



# LAKE MINNETONKA CONSERVATION DISTRICT

5341 MAYWOOD ROAD, SUITE 200 • MOUND, MINNESOTA 55364 • TELEPHONE 952/745-0789 • FAX 952/745-9085

## AGENDA WORK SESSION AND FORMAL MEETING LAKE MINNETONKA CONSERVATION DISTRICT Wednesday, March 23, 2022

### Join Zoom Meeting

<https://us02web.zoom.us/j/87807113830?pwd=d1BiM1orMmViUXNOV3NDRFVGNHNFUT09>

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**Meeting ID:** 878 0711 3830

**Passcode:** 161332

Pursuant to a statement issued by the presiding officer under Minnesota Statutes, section 13D.021, the meeting will be conducted remotely using electronic means. The LMCD's usual meeting room will not be open to the public or the Directors. The LMCD will be using Zoom platform to conduct the meeting remotely. More details about how to use Zoom is available on the website at [www.lmcd.org](http://www.lmcd.org).

### PUBLIC PARTICIPATION

Those desiring to participate in the meeting should complete the online form by 2:00 p.m. prior to the meeting. If you are invited to speak at the *Public Comments* Section or *Agenda* Item: 1) Indicate your desire to be heard by "raising hand" through Zoom, 2) Direct comments to Chair Gregg Thomas, 3) Be concise and courteous. The Chair may choose to reorder the agenda for a specific agenda item if it would benefit the needs of those in attendance. People who are disruptive will be expelled from the meeting. If you have questions, please email the Executive Director at [vschleuning@lmcd.org](mailto:vschleuning@lmcd.org).

### WORK SESSION AGENDA

**6:00 p.m.**

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*The purpose of the Work Session is to allow staff to seek input from the Board and for the Board to discuss matters in greater detail than generally available at the formal Board Session. The Board may give staff direction or express a preference, but does not formally vote on matters during Work Sessions. While all meetings of the Board are open to the public, Work Session discussions are generally limited to the Board, staff, and designated representatives. Work Sessions are not videotaped. The work session may be continued after the formal meeting, time permitting.*

#### 1. No Work Session

**FORMAL MEETING AGENDA**  
**7:00 p.m.**

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*The purpose of the Formal Session is to allow the Board to conduct public hearings and to consider and take formal action on matters coming before the LMCD.*

- 1) **CALL TO ORDER**
- 2) **PLEDGE OF ALLEGIANCE**
- 3) **ROLL CALL**
- 4) **APPROVAL OF AGENDA**
- 5) **CHAIR ANNOUNCEMENTS**, Chair Gregg Thomas
  - A) Statement Regarding Holding Meetings vis Telephone or Other Electronic Means
- 6) **PRESENTATIONS**
  - A) Prosecution Update: Steve Tallen, Attorney
- 7) **APPROVAL OF MINUTES** (02/23/2022 LMCD Regular Board Meeting)
- 8) **APPROVAL OF CONSENT AGENDA**
  - A) Audit of Vouchers (03/01/2022 – 03/15/2022) and (03/16/2022 – 03/31/2022)
  - B) Resolution Accepting Save the Lake Contributions (03/01/2022 – 03/11/2022)
  - C) Resolution Approving 2022 Alcoholic Beverage License Renewals Resolution
  - D) Executive Director Performance Assessment
- 9) **CONTRIBUTION RECOGNITION**
- 10) **PUBLIC COMMENTS** – *Provides an opportunity for the public to address the board on items that are not on the agenda. Public comments are limited to 5 minutes and should not be used to make personal attacks or to air personality grievances. Please direct all comments to the Board Chair. The Board generally will not engage in public discussion, respond to or correct statements from the public, or act on items not on the agenda. The Board may ask for clarifications or direct staff to report back on items at future meetings.*
- 11) **PUBLIC HEARING**
- 12) **OTHER BUSINESS**
- 13) **OLD BUSINESS**
  - A) Revert Application for The Yacht Club, 4165 Shoreline Drive, (PID 18-117-23-44-0022) Spring Park, MN 55384 to former Commercial Multiple Dock Club Facility Classification for 2022

**14) NEW BUSINESS**

- A) 2021 Financial Audit Annual Presentation
- B) Annual Salary Compensation for Executive Director
- C) Draft Process to Review Wave Impact on Lake Minnetonka
- D) AIS Management Funding Request
  - i) Black Lake
  - ii) Browns Bay
  - iii) Crystal Bay

**15) TREASURER REPORT**

**16) EXECUTIVE DIRECTOR UPDATE**

**17) STANDING LMCD COMMITTEE UPDATE**

- Aquatic Invasive Species
- Communications
- Finance
- Operations
- Save the Lake

**18) ADJOURNMENT**

**Future Items for Review – Tentative**

- Lake Use Vision and Policy Discussion Continuing Series
  - Deicing Eligibility Expansion Review

# ITEM 7

LAKE MINNETONKA CONSERVATION DISTRICT  
BOARD OF DIRECTORS  
6:30 P.M., February 23, 2022  
Virtual Meeting

Due to COVID-19 Guidelines, pursuant to a statement issued by the presiding officer (Board Chair) under Minnesota Statutes, section 13D.021, the meeting was conducted remotely through electronic means using Zoom. **The LMCD's usual meeting room was not open or available to the public or the Directors.**

## WORK SESSION

6:30 p.m. to 7:00 p.m.

Members Present: Gregg Thomas, Tonka Bay; Rich Anderson, Orono; Ann Hoelscher, Victoria; Bill Cook, Greenwood; Dan Baasen, Wayzata; Michael Kirkwood, Minnetrista; Mark Kroll, Excelsior; Denny Newell, Woodland; Nicole Stone, Minnetonka; and, Deborah Zorn, Shorewood. Also present: Troy Gilchrist, LMCD Legal Counsel; Vickie Schleuning, Executive Director; Maisyn Prueter, Administrative Coordinator, and Matt Cook, Environmental Administrative Technician.

Members Absent: Ben Brandt, Mound; Mark Chase, Spring Park; Dennis Klohs, Minnetonka Beach; and Jake Walesch, Deephaven.

Persons in Audience:

Joe Thull, Eric Evenson, Jay Soule, John Bendt.

The following usernames were present, but user did not identify themselves: Bill, Ipad, Gabriel, Andrew.

### 1. Security Awareness Review

Schleuning provided a cyber security training with the Board. She emphasized the importance of understanding the various methods of scams and prevention methods.

### 2. Overview of Website

Schleuning stