an issue with the State in regards to VLAWMO's ditch authority over Lambert Creek that could result in a long reauthorization process. Gilchrist was able to resolve the issue in our favor with one phone call and one memo and minimal expense. There is also a value to keeping someone who knows us and we know them. Less time and money is spent on the getting to know your process. Of the two most qualified firms, Kennedy and Graven hourly rates were slightly less, they represent several other metro water organizations, and they are familiar with VLAWMO. *Recommendation: accept the proposal for the services of the firm of Kennedy & Graven, principal attorney, Troy Gilchrist for the next two years on an as-needed basis.*

Discussion:

-Rafferty stated that Kennedy & Graven serve as legal counsel for the City of Lino Lakes and have given good service. It is unlikely that there would be an issue between VLAWMO and the City that would create a conflict of interest.

-Jones stated that he is comfortable staying with them for another 2 years.

-Rafferty asked if it is a rule that we have to go out for proposals every 2 years. Stephanie said it is.

-Johnson asked if we had anything pressing currently that would require legal services. Stephanie said there is nothing coming up that we are aware of. Johnson stated that it may be worth trying out someone new so that it could give someone else a chance to get their foot in the door but understands if we want to stay with the same firm for now. Rafferty thanked Johnson for that comment and thinks it would be a good thing to consider in the future.

It was moved by Lindner and seconded by Johnson to accept the proposal for legal services from Kennedy & Graven for the next 2 years on an as-needed basis. Vote: all aye. Motion passed.

Legal Publication

VLAWMO recommends the continued use of Press Publications for public notices to our jurisdiction and VLAWMO would also advertise in the League of MN Cities publication when appropriate.

It was moved by Rafferty and seconded by Johnson to approve the use of Press Publications as VLAWMO's legal publication and to use the League of MN Cities for advertising purposes as appropriate. Vote: all aye. Motion passed.

6. Selection of 2016-2017 Audit Firm

Every two years, as required, VLAWMO seeks proposals for professional services such as audit and financial assistance. Invitations were sent to established firms and the request for proposal (RFP) was published in the League of Minnesota Cities electronic jobs board. In hiring, VLAWMO will follow the League of MN Cities guidance manual. VLAWMO does not have to take the least expensive for professional services. It can choose who best fits its needs.

Three responses were received:

Abdo Eick & Meyer

Clifton Larson Allen

Tautges Redpath - declined to submit proposal

All proposals were evaluated based on experience, continuity any extra potential services and cost. The Board received a spreadsheet evaluating the firms. Both firms who sent proposals are excellent, experienced municipal auditors. Both work with some of our member communities but this should not pose a problem as a conflict of interest. Abdo Eick & Meyer has more staff working with Joint Powers organizations and watershed organizations. They also offered the lower price over Clifton Larson Allen.

Recommendation: VLAWMO should accept the proposal for auditing services for the fiscal years 2016 and 2017 from Abdo Eick & Meyer.

Discussion:

-Jones asked how long we've worked with Abdo Eick & Meyer. Stephanie said 5-6 years. He said they have done a good job and have worked with White Bear in the past. However he feels we should go with someone else because he doesn't think we should stick with one audit firm for too long but acknowledged that the extra money may not be worth it.

-Lindner stated that Gem Lake uses Clifton Larson Allen and they do well but he doesn't feel it is worth switching.

-Rafferty stated that Clifton Larson Allen was used by Lino Lakes and they switched to Tautges Redpath and he feels it is good to switch so that other eyes look at the books. Rafferty asked if there was an issue with asking Clifton Larson Allen for an adjusted proposal to reduce their fees. Graham stated that we need to assume we are getting the best numbers from those who submit proposals and that he would caution against accepting their proposal and then asking them to reduce their costs. Stephanie said that by approving their proposal tonight, we would be accepting their fees. Rafferty said that it could be asked of them to see if fees could be reduced just to see what they would say.

-Jones feels we should switch even if it is a higher cost. Rafferty agreed with that. They feel that the current firm has done a good job but when it comes to financial oversight, it is best to switch companies from time to time. Jones noted that we are short in the budget as it stands for the higher priced firm. Stephanie said that if the Board wants to change firms then we will find where that money can come from.

-Lindner stated he can go either way. If the others feel it is worth using a different firm, he will go along with it.

It was moved by Jones and seconded by Johnson to accept the proposal from Clifton Larson Allen for audit services for 2016-2017. Vote: all aye. Motion passed.

Jones asked Stephanie to send a letter of thanks and appreciation to Abdo Eick & Meyer for their services over the last few years.

VI. 2017 Work Plan

A. Project Reports and action

1. Goose-Wilkinson study update

A meeting was held on January 10 at Vadnais Heights City Hall which brought together stakeholders from the State, local municipalities and counties, along with private citizens who have an interest in these waterbodies. Barr-Young provided a short presentation of these lakes and our current understanding of their ecology. Then the participants were split into groups and given time to offer their thoughts and insights for specific issues and questions. Another meeting was held on February 6 with Barr-Young and representatives from the following State agencies: the Board of Water and Soil Resources (BWSR), the Pollution Control Agency (PCA), and the Department of Natural Resources (DNR). This meeting allowed for discussions at a higher level in regards to options for these lakes and funding mechanisms we may be able to utilize to implement projects and programs. Responses from both meetings were extremely positive and we were told that it would be very beneficial to meet more often to talk about watershed issues. Barr-Young are now putting together their report and will submit it by the end of March. They will present their report and provide their guidance for the next steps at the April TEC and Board meetings.

2. Birch Lake Proposal

A proposal was received earlier this month and includes conducting water quantity and quality modeling for the site and a feasibility analysis of improvement options. They will develop a P8 model to simulate current conditions and to evaluate which pollutant loadings can be reduced using various improvement options, based on a long-term simulation of climatic records. From this, they will produce a table comparing feasible water quality improvement options with long term cost-benefit analysis for two of the options. The conceptual designs will be done using GIS graphics. Total estimated cost for this is \$12,000 and funding is appropriated under budget item 3.330.

The City of White Bear Lake is supportive of this project and has verbally stated that they would like to help with funding. A formal, written commitment has been requested.

Discussion: Jones thinks we should include Ramsey County on this because Otter Lake Road flows into it. Jones wants to have Ramsey County give us an answer as to whether they will participate in this project. They didn't include us when they redid Hoffman Road at West Goose and we missed a chance of doing any water quality work with them and he wants something official from them to state whether they will participate.

Staff recommends approval of this proposal.

It was moved by Jones and seconded by Lindner to approve the proposal submitted by Barr Engineering to provide modeling and concept design for a water quality project adjacent to Birch Lake at a cost not to exceed \$12,000. Staff is directed to contact Ramsey County to receive official documentation as to whether they will participate in this project in some way. Vote: all aye. Motion passed.

3. Lambert Creek

a) 2016 Lambert Creek Monitoring highlights

Brian presented a summary of the Lambert Creek monitoring results from 2016. The details of the monitoring program are included in the 2016 Monitoring Report which is available on the VLAWMO website.

b) Bacteria source monitoring – 2017 work

A proposal has been received from Burns & McDonnell to continue to assist staff with an E.coli monitoring study in 2017. This will be the final monitoring of the project. The total for their proposal is up to \$32,216 and we have money in the budget for this. The number of samples and complexity of the 2017 program is a bit unknown due to outcome of initial wet weather sampling results. The TEC is being asked to make a recommendation to the Board. The continued goal of this project is to identify sources of indicator bacteria in the Lambert Creek Watershed which can be used to develop and implement BMPs to meet the requirements of the bacteria TMDL. We will be concentrating on the Whitaker and Goose sub-drainages.

A memo outlining the details of this study was provided in the Board packets.

Discussion: Jones asked about the costs. Brian stated that costs are lower than would be for others because we have the St. Paul Water Utility performing tests on a portion of our samples. The rep from B & McD would have a presentation for the communities once this is done. Jones wants an action plan for what happens next. Brian said that once all this information is analyzed by the PCA, they may decide to be more lenient on this impairment.

Staff and TEC recommend approval by the Board of this proposal.

It was moved by Lindner and seconded by Johnson to approve the Burns & McDonnell proposal for 2017 bacteria source monitoring at a cost not to exceed \$32,216. Vote: all aye. Motion passed.

4. Whitaker Treatment Wetlands

The services contract between VLAWMO and Burns & McDonnell has been finalized and signed. A notice to proceed was issued. Utility locates and site survey were conducted week of January 30, 2017. Soil borings are set to be done middle of February. Engineer will finalize design early and VLAWMO will go out for bid on construction by early spring for construction to begin late fall 2017.

5. 2017 Fish Survey Proposal

Blue Water Science was contacted and asked to provide a cost estimate to complete fish surveys for East & West Goose Lakes and Wilkinson Lake in 2017. The Water Plan calls for periodic fish surveys at Goose to monitor the rough fish population. A fish survey on

Wilkinson would be helpful in understanding the ecology of the lake as we work towards reducing phosphorus levels in the lake. We have used Blue Water Science for surveys in the past and their reports provide useful information for our lake management programs and projects. The estimate for the fish survey on the Goose Lake basins is \$3600 and for Wilkinson, it is \$2900.

Funding is available for the Goose Lake survey. However, estimates for the Wilkinson (budget line 3.340) fish survey and for the planned upcoming vegetation survey were a little low. Staff is requesting funds be shifted from adjacent subwatershed line items to cover the fish survey as well as the upcoming planned vegetation survey in Wilkinson. The Birch Lake project proposal came in a little lower than expected; leaving available funds. VLAWMO should still be under budget in total for the subwatershed study efforts this year.

Staff recommends approval of this fish survey proposal from Blue Water Science for Goose and Wilkinson Lakes and recommends shifting funds as described: \$3,500 from 3.330 (Birch Lake subwatershed) and \$2000 from 3.350 (Pleasant-Charley-Deep subwatershed) would be shifted to 3.340 (Wilkinson Subwatershed).

Discussion:

-Jones asked about fish kills on Wilkinson. Stephanie stated that the North Oaks Company has done drawdowns twice on the lake and put in the fish barrier. The study would show what is there and once we know, a fish management project could be considered.

It was moved by Lindner and seconded by Jones to approve the Blue Water Science proposal for fish surveys on Goose and Wilkinson Lakes at a cost not to exceed \$3600 for Goose Lake and \$2900 for Wilkinson Lake. The Board also approves a shift in funds among the subwatershed budget lines as described above to cover the costs associated with the studies. Vote: all aye. Motion passed.

6. 2017 Bathymetry Proposal

VLAWMO would like to complete a bathymetry study on Charley Lake as part of the preparation of the Sustainable Lake Management Plan (SLMP) for the lake. This month's request is approval to conduct a bathymetry (lake depth) survey. In addition to Charley Lake, we would like to conduct a bathymetry survey on Wilkinson Lake as part of our efforts to determine best possible projects to address the management of that lake. The funding shift outlined in VI.A.5 will assist in paying for the Wilkinson Lake work.

We have worked with Ramsey Conservation District (RCD) over the last few years to complete these surveys. They have equipment that provides us with detailed lake level data as well as an assessment of biomass on the lake bottom and the hardness of the lake bottom.

Staff recommends approval of the RCD proposal to conduct bathymetry surveys on Charley Lake for \$1520 and Wilkinson Lake at \$1940.

It was moved by Lindner and seconded by Johnson to approve the RCD bathymetry survey proposal at a cost not to exceed \$1520 for Charley Lake and \$1940 for Wilkinson Lake.

Vote: all aye. Motion passed.

B. Education and Outreach

1. TEC/Board Survey regarding 2017 tours and events

A survey was sent to the Board and TEC to collect information about what tours and events would be the most beneficial. One of the goals of our new water plan is to have our key personnel knowledgeable of water and natural resource issues. We'd like to determine how best to serve you in that regard.

2. Website resources and fielding of questions

Nick gave an overview of the updates that have been completed on the website as well as the brochures and informational videos he has finished and currently working on. The

Watershed Action Volunteers (WAV) group have been working with Nick to create these videos.

Jones said the website is looking great and suggested Nick work on making sure our resources work well on mobile devices.

3. Legislative Update: How will VLAWMO approach politics?

The change in the political climate has brought up questions as to how VLAWMO staff can best address issues. For example, a current bill presented in the MN House (H.F. 698) proposes to reallocate how funds from the Legacy Amendment would be use. The Legacy Amendment has been a significant asset to VLAWMO's work (as well as for the other watershed and soil & conservation district agencies). VLAWMO staff would like direction from the Board as to how best communicate with the public when these issues are broached so that we can be effective at working with people along the political spectrum and being an example of a government organization working together towards a brighter political future.

VII. Report from the Chair

Jones thanked staff for acknowledging Ron Auger and his volunteer work with the watershed.

VIII. Administrator's Report

IX. Director's Reports

X. Next Regular Meeting – April 26, 2017

XI. Public Comment

XII. Adjourn

A motion was made by Lindner and seconded by Johnson to adjourn at 8:33pm. Vote: all aye. Motion passed.

Minutes compiled and submitted by Kristine Jenson.

TEC Report to the Board
April 2017

Programs & Projects	Effort Level	Completion Date	Comments
	LOW		
	MED		
	HIGH		
Projects			
Priority Lakes		2017	Project study underway for Wilkinson & Goose Lakes. Report should be ready by May. Bathymetry survey conducted on Wilkinson in April and vegetation survey do be done later in the year. Fish surveys will be done in 2017 on Goose & Wilkinson.
Sucker Lake Channel		2017	Working with the partners on a JPA; finalizing plans.
Lambert Creek - Koehler		2017	Project to be complete by end of April 2017
Birch Lake		2017	Barr Engineering is doing assessment work for a project at 4th & Otter Lake Road. Results should be ready in July 2017.
Whitaker Wetlands		2017	Surveys and soil borings completed working on bid docs and final design

Programs			
Outreach		ongoing	An outreach initiative to promote Spring workshops - flyers, social media, city/township newsletters. Planning and preparing the summer booth: toilet leak test tablets, games for adults and kids, tote bag prizes, and craft soda
Education		ongoing	New relationships and school visits established with Birch and Lincoln Elementaries, as well as visiting previous connections Lake Aires and Vadnais Elementary for raingarden clean-ups.
Website		ongoing	Blog and news updates ongoing. A "how did you hear about us" form on the home page will allow for ongoing feedback from visitors.
WAV		ongoing	WAV members are advising and assisting the Adopt-a-Drain pilot program. Volunteer groups are in planning phases to participate in stormdrian stenciling; Alina Nurses and local scout troops.
Cost Share		ongoing	Grant requests are coming in. 3 up for approval in April.
GIS		ongoing	
Monitoring		ongoing	2017 full season monitoring to begin May 2nd 2017
Admin & Operation			
SLMPs		2017	Charley Lake SLMP is currently being worked on; studies being completed.
Audit & annual reporting		May 2017	Annual audit and report is wrapping up with both reports available for your approval at the April meeting. Both reports are sent to the State.
Administration		2017	Insurance policies have been reviewed with our agents, we will be continuing with our current carrier. Budget 2018 development has started.
WCA		ongoing	New season underway

TEC Report to the Board

April 2017

Finance & Budget

FINANCIAL SUMMARY as of April 2017			
4M Account (.125)	Reserve Savings (.01)	4M Plus (.18)	Total
\$15,807	\$58,554	\$99,780	\$174,141

CD's	4M Term Series		
	Amount	Maturity	Rate
Term series	NA		

Budget Summary	Actual Expense YTD	2017 Budget as amended	Remaining in Budget	% YTD
Operations	\$157,900	\$554,660	\$396,760	28%
CIP	\$100,791	\$746,575	\$645,784	14%

Apr-17	Old budget #		Actual 4/14/17	Actual to Date	2017 Budget	2016 Carry overs/ Grants	Remaining in Budget	2017 available (B+C/O)	Actual vs. Budget
NEW BUDGET #	INCOME 5.1								
5.11	6.5.5.1	Storm Water Utility		\$14,183	\$564,360	\$0	\$550,177	\$564,360	3%
5.12	6.5.1	Service Fees		\$12	\$500	\$0	\$488	\$500	2%
5.13	6.5.2	Interest	\$91	\$281	\$200	\$0	(\$81)	\$200	140%
5.14	6.5.3	Misc. income - WCA admin grant	\$126	\$2,457	\$5,000	\$0	\$2,543	\$5,000	49%
5.15	6.5.5.2	Other Income Grants			\$0	\$0	\$0	\$0	
5.16	6.5.6	Transfer from reserves	\$40,000	\$40,000	\$75,000	\$0	\$35,000	\$75,000	53%
	Total		\$40,217	\$16,945	\$645,060	\$0	\$588,126	\$645,060	3%
EXPENSES									
3.0	6.1	Operations & Administration							
3.010	6.1.1.1	Office - rent, copies, post tel supplies	\$2,004	\$7,195	\$22,660	\$0	\$15,465	\$22,660	32%
3.020	6.1.1.2	Information Systems	\$878	\$2,897	\$19,500	\$2,500	\$19,103	\$22,000	13%
3.030	6.1.1.3	Insurance		\$380	\$5,200	\$500	\$5,320	\$5,700	7%
3.041	6.1.1.5	Consulting - Audit			\$6,800	\$0	\$6,800	\$6,800	0%
3.042	6.1.1.6	Consulting - Bookkeeping	\$240	\$960	\$1,500	\$0	\$540	\$1,500	64%
3.043	6.1.1.7	Consulting - Legal	338.98	\$1,354	\$3,000	\$5,000	\$6,646	\$8,000	17%
3.050	6.3.8.4	Storm Sewer Utility		\$1,682	\$16,000	\$0	\$14,318	\$16,000	11%
3.060	6.1.3	Training (staff/board)		\$40	\$4,000	\$0	\$3,960	\$4,000	1%
3.070	6.1.4	Misc. & mileage	\$243	\$748	\$7,000	\$4,000	\$10,252	\$11,000	7%
3.091	6.1.2	Administration - staff	\$29,631	\$109,033	\$303,000	\$10,000	\$203,967	\$313,000	35%
3.092	6.1.2.5	Employer Liability	\$6,196	\$28,640	\$70,000	\$0	\$41,360	\$70,000	41%
3.1	Monitoring and Studies								
3.110	6.3.8.2	Lake and Creek lab analysis			\$18,000	\$2,000	\$20,000	\$20,000	0%
3.120	6.3.8.1	Equipment	\$235	\$235	\$2,500	\$2,500	\$4,765	\$5,000	5%
3.2	Education and Outreach								
3.210	6.3.5.1	Public Education	\$2,415.71	\$4,277	\$7,000	\$1,500	\$4,223	\$8,500	50%
3.220	6.3.5.2	Marketing	\$143	\$459	\$7,000	\$1,500	\$8,041	\$8,500	5%
3.230	6.3.5.3	Community Blue Ed Grant			\$20,000	\$12,000	\$32,000	\$32,000	0%
	Total Core functions: Operations, Monitoring, Edu		\$42,325	\$157,900	\$513,160	\$41,500	\$396,760	\$554,660	28%
Capital Improvement Projects and Programs									
3.3	Subwatershed Activity								
3.310		Gem Lake			\$0		\$0	\$0	
3.320	6.4.1.3	Lambert Creek	\$13,130	\$86,809	\$401,000	\$28,675	\$342,866	\$429,675	20%
3.325	6.4.6	Goose Lake	\$1,502	\$4,621	\$14,900	\$75,000	\$85,279	\$89,900	5%
3.330		Birch Lake	\$505	\$505	\$5,700	\$15,000	\$20,195	\$20,700	2%
3.340		Gilf Black Tam Wilk Amelia	\$1,502	\$4,622	\$17,600		\$12,978	\$17,600	26%
3.350		Pleasant Charley Deep			\$5,700		\$5,700	\$5,700	0%
3.360	6.1.1.8	Sucker Vadnais			\$0	\$65,000	\$65,000	\$65,000	0%
3.370	6.3.6	Facilities Maintenance		\$21	\$10,000	\$18,000	\$27,979	\$28,000	0%
3.38	Programs								
3.381	6.3.4	Landscape 1 - cost-share	\$84	\$1,560	\$24,000	\$4,000	\$26,440	\$28,000	6%
3.382		Landscape 2			\$30,000		\$30,000	\$30,000	0%
3.383	6.4.5.2	Project Research & feasibility - watershed wide		\$2,652	\$17,000		\$14,348	\$17,000	16%
3.4	Regulatory								
3.410	6.1.1.9	Engineer Plan review	\$0		\$5,000	\$10,000	\$15,000	\$15,000	0%
	Total CIP & Program		\$16,724	\$100,791	\$530,900	\$215,675	\$645,784	\$746,575	14%
	Total of Core Operations & CIP		\$59,049	\$258,691	\$1,044,060	\$257,175	\$1,042,544	\$1,301,235	20%

Fund Balance		4/14/17	
4M Account	\$74,856	\$15,807	
4M Plus Savings	\$99,780	\$99,780	
Savings Account	\$58,554	\$58,554	
Total	\$233,190	\$174,141	

Restricted funds	
Mitigation Savings	\$39,440
Term Series (NA)	

Discontinued categories

6.4.5	Add'l Water Quality Improv.
6.2.2	Water Plan update
6.3.3	Sustainable Lake Management Plans
6.3.8	Data Analysis & Monitoring
6.3.8.3	Lambert Creek data collection
6.4.9	SLMP/Pilot Projects

Vadnais Lake Area Water Management Organization
Profit & Loss Detail
 March 2 through April 5, 2017

2:01 PM
 04/05/2017
 Cash Basis

	Type	Date	Num	Name	Memo	Original Amount	Paid Amount
Ordinary Income/Expense							
Income							
Misc.							
	Sales R	03/31/2017	139		Misc income - credit balance for un	120.55	120.55
Total Misc.							120.55
5.1 - Income							
5.13 - Interest							
	Deposit	03/06/2017			Deposit	12.00	12.00
	Deposit	03/31/2017			Deposit	19.32	19.32
	Deposit	03/31/2017			Deposit	59.40	59.40
Total 5.13 - Interest							90.72
5.14 - WCA sub-grant & Misc.							
	Invoice	03/31/2017	158	Anoka Conservation Departmen	WCA Sub-grant request	5.46	5.46
Total 5.14 - WCA sub-grant & Misc.							5.46
Total 5.1 - Income							96.18
Total Income							216.73
Gross Profit							216.73
Expense							
3.0 - Administrative/Operations							
3.010 - Office							
Copies							
	Check	04/05/2017	4298	City of Vadnais Heights	color copies march	80.85	80.85
	Check	04/05/2017	4298	City of Vadnais Heights	bw copies march	3.72	3.72
	Check	04/05/2017	4298	City of Vadnais Heights	Rent, Copies, postage, phone april		
	Check	04/05/2017	4298	City of Vadnais Heights	Rent, Copies, postage, phone april		
Total Copies							84.57
Phone/Internet/Machine Overhead							
	Check	04/05/2017	4298	City of Vadnais Heights	Rent, Copies, postage, phone april	175.00	175.00
	Check	04/05/2017	4298	City of Vadnais Heights	Rent, Copies, postage, phone april		
Total Phone/Internet/Machine Overhead							175.00
Postage							
	Check	04/05/2017	4298	City of Vadnais Heights	april	60.00	60.00
	Check	04/05/2017	4298	City of Vadnais Heights	march	14.76	14.76
	Check	04/05/2017	4298	City of Vadnais Heights	Rent, Copies, postage, phone april		
	Check	04/05/2017	4298	City of Vadnais Heights	Rent, Copies, postage, phone april		
Total Postage							74.76
Rent							
	Check	04/05/2017	4298	City of Vadnais Heights	april	1,450.00	1,450.00
	Check	04/05/2017	4298	City of Vadnais Heights	Rent, Copies, postage, phone april		
Total Rent							1,450.00
Supplies							
	Check	04/05/2017	4305	Innovative	1540847	211.32	211.32
Total Supplies							211.32
3.010 - Office - Other							
	Check	04/05/2017	4299	Innovative	1564159	8.20	8.20
Total 3.010 - Office - Other							8.20
Total 3.010 - Office							2,003.85
3.020 - Information Systems							
IT Support							
	Check	04/05/2017	4308	City Of Roseville	0222530	803.58	803.58
Total IT Support							803.58
Software							
	Credit C	03/04/2017		Adobe "Creative Cloud		53.55	53.55

	Type	Date	Num	Name	Memo	Original Amount	Paid Amount
Total Software							53.55
WEB							
	Credit C	03/02/2017		Google*SVCAPPS_VLAWM		20.83	20.83
Total WEB							20.83
Total 3.020 · Information Systems							877.96
3.042 · Bookkeeping help							
	Check	04/05/2017	4306	Julie Yoho	march books	240.00	240.00
Total 3.042 · Bookkeeping help							240.00
3.043 · Legal							
	Check	04/05/2017	4309	Kennedy & Graven, Chartered		338.98	338.98
Total 3.043 · Legal							338.98
3.070 · Misc. & mileage							
	Credit C	03/10/2017		Kowalski's		33.79	33.79
	Check	04/05/2017	4294	Tyler J Thompson	march	23.64	23.64
	Check	04/05/2017	4295	Brian Corcoran		105.93	105.93
	Check	04/05/2017	4296	Kristine Jenson	mileage march	44.67	44.67
	Check	04/05/2017	4312	Nicholas Voss	march	35.31	35.31
Total 3.070 · Misc. & mileage							243.34
3.091 · Administration							
3.092 · Employer Liabilities							
Admin payroll processing							
	Check	04/05/2017	4310	City of White Bear Lake		44.92	44.92
Total Admin payroll processing							44.92
Administration FICA							
	Check	04/05/2017	4310	City of White Bear Lake		1,670.29	1,670.29
Total Administration FICA							1,670.29
Administration PERA							
	Check	04/05/2017	4310	City of White Bear Lake		1,757.58	1,757.58
Total Administration PERA							1,757.58
Insurance Benefit							
	Check	03/16/2017		Reliance Standard	Short-term Disability	160.95	160.95
	Check	04/05/2017	4310	City of White Bear Lake		2,562.52	2,562.52
Total Insurance Benefit							2,723.47
Total 3.092 · Employer Liabilities							6,196.26
6.1.2.1 · Management							
	Check	04/05/2017	4310	City of White Bear Lake		6,816.00	6,816.00
Total 6.1.2.1 · Management							6,816.00
6.1.2.2 · Intern							
	Check	04/05/2017	4310	City of White Bear Lake		3,120.00	3,120.00
Total 6.1.2.2 · Intern							3,120.00
6.1.2.4 · Water Resources Technician							
	Check	04/05/2017	4310	City of White Bear Lake		4,504.80	4,504.80
Total 6.1.2.4 · Water Resources Technician							4,504.80
6.1.2.5 · Program Coordinator							
	Check	04/05/2017	4310	City of White Bear Lake		5,521.61	5,521.61
Total 6.1.2.5 · Program Coordinator							5,521.61
6.1.2.6 · Education & Outreach							
	Check	04/05/2017	4310	City of White Bear Lake		3,472.00	3,472.00
Total 6.1.2.6 · Education & Outreach							3,472.00
Total 3.091 · Administration							29,630.67
Total 3.0 · Administrative/Operations							33,334.80
3.1 · Monitoring and Studies							
3.120 · Equipment							
	Credit C	03/31/2017		Evantec		235.00	235.00
	Check	04/05/2017	4295	Brian Corcoran			
Total 3.120 · Equipment							235.00

