

Middle Fork Crow River Watershed District Meeting Minutes
September 9th, 2025 at 6:00 pm at the MFCRWD Office

Board of Managers Present: Ruth Schaefer, Jeff Gertgen, Shane Braegelman, Amanda Toutges.
Not present: Jay Hedtke.

Staff & Guests Present: Andy Johnson – District Administrator; Leah Melges – Office & Finance Manager; Erin Vruwink – Water Resources Specialist; Nick Wyers – District Engineer; and John Kolb – District Attorney; Dale Anderson – County Commissioner

1. President Schaefer called the meeting to order at 6:00 p.m.
2. President Schaefer recited the District’s mission statement: “We exist for the protection and preservation of water quality in the Middle Fork Crow River Watershed District.”
3. 2026 Budget & Levy Presentation – Administrator Andy Johnson & Finance Manager Leah Melges
District Administrator Johnson and Finance Manager Melges presented the preliminary 2026 Budget to the Board of Managers. The total levy amount of \$1,163,173.96 includes the repayment of Survey and Data fund, at -\$177,603.00, which is eligible to be levied for in 2026 (every 5 years only), along with the Nest Lake (\$35,000) and Diamond Lake (\$0) Aquatic Plant Management special assessment amounts. The total levy amounts also allow for the buildup of fund balances in the special project funds to use towards future project matches. Administrator Johnson highlighted website and audit services, of which he is currently exploring more cost-effective options, possibly reducing expenses by around \$15,000 for those two services alone. He reminded the Board that 2028 will be the last payment on the building bond, creating a \$45,000 yearly reduction in operational costs moving forward. President Schaefer questioned how the District plans to use the Survey and Data fund moving forward. Johnson responded that some expenses, such as audit costs which are split over all funds, will continue to be portioned out of Survey and Data, however the large deficit was mainly comprised of unanticipated costs over the past 5 years, which he hopes to minimize moving forward. Administrator Johnson also pointed out that no dollars will be levied for HSW fund in 2026 and a draw down is on the radar for next year, weather dependent, since the weather did not allow for this year. There are minimal expenses to the District for the anticipated draw down other than repairing the structures or channel clean-out. In a review of the cash balances, it appeared that there was a mis-coding for a past liability insurance payment that was assumed to come out of the general fund and never reimbursed, so there is currently a cash balance in the Liability Insurance fund to cover next year’s payment, thus removing it from the total levy for 2026.
4. Receipt of Public Comments (please share your name for the meeting records)
None.
5. Close Budget Hearing / Open Regular Meeting
Closed at 6:30 p.m.

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6. Additions / Corrections to the Agenda: **A motion to approve the distributed agenda made by Manager Braegelman, seconded by Manager Toutges. Motion passed unanimously.**

7. Consent Agenda

a. Financial Report

i. Finance Report & Cash Balances

ii. Approval of Payables & Expenditures

b. Regular Board Meeting Minutes – August 12th, 2025.

Motion by Manager Braegelman, seconded by Manager Toutges to approve the Consent Agenda. The motion passed unanimously.

8. Discussion / Business Items

a. Nest and Diamond Lake CIP Project Work Plans for 2026

The District has received the updated 2026 work plans and assessment dollar amounts from Diamond Lake Area Recreation Association and the Nest Lake Association. Nest Lake plans to hire an aquatic plant consultant for their chemical treatment mapping as they may have discovered a new, unidentified plant that was observed during harvesting this year. Diamond Lake Area Recreation Association currently has an account balance that prohibits them from raising any additional dollars in 2026, however they plan to have PLM Lake & Land Management treat 88 acres next year costing approximately \$47,000.

b. Upper and Tadd Lakes Subwatershed Assessment Scope of Work; Stantec

Due to the impaired status of both Tadd and Upper Lake in Atwater, the District pledged to evaluate sources of pollutants to determine contributing inputs and assess the inputs to the lake from overland flow, city stormwater, adjacent golf course/splash pad, and lake bottom sediment. Tom Beneke, a Stantec scientist, developed a scope of work for services for a subwatershed assessment to determine information including monitoring efforts by the District to determine contributing area to Upper and Tadd Lakes, Internal Loading Feasibility Study, Lake Modeling and Pollutant Load Characterization. The estimated cost of this assessment is approximately \$19,000. Majority of the total cost can be reimbursed by 1W1P up to \$12,000 with additional dollars from the 319 Project and Atwater fund dollars. President Schaefer signed the scope of work granting it official Board approval.

c. Lake Calhoun Dam Project Petition to the Drainage Authority 103E.227

During the August Board Meeting, the Board authorized the execution and submission of this petition. The bidding process is now complete, and the notice of award has been given to Minnesota Native Landscapes. A public hearing has been set for the first County Board Meeting in October to approve the dam project which is also County Ditch 20. The project is still awaiting final permit approval from the Army Corp of Engineers.

d. Family Health Insurance Coverage Comparison

i. **Resolution 2025-16, Acceptance MFCRWD Family Cafeteria Plan**

In the current Flex Benefits Cafeteria Plan, the District offers a 'single' coverage amount that can be allocated to various tax-sheltered plans or accounts in lieu of offering health insurance coverage. In past years, the District has offered a 'family' coverage amount in the Flex Benefits Cafeteria Plan, however that was removed in 2023. The 'family' coverage amount was cut at a time when the District's finances were in question, however the District is now in a more stable financial position. Recent market research has shown that family plans on the market are currently on par with what the past 'family' coverage offering amount was. With rising health care costs and staying comparable to surrounding Districts, Administrator Johnson asked if the Board would be willing to approve adding the 'family' coverage amount back to the current Flex Benefits Cafeteria Plan to assist in keeping our staff healthy in 2026.

