

# MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION

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## Regular Meeting of the Middle St. Croix Watershed Management Organization Bayport Public Library, Bayport, MN Thursday, June 13, 2019 6:00PM

1. Call to Order – 6:00PM
2. Approval of Minutes
  - a. Draft minutes- May 9 , 2019 **pg. 1-7**
4. Treasurer’s Report
  - a. Report of savings account, assets for June 13, 2019
  - b. Approve payment of bills for June 13, 2019
5. Public Comment
6. Old Business
7. New Business
  - a. 2018 MSCWMO Audit **pg. 8-27**
  - b. 2019 BWSR Clean Water Fund Grant Application **pg. 28**
  - c. Approve payment for pretreatment device for Perro Creek Phase I Grant **pg. 29**
  - d. Approve Invoice for Bayport for Villas of Inspiration Review **pg. 30-31**
  - e. 3M PFAS Reimbursement Request **pg. 32-35**
8. Grant and Cost Share Applications
  - a. City of Bayport E. coli genetic testing cost share request **pg. 36-38**
9. Plan Reviews/Submittals
  - a. Villas of Inspiration Invoice, Bayport **pg. 39**
  - b. Stillwater Marina Boat Launch Replacement, Stillwater **pg. 40**
  - c. Culligan Building Expansion, Stillwater
  - d. DeWall Subdivision, Lakeland
10. Administrator’s Report **pg. 41-42**
11. Adjourn

Regular Meeting of the Middle St. Croix Watershed Management Organization  
Bayport Public Library, Bayport, MN  
Thursday, May 9, 2019  
6:00PM

Present: Mike Runk, Oak Park Heights; Tom McCarthy, Lake St. Croix Beach; John Fellegly, Baytown Township; Lakeland; Ryan Collins, Stillwater; John Dahl, Bayport; Beth Olfelt-Nelson, St. Mary's Point; Dan Kylo, West Lakeland Township; Cameron Blake, WCD; Administrator Mike Isensee; Matt Downing, WCD; Rebecca Oldenburg, WCD

**Call to Order**

The meeting was called to order at 6:00PM by Manager McCarthy.

**Approval of Minutes**

A motion to approve the March 14th, 2019 minutes was made by Manager Runk and seconded by Manager Olfelt-Nelson. Motion carried.

The treasurer's report was presented by Manager McCarthy. The remaining checking account balance is \$30,904.35. First State Bank CDs are valued at \$32,094.13. The ending balance in the RBC savings account is \$63,196.72.

Bills to be approved this month are: Kennedy & Graven: \$54.60; Kennedy & Graven: \$540.00; Washington Conservation District (Administration): \$6,275.40; Washington Conservation District (Technical Services): \$2,655.85; Washington Conservation District (EMWREP): \$1,575.00; Washington Conservation District (Water Monitoring): \$4,652.05; Total: \$15,752.90.

Administrator Isensee explained that the checking account balance is low right now but that the MSCWMO was about to receive about \$160,000 from the State of Minnesota for a Clean Water Fund grant reimbursement and distribution.

Manager Runk moved to accept the Treasurer's report and bills, Manager Fellegly seconded, and the motion carried.

**Public Comments**

There was no public comment. Manager McCarthy made a motion to alter the agenda by moving the MSCWMO Watershed Annual Report and Annual Monitoring Report to after the Public Comment agenda item. The motion carried.

**2019 MSCWMO Watershed Annual Report and Annual Monitoring Report- Presentation**

Rebecca Oldenburg from the Washington Conservation District presented the MSCWMO Watershed Annual Report and Annual Monitoring Report to the board. Manager Fellegly asked if there was going to be any further testing for *naeglaria fowlerii* in Lily Lake. Matt Downing explained that the past testing efforts were coordinated by the Center of Disease Control and Washington County Public Health. He said the testing is not continuing as the results found that the amoeba is naturally

occurring and found in many of the lakes in the county, and that the past deaths attributed to the amoeba were unusual. Manager Fellegy asked if the data collected for Lily Lake was shared with the Lily Lake Association and Administrator Isensee confirmed that it was. Manager Fellegy asked if McKusick Lake had a Lake Association. Administrator Isensee replied that it was not as active but did exist. There was discussion around the McKusick Lake outflow and past targeted monitoring efforts and projects in Lily Lake.

Administrator Isensee answered questions regarding phosphorus and E. coli impairment for Perro Creek. The targeted monitoring for E. coli in Perro creek revealed that the system is more complex than originally thought, and confirmed the need for source testing and management efforts to be included in the next 10 year management plan. Manager Dahl asked if further efforts should be made to let the City of Bayport know that the E. coli impairment of Perro Creek is based on recreation and human health, as the creek is often played in by children. Administrator Isensee will work with Manager Dahl to bring information to the city council about the data collected and public health implications. Manager Fellegy asked for more information about the cesspool that was identified and what additional steps could be taken to mitigate its impact to Perro Creek.

There was additional discussion around Perro Creek's flow control structure and the difficulty it added to analyzing monitoring data collected. Bayport Public Works Director Kline is responsible for the control structure and relays pertinent information to the monitoring team to aid in data analysis. Manager Olfelt-Nelson asked about using historical knowledge of the town and source testing to create a strategy for addressing the impairment.

Manager Fellegy asked about current projects being implemented in Bayport to address impairments in Perro Creek. Administrator Isensee explained that there was going to be 3 projects constructed in Bayport this year as part of a 3 stage effort in the city to retrofit along with street reconstruction projects, and that this would address the impairments in the creek.

Manager Fellegy asked about stormwater BMP maintenance. Administrator Isensee explained the different categories of BMP's and responsibilities for maintenance. Administrator Isensee explained that older projects are inspected annually by the MSCWMO and the City of Bayport utilizes the WCD Maintenance Crew to assist with maintenance when needed.

### **Lily Lake Water Quality Improvement Projects**

In 2018 the MSCWMO received \$78,760 from the Board of Water and Soil Resources from the Watershed Based Funding Grant for the watershed based funding for project implementation. On April 12, 2018, the MSCWMO Board of Managers approved the application of grant funds to design and install water quality practices in the direct drainage areas of Lily Lake and installation of water quality improvement projects on Perro Creek. The funding requires a minimum of 10% match. Two raingardens will treat 2.1 acres of residential drainage that is currently discharging direction to Lily Lake. The proposed bioretention basins are 200 ft<sup>2</sup> each providing a total of 400 ft<sup>3</sup> water quality storage and reduce total phosphorus (TP) to Lily Lake by 1.8 pounds per year based on WinSLAMM modeling. The two basins were identified as five remaining high priority locations for raingardens in the Lily Lake Impaired Waters Desisting Roadmap. Due to the cancellation of the

April 11 regular MSCWMO Board meeting due to a snow storm and the requirement to expend grant funds by the end of 2019, the chair approved releasing the project for bids.

