



# Shingle Creek Watershed Management Commission

2019 Annual Activity Report



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This report was prepared for the  
Shingle Creek Watershed Management Commission  
by JASS

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We gratefully acknowledge the assistance of  
Diane Spector and Jeff Strom, Wenck Associates

Cover photograph:  
Monitoring at SC-3, mid-watershed in Brooklyn Park  
courtesy of Diane Spector





**ANNUAL ACTIVITY REPORT**

This annual report has been prepared by the Shingle Creek Watershed Management Commission in accordance with the annual reporting requirements of Minnesota Rules Chapter 8410.0150, Subps. 2 and 3. It summarizes the activities undertaken by the Commission during calendar year 2019.

**THE COMMISSION**

The Shingle Creek Watershed Management Commission is governed by a nine member board comprised of representatives from each member city who are appointed for terms of three years. The nine member cities are Brooklyn Center, Brooklyn Park, Crystal, Maple Grove, Minneapolis, New Hope, Osseo, Plymouth and Robbinsdale. Commissioners who served in 2019 are shown in *Appendix 1*. Also shown there are members of the Technical Advisory Committee (TAC) who represent the member cities.

**CONSULTANTS**

The Commission has no employees. The names of the consultants currently retained by the Commission are also listed in *Appendix 1*.

**MEETINGS**

The Commission meets monthly at 12:45 p.m. on the second Thursday at the Clubhouse at Edinburgh, USA, 8700 Edinbrook Crossing, Brooklyn Park. The meetings are open to the public. Meeting notices, agendas and approved minutes are posted on the Commission's website, [www.shinglecreek.org](http://www.shinglecreek.org).

**WATERSHED MANAGEMENT PLAN**

In 2013 the Shingle Creek and West Mississippi Watershed Management Commissions adopted their joint 2013-2022 Third Generation Watershed Management Plan. The Plan, approved by the Board of Water and Soil Resources on March 27, 2013, is the culmination of a two-year planning effort by the two Commissions, the cities that are members of these Joint Powers Organizations, state agencies, and the public. The Plan sets forth goals and strategies that will guide water resources management activities in the two watersheds over the coming decade. Over the years the Commission, either individually or together with the West Mississippi Commission, has adopted a number of amendments to the Plan. They are described briefly in *Appendix 2*.

**LOCAL PLANS**

Revisions to Minnesota Rules 8410 adopted in 2015 include significant changes in the timing of local water plan revisions. Per 8410.0105 sub-paragraph 9 and 8410.0160 subparagraph 6:

- Local water plans must be prepared by metropolitan cities and towns (municipalities) and a local water plan must become part of the local comprehensive plan for a municipality.

- Under the amended rule, local water plans must be revised essentially once every ten years in alignment with the local comprehensive plan schedule.
- A municipality has two years before its local comprehensive plan is due to adopt its local water plan.
- Prior to adoption, a municipality must prepare its local water plan, distribute it for comment, and have it approved by the organization with jurisdiction in the municipality.
- The next local comprehensive plans are due December 31, 2018. All cities and towns in the seven-county metropolitan area must complete and adopt their local water plans between January 1, 2017 and December 31, 2018.
- Local water plans may be updated more frequently by a municipality at its discretion.

At a minimum, cities in their Local Plans are required to do the following:

1. Update the existing and proposed physical environment and land use. Information from previous plans that has not changed may be referenced and summarized but does not have to be repeated. Local Plans may adopt relevant sections of the Commission's Watershed Management Plan (WMP) Section 2.0 Inventory and Condition Assessment by reference unless the member city has more recent information.
2. Update the existing and proposed hydrology and provide subwatershed, storm raingage system, and installed BMP figures and Shapefiles.
3. Explain how the goals and policies and rules and standards established in the WMP will be implemented at the local level.
4. Show how the member city will take action to achieve the load reductions and other actions identified in and agreed to in TMDL Implementation Plans, including identifying known upcoming projects, including street reconstruction projects, that will provide opportunities to include load and volume reduction BMPs.
5. Explain how the City will implement the City Review project review requirements of the revised Rules and Standards.
6. Update existing or potential water resource related problems and identify nonstructural, programmatic, and structural solutions, including those program elements detailed in Minnesota Rules 8410.0100, Subp. 1-6.
7. Summarize the estimated cost of implementation.
8. Set forth an implementation program including a description of adoption or amendment of official controls and local policies necessary to implement the Rules and Standards; programs; policies; and a capital improvement plan.

At December 31, 2018 the local plans of all member cities had been reviewed and approved by the Commission.



**STATUS OF 2019 WORK PLAN**

The Third Generation Watershed Management Plan states that the Shingle Creek and West Mississippi Watershed Management Commissions will annually review progress toward their Third Generation goals, and that this evaluation will become part of the Annual Activity Report. The purpose of the annual review is first to determine progress towards the goals, and second to be sure the Commission stays on track to reach them.

The annual review is also an opportunity to discuss whether the goals and actions in the Plan still make sense or if they should be considered for modification or enhancement, perhaps to add new priorities. The Shingle Creek Watershed Management Commission established its 2019 Work Plan at its January 11, 2018 meeting. Some highlights from 2019 include:

- Completed effectiveness monitoring of biochar- and iron-enhanced sand filters on three ponds, two catch basins, and a filter box in the two watersheds. Monitoring is completed and the catch basin filters and the filter box were removed.
- Completed ten reviews of development/redevelopment projects and acted as the WCA LGU for four wetland delineation/wetland type reviews four no or incidental loss determinations; one exemption; and one mitigation plan (for the TH 169 and 101st Avenue N interchange). (*Appendix 2*)
- Completed routine flow and water quality monitoring on Shingle and Bass Creeks at three locations, Mattson Brook and the Environmental Preserve (West Miss), and partnered with the USGS to maintain the USGS real-time site. Results of the annual stream and lake monitoring are included in the Commission's 2019 *Annual Water Quality Report*, a companion to this report.
- Completed the Magda and Meadow Lakes nutrient TMDL 5 year reviews.
- About 587 fourth grade students in 23 classrooms participated in a Watershed PREP classroom lesson one (What is a watershed?) though November 2019, and 477 of those students in 19 classrooms learned lesson two (The incredible journey).
- Continued to work with the DNR to update the Special Flood Hazard Areas in the watershed ("the HUC8 Study"). The TAC recommended and Commission approved adding a detailed study of the Twin and Ryan chain and Ryan Creek to the Study.
- Undertook water quality monitoring on Lower, Middle, and Upper Twin Lakes; Bass and Pomerleau Lakes; and Schmidt Lake.
- Performed aquatic vegetation surveys on Bass, Pomerleau, and Schmidt Lakes.
- Completed a fish survey on Schmidt Lake.
- The City of Robbinsdale worked with the Commission to evaluate the ability of Ryan Creek to adequately control water levels in Lower Twin and Ryan Lakes, and to assess the potential impact of routing overflow pumping from Crystal Lake to Ryan.
- Worked with the City of New Hope and Meadow Lake Watershed Association to undertake a Meadow Lake Management Plan feasibility analysis and to prepare and submit a Clean Water Fund grant application.