A motion by Manager Toutges to approve Resolution 2025-16 Acceptance MFCRWD Family Cafeteria Plan was made, seconded by Manager Braegelman. Motion passed unanimously.

e. MFCRWD 2026 Budget Draft

i. **Resolution 2025-17 Adoption of the 2026 General and Special Fund Budgets and Tax Levies**

The 2026 Special Funds Budget and Tax Levies was presented during the Public Hearing prior to the start of the regular board meeting tonight. If approved, this will be sent to each of the four counties by September 30th, 2025.

A motion by Manager Braegelman to approve Resolution 2025-17 Adoption of the 2026 General and Special Fund Budgets and Tax Levies was made, seconded by Manager Gertgen. Motion passed unanimously.

f. Agenda Additions / Other Matters

District Administrator Johnson officially signed the complete and final 319 Grant Agreement this week and a total of \$219,835.00 has been deposited into our eLink account. This is a reimbursement grant and the District will need to provide a 40% match. Johnson plans to use part of these grant dollars for the New London City parking lot project and the Mill Pond sceptors, which are tied into the city's street project, however this will be a small part of that larger project. The total estimate for the District's part is \$586,000, however 1W1P funding is not available due to stormwater projects not being a funded project area for 1W1P. Currently, 1W1P will only fund stormwater projects that will settle out or improve the project, but not piping, and the current piping costs for this project is estimated at \$280,000. Match funding is available in the New London fund and Johnson also plans to search for grants to apply for.

In regard to the Calhoun Dam/Bridget Project, Manager Gertgen inquired if there is a possibility of acquiring the steel for the project at this time, as steel prices moving forward are anticipated to increase. District Attorney John Kolb clarified that the contractor would dictate those details.

9. Reports & Updates

a. Administrator – Andy Johnson:

District Administrator Andy Johnson asked for response/feedback regarding thoughts of potentially changing auditing firms from Schlenner Wenner. According to Board President Schaefer, historically the District would send out RFP's every 3 years and review all of the District's contracts. The Board agreed that Administrator Johnson should do this for the auditing firm for 2026. President Schaefer also suggested to reach out to Jan Voit from MN Watersheds to see if she is familiar with firms that will conduct audits for watershed districts. Administrator Johnson highlighted that he will be attending BWSR Academy on October 21-23, 2025, a conference that is more training-based sessions vs. showcase sessions. This week Johnson and Water Resources Specialist, Erin Vruwink, went to Brownton, MN for a conservation and field day put on by the McLeod County SWCD, Great River Greening and the Natural Resource Conservation Services, and this week has also been education week for NLS 4th graders at Neer Park, ACGC 4th graders at Diamond Lake and Pope County Waterfest. Administrator Johnson also went in the field with Stantec's Nick Wyers to obtain GPS coordinates at the potential bioreactor sites near Diamon Lake to identify 'ideal' locations.

b. Finance Manager – Leah Melges:

Finance Manager Melges reported that the transition from Home State Bank to United Prairie Bank is almost complete. Upon notice of transferring the account balance, Home State Bank did reach out and offer a tiered interest-earning account. Staff continued the Board-directed path of transferring the account balance to the newly identified financial institution as no alternative Board directive was received. The account at Home State Bank remains open with a small balance and can be officially closed once the balance is transferred out. Payroll and AP/AR have all been transitioned to the new bank account. An mfcrow.org email account was created for each Board Manager upon receiving the Samsung tablets to review meeting documents. Utilization of these email accounts is low, and since they each have a monthly fee the Board, by unanimous consent, agreed to discontinue the mfcrow.org email accounts for the Board Managers. District Attorney Kolb cautioned that if personal emails are used for District communications, they would be subject to any future data practice requests, so organization of District emails in a specified folder could mitigate this concern.

c. Water Resources Specialist – Erin Vruwink:

Water Resources Specialist Erin Vruwink has been working on the hydrogen sulfide sensors, which are now put together and looking to be hooked up and installed at the New London dam this fall. September is the last month of the monitoring season and Vruwink will be spending time working on data

analysis this winter. Education outreach has been in full swing this week collaborating with PWELC, NLS, ACGC and Pope County.

- d. District Engineer – Nick Wyers: Written report provided.
District Engineer Nick Wyers has been working on Upper and Tadd Lakes and the permitting for the Calhoun Dam/Bridge project. Wyers has also pulled together some project ideas and schematics for the bioreactors (Rosenquist and G.Behm’s land).
- e. District Attorney – John Kolb:
No report.
- f. Other Reports from Managers / Staff: Manager Gertgen attended the 1W1P policy meeting which highlighted BWSR anticipating money for storage projects coming up in the next bi-annual budget.

- 10. Public Access Forum (*those desiring to speak, please share your name for the meeting record*):
None.



Closed at 7:40 p.m.

- 11. Closed Session: 6-Month Employment Review of District Administrator Andy Johnson (closed under the authority of MN Statute 13D.05 Subd. 3(a))
 - a. **Resolution 2025-18, Authorization of Removal from Probationary Status and Scheduled Step Increase for Andy Johnson**
A motion by Manager Gertgen to approve Resolution 2025-18 Authorization of Removal from Probationary Status and Scheduled Step Increase for Andy Johnson was made, seconded by Manager Toutges. Motion passed unanimously.
- 12. Adjournment: Motion made by Manager Braegelman, seconded by Manager Toutges to adjourn the meeting. Motion passed unanimously.

The meeting declared adjourned by President Schaefer at 8:40 p.m.

Submitted by,

Leah Melges
Recording Secretary
Office & Finance Manager