	Type	Date	Num	Name	Memo	Original Amount	Paid Amount
Total 3.1 · Monitoring and Studies							235.00
3.2 · Education and Outreach							
3.210 · Public Education							
	Credit C	04/04/2017		uline		50.62	50.62
	Check	04/05/2017	4312	Nicholas Voss		7.24	7.24
Total 3.210 · Public Education							57.86
3.220 · Marketing							
	Check	04/05/2017	4300	ARC	brochures	142.79	142.79
Total 3.220 · Marketing							142.79
3.2 · Education and Outreach - Other							
	Credit C	03/31/2017		zazzle		57.85	57.85
	Check	04/05/2017	4307	City of White Bear Lake	rain barrels	300.00	300.00
	Check	04/05/2017	4311	Metro WaterShed Partners	Membership	2,000.00	2,000.00
Total 3.2 · Education and Outreach - Other							2,357.85
Total 3.2 · Education and Outreach							2,558.50
3.3 · Subwatershed Activity							
3.320 · Lamber Creek Restoration							
	Check	04/05/2017	4301	Burns & McDonnell	97151-1	6,929.39	6,929.39
	Check	04/05/2017	4302	Burns & McDonnell	92202-6 bacterial source study	6,201.00	6,201.00
Total 3.320 · Lamber Creek Restoration							13,130.39
3.325 · Goose Lake							
	Check	04/05/2017	4303	Barr Engineering Co	Wilkinson, Goose inv 23621238.0-3	1,502.33	1,502.33
Total 3.325 · Goose Lake							1,502.33
3.330 · Birch Lake							
	Check	04/05/2017	4304	Barr Engineering Co	23621249.00-1 birch	505.00	505.00
Total 3.330 · Birch Lake							505.00
3.340 · Gilfillan Black Tamarack Wilkin							
	Check	04/05/2017	4303	Barr Engineering Co	inv 23621238.00-3	1,502.33	1,502.33
	Check	04/05/2017	4304	Barr Engineering Co	inv 23621249.00-1		
Total 3.340 · Gilfillan Black Tamarack Wilkin							1,502.33
Total 3.3 · Subwatershed Activity							16,640.05
3.38 · Programs							
3.381 · Landscape 1 - cost-share							
	Check	04/05/2017	4297	Jeff Luxford	rainbarrel	84.00	84.00
Total 3.381 · Landscape 1 - cost-share							84.00
Total 3.38 · Programs							84.00
Total Expense							52,852.35
Net Ordinary Income							-52,635.62
Net Income							-52,635.62

Vadnais Lake Area Water Management Organization
Custom Transaction Detail Report
March 2 through April 5, 2017

2:00 PM
04/05/2017
Accrual Basis

Type	Date	Num	Name	Memo	Account	Clr	Split	Amount	Balance
Mar 2 - Apr 5, 17									
Credit Card Charge	03/02/2017		Google*SVCAPPS_VLAWM		US Bank CC	√	WEB	20.83	20.83
Credit Card Charge	03/04/2017		Adobe "Creative Cloud		US Bank CC	√	Software	53.55	74.38
Credit Card Charge	03/10/2017		Kowalski's		US Bank CC		3.070 · Misc. & mileage	33.79	108.17
Credit Card Charge	03/31/2017		zazzle		US Bank CC		3.2 · Education and Outreach	57.85	166.02
Credit Card Charge	03/31/2017		Evantec		US Bank CC		3.120 · Equipment	235.00	401.02
Credit Card Charge	04/04/2017		uline		US Bank CC		3.210 · Public Education	50.62	451.64
								451.64	451.64
Mar 2 - Apr 5, 17									

Vadnais Lake Area Water Management Organization

1:59 PM

Check Detail

04/05/2017

March 2 through April 5, 2017

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Check		03/16/2017	Reliance Standard		Checking - 1987		-160.95
				Insurance Benefit		-160.95	160.95
TOTAL						-160.95	160.95
Check	4294	04/05/2017	Tyler J Thompson		Checking - 1987		-23.64
				3.070 · Misc. & mileage		-23.64	23.64
TOTAL						-23.64	23.64
Check	4295	04/05/2017	Brian Corcoran		Checking - 1987		-105.93
				3.070 · Misc. & mileage		-105.93	105.93
TOTAL						-105.93	105.93
Check	4296	04/05/2017	Kristine Jenson		Checking - 1987		-44.67
				3.070 · Misc. & mileage		-44.67	44.67
TOTAL						-44.67	44.67
Check	4297	04/05/2017	Jeff Luxford		Checking - 1987		-84.00
				3.381 · Landscape 1 - cost-share		-84.00	84.00
TOTAL						-84.00	84.00
Check	4298	04/05/2017	City of Vadnais Heights		Checking - 1987		-1,784.33
				Rent		-1,450.00	1,450.00
				Phone/Internet/Machine Overhead		-175.00	175.00

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
				Postage		-60.00	60.00
				Copies		-80.85	80.85
				Copies		-3.72	3.72
				Postage		-14.76	14.76
TOTAL						-1,784.33	1,784.33
Check	4299	04/05/2017	Innovative		Checking - 1987		-8.20
				3.010 · Office		-8.20	8.20
TOTAL						-8.20	8.20
Check	4300	04/05/2017	ARC		Checking - 1987		-142.79
				3.220 · Marketing		-142.79	142.79
TOTAL						-142.79	142.79
Check	4301	04/05/2017	Burns & McDonnell		Checking - 1987		-6,929.39
				3.320 · Lamber Creek Restoration		-6,929.39	6,929.39
TOTAL						-6,929.39	6,929.39
Check	4302	04/05/2017	Burns & McDonnell		Checking - 1987		-6,201.00
				3.320 · Lamber Creek Restoration		-6,201.00	6,201.00
TOTAL						-6,201.00	6,201.00
Check	4303	04/05/2017	Barr Engineering Co		Checking - 1987		-3,004.66
				3.325 · Goose Lake		-1,502.33	1,502.33
				3.340 · Gilfillan Black Tamarack Wilkin		-1,502.33	1,502.33
TOTAL						-3,004.66	3,004.66
Check	4304	04/05/2017	Barr Engineering Co		Checking - 1987		-505.00

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
				3.330 · Birch Lake		-505.00	505.00
TOTAL						-505.00	505.00
Check	4305	04/05/2017	Innovative		Checking - 1987		-211.32
				Supplies		-211.32	211.32
TOTAL						-211.32	211.32
Check	4306	04/05/2017	Julie Yoho		Checking - 1987		-240.00
				3.042 · Bookkeeping help		-240.00	240.00
TOTAL						-240.00	240.00
Check	4307	04/05/2017	City of White Bear Lake		Checking - 1987		-300.00
				3.2 · Education and Outreach		-300.00	300.00
TOTAL						-300.00	300.00
Check	4308	04/05/2017	City Of Roseville		Checking - 1987		-803.58
				IT Support		-803.58	803.58
TOTAL						-803.58	803.58
Check	4309	04/05/2017	Kennedy & Graven, Chartered		Checking - 1987		-338.98
				3.043 · Legal		-338.98	338.98
TOTAL						-338.98	338.98
Check	4310	04/05/2017	City of White Bear Lake		Checking - 1987		-29,469.72
				6.1.2.4 · Water Resources Technician		-4,504.80	4,504.80
				6.1.2.5 · Program Coordinator		-5,521.61	5,521.61

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
				6.1.2.1 · Management		-6,816.00	6,816.00
				6.1.2.2 · Intern		-3,120.00	3,120.00
				6.1.2.6 · Education & Outreach		-3,472.00	3,472.00
				Administration FICA		-1,670.29	1,670.29
				Administration PERA		-1,757.58	1,757.58
				Insurance Benefit		-2,562.52	2,562.52
				Admin payroll processing		-44.92	44.92
TOTAL						-29,469.72	29,469.72
Check	4311	04/05/2017	Metro WaterShed Partners		Checking - 1987		-2,000.00
				3.2 · Education and Outreach		-2,000.00	2,000.00
TOTAL						-2,000.00	2,000.00
Check	4312	04/05/2017	Nicholas Voss		Checking - 1987		-42.55
				3.070 · Misc. & mileage		-35.31	35.31
				3.210 · Public Education		-7.24	7.24
TOTAL						-42.55	42.55



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

Date: April 2017

To: Board of Directors

From: Kristine Jenson

Re: V.A. 2016 Audit Report

Chris Knopik from Clifton Larson Allen, LLP will be on hand to present the findings from the 2016 Audit. The drafts for the Governance Communication Letter, Management Letter, and Financial Statement are included with your packet. If you would like to have hardcopies of any of the materials, please let me know by the morning of April 26th so that I can have them printed off for you.



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

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, 2016, 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 certain deficiencies in internal control that we consider to be material weaknesses.

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.

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 invoices. Bank reconciliations are completed but not reviewed, payroll registers are received but not reviewed, invoices and expense reimbursements do not have a formal review process, and there is no documentation of journal entry review. We recommend the Organization review their policies and procedures and implement formal review processes for all areas. These review processes should include proper documentation of review.

Vendor database

During our testing of disbursements, it was noted there were two vendors with similar names that was actually one vendor. The two vendors were set up with slightly different names in the accounting software and are both being used for the same one vendor. Fraudulent activity can occur within vendors that are not used as frequently as others. We recommend reviewing the listing of vendors and cleaning up the old ones to ensure only proper vendors are used.

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. 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 11, 2017

DRAFT



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

We have audited the financial statements of the governmental activities and the major fund of Vadnais Lake Area Water Management Organization (the Organization) as of and for the year ended December 31, 2016, and have issued our report thereon dated April 11, 2017. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2016.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

- Management's estimate of the useful lives of capital assets is based on authoritative guidance and past experience. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the amount of the year-end compensated absences payable to employees is based on historical trends and anticipated leave time activity.
- Management's estimate of the City's proportionate share of Public Employees' Retirement Association of Minnesota net pension liabilities as well as the related deferred inflows and outflows of resources is based on guidance from GASB Statement No. 68, GASB Statement

No. 71, and the plans' allocation tables. The plans' allocation tables allocate a portion of the plans' net pension liabilities based on the City's contributions during the plans' fiscal years as a percentage of total contributions received for the related fiscal year by the plans.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

The following material and immaterial misstatements detected as a result of audit procedures were corrected by management:

- Reversing and recording special assessments receivable.
- Recording accrued wages and other payables.
- Recording other receivables related to grants.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated April 11, 2017.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

We have provided a separate letter to you dated April 11, 2017 communicating internal control related matters identified during the audit.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the net pension liability schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated April 11, 2017.

* * *

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

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 11, 2017

**VADNAIS LAKE AREA WATER
MANAGEMENT ORGANIZATION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2016

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
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INTRODUCTORY SECTION

DRAFT

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
 BOARD OF DIRECTORS AND APPOINTED OFFICIALS
 YEAR ENDED DECEMBER 31, 2016**

BOARD OF DIRECTORS

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

TECHNICAL COMMISSION

<u>Name</u>	<u>Title</u>	<u>Member City</u>
Mark Graham	Chairperson	Vadnais Heights
Jim Grisim	Vice-Chair	White Bear Lake
Jim Lindner	Treasurer	Gem Lake
Chris Mann/Bob Larson	Commissioner	North Oaks
Marty Asleson	Commissioner	Lino Lakes

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FINANCIAL SECTION

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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, 2016, 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. The prior year comparative information has been derived from the Organization's 2015 financial statements and, in our report dated April 11, 2017, we express unmodified opinions on the respective fund financial statements. 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization'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, 2016, 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.

Summarized Prior Year Comparative Information

Other auditors have previously audited the Vadnais Lake Area Water Management Organization's 2015 financial statements and expressed an unmodified opinion on the governmental activities and the major fund in their report dated March 7, 2016. The summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements 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 3 through 11, the schedule of employer's share of PERA net pension liability, and the schedule of employer's share of PERA contributions on page 39 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 11, 2017

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

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, 2016. 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 \$221,485 (*net position*). Of this amount, \$113,512 (*unrestricted net position*) may be used to meet the Organization's ongoing obligations.
- The Organization's total net position decreased by \$171,237.
- As of the close of the current fiscal year, the Organization's governmental fund reported combined ending fund balances of \$315,405, a decrease of \$179,059 in comparison with the prior year.
- The ending General fund balance was \$314,405. Of this balance, \$257,175 is committed purposes disclosed in the financial statements.
- The Organization's unrestricted cash and temporary investments as of 12/31/2016 decreased to \$417,256 from \$520,368 as of 12/31/2015.

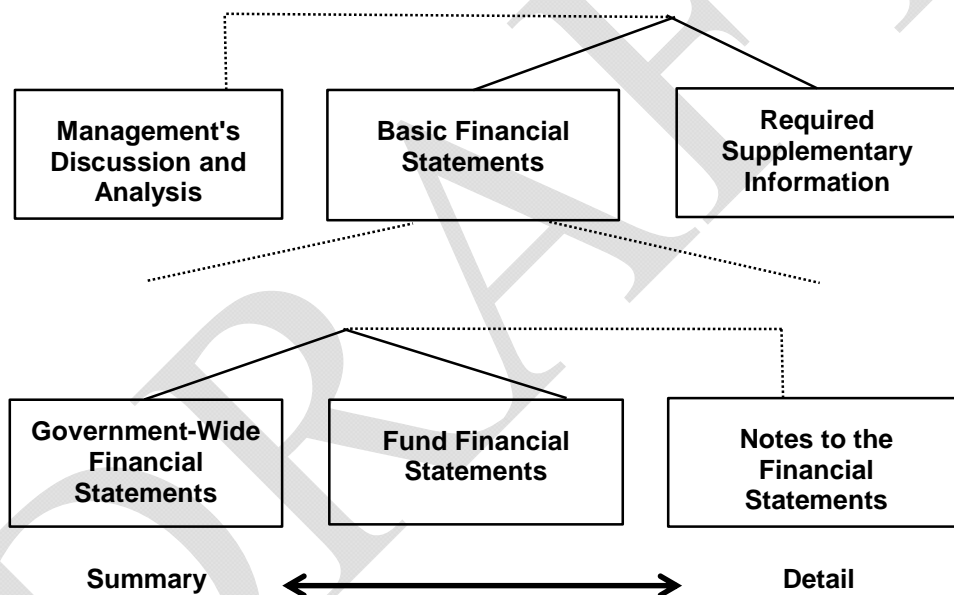
**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

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) 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. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. 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, 2016**

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	Governmental Funds
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/out flow 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).

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

Government-Wide Financial Statements (Continued)

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

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 governmental funds.

Governmental Funds

Governmental funds are 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, governmental 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 governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* 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 governmental fund balance sheets and the governmental fund statements of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* 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 \$221,485 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 49% 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, 2016**

Government-Wide Financial Analysis (Continued)

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

	December 31,		Increase (Decrease)
	2016	2015	
ASSETS			
Current	\$ 1,173,131	\$ 1,086,172	\$ 86,959
Capital, Net of Accumulated Depreciation	107,973	104,916	3,057
Total Assets	<u>1,281,104</u>	<u>1,191,088</u>	90,016
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Resources	146,551	44,470	102,081
LIABILITIES			
Current	836,175	582,295	253,880
Noncurrent	<u>342,952</u>	<u>37,345</u>	<u>305,607</u>
Total Liabilities	1,179,127	619,640	559,487
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Resources	<u>27,043</u>	<u>10,713</u>	<u>16,330</u>
NET POSITION			
Net Investment in Capital Assets	107,973	104,916	3,057
Unrestricted	<u>113,512</u>	<u>287,806</u>	<u>(174,294)</u>
Total Net Position	<u>\$ 221,485</u>	<u>\$ 392,722</u>	<u>\$ (171,237)</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, 2016**

Government-Wide Financial Analysis (Continued)

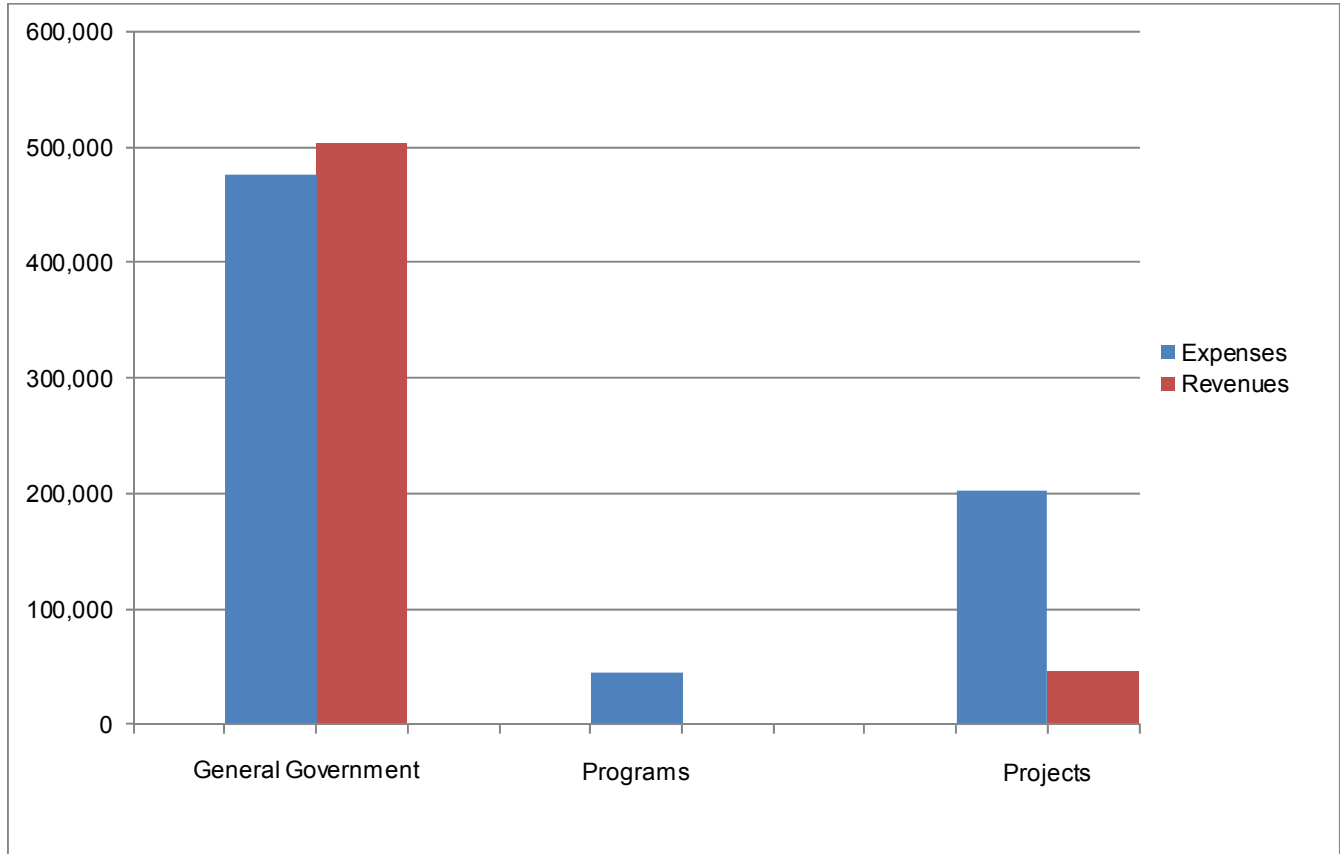
Vadnais Lake Area Water Management Organization's Changes in Net Position

	December 31,		Increase (Decrease)
	2016	2015	
REVENUES			
Program:			
Charges for Services	\$ 503,759	\$ 488,102	\$ 15,657
Operating Grants and Contributions	46,043	5,359	40,684
General:			
Unrestricted Investment Earnings	577	238	339
Miscellaneous	-	-	-
Total Revenues	<u>550,379</u>	<u>493,699</u>	<u>56,680</u>
EXPENSES			
General and Administrative	475,203	401,158	74,045
Programs	44,384	70,802	(26,418)
Projects	<u>202,029</u>	<u>76,098</u>	<u>125,931</u>
Total Expenses	<u>721,616</u>	<u>548,058</u>	<u>173,558</u>
CHANGE IN NET POSITION	(171,237)	(54,359)	(116,878)
Net Position - January 1	<u>392,722</u>	<u>447,081</u>	<u>(54,359)</u>
NET POSITION - DECEMBER 31	<u>\$ 221,485</u>	<u>\$ 392,722</u>	<u>\$ (171,237)</u>

VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016

Government-Wide Financial Analysis (Continued)

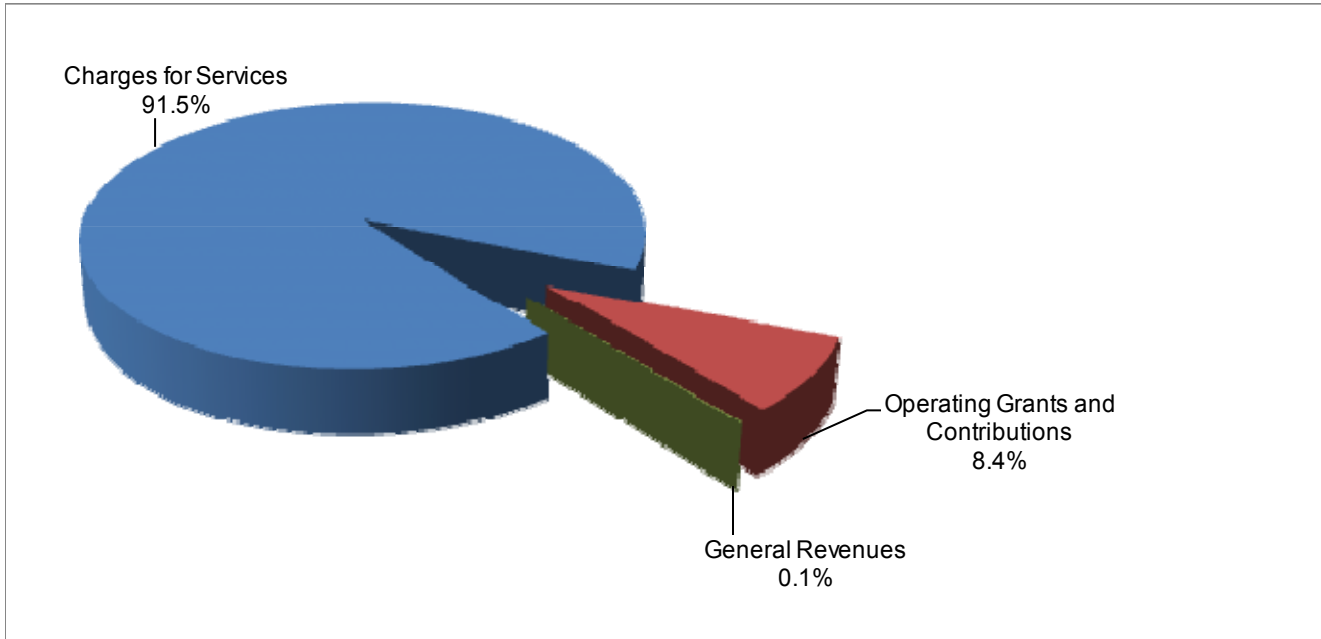
Expenses and Program Revenues – Governmental Activities



**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

Government-Wide Financial Analysis (Continued)

Revenues by Source – Governmental Activities



Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the Organization's *governmental funds* 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 governmental fund reported an ending fund balance of \$315,405 a decrease of \$179,059 in comparison with the prior year. Approximately 18% of the total amount, \$58,230, constitutes unassigned fund balance, which is available for spending at the Organization's discretion. The remainder fund balance of \$257,175 is committed for purposes described in the notes to the financial statements.

The General fund is the chief operating fund of the Organization. At the end of the current year, the fund balance of the General fund was \$315,405. 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 46% of 2016 fund expenditures and 51% of 2016 budgeted fund expenditures.

The fund balance of the Organization's General fund decreased \$179,059 during the current fiscal year.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2016**

General Fund Budgetary Highlights

The Organization's General fund budget was not amended during the year. Actual revenues were over budget by \$3,131, mainly due to charges for service exceeding budget by \$3,382. Expenditures had a negative budget variance of \$64,265, mostly due to project costs being more than anticipated.

Capital Asset and Debt Administration

Capital Assets

The Organization's investment in capital assets for its governmental activities as of December 31, 2016, amounts to \$107,973 (net of accumulated depreciation). This investment in capital assets includes infrastructure related to the Lambert Creek Restoration project and monitoring equipment at Whitaker Pond.

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 2016 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 5 employees.
- Projects include capital projects such as the Sucker Lake channel restoration, the Water Management Plan update completion, year three of the bacteria source monitoring on Lambert Creek, lower Kohler Lambert streambank restoration, Goose Lake shoreline restoration and development of the Whitaker Treatment wetland project occupying 40% of payroll for 5 employees.
- Operations and administration include office rent and supplies, bookkeeping and general and program audit, information systems, insurance, the update the Joint Powers Agreement and 30% payroll for 5 employees and legal expenses.

All of these factors were considered in preparing the Organization's budget for the 2016 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.