Manager Fellegy moved to enter into agreement with the City of Stillwater and the property owners at 905 Pine Tree Trail and 611 Lake Drive to construct, operate, and maintain the Lily Lake Water Quality Improvement Project in accordance of the terms outlined in the landowner agreements. Manager Dahl seconded this motion and the motion carried.

Manager Fellegy moved to award the Lily Lake Water Quality Improvement Projects Contract to All Weather Services for a total of \$28,465.00. Manager Runk seconded this motion and the motion carried. Manager Fellegy asked if the words “not to exceed” needed to be added, and Administrator Isensee said that should not be necessary.

Manager Fellegy moved to authorize a construction contingency amount not to exceed \$1,423.25 for the construction of the Lily Lake Water Quality Improvement project. Manager McCarthy seconded this motion and the motion carried.

Manager Fellegy moved to authorize an additional not to exceed amount of \$3,600.00 for the 2019 Service Agreement between the Washington Conservation District and the MSCWMO for time and materials for the purchase, install, water, and maintain 115 perennial plants for the Lily Lake Water Quality Improvement Project. Manager Collins seconded this motion and the motion carried. Manager Fellegy asked where the money for this motion would be coming from, and Administrator Isensee explained that it would all be from state grant funding and not the previously approved MSCWMO budget.

### **Stillwater Country Club Stormwater Retrofit Project**

The MSCWMO, City of Stillwater, and Stillwater Country Club are proposing to enter into an agreement to construct a water quality improvement project on the southernmost parcel owned by the Stillwater Country Club. Funding for this project is provided through Clean Water Fund grants awarded in 2016 and 2018; St. Croix River Association Grant awarded in 2018; and Washington County Public Works Transportation Division cash in lieu of treatment for the CSAH 23 (3rd Street reconstruction in Stillwater) approved by the MSCWMO board on June 14, 2018. The practice will treat 9.4 acres of residential drainage that is currently discharging directly to Lake St. Croix. The proposed 7,750 ft<sup>2</sup> bioretention basin provides 11,625 ft<sup>3</sup> of water quality storage and reduce total phosphorus (TP) loading to Lake St. Croix by 25.0 pounds per year based on WinSLAMM modeling. The 10 year cost benefit ranking of \$734.36 per lb. /yr., is #1 of 149 projects identified in the Lake St. Croix Direct Discharge Stormwater Retrofit Analysis. The MSCWMO will administer and pay for construction the project. The MSCWMO will contract with the Washington Conservation District to install plants, provide establishment maintenance for year one and two, and provide annual maintenance until such time that the Stillwater Country Club utilize their water quality credit during reconstruction of the Club House or parking lot. The Stillwater Country Club provided the land for the basin and the agreed to a drainage and utility easement that encompasses the basin and the stormwater pipe. The City of Stillwater agreed to operate and maintain the

stormwater pipe. Due to the cancellation of the April 11 regular MSCWMO Board meeting due to a snow storm and the requirement to expend grant funds by the end of 2019, the chair approved releasing the project for bids.

Manager Olfelt-Nelson asked for clarification on the funding sources for this project in relation to the MSCWMO budget. Administrator Isensee explained that the funding sources were coming from two CWF grants, a SCRA grant, and cash-in-lieu of treatment from a previous Stillwater project.

Manager Dahl moved to enter into agreement with the City of Stillwater and the Stillwater Country Club to construct, operate, and maintain the Stillwater Country Club Drainage Improvement Project in accordance of the terms outlines in the Cooperative Agreement. Manager Fellegly seconded this motion and the motion carried.

Manager Dahl moved to award the Stillwater Country Club Stormwater Retrofit Contract to Shoreline Landscape for a total of \$183,615.45. Manager Runk seconded this motion and the motion carried.

Manager Dahl moved to authorize a construction contingency amount not to exceed \$9,180.70 for the construction of the Stillwater Country Club Stormwater Retrofit project. Manager Collins seconded this motion and the motion carried.

Manager Dahl moved to authorize additional expenditures not to exceed \$12,400.00 for the 2019 Service Agreement between the Washington Conservation District and the MSCWMO for time and materials for the purchase, install, water, and maintain 2,000 perennial plants, trees, and shrubs for the Stillwater Country Club Stormwater Retrofit Project. Manager Fellegly seconded this motion and the motion carried.

### **Adopt A Drain Program**

The Adopt-a-Drain program was created and is maintained by Hamline University's Center for Global Environmental Education on behalf of Watershed Partners, a metro area collaborative with 60+ partners. The program has expanded to the entire seven-county metro area. The program engages community residents in helping to prevent stormwater pollution by cleaning leaves, litter and other debris off of storm drains near their homes. Volunteers get reminders via text or email and are asked to report their actions on-line so that cities can track the program's impact. The East Metro Water Resource Education Program (of which the MSCWMO is a member) will be actively promoting this program throughout Washington County. The use of the website for volunteers is free. Partner organizations receive access to volunteer adoption and clean up data, the ability to update stormwater data, and a year-end summary of all the activity that occurred within their area. The website will also have the logo of the watershed when residents go to the site. The fee for the MSCWMO and our member communities to receive these benefits is \$500 per year. Staff is recommending participating as a partner in the Adopt A Drain Program.

Administrator Isensee explained that smaller communities in the MSCWMO can be added if they can provide GPS coordinates of their storm drains. Manager Olfelt-Nelson asked how they are

measuring the phosphorus reduction. Administrator Isensee explained that the participants participate in tracking that information. Manager McCarthy asked what folks should do with the organic material they clean from the drains. There was discussion around location of the nearest compost site and about types of storm drains. There was discussion around the benefits of being involved in the program if communities like Lake St. Croix Beach has already gotten landowners involved in adopting storm drains. Administrator Isensee explained that there were benefits to participating in the program such as ease of data access and MS4 reporting. The managers asked Administrator Isensee to request EMWREP to advertise the program additionally in the MSCWMO.

Manager Runk moved that the MSCWMO participate in the Adopt A Drain program for \$500 per year. Manager McCarthy seconded this motion and the motion carried.

### **Website Update Discussion**

No board action. Administrator Isensee received a quote of \$3,060.00 to redesign the MSCWMO website, and is going to continue pursuing options for the board to consider.

