

DRAFT MINUTES: NOT YET APPROVED

Upper Rum River Watershed Management Organization  
Regular Meeting Minutes of January 7, 2020

1. Call to Order

Chair West called the meeting to order at 7:00 pm.

2. Roll Call

Present: John West, Dan Denno, Lan Tornes, Tim Harrington, Matt Downing, Sandy Flaherty,  
Dan Breyen, Radja Lohse, Joel Greenberg

Absent: David Olsrud, Jessica Rieland

Audience: Jamie Schurbon, Anoka Conservation District (ACD)

3. Adopt Agenda

**Mr. Breyen moved and Mr. Harrington seconded to approve the agenda as presented. Motion carried unanimously.**

4. Approval of Minutes

**Mr. Tornes moved and Mr. Harrington seconded to approve the October 29, 2019 minutes as written. Motion carried unanimously.**

5. Treasurer's Report

A. Financial report

\$ 2,592.10	September ending balance
- 5,080.00	Debits (Oct., Nov., Dec.)
<u>+12,750.12</u>	Deposits (Oct., Nov., Dec.)
\$10,262.22	December ending balance

An insurance dividend check for \$160 was received.

A previously approved check will be issued to MSA for \$5,971.99

B. Receipt of Budget Billings Update

1<sup>st</sup> half billing payments have been received from both Ham Lake and Nowthen.

**Mr. Denno moved and Mr. Downing seconded to accept the Treasurer's Report as presented. Motion carried unanimously.**

6. Unfinished Business

A. Watershed Based Implementation Funding (WBIF) – Select URRWMO Representative

The WBIF has \$366,000 to use toward Rum River projects in both the Upper and Lower Rum plans. One representative each WMO, ACD and two city representatives are needed. This is a 2-3 meeting commitment. Mr. Downing said he would be willing to represent the URRWMO. How will the URRWMO know who from what city volunteers to be a representative? Mr. Schurbon will address this item at the next TAC meeting (see item B.). Chair West asked if someone else on the board would be willing to step up to contribute their time to the URRWMO. No one responded. **Mr.**

**Harrington moved and Mr. Breyen seconded to appoint Matt Downing as the representative for the URRWMO for the Watershed Based Implementation Funding Committee. Motion carried with Chair West voting no.**

B. Technical Advisory Committee (TAC) update

Mr. Schurbon reported that the next TAC meeting is on Thursday. He expects discussions on culvert inventory and to discuss other priorities.

Because the TAC is made up of city staff members, Mr. Schurbon will ask for a city representative to volunteer to serve on the WBIF Committee and will share this information with the board when a decision is made.

## 7. New Business

A. Ditch 19 connector project

Mr. Schurbon updated the board that Lake George citizen groups have expressed interest in collaborating on this project. No progress has been made on this project yet. Legal issues with adjacent lands may need to be addressed before the project can proceed. Because this project is not listed in the Watershed Management Plan, it is not eligible for WBIF unless amended into the plan.

B. Financial audit

The URRWMO is required to have a financial audit every five years. Upon further research and consulting with BWSR, the URRWMO's annual revenue is under the \$225,000 revenue threshold for a required audit of special districts. Action is still required, but in this case the URRWMO needs to do an "Agreed-Upon Procedures Engagement" not an audit. This should cost less than an audit. Agreed-Upon Procedures Engagements are performed by a financial professional. It includes:

- Determine if meeting minutes are adequately prepared and approved.
- Discussion of internal controls to prevent or detect errors or fraud.
- Review of procedures and view records sued to account for receipts and disbursements.
- Review of three months of bank reconciliations.
- Mathematically recompute two bank reconciliations and compare to the organization's ledger.
- Review a sample of cast disbursements.
- Inquire how receipts are tracked.
- Confirm bank statements agree with the general ledger.
- Verify the amount of property tax receipts distributed to the organization.
- Inspect significant journal entries.
- Salary, wage and property documentation that will not apply to the URRWMO.
- Review of debt and related payments.
- Ensure reporting has been filled annually to the State Auditor.
- Inquire about any instances indicating fraud, illegal acts or non-compliance.
- Other checklists.