BASIC FINANCIAL STATEMENTS

DRAFT

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
STATEMENT OF NET POSITION
DECEMBER 31, 2016**

	Governmental Activities
ASSETS	
Cash and Temporary Investments	\$ 417,256
Restricted Cash	39,438
Receivables:	
Accounts	27
Special Assessments	674,422
Due from Other Governments	41,988
Capital Assets:	
Depreciable Assets, Net of Accumulated Depreciation	107,973
Total Assets	1,281,104
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Resources	146,551
LIABILITIES	
Accounts Payable	74,755
Escrow Deposits Payable	39,438
Salaries Payable	30,715
Due to Other Government	10,591
Unearned Revenue	650,521
Compensated Absences Payable:	
Due Within One Year	30,155
Due in More than One Year	10,052
Net Pension Liability:	
Due in More than One Year	332,900
Total Liabilities	1,179,127
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Resources	27,043
NET POSITION	
Net Investment in Capital Assets	107,973
Unrestricted	113,512
Total Net Position	\$ 221,485

See accompanying Notes to Financial Statements.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
STATEMENT OF ACTIVITIES
DECEMBER 31, 2016**

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	\$ 475,203	\$ 503,759	\$ -	\$ -	\$ 28,556
Programs	44,384	-	-	-	(44,384)
Projects	202,029	-	46,043	-	(155,986)
Total	\$ 721,616	\$ 503,759	\$ 46,043	\$ -	(171,814)
GENERAL REVENUES					
Unrestricted Investment Earnings					577
CHANGE IN NET POSITION					(171,237)
Net Position - January 1					392,722
NET POSITION - DECEMBER 31					\$ 221,485

See accompanying Notes to Financial Statements.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2016
(WITH SUMMARIZED COMPARATIVE INFORMATION AS OF DECEMBER 31, 2015)**

ASSETS	2016	2015
ASSETS		
Cash and Temporary Investments	\$ 417,256	\$ 520,368
Restricted Cash	39,438	39,406
Receivables:		
Accounts	27	120
Special Assessments	674,422	523,264
Due from Other Governments	41,988	3,014
Total Assets	\$ 1,173,131	\$ 1,086,172
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 74,755	\$ 13,510
Escrow Deposits Payable	39,438	39,406
Salaries Payable	30,715	-
Due to Other Government	10,591	25,815
Unearned Revenue	650,521	503,564
Total Liabilities	806,020	582,295
 DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Special Assessments	51,706	9,413
 FUND BALANCES		
Committed	257,175	224,125
Unassigned	58,230	270,339
Total Fund Balances	315,405	494,464
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,173,131	\$ 1,086,172

See accompanying Notes to Financial Statements.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

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

Total Fund Balances - Governmental	\$	315,405
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Cost of Capital Assets		204,374
Less: Accumulated Depreciation		(96,401)
Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Compensated Absences Payable		(40,207)
Pension Liability		(332,900)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore are unavailable in the funds.		
Special Assessments		51,706
Governmental funds do not report long-term amounts related to pensions.		
Deferred Outflows of Pension Resources		146,551
Deferred Inflows of Pension Resources		(27,043)
		119,508
Total Net Position - Governmental Activities	\$	221,485

VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016
(WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2015)

	<u>2016</u>	<u>2015</u>
REVENUES		
Charges for Services	\$ 502,687	\$ 489,201
Intergovernmental Grants	2,802	4,394
Interest on Investments	577	238
Miscellaneous	2,020	1,225
Total Revenues	<u>508,086</u>	<u>495,058</u>
EXPENDITURES		
Current:		
General and Administrative	437,675	384,216
Programs	36,384	70,802
Projects	213,086	65,644
Total Expenditures	<u>687,145</u>	<u>520,662</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(179,059)	(25,604)
Fund Balances - January 1	<u>494,464</u>	<u>520,068</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 315,405</u></u>	<u><u>\$ 494,464</u></u>

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
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016**

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

Total Net Change in Fund Balances - Governmental Funds	\$ (179,059)
<p>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.</p>	
Depreciation Expense	(10,937)
Capital Outlays	13,994
<p>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.</p>	
Special Assessments	42,293
<p>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.</p>	
Pension Expense	(34,666)
Compensated Absences	<u>(2,862)</u>
Change in Net Position - Governmental Activities	<u><u>\$ (171,237)</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, 2016
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2015)

	2016				2015
	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Actual Amount
	Original	Final			
REVENUES					
Charges for Services	\$ 499,305	\$ 499,305	\$ 502,687	\$ 3,382	\$ 489,201
Intergovernmental Grants	5,000	5,000	2,802	(2,198)	4,394
Interest on Investments	150	150	577	427	238
Miscellaneous	500	500	2,020	1,520	1,225
Total Revenues	<u>504,955</u>	<u>504,955</u>	<u>508,086</u>	<u>3,131</u>	<u>495,058</u>
EXPENDITURES					
General and Administrative:					
Wages	286,340	286,340	298,211	(11,871)	264,593
Payroll Taxes and Employee Benefits	60,250	60,250	62,343	(2,093)	60,212
Legal	11,000	11,000	3,608	7,392	119
Professional Services	24,600	24,600	21,006	3,594	18,618
Information Systems	25,415	25,415	19,890	5,525	9,979
Insurance	5,200	5,200	4,370	830	4,443
Office	23,375	23,375	20,582	2,793	16,267
Staff Training	4,000	4,000	1,781	2,219	2,280
Telephone	-	-	2,520	(2,520)	2,250
Miscellaneous	11,000	11,000	3,364	7,636	5,455
Programs:					
Monitoring	49,700	49,700	33,160	16,540	33,648
Maintenance	22,000	22,000	3,224	18,776	37,154
Projects	100,000	100,000	213,086	(113,086)	65,644
Total Expenditures	<u>622,880</u>	<u>622,880</u>	<u>687,145</u>	<u>(64,265)</u>	<u>520,662</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(117,925)	(117,925)	(179,059)	67,396	(25,604)
Fund Balances - January 1	<u>494,464</u>	<u>494,464</u>	<u>494,464</u>	-	<u>520,068</u>
FUND BALANCES - DECEMBER 31	<u><u>\$ 376,539</u></u>	<u><u>\$ 376,539</u></u>	<u><u>\$ 315,405</u></u>	<u><u>\$ 67,396</u></u>	<u><u>\$ 494,464</u></u>

See accompanying Notes to Financial Statements.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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 the 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 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, 2016**

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

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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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, 2016**

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, 2016**

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 thirteen 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, 2016**

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. Governmental 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 fair market 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	20 – 30 Years
Equipment	5 – 7 Years

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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 governmental funds 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 governmental funds balance sheet. The governmental funds report 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, 2016**

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 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 governmental funds. 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 governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. 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, 2016**

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:

- a. Net investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. 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.
- c. 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 2016.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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 \$97,628 and the bank balance was \$97,991. The entire bank balance was covered by federal depository insurance.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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, 2016 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	\$ 219,586
Minnesota Municipal Money Market Fund	N/A	Less than 6 Months	139,456
Total Investments			<u>\$ 359,042</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, 2016**

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	\$	97,628
Investments		359,042
Cash on Hand		24
Total		\$ 456,694
Cash and Investments		
Unrestricted	\$	417,256
Restricted		39,438
Total		\$ 456,694

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

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, 2016			Total
	Level 1	Level 2	Level 3	
N/A	\$ -	\$ -	\$ -	\$ -
Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-
NAV Funds				359,042
Total Investments				<u>\$ 359,042</u>

The Minnesota Municipal Money Market Fund Trust is an external investment pool (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.

The City reports its investment in the Pool at the NAV per share, the fair value established by the Pool.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ACCOUNTS (CONTINUED)

Restricted Assets

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

Mitigation Restricted Cash \$ 39,438

Capital Assets

Capital asset activity for the year ended December 31, 2016 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	\$ -	\$ -	\$ 181,219
Equipment	9,161	13,994	-	23,155
Total Capital Assets Being Depreciated	<u>190,380</u>	<u>13,994</u>	<u>-</u>	<u>204,374</u>
Less Accumulated Depreciation for:				
Infrastructure	(76,303)	(9,538)	-	(85,841)
Equipment	(9,161)	(1,399)	-	(10,560)
Total Accumulated Depreciation	<u>(85,464)</u>	<u>(10,937)</u>	<u>-</u>	<u>(96,401)</u>
Total Governmental Activities	<u>\$ 104,916</u>	<u>\$ 3,057</u>	<u>\$ -</u>	<u>\$ 107,973</u>

The full depreciation expense amount was charged to projects.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ACCOUNTS (CONTINUED)

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, 2015 and will terminate on December 31, 2017.

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.

The Organization paid \$17,400 and \$15,200 for rent in 2016 and 2015, respectively. The Organization's rent for fiscal year 2017 is expected be \$18,715 as outlined in the lease agreement.

Unearned Revenue

Governmental funds report 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	\$ 650,521

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities					
Net Pension Liability	\$ 212,483	\$ 120,417	\$ -	\$ 332,900	\$ -
Compensated Absences Payable	37,345	28,604	(25,742)	40,207	30,155
Government-Type Activity					
Long-Term Liabilities	\$ 249,828	\$ 149,021	\$ (25,742)	\$ 373,107	\$ 30,155

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES ON ACCOUNTS (CONTINUED)

Fund Balance Classifications

At December 31, 2016, 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	\$ 500
Information Systems	2,500
Legal Assistance	5,000
Engineering and Technical Assistance	10,000
Payroll	10,000
Staffing Assistance - GIS Etc.	4,000
Financial Incentives	4,000
Education and Marketing	3,000
Maintenance	18,000
Equipment	2,500
Monitoring and Analysis	2,000
Lambert Creek Restoration	28,675
Water Quality Projects	80,000
Community Blue	12,000
Implementation on Impaired Waters	75,000
Total Committed	\$ 257,175

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, other than teachers, are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

Benefits Provided

PERA provides retirement, disability and death benefits. Benefit provisions are established by Minnesota statute and can only be modified by the state legislature.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

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.

GERF Benefits

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 and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year 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.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

Contributions

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

GERF Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.50%, respectively, of their annual covered salary in calendar year 2016. The Organization was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in calendar year 2016. The Organization's contributions to the GERF for the years ended December 31, 2016 and 2015 were \$19,128 and \$19,530, respectively. The Organization's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

Pension Costs

GERF Pension Costs

At December 31, 2016, the Organization reported a liability of \$332,900 for its proportionate share of the GERF's net pension liability. The Organization's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2016. 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 \$4,396. The net pension liability was measured as of June 30, 2016, 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, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the Organization's proportion was 0.0041% which was the same as its proportion measured as of June 30, 2015.

For the year ended December 31, 2016, the Organization recognized pension expense of \$51,122 for its proportionate share of GERF's pension expense. In addition, the Organization recognized an additional \$1,311 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$6 million to the General Employees Fund.

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

Pension Costs (Continued)

GERF Pension Costs Continued)

At December 31, 2016, the Organization reported its proportionate share of GERF's deferred outflows of resources and deferred inflows of resources, and its contributions subsequent to the measurement date, from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 19,997
Changes in Actuarial Assumption	-	-
Net Difference Between Projected and Actual Earnings on Plan Investments	121,322	-
Changes in Proportion	14,092	7,046
Contributions to GERF Subsequent to the Measurement Date	11,137	-
Total	<u>\$ 146,551</u>	<u>\$ 27,043</u>

Deferred outflows of resources totaling \$11,137 related to pensions resulting from the Organization's contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to GERF pensions will be recognized in pension expense as follows:

<u>Year Ending December 31.</u>	<u>Amount</u>
2017	\$ 32,099
2018	32,099
2019	32,147
2020	12,026

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

Actuarial Assumptions

The total pension liability in the June 30, 2016 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. Benefit increases for retirees are assumed to be 1% per year for all future years for the General Employees Plan.

Actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2015.

The following changes in actuarial assumptions occurred in 2016:

General Employees Fund:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- 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 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Stock	45.00%	5.50%
International Stock	15.00	6.00
Bonds	18.00	1.45
Alternative Assets	20.00	6.40
Cash	2.00	0.50
Total	<u>100.00%</u>	

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 DEFINED BENEFIT PENSION PLANS – STATEWIDE (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability in 2016 was 7.5%, a reduction from the 7.9% used in 2015. 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 position of the General Employees Fund was 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 1 percentage point lower or 1 percentage point higher than the current discount rate:

	City Proportionate Share of NPL		
	1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
	GERF	\$ 472,816	\$ 332,900

Pension Plan Fiduciary Net Position

Detailed information about each defined benefit 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; by writing to PERA at 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or (800) 652-9026.

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, 2016**

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

Required Supplementary Information								
Fiscal Year Ending	Fiscal Year Ending	Organization's Proportion of the Net Pension Liability	Organization's Proportionate Share of the Net Pension Liability (a)	State's 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
6/30/2016	6/30/2016	0.0041%	\$ 332,900	\$ -	\$ 332,900	\$ 286,044	116.4%	68.9%
6/30/2015	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

Required Supplementary Information					
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)
12/31/16	\$ 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.

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, 2016, and the related notes to the financial statements as and have issued our report thereon dated April 11, 2017.

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 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*, except as described in the schedule of findings and recommendations as item 2016-001. 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.

The Organization's written response to the legal compliance finding identified in our audit described in the schedule of findings and recommendations. The Organization's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This report is intended solely for the information and use those charged with governance and management of the Organization and the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 11, 2017

**VADNAIS LAKE AREA WATER MANAGEMENT ORGANIZATION
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
DECEMBER 31, 2016**

MINNESOTA LEGAL COMPLIANCE FINDING

2016-001 Out of State Travel Policy – Section 471.661

Finding: Minnesota Statutes Section 471.661 requires all political subdivisions to have and adopt and out-of-state travel policy that covers all employees and board members. It was noted during our testing, the Organization does not have a formally adopted policy in accordance with State Statute.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Finding

There is no disagreement with the audit finding, however, they were not aware the policy was required when there is no out of state travel by staff or board members.

Actions Planned in Response to the Finding:

The Organization will adopt a policy that meets the requirements of the Statute.

Official Responsible for Ensuring CAP:

The Organization's Administrator will be responsible for ensuring the CAP.

Planned Completion Date for CAP:

The Organization will adopt the policy during calendar year 2017.

Plan to Monitor Completion of CAP:

The board will be monitoring this corrective action plan.

TECHNICAL MATTERS

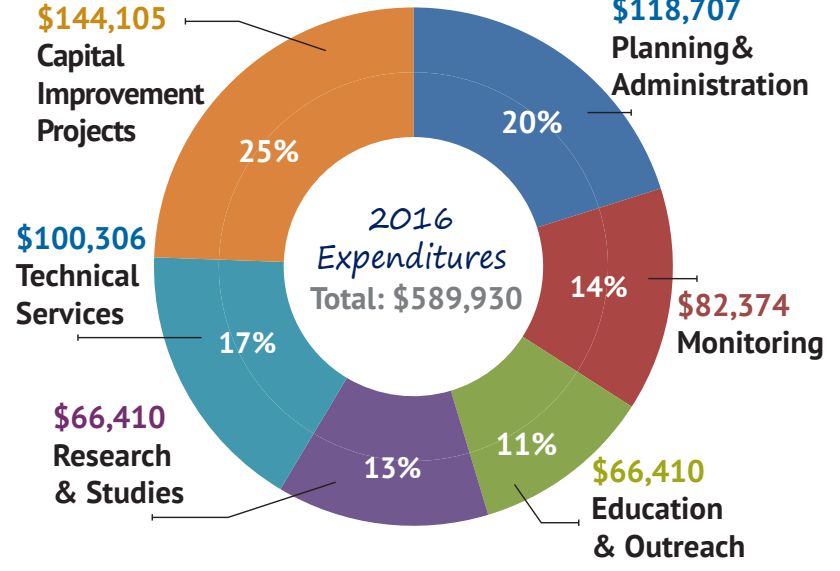
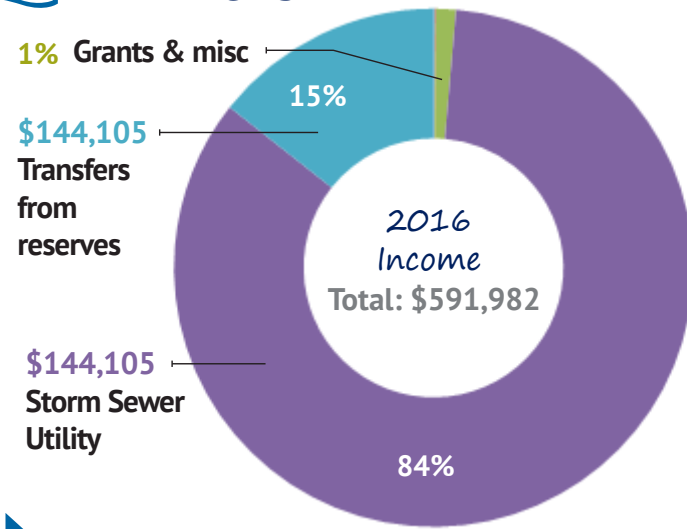
VLAWMO's primary source of income is through Storm Sewer Utility (SSU) fees. The average single family homeowner in VLAWMO pays \$28.92/year (\$2.41/month) to support all of the projects and programs conducted by the watershed.

Additional funding comes from grants from the Minnesota Board of Water and Soil Resources (BWSR) and the Legislative-Citizen Commission on Minnesota Resources (LCCMR).

2016 Quick Stats:



FINANCES



REGULATIONS

As a local governing unit, VLAWMO administers the Wetland Conservation Act (WCA). WCA oversees new developments as they pertain to wetland conservation: any wetlands lost to development, by law, are to be replaced either on-site or elsewhere in the state through the purchase of wetland banking credits.

The new Goodwill on Centerville Road, just south of Highway 96, is an example of partnerships and collaboration between developers, the City, the company, engineers, and VLAWMO. The 4.3 acre privately-owned site had a history of illegal dumping, posing several challenges for planning. The development impacted just under 1/2 an acre of wetland, with most of that replaced on site. The rest was purchased from the State wetland bank. Additional stormwater practices including the curb-cut retention basin (pictured right) will capture and infiltrate the rainfall of a 1.1" stormwater. This 1.1" storm comes to **12,856 gallons** of water per rainfall. The Goodwill is scheduled to open in Spring, 2017.



2016

ANNUAL REPORT SUMMARY



Established in 1983, VLAWMO is a unit of government co-created by Gem Lake, Lino Lakes, North Oaks, Vadnais Heights, White Bear Lake, and White Bear Township. Together, we use science and partnerships to improve the impacts of stormwater in the watershed.

GRANT PROGRAMS

19 Grants awarded



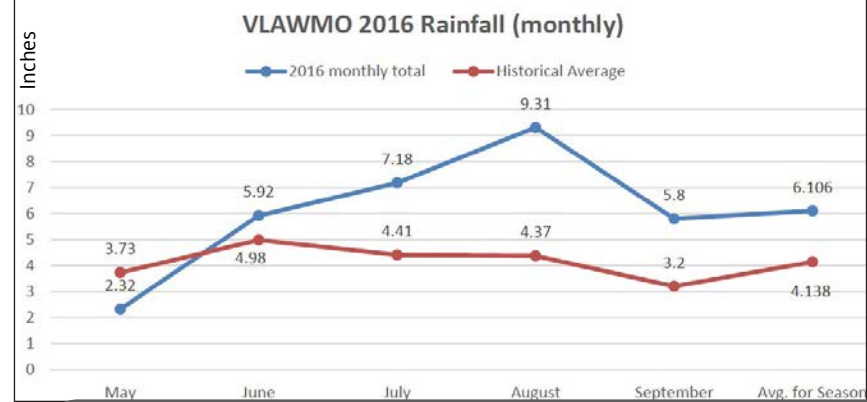
VLAWMO's grant programs fund clean water projects such as raingardens, shoreline restorations, and rainbarrels each year. The water quality benefit of this year's landscape projects was **.414 lbs** of phosphorus and **118 lbs** of sediment decreased annually. 21 rainbarrel grants were awarded in 2016. Since 2007, all 80 rainbarrels that have been installed capture and reuse up to **4,400 gallons** of storm water each time they're filled. Much of this water would otherwise wash into stormdrains, bringing nutrients and other contaminants such as automotive oil into lakes and streams.

WATER MONITORING

13 Waterbodies monitored



Each year VLAWMO monitors 12 lakes and Lambert Creek from May to September. Data recorded includes phosphorus, chloride, pH, turbidity, and bacteria such as E. coli.



Mesotrophic lakes have moderately clear water.

Lake	2015	2016	TSI Status
Amelia	B	B	Eutrophic
Birch	B+	B	Mesotrophic
Black	B+	A-	Mesotrophic
Charlie	C	C	Eutrophic
Deep	C-	C	Eutrophic
Gem	B	B	Mesotrophic
Gilffilan	C+	C+	Eutrophic
E. Goose	D-	D-	Eutrophic - Hypereutrophic
W. Goose	D	D-	Eutrophic - Hypereutrophic
Tamarack	D	D	Eutrophic - Hypereutrophic
Wilkinson	D	D+	Eutrophic

Eutrophic is the state of a water body that's high in nutrients, experiencing limited oxygen. **Hypereutrophic** intensifies these nutrients to the point of frequent algal blooms, foul odors, and fish kills.

Looking Ahead

To start the 2017-2026 Comprehensive Water Plan, VLAWMO is focusing on two water sources on the edge of the watershed boundary: East and West Goose Lake in the western watershed, and Wilkinson Lake in the northern watershed. Making advances in water quality in these places will impact other lakes downstream. Fish surveys, vegetation surveys, and bathymetry studies will better inform us of the lake ecosystems and how they can best be managed and improved.

Research treatment wetlands are scheduled for installation in Columbia Park in White Bear Township. The research will monitor the removal of bacteria, nutrients, or pathogens as well as provide stormwater treatment. The project is planned for 2018.





What can you do?

In addition to workshops, rainbarrels, and stormwater innovations such as raingardens, VLAWMO has new opportunities in adopting a stormdrain and stormdrain stenciling. Find us on social media!

Learn more at vlawmo.org

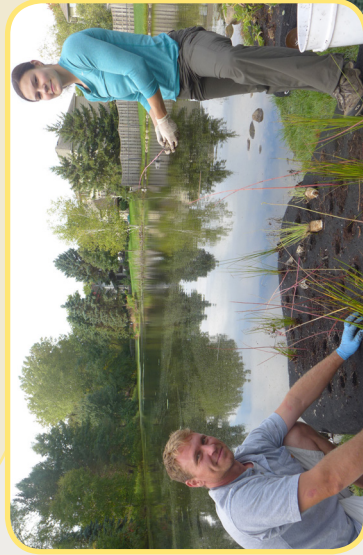


WHAT DID WE DO IN 2016?

-  Event/booth locations
-  Water monitoring sites
-  Workshops/planning sessions
-  Projects

FLOATING ISLAND WETLAND

Through a partnership between VLAWMO, the U of MN, and Midwest Floating Island, we're studying the potential floating wetlands have in cleaning storm ponds.



AUTOMATED STORM SAMPLING

Used to measure nutrient loading. Finding what's running off the landscape into lakes during a rain event.



PURPLE LOOSETRIFE CONTROL

A Community Blue grant allowed the Rice Lake Project Committee to implement beetles as a means to control invasive purple loosestrife in the Rice Lake wetland.



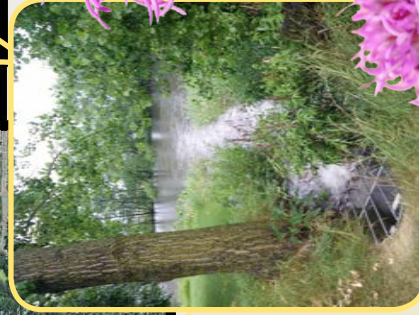
LAMBERT CREEK RESTORATION AT KOHLER ROAD

A drop structure is installed to reduce the velocity of water running off the road. Re-planting the bank with specialty grasses prevents erosion that influences water quality.



E. COLI SOURCING AT LAMBERT CREEK

As a state-listed impaired water for E. coli, we're investigating where its coming from, and how runoff influences bacteria levels.



WHITE BEAR MONTESSORI

Two large raingardens were installed with a landscape level two grant. Together, these raingardens reduce phosphorus by .26 lbs/yr, and suspended solids by 2.68 lbs/yr.



Sources: MNDNR, Metropolitan Council, MNGSC, VLAWMO, ESRI

THERE'S MORE!

Read the all about the year in the complete VLAWMO Annual Report or on www.VLAWMO.org





2016



**ANNUAL
REPORT**



**VADNAIS LAKE AREA
WATER
MANAGEMENT
ORGANIZATION**



Vadnais Lake Area Water Management Organization (VLAWMO)

800 East County Road E
Vadnais Heights, Minnesota 55127

🖥 Website: www.vlawmo.org

✉ Email: office@vlawmo.org

☎ Phone: (651) 204-6070

📠 Fax: (651) 204-6173

📖 In compliance with Minnesota Administrative Rules | Chapter 8410 | Part 8410.0150



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YEAR IN REVIEW

2016 events, projects, monitoring,
and a detailed work plan review

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WHO WE ARE

The people who make VLAWMO

APPENDICES (AVAILABLE ONLINE AT VLAWMO.ORG)

- A-1: Legal publication
- A-2: Audit
- A-3: Full Monitoring Report

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IN SHORT:

Introduction and background

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- » Letter from the Administrator
- » Background
- » Mission Statement
- » Water Resources in the Watershed
- » Watershed Map

Letter from the Administrator

Greetings!

2016 was a time of finishing big projects and starting new ones for the Vadnais Lake Area Water Management Organization (VLAWMO). This Annual Report will give you some highlights. I hope you enjoy it. As always we welcome your feedback to make next year's Annual Report even better.

VLAWMO 2017-2026 Water Management Plan and the Joint Powers Agreement (JPA) are now complete and approved. The VLAWMO Water Policies have been updated to reflect current standards. That sounds brief but a tremendous amount of work went into it from a whole team of people. Many thanks go out to our community and agency partners. Because of you we have an exciting Water Plan and the JPA to make it happen. Now it's time to kick off the Implementation plan. You are all part of that.

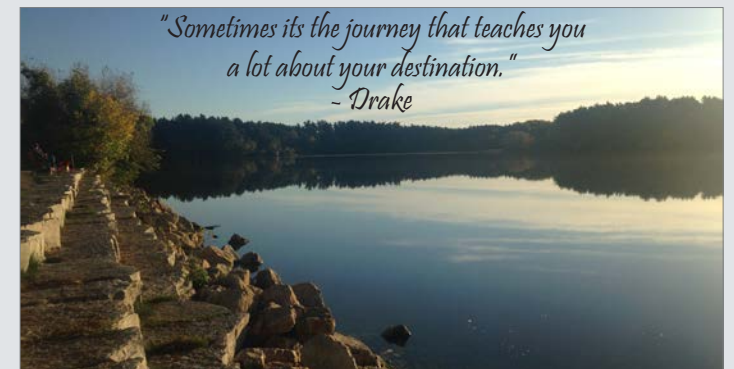
Building capacity to understand, protect and restore the water resources within VLAWMO continued to grow in 2016. Nick Voss joined the staff as Education & Outreach Coordinator in the spring of 2016. He has brought experience and energy to the program, developing an Education and Outreach Plan tied to our new Water Plan and the goals. You will see him out in the community. Or maybe you will see a big blue water drop engaging young and old alike.