### **St. Croix River Association Lake St. Croix Watershed Improvement (LSCWI) Grant**

The St. Croix River Association has released a Request for Proposals for the LSCWI grant. Staff recommends applying to conduct targeting monitoring of Mulberry Ravine and stormwater outfalls to Lake St. Croix in Stillwater. This monitoring data will guide prioritization of project installations in catchments with the highest annual loading.

Manager Collins moved to apply for the 2019 St. Croix River Association Lake St. Croix Watershed Improvement Grant. Manager McCarthy seconded this motion and the motion carried.

### **3M Settlement Groundwater Modeling Technical Review**

Staff is requesting the board of managers approve the Administrator and the MSCWMO Consultant Senior Hydrogeologist, Stu Grub participate in the development of the ground water model that will impact decision making for coming decades. The MPCA is offering reimbursement for time for participation in the technical workgroup and development of these plans. To participate, the MSCWMO must designate a signatory to approve reimbursement requests from the MPCA using the SWIFT (Statewide Integrated Financial Tool) system.

Manager Olfelt-Nelson asked about the structure of Administrator Isensee's workload and administrative budget. Administrator Isensee explained that the additional time for his workload comes through the Washington Conservation District and that there was flexibility to use admin time for these sorts of opportunities.

Manager Kylo moved to approve MSCWMO consultant and staff time to attend technical meetings, review and provide technical comments for the development of a groundwater model and a drinking water supply plan. Manager Collins seconded this motion and the motion carried.

Manager Dahl moved to authorize the MSCWMO Administrator as the signatory for the State of Minnesota SWIFT. Manager McCarthy seconded this motion and the motion carried.



### **Monitoring Equipment Replacement**

Water quality monitoring technical staff sent the MSCWMO Area Velocity Sensor to the manufacturer testing because it was not operating within the required parameters. The manufacturer verified it was not functioning accurately and was not repairable. The replacement unit is \$1,409.00. The expenditure will be taken out of the water quality monitoring equipment savings account (RBC Savings Account). Due to the April 11, 2019 board meeting cancellation, the board chair approved the purchase and board approval is being requested after the purchase (and installation) of the monitoring equipment. Urgency was required so not to miss spring runoff water quality monitoring.

Manager Fellegy moved approve the purchase of a water quality monitoring area velocity sensor and 25.0' cord for \$1,409.00. Manager Olfelt-Nelson seconded this motion and the motion carried.

### **2019 MSCWMO Watershed Annual Report and Annual Monitoring Report- Board Action**

Administrator Isensee said the MSCWMO was tracking to complete the projected phosphorus reduction in the 10 year management plan ahead of time. Manager Fellegy discussed his community City Council meeting in April in which the council talked about the MSCWMO's 9% budget increase for 2020 in comparison to Valley Branch Watershed District's 64% increase. Administrator Isensee explained that the VB watershed was going to embark on a large flood mitigation project from their 10 year management plan. Manager Fellegy moved to approve the 2019 MSCWMO Watershed Annual Report and Annual Monitoring Report for posting on the MSCWMO website after inclusion of edits from Manager Olfelt-Nelson. Manager Dahl seconded the motion and the motion carried.

### **1W1P Policy Meeting Report**

Manager Fellegy reported on the 1W1P Policy meeting he attended. He said he felt it was an interesting process and that he noticed a rural/urban, north/south divide in some of the discussion. Manager Fellegy said he could not make the next meeting on May 28<sup>th</sup> but that he thought someone else should be there from the MSCWMO. Manager Fellegy said he felt it was a good thing overall, but that the meetings were tough to get through right now.

### **Perro Creek Shoreline Restoration Cost Share Application**

Since 2018, the Bayport Girl Scouts Troop 56631 of Bayport has been working in partnership with the City of Bayport and the MSCWMO to restore native buffers on both sides of Perro Creek. In 2018 the Girl Scouts raised \$500 for native plants and installed for 100 linear feet along the Southwest side of Perro Park in Bayport. The buffers reduce shoreline erosion, block grass clippings from discharging into the creek, and re-establish native habitat along the creek corridor.

Material costs for erosion control blanket, mulch and plants for the next 100 linear feet is \$1,750. Technical staff recommend allocating \$1,750.00 from the 2019 MSCWMO Cost Share for the purchase of materials to support the Girl Scouts restoration of the next 100 linear feet of Perro Creek native buffer.

The managers asked about the participants in the planting using rubber boots and hand sanitizer.

Manager Runk moved to approve expenditures from the MSCWMO Cost Share budget not to exceed \$1,750 for the Perro Creek Native Shoreline Restoration. Manager Fellegly seconded this motion and the motion carried.

**Administrator's Report**

Administrator Isensee said he would have more updates at the next board meeting but that he was busy lately with many different meetings.

**Adjourn**

Meeting was adjourned at 8:25pm.



**MIDDLE ST. CROIX  
WATERSHED MANAGEMENT ORGANIZATION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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**MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION  
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FOR THE YEAR ENDED DECEMBER 31, 2018**

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MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION  
ORGANIZATION  
DECEMBER 31, 2018

**Board of Managers:**

	<u>City or Township</u>
Brian Zeller (Chair)	Lakeland Shores
Joseph Paiement (Vice Chair)	Lakeland
Dan Kylo (Treasurer)	West Lakeland Township
Nancy Anderson (Secretary)	St. Mary's Point
Annie Perkins	Afton
Dan Goldston	Bayport
John Fellego	Baytown Township
Tom McCarthy	Lake St. Croix Beach
Mike Runk	Oak Park Heights
Doug Menikeim	Stillwater

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Managers  
Middle St. Croix Watershed Management Organization  
Oakdale, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the general fund of Middle St. Croix Watershed Management Organization, Oakdale, Minnesota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Middle St. Croix Watershed Management Organization's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of Middle St. Croix Watershed Management Organization, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 14, 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 Middle St. Croix Watershed Management Organization's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2019, on our consideration of the Middle St. Croix Watershed Management Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Middle St. Croix Watershed Management Organization’s internal control over financial reporting and compliance.