If interested in seeing the full protocol, do a Google search for "MN State Auditor Agreed-Upon Procedures" and view the results from the State Auditor's website.

Mr. Schurbon requested quotes for this service from five firms who are financial professionals used by nearby communities and ACD. Only one quote was received for the required "agreed upon

procedures engagement”. Smith Schafer and Associates bid \$2,000 to \$2,500 to be billed at actual hours.

In years past, Michael W. Pofahl, CPA took care of the financial auditing for the URRWMO. Mr. Pofahl is the current financial auditor for Nowthen. Mr. Denno offered to contact Mr. Pofahl to find out if he is interested in doing the “Agreed-Upon Procedures Engagement” for the URRWMO and if so, secure a bid to be shared with the board. Mr. Schurbon shared that the thought was Smith Schafer and Associates would do both the URRWMO and SRWMO “Agreed-Upon Procedures Engagement”.

**Mr. Downing moved and Mr. Tornes seconded to direct Dan Denno to contact Michael W. Pofahl, CPA to see if he is interested in performing an “Agreed-Upon Procedures Engagement” for the URRWMO and if so to secure a bid, and to direct Chair West to accept the lower of the two bids received and to award the job to the company with the lowest bid. Motion carried unanimously.**

#### C. 2021 budget

Mr. Schurbon noted that now is typically the time of year the URRWMO begins its budgeting process. The timeline for budget consideration is generally:

January URRWMO Board reviews first draft budget

Feb-March URRWMO reviews second draft, approve for submission to communities

April-May Communities consider ratification

May or June URRWMO Board adopts budget

Mr. Schurbon provided a draft budget that follows the Watershed Management Plan with these exceptions:

Website - decrease in cost from \$841 to \$685

Anoka Co Water Resource Outreach Collaborative - Plan says it will be supported, but no \$ amount is listed. Draft budget amount could be \$2,500. This is the same amount the SRWMO is contributing.

Facilitate TAC meetings – decrease from \$6,724 to \$2,550. Most TAC workload to be finished in 2020.

This draft budget is \$1,830 less than the budget estimate in the 10-year Watershed Management Plan.

This draft budget is \$6,612 greater than the 2020 budget. The costs that increased more than \$100 between 2020 and 2021 are:

- Projects in the 10-year plan \$14,000 to \$15,375
- Subwatershed Assessment Studies \$0 to \$15,375

Projects that decreased more than \$100 between 2020 and 2021 are:

- Watershed Coordinator \$23,785 to \$13,392
- Audit (required every five years) \$1,452 to \$0

Mr. Denno expressed concerns about the budget. He felt the total was too high. He further questioned that funding for the Water Resource Outreach Collaborative was being added just

because some other expenses were reduced. Mr. Downing noted that this is the first budget being created with the new URRWMO Watershed Management Plan, and the State could find that the URRWMO is failing to implement that plan if the budget is reduced substantially below what was in the State-approved planned. Mr. Breyen expressed concerns about any increase in the budget for Nowthen.

Mr. Schurbon described the Anoka County Water Resource Outreach Collaborative (WROC) per the Watershed Management Plan. WROC is a partnership formed in 2018 to implement a comprehensive water outreach and engagement program for watershed and city partners in Anoka County, MN. The purpose of this shared outreach and engagement program is to inform community residents, businesses, staff, and decision-makers about issues affecting local water bodies and groundwater resources and to engage people in activities and individual behavior changes that will help protect and improve the health of these resources.