Partnerships were critical. Ramsey Conservation District worked with VLAWMO on the lower Kohler streambank restoration bringing technical assistance and grant funding. The City of Vadnais Heights expanded the scope of the creek bank stabilization further down Lambert Creek. RCD also secured funding for the native vegetation portion of the Sucker channel stabilization as well as design help. Through the Landscape 2 grant program VLAWMO had the opportunity to help the local Montessori school create a sustainable and educational outdoor learning area on their grounds with multiple raingardens and a native planting. After several years it was great to see it all come together. Midwest Floating Island in conjunction with the University of MN installed a new treatment island in a paired storm ponds monitoring study. There'll be more to come on that when the results are in.

Bacteria molecular monitoring program on Lambert Creek completed its third of four years of monitoring. This last year focused on wet weather monitoring with very dedicated staff taking consecutive samples and measurements in the middle of last summer's big rain storms. One more year of wet weather – middle of rain storm – monitoring is on tap. Then the full report will available to local partners, state agencies and others interested in bacteria in stormwater in an urban setting. We are excited to be able to share this knowledge within the next year. Thinking about monitoring and partners, do you know how many laboratories VLAWMO works with? Quite a few, Pace Analytical – lake & creek chemistry, Ramsey County – chloride and creek sample prep, St. Paul Reg. Water Service – bacteria enumeration; Weston in CA – DNA analysis, VWR International for sediment analysis. Monitoring reports are on the VLAWMO website as is a wealth of information.

The first year of implementing the new Water Plan is showing great promise. Two big projects with partners a scheduled, Whitaker treatment wetlands will be installed in the fall and the Sucker channel restoration is also scheduled. Planning is ongoing for even more. Watch for more details on our website or facebook page.

- Stephanie McNamara, VLAWMO Administrator



Early Morning on Vadnais Lake

Background

The Vadnais Lake Area Water Management Organization (VLAWMO) was formed in 1983 to protect the Vadnais Lake watershed area in northern Ramsey County and a small portion of Anoka County. Our organization was formed through a Joint Powers Agreement (JPA) that was ratified by the 6 cities within VLAWMO boundaries to comply with the State of Minnesota Metropolitan Surface Water Management Act (Minnesota statute Chapters 103A – 103H). We are governed by a 6 member Board of Directors that is represented by an elected official from each of the communities. VLAWMO covers approximately 25 square miles and includes portions of Vadnais Heights, White Bear Township, White Bear Lake, Gem Lake, Lino Lakes, and all of North Oaks.

OUR APPROACH

Managing a watershed area to protect our vital water resources has become the primary approach across the country. Since water flows across political boundaries, partnerships among local governments, regional, state and federal agencies are vital. Because Vadnais Lake is used as the drinking water reservoir for approximately 400,000 customers in the St. Paul area, VLAWMO frequently partners with the St. Paul Regional Water Service (SPRWS) on a variety of water quality monitoring and improvement projects.

OUR CORE PRINCIPLES

To guide our efforts towards achieving our mission, VLAWMO shares responsibility with its member communities to:

- » Protect surface water quality
- » Protect groundwater quality and recharge areas
- » Provide public education to promote good stewardship of water resources
- » Protect and manage wetlands through the Wetland Conservation Act
- » Collaborate with other public and private organizations
- » Manage stormwater and control flooding through the use of best management practices
- » Require good erosion control practices, both during development and as a part of good stewardship

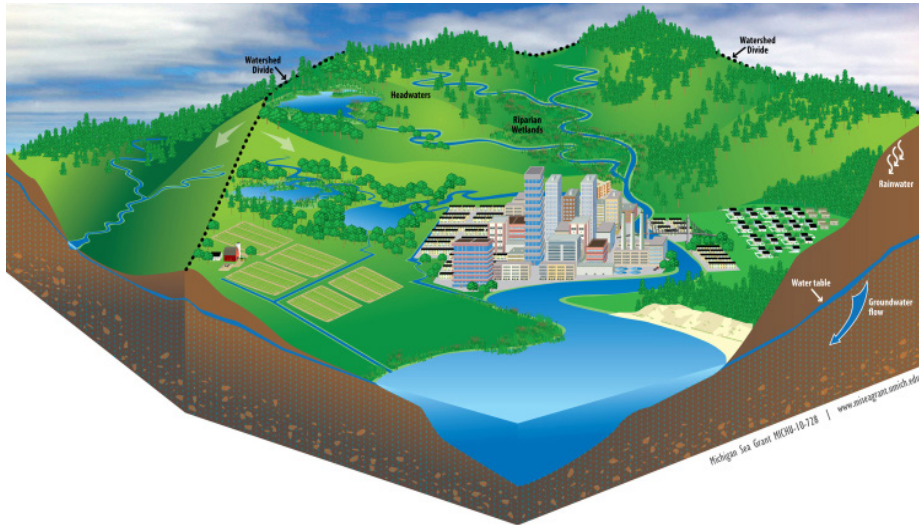


Vadnais Lake pumping house, early 1900s - courtesy of MN Historical Society

Mission Statement

Our mission at the Vadnais Lake Area Water Management Organization is to protect and enhance the water resources within the watershed.

Activities we work on include: water quality monitoring, education and outreach projects, wetland protection, and water quality enhancement projects.



"How Watersheds Work" courtesy of Michigan Sea Grant (MICHU-10-728)



What is a Watershed?

A watershed is all the land area that drains to a specific water resource, such as a lake or stream. Watersheds range in size from a few square miles to an entire continent. As rain and melting snow run downhill, they carry sediment and other materials into streams, lakes, and groundwater.

The land use activities within a watershed have a direct impact on the quality of the water. 96% of the land use within VLAWMO is urban with a small area of agricultural land in the northern end.

Watersheds provide water for drinking, irrigation, streams, and activities such as fishing, swimming, and boating. In addition, watersheds also provide food and shelter for wildlife.

OUR GOALS

Accomplishing our mission requires a focus on common goals. The VLAWMO will pursue the following goals as a way of proceeding towards the mission.

- » Protect and improve surface water quality
- » Protect and enhance wetland resources
- » Protect and improve waters for wildlife habitat and recreation
- » Enhance public participation and stewardship
- » Make and enable informed decisions
- » Optimize public resources
- » Protect and improve groundwater quality and quantity
- » Analyze and use alternative funding sources
- » Improve communications
- » Prevent flooding

WHAT IS A WMO?

A watershed management organization (WMO) is a local government agency charged with protecting water resources within its boundaries. All land within the metropolitan area must be within an organized watershed (State Statutes Chapters 103B & 103D). Watershed Districts are governed by County Commissioners while Water Management Organizations are governed on the municipal level.

WHO PAYS FOR IT?

The Vadnais Lake Area Water Management Organization is funded by a stormwater utility fee. Property owners within the watershed are charged a fee to manage the stormwater that runs off their property. This public utility fee is determined by land use (eg residential, commercial etc), and is included on Ramsey County property tax statements. The authority to charge and collect a stormwater utility fee is governed by Minnesota State Law.

Water Resources in the Watershed

LAKES

There are 16 lakes within VLAWMO. East Goose Lake, West Goose Lake and Birch Lake are located in White Bear Lake. Tamarack Lake, Fish Lake and Ox Lake are located in White Bear Township. Gem Lake is located in Gem Lake. Amelia Lake is located in Lino Lakes. Pleasant Lake, Charley Lake, Deep Lake, Black Lake, Wilkinson Lake and Gilfillan Lake are located in North Oaks. Sucker Lake, East and West Vadnais Lake are located in Vadnais Heights.

East Vadnais Lake is the drinking water reservoir for the City of Saint Paul. East Vadnais Lake is supplied with water pumped from the Mississippi River in Fridley that flows via underground aqueduct into Lake Charley in North Oaks. The water then flows east to Pleasant Lake, then south into Sucker Lake, and then into East Vadnais.

LAMBERT CREEK

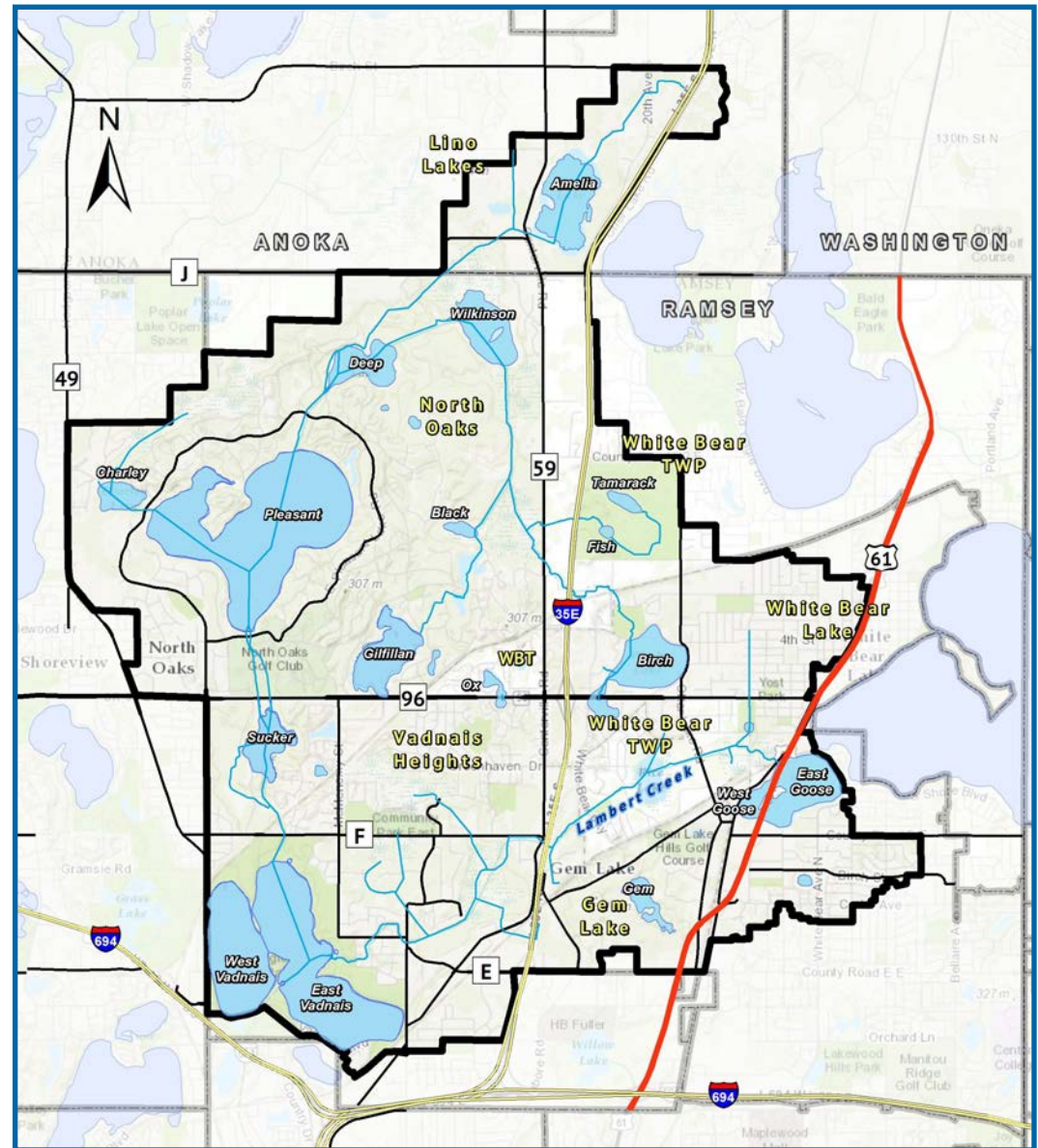
VLAWMO has jurisdiction over Lambert Creek, 4.5 miles of creek and wetland that runs from West Goose Lake and eventually empties into East Vadnais Lake.

WETLANDS

There are over 500 wetlands within VLAWMO. Tamarack, Grass, Wilkinson, Rice, Lambert, and Sobota Slough are a few of the largest tracts of wetlands in the watershed.

GROUNDWATER

Groundwater beneath the land surface of the Watershed flows to local lakes, the Mississippi River, and aquifers including the Prairie du Chien aquifer.



THE YEAR IN REVIEW:
2016 activities, projects, and improvements

IN THIS SECTION

- » Research
- » Landscape Projects
- » In the Community
- » Education Programs
- » Cost Share Programs
- » Community Blue
- » Stakeholder Meetings
- » Outreach Efforts
- » Volunteer Activities
- » Water Monitoring
- » 2016 Work Plan Assessment

Research

NEW STORMWATER AUTOSAMPLER

Equipped with a new automated storm sampler, VLAWMO took a big step in water monitoring in 2016. With this tool, VLAWMO is now able to more accurately determine what’s happening in the surface of the landscape. Currently, this tool is being used to study nutrient levels in Lambert Creek (see page 19).

The sampler takes precise water quality readings during what’s called the “first flush” of a rain event. The first flush is roughly the first 5 minutes of a rain event, and is important because it’s when whatever is on the landscape washes into a water body. A separate device placed in the water (pictured) detects when the stream’s flow is increasing due to rain.

The sampler is then turned on and takes a series of water samples. With these samples VLAWMO can read nutrients such as phosphorous and nitrogen, suspended solids, and e. Coli.



See the Water Monitoring description for more on the sampler and VLAWMO’s 2016 monitoring efforts (p.18, 20).



FLOATING ISLAND WETLAND

In a partnership between the University of Minnesota and Floating Island Wetland, VLAWMO installed three floating island wetlands at a stormpond in Vadnais Heights. Floating Islands are a new water quality tool growing in popularity, but little is known about



their potential for treating stormwater.

The project was made possible by a U of M grant.



The project will study how the islands improve water quality by monitoring this stormpond from Spring to Fall of 2017, comparing findings to a control pond several hundred feet away. Bioengineering students from the U of MN planted and installed the islands, and will be returning in 2017 with VLAWMO staff to record water quality data.



Landscape Projects

LAMBERT CREEK RESTORATION AT KOHLER BEND

Capital Improvement Project

Location: Vadnais Heights

Completion: Spring, 2017

Cost: \$92,580

This restoration is set on a portion of Lambert Creek as it crosses Kohler Road. Before the restoration, this portion of the creek was heavily eroded from high-intensity street runoff.



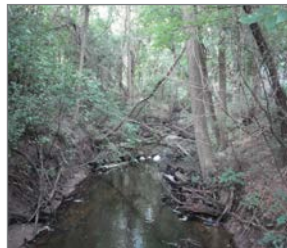
Digging out the drop structure

The restoration serves to improve creek water quality by decreasing erosion, as well as protect the foundations of nearby homes from further erosion. VLAWMO received \$52,200 in cost-share assistance from Ramsey Conservation District.

Tree removal consisted of mostly invasive buckthorn. Instead of a dense shade canopy, native grasses and shrubs are more suitable for stabilizing soil. With sunlight reaching the banks, these native plants will provide a dense mat of roots to hold soil, and dense vegetation near the surface to slow water.

In addition to the restored plant community, bio logs, erosion blankets, and a drop structure are used in the project. The bio logs create soil lifts, or "steps" for plants to grown on, and erosion blankets

The drop structure catches the runoff from Kohler road, acting like a hidden waterfall to absorb the velocity. As water rushes from the street, it falls several feet into an enclosed hole that absorbs the impact.



Before: Buckthorn and other vegetation shaded the bank and allowed for bare soil as well as eroded stream banks from runoff.

Water leaving the drop structure exits down at the water level, with much less force and much less wear on the bank.



After : Bio logs and erosion blankets structure and shelter the soil to help establish new plants.

WHITE BEAR MONTESSORI RAINGARDENS

Landscape Level II Grant

Location: Gem Lake

Completion: July, 2016

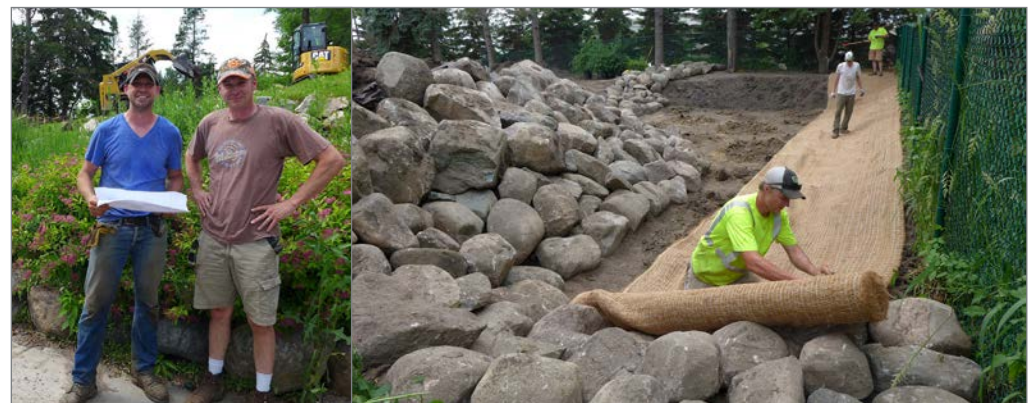
Amount Awarded: \$20,000

The WB Montessori project consists of two large raingardens: one on the north side of the property (450 ft²) and one on the south side (400 ft²).

The two raingardens collect water draining from almost 15,000 ft² of the property. The project is funded by a VLAWMO cost-share level 2 grant, as well as a grant from the Ramsey Conservation District. Highlights include boulder walls, specialty soil for infiltration, underdrains that direct excess water to stormdrains during large rain events, and birch, tamarack, and quaking aspen trees. The project resulted in a 98% reduction in stormwater runoff leaving the property, including 101 lbs/yr of total suspended solids and .01 lbs/yr of total phosphorous. Lastly, the project serves as an outdoor classroom space for students.



White Bear Montessori - south raingarden



Landscape designers:
Steve Mastey (lead, left) and
David Chmielewski (right)

White Bear Montessori - north raingarden

In the Community

COMMUNITY EVENTS

Staffing a booth at popular local events is a fun and valuable way to connect with community members. At events VLAWMO has the opportunity to share its work, provide brochures, give away prizes such as rainbarrels or tote bags, and answer questions for event goers. This year, community events served a dual purpose by also providing a place to conduct community surveys for the Education and Outreach Plan (p. 11).

VLAWMO booths were at the following 2016 events:

- » 2016 White Bear Lake Water Conservation Expo - May
- » North Oaks Community Fair - June
- » WBL Marketfest: Conservation and Environment Day - July
- » Taste of Vadnais - July
- » Heritage Days - August
- » Vadnais Heights Farmers Market - August
- » Vadnais Heights Halloween Party - October



Education Programs

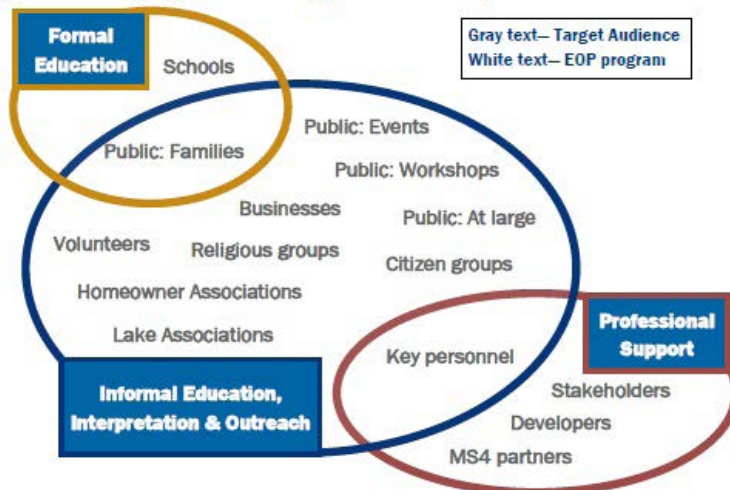
EDUCATION AND OUTREACH PLAN

In conjunction with the new 2017-2026 water plan, VLAWMO completed a new Education and Outreach Plan (EOP). Created for the purpose of fulfilling priority issue #3 of the water plan, as well as one of the VLAWMO core activities (right), the EOP divides education and outreach efforts into three programs. These programs are formal education (schools), professional support (cities and municipalities) and informal education, interpretation & outreach (general public, groups, media, and events).

Each program has goals and measurable objectives to keep education, outreach, and communications relevant to VLAWMO's mission of protecting and enhancing water resources in the watershed.

Read more about the EOP on page 33 and at: www.VLAWMO.org/about/why-water-matters

EOP programs and target audience layout



Teaching new watershed activities to White Bear Lake Educators

WORKSHOPS & STAKEHOLDER MEETINGS

Providing effective and relevant workshops and training opportunities are a cornerstone of public education and stakeholder engagement. VLAWMO hosted 3 stakeholder meetings and 2 workshops in 2016.

Workshops were focused on raingardens, including theory, design, and construction. Participants learned about the history of development in our watershed, the relationship between the built environment and water, as well as how to get started on a VLAWMO cost-share program.

Stakeholder meetings consisted of public input on the 2017-2026 water plan, decision making about Pleasant Lake lake levels, and problem solving with impaired lakes Goose and Wilkinson (p.14). These meetings laid an essential foundation for continuing the efforts into 2017.

2 RAINGARDEN WORKSHOPS - 30 PARTICIPANTS

3 STAKEHOLDER MEETINGS - 60 PARTICIPANTS



VLAWMO Core activities



Cost Share Programs

VLAWMO's Cost Share Program exists to provide assistance to public and private landowners for implementing programs and projects that support one or more of the following:

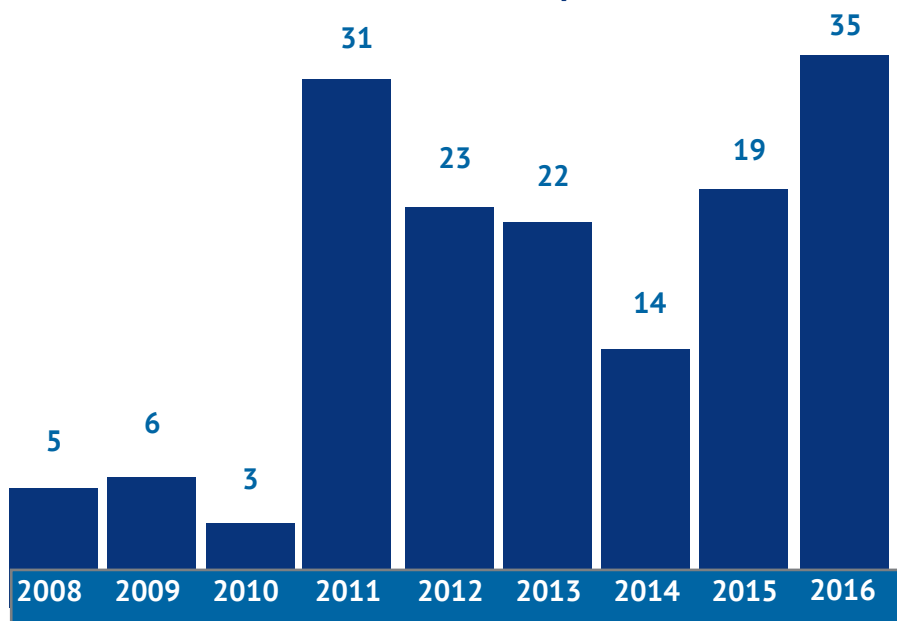
- » Prevention of flooding or mitigation of drought
- » Water quality improvement or increase in watershed storage capacity
- » Preservation, protection, and restoration of native plant and wildlife communities, especially along lakes, streams, and wetlands
- » Protection and preservation of groundwater quality and quantity

Available funds vary by year. Once the annual amount is depleted, applicants are advised to reapply the following year.

There are 3 Cost Share Programs:

- » Rainbarrel
- » Landscape Level 1
- » Landscape Level 2

Total Annual Grants: Landscape & Rainbarrel



LANDSCAPE COST SHARE PROGRAMS

Landscape Level 1: Reimburses property owners 75% of the costs associated with implementing approved water quality improvement projects. The maximum reimbursement is \$2,000 for this program. Typical projects include raingardens, shoreline restoration, native habitat restoration, or pervious paver installation.

Landscape Level 2: projects with a larger total cost (minimum total cost of \$5,000) and will reimburse 75% of the costs, up to \$20,000. The program was updated in 2015 to allow funding to be more available for applicants.

There were **14** landscape projects completed in 2016. Two were shoreline restorations totaling 1,150 ft² on Birch Lake. 7 were raingardens totaling 2,513 ft² within the cities of White Bear Lake, North Oaks and Vadnais Heights. One was a native plant restoration of over 1,500 ft² in North Oaks. The raingardens are estimated by Minimal Impact Design Standards (MIDS) to reduce a combined **76,000 gallons** of runoff per year. Shorelines restorations specialize in protection rather than capturing runoff, but 2016's shorelines still capture an annual **9,785 gallons**.

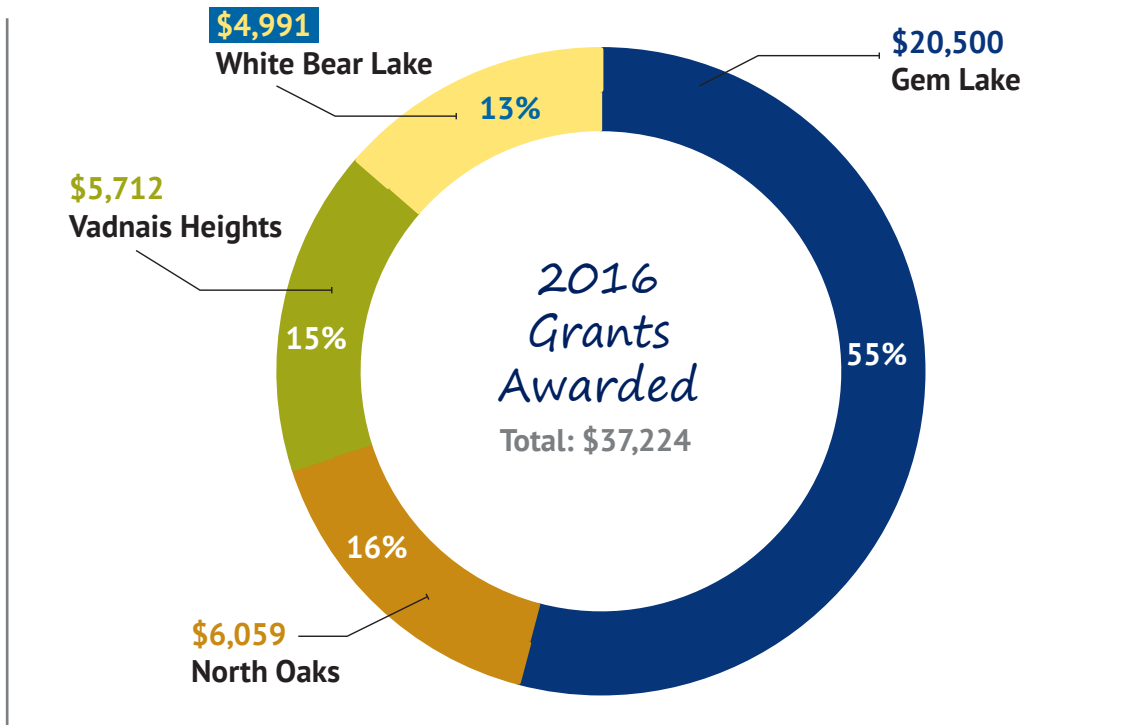


LANDSCAPE LEVEL 1 SUMMARY 2016

For Landscape Level 1, *12* grants were awarded funding for a total of \$15,760.74. An additional \$462.50 was awarded in maintenance funding in Gem Lake.