*Peterson Company Ltd*

Peterson Company Ltd  
Waconia, Minnesota

May 8, 2019

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**MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION  
STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	Governmental Activities
<b>Assets:</b>	
Cash and cash equivalents	\$ 133,751
Due from other governments	146,358
Total Assets	280,109
<b>Liabilities:</b>	
Accounts payable	55,320
Unearned revenue	106,344
Total Liabilities	161,664
<b>Net Position:</b>	
Unrestricted	118,445
Total Net Position	\$ 118,445

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**MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Functions/Programs</u>	Program Revenues				Net (Expense) Revenue and Net Position
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General government	\$ 196,797	\$ -	\$ 190,185	\$ -	\$ (6,612)
Programs	255,745	-	248,766	-	(6,979)
Total Governmental Activities	\$ 452,542	\$ -	\$ 438,951	\$ -	(13,591)
General Revenues:					
Unrestricted interest earnings					419
Other					9,074
Total General Revenues					9,493
Change in Net Position					(4,098)
Net Position - January 1					122,543
Net Position - December 31					\$ 118,445

**MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION  
BALANCE SHEET  
GOVERNMENTAL FUND  
DECEMBER 31, 2018**

	<u>General Fund</u>
<b>Assets</b>	
Cash	\$ 133,751
Due from other governments	146,358
<b>Total Assets</b>	<u><u>\$ 280,109</u></u>
 <b>Liabilities and Fund Balance</b>	
<b>Liabilities</b>	
Accounts payable	\$ 55,320
Unearned revenues	106,344
<b>Total Liabilities</b>	<u>161,664</u>
 <b>Fund Balance</b>	
Unassigned	118,445
<b>Total Fund Balance</b>	<u>118,445</u>
 <b>Total Liabilities and Fund Balance</b>	<u><u>\$ 280,109</u></u>
 <b>Total Fund Balance</b>	<u><u>\$ 118,445</u></u>
 <b>Net Position of Governmental Activities</b>	<u><u>\$ 118,445</u></u>

**MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Total General Fund</u>
Revenues	
Intergovernmental	\$ 438,951
Interest income	419
Other	9,074
Total Revenues	<u>448,444</u>
Expenditures	
Current:	
General government:	
Contracted personnel services	189,663
Insurance	2,285
Office expenses	1,849
Professional fees	3,000
Programs:	
Local	2,306
State	253,439
Total Expenditures	<u>452,542</u>
Net Change in Fund Balance	(4,098)
Fund Balance - January 1	<u>122,543</u>
Fund Balance - December 31	<u>\$ 118,445</u>
Net Change in Fund Balance - Governmental Fund	<u>\$ (4,098)</u>
Change in Net Position of Governmental Activities	<u>\$ (4,098)</u>

**MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**Note 1 - Summary of Significant Accounting Policies**

The Middle St. Croix Watershed Management Organization (the WMO) was established by a Joint Powers Agreement in 1984, between the cities and townships of Afton, St. Mary's Point, Lake St. Croix Beach, Lakeland Shores, Lakeland, Bayport, Oak Park Heights, Stillwater, West Lakeland Township, and Baytown Township, Minnesota. The WMO was formed to meet the requirements of the Metropolitan Surface Water Management Act under the provisions of Minnesota Statutes 103B.211 and 471-59.

The purpose of the Watershed Management Plan is to:

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

The WMO submitted its Watershed Management Plan to the Minnesota Board of Water and Soil Resources in 1984. Each municipality within the WMO has developed, or is in the process of developing, a specific local water management plan to accomplish the various watershed management objectives of the WMO. The work plan includes guidelines for employees and technicians to follow in order to achieve the Organization's objections.

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

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

**Financial Reporting Entity**

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

**Government-Wide Fund Financial Statements**

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

**MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

Budgets

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

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

At December 31, 2018, the WMO's actual expenditures exceeded final budget by \$99,472.

**MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

Cash and Investments

Cash and investment balances are invested, to the extent available, in authorized investments.

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

Use of Estimates

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

Unearned Revenue

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

Classification of Net Position

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

Investment in capital assets – the amount of net position representing capital assets net of accumulated depreciation.

Restricted net position – the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, laws or regulations of other governments; and restrictions imposed by law through constitutional provisions or enabling legislation.

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

Fund Balance Classifications

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

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

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

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

**MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

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

Unassigned – is the residual classification for the general fund.

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

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

Subsequent Events

In preparing these financial statements, the WMO has evaluated events and transactions for potential recognition or disclosure through May 8, 2019, the date the financial statements were available to be issued.

**Note 2 - Deposits and Investments**

Deposits

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

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

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

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



**MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

At December 31, 2018, the carrying amount of the WMO's deposits was \$133,751 and the bank balance was \$158,034.

**Custodial Credit Risk Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the WMO's deposits may not be returned to it. State statutes require that insurance, surety bonds or collateral protect all WMO deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. The WMO has no additional deposit policies addressing custodial credit risk. As of December 31, 2018, the WMO's deposits were not exposed to custodial credit risk.

**Note 3 - Unearned Revenue**

Unearned revenue represents unearned advances from the Minnesota Board of Water and Soil Resources (BWSR) for clean water funds. Revenues will be recognized when the related program expenditures are recorded. Unearned revenue for the year ending December 31, 2018 consisted of Lake St. Croix Phase II and III \$54,813; Perro Creek Phase I \$12,151; BWSR Watershed Based Funding \$39,380; Total \$106,344.

**Note 4 - Grants**

The WMO receives financial assistance from governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the WMO at December 31, 2018.

**Note 5 - Risk Management**

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

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

**Note 6 - Stewardship, Compliance and Accountability**

Excess of expenditures over budget – The General Fund had expenditures in excess of budget for the year as follows: Expenditures \$452,542; Budget \$353,070; Excess \$99,472.

**Note 7 - Commitments and Contingencies**

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

**MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 133,070	\$ 133,070	\$ 438,951	\$ 305,881
Interest income	-	-	419	419
Other	-	-	9,074	9,074
Total Revenues	<u>133,070</u>	<u>133,070</u>	<u>448,444</u>	<u>315,374</u>
<b>Expenditures</b>				
Current:				
General government:				
Contracted personnel services	30,300	30,300	189,663	(159,363)
Insurance	3,000	3,000	2,285	715
Office expenses	1,500	1,500	1,849	(349)
Professional fees	4,400	4,400	3,000	1,400
Programs:				
Local	44,021	44,021	2,306	41,715
State	269,849	269,849	253,439	16,410
Total Expenditures	<u>353,070</u>	<u>353,070</u>	<u>452,542</u>	<u>(99,472)</u>
<b>Net Change in Fund Balance</b>	<u>\$ (220,000)</u>	<u>\$ (220,000)</u>	<u>\$ (4,098)</u>	<u>\$ 215,902</u>
Fund Balance - January 1			<u>122,543</u>	
Fund Balance - December 31			<u>\$ 118,445</u>	

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

To the Board of Managers  
Middle St. Croix Watershed Management Organization  
Oakdale, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Middle St. Croix Watershed Management Organization, Oakdale, Minnesota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Middle St. Croix Watershed Management Organization's basic financial statements, and have issued our report thereon dated May 8, 2019.