- Removed 3,800 pounds of carp from Ryan Creek and from spawning areas on Lower and Upper Twin Lake.
- Designed and installed the SRP Reduction Project treatment system, and monitored effectiveness.
- Worked with the City of Plymouth to undertake alum treatments on Bass and Pomerleau Lakes.
- Worked with the City of Brooklyn Park and Brooklyn Center to develop concepts and 30% design and to prepare and submit a Clean Water Find grant application for the Shingle Creek Connections II stream restoration project.
- Worked with the City of Crystal to help fund the Becker Park Infiltration Project.
- The Shingle Creek Commission received a \$216,066 Section 319 grant for the Crystal Lake Management Plan. Work on carp and SAV management will begin in 2020, with a first alum treatment in spring 2021 and the second in spring 2022.
- Completed work on a subwatershed assessment for that part of Minneapolis that is within the Shingle Creek watershed.

For the most part the Commission is on track to meet its goals, with the following exceptions:

- Work has not yet begun on the “sustainable water budget” project. Commission staff have had some discussions with USGS staff about this, but have not yet identified a funding source for this project.
- While Lower Twin, Ryan, and Schmidt Lakes have been delisted from the draft Impaired Waters list, the Commission has a stretch goal of achieving delisting for Bass, Eagle, Crystal, and Middle Twin Lakes. As Upper Twin improves, Middle Twin is likely to reach the State standard. It is hoped the alum treatment on Bass Lake will bring that lake to the water quality standard, but not in time to be delisted prior to the expiration of the Third Generation Plan.
- The Commission has a goal to complete subwatershed assessments for at least 25% of that part of the watershed that developed prior to Commission rules in 1984. Only 14% of pre-1984 development Shingle Creek will have been completed when the Minneapolis Subwatershed Assessment is completed. A more achievable goal would be 15%.
- The Commission has a goal of maintaining the functions and values of priority wetlands, but has not established a process by which that would be evaluated.

#### **WATER MONITORING**

Minnesota Administrative Rule 8410.0100 Subp.5 requires watershed management organizations to conduct monitoring programs “capable of producing accurate data to the extent necessary to determine whether the water quality and quantity goals of the organization are being achieved.”

The Shingle Creek and West Mississippi Watershed Management Commissions (WMCs) annually monitor water quality in the lakes, streams and outfalls of the watersheds. The Commissions’



technical staff obtains the stream and some lake water quality, fisheries and vegetation data while volunteers also collect lake water quality and stream and wetland macroinvertebrate data. 2019 monitoring activities in the Shingle Creek and West Mississippi watersheds included stream and outfall monitoring, lake monitoring, and volunteer (lake and wetland) monitoring. Each monitoring effort is described below.

Together the Shingle Creek and West Mississippi Watershed Management Commissions have established monitoring objectives to guide their monitoring programs. The following objectives have been established for stream, outfall and lake monitoring in both watersheds:

- To quantify the current status of streams/outfalls and lakes (Shingle Creek only) throughout the watershed in comparison to state water quality standards established for nutrients, turbidity, chloride, bacteria, and other parameters currently regulated by the State.
- To quantify changes over time, or trends, in stream and lake water quality in the watersheds.
- To quantify the effectiveness of implemented BMPs throughout the watersheds for the protection of water quality.

Surface water quality in the watersheds is typical of urban lakes and streams in the Twin Cities metropolitan area. Agriculture followed by urban development have changed drainage patterns, increased pollutants to the waters, and reduced habitat for aquatic and terrestrial life. Both Shingle Creek and Bass Creek do not meet state water quality standards for chloride, bacteria, and dissolved oxygen, and have severely impacted fish and macroinvertebrate communities. Thirteen of the 16 lakes were originally listed as Impaired Waters of the State because of their high concentrations of phosphorus.

TMDLs and Implementation Plans have been approved for all the Impaired Waters, and the Commission and the member cities have been actively implementing improvements. Three lakes have subsequently been delisted, or removed, from the Impaired Waters list due to improved water quality. Long-term stream monitoring shows a clear improvement in suspended sediment and nutrient concentrations in both Shingle and Bass Creeks, a result of ongoing efforts to stabilize streambanks, increase the frequency of street sweeping, enhance erosion control on construction sites, and installing Best Management Practices (BMPs) to treat stormwater before it is discharged into the streams. However, chloride concentrations in the streams, mostly from road salt applied in the winter for snow and ice control, continue to be high.

#### **STREAM MONITORING**

In 2019 three sites along Bass/Shingle Creek were monitored biweekly April-October: the outlet in Minneapolis (SC-0); mid-watershed in Brooklyn Park (SC-3); and in Bass Creek (BCP) in the upper watershed. Winter chloride was sampled monthly from November-March at the three locations and at the USGS gage site located near the outlet of Shingle Creek. Real-time data from that site is available through the USGS website: <http://waterdata.usgs.gov/mn/nwis/uv?05288705>.

Stream macroinvertebrates were monitored by high school students at two sites on Shingle Creek through the Hennepin County RiverWatch program. Shingle Creek at Park Center High school has been monitored for 24 years by science students from the school. Shingle Creek at Webber Park

was monitored by students from Patrick Henry High School between 2001 and 2012, and for the last two years by students from the Avail Academy.

#### **LAKE MONITORING**

Routine water quality monitoring in Schmidt Lake in Plymouth was conducted biweekly in 2019. Aquatic vegetation was surveyed once in late spring and once in late summer, and the fish population was surveyed in July 2019.

Thirteen of the sixteen lakes in Shingle Creek are periodically monitored for water quality by volunteers through the Citizen Assisted Monitoring program (CAMP). Volunteers in the program monitor their lake every other week from mid-April to mid-October. They measure surface water temperature, Secchi depth, and collect surface water samples that are analyzed by the Met Council for Total Phosphorus (TP), Total Kjeldahl Nitrogen (TKN), and chlorophyll-a. In 2019, Meadow Lake was monitored through CAMP.

As part of two grant projects, Bass and Pomerleau Lakes were monitored biweekly for water quality. Bass and Pomerleau, which have both been listed as impaired for nutrients, are undergoing active management. Water quality in Lower, Middle, and Upper Twin was monitored monthly during the 2019 field season, following two years of carp removal. Water quality monitoring in the lakes has helped our understanding of changes in lake health following management activities.

#### **WETLAND MONITORING**

Macroinvertebrate communities and vegetation were monitored in two wetlands by volunteers through the Wetland Health Evaluation Program (WHEP) administered by Hennepin County. Wetlands in Brookdale Park in Brooklyn Park and Wetland 639 in Crystal were monitored in 2019.

The Commission's 2019 *Water Quality Monitoring Report* provides more detail on the Commission's stream and lake monitoring activities. The report will be forwarded to the Board of Water and Soil Resources as a companion to this report. It will also be available on the Commissions' website, [www.shinglecreek.org](http://www.shinglecreek.org).

#### **CONSULTANT SERVICES SELECTION**

A solicitation of interest proposals for technical, legal and administrative services was published in January 14, 2019 edition of the *State Register*. Six responses were received – two each for technical and wetland consulting, and one each for legal and administrative support. At their February 14, 2019 meeting the Commissioners voted to retain the services of their current providers. They are listed in *Appendix 1*. This biennial process will be repeated in 2021.

#### **FINANCES**

The Commission's Joint Powers Agreement provides that each member city contributes toward the annual operating budget based 50% on the area located within the watershed boundary and 50% on the tax capacity of all property within the watershed. The 2019 cost allocations to the members are shown as part of the 2019 Operating Budget found in *Appendix 3*.



Of the \$420,900 operating budget approved by the Commission for 2019, revenue consisting of \$22,000 in application fees and reimbursements, \$39,000 in program reimbursement, and \$3,000 in interest income resulted in assessments to members totaling \$356,900.