LANDSCAPE LEVEL 2 SUMMARY 2016

1 Landscape Level 2 grant was awarded for a total of \$20,000.00



RAINBARREL COST SHARE PROGRAM

The Rainbarrel Program reimburses residents 50% of the cost towards the purchase of up to 2 rainbarrels. Applicants are limited to \$125 maximum reimbursement per rainbarrel. In promotion of the program

RAINBARREL SUMMARY 2016

In 2016 VLAWMO awarded grants for *21* rainbarrels, for a total of \$1,001.74. A total of 80 rainbarrel grants have been awarded since the program began in 2007. Each time the barrels are filled, up to 4,400 gallons of water is available for reuse. If each rainbarrel gets filled 10 times throughout the year, that's 44,000 gallons! An additional 4 rainbarrels were awarded as prizes during 2016 public events (pictured left).

COMMUNITY BLUE GRANT PROGRAM

Community Blue is an education focused grant program for community groups within VLAWMO. It funds educational events and resources as they relate to water resources, and provides support in making existing stormwater, wetland, or watershed improvements into educational tools with public exposure. 1 Community Blue grant was completed in 2016 (page 14).

Community Blue

PURPLE LOOSESTRIFE CONTROL



In the Spring of 2016, the Rice Lake Project Committee (RLPC) contacted VLAWMO that the purple loosestrife infestation on the Lake had been increasing in the last decade. A purple loosestrife project was

created with the goal to reduce the purple loosestrife population, and rebound and increase native vegetation.

Purple loosestrife is an invasive wetland plant species native to Europe, Asia, Africa and Australia. The plant effectively moves into areas and crowds out native vegetation, decreasing biodiversity and habitat. The RLPC has utilized research from the DNR as well as contract with professionals to conduct their own research on methods of purple loosestrife removal. RLPC findings were congruent with the DNR in that the most effective means of managing purple loosestrife was biological control. Biological control simply entails collecting and introducing a species of beetle to the Lake that feeds only on purple loosestrife. This is a long-term solution to reducing and controlling the invasive plant population.

VLAWMO approved the project application through the Community Blue grant program, which provided for both physical materials and tools as well as educational initiatives with Birch Lake elementary. Up to \$10,000 was appropriated for the 3-year treatment and monitoring project - 2016 to 2018.

Monitoring will be conducted each fall to measure changes on the Lake.



Stakeholder Meetings

GOOSE AND WILKINSON: PROJECT PLANNING

Goose and Wilkinson lakes are great examples water bodies that need water quality improvements, but also have multiple priorities and uses. Planning in these situations is nearly impossible, unless all parties are present and part of the plan.

While stakeholder priorities range from development to recreation to aquatic habitat, the shared interest throughout is to improve the lakes' water quality. Contracting a 3rd party firm to facilitate the discussion, VLAWMO is excited to be working with the North Oaks Development Company, the White Bear Lake Ski Otters, the MN DNR, Minnesota Pollution Control Agency (MPCA), and North Oaks Home Owners Association, Ramsey Conservation District (RCD), and the Cities of White Bear Lake and North Oaks.



PLEASANT LAKE: LAKE LEVEL DISCUSSION

For many years, a variety of factors have created challenges with shoreline restoration projects on Pleasant Lake. This year was the first time that all of the parties involved sat down to strategize a plan of action.

- As part of the Vadnais Chain of Lakes, Pleasant Lake feeds into Vadnais. Pleasant's lake level therefore experiences a high degree of fluctuation depending on drinking water demand, facilitated by the Saint Paul Regional Water Service (SPRWS). This provides challenges in plant establishment.
- Home owners have varying opinions on which lake level is best for the lake and their properties.
- Pleasant Lake is large enough to have a large fetch; wind driven waves and ice that batter the shoreline, causing damage.



VLAWMO is excited to facilitate these discussions, because each challenge provides an opportunity for closer working relationships, increased understanding of party's values and needs, and in turn, improved management of our water resources.

Outreach

PUBLICATIONS AND SOCIAL MEDIA

VLAWMO strives each year to provide updates and education to local news sources as well as our social media outlets. This year, a half-hour segment was added to the local cable channel G-TV, airing weekly and receiving updates as new educational videos are created by VLAWMO staff.

Outreach and social media efforts:

- » Seasonal E-newsletters
- » Article in the Vadnais Heights Press: November, 2016
- » Article in the North Oaks News: December, 2016
- » Weekly posts on Facebook and Twitter
- » Monthly news stories and blog entries on VLAWMO.org
- » Developing informational brochures and posters

FORUMS

VLAWMO presented at the Water & Bees Policy Forum in White Bear Lake on July 12, 2016. Attendees learned about the results of the MN 2015/2016 legislative session and its implications on water resources and pollinators. The event was a cooperation between the City of White Bear Lake, Conservation Minnesota, and VLAWMO. It was also an opportunity for VLAWMO to survey community members on their interests and values pertaining to water, to help create the Education and Outreach Plan.



WBL Water & Bees Policy Forum

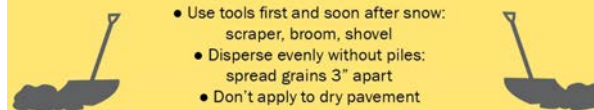
CITY AND TOWNSHIP OUTREACH

Keeping Cities and Townships informed and equipped with information and tools helps broadcast water-related messages, and helps municipalities in their Municipal Stormwater (MS4) permitting through the Minnesota Pollution Control Agency.

SALT CUP CAMPAIGN: In 2016, VLAWMO provided resources to each City and Township on proper salt and de-icer application. While VLAWMO recognizes salt is harmful to water quality, it's still widely used for safety reasons. Measuring cups were a way to advocate proper application (according to Minnesota Pollution Control Agency best practices) in a relevant, practical manner. Table tents, posters, and salt measuring cups were dispersed to each city and township. 200 cups were dispersed to each municipality, advertised in their newsletters and websites.



1 teaspoon of salt permanently pollutes 5 gallons of water



- Use tools first and soon after snow: scraper, broom, shovel
- Disperse evenly without piles: spread grains 3" apart
- Don't apply to dry pavement

A coffee mug ≈ 1 lb of salt
Use ~2 pounds or less per 500 ft²

NEW MEDIA!

2016 brought the launch of VLAWMO's new blog and YouTube Channel, as well as renovations to VLAWMO Facebook and Twitter pages.



Blog found on the VLAWMO.org homepage

Follow our social media with the handle: "@VLAWMO"





Changing the Guard

Two watershed champions have moved onto their next life chapters this year. VLAWMO wishes them well and is grateful for their long-term investment of time and energy.

Marc Johannsen (left) has served as the chair of VLAWMO's Board of Directors for 10 years. Also retiring from serving as Mayor of Vadnais Heights, his support for VLAWMO is now as a member of the public.

Paul Petersen (right) served as chair of VLAWMO's Technical Commission for over 10 years, in addition to volunteering in the Citizen Lake Monitoring Program collecting water samples of Lake Amelia.

Volunteer Activities

Volunteers bring VLAWMO's work into the community. Volunteers help with water sampling, booth staffing, brainstorming, and advising VLAWMO on public interest and priorities.

CITIZEN LAKE MONITORING PROGRAM (CLMP)

These volunteers collect water samples and summarized lake conditions Bi-weekly from May through September.

VLAWMO would like to thank the following volunteers for their vital role in the Citizens Lake Monitoring Program. The volunteers for 2016 were: Ron Auger & Jim Grisim (Birch Lake), Paul Peterson (Amelia Lake), and Shannon Stewart (Tamarack Lake). Ron Auger sadly passed away in early 2017 - his help and good cheer will be missed.

WATERSHED ACTION VOLUNTEERS (WAV)

VLAWMO is grateful for the volunteers who have supported the Watershed Action Volunteers in 2016: Bob Larsen, Mike Sorensen, Lisa Finander, Diane Gorder, and Chris Mann. 2016 volunteer activities included:

- » Staffing VLAWMO booths at community events
- » Planning and creating educational videos for water-friendly lawn care
- » Advising VLAWMO on public interest, priorities, and opportunities



Water Monitoring

INTRODUCTION

VLAWMO's regular water quality monitoring program includes nutrient sampling on 6 Lambert Creek sites, and nutrient sampling on 12 of the Vadnais Lake Area Watershed lakes. Nutrients and pollutants sampled for data include: total phosphorus, chlorophyll-A, soluble-reactive phosphorus, iron, total nitrogen, nitrate, total suspended solids, and chloride. VLAWMO's specialty monitoring programs, such as E coli and winter chloride sampling, will continue. See the 2016 Annual Report Summary for a map of monitoring locations.

2016 was officially the wettest year on record in Minnesota. Part of VLAWMO's water monitoring includes rainfall measurements because rainfall and the timing of rainfall are factors that influence water quality. Typically, more precipitation implies more water runoff, which carries more contaminants from the land surface into water bodies.

Lakes are summarized with a grading system called the Trophic State Index (TSI). This system was developed in the 1970's to calculate average phosphorus, chlorophyll-A, and Secchi disk readings, and generate a summarizing number. Letter grades are developed from the Metropolitan Council matrix for annual averages.

VLAWMO Lake Grades

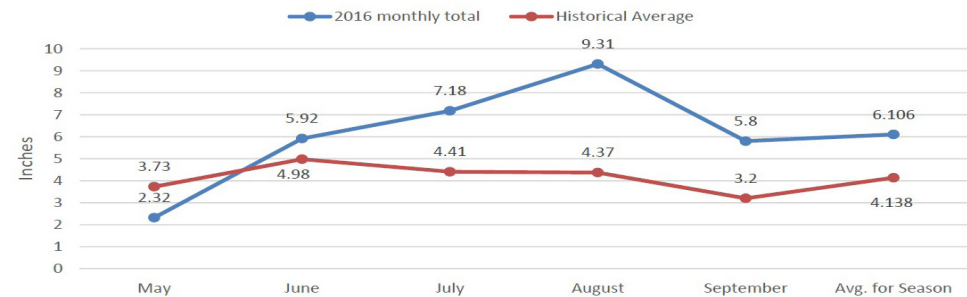
Lake	2015	2016	TSI Status
Amelia	B	B	Eutrophic
Birch	B+	B	Mesotrophic
Black	B+	A-	Mesotrophic
Charlie	C	C	Eutrophic
Deep	C-	C	Eutrophic
Gem	B	B	Mesotrophic
Gilffilan	C+	C+	Eutrophic
E. Goose	D-	D-	Eutrophic - Hypereutrophic
W. Goose	D	D-	Eutrophic - Hypereutrophic
Tamarack	D	D	Eutrophic - Hypereutrophic
Wilkinson	D	D+	Eutrophic

Eutrophic:

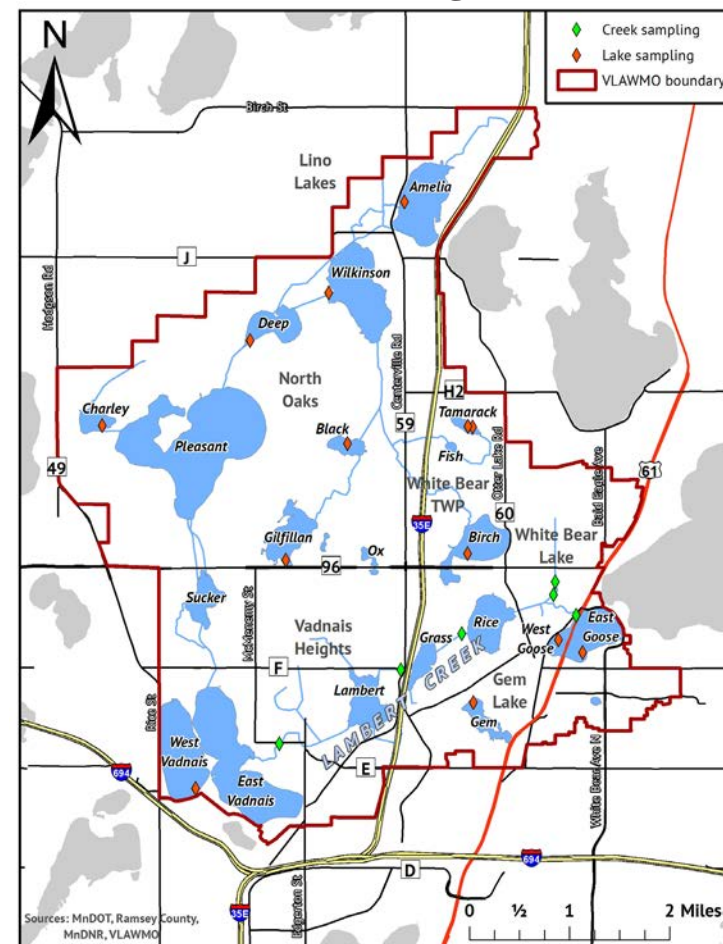
Hypereutrophic:

Mesotrophic:

VLAWMO 2016 Rainfall (monthly)



VLAWMO Monitoring Locations



Monitoring results are used to guide local water policies and management, and to help prioritize and locate future water quality projects such as raingardens, underground retention basins, and shoreline restorations. The full 2016 monitoring report is available at: vlawmo.org/resources

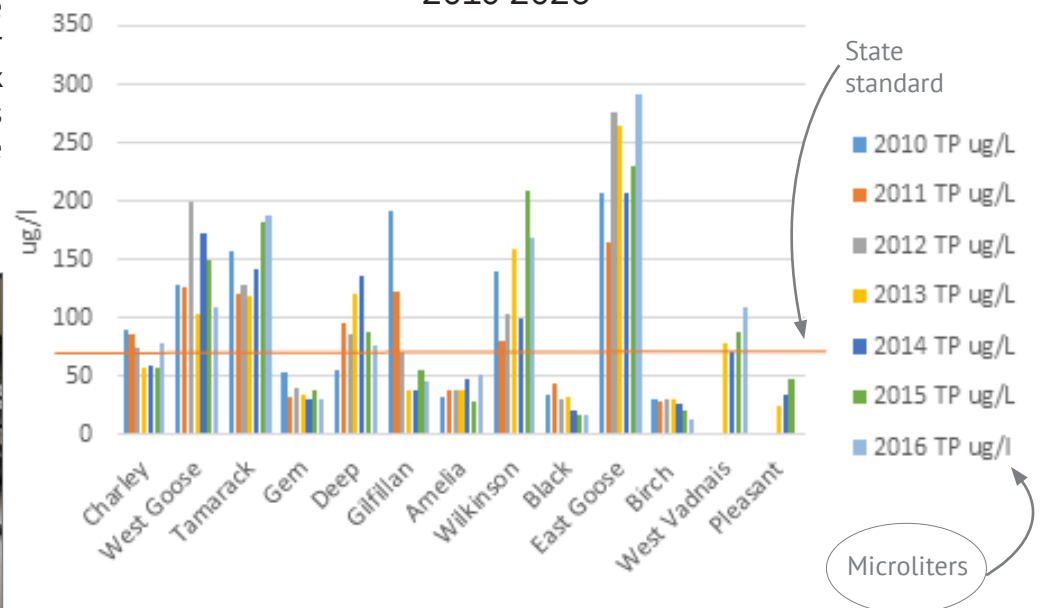
MONITORING SUMMARY

- » **Gem Lake's** chemistry has improved over the last 4 years which may coincide with the work that was done on Highway 61 and the reconstructed grass swales flowing into the lake. The Minnesota Pollution Control Agency (MPCA) is currently looking into delisting Gem Lake from the impaired list.
- » **Gilfillan** is another lake that has been on the Impaired List. Since the augmentation system went in in 2012 to raise the water level, the water quality has improved. This improvement is most likely due to dilution. To VLAWMO's knowledge, no augmentation has occurred in the last four years, so the level has maintained on its own. Nutrient levels look to be slightly rising over the last four years.
- » **East Goose and West Goose** still have very high nutrient levels. Bullhead removal had limited impact on nutrient levels. Studies have shown this to be a very complex lake system. A project feasibility assessment is being completed in 2017 as well as a follow up fish survey and other studies.
- » **Wilkinson's** phosphorus is over state standards but this year the Chlorophyll A is below or at standard. Wilkinson acts more like a wetland and therefore what goes on in the nearby watershed has a greater effect on the chemistry of the lake.
- » **Tamarack's** readings are still high. In the third full year of monitoring the floating wetland (installed 2013) has not shown any effect as of yet. Samples were taken right next to the island and compared to samples taken off the dock. There is no difference between the two spots. So far the water chemistry is similar to what was seen in past years. Monitoring will continue. The floating island currently provides additional habitat and education opportunities, While it may be too small to be effective, we hope it will help improve water quality in the next few years.
- » **Automated sampler:** VLAWMO installed its first automated storm sampler this summer. It worked great and provided quality results (pictured below).
- » **Whitaker:** The two cell system at Whitaker continues to export phosphorus. However the pond and fore bay (installed 2012) have shown a positive effect on suspended solids.
- » **Lake chloride levels** were overall similar to last year. We have been sampling for 7 years and there have been no significant changes within the lakes. Black Lake has the lowest levels. Birch Lake and East Goose are the highest which makes sense due to the proximity to major roads. All of the lakes are below the current State standards. The creek samples are difficult to catch because it has to be done when water is flowing. Year round chloride sampling on Birch Lake was done for the second year and levels have stayed steady
- » Overall, the other lakes are doing well.

The complete 2016 Monitoring Report can be found at VLAWMO.org



Average Total Phosphorus of VLAWMO Lakes 2010-2026



MONITORING SUMMARY - CONTINUED

E. COLI BACTERIA SOURCING

Lambert Creek is currently on the State Impaired Waters 303(d) list for high levels of *E. coli* bacteria. The creek was monitored for *E. coli* at 5 sub-watershed sampling locations weekly during the summer from 2008-2012. VLAWMO has been working with a consultant to perform target monitoring and molecular sourcing to discover the source of the *E. coli* impairment (whether the bacteria comes from human, animal or avian sources). The recently approved Total Maximum Daily Load study (TMDL) suggests a 37%-61% reduction in current bacteria loads to the creek.

At the completion of this project we hope to have an understanding of exactly where the *E. coli* is coming from at these locations on the creek and also determine proper best management practices (BMP's) to reduce the amount of bacteria in the creek. 2014 source monitoring focused on the County Road F and Oakmede sites, while 2015 sampling targeted the Whitaker and Oakmede drainage sites. The 2016 focus was on wet weather sourcing at County Road F and Oakmede sites.

THE E. COLI SOURCING PROCESS

VLAWMO is working with a consultant to perform target monitoring to clarify geographic source of *E. coli*. Further, DNA analysis is uncovering the host animal source of the *E. coli* impairment (whether the bacteria comes from human, avian, canine, or other animal sources). 3 rain events were targeted for sampling, each containing hundreds of samples taken right before and during rain events.

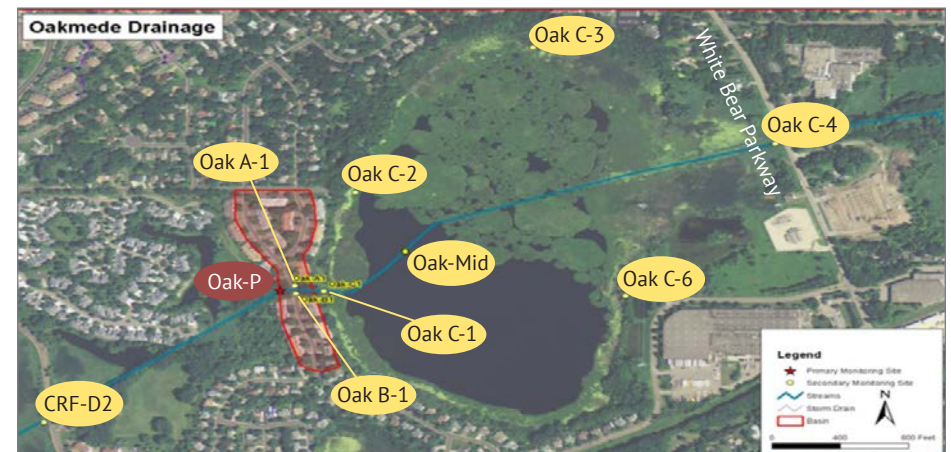
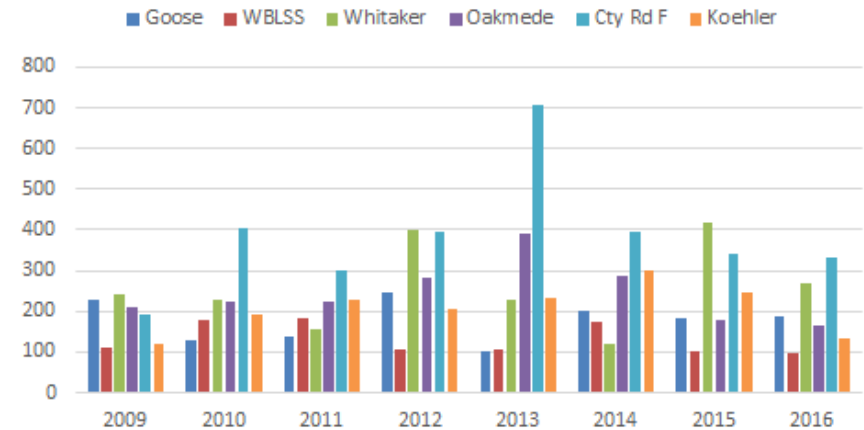
E.COLI SOURCING RESULTS

VLAWMO completed the County Road F and Oakmede sub-drainages this summer for wet conditions. *E. coli* concentrations were monitored at primary sites as well as tested for the human, canine, and avian genetic markers along with sediment studies in the sub-drainages.

The results from County Road F and Oakmede wet weather *E. coli* concentrations showed above state chronic standard levels of *E. coli* (more than 126cfu/100ml), indicating the impairment is wet weather related at these sites. Both sites were also negative for the human genetic marker suggesting there are no septic or sanitary sewer leaks contaminating ground water in these areas leeching into the creek. Both sites were positive for the avian and canine markers, suggesting that waterfowl and dog waste have an influence on the bacteria levels in the creek.

VLAWMO will continue the wet weather monitoring for the Goose and Whitaker sites in 2017.

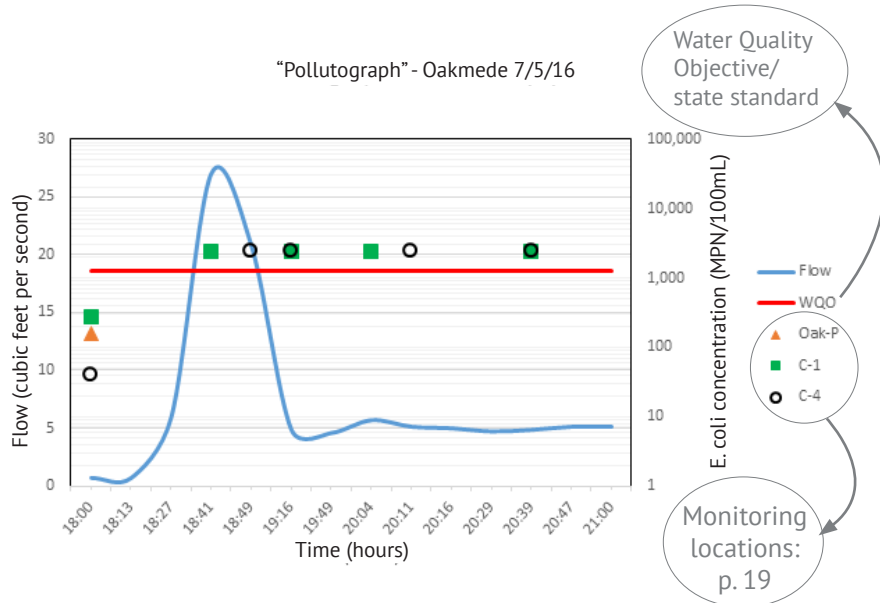
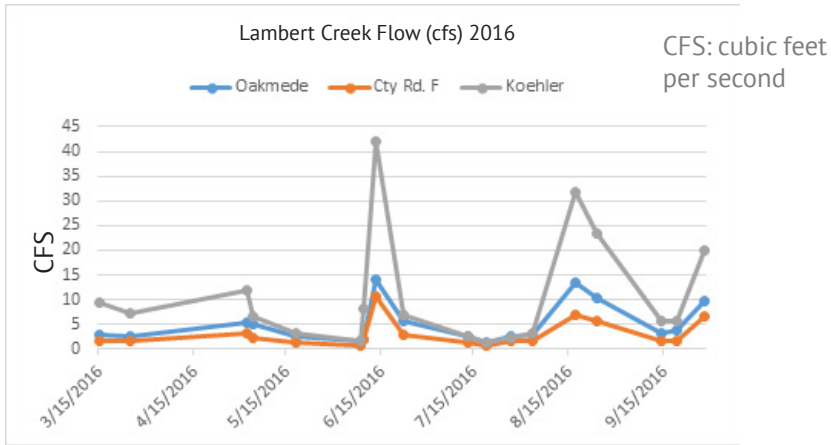
Lambert Creek Historical Total Phosphorus (ug/l) 2009-2026



The above map displays Oakmede drainage locations. *E. coli* readings are expressed on page 20. Oakmede drainage is highlighted in red, and to the East is Rice Lake and White Bear Parkway.

MONITORING SUMMARY - CONTINUED

Automated sampler continued: VLAWMO's new automated sampler is used to take storm samples from rainstorm events to measure possible increases in nutrient loading that is introduced to our water bodies from stormwater. The sampler is being used in areas where nutrient loading due to stormwater is suspected to be an issue and to identify areas for possible best management practice (BMP) projects. The graphs below illustrate the magnitude of how much stormwater enters the Creek, as well as how E. coli levels fluctuate with the storm flow.