**Internal Control Over Financial Reporting**

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over financial reporting as described in the accompanying Schedule of Findings and Responses as item 2018-001 to be a significant deficiency.

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

## **Compliance and Other Matters**

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

## **Middle St. Croix Watershed Management Organization's Response to Findings**

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

## **Purpose of this Report**

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

*Peterson Company Ltd*

PETERSON COMPANY LTD  
Certified Public Accountants  
Waconia, Minnesota

May 8, 2019

**INDEPENDENT AUDITOR'S REPORT ON  
MINNESOTA LEGAL COMPLIANCE**

To the Board of Managers  
Middle St. Croix Watershed Management Organization  
Oakdale, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities and the general fund of Middle St. Croix Watershed Management Organization, as of and for the year ended December 31, 2018, and the related notes to the financial statements which collectively comprise the Middle St. Croix Watershed Management Organization's basic financial statements, and have issued our report thereon dated May 8, 2019.

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota Statutes 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 we did not test for compliance with the provisions for tax increment financing because Middle St. Croix Watershed Management Organization has no tax increment financing.

In connection with our audit, nothing came to our attention that caused us to believe that the Middle St. Croix Watershed Management Organization failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Middle St. Croix Watershed Management Organization's noncompliance with the above referenced provisions.

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

*Peterson Company Ltd*

PETERSON COMPANY LTD  
Certified Public Accountants  
Waconia, Minnesota

May 8, 2019

**MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION  
SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2018**

**2018-001 Segregation of Duties**

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

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

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

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

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

Management Response: The WMO has adequate policies and procedures in place to compensate for the lack of segregation of duties, including having all disbursements approved by the Board of Managers.

DRAFT

# MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION

455 Hayward Avenue N. Oakdale, MN 55128  
Phone 651.330.8220 x22 fax 651.330.7747 www.mscwmo.org



## MEMORANDUM

**TO:** Middle St. Croix WMO Board of Managers  
**FROM:** Mike Isensee, Administrator  
**DATE:** June 13, 2019  
**RE:** 7 b.) 2020-2023 CLEAN WATER FUND GRANT APPLICATION

### Lily Final 45 Implementation Grant

Staff recommends re-applying for funding to implement the findings of the draft Lily Lake Delisting Report. The \$550,000 grant application is identified in the 2015-2025 MSCWMO Watershed Management Plan.

If successful the MSCWMO will work with the City of Stillwater to complete design in 2020 and install a large bioretention BMP along Greeley Street in 2021. The basin will reduced 33.0 lbs./year of phosphorus loading to Lily Lake. In 2022, two alum treatments will be completed as part of the grant. Based on the 2018 internal loading study conducted by Wenck, this should reduce internal loading of phosphorus by as much as 120 pounds per year.

The grant application will require a minimum match of \$137,000.

Grant application will likely be due August 31<sup>st</sup>.

MSCWMO 2020-2023 Clean Water Fund Grant Application

Motion by Board Member 1, seconded by Board Member 2, to approve the Lily Final 45 Implementation Grant application.





MEMORANDUM

**TO:** Middle St. Croix WMO Board of Managers  
**FROM:** Mike Isensee, Administrator  
**DATE:** June 13, 2019

**RE: 7c.) 2<sup>nd</sup> Street Drainage Improvement Project: Perro Creek Water Quality Retrofits Phase I**

The proposed 2<sup>nd</sup> Street Drainage Improvement project will install three bioretention swales that will intercept and infiltrate stormwater runoff from 6.7 acres of drainage along 2<sup>nd</sup> Avenue N. and 7<sup>th</sup> Street North that is directly discharging into Perro Creek. WinSLAMM water quality monitoring indicates the water quality swales will reduce phosphorous by 10.1 lbs. per year from entering Perro Creek and Lake St. Croix.

At the March 14, 2019 MSCWMO Board meeting the board awarded construction of the project to Miller Contracting at an apparent low bid of \$129,891.75. The MSCWMO cost share portion is \$61,000 from the FY17 Clean Water Fund Grant and FY18 Watershed Based Funding.

This project also includes a drainage pretreatment chamber specially designed by the manufactures (Anoka Conservation District) of the Raingaurdian© to capture sediment, leaves and grass clippings prior to entering the basin. The cost of this specialty device is \$4,000. Staff is requesting payment of the invoice for this device.

**2<sup>nd</sup> Street Drainage Improvement Project: Raingaurdian Purchase**

Motion by Board Member 1, seconded by Board Member 2, to approve payment of \$4,000 for raingaurdian pretreatment device to be installed on the 2<sup>nd</sup> Street Drainage Improvement Project.

# MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION

455 Hayward Avenue, Oakdale MN 55128  
Phone 651.330.8220 x22 fax 651.330.7747 www.mscwmo.org



May 15, 2019

Administrator Adam Bell  
City of Bayport  
294 North Third Street  
Bayport MN 55003

## RE: Villas of Inspiration Project Review Invoice

Administrator Bell:

The MSCWMO review expenses for the proposed Villas of Inspiration project have exceeded the MSCWMO review fee. The review fee is determined each year based on the average cost for a review of similar size and scope. The review fee for the Villas of Inspiration was \$1,250.00. Due to multiple design iterations MSCWMO review expenses were \$3,074.00. In accordance with the MSCWMO Joint Power Agreement, the watershed is requesting the City reimburse the WMO for the **additional expenses of \$1,824.00.**

The MSCWMO Board of Managers thanks your community for its continued support of the watershed management organization. If you have any questions or comments regarding this invoice, please contact Mike Isensee at 651-330-8220 ext. 22 or at [misensee@mnwcd.org](mailto:misensee@mnwcd.org).