An amendment of Minnesota Rules, Chapter 8410 became effective on July 13, 2015. One of the revisions to the Rules extends the annual audit due date to 180 days after the end of the fiscal year, in the case of the Shingle Creek Commission, to June 30, 2020. The 2018 Audit Report, which was prepared by Johnson & Company, Ltd., Certified Public Accountants, is included in this report.

The Commission follows Rule 54 of the Government Accounting Standard Board (GASB) to report Fund Balances. The fund balance classifications include:

*Nonspendable* – amounts that are not in a spendable form. The Commission does not have any items that fit this category.

*Restricted* – amounts constrained to specific purposes by their providers. One example would be ad valorem levy funds received from the County for capital improvement projects. The unused portion of these funds must be set aside in a restricted account for similar projects. Another example would be BWSR Legacy Grant proceeds where the funds are received prior to the onset of a project and where any unused portion must be returned to the grantor.

*Committed* – amounts constrained to specific purposes by the Commission itself. An example would be residual funds carried over from one year to the next for Studies, Project Identification and Subwatershed Assessments.

*Assigned* – amounts the Commission intends to use for specific purposes. Most line items in the Commission's Operating Budget fall under this category.

*Unassigned* – amounts that are available for any purpose. These amounts are reported only in the general fund.

Amounts paid by the Commission per the Commission's 2018 Annual Audit are:

General engineering	139,886
General administration	102,745
Education	57,563
Programs	89,619
Projects	147,535
Capital Projects	<u>448,600</u>
Total	985,948

General engineering work includes review of local plans, review of development/ redevelopment projects, tracking grant opportunities, attendance at meetings and other technical services. General administration includes support to technical staff, attendance at meetings, insurance premiums, bookkeeping and annual audit, legal counsel, and other non-engineering services.

#### **PROJECTED 2020 WORK PLAN**

The Shingle Creek Watershed Management Commission established its 2020 Work Plan at its January 9, 2020 meeting. Most of the activities of the Commission are ongoing, although some rotate around the watershed.

**1. Continue to implement TMDLs.**

- a. Complete the 5-year performance review for the Bass and Shingle Creek Biotic and DO TMDL.
- b. Partner with the City of Plymouth to undertake the second alum treatments on Bass and Pomerleau Lakes. Update the aquatic vegetation surveys and provide aquatic invasive species treatment as necessary.
- c. Partner with the City of Minneapolis to finalize the subwatershed BMP assessment.
- d. Partner with the City of Robbinsdale begin implementing the Crystal Lake Management Plan including carp removal, aquatic vegetation management, and alum treatment.
- e. If the CWF grant is funded, partner with the City of New Hope to implement the Meadow Lake Management Plan, including a lake drawdown in fall and winter 2020.
- f. If the CWF grant is funded, partner with the Cities of Brooklyn Park and Brooklyn Center to undertake streambank improvements for Shingle Creek from Regent Avenue to Brooklyn Boulevard.
- g. Partner with the City of Brooklyn Park to prepare a Feasibility Study for streambank improvements for Bass Creek from Cherokee Drive to I-694, and submit a grant application for partial funding.
- h. Prepare a Feasibility Study to extend the SRP Reduction filter along the length of the Wetland 639W overflow channel, and submit a grant application for partial funding.
- i. Continue to pursue grant funding for TMDL implementation projects.
- j. Expand the Directly Connected Untreated Areas geodatabase to include boundaries of the untreated areas directly connected to the lakes in the watershed. (Streams were completed in 2017.)
- k. Continue to identify, pursue grant funding for, and implement projects and programs addressing the bacterial impairment in Shingle Creek and the Mississippi River.
- l. Stay abreast of other regional and state TMDLs.

**2. Partner with other organizations to increase reach and cost effectiveness.**

- a. Participate in the West Metro Water Alliance joint education and outreach group.
- b. Continue to partner with the USGS to operate the Queen Avenue monitoring site.
- c. Partner with the USGS, DNR, and other interested parties to stay abreast of groundwater issues.

**3. Continue ongoing administration and programming.**

- a. Conduct routine Commission lake water quality monitoring and aquatic vegetation and fish surveys on Eagle and Pike Lakes and grant funded monitoring on Bass, Pomerleau and Crystal Lakes. If funded, conduct routine monitoring on Meadow Lake.
- b. Conduct Commission routine flow and water quality monitoring at SC\_0 and SC\_3 on

Shingle Creek, and Bass Creek Park (BCP) on Bass Creek as well as two DO longitudinal studies as part of the Shingle and Bass Creeks Dissolved Oxygen (DO) and Biotic Integrity TMDLs 5-year Review..

- c. Sponsor volunteer stream monitoring through RiverWatch and wetland monitoring through WHEP (Hennepin County).
  - d. Sponsor volunteer lake monitoring through CAMP (Met Council) on Upper, Middle, and Lower Twin, Ryan, Meadow, and Success Lakes.
  - e. Complete reviews of development and redevelopment projects as necessary.
  - f. Prepare an annual water quality report.
  - g. Solicit cost-share projects from member cities funded from the Cost Share Fund and the annual \$100,000 levy and the Partnership Cost Share Fund and the annual \$50,000 levy.
  - h. Review feasibility studies for 2020 proposed capital projects, undertake Plan Amendments, hold public hearings, order projects and certify levies.
  - i. Prepare a 2021 annual budget and begin scoping the Fourth Generation Management Plan which will be completed in 2022.
  - j. Invite three guest speakers to make lunchtime water resources presentations.
  - k. Tour project sites in the watershed.
-



## **APPENDIX**





## 2019 Commissioners

Representing	Name	Address	Telephone	Email	Term Expires Jan 31
Brooklyn Center	David Vlasin	5712 Colfax Avenue N Brooklyn Center, MN 55430	651.792.7972(w) 612.810.5885(c))	David.vlasin@rwmwd.org	2021
Brooklyn Park	Adam Quinn	6711 Oak Grove Pkwy, Apt 2108 Brooklyn Park, MN 55445	612 791.5945	adamquinn@gmail.com	2021
Crystal	Burton Orred, Jr.	6700 60th Avenue North Crystal, MN 55428	763.533.7808	burtssquirts@gmail.com	2021
Maple Grove	Karen Jaeger Secretary	8459 Rice Lake Road Maple Grove, MN 55369	763.420.3838	kjaeger@ci.maple-grove.mn.us	2019
Minneapolis	Gary Anderson	4239 Queen Avenue North Minneapolis, MN 55412	612.521.8505	gary_anderson79@yahoo.com	2019
New Hope	Bill Wills	6149 Gettysburg Avenue N New Hope, MN 55428	763.531.0788	wjw9416@msn.com	2019
Osseo	Harold E. Johnson Treasurer	12-Sixth Street NE Osseo, MN 55369	763.424.3707	HJohnson@ci.osseo.mn.us	2020
Plymouth	Andy Polzin Chair	18605 29th Avenue North Plymouth, MN 55447	952.832.2938	rapolzin@msn.com	2020
Robbinsdale	Wayne Sicora Vice Chair	3706 Abbott Avenue North Robbinsdale, MN 55422	763.522.8165	wayne.sicora@erm.com	2020

