**Middle Fork Crow River Watershed District Meeting Minutes**

**July 8th, 2025 at 6:30 pm at the MFCRWD Office**

**Board of Managers Present**: Ruth Schaefer, Jeff Gertgen, Shane Braegelman.

Not present: Jay Hedtke, Amanda Toutges.

**Staff & Guests Present**: Leah Melges – Office & Finance Manager; Erin Vruwink – Water Resources Specialist; Gavin Radabaugh – Summer Intern; Chris Meehan – District Engineer; and John Kolb – District Attorney; Ryan Schmidt – Schlenner Wenner & Co.; Jeff Martinka – United Prairie Bank

1. President Schaefer called the meeting to order at 6:30 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. Additions / Corrections to the Agenda: **A motion to approve the distributed agenda made by Manager Braegelman, seconded by Manager Gertgen. Motion passed unanimously.**
4. Consent Agenda
   1. Financial Report
      1. Finance Report & Cash Balances
      2. Approval of Payables & Expenditures
   2. Regular Board Meeting Minutes – June 10th, 2025.

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

1. Discussion / Business Items
   1. 2024 Audit Presentation – Ryan Schmidt, Schlenner Wenner & Co.

Ryan Schmidt reviewed the 2024 Audit Process and Opinion. MFCRWD received a clean opinion, however focused on 3 areas of internal controls including: audit adjustments, segregation of duties and financial statement preparation. These are similar findings to prior years and are unlikely to be resolved due to the small size of the organization, as well as outsourcing the audit process to a third-party organization. The review also focused on general fund analysis of revenues and expenditures, as well as other major funds. Two recommendations were given including implementing a minimum fund balance policy for the general fund, typically around 20-25%, as well as documenting policies and procedures related to in-house payroll processes. Schmidt also suggested appropriately coding expenditures to other applicable funds to decrease the general fund expenditures.

* + 1. **Resolution 2025-13, Acceptance of the 2024 Audit Report.**

**Motion by Manager Braegelman, seconded by Manager Gertgen, to approve Resolution 2025-13 and accept the 2024 Audit Report. Motion passed unanimously.**

* 1. Q2 Cash Balance Update

Finance Manager Leah Melges presented the Board with the cash balance report as of the end of second quarter (June 2025). This report accounts for the first half of 2025 property tax settlements from all the counties. Current negative fund balances include: Survey & Data, which will be levied for in 2026, funds that are anticipated to be fully reimbursed (Calhoun JPA) or funds that have temporarily dipped negative due to overestimated labor splits coming out of those funds (WPLMN, 1W1P and CD-47), however they have potential to balance to zero following reimbursements for staff time (staff billing rates) by the end of the fiscal year. Manager Gertgen announced that DLARA intends to gift money to the District for monitoring efforts and District Attorney John Kolb will draft a resolution for acceptance of this financial gift.

* 1. MN Watersheds Summer Tour Update

Board President Ruth Schaefer recapped her attendance at the 2025 Summer Tour of the Roseau River Watershed District highlighting the Roseau Lake Rehabilitation Project and Roseau Rock Arch Rapids.

* 1. Lake Calhoun Outlet Repair Project – Final Design and Bidding Update

District Engineer Chris Meehan reported that the 100% design review meeting was held on June 26th and full plans and specs will be published publicly and posted locally in the Lakes Area Review and West Central Tribune. A pre-bid meeting will be held on July 25th as well as a site visit for potential contractors with bids due by August 6th. Stantec is still working through permitting with the Army Corp but still on track for project start date of September 15th, 2025. Kandiyohi County can require a hearing but has not yet and District Attorney John Kolb has not heard back from them regarding this. The Calhoun project is not changing or altering anything in the drainage system, only improving the ecological condition of the outlets that allow for more fish passage and less problems. If a hearing is required, there is sufficient time to have one without delaying dates. A public open house is being planned for the end of July.

* 1. Agenda Additions / Other Matters

None.

1. Reports & Updates
   1. Administrator – Andy Johnson: Absent
   2. Finance Manager – Leah Melges:

Finance Manager Leah Melges added that the second quarter payroll tax returns have been filed. For the first time, we are utilizing the budget function of Banyon, which allows us to input our budgeted numbers for the fiscal year and provides us with real-time tracking capabilities to see if we are over/under budget on our expenditures. The new bank account at United Prairie Bank is officially open, online banking setup is complete, and we have received our first interest earnings on the account. The next month will consist of transferring money to United Prairie Bank from Home State Bank and closing that account. Check stock has been ordered for the new account and new direct deposit authorizations will need to be completed for all staff and Board members for payroll purposes. Lastly, we have compiled a clothing order form for 2025 MFCRWD logo clothing from MN Screenprint in Pennock, MN that we hope to have submitted in the next couple weeks.

* 1. Water Resources Specialist – Erin Vruwink:

Water Resources Specialist Erin Vruwink has been busy with WPLMN sampling for each rain event with positive feedback from James Dickson of the MPCA. Diamond Lake’s Weed Fest is coming up on July 19th and she will be in attendance at that event. Mapping of flow measurements will occur at the end of this month and the Westby Intern joined us for a few days last week.

* 1. District Engineer – Chris Meehan: Written report provided.

District Engineer Chris Meehan reported on data-logger that was installed on Diamond Lake upstream between Hubbard-Schultz-Wheeler and Diamond

Lake to monitor water surface elevations to figure out how elevations (of all of those water basins) work between those lakes. Diversified Foundation’s work is completed with the exception of logs that will be burned in the fall and some discing to be completed. Lastly, sampling data for the bioreactors around Diamond Lake are currently showing high levels of nitrates.

* 1. District Attorney – John Kolb:

District Attorney John Kolb reported that there was a change to open meeting law this year. There is no longer a posting requirement at the remote location. Minimum requirements are that meeting notices state that 1 or more Managers may participate remotely per statute 103D. This is a Board authority, not a privilege of an individual Manager and not to be on a regular basis, so details would have to be outlined in a policy created to address this.

* 1. Other Reports from Managers / Staff: Manager Gertgen shared an update that the south side of Dogfish Bay was sold for development and Diamond Lake is trying to get artificial wake restrictions implemented.

1. Public Access Forum *(those desiring to speak, please share your name for the meeting record)*:

None.

1. Adjournment: Motion made by Manager Braegelman, seconded by Manager Gertgen to adjourn the meeting. Motion passed unanimously.

The meeting declared adjourned by President Schaefer at 7:48 p.m.

Submitted by,

Leah Melges

Recording Secretary

Office & Finance Manager