Sincerely,

Mike Isensee, Administrator  
Middle St. Croix Watershed Management Organization

cc: MSCWMO Board Member John Dahl

# MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION

455 Hayward Avenue, Oakdale MN 55128  
 Phone 651.330.8220 x22 fax 651.330.7747 www.mscwmo.org



Invoice 19-006-001

To: City of Bayport  
 294 North Third Street  
 Bayport MN 55003

Date	Task	Rate	Subtotal	Hours	Staff	Description
2018/10/16	Plan Reviews	\$71.00	\$71.00	1	Mikael Isen	Villas at Inspiration
2018/10/22	Plan Reviews	\$81.00	\$243.00	3	Rebecca Nest	Villas of Inspiration
2018/10/23	Plan Reviews	\$81.00	\$364.50	4.5	Rebecca Nest	Villas of Inspiration
2018/10/29	Plan Reviews	\$81.00	\$81.00	1	Rebecca Nest	Villas of Inspiration
2018/10/31	Plan Reviews	\$71.00	\$142.00	2	Mikael Isen	Villas at Inspiration
2018/10/31	Plan Reviews	\$81.00	\$40.50	0.5	Rebecca Nest	Villas of Inspiration
2018/11/01	Plan Reviews	\$71.00	\$35.50	0.5	Mikael Isen	Villas at Inspiration
2018/11/02	Plan Reviews	\$81.00	\$162.00	2	Rebecca Nest	Villas of Inspiration
2018/11/06	Plan Reviews	\$81.00	\$324.00	4	Rebecca Nest	Villas of Inspiration
2018/11/14	Plan Reviews	\$81.00	\$81.00	1	Rebecca Nest	Villas of Inspiration
2018/11/14	Plan Reviews	\$71.00	\$71.00	1	Mikael Isen	Villas of Inspiration
2019/03/20	Plan Reviews	\$81.00	\$81.00	1	Rebecca Nest	Villas of Inspiration
2019/03/21	Plan Reviews	\$81.00	\$283.50	3.5	Rebecca Nest	Villas of Inspiration
2019/03/22	Plan Reviews	\$71.00	\$71.00	1	Mikael Isen	Villas of Inspiration
2019/03/25	Plan Reviews	\$71.00	\$35.50	0.5	Mikael Isen	Villas of Inspiration
2019/03/26	Plan Reviews	\$81.00	\$81.00	1	Rebecca Nest	Villas of Inspiration
2019/03/28	Plan Reviews	\$71.00	\$35.50	0.5	Mikael Isen	Villas of Inspiration
2019/03/28	Plan Reviews	\$81.00	\$40.50	0.5	Rebecca Nest	Villas of Inspiration
2019/04/01	Plan Reviews	\$81.00	\$324.00	4	Rebecca Nest	Villas of Inspiration
2019/04/02	Plan Reviews	\$71.00	\$71.00	1	Mikael Isen	Villas of Inspiration
2019/04/29	Plan Reviews	\$71.00	\$71.00	1	Mikael Isen	Villas of Inspiration
2019/05/02	Plan Reviews	\$81.00	\$121.50	1.5	Rebecca Nest	Villas of Inspiration
2019/05/03	Plan Reviews	\$81.00	\$243.00	3	Rebecca Nest	Villas of Inspiration
		Subtotal	\$3,074.00			
		Review Fee	\$1,250.00			
		<b>Total Due</b>	<b>\$1,824.00</b>			

# MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION

455 Hayward Avenue N. Oakdale, MN 55128  
Phone 651.330.8220 x22 fax 651.330.7747 www.mscwmo.org



## MEMORANDUM

**TO:** Middle St. Croix WMO Board of Managers  
**FROM:** Mike Isensee, Administrator  
**DATE:** June 13, 2019

### **RE: 7e.) 3M PFAS Contamination Groundwater Model Technical Services Reimbursement Request**

MSCWMO staff and our consultant EOR have been reviewing documents and providing technical input on the development of the water supply groundwater model as part of the 3M PFAS settlement. Staff is requesting reimbursement from MPCA totaling \$4,369.00 (\$1,242.50 MSCWMO April and May; \$1,267.50 EOR April; \$1,859.00 EOR May).

### **3M PFAS Reimbursement**

Motion by Board Member 1, seconded by Board Member 2, to submit reimbursement request from MPCA of \$4,369.00 for the 3M PFAS Water Supply Groundwater meetings and technical review.



**MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION**

455 Hayward Avenue, Oakdale MN 55128  
 Phone 651.330.8220 x22 fax 651.330.7747 www.mscwmo.org

June 13, 2019

Christina Sundgaard  
 Grant and Contract Specialist  
 MPCA Brainerd office  
 christina.sundgaard@state.mn.us  
 218-316-3884

**RE: 3M PFAS Water Supply Groundwater Model Development**

Date	Staff	Activity	Hours	Rate	Subtotal
2019/04/03	Mikael Isen	3M PFAS	4.5	\$71.00	\$319.50
2019/04/10	Mikael Isen	3M PFAS	4	\$71.00	\$284.00
2019/04/17	Mikael Isen	3M PFAS	1	\$71.00	\$71.00
2019/04/19	Mikael Isen	3M PFAS	1	\$71.00	\$71.00
2019/05/10	Mikael Isen	3M PFAS	2	\$71.00	\$142.00
2019/05/13	Mikael Isen	3M PFAS	2	\$71.00	\$142.00
2019/05/15	Mikael Isen	3M PFAS	2	\$71.00	\$142.00
2019/05/17	Mikael Isen	3M PFAS	1	\$71.00	\$71.00
				<b>Total</b>	<b>\$1,242.50</b>

Summary of hours providing technical input and SWIFT financial reporting set up for the 3M PFAS Water Supply Groundwater model.

Sincerely,

Mike Isensee, Administrator

**Invoice**

**Emmons & Olivier Resources, Inc.**  
7030 6th Street N  
Oakdale, MN 55128-6146  
Phone 651.770.8448  
Fax 651.770.2552  
www.eorinc.com



**Invoice Total \$1,267.50**

Mike Isensee  
Middle St. Croix WMO  
C/O WCD  
455 Hayward Avenue North  
Oakdale, MN 55128

May 19, 2019  
Invoice No: 00405-0011 - 1

Job 00405-0011 3M Groundwater Model Review

- Summary of Work Performed:
- Attend SGI meeting on 4/17/2019.
  - Discuss groundwater data needs with Jim Field.
  - Discuss meetings and data needs with Mike Isensee.

**Professional Services from April 1, 2019 to April 30, 2019**

**Professional Personnel**

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	
Professional 4	7.50	169.00	1,267.50	
Totals	7.50		1,267.50	
<b>Total Labor</b>				<b>1,267.50</b>
		<b>Total this Invoice</b>		<b>\$1,267.50</b>

**Invoice**

**Emmons & Olivier Resources, Inc.**  
7030 6th Street N  
Oakdale, MN 55128-6146  
Phone 651.770.8448  
Fax 651.770.2552  
www.eorinc.com



**Invoice Total \$1,859.00**

Mike Isensee  
Middle St. Croix WMO  
C/O WCD  
455 Hayward Avenue North  
Oakdale, MN 55128

June 3, 2019  
Invoice No: 00405-0011 - 2

Job 00405-0011 3M Groundwater Model Review

**Summary of Work Performed:**

- Review drinking water plan. Report findings to MSCWMO.
- Attend SGI meeting on 5/15/19.
- Assembled groundwater model calibration data and delivered it to modeling team.
- Resolved issues with Sharepoint meeting software.