## 2019 Technical Advisory Committee

Representing	Name	Address	Telephone	Email
Brooklyn Center	Andrew Hogg	6301 Shingle Creek Parkway Brooklyn Center, MN 55430	763.569.3327	ahogg@ci.brooklyn-center.mn.us
Brooklyn Park	Mitchell Robinson	5200 85th Avenue North Brooklyn Park, MN 55443	763.493.8291	mittchell.robinson@brooklynpark.org
Crystal	Mark Ray	4141 Douglas Drive Crystal, MN 55422	763.531.1160	mark.ray@ci.crystalmn.gov
Maple Grove	Derek Asche	12800 Arbor Lakes Parkway Maple Grove, MN 55313	763.494.6354	dasche@ci.maple-grove.mn.us
Minneapolis	Elizabeth Stout	City of Lakes Building #300, 309 Second Avenue South Minneapolis, MN 55401	612.673.5284	Elizabeth.Stout@minneapolismn.gov
New Hope	Megan Hedstrom	5500 International Parkway New Hope, MN 55428	763.592.6765	mhedstrom@newhopemn.gov
Osseo	Nancy Abts	415 Central Avenue Osseo MN 55369	763-425-1454	nabts@ci.osseo.mn.us
Plymouth	Ben Scharenbroich	3400 Plymouth Boulevard Plymouth, MN 55447	763.509.5527	bscharenbroich@plymouthmn.gov
Robbinsdale	Richard McCoy	4100 Lakeview Avenue North Robbinsdale, MN 55422	763.531.1260	rmccoy@ci.robbinsdale.mn.us

## 2019 Shingle Creek Commission Staff

Name	Address	Telephone	Email
Technical			
Ed Matthiesen	Wenck Associates, Inc.	763.252.6851	ematthiesen@wenck.com
Diane Spector	7500 Highway 55 Ste 300	763.252.6880	dspector@wenck.com
Jeff Strom	Golden Valley, MN 55427	763.252.6833	jstrom@wenck.com
Katie L. Kemmitt		763.252.6879	kkemmitt@wenck.com
Legal			
Troy Gilchrist	Kennedy & Graven, 470 Pillsbury Center Minneapolis, MN 55402	612.337.9214	tgilchrist@kennedy-graven.com
Administrative			
Judie Anderson	JASS	763.553.1144	<u>judie@jass.biz</u>
Amy Juntunen	3235 Fernbrook Lane		amy@jass.biz
Beverly Love	Plymouth, MN 55447		beverly@jass.biz

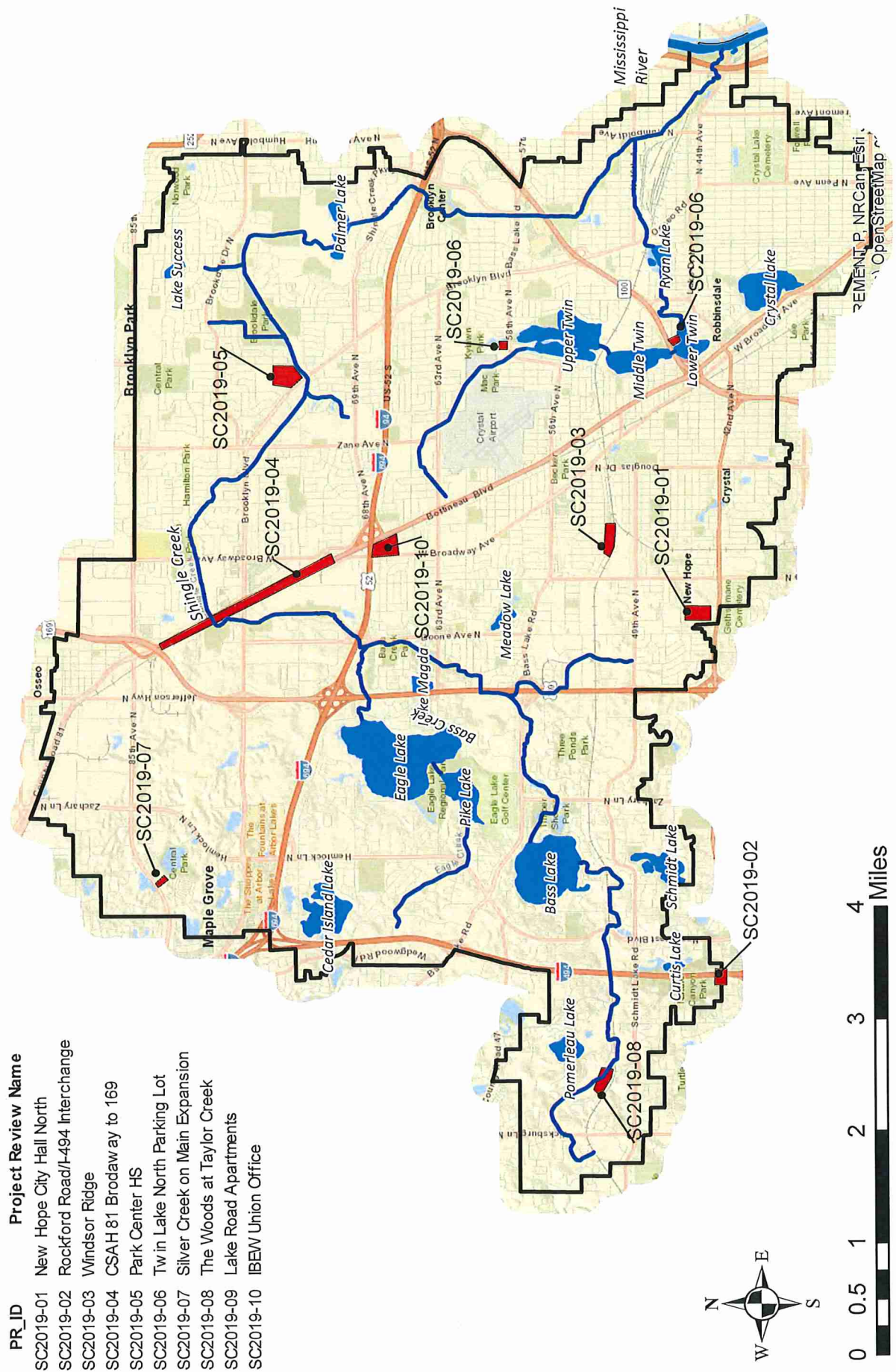


## 2019 Project Reviews

Number	Project	City	WCA LGU	Project Description	Impervious Area	Approved	Variance
SC2019-001	New Hope City Hall North Drainage Area	New Hope	City	Demolition and construction of City Hall, Police Station, City Pool and associated parking plus reconfiguration of park amenities on 19.8 acre site	40.4% impervious with 8.0 acres of impervious surface, increase of 1.4 acres	14-Feb-19	no
SC2019-002	CSAH-9 and I-494 Interchange	Plymouth	City	Reconstruction of Rockford Road bridge over I-494 and associated improvements. Review of northwest quadrant of intersection.	Impervious surface will increase by 0.06 acres or 1.8%.	14-Feb-19	no
SC2019-003	Windsor Ridge	New Hope	City	Construction of 32 single-family residential homes on 8.7-acre site.	36.6% impervious, 3.2 acres impervious surface, increase of 3.2 acres.	14-Mar-19	no
SC2019-004	CSAH-81	Brooklyn Park, Crystal	Comm, City	Reconstruction and expansion of CSAH-81 on 50.2 acres (1.6 miles) to provide consistent 6-lane roadway, stormwater structures, and multi-use trail.	65% impervious with 32.7 acres of impervious surface, increase of 5.7 acres	14-Mar-19	no
SC2019-005	Park Center High School	Brooklyn Park	Comm	Reconstruction and improvement of parking facilities and artificial turf at 53.9-acre high school site.	48.3% impervious with 26.0 acres of impervious surface, increase of 0.9 acres	11-Apr-19	no
SC2019-006	Twin Lake North Parking Lot	Crystal	City	Removal of existing parking lot, reconstruction of smaller parking lot, installation of water quality BMPs on 4.34-acre site	29% impervious with 1.26 acres impervious surface, decrease of 0.39 acres	10-Oct-19	no
SC2019-007	Silver Creek om Main Expansion	Maple Grove	City	Expnsion of existing senior living community by 75 units on 1.27 acres	64% impervious, increase of 0.79 acres of net impervious	9-May-19	no
SC2019-008	The Woods at Taylor Creek	Plymouth	City	Construction of 24 single-family on 19.2 acres.	11% impervious, 2.19 acres of impervious surface, increase of 2.19 acres	9-May-19	no
SC2019-009	Lake Road Apartments	Robbinsdale	City	Demolition of existing building, construction of new apartment building with parking lot on 3.95 acres	509.6% impervious, 2.0 acres of impervious surface, increase of 0.7 acres	11-Jul-2019	no
SC2019-010	Local Union 292 Corp. Office	Brooklyn Park	Comm	Construction of an office building with associated parking, storm sewer system, infiltration basin, and utilities on 4.35 acres.	72% impervious with 3.12 acres of impervious surface, an increase of ~3.12 acres.	8-Aug-2019	no