The program aims to augment and enhance the outreach programming of the following partners: Andover • Anoka • Anoka Conservation District • Anoka County • Bethel • Blaine • Centerville • Circle Pines • Columbia Heights • Columbus • Coon Creek Watershed • Coon Rapids • East Bethel • Fridley • Ham Lake • Hilltop • Lexington • Lino Lakes • Linwood Township • Lower Rum River Watershed • Mississippi Watershed • Nowthen • Oak Grove • Ramsey • Rice Creek Watershed • Spring Lake Park • St. Francis • Sunrise River Watershed • Upper Rum River Watershed. An annual report of WROC activities in the URRWMO was emailed to the URRWMO Board and will be presented at the next URRWMO meeting.

Mr. Downing questioned the contribution amount. He would like to see what benefits are reaped before contributing \$2,500. Mr. Denno is against contributing any money, as he believes the URRWMO was bulldozed by BWSR and that is why the budget is as high as it is.

There is the possibility that State funding may be available in 2021 to support this program. Funding goes to ACD to pay for the Collaborative's Outreach and Engagement Coordinator.

Mr. Schurbon reminded the board that the Watershed Management Plan calls for money to be used for the outreach program and that the board must be accountable to BWSR with its plan. There is a line item in the implementation part of the plan, however, no dollar amount is given. Mr. Schurbon said it is possible to use WBIF grant money with a 10% matching amount to fund this line item.

Mr. Breyen noted that the proposed draft 2021 budget is a 23% increase for Nowthen.

Mr. Denno said he is not in favor of expanding the budget. Chair West said every city representative has worked hard on the budget and he is not inclined to increase the budget.

Mr. Downing did note Ham Lake is good with the revised budget allocations and is no longer pursuing changes to the JPA.

Mr. Schurbon said the funds in the line item Anoka Co Water Resource Outreach Collaborative are to cover the newsletter, pontoon tours, booths, etc. The Watershed Coordinator line item is for preparatory work to projects the URRWMO is doing.

Mr. Schurbon said if the URRWMO were to lower the Subwatershed assessment studies line item amount from \$15,375 to \$1,537.50 and a WBIF grant were to be awarded, that grant could cover 90% of the task and the URRWMO would have budgeted enough money for the 10% required match. The board discussed budgeting for the Watershed Coordinator line item at \$1,000. **Mr. Breyen moved and Mr. Denno seconded to reduce the Subwatershed assessment studies line item amount from \$15,375 to \$1,537.50 and budget \$1,000 for the Watershed Coordinator line item. It was suggested the motion include sending the revised draft budget to member cities for ratification.** Upon further thought, Mr. Breyen said he would like to be able to review the numbers more. **Mr. Breyen withdrew his motion and Mr. Denno his second.**

**Mr. Denno moved and Mr. Downing seconded to reduce the Subwatershed assessment studies line item amount from \$15,375 to \$1,537.50 and budget \$1,000 for the Watershed Coordinator line item and to send the revised draft budget to member cities for ratification. Motion carried with Mr. Tornes and Mr. Breyen voting no.**

Mr. Greenberg verified that a newsletter is required by the State.

8. Mail

None

9. Other

A. Mr. Harrington invited everyone to attend the East Bethel Fire Auxiliary Belgian Waffles Breakfast fundraiser on Saturday, January 25, 2020 from 8-11:00 am. It's all the waffles, sausages, toppings and beverages you can eat and drink for \$8.00 a plate. Weather permitting, a Life Link helicopter is planned to land at 9:00 am.

B. Mr. Downing reported that he and Ms. Flaherty attended the Ham Lake City Council meeting on Monday and that the recommendation by the budget subcommittee was to accept the revised cost allocations to both the URRWMO and SRWMO budgets.

10. Invoice(s)

A. Recording secretary January 2020 invoice for \$200

**Mr. Denno moved and Mr. Harrington seconded to approve the recording secretary January 2020 invoice for \$200. Motion carried unanimously.**

11. Adjourn

**Mr. Breyen moved and Mr. Downing seconded to adjourn at 8:01 pm. Motion carried unanimously.**

Submitted by:

Gail Gessner

Recording Secretary