**Professional Services from May 1, 2019 to May 31, 2019**

**Professional Personnel**

	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>	
Professional 4	11.00	169.00	1,859.00	
Totals	11.00		1,859.00	
<b>Total Labor</b>				<b>1,859.00</b>
		<b>Total this Invoice</b>		<b>\$1,859.00</b>

# MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION

455 Hayward Avenue N. Oakdale, MN 55128  
Phone 651.330.8220 x22 fax 651.330.7747 www.mscwmo.org



## MEMORANDUM

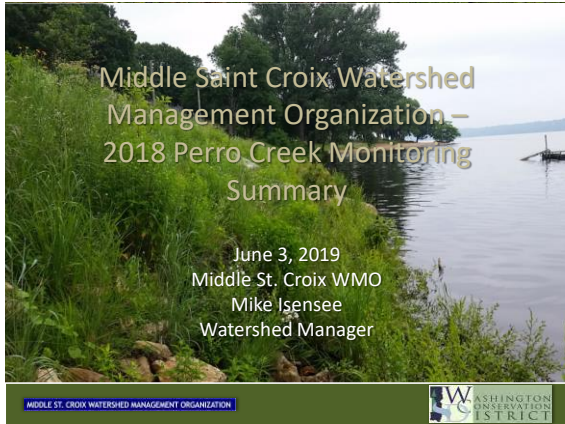
**TO:** Middle St. Croix WMO Board of Managers  
**FROM:** Mike Isensee, Administrator  
**DATE:** June 13, 2019

### **RE: 8a.) City of Bayport E. Coli Genetic Test Cost Share Request**

The City of Bayport is considering conducting genetic testing to determine if the E. coli in Perro Creek is a human source. The testing is being considered due to exceedingly high E. coli monitoring results just after and during storm events in 2018. The results of the testing will greatly impact the approach for addressing the E. coli impairment.

The City has requested the board of managers consider providing cost share for this testing which ranges between \$7,500-\$10,000.





## Water Quality and *E. coli*

**Sources**

- Septic systems, wastewater treatment plant releases, livestock, urban
  - To a lesser extent pets and wildlife

**Factors**

- Behavior of bacteria and pathogens is complex
- Source, weather, current, temperature may cause increase or decrease of bacteria and pathogens.

**Water quality and bacteria frequently asked questions**

**Where do bacteria in Minnesota waters come from?**

**What other factors affect the presence of bacteria in lakes and streams?**

**What types of bacteria does the Minnesota Pollution Control Agency test for?**

## Perro Creek and *E. coli*

- 2006-2013 monitored *E. coli* at 6<sup>th</sup> Street
- 2014 Perro Creek Subwatershed Analysis
- 2013-2017 Outreach to landowners near creek
- 2018 Increased *E. coli* monitoring efforts
- 2019 Perro Water Quality Improvement Projects (phase I)
- 2019 water monitoring data (from 2018) indicates levels two orders of magnitude greater than identified in previous years.

## 2018 Perro Creek *E. coli* Monitoring Sites

- Historic Monitoring Sites: 6<sup>th</sup> Street
- 2018 Monitoring Sites:
  - Perro Pond Outlet, 5<sup>th</sup> Avenue, 9<sup>th</sup> Street, 8<sup>th</sup> Street, 4<sup>th</sup> Street, St. Croix Trail Downstream, Central Avenue, and 3<sup>rd</sup> Avenue

## Perro *E. coli* Results

- Notable differences along creek
  - Increase after 8<sup>th</sup> Street monitoring location
  - Half of sample results drop at the Diversion Structure and Central Ave
- 9/20/2018 Storm
  - Samples were diluted with results varying from 17,500-54,600 MPN per 100/ml

Site	E. coli Results					
	5/22/2018	6/19/2018	7/19/2018	8/29/2018	9/26/2018	10/16/2018
Perro at Perro Pond Outlet	65	42	17	9	4500*	2
Perro at 5th Ave	45	56	80	21	1723	58
Perro at 8th Street	48	65	28	16	1733	8
Perro at 9th Street	49	817	133	37	3100*	27
Perro at 4th Street	50	488	153	59	17600*	575
Perro at 4th Street	50	548	261	73	27800*	186
Perro at St. Croix Trail Downstream	48	579	379	66	54600*	789
Perro at Diversion Structure	50	>2420	517	88	20900*	265
Perro at Central Ave	55	1986	276	66	25800*	249
Perro at 3rd Ave	228	>2420	588	79	41600*	161

\* Diluted sample results

## Perro Creek Monthly Geometric Means for *E. coli*

Monthly Geometric Means for *E. coli* (MPN/100ml)

Site	April	May	June	July	August	September	October
Perro at Perro Pond Outlet	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Perro at 5th Ave	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Perro at 8th Street	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Perro at 9th Street	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Perro at 4th Street	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Perro at 4th Street	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Perro at St. Croix Trail Downstream	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Perro at Diversion Structure	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Perro at Central Ave	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
Perro at 3rd Ave	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available

5% of samples taken on the last 52 years exceed 1,300/100ml (Doesn't necessarily exceed geometric mean standard)

According to the MPCA standards, Perro Creek is exceeding impairment standards at 6<sup>th</sup> Street in June and September

## Conclusions and Recommendations

### *E. coli*

- Extremely high readings on 9/20 are concerning
- Determining the type of *E. coli* is the first step to addressing the issue
  - Genetic testing (3 locations @ 3 samples at each location)  
= \$7,500-\$10,000 based on preliminary research
- Recommendation to conduct testing to enable effective planning to address the issue.

# MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION

455 HAYWARD AVENUE OAKDALE, MINNESTOA 55128  
Phone 651.330.8220 x22 fax 651.330.7747 www.mscwmo.org



May 6, 2019

Adam Bell, Administrator  
City of Bayport  
294 3rd Street North  
Bayport, MN 55003

RE: Villas of Inspiration

Dear Mr. Bell,

The Middle St. Croix Watershed Management Organization (MSCWMO) received required submittal items on October 15, 2018; discussed questions on November 14, 2018; received revised stormwater calculations November 1, 2018; received revised submittal items on March 15, 2019; received revised submittals on March 30, 2019; received revised submittals May 1, 2019; received revised submittals May 6, 2019 for the proposed Villas of Inspiration, located at Inspiration Parkway S., within MSCWMO boundaries and in the City of Bayport..