PR_ID	Project Review Name
SC2019-01	New Hope City Hall North
SC2019-02	Rockford Road/I-494 Interchange
SC2019-03	Windsor Ridge
SC2019-04	CSAH 81 Broadway to 169
SC2019-05	Park Center HS
SC2019-06	Tw in Lake North Parking Lot
SC2019-07	Silver Creek on Main Expansion
SC2019-08	The Woods at Taylor Creek
SC2019-09	Lake Road Apartments
SC2019-10	IBEW Union Office



SHINGLE CREEK WMC  
2019 Project Review Locations



APR 2020  
Figure 1



# **FINANCIAL REPORTS**

## Shingle Creek 2019 - 2020 operating budget

		2019 Budget	2020 Budget
<b>REVENUE</b>			
1	Application Fees	\$22,000	\$23,000
2	Member Assessments	356,900	363,590
3	Blue Line Extension	0	1,000
4	Interest	3,000	15,000
5	WMWA Education Reimbursement	33,000	33,000
6	WMWA Rain Garden Workshops	6,000	8,000
7	Miscellaneous Income	0	0
	<b>TOTAL REVENUE</b>	<b>\$420,900</b>	<b>\$443,590</b>
<b>EXPENSES</b>			
	<b>ADMINISTRATION</b>		
8	Administrative Services	\$71,000	\$71,000
9	Engineering Support	17,000	17,000
10	Project Reviews/WCA	1,700	1,500
11	Blue Line Extension		500
	<b>Subtotal</b>	<b>\$89,700</b>	<b>\$90,000</b>
	<b>ENGINEERING</b>		
12	Engineering Services	62,000	62,000
13	Grant Application Writing	10,000	11,500
14	Project Reviews/WCA	37,000	45,000
	Local Plan Reviews	0	0
15	Blue Line Extension	0	500
16	TMDL 5 Year Reviews	12,000	12,000
	<b>Subtotal</b>	<b>\$121,000</b>	<b>\$131,000</b>
	<b>LEGAL</b>		
17	Legal Services	6,000	6,000
	<b>Subtotal</b>	<b>\$6,000</b>	<b>\$6,000</b>
	<b>MISCELLANEOUS</b>		
18	Bookkeeping	7,000	7,000
19	Audit	6,000	6,500
20	Insurance & Bonding	3,100	3,100
21	Meeting Expense	4,700	5,000
	<b>Subtotal</b>	<b>\$20,800</b>	<b>\$21,600</b>

**Shingle Creek 2019 - 2020 operating budget**

		<b>2019 Budget</b>	<b>2020 Budget</b>
<b>REVENUE</b>			
1	Application Fees	\$22,000	\$23,000
2	Member Assessments	356,900	363,590
3	Blue Line Extension	0	1,000
4	Interest	3,000	15,000
5	WMWA Education Reimbursement	33,000	33,000
6	WMWA Rain Garden Workshops	6,000	8,000
7	Miscellaneous Income	0	0
	<b>TOTAL REVENUE</b>	<b>\$420,900</b>	<b>\$443,590</b>
<b>EXPENSES</b>			
	<b>ADMINISTRATION</b>		
8	Administrative Services	\$71,000	\$71,000
9	Engineering Support	17,000	17,000
10	Project Reviews/WCA	1,700	1,500
11	Blue Line Extension		500
	<b>Subtotal</b>	<b>\$89,700</b>	<b>\$90,000</b>
	<b>ENGINEERING</b>		
12	Engineering Services	62,000	62,000
13	Grant Application Writing	10,000	11,500
14	Project Reviews/WCA	37,000	45,000
	Local Plan Reviews	0	0
15	Blue Line Extension	0	500
16	TMDL 5 Year Reviews	12,000	12,000
	<b>Subtotal</b>	<b>\$121,000</b>	<b>\$131,000</b>
	<b>LEGAL</b>		
17	Legal Services	6,000	6,000
	<b>Subtotal</b>	<b>\$6,000</b>	<b>\$6,000</b>
	<b>MISCELLANEOUS</b>		
18	Bookkeeping	7,000	7,000
19	Audit	6,000	6,500
20	Insurance & Bonding	3,100	3,100
21	Meeting Expense	4,700	5,000
	<b>Subtotal</b>	<b>\$20,800</b>	<b>\$21,600</b>

	PROGRAMS	2019 Budget	2020 Budget
	<i>Monitoring</i>		
22	Stream Monitoring	33,000	35,000
23	Stream Monitoring-USGS	4,100	4,500
24	Monitoring Equipment	3,000	0
25	Stream Biomonitoring	0	0
26	Commission Lake Monitoring	22,500	24,000
27	Citizen Assisted Lake Monitoring	3,800	3,800
28	Vol Wetland Monitoring	2,000	2,000
29	Vol Stream Monitoring	2,000	1,000
30	Annual Monitoring Report	14,000	16,000
	<b>Subtotal</b>	<b>\$84,400</b>	<b>\$86,300</b>
	<i>Water Quality Education</i>		
31	Education Program	15,000	15,000
32	Education Grants	500	500
33	WMWA Admin/Tech: SC Share	5,000	5,000
34	WMWA Admin/Tech: Partners Share	15,000	15,000
35	WMWA Impl Activities: SC Share	2,000	2,000
36	WMWA Impl Activities: Partners Share	4,500	4,500
37	Rain Garden Workshops: SC Share	2,000	2,000
38	Rain Garden Workshops: Partners Share	6,000	6,000
39	WMWA Educators: SC Share	4,500	4,500
40	WMWA Educators: Partners Share	13,500	13,500
	<b>Subtotal</b>	<b>\$68,000</b>	<b>\$68,000</b>
	MANAGEMENT PLANS		
41	3 <sup>rd</sup> Gen Plan/Plan Amendments	1,000	1,000
42	Subwatershed BMP Assessment	0	20,000
	<b>Subtotal</b>	<b>\$1,000</b>	<b>\$21,000</b>
	PROJECTS		
43	Flood Modeling and Mapping	25,000	0
44	Contribution to 4 <sup>th</sup> Generation Plan	5,000	0
45	To (from) Restricted Fund Balances		
46	To/From Reserves	0	19,690
	<b>Subtotal</b>	<b>\$30,000</b>	<b>\$19,690</b>
	<b>TOTAL OPERATING EXPENSE</b>	<b>\$420,900</b>	<b>\$443,590</b>