Review of 2016 Work Plan

2016 was a year heavy in planning. VLAWMO received approval of its new 10 year 2017-2026 Comprehensive Watershed Management Plan from the state. It was adopted by the Board in October. The new Education and Outreach Plan and the VLAWMO water policy update were also adopted in October. A great deal of stakeholder input went into all three planning and policy documents. VLAWMO wants to thank all the partners and members of the public who helped shape our watershed direction.

It was a big year for VLAWMO's other programs, as well. The cost-share program yielded a record amount of projects and the Community Blue Grant Program kept active with purple loosestrife control. The monitoring program continued lake and stream monitoring, compiling data for VLAWMO's annual monitoring report (available on vlawmo.org). VLAWMO staff also completed a dry weather E. coli sourcing study, finishing 3 remaining sub-drainage areas. Results and action plans from the E. coli sourcing will be completed in 2017.

VLAWMO also held booths at local events and festivals throughout the spring and summer, answering questions, joining in the fun, and garnering interest in local water quality issues.



Review of 2016 Work Plan



CAPITAL IMPROVEMENT PROJECTS - 2016

Acronyms:

BOD: Board of Directors

BMP: Best Management Practice (pertaining to stormwater treatment)

RFP: Request for Proposal

TEC: Technical Commission

Project Name	Description	Goal: Going into 2016	Goal: 2016 Result
Sucker Lake Channel Restoration	This project is a joint effort in partnership with Ramsey Conservation District and the St. Paul Regional Water Service. When completed it will restore approximately 700 linear feet of shoreline that has eroded. Includes fishing access locations to support the current use of the site.	» Continued to work with partners to solidify project plans. Ongoing into 2016.	» Continued to work with partners to solidify project plans. Ongoing into 2017.
Lambert Creek - Lower Kohler Channel Restoration	This project will restore approximately 200 ft. of streambank downstream of the Kohler flume. Engineered armoring will be part of first section below the flume. Native vegetation will be planted to help stabilize the banks.	» Installation to be completed by the end of 2016.	» Installation began and was mostly completed in 2016. Plantings and additional stabilization will occur in Spring, 2017.



GRANT PROGRAMS - 2016

Project Name	Description	Goal: Going into 2016	Goal: 2016 Result
Community Blue	Market Community Blue as a broad grant program to support education, outreach, and citizen engagement as they pertain to water resources and watershed improvements. In 2016, the White Bear Preserve Townhome Association received funds to provide hands-on education in AIS control of purple loosestrife in their wetland, Grass Lake.	» Provide grants to support community service initiatives, and citizen engagement efforts focused on watershed protection. Achieve one grant recipient.	» One grant recipient; goals met for 2016.
Landscape Level 1 & Rainbarrel Program	Establish relationships and provide grants to property owners within the watershed to install water quality enhancement projects.	» Install at least 8 projects in multiple communities to engage landowners and provide water quality benefits.	» Spent 81% of funds on 33 grants. LL1: 12 grants, .18 lbs of phosphorus removed/year from local water. » Rainbarrel: 21 grants

 **GRANT PROGRAMS - 2016**

Project Name	Description	Goals: Going into 2016	Goals: 2016 Results
Landscape Level 2	Establish a new policy that better supports the direction of the program, meet with City Planners/Engineers to educate them about the program and help spread the word on projects they may be working on	» Provide larger grants to property owners to install further-reaching BMPs.	» 2016 LL2 funds were utilized funding the White Bear Montessori School Project. .234 lbs of phosphorus/year removed from local water.

 **ADMINISTRATION & OPERATIONS - 2016**

Project Name	Description	Goals: Going into 2016	Goals: 2016 Results
Joint Powers Agreement Update	The JPA language was reviewed for any recommended updates. The VLAWMO attorney reviewed any updates or changes that were proposed by the Policy and Personnel Committee. The updated JPA was sent to municipal partners for review and approval.	» JPA updates and language changes were considered by the Board before distribution to the JPA members for approval.	» The JPA was approved by the Board and signed and ratified by all members for 2017-2026; goal met.
Storm Sewer Utility	Storm sewer rates are based on the adopted budget and certified to the counties for collection. SSU fees were increased for 2017 to meet current activity. Reserves had been subsidizing the budget in earlier years.	» Provide necessary financing for watershed.	» SSU fees were increased by \$7.92 for 2017 as reserves were used up, which kept previous year's rates low.
Wetland Conservation Act (WCA)	Boundary and type & other determinations in consultation with the TEP were completed with notice. Responses were given to WCA questions	» Administer WCA Rules with VLAWMO as LGU.	» Goal met. See page 34 for details.



MONITORING PROGRAM - 2016

Project Name	Description	Goals: Going into 2016	Goals: 2016 Result
E. coli Sourcing	Finished the wet weather monitoring for the Cty Rd F and Oakmede sub-drainages. Enumeration testing was done by SPRWS. Molecular tests were staff collected, filtered by Ramsey Co labs and sent to Weston Solutions, CA lab for DNA tests.	» Complete wet weather monitoring of the 2 sub-drainages for 2016 portion of the source and transport mechanism identification study.	» Goals met, see appendix A-3
Chloride Measurements	Sample lakes and Lambert Creek once annually. Partner with Birch Lake Improvement District (BLID) for chloride samples on Birch Lake May through September.	» Annual creek and lake samples at ice off. Birch Lake monthly winter samples were collected twice in 2016 as ice conditions allowed.	» Goals met, see appendix A-3
Lambert Creek monitoring program	Basic phosphorus, nitrogen and sediment levels are monitored at 6 sites along with pH, conductivity and DO. Automated flow meter & precipitation gauge are maintained at Whitaker.	» Document and evaluate the general health of the creek using sampling and measuring parameters.	» Goals met, see appendix A-3
Lake Level Program	Gilfillan, Birch, Gem & Goose Lake gauges are calibrated in the spring and read up to 11 times during the summer	» Monitor lake levels on 4 targeted lakes in the watershed to track short & long term trends.	» Goals met, see appendix A-3
Zebra Mussels	PVC pipe monitoring is continued in targeted lakes	» As zebra mussels are in the Vадnais chain of lakes (Charley, Pleasant, Deep, Sucker, Vадnais), monitor other targeted lakes at risk of infestation (Amelia, Wilkinson, Gilfillan, Black).	» Goals met, and no Zebra mussels reported in at-risk lakes.
Citizen Lake Monitoring Program (CLMP)	Water quality sampling and monitoring lakes through the aid of citizen volunteers.	» On 5 lakes, engage with local residents and partner organizations for monitoring assistance (Amelia, Birch, and Tamarack)	» One volunteer retired for personal reasons. Sampling was continued by staff. Goat met.



EDUCATION PROGRAMS - 2016

Project Name	Description	Goals: Going into 2016	Goals: 2016 Results
Workshops	Two raingarden workshops were held in April, 2016, totaling 30 participants.	» Host at least one raingarden workshop annually, depending on demand.	» Two raingarden workshops hosted. Goals for 2016 surpassed.
Community Events	Staffed a VLAWMO booth at WBL Water Conservation Event, Vadnais Heights Farmers Market, North Oaks Community Fair, Taste of Vadnais, Marketfest, Heritage Days, and the Vadnais Halloween Party.	» Partner with the community through local events providing educational information on VLAWMO's projects, programs, and activities.	» Goals surpassed - more events attended than originally planned.
Watershed Action Volunteers (WAV)	Volunteers have helped with several of the educational videos now found on our website, Youtube, and Facebook pages. In addition, volunteers informed VLAWMO on outreach initiatives and helped staff booths.	» Maintain active citizen involvement and support for VLAWMO's programs and community events.	» The WAV had a large boost and upswing in 2016, thanks to fostered efforts.
Website Update	Renovations for resident, schools, developers, projects, and get involved pages were completed. A blog (13 entries in 2016) and new content explaining watershed history, wetlands, and drainage issues were added to the website.	» Organize and structure the website in a way that's practical, engaging, and aesthetically pleasing.	» Website is fully organized with no more loose ends or pages under construction. It serves as a practical tool for both VLAWMO and the public.
Partnerships	Continue support of existing partners and partner activities: Ramsey Conservation District, BLID, Watershed partners, RCGISUG, MS4s.	» Maintain active partnerships, communication, and meeting attendance.	» Goals met.



PLANNING & REPORTS - 2016

Project Name	Description	Goals: Going into 2016	Goals: 2016 Results
Water Quality Sampling & Monitoring Quality Assurance Project Plan	The VLAWMO Water Quality Sampling & Monitoring Quality Assurance Project Plan was released in 2016 to outline VLAWMO's policy for its sample collection and monitoring practices.	» Update and production of the WQS&MQAPP for use by VLAWMO monitoring staff.	» Goals met.
2016 Water Policy Update	Along with the updated Comprehensive Watershed Management Plan, VLAWMO's water policy was updated and renewed to reflect industry standard policy measures. These policies are specifically written for adoption and use in VLAWMO's joint power municipalities' Local Water Plans (LWPs) to establish rules and standards for the protection of water resources in the watershed.	» Update VLAWMO's water policies for use of JPA municipalities in updating their LWPs in the coming years.	» VLAWMO's Board of Directors approved in October 2016. Goals met.
Watershed Management Plan Update (Plan)	A 10-year update of the Plan was required to meet all existing and proposed requirements of Minnesota Rules Chapter 8410, 8420 and 4720.5100 – 4720.5590, Minnesota Statutes 103B, 103D and 471.59. The plan will clearly identify goals, policies, priority concerns, and a strong focus on implementation activities for the Watershed for 2017-2026	» Approval of the Board of Water & Soil Resources and adoption by the VLAWMO Board.	» Comprehensive Plan and comment periods completed. Approval made by the VLAWMO Board of Directors in October, 2016.
Goose-Wilkinson feasibility report	A request for proposal for a feasibility study of possible projects for the Wilkinson and Goose sub-watersheds, as laid out in VLAWMO's 2017-2026 Water Plan.	» Provide guidance for Bmp's and methods in the sub-watersheds	» RFP was approved by the Board of Directors at the December, 2016 BOD meeting. Goals met for 2016.
Joint Powers Agreement (JPA)	The next 10 year update of the VLAWMO JPA which empowers the watershed to function under State Statute shall be reviewed, discussed, and updated.	The updated JPA was sent to all 6 member communities for consideration.	» The 2017-2026 VLAWMO JPA was ratified by all member communities in the Summer of 2016.

LOOKING AHEAD:

2017 goals, plans, and projections

IN THIS SECTION

» 2017 Work Plan

VLAWMO CORE ACTIVITIES



WATER PLAN STRUCTURE



2017 WORK PLAN PROJECTION

VLAWMO will put the 2017-2026 comprehensive water plan into action. The water plan structure (above) informs issues that will be addressed, goals that VLAWMO will set, and the strategies employed to reach those goals. See the 2017-2026 comprehensive water plan on our website under About > Why Water Matters for a more in-depth look at these plan components.

The 2017 work plan on the following pages is color coded according to the VLAWMO core activities diagram above. Each core activity also has a number, conveyed in the 2017-2026 comprehensive water plan.

ACRONYMS:

- WLA: Waste Load Allocation
- DNR: Department of Natural Resources
- MS4: Municipal Separate Storm Sewer System
- NEMO: Northland
- SWPPP: Storm Water Pollution Prevention Program
- STEM: Science, Technology, Engineering, Mathematics
- BMP's: Best Management Practices
- CIP's: Capital Improvement Project
- LGU: Local Governing Unit
- LCCMR: Legislative Citizen Commission on Minnesota Resources
- AIS: Aquatic Invasive Species
- TMDL: Total Maximum Daily Load
- TEP: Technical Evaluation Panel



CAPITAL IMPROVEMENT PROJECTS - 2017 WORK PLAN

	Project Name	Description	Goals	Timeline
S U B - V A D N A I S	Sucker Lake Channel Restoration	This project is a joint effort in partnership with Ramsey County Parks, Ramsey Conservation District, and the St. Paul Regional Water Service. When completed it will restore approximately 700 linear feet of shoreline that has eroded. Includes fishing access locations to support the current use of the site.	» Work with partners to finalize designs, secure partner agreements, and go out for bid in the Summer of 2017.	Installation in Fall, 2017.
	Whitaker Treatment Wetlands	A stormwater treatment project partnering with the U of MN with funding through LCCMR grant funding. Stormwater from Whitaker Pond will be routed to underground wetland treatment cells and then infiltrated into shallow groundwater. Treatment cells contain different sorption material - the study will determine which material is most effective at filtering pollutants. VLAWMO will monitor for nutrients and bacteria, while the U of MN will monitor for pathogens.	» Finalize design and cost estimates. Release project plans for bid. » Start installation of treatment wetlands and preliminary sample collection on Whitaker Pond.	Geo-technical engineering, bidding, contracting, and installing of treatment wetlands in 2017. 1st year monitoring in 2018.
	Lambert Creek - Lower Kohler Channel Restoration	This project will restore approximately 200 ft. of streambank downstream of the Kohler flume. Engineered armoring will be part of first section below the flume. Native vegetation will be planted to help stabilize the banks. Partner with City of Vadnais Heights on downstream restoration.	» Installation complete by spring of 2017.	Installation in fall 2016 - spring 2017.
	Goose & Wilkinson Lakes Load Assessment for Project Development	VLAWMO will work with consultants to assess all data and information collected on these waterbodies, engage with stakeholders (see page 14), and determine the next best steps for nutrient reduction.	» Determine next steps to reduce nutrient levels in Goose & Wilkinson Lakes. » Begin development plans for 2018 installations. » Assist MS4s in achieving their WLAs.	Installations start in 2018.
	Birch Lake: 4th & Otter Lake Road Project Development	VLAWMO will work with a consultant to assess the options for BMPs at the 4th and Otter Lake Rd site. Conceptual designs of best possible projects will be completed and VLAWMO will work with its partners to finalize design and secure funding for 2018 installation.	» Capture stormwater from residential area and reduce nutrients prior to reaching Birch Lake.	Conceptual designs complete Summer 2017. Final designs and partnership agreements complete by end of 2017, installation for 2018.

GRANT PROGRAMS - 2017 WORK PLAN

CORE ACTIVITY #

Project Name	Description	Goals	Timeline
Landscape Level 1	Establish relationships and provide grants to property owners within the watershed to install water quality enhancement projects.	<ul style="list-style-type: none"> » Install at least 10 projects » Achieve .25 lbs of phosphorus/year removed from local waters. 	Ongoing
Landscape Level 2	Landscape Level 2 Cost Share Program is aimed at assisting landowners with implementing larger BMP projects within the watershed. Preference for projects that have high visibility, educational value and/or local citizen support.	<ul style="list-style-type: none"> » Install at least 1 project. » Achieve .25 lbs of phosphorus/year removed from local waters. 	Ongoing
Community Blue	A communication and outreach grant program to provide money for projects big and small that otherwise might not qualify for other grant awards. Projects must provide education and outreach benefits that directly relate to water quality.	<ul style="list-style-type: none"> » Initiate at least 1 approved grant that has a tangible connection to water resources education. » Receive 2 grant applications. 	Ongoing

PUBLIC EDUCATION AND OUTREACH - 2017 WORK PLAN

CORE ACTIVITY #

Project Name	Description	Goals	Timeline
Watershed Action Volunteers (WAV)	WAV is a group of volunteer residents that assist with idea development and implementation of outreach opportunities and projects. A new stormdrain stenciling program will allow volunteer groups such as scouts and youth groups to protect our water through stenciling service projects. A new "Adopt-a-Drain" program educates residents and businesses the importance of adopting a stormdrain. WAV also strives to encourage awareness and interaction with local water resources using phenology and basic environmental monitoring.	<ul style="list-style-type: none"> » At least 2 volunteers will help staff community booths more than once. » Hold at least 5 WAV meetings. » Host at least 3 stenciling service projects, adopt 12 stormdrains, install 1 picture post. » Complete at least 1 educational video related to water resources. 	Ongoing
Workshops	Hold raingarden workshops for residents covering watershed processes, raingarden function, and installation how-to. Introduce VLAWMO's cost-share program to participants. In addition to a raingarden workshop, add a native plant workshop based on a survey of past workshop attendees.	<ul style="list-style-type: none"> » Achieve at least 25 raingarden workshop participants. » At least 3 residents who attend a raingarden or native plant workshop will pursue a cost-share grant. 	Workshops: Feb-May Cost-share: ongoing



PUBLIC EDUCATION AND OUTREACH - 2017 WORK PLAN

CORE ACTIVITY

	Project Name	Description	Goals	Timeline
3.3	Community Events	Staff a VLAWMO booth at various community events. Develop information and engagement components for community events. A rainbarrel giveaway contest is used to attract event goers, and number of entries signify how many people stopped by the VLAWMO booth. Prizes such as tote bags, boating kits, and craft soda will be provided for free to guests who engage the booth.	<ul style="list-style-type: none"> » Attend at least 5 community events annually. » Receive at least 200 entries total in rainbarrel giveaways. » Giveaway at least 100 prizes to booth guests. 	April - October
3.3	Communications	Create and update material and publications for social media, website, seasonal Enews, and local publications. Make all sections of the website active. Create and maintain communications to promote public awareness for responsible use of our water resources.	<ul style="list-style-type: none"> » Appear in at least 3 news articles in local papers. » Appear in at least 4 City/Township newsletters with opportunities and education. » Reach 200 views on website. 	Ongoing
3.3	K-12	<p>Develop youth involvement opportunities and programs that improve/benefit VLAWMO's goals and activities: Macroinvertebrates field days, STEM lessons. Reach multiple age demographics through school involvement.</p> <p>Assist schools in establishing and maintaining stormwater best management practices (BMP's).</p>	<ul style="list-style-type: none"> » Reach 10% of the school age population in 2017 through education and BMP maintenance. » At least 5 adults will contact VLAWMO about cost-share grants as a result of hearing about their student's school activities. 	Ongoing
3.3	Citizen Science	<p>Picture posts will be a new initiative for VLAWMO to explore phenology (ice-out, algae blooms) and AIS monitoring, with support from volunteers.</p> <p>Citizens assist lake monitoring each year through the Citizen Lake Monitoring Program (CLMP).</p>	<ul style="list-style-type: none"> » Install at least 1 picture post in the water for phenology monitoring (AIS, ice-out, foliage, etc.) and display data on VLAWMO website. » Volunteers will collect samples for 3 lakes for the 2017 lake monitoring season. 	May - November

PUBLIC EDUCATION AND OUTREACH - 2017 WORK PLAN

	Project Name	Description	Goals	Timeline
3.3	Partnerships	Continue support of existing partners and partner activities: NEMO, Watershed partners, local businesses, etc. Provide MS4 education summary for SWPPP; Improve stormwater guidance and information.	» Attend meetings with at least 4 partners annually, totaling at least 10 meetings.	Ongoing

MONITORING PROGRAM - 2017 WORK PLAN

SUB-WATERSHED

	Project Name	Description	Goals	Timeline
Lambert Creek	<i>E. coli</i> Sourcing	Continue wet weather monitoring of the Goose and Whitaker sites (wet weather= during rainfall event).	» Address bacteria impairment on Lambert creek through source and transport mechanism identification.	April - September
Lambert Creek	Lambert Creek monitoring program	Monitor basic phosphorus, nitrogen, Chlorophyll A, chloride, and sediment levels at 6 sites along with pH, conductivity and DO at the 3 flumes. Maintain automated flow meter and precipitation gauge at Whitaker.	» Document and evaluate the general health of the creek.	April - September
Multiple	Lake Level Program	Gilfillan, Birch, Gem & Goose Lake gauges are calibrated in the spring and read up to 11 times during the summer.	» Monitor lake levels on 4 targeted lakes in the watershed to track short & long term trends.	May - September
Multiple	Lake Surveys	VLAWMO will work with Ramsey Conservation District to perform bathymetry and vegetation surveys on Wilkinson and Charley Lakes and with Blue Water Science to perform fish surveys on East & West Goose Lakes and Wilkinson Lake. These surveys assist in determining future management of the lakes.	» Complete all identified surveys.	Surveys will be completed by Summer 2017 and reports on findings submitted by Fall 2017.
Multiple	Stormwater Monitoring	Automated and manual sampling, including flow measurements on targeted streams into Birch Lake.	» Document watershed nutrient loading into Birch Lake to assist selection of implementation strategies.	May - September



MONITORING PROGRAM - 2017 WORK PLAN

SUB-WATERSHED

	Project Name	Description	Goals	Timeline
Multiple	Lake Monitoring Program	Monitor chemistry of 12 of VLAWMO's lakes through nutrient and sediment sampling, along with pH, conductivity, and dissolved oxygen (DO) measurements. Continue integration of automated sampling.	<ul style="list-style-type: none"> » Keep water quality record of watershed's lakes. » Utilize water quality data for future projects and CIPs. 	March - September
Birch	Chloride Measurements	Sample lakes and Lambert Creek. Partner with Birch Lake Improvement District (BLID) for summer monitoring of Birch Lake.	<ul style="list-style-type: none"> » Check monthly measurement. 	Jan. - September



ADMINISTRATION & REGULATION - 2017 WORK PLAN

CORE ACTIVITY

	Project Name	Description	Goals	Timeline
3.1	Budget & Stormwater Utility	Storm sewer rates are based on the adopted budget and certified to the counties for collection.	<ul style="list-style-type: none"> » Provide necessary financing for watershed. 	April - October
3.5	Wetland Conservation Act (WCA)	Complete boundary and type & other determinations in consultation with the TEP. Respond to WCA questions.	<ul style="list-style-type: none"> » Administer WCA Rules with VLAWMO as LGU. 	Ongoing



SUSTAINABLE LAKE MANAGEMENT PLAN (SLMP) - 2017 WORK PLAN

CORE ACTIVITY

	Project Name	Description	Goals	Timeline
3.2	Charley Lake SLMP	A report covering the subwatershed of Charley Lake on its health and trends, with lake management plans to sustain its health.	<ul style="list-style-type: none"> » Collect background data, share with lake stakeholders to develop a prioritized list of management strategies. 	2017

LOGISTICS: Core operations

IN THIS SECTION

- » Comprehensive Plan
- » Education and Outreach Plan
- » WCA Summary
- » Water Standards
- » Local Plan Adoption
- » Biennial Solicitations
- » Partnerships

10 Year Comprehensive Water Plan: First steps

The Comprehensive Water Plan was approved by the VLAWMO board of directors on October 26, 2016 and meets all existing and proposed requirements of Minnesota Rules Chapters 8410, 8420, and 4720.5100 through 4720.5590, as well as Minnesota Statutes 103B, 103D, and 471.59. The Plan provides a framework for the management of the water and natural resources in the VLAWMO watershed from 2017 to 2026.

1. Protect, preserve, and use natural surface and ground water storage and retention systems.
2. Minimize public capital expenditures needed 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 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.
8. Secure the other benefits with the proper management of surface and groundwater.



The Plan identifies and prioritizes actions based on over 30 years of water quality monitoring and investigative studies as well as through input gathered through several stakeholder meetings held during 2015.

2017-2026 Priority issues:

1. Threatened and impaired surface water and natural resources.
2. Threatened or impaired groundwater quality or quantity.
3. Need for education and involvement from citizens and stakeholders.
4. Need for adequate data, analysis, and staff capacity in order to meet goals and accomplish strategies.
5. Aquatic invasive species (AIS) management.
6. Localized flooding.



Education & Outreach Plan

The Education and Outreach Plan (EOP) was finalized and approved by the Board of Directors on October 26, 2016. The EOP will provide guidance and direction by keeping a focus on 6 desired results. These desired results are the intended result of 10 goals, and each goal is further broken down into 2-3 measurable objectives.

Desired results:

1. Have a citizenry that continually seeks knowledge and awareness of natural resources.
2. Observe citizens demonstrating watershed protection behaviors.
3. Observe trained volunteers educating citizens.
4. Confirm that MS4 partners are collaborating, using resources, and meeting state requirements to the best of their ability.
5. Have programs and partnerships that foster education and participation that build on the interests and abilities of VLAWMO residents.
6. Witness evidence that VLAWMO residents are knowledgeable and up to date on actions being taken to address VLAWMO's priority issues.

Goals and objectives are organized into three levels of strategies: High, intermediate, and low. A strategy is defined by the balance between tangible results, community engagement, and short vs. long term time frames.

High strategies: Internally-focused, networking, and long-term planning for VLAWMO's future.

Intermediate strategies: Programs with a high degree of planning, but have visible, tangible results and community involvement. Cost-share promotion, citizen science efforts, school programming, workshops, and Community Blue.

Low strategies: The most publicly visible, community-oriented programs that are generally more short-term. Community events, branding efforts, school visits, media outreach, activities from the Watershed Action Volunteers (WAV) and tours through the watershed.

The EOP will be used in conjunction with the Watershed Management Plan and utilized as a living, evolving document that is evaluated annually. As VLAWMO discovers better avenues for projects, adjustments in goals and objectives will be made and documented on the "why water matters" portion of the

Why Water Matters banner used for displays and promotional materials for the 2017-2026 Watershed Management Plan



Wetland Conservation Act (WCA)

VLAWMO administers the Wetland Conservation Act with review. There were 24 landowner contacts in which wetland related technical assistance was provided during 2016. There were 3 potential WCA violation sites investigated, all 3 were resolved.

WCA SUMMARY

Type of Application	Approved	Denied	Withdrawn
Boundary and Type	6	0	0
No-Loss	1	0	0
Exemption	2	0	0
Sequencing	1	0	0
Replacement Plan	1	0	0

Local Plan Adoption

Adoption of Local Plans: Gem Lake, Lino Lakes, North Oaks, White Bear Lake, White Bear Township, Vadnais Heights are all complete and have been adopted.

Current member communities Local Water Plan update status

Member Community	Last Local Water Plan Update Year
Gem Lake	2010
Lino Lakes	2011
North Oaks	2009
Vadnais Heights	2010
White Bear Lake	2007
White Bear Township	2010

Partnerships

One of VLAWMO's greatest successes is working together with partners to use resources wisely and maximize our effectiveness. Workshops, meetings, and webinars allow VLAWMO to be on the cutting edge of the water resources in the Northeast Metro.

- » Metro Watershed Partners provides monthly meetings to keep updated with other watersheds, receive feedback and strategy assistance, as well as hear from guest speakers to enhance education and outreach efforts.
- » Ramsey County GIS User Group focuses on sharing, developing, and promoting GIS data and technology. As a member agency, VLAWMO contributes and receives data, and has a voting hand in the content the Group funds and develops. Regular RCGISUG membership fees go to producing aerial images of Ramsey County and other GIS data.
- » Ramsey Conservation District holds informative forums on topics of general concern (AIS, State of the Waters, groundwater). They also provide technical assistance for lake studies and BMP design. Lastly, they provide financial partnership in grant funding of projects.
- » Northland NEMO provides additional resources such as the watershed game, and trainings in education and outreach.
- » Many other organizations and groups (p. 35) help carry out VLAWMO's mission through events, outreach strategies, and project planning.