The project, as revised meets most MSCWMO Performance Standards contained within Section 7.0 of the 2015 MSCWMO WMP. The MSCWMO recommends approval.

Please contact me at 651-330-8220 x22 or [misensee@mnwcd.org](mailto:misensee@mnwcd.org) if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Mikael Isensee".

Mikael Isensee  
Administrator  
Middle St. Croix Watershed Management Organization

# MIDDLE ST. CROIX WATERSHED MANAGEMENT ORGANIZATION

455 HAYWARD AVENUE OAKDALE, MINNESOTA 55128  
Phone 651.330.8220 x22 fax 651.330.7747 www.mscwmo.org



May 30, 2019

Mr. Shawn Sanders  
City of Stillwater  
406 Fourth Street North  
Stillwater, MN 55082

RE: Stillwater Marina Boat Launch Repair

Dear Mr. Sanders:

The Middle St. Croix Watershed Management Organization (MSCWMO) received required submittal items on May 15, 2019 for the proposed Stillwater Marina Boat Launch Repairs, located within MSCWMO boundaries and in the City of Stillwater. The proposed project qualifies for full review under the MSCWMO 2015 Watershed Management Plan (WMP).

The project, as resubmitted, meets the Policies and Performance Standards contained within Section 7.0 of the 2015 MSCWMO WMP and meets all conditions of the recommended approval by the MSCWMO on May 30, 2019.

This recommended approval is based on the technical review of MSCWMO performance standards and does not constitute approval by the City of Stillwater. Please contact me at 651-275-1136 x22 or [misensee@mnwcd.org](mailto:misensee@mnwcd.org) if you have any questions regarding these comments.

Sincerely,

A handwritten signature in blue ink that reads "Mikael Isensee".

Mikael Isensee  
Administrator  
Middle St. Croix Watershed Management Organization



## Administrator's Report- June 2019

### Administration

- MSCWMO Annual Audit
- MSCWMO 2018 Watershed Annual Report
- MSCWMO 2018 Water Monitoring Report

### Project Reviews

- Villas at Inspiration, Bayport
- Stillwater Marina Boat Launch Replacement, Stillwater
- Culligan Building Expansion, Stillwater
- DeWall Subdivision, Lakeland

### Lake St. Croix Direct Discharge Phase II and Phase III

**Description:** \$151,000 (phase II) and a \$34,000 (phase III) grants for stormwater quality improvements in Oak Park Heights, Stillwater and Bayport (2015-2019). Funding is being utilized to work in partnership with the Stillwater Country Club to design a basin to reduce 25.0 lbs. of phosphorus per year discharging into Lake St. Croix.

**Activities This Month:** Final design and memo to Stillwater Country Club.

### SCRA 2018 LSCI Grant

**Description:** \$30,000 St. Croix River Association Grant to reduce erosion and nutrients discharging to Lake St. Croix.

**Activities This Month:** Confirmed with St. Croix River Association that the remaining \$23,000 can be applied toward the Stillwater Country Club Project.

### Washington County Transportation Cash-In-Lieu-of-Treatment Funding

**Description:** Due to steep grades, the fully developed downtown area including several historic properties, and presence of shallow bedrock in some areas Washington County Public Works, Transportation Division proposed and agreed to cash-in-lieu of treatment for the CSAH 23 (3rd Street) Reconstruction project approved by the board of managers on June 14, 2018. The total cash in lieu of treatment amount is \$118,720.00. The funding is being utilized (in conjunction with Lake St. Croix Direct Discharge Phase II and Phase III grant funding and St. Croix River Association Lake St. Croix Small Communities Grant) to fund the installation of the Stillwater Country Club bioretention basin.

**Activities This Month:** Contacted Allen Brandt and Frank Ticnor at Washington County Public Works Transportation Division to inquire about timing for payment. The response was not this year. I am waiting for a response regarding when next year payment(s) will be received.

### Lily Lake Final – 45

**Description:** \$58,000 grant to identify and partially design stormwater practices to reduce phosphorous discharges to Lily Lake by at least 45 lbs. per year.

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**Activities This Month:** Provided materials to BWSR for grant reconciliation (mandatory before closing out grants). Waiting for response.

### Perro Creek Water Quality Improvements Phase I and Watershed Based Funding

**Description:** \$63,000 CWF grant and \$39,124 allocation from CWF Watershed Based Funding to design and install stormwater quality practices to reduce nutrients and bacteria discharging directly into Perro Creek and then to Lake St. Croix.

**Activities This Month:** No action.

### Watershed Based Funding- Lily Lake Raingardens

**Description:** \$39,636 CWF Watershed Based Funding allocation to improve water quality. The funding is approved to provide the design and installation of two raingardens on Lily Lake in Stillwater.

**Activities This Month:** Project has been awarded to All Weather Services for \$28,465.

### Lake St. Croix Small Communities Phosphorus Reduction Grant

**Description:** \$200,000 grant for stormwater quality improvement south of Bayport (2019-2021). Planning to work in partnership with City of Lake St. Croix Beach to stabilize the bluff on the north side of town.

**Activities This Month:** No action.

### 3M PFAS Settlement MPCA Staff Reimbursement Grant

**Description:** Up to \$20,000 reimbursement of staff time for both the Administrator and consultant (Stu Grub with EOR) to participate in the development of the groundwater model for the PFAS contamination in the southern portion of the watershed.

**Activities This Month:** Established the MPCA SWIFT Account. Requesting reimbursement of time for Mr. Grub and Administrator Isensee for time in March and April.

### **Meetings**

- One Watershed One Plan Advisory Committee, April 11
- Stillwater Country Club Board of Directors Meeting, April 15
- Washington County Water Consortium, Wednesday, May 1
- 3M Water Supply Technical Meeting, Wednesday, May 1
- One Watershed One Plan Advisory Committee, May 8
- One Watershed One Plan Advisory Committee, May 13
- One Watershed One Plan Advisory Committee, May 20
- One Watershed One Plan Policy Committee, May 28
- Bayport City Council Meeting, June 3
- MPCA 3M PFAS Meeting, June 5
- Washington County Water Consortium Geology Tour, June 5
- Perro Creek Girl Scout Shoreline Planting, June 8