## Shingle Creek 2019-2020 Member Assessments

2019 Community	Acreage	2018 Tax Capacity	Cost Allocation Based on Area		Cost Based on Tax Capacity		Total Cost	
			%age	Dollars	%age	Dollars	%age	Dollars
Brooklyn Center	3,720	15,950,763	13.07%	23,325.158	10.47%	18,682.207	11.77%	42,007.36
Brooklyn Park	7,080	35,600,957	24.88%	44,393.043	23.37%	41,697.343	24.12%	86,090.40
Crystal	2,480	11,160,987	8.71%	15,550.105	7.33%	13,072.219	8.02%	28,622.32
Maple Grove	5,020	29,737,436	17.64%	31,476.423	19.52%	34,829.740	18.58%	66,306.16
Minneapolis	1,950	9,851,487	6.85%	12,226.897	6.47%	11,538.477	6.66%	23,765.37
New Hope	2,070	13,728,808	7.27%	12,979.322	9.01%	16,079.759	8.14%	29,059.08
Osseo	300	1,930,334	1.05%	1,881.061	1.27%	2,260.889	1.16%	4,141.95
Plymouth	4,380	26,188,654	15.39%	27,463.493	17.19%	30,673.257	16.29%	58,136.75
Robbinsdale	1,460	8,210,181	5.13%	9,154.498	5.39%	9,616.110	5.26%	18,770.61
<b>Total</b>	<b>28,460</b>	<b>152,359,607</b>	<b>100%</b>	<b>178,450</b>	<b>100%</b>	<b>178,450</b>	<b>100%</b>	<b>356,900</b>
2020 Community	Acreage	2019 Tax Capacity	Cost Allocation Based on Area		Cost Based on Tax Capacity		Total Cost	
			%age	Dollars	%age	Dollars	%age	Dollars
Brooklyn Center	3,720	17,466,627	13.07%	23,762.382	10.42%	18,943.731	11.75%	42,706.11
Brooklyn Park	7,080	40,905,072	24.88%	45,225.179	24.40%	44,364.299	24.64%	89,589.49
Crystal	2,480	11,980,781	8.71%	15,841.588	7.15%	12,993.962	7.93%	28,835.55
Maple Grove	5,020	32,567,463	17.64%	32,066.441	19.43%	35,321.602	18.53%	67,388.04
Minneapolis	1,950	11,207,087	6.85%	12,456.087	6.69%	12,154.839	6.77%	24,610.93
New Hope	2,070	14,486,344	7.27%	13,222.616	8.64%	15,711.413	7.96%	28,934.03
Osseo	300	2,082,122	1.05%	1,916.321	1.24%	2,258.201	1.15%	4,174.52
Plymouth	4,380	27,889,515	15.39%	27,978.289	16.64%	30,248.053	16.01%	58,226.34
Robbinsdale	1,460	9,034,849	5.13%	9,326.096	5.39%	9,798.901	5.26%	19,125.00
<b>Total</b>	<b>28,460</b>	<b>167,619,860</b>	<b>100%</b>	<b>181,795</b>	<b>100%</b>	<b>181,795</b>	<b>100%</b>	<b>363,590</b>



SHINGLE CREEK WATERSHED  
MANAGEMENT COMMISSION

Financial Statements and  
Supplemental Information  
For the Year Ended  
December 31, 2018

SHINGLE CREEK WATERSHED MANAGEMENT COMMISSION

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Thomas J. Opitz, CPA, CVA  
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Thomas D. Johnson, CPA  
Thomas A. Barber, CPA

MEMBER  
American Institute of Certified Public Accountants  
Minnesota Society of Certified Public Accountants  
Private Companies Practice Section of  
American Institute of Certified Public Accountants

Dwaine C. Johnson (Retired)  
Lisa M. Roden, CPA, MST  
Brad R. Cohrs, CPA

### INDEPENDENT AUDITORS' REPORT

Commissioners  
Shingle Creek Watershed Management Commission  
Plymouth, Minnesota

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

We have audited the accompanying financial statements of the governmental activities and major fund of the Shingle Creek Watershed Management Commission (the Commission), as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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

The Commission's 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 an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of the Commission as of December 31, 2018, the respective changes in the financial position thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



#### **OTHER MATTERS**

##### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (MD&A) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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. The Commission has not presented the MD&A that accounting principles generally accepted in the United States of America have determined necessary to supplement, although not required to be part of, the basic financial statements.

##### **Prior Year Comparative Information**

We have previously audited the Commission's financial statements for the year ended December 31, 2017 and, in our report dated June 14, 2018, we expressed an unqualified opinion on the financial statements of the governmental activities and major fund. The financial statements include prior year partial comparative information, which does not include all of the information required in a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Commission's financial statements for the year ended December 31, 2017, from which such information was derived.

##### **Other Reporting**

We have also issued our report dated June 13, 2019, on our consideration of the Commission's internal control over financial reporting and 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 the internal control over financial reporting or on compliance.

June 13, 2019

*Johnson & Company, Ltd.*

BASIC FINANCIAL STATEMENTS

Shingle Creek Watershed Management Commission

Statement of Net Position and  
Governmental Fund Balance Sheet

As of December 31, 2018

(with Comparative Actual Amounts as of December 31, 2017)

	Governmental Activities	
	2018	2017
<b>Assets</b>		
Cash and investments	\$ 766,659	\$ 977,230
Restricted cash	395,223	294,362
Due from other governments	48,488	43,110
Total assets	<u>\$ 1,210,370</u>	<u>\$ 1,314,702</u>
<b>Liabilities and Fund Balances/Net Position</b>		
<b>Liabilities</b>		
Accounts payable	\$ 81,804	\$ 25,385
Unearned revenue	395,223	291,362
	<u>477,027</u>	<u>316,747</u>
<b>Fund balances/net position</b>		
Restricted fund balances/net position		
Restricted for capital improvements	155,286	640,703
Restricted for cost share projects	156,577	151,776
Restricted for partnership BMP retrofit projects	150,592	99,557
Restricted closed project funds	231,966	93,819
Restricted for West Metro Water Alliance	13,986	23,222
Total restricted fund balance/net position	<u>708,407</u>	<u>1,009,077</u>
Assigned fund balances/net position		
Assigned for fourth generation plan	57,000	50,000
Assigned for subwatershed assessments	34,152	17,355
Unrestricted/unassigned fund balances/net position	<u>(66,216)</u>	<u>(78,477)</u>
Total assigned and unrestricted fund balances/net position	<u>24,936</u>	<u>(11,122)</u>
Total fund balance/net position	<u>733,343</u>	<u>997,955</u>
Total liabilities and fund balances/net position	<u>\$ 1,210,370</u>	<u>\$ 1,314,702</u>



Shingle Creek Watershed Management Commission

Statement of Activities and  
Governmental Fund Revenues, Expenditures, and  
Changes in Fund Balances/Net Position  
Budget and Actual

Year Ended December 31, 2018

(with Comparative Actual Amounts for the Year Ended December 31, 2017)