Biennial Solicitation for Proposals

Proposals for professional auditing services and legal services will be solicited for in 2017.

2016 Partners

- » Metro Watershed Partners
- » Ramsey County GIS User Group
- » Ramsey County League of Local Governments
- » Ramsey Conservation District
- » Birch Lake Improvement District
- » North Oaks Home Owners Association
- » Tamarack Nature Center
- » Minnesota Pollution Control Agency
- » Northland NEMO
- » MN Erosion Control Association
- » Conservation Minnesota
- » Schools, Cities/Townships, town homes

Water Policy Update

The VLAWMO Board after consultation with its member communities adopted the updated 2016 Water Management Policy at its October meeting. Some highlights include a change in wetland buffer widths to be consistent with the Wetland Conservation Act (WCA), an increase in the rate control from 0.5inch runoff to 1.1inch runoff which includes development, redevelopment, and drainage alterations (including roads) creating new impervious areas greater than 10,000 square feet (sq. ft.) and more detailed policy on streambank and shoreline alterations including a shoreline & streambank erosion intensity calculator.

The new policy may be found on the VLAWMO website:

http://www.vlawmo.org/files/3614/7794/3677/Water_Management_Policy_Final_2016.pdf.



VLAWMO 'Changing the Guard' Celebration

DOLLARS AND CENTS:

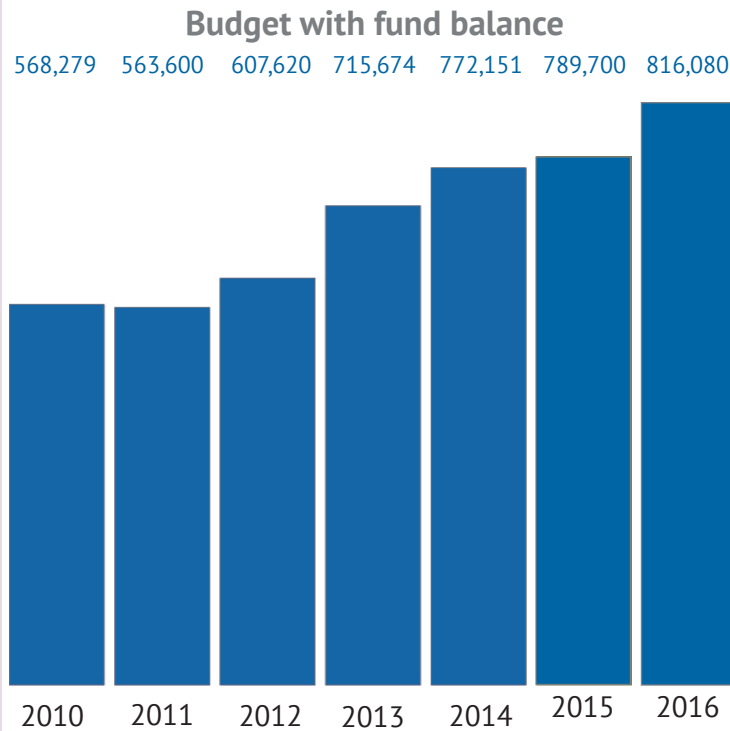
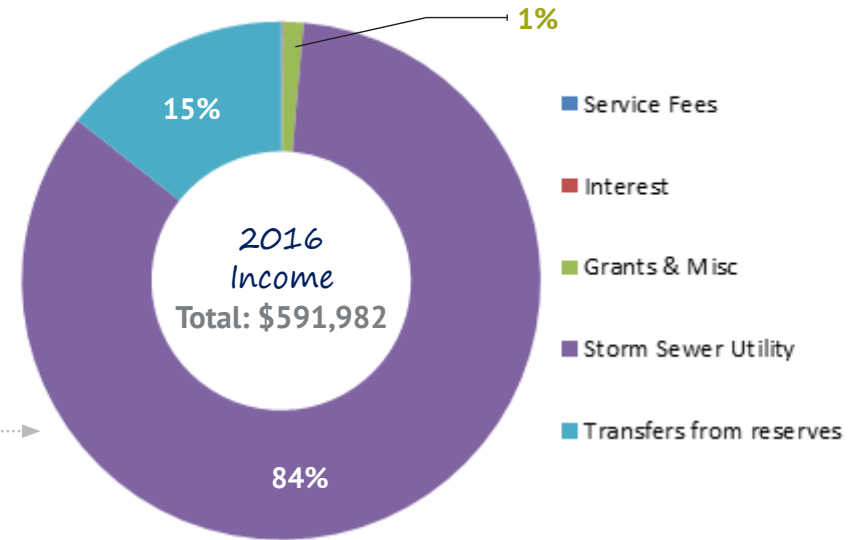
Financial statement and budget

IN THIS SECTION

» Finance and Budget

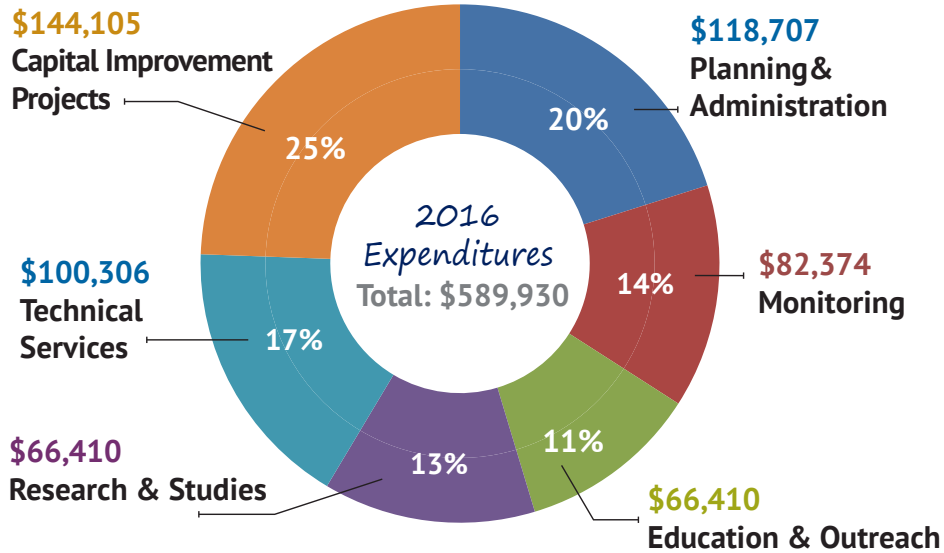
Finance and Budget

The 2016 budget was established by the Board of Directors at the regular June 2015 with carry over project and program funds added in December 2015. The Budget and Finance Committee with members from the Technical Commission and the Board reviews and makes recommendation on the budget to the Board. The working budget total for 2014 was \$772,151.



INCOME

The mainstay of support for VLAWMO work comes from its Storm Sewer Utility (SSU) fees. These fees are based on an estimate of impervious surface for each parcel of land that is in line with its land use classification. \$499,305 in SSU were certified to Ramsey and Anoka Counties. The average single family homeowner paid \$28.92 per year to support all of the projects and programs conducted by the watershed. That's about \$2.41 per month. Ongoing projects resulted in a significant amount of funding being carried over from 2015 to 2016. See transfers from reserves for the fund balance totals approved by the Board.



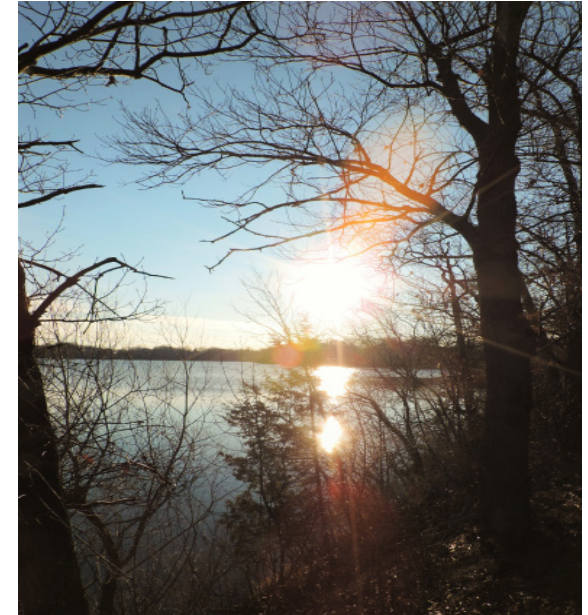
EXPENSES

Total cash expenses for 2016 were less than budgeted at \$589,930. This was an increase from 2015 and reflects funding that will be carried over for planned projects identified in Water Plan amendment to complete the 2007-2016 Water Plan. Further detail is available in the annual audit which will be posted on the VLAWMO website.

GRANTS AND PARTNERSHIPS

Grant funds received in 2016 included both direct and indirect funding. Wetland Conservation Act reimbursement funds totaled \$4,255. Partnerships have facilitated indirect grant funding for projects implemented with VLAWMO. Ramsey Conservation District applied for and received \$50,000 in State funding for the lower Kohler restoration project. Most of the project was installed in late 2016 with the grant funding passing through the VLAWMO budget in 2017. The City of Vadnais Heights was another key partner in the Kohler project, using the same contractor to continue maintenance work on the creek for another 1,000 lineal feet.

RCD also secured state funding for the Sucker channel restoration project which will be installed in 2017. While awarded in 2016 grant cycle, these funds and the cost-share contributions from Ramsey County Parks and Recreation and St. Paul Regional Water Service will enable the project to be done in 2017. All these indirect funding sources will not be reflected in the VLAWMO budget but the watershed will have the benefit of a long-awaited channel restoration project that will offer multiple benefits.



Sunrise over East Vadnais Lake in March

One other grant was awarded but will not be seen until 2017 and later coming from the Legislative Citizen's Commission on Minnesota Resources. A \$500,000 grant will allow VLAWMO to install treatment wetlands in White Bear Township near the outlet of Dillon Ditch into Lambert Creek. The focus will be on the removal of bacteria, nutrients and other pollutants. A linked study on pathogens will be done by the University of Minnesota. This will be reflected in the 2017 budget. Another partnership with Midwest Floating Island and the University of Minnesota installed two treatment islands in a storm pond as part of a paired pond study. Students will be monitoring the water quality to determine how effective the treatment islands can be in this type of application. VLAWMO received no funding, only the benefit.

WHO WE ARE:

The people behind VLAWMO

IN THIS SECTION

- » Staff
- » Consultants
- » Board of Directors
- » Technical Commission (TEC)

The VLAWMO office is located at:
800 E County Road E
Vadnais Heights, MN 55127

Who we are:

VLAWMO Employs five full-time staff for everyday operations. Consultants are required for a variety of purposes including auditing, bookkeeping, engineering, and technical assistance. The VLAWMO Board of Directors consists of one elected official from each of the six cities within the watershed. Each board member is appointed for a three year term. The VLAWMO Technical Commission consists of one citizen representative from each of the six cities. The Technical Commission meets to review and consider watershed business as well as make recommendations to the Board for wider scope decisions.

BOARD OF DIRECTORS (BOD)

Primary Directors

Marc Johannsen, Chair
771 Bur Oak Ct
Vadnais Heights, MN 55127
651.490.9692

Dan Jones, Vice Chair
1956 Lakeaires Blvd
White Bear Lake, MN 55110
651.283.6097

Marty Long
10 Larch Lane
North Oaks, MN 55127
651.407.8507

Ed Prudhon
470 Otter Lake Rd
White Bear Twp, MN 55110
651.426.2311

Robert Uzpen, Treasurer
4200 Otter Lake Rd
Gem Lake, MN 55110
651.492.5083

Rob Rafferty
1573 Merganser Ct
Lino Lakes, MN 55038
651.982.2492

Alternate Directors
No alternate available
Vadnais Heights

Bill Walsh
White Bear Lake

Gregg Nelson
North Oaks

Bob Kermes
White Bear Township

Jim Linder
Rick Bosak
Gem Lake

Dave Roeser
Lino Lakes

TECHNICAL COMMISSION (TEC)

Commissioners can be reached by contacting VLAWMO

Primary
Paul Peterson, Chair
White Bear Township

Mark Graham
Vadnais Heights

Jim Grisim
White Bear Lake

Chris Mann
North Oaks

Jim Lindner, Finance Officer
Gem Lake

Marty Asleson
Lino Lakes

Alternate
No alternate available
White Bear Township

Kevin Watson
Vadnais Heights

Brent Thompson
White Bear Lake

Diane Gorder
North Oaks

Gretchen Artig-Swomley
Gem Lake

No Alternate Available
Lino Lakes

STAFF**Stephanie McNamara
Administrator**

stephanie.o.mcnamara@vlawmo.org
651.204.6073

**Kristine Jenson
Program Manager**

kristine.jenson@vlawmo.org
651.204.6074

**Brian Corcoran
Water Resources Manager**

brian.corcoran@vlawmo.org
651.204.6075

**Nick Voss
Education and Outreach Coordinator**

nick.voss@vlawmo.org
651.204.6070

**Tyler Thompson
GIS Watershed Technician**

tyler.thompson@vlawmo.org
651.204.6071

CONSULTANTS**Abdo, Eick & Meyers LLP.**

5201 Eden Ave. Ste. 250
Eden Prairie, MN 55436
952.835.9090

Burns & McDonnell

8201 Norman Center Dr
Bloomington, MN 55437
952.656.6003

Ehlers & Associates

3060 Centre Point Dr
Roseville, MN 55113
651.697.8500

HDR Engineering, Inc.

701 Xenia Ave. S. Ste. 600
Minneapolis, MN 55416
763.591.5400

Houston Engineering Inc.

6901 E Fish Lake Rd
Maple Grove, MN 55369
763.493.4522

Humphrey Bookkeeping

14214 Geneva Way North
Hugo, MN 55038
651.426.4900

Kennedy & Graven, Chartered

200 South Sixth St Ste. 470
Minneapolis, MN 55402
612.337.9215

Ramsey Conservation District

1425 Paul Kirkwood Dr
Arden Hills, MN 55112
651.266.7270

St Paul Regional Water Service

1900 Rice St
St Paul, MN 55113
651.266.6350

Wenck Associates

1800 Pioneer Creek Center
P.O. Box 249
Maple Plain, MN 55359
763.479.4200

Many thanks to our outgoing Board Directors and Tech Commisioners!

Board: Marc Johannsen, Chair
Robert Uzpen, Treasurer

TEC: Paul Peterson, Chair
Chris Mann



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

Date: April 2017

To: Board of Directors

From: Kristine Jenson

Re: VI.A.1. Goose-Wilkinson Study Update

Greg Wilson from Barr Engineering and Della Young from Young Environmental Consulting Group will be at the Board meeting to present an update on the study they have been conducting to determine the next best steps for nutrient reduction for Wilkinson and Goose Lakes.

In accordance with our Comprehensive Watershed Management Plan, we committed to analyzing these water bodies in more depth because they are impaired for nutrients and they feed other water bodies downstream. Working to reduce the nutrient levels in these water bodies should have positive effects through the watershed.

Items covered will include:

1. Background water quality/feasibility study objectives
2. Summary of issues addressed with charrette
3. Summary of feedback from State Agencies and stakeholders
4. Data gaps/implications for study schedule
5. Results of updated water quality modeling
6. Discussion of existing BMPs
7. Recommendations for potential improvement options

Date: April 2017

To: Board of Directors

From: Kristine Jenson

Re: VI.A.2. Sucker channel restoration JPA consideration

Kristine has been working with Ramsey County Parks (Parks) for the last few years to pull together a project to restore the deteriorating channel entering Sucker Lake. The partners on this project include VLAWMO, Parks, Ramsey Conservation District (RCD), and the St. Paul Regional Water Service (SPRWS). The project has had many design iterations and shifting of how the project will be funded and managed. We finally have plans and a Joint Powers Agreement (JPA) that has been reviewed by all the partners and approved by the Ramsey County Attorney Office. The JPA is included with your packet.

VLAWMO had done preliminary analysis and design for the project to install a native buffer along the west side of the channel, as well as headed up the initial writing and amending of the JPA. Late last year, VLAWMO handed these responsibilities over to Parks so that they could add Park amenities to the plan as well as develop a plan set and JPA that meets their needs. While that was being done, we learned that a Clean Water Fund grant, submitted by RCD, was approved which brought more money towards the native buffer portion of the project and created the momentum necessary to have Parks complete the plans and JPA.

Section 3 of the JPA describes VLAWMO's responsibilities. VLAWMO has committed \$65,000 towards the project. Of that total, \$11,300 has already been spent on the preliminary analysis and design work. The funding leftover will go towards the required match for the Clean Water Fund grant and to the components of the native planting buffer and fishing access points within the buffer, as well as maintenance duties and signage. The buffer requires a 10 year maintenance commitment. RCD will cover the costs associated with the first year, VLAWMO will cover years 2 – 5, and Parks will cover the final years. The project is expected to be installed this fall with some of the planting to be done next spring.

Staff recommends approval of the JPA with Chair Jones and Administrator McNamara providing signatures to the document.

**Joint Powers Agreement Between
Ramsey County
Vadnais Lake Area Water Management Organization
Board of Water Commissioners of the City of Saint Paul
and
Ramsey Conservation District**

This **AGREEMENT** (“Agreement”) is entered into this ____ day of _____, 2017 by and between Vadnais Lake Area Water Management Organization (“VLAWMO”), Ramsey County through the Ramsey County Parks and Recreation Department (“County”) and the Board of Water Commissioners of the City of Saint Paul (“Water Board”), and Ramsey Conservation District (“RCD”) (collectively the “Partners”).

WITNESSETH:

WHEREAS, Parkland within the Vadnais-Sucker Lake Regional Park is owned by the City of Saint Paul Board of Water Commissioners (Water Board) and managed by the County pursuant to a Joint Powers Agreement between the Water Board and Ramsey County dated November 22, 1994; and

WHEREAS, VLAWMO has identified the Sucker Lake channel of water from Highway 96 stretching into Sucker Lake as an area requiring restoration due to active erosion; and

WHEREAS, VLAWMO hired HDR Engineering, Inc. to perform analysis of the site and hired Ramsey Conservation District (RCD) to perform the design work for restoration of the Sucker Lake Channel; and

WHEREAS, VLAWMO convened a team of stakeholders and regulators, including representatives from VLAWMO, RCD, Water Board and County, which determined that restoration of the Sucker Lake Channel (the “Project”) is a priority; and

WHEREAS, County, RCD and the Water Board have expressed support and interest in partnering with VLAWMO on the Project; and

WHEREAS, the County has also identified additional recreation infrastructure improvements and site amenities to be included as part of the Project; and

WHEREAS, for project efficiencies, the County is acting as the lead Agency for design and construction of the Project; and

WHEREAS, the County has estimated the Project costs to be approximately \$336,000;

NOW THEREFORE, in consideration of the mutual terms and conditions, promises, covenants and payments hereinafter set forth, VLAWMO, County, RCD and the Water Board (each a “Partner” and collectively, the “Partners”) agree as follows:

1. Joint Implementation

As a means of addressing the implementation and continuation of the Project, this Agreement is intended to provide the framework for the Partners to jointly coordinate activities as necessary, based on their respective roles and responsibilities for this endeavor. The Project shall be constructed in accordance with project plans and specifications approved by the Partners, incorporated herein by reference, copies of which are on file in the offices of the Partners.

2. Cost Participation

All Partners have established budgets toward this project. Bids will be prepared and solicited so that the work accomplished matches available funds. Once bids have been received, the Partners will determine if the entire project can be completed at this time or if the project will need to be divided into phases and completed as funding allows.

- a. Cost Overruns of the Project from the Contractor resulting in Change Orders will be jointly reviewed by all Partners or affected Partner for approval.
 1. Overruns caused as a direct result from requested construction activities by a Partner or Partners will be responsible for the associated cost overruns.
 2. Overruns caused as a direct result from requested construction activities that will either provide benefit to all Partners or is commonly shared between Partners shall share the cost based on a mutually agreed percentage.
- b. Partners will pursue other funding sources to assist in covering overrun costs of the project if these costs exceed existing budgets. Each Partner will be responsible for their own budget.

3. VLAWMO Responsibilities

VLAWMO agrees it will be responsible for performance of the following tasks:

- a. Coordinate maintenance of the Project planting components of the site for the second through fifth year after completion of work. Maintenance shall include only the native planting buffer so that the presence of at least 75% of the original planted species can be found on site and/or that the overall density of vegetation is comprised no less than 75% native species.
- b. Coordinate with Partners to develop, produce and install environmental signage as part of the planting portion of the Project. All signage design and locations must be approved by the County.
- c. Contribute an amount up to \$65,000 towards design, construction, and maintenance of plant material of the Project. To date, VLAWMO has spent \$11,300 of this contribution towards the feasibility and design work, leaving \$53,700 towards project costs, maintenance of plant components, and match to RCD grant in the amount of \$15,125. Project funds shall be payable to the County. The County shall submit receipts for Project costs to VLAWMO for reimbursement.

4. County Responsibilities

County agrees it will be responsible for performance of the following tasks:

- a. Act as the Project Administrator, fiscal manager, and main point of contact for the Project.

- b. Responsible for necessary project design including all project designs consisting of, but not limited to project plans, specifications and shop drawings. County will coordinate any related design, or information for the Project to Partners for review and comment.
- c. Manage the bidding process and provide oversight during installation.
- d. Coordinate all necessary permits.
- e. Provide and install benches, picnic tables, and trash/recycle receptacles where it deems appropriate. Concrete pads necessary for installation shall be provided as a project cost and installed by the contractor.
- f. Provide and plant trees in proposed locations as designated on the plan. All tree species and locations shall be determined by the County.
- g. Perform all maintenance on hardscape components incorporated into the work of the Project such as, but not limited to asphalt trails, pavers, turf, concrete walkways, site amenities, split rail fence, limestone boulders/retaining wall, and any other agreed components with Project Partners after completion of work.
- h. Perform all inspections and maintenance for planting work of the Project beginning at six years after completion of work.
- i. Contribute an amount up to \$180,500.00 in Legacy Amendment grant funds towards the construction costs of the Project. County funds are comprised of \$28,500 of FY 2015 Parks and Trails Legacy funds and \$152,000 FY 2018 Parks and Trails Legacy Funds. Parks and Trails FY 2018 funds will be available July 1, 2017 after approval by the State of Minnesota. The County funds will be available after receipt from the State of Minnesota.

5. Water Board Responsibilities

Water Board agrees it will be responsible for performance of the following tasks:

- a. Upon receiving a five-day advanced written request from County, the Water Board will lower the water level in Sucker Lake Channel to a level of minus 2.6 feet, as measured on the Sucker Lake Headwall. The Water Board will operate the channel at that lower level during construction of the Project, provided that a higher level is not required to provide for the needs of the Water Board, as solely determined by the Water Board. The Water Board shall provide 24-hour written notice to VLAWMO prior to raising the water level.
- b. Contribute \$30,000.00 towards the costs of the Project, payable to the County. The County shall submit receipts for Project costs to the Water Board for reimbursement.

6. RCD Responsibilities

RCD agrees it will be responsible for performance of the following tasks:

- a. The RCD will be responsible for all administrative and financial reporting to the Board of Soil and Water Resources for the Clean Water Grant.
- b. RCD will provide initial design plans for the shoreline planting with a high priority given to pollinator-friendly plants.
- c. RCD will review packet materials prior to request for bids.
- d. Coordinate the purchase of material for the planting portion of the project such as but not limited to plants, mulch material, and protective fencing.
- e. Coordinate installation and onsite inspections of Project planting components.
- f. RCD technical staff will provide project oversight during the installation of the Project with weekly site visits or more often as needed after completion of the Project, the RCD

will complete the required plant inspections and maintenance of the planting buffer only for year one after installation of the project. Maintenance shall include only the native planting buffer so that the presence of at least 75% of the original planted species can be found on site and/or that the overall density of vegetation is comprised no less than 75% native species.

- g. Contribute an amount up to \$54,000 towards construction of the Project components including maintenance of plant material of the Project and \$6,500 for design costs for RCD technical staff, as well as construction oversight costs. RCD funds are comprised of a Clean Water Fund Grant in the amount of \$60,500 which requires a 25% match in the amount of \$15,125 provided by VLAWMO. The Project contract number is S17-01 with Conservation Practices 580, 608, with project start date before 30-November-2018 and finish by 30-November-2019. The Clean Water Fund grant requires the project to be maintained for a minimum of ten years. RCD will remain the fiscal agent for the RCD grant. Project cost shall be payable to the County. The County shall submit receipts for Project costs to RCD for reimbursement.

7. Maintenance Responsibilities

As a means of addressing maintenance responsibilities for the project, each partner will address maintenance responsibilities based on their respective roles and ownership of completed project components.

- a. Maintenance of project components is referred to a routine maintenance. Routine Maintenance, also known as preventive, preventative or cyclical maintenance of project components for on-going care and upkeep without major replacement or repair. Typical routine maintenance consists of but is not limited to cleaning, sweeping, mowing, weed management, plant pruning, supplemental reseeding or replanting of small plant quantities, minor repairs from vandalism, mulch replacement, supplemental watering, management of pavement and other hardscape components, removal of debris and trash, and minor stabilization activities if erosion occurs on bank or in planting area.
- b. In the event maintenance of project components exceeds typical routine maintenance care due to significant impact or degradation, Partners will determine what the most cost effective solution for repairs is. Costs associated with major repairs may be commonly shared between Partners depending on ownership of project components. Partners will pursue other funding sources to assist in covering major repairs. Each Partner will be responsible for their own budget

8. Water Quality and Park Protections

The work of the Project shall be accomplished in such a manner so that the quality of the water in Sucker Lake Channel is protected and that access to and use of Vadnais-Sucker Lake Regional Park is preserved. Impacts or damage to the Park outside the project limits caused by construction activities will be reviewed by the Partners and commonly shared between Partners based on a mutually agreed percentage of impact/damage cost.