	Governmental Activities			
	2018			2017
	Original and Final Budget	(Audited)	Over (Under)	(Audited)
Revenue				
General				
Member assessments	\$ 348,710	\$ 348,710	\$ -	\$ 340,610
Property taxes (ad valorem)	-	157,441	157,441	360,734
Charges for services - project and wetland review fees	24,000	22,100	(1,900)	28,367
Grants	-	144,461	144,461	184,476
Reimbursements	6,000	28,107	22,107	38,923
Interest income	1,000	20,517	19,517	8,469
Miscellaneous	-	-	-	987
Total revenue	379,710	721,336	341,626	962,566
Expenditures				
Current				
Administration	94,100	87,715	(6,385)	95,908
Education	35,500	57,563	22,063	54,430
Insurance	3,100	2,564	(536)	2,171
Professional fees	12,000	11,015	(985)	9,919
Technical support	109,000	139,886	30,886	124,389
Water monitoring	95,010	89,111	(5,899)	95,318
Watershed programs	-	508	508	7,704
Watershed plan	31,000	1,451	(29,549)	285
Capital outlay				
Improvement projects - levies	-	448,600	448,600	248,311
Improvement projects - grants	-	147,535	147,535	185,375
Total expenditures	379,710	985,948	606,238	823,810
Net change in fund balances/net position	\$ -	(264,612)	\$ (264,612)	138,756
Net fund balances/net position				
Beginning of year		997,955		859,199
End of year		\$ 733,343		\$ 997,955

Shingle Creek Watershed Management Commission  
Notes to Financial Statements  
December 31, 2018

**NOTE 1 -- SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Shingle Creek Watershed Management Commission is formed under a Joint Powers Agreement, as amended according to Minnesota Statutes Sections 103B.201 through 103B.255 and Minnesota Rules Chapter 8410 relating to Metropolitan Area Local Water Management and its reporting requirements. Shingle Creek Watershed Management Commission was established in 1984 to protect and manage the natural resources of the Shingle Creek Watershed.

The Commission is considered a governmental unit, but is not a component unit of any of its members. As a governmental unit, the Commission is exempt from federal and state income taxes.

**Reporting Entity**

A joint venture is a legal entity resulting from a contractual agreement that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain either an ongoing financial interest or an ongoing financial responsibility. The Commission is considered a joint venture.

As required by accounting principles generally accepted in the United States of America, these financial statements include the Commission (the primary government) and its component units. Component units are legally separate entities for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component's unit board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. Based on these criteria, there are no component units required to be included in the Commission's financial statements.

**Government-Wide and Fund Financial Statement Presentation**

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the Commission. 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 or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and grants or contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other internally directed revenues are reported instead as general revenues.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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



Shingle Creek Watershed Management Commission  
Notes to Financial Statements (continued)  
December 31, 2018

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation  
(Continued)**

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 Commission considers revenue (with the exception of the expenditure-driven grants) to be available if they are collected within 60 days of the end of the current fiscal period. The expenditure driven grants are considered available if received within one year from the balance sheet date. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

**Fund Financial Statement Presentation**

The accounts of the Commission are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures. Resources are allocated to, and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. The resources of the Commission are accounted for in one major fund:

- **General Fund (Governmental Fund Type)** - This fund is used to receive dues and miscellaneous items which may be disbursed for any and all purposes authorized by the bylaws of the Commission.

Typically, separate fund financial statements are provided for Governmental Funds. However, due to the simplicity of the Commission's operation, the Governmental Fund financial statements have been combined with the government-wide statements.

**Budgets**

The amounts shown in the financial statements as "budget" represent the budget amounts based on the modified accrual basis of accounting. A budget for the General Fund is adopted annually by the Commission. Appropriations lapse at year-end and encumbrance accounting is not used. Budgetary control is at the fund level.

**Investments**

Investments are reported at fair value. Securities traded on national exchanges are valued at the last reported sales price.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Shingle Creek Watershed Management Commission  
Notes to Financial Statements (continued)  
December 31, 2018

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Members' Contributions**

Members' contributions are calculated based on the member's share of the area and tax capacity of all real property within the watershed to the total area and tax capacity of all real property in the watershed.

**Capital Assets**

The Commission follows the policy of expensing any supplies or small equipment at the time of purchase. The Commission currently has no capitalized assets.

**Risk Management**

The Commission is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; error and omissions; and natural disasters. The Commission participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool for its general property, casualty, and other miscellaneous insurance coverages. LMCIT operates as a common risk management and insurance program for a large number of cities in Minnesota. The Commission pays an annual premium to LMCIT for insurance coverage. The LMCIT agreement provides that the trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in insurance coverage during the year ended December 31, 2018.

**Receivables**

The Commission utilizes an allowance for uncollectible accounts to value its receivables; however, it considers all of its receivables to be collectible as of December 31, 2018 and 2017.

**Net Position**

In the government-wide financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in three components:

**Net Investment in Capital Assets** - Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.

**Restricted Net Position** - Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**Unrestricted Net Position** - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

The Commission applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.



Shingle Creek Watershed Management Commission  
Notes to Financial Statements (continued)  
December 31, 2018

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Prior Period Comparative Financial Information/Reclassification**

The basic financial statements include certain prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Commission's financial statements for the year ended December 31, 2017, from which the summarized information was derived. Also, certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

**Unearned Revenue**

The commission recognizes grant revenue as it becomes eligible to receive the grant. If the grant has restrictions that have not been satisfied, the revenue is deferred until the Commission has satisfied them.

In 2015, the Commission was awarded a grant of \$725,000 from the Board of Water and Soil Resources to fund installation of an underground infiltration gallery at Becker Park ballfields. Total project costs are projected to be \$2,667,000. The City of Crystal is to provide funds of \$1,342,000, and the Commission is to fund \$250,000. In 2018, the City and the Commission were awarded two other grants for this project totaling \$350,000. As of December 31, 2018, the Commission had received \$362,500 in grant funds and had incurred \$137,124 in direct project costs. Direct project costs of \$1,277 were paid out of the closed project fund.

In 2018, the Commission was awarded a grant of \$276,040 for the Bass and Pomerleau Lakes Internal Load Reduction Project. Total project costs are expected to be \$356,000. The Commission will use the funds remaining from 2014 Capital Improvement Projects tax levy to cover their share of project costs. As of December 31, 2018 the Commission had received \$133,520 in grant funds and incurred \$15,459 in direct project costs.

In 2018, the Commission was awarded a grant of \$103,571 for use in various urban stormwater management practices projects. As of December 31, 2018 the Commission had received \$51,786 in grant funds and incurred no expenditures.

Shingle Creek Watershed Management Commission  
Notes to Financial Statements (continued)  
December 31, 2018

**NOTE 2 - ASSETS, LIABILITIES AND NET POSITION**

**A. Deposits**

In accordance with applicable Minnesota Statutes, the Commission maintains a checking account authorized by the Commission.

The following is considered the most significant risk associated with deposits:

**Custodial Credit Risk** - In the case of deposits, this is the risk that in the event of a bank failure, the Commission's deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The Commission has no additional deposit policies addressing custodial credit risk.

At year-end, the Commission had no funds held in its bank account. All funds were transferred to their MBIA investment account. (see below)

**B. Investments**

At December 31, 2018 and 2017, the Commission held \$1,161,882 and \$1,271,592 (approximate cost and fair value), respectively, in investments with MBIA in Minnesota 4M Funds Holdings.

The 4M fund is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a7. The 4M Fund is a customized cash management and investment program for Minnesota public funds that is allowable under Minnesota Statutes. The fair value of the position in the pool is the same as the value of the pool shares.

Investments are subject to various risks, the following of which are considered the most significant:

**Custodial Credit Risk** - For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the Commission would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission does not have a formal investment policy addressing this risk, but typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.



Shingle Creek Watershed Management Commission  
Notes to Financial Statements (continued)  
December 31, 2018

NOTE 2 - ASSETS, LIABILITIES AND NET POSITION (CONTINUED)

B. Investments (continued)

**Credit Risk** - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the Commission's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. The Commission's investment policies do not further address credit risk.

**Concentration Risk** - This is the risk associated with investing a significant portion of the Commission's investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The Commission does not have an investment policy limiting the concentration of investments.

**Interest Rate Risk** - This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The Commission does not have an investment policy limiting the duration of investments.

Shingle Creek Watershed Management Commission  
Notes to Financial Statements (continued)  
December 31, 2018

**NOTE 3 - FUND BALANCE CLASSIFICATION**

The following fund balance classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable** - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- **Restricted** - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- **Committed** - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- **Assigned** - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- **Unassigned** - amounts that are available for any purpose; these amounts are reported only in the general fund.

The Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Commission through adoption or amendment of the budget as intended for specific purpose.

**NOTE 4 - COMMITMENTS AND CONTRACTS**

**Restricted fund balance - capital improvement projects**

During 2012, the Commission assessed \$87,500, but received \$93,797 from tax levies that is to be used for the Connections at Shingle Creek Stream Restoration project. The excess levy of \$6,297 was transferred to restricted closed projects fund. As of December 31, 2018, the city has yet to complete the project. The Commission will hold the funds of \$87,500 less administrative costs to-date of \$3,022 until completion.

During 2015, the Commission assessed \$210,000, but received \$202,252 from tax levies that is to be used for the Plymouth Bass Lake Pond project. The Commission is responsible for the levy shortfall of \$7,748. During 2018, the Commission received \$56 in revenue and incurred expenditures of \$29,361. The balance of the funds were transferred to the Restricted Closed Project Funds for use in the Bass and Pomerleau Lakes Grant Project.

During 2016, the Commission assessed \$125,000, but received \$125,184 from tax levies that is to be used for the Twin Lake Carp Management project. As of December 31, 2018, the commission has yet to complete the project. The Commission will hold the funds of \$125,184 less costs to-date of \$80,987 until completion.



Shingle Creek Watershed Management Commission  
Notes to Financial Statements (continued)  
December 31, 2018

NOTE 4 - COMMITMENTS AND CONTRACTS (CONTINUED)

Restricted fund balance - capital improvement projects (continued)

During 2017, the Commission assessed \$212,100, but received \$210,003 from tax levies that is to be used for the Iron and Biochar-Enhanced Sand Filter Retrofits project. The Commission is responsible for the levy shortfall of \$2,097. As of December 31, 2018, the cities have yet to complete the project. The Commission will hold the funds of \$210,003 less costs to-date of \$183,394 until completion.

Restricted fund balance - cost share projects

At December 31, 2018 and 2017, the Commission retained unspent funds collected through tax levies that exceeded the project costs and administrative fees totaling \$156,577 and \$151,776, respectively. The use of those funds is restricted for other cost share projects.

Restricted fund balance - partnership BMP retrofits fund

At December 31, 2018 and 2017, the Commission retained unspent funds collected through tax levies that exceeded the project costs and administrative fees totaling \$150,592 and \$99,557, respectively. The use of those funds is restricted for partnership BMP retrofit projects.

Restricted fund balance - closed project funds

At December 31, 2018 and 2017, the Commission retained unspent funds collected through tax levies that exceeded the project costs and administrative fees totaling \$231,966 and \$93,819, respectively. The use of those funds is restricted for other capital improvement projects.

Restricted fund balance - West Metro Water Alliance

The Commission serves as the fiscal agent for the West Metro Water Alliance (WMWA), a partnership between watersheds, county and park agencies in Hennepin County. It collects funds from its partners and makes disbursements for approved expenditures. As of December 31, 2018 and 2017, the Commission held \$13,986 and \$23,222, respectively, of funds from its partners for WMWA projects.

Deficit net position/fund balance

At December 31, 2018 and 2017, the Commission had unrestricted/unassigned net position/fund balance deficits of \$66,216 and \$78,477, respectively. The deficits resulted from program/project expenditures exceeding program/project revenues.

Shingle Creek Watershed Management Commission  
Notes to Financial Statements (continued)  
December 31, 2018

**NOTE 5 - MEMBERS' ASSESSMENTS**

The nine member cities support the Commission through annual member dues, which are based on the taxable market value of each member city. Annual member dues are assessed on a yearly basis.

Dues received from members were as follows:

	For Year Ended December 31			
	2018		2017	
	Amount	Percentage	Amount	Percentage
Brooklyn Center	\$ 40,887	11.73%	\$ 40,159	11.79%
Brooklyn Park	83,667	23.99	81,733	24.00
Crystal	27,741	7.96	26,591	7.81
Maple Grove	65,192	18.70	63,802	18.73
Minneapolis	22,741	6.52	21,944	6.44
New Hope	28,234	8.10	27,414	8.05
Osseo	4,083	1.17	5,076	1.49
Plymouth	57,809	16.58	56,181	16.49
Robbinsdale	18,356	5.26	17,710	5.20
Total Members' Dues	<u>\$ 348,710</u>	<u>100.00%</u>	<u>\$ 340,610</u>	<u>100.00%</u>

OTHER REQUIRED REPORTS

Thomas J. Oplitz, CPA, CVA  
Bridget K. McKelvey, CPA, MBT, CVA  
Thomas D. Johnson, CPA  
Thomas A. Barber, CPA

MEMBER  
American Institute of Certified Public Accountants  
Minnesota Society of Certified Public Accountants  
Private Companies Practice Section of  
American Institute of Certified Public Accountants

Dwaine C. Johnson (Retired)  
Lisa M. Roden, CPA, MST  
Brad R. Cohrs, CPA

### INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

Board of Directors  
Shingle Creek Watershed Management Commission  
Plymouth, MN

We have audited, in accordance with the auditing standards generally accepted in the United States of America the financial statements of the governmental activities and the major fund of the Shingle Creek Watershed Management Commission (the Commission) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 13, 2019.

#### Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified. We did identify the following deficiencies in internal control that we consider to be significant deficiencies:

Because of the limited size of your office staff, your organization has limited segregation of duties. A good system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from inception to completion. While we recognize that your organization is not large enough to permit an adequate segregation of duties in all respects, it is important that you be aware of the condition.





#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's 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.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

June 13, 2019

Johnson & Company, Ltd.

Thomas J. Opitz, CPA, CVA  
Bridget K. McKelvey, CPA, MBT, CVA  
Thomas D. Johnson, CPA  
Thomas A. Barber, CPA

MEMBER  
American Institute of Certified Public Accountants  
Minnesota Society of Certified Public Accountants  
Private Companies Practice Section of  
American Institute of Certified Public Accountants

Dwaine C. Johnson (Retired)  
Lisa M. Roden, CPA, MST  
Brad R. Cohrs, CPA

### INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Directors  
Shingle Creek Watershed Management Commission  
Plymouth, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and major fund of the Shingle Creek Watershed Management Commission (the Commission) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated June 13, 2019.

#### MINNESOTA LEGAL COMPLIANCE

The *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. 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 applicable listed categories, except that we did not test for compliance in tax increment financing, because the Commission does not utilize tax increment financing.

In connection with our audit, nothing came to our attention that caused us to believe that the Commission 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 Commission's noncompliance with the above referenced provisions.

#### PURPOSE OF THIS REPORT

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

*Johnson & Company, Ltd.*

June 13, 2019