9. Representatives and Notices

All notices and correspondences concerning the Project should be directed to the following

individuals:

VLAWMO: Kristine Jenson
Vadnais Lake Area Water Management Organization
800 County Rd E.
Vadnais Heights, MN 55127
651-204-6074
kristine.jenson@vlawmo.org

County: Scott Yonke
Ramsey County Parks and Recreation Department
2015 North Van Dyke St.
Maplewood, MN 55109
651-748-2500
scott.yonke@co.ramsey.mn.us

Water Board: Justine Roe
Saint Paul Regional Water Services
1900 Rice St.
St. Paul, MN 55113
651-266-1628
justine.roe@ci.stpaul.mn.us

RCD: Michael Schumann
Ramsey Conservation District
1425 Paul Kirkwold Drive
Arden Hills, MN 55112
651-266-7275
michael.schumann@co.ramsey.mn.us

10. Liability

- a. Each Partner agrees that it will be responsible for its own acts and omissions and the acts and omissions of its officers and employees, and any liability resulting therefrom, to the extent authorized by law. No Partner shall be responsible for the acts of the others and/or the results thereof.
- b. Each Partner agrees to promptly notify all Partners if it becomes aware of any potential claim(s) or facts giving rise to such claims.
- c. Notwithstanding the foregoing, the terms of this Agreement are not to be construed as, nor operate as, waivers of a Partner's statutory or common law immunities or limitations on liability, including, but not limited to, Minnesota Statutes Chapter 466. Further, each Partner's obligations set forth in this Article and otherwise in this Agreement, and the results thereof, are expressly limited by the provisions of Minnesota Statutes Chapter 466, Minnesota Statutes Chapter 604, Minnesota Statutes Section 471.59, and any other applicable law or regulation providing limitations, defenses or immunities to the Partners.

11. Amendments to the Agreement.

This Agreement may be modified only by a written instrument executed by all Partners.

12. Term of the Agreement

This Agreement shall be in effect beginning on the date of the last signature and shall remain in force and effect until after ten years for the date of Project Substantial Completion, excepting Sections 3.b., 4. e., and 4.h which shall survive as intended.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

**VADNAIS LAKE AREA WATER
MANAGEMENT ORGAIZATION**

Dan Jones, Chair
VLAWMO Board of Directors

Date: _____

Stephanie McNamara, Administrator
VLAWMO

Date: _____

RAMSEY COUNTY

Victoria Reinhardt, Chair
Ramsey County Board of Commissioners

Date: _____

Approved as to form:

Assistant County Attorney

Date: _____

Janet Guthrie, Chief Clerk
Ramsey County Board of Commissioners

Date: _____

RAMSEY CONSERVATION DISTRICT

Mara Humphrey, Chair
RCD Board of Supervisors

Date: _____

Approved as to form:

Assistant County Attorney

Ann WhiteEagle, District Manager
RCD

Date: _____

Date: _____

Approval Recommended

**BOARD OF WATER COMMISSIONERS
OF THE CITY OF SAINT PAUL**

Stephen P. Schneider, General Manager
Saint Paul Regional Water Services

Matt Anfang, President

Date: _____

Date: _____

Mollie Gagnelius, Secretary

Date: _____

Approved as to Form:

Assistant City Attorney

Todd Hurley, Director
Office of Financial Services

Date: _____

Date: _____

Date: April 2017

To: Board of Directors

From: Brian Corcoran

Re: **VI. A. 3. Koehler Restoration Project**

Contractor is finishing up the Koehler restoration project this spring. Erosion blanket, plantings and a bit more grading work is needed. Project should be complete by end of April. Stream Banks have been stabilized, erosion issue have been fixed and a drop structure installed. A portion of this project was paid for by Clean Water Funds grant money through the Ramsey Conservation District.



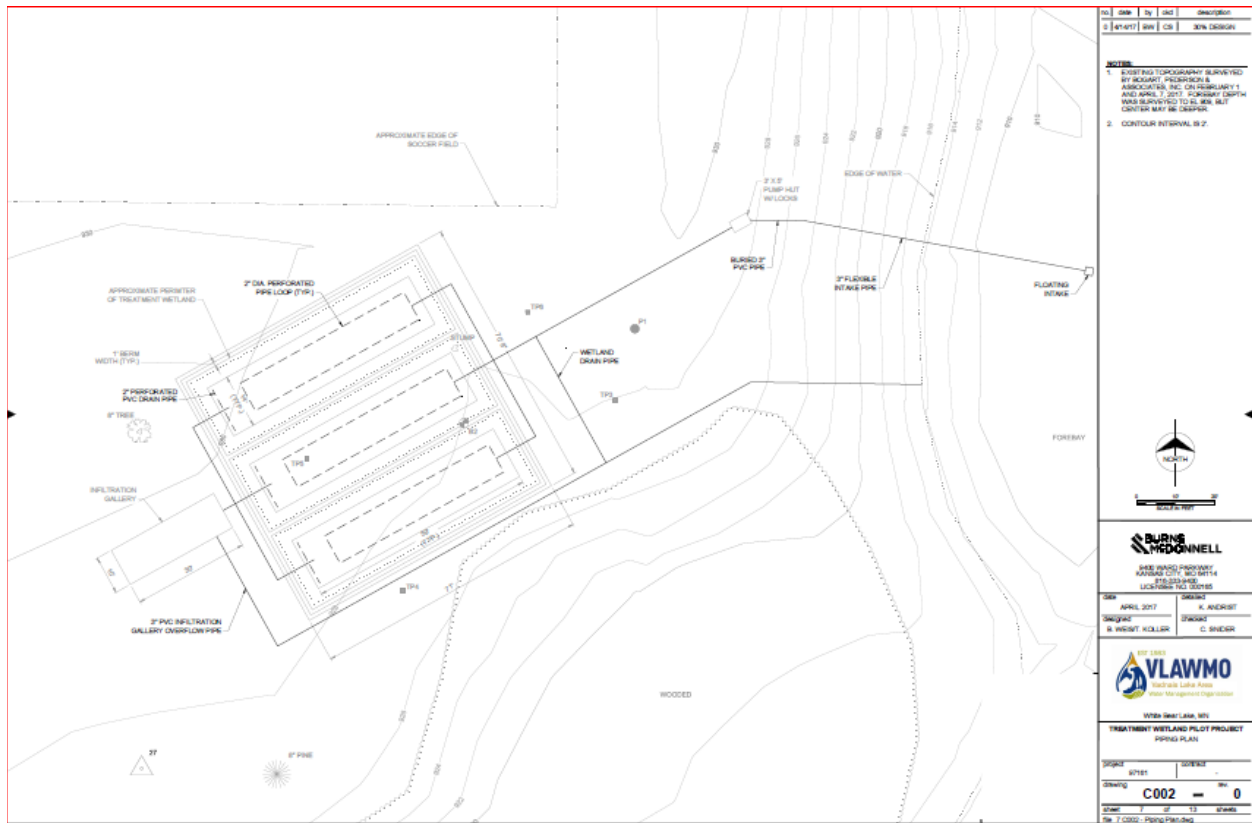
April 26, 2017

To: Board of Directors

From: Brian Corcoran & Stephanie McNamara

Re: VI. A. 4. Whitaker Treatment Wetlands – Authorization to Proceed

The Bacterial Treatment Wetland Pilot Project is moving forward quickly and construction is scheduled to begin the first week of October. The engineers will be sending 85% complete plans and spec sheets for the project on May 5th for staff and Township review along with bid documents and 100% plans ready to go out May 19th. Staff is asking for authorization to proceed with the RFP for the project construction on May 19th so the Board will be able to choose a construction contractor at the June 28th Board meeting.



Date: April 2017

To: Board of Directors

From: Tyler Thompson, Brian Corcoran & Stephanie McNamara

Re: VI. A. 5. Pennington Place Delineator Recommendation

With the back-to-back significant storm events that we have been experiencing lately, Lambert Creek/Ditch 14 has been flooding residents' backyards near Pennington Place in Vadnais Heights. The section in question is just upstream from Edgerton St. in Vadnais Heights, in the Lower Lambert Lake area. This section of ditch is wetland and was historically a lake. Fill was most likely brought in to construct the housing development. The houses are not flooding, but backyards along the Creek are. Residents believe that this section of ditch is silting up and the down trees in the ditch and culvert/storm water drains are aiding the problem. After more investigation into these concerns, staff is reporting back to the Board with possibilities of direction, as recommended by the TEC. VLAWMO staff is prepared to recommend to the Board that a wetland delineation would be the next proper step if the Board would like to move forward with this flooding issue. The delineation would both address jurisdiction of wetland along with knowing the exact boundary of the wetland into residents' yards. This information is crucial to moving forward on what can be done, if anything, to remedy the flooding issue in this area of the creek. Once this preliminary step is completed, VLAWMO, and the concerned residents, will have a better idea on what the next steps could be. A feasibility study on this section of creek could be undertaken to determine possible options and costs that may keep the yards more dry. Some possibilities a feasibility study could address may include dredging this section of the creek, building a berm, including drain tile behind the berm, raising residents back yards, and meandering creek/ditch through wetland. **Possibilities of direction the TEC and staff recommend to the Board:**

- **Delineation of backyards for wetland type and boundary, funded by affected homeowners (spring 2017 being the soonest timeframe, as the 2016 growing season is coming to a close)**

At the October 26, 2016 Board meeting the Board directed staff to conduct a delineation of the wetlands along Pennington Place at a cost not to exceed \$5000. Staff sent an RFP out to 4 delineators and posted the RFP on the website. Four proposals were received for delineation services.

Midwest Natural Resources	1500
Kjolhaug	1950
Sambatek	1300
Earth Science	3536

TEC and Staff recommend the Board accept the proposal from Sambatek to perform the delineation.

Date: April 2017

To: Board of Directors

From: Brian Corcoran / Tyler Thompson

Re: VI. B. 1. Monitoring and Analysis

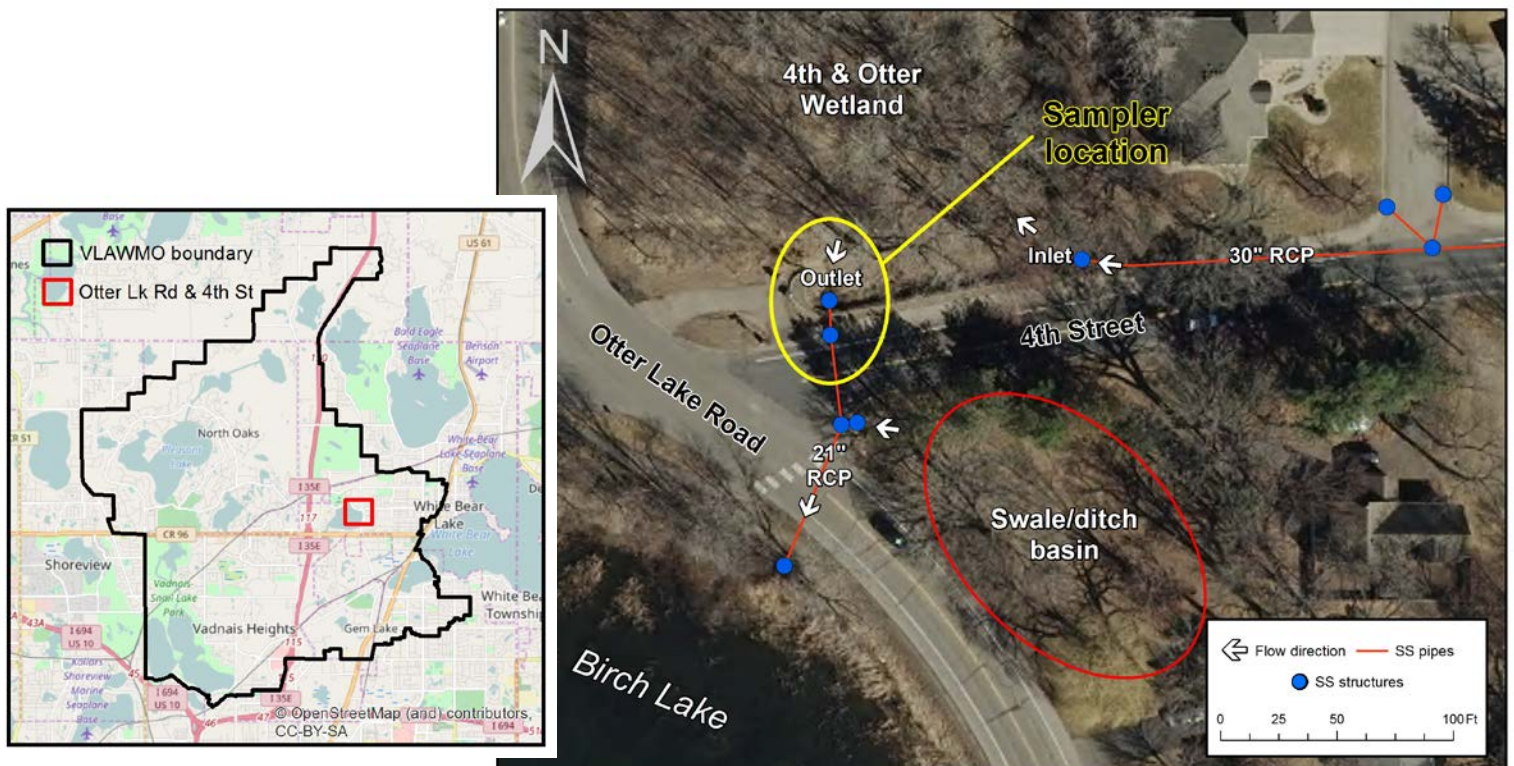
Year 4 of Bacteria Sampling

We will be doing our last year of the Bacterial Sourcing Study. We will concentrate on the Goose Lake and Whitaker subwatershed during wet weather conditions. This will complete our E. coli sourcing study and the results of the 4-year study will be presented in the winter of 2018.

Automated Sampler Location

In concert with VLAWMO's RFP efforts to identify projects in the Birch Lake subwatershed, staff will be installing the automated sampler to monitor storm flow into Birch Lake. The sampler, new in 2016, will be installed at the intersection of 4th St and Otter Lake Rd to take storm samples from the wetland on the northeast corner of the intersection. This wetland takes stormwater input from further east down 4th St, and north from Otter Lake Rd, and eventually outlets into a storm sewer under this intersection and flows into Birch Lake, one of VLAWMO's top water quality lakes.

The 4th and Otter wetland is the most likely location for a retrofit project. Installing the automated storm sampler in this location will give a baseline for nutrients and flow exiting the system to Birch Lake during storm conditions, and could be used for future project design.



Education & Outreach Memo

April 26, 2017



Agenda Item V. B

Annual Report & Annual Report Summary: See attached documents.

Agenda Item VI. B. 2.

Community Blue Grant fund request

Ann Malwitz of White Bear Lake Area Schools completed a Community Blue application on April 13th, 2017. The grant requests \$700 for an educational theater presentation at the White Bear Water Symposium.

The White Bear Water Symposium is the newly designed White Bear Water Conservation Event, which VLAWMO has regularly attended for the past few years. The City of WBL and the school district have planned a new event for June 3rd, which hopes to reach a larger audience than the previous Water Conservation Event model. The event will now be held at White Bear Lake High School, South Campus. It is a student-focused event, highlighting the work that K-12 WBL students have done on the topic of water during the Spring semester.

The funds requested are specifically requested for the presentation costs as well as the cost of lunch. The cost of food is a specification listed in the Community Blue Grant guidance packet, that can only be considered in a grant if it accompanies a stormwater BMP or water-related educational project. Matching funds exceed the funds requested, providing stability and reliability in the grant. The lunch is programmed during the event to be a part of the unveiling of student-made videos, which will be playing on a projector in the school cafeteria. See the attached grant for full project description.

VLAWMO staff recommends the Board to approve the Community Blue application.

Community Event Volunteers

Board members are invited to join VLAWMO staff at public booth events. Attend whatever time duration works for you. Booth activities include speaking with the public, set-up, take down, facilitating a simple 'spin-the-wheel' game in which all the answers are provided, or giving away VLAWMO giveaways such as tote bags. Board members or kids and family of Board members are welcome to serve as the water drop costume during events.

April 30th: NE Business Expo 9-2pm, Vadnais Sports Arena

June 3rd: North Oaks Community Fair 12-3pm, North Oaks Pavilion/hockey rink

June 3rd: WBL Water Symposium 8-2pm, WBL South Campus

July 18th: Taste of Vadnais: 4:30-8:30pm, Vadnais Square

July 27th: MarketFest 5-9pm, WBL downtown

August 16th: Vadnais Heights Farmer's Market 2-6pm, Urgency Room parking lot



Vadnais Lake Area Water Management Organization

800 East County Rd E
Vadnais Heights, MN 55127
vlawmo.org
(651) 204-6070

COMMUNITY BLUE GRANT APPLICATION FORM

Please submit form and required materials to:
TYLER THOMPSON
tyler.thompson@vlawmo.org

APPLICANT INFO

PROJECT INFORMATION

PROJECT NAME

APPLICANT INFORMATION

CONTACT PERSON

ADDRESS

CITY

ZIP

ORGANIZATION

PHONE

EMAIL ADDRESS

WHAT GEOGRAPHIC AND/OR DEMOGRAPHIC AREA DO YOU SERVE?

HOW MUCH ARE YOU REQUESTING? (BETWEEN \$200 AND \$10,000)

PROJECT BACKGROUND

PROJECT DESCRIPTION

1.) DESCRIBE THE MISSION AND GOALS OF YOUR ORGANIZATION OR PROFESSION AND HOW YOUR PROJECT HELPS MEET THEM

2.) DESCRIBE HOW YOUR PROJECT WILL PROTECT OR IMPROVE WATER QUALITY.

3.) IF APPLICABLE, PLEASE LIST OTHER PARTNERS AND THEIR ROLE IN YOUR PROJECT.

MEASUREMENT AND EVALUATION

4.) BRIEFLY DESCRIBE HOW YOU WILL MEASURE THE SUCCESS OF YOUR PROJECT?

PROJECT TASKS

5.) IN THE SPACE BELOW, PLEASE BREAK DOWN YOUR PROJECT INTO MAJOR TASKS (**UP TO 5**), BRIEFLY DESCRIBE THEM IN THE SPACE

PROVIDED AND ESTIMATE COMPLETION DATE FOR EACH.

1

TASK NAME:

ESTIMATED COMPLETION DATE (M/Y):

DESCRIPTION:

2

TASK NAME:

ESTIMATED COMPLETION DATE (M/Y):

DESCRIPTION:

3

TASK NAME:

ESTIMATED COMPLETION DATE (M/Y):

DESCRIPTION:

4

TASK NAME:

ESTIMATED COMPLETION DATE (M/Y):

DESCRIPTION:

5

TASK NAME:

ESTIMATED COMPLETION DATE (M/Y):

DESCRIPTION:

PROJECT BUDGET

6.) COMPLETE THE FOLLOWING TABLE FOR ALL PROJECT TASKS FOR WHICH YOU WILL BE REQUESTING GRANT FUNDS.
 NOTE: MATCH FUNDS ARE REQUIRED. MATCH FUNDS MAY BE CASH OR IN-KIND.

TASKS	PERSONNEL / STAFF COSTS	OTHER EXPENSES (MATERIALS / SUPPLIES)	TOTAL COST
TASK 1:			
TASK 2:			
TASK 3:			
TASK 4:			
TASK 5:			
TOTALS			

GRANT FUNDING

7.) PLEASE FILL IN THE TABLE BELOW WITH HOW YOU PLAN TO ALLOCATE YOUR FUNDING.
 NOTE: THE TOTAL COST FROM THE TABLE ABOVE AND THE TOTAL FUNDING BELOW SHOULD BE THE SAME.

TASK	REQUESTED VLAWMO FUNDING	FUNDING FROM OTHER SOURCE	TOTAL
TASK 1:			
TASK 2:			
TASK 3:			
TASK 4:			
TASK 5:			
TOTALS			

SURVEY INFORMATION

8.) HOW DID YOU HEAR ABOUT OUR GRANTS?

9.) IN THE SPACE BELOW, PLEASE DESCRIBE HOW YOU MIGHT IMPROVE OR EXPAND YOUR PROJECT IF ADDITIONAL FUNDS WERE AVAILABLE.
(EXAMPLE: GRANTS UP TO \$20,000)



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

Date: April 2017

To: Board of Directors

From: Kristine Jenson

Re: VI.B.3. Landscape Level 1 Grant program Update

The 2017 season of the Landscape Grant 1 program is off to a great start. As of the April Technical Commission meeting, we have approved 5 grants for homeowner projects and one rainbarrel grant. Four grants were considered in April alone! As of right now, there is about \$10,000 left in the program and there is a lot of interest from homeowners to apply, especially after our successful raingarden workshop on April 12. The native plant workshop on May 10 will likely produce more interested applicants.



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Date: April 2017

To: Board of Directors

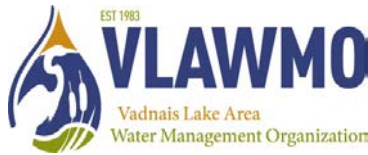
From: Stephanie McNamara, Administrator

Re: VI.C.1. Landscape Level 2 policy update

Interest is growing in our larger grant program that is open to businesses, churches, organizations or other governments. These are somewhat larger projects with the potential to have a great impact on the health of our water resources. This allows VLAWMO to engage new partners to expand the scope and work of the watershed. The program leverages their time, some of their funding and critically, makes expands the people, the agencies and organizations that are willing to be stewards of the water. We get more done.

Our program is still relatively small in funding and in number of inquiries and applications. But it is growing and we can see what is happening in other watersheds. The Policy and Personnel committee will be considering this program at its April 24th meeting and can give a report to the Board at the April 26th meeting. They are being asked to consider additional guidance for project eligibility and prioritization of projects, particularly as they may be used to further the Priority Issues identified in our new Water Management Plan.

More later.



Date: April 2017

To: Board of Directors

From: Stephanie McNamara, Administrator

Re: VI.C.2. Out of state travel policy

The VLAWMO 2016 has one legal finding from the audit regarding a lack of out of state travel policy. No one from VLAWMO has traveled out of state on VLAWMO business, but that doesn't mean it couldn't happen sometime in the future.

This is the language that is in Minnesota Statute Ch. 471.661:

471.661 OUT-OF-STATE TRAVEL.

The governing body of each statutory or home rule charter city, county, school district, regional agency, or other political subdivision, except a town, must have on record a policy that controls travel outside the state of Minnesota for the applicable elected officials of the relevant unit of government. The policy must be approved by a recorded vote and specify:

- (1) when travel outside the state is appropriate;
- (2) applicable expense limits; and
- (3) procedures for approval of the travel.

The policy must be made available for public inspection upon request. Subsequent changes to the policy must be approved by a recorded vote.

This is relatively easy to address. The Policy and Personnel committee will be considering a new policy at their meeting April 24th. One policy 'borrowed' from another metro watershed offers a holistic approach and provides policy of the public expenditures the watershed will make. It includes in-state or local conferences and trainings, a broader array of possible people including staff and stakeholders who might travel or be trained on behalf of the watershed, appreciation expenses, memberships & donations and use of / disposal of less expensive watershed property.

I will forward that to the whole Board as soon as Policy and Personnel have given direction on the language.

VLWMO BUDGET 2017 EXPENSE					2016 budget with fund balance	Actual 2016	2017	2018 Draft	% change	Water Plan
3.1	Operations & Administration				\$434,182	\$447,387	\$459,740	\$479,700	4%	623400
	3.110	Office		\$23,375	\$22,000	\$23,740	\$23,000			
	3.120	Information systems		\$25,417	\$19,890	\$19,500	\$20,300			
	3.130	Insurance		\$5,200	\$4,370	\$5,200	\$5,200			
	3.141	Consulting - Audit		\$6,100	\$6,780	\$6,800	\$6,400			
	3.142	Consulting - Bookkeeping		\$1,500	\$2,148	\$1,500	\$2,800			
	3.143	Consulting - Legal		\$11,000	\$3,607	\$3,000	\$3,000			
	3.150	Storm Sewer Utility		\$16,000	\$12,078	\$16,000	\$14,000			
	3.160	Training - staff, board,TEC		\$4,000	\$1,781	\$4,000	\$4,000			
	3.170	Misc & contingency		\$11,000	\$3,236	\$7,000	\$6,000			
	3.191	Employee payroll		\$270,340	\$298,211	\$303,000	\$314,000	4%		
	3.192	Employee liability		\$60,250	\$62,343	\$70,000	\$81,000	14%	Health Ins	
3.2	Monitoring & Studies				\$33,200	\$20,617	\$25,500	\$23,500	-9%	
	3.210	Lake & creek program lab analysis		\$28,500	\$18,751	\$23,000	\$21,000			
	3.220	Equipment		\$4,700	\$1,866	\$2,500	\$2,500			
3.3	Education & Outreach				\$36,500	\$13,292	\$34,000	\$30,000	-13%	
	3.310	Public Education		\$8,250	\$977	\$7,000	\$7,500			
	3.320	Outreach and marketing		\$8,250	\$4,315	\$7,000	\$7,500			
	3.330	Community Blue education grant		\$20,000	\$8,000	\$20,000	\$15,000			\$5,000
3.4	Capital Improvement Projects & Programs				\$266,700	\$186,624	\$525,900	\$174,900	-67%	
	Subwatershed Activity									\$379,900
	3.410	Gem Lake subwatershed				\$0	\$0			
	3.420	Lambert Creek subwatershed		\$52,000	\$111,358	\$401,000	\$32,000			\$10,000
	3.425	Goose Lake subwatershed		\$32,500	\$19,096	\$14,900	\$40,000			\$180,000
	3.430	Birch Lake subwatershed				\$5,700	\$22,200			
	3.440	Giffillan Black Tamarack Wilkinson Amelia subwatershed				\$17,600	\$30,000			\$37,000
	3.450	Pleasant Charley Deep subwatershed		\$23,000		\$5,700	\$5,700			\$12,000
	3.460	Sucker Vadnais subwatershed		\$35,000		\$0	\$0			
	Programs									
	3.481	Landscape 1 - cost-share		\$21,000	\$14,270	\$24,000	\$24,000			\$6,000
	3.482	Landscape 2		\$30,000	\$20,000	\$30,000	\$10,000			\$10,000
	3.483	Project research and feasibility - watershed wide		\$51,200	\$18,676	\$17,000	\$5,000			\$15,000
	3.484	Maintenance & operations		\$22,000	\$3,224	\$10,000	\$6,000			
3.5	Regulatory				\$0	\$0	\$5,000	\$2,000		
	3.510	Engineering plan review		\$0	\$0	\$5,000	\$2,000			
Total budget					\$770,582	\$667,920	\$1,050,140	\$710,100		

INCOME									
5.1		2016	2016 Actual	2017	2018	\$39,960	difference in SSU total		
	5.11	Storm Sewer Utility	\$503,350	\$498,792	\$645,440	\$685,400	6%		
	5.12	Fees for Service	\$500	\$500	\$500	\$500	\$36.84		
	5.13	Interest	\$150	\$349	\$200	\$200	\$39.12		
	5.14	Misc. income - WCA admin grant	\$5,000	\$5,848	\$4,000	\$4,000	\$2.28		
	5.15	Other funding sources - grants, donations	\$0	\$0	\$400,000	\$20,000			
	5.16	Transfer from reserves	\$190,000	\$50,000	\$0	\$0			
Total						\$699,000	\$555,489	\$1,050,140	\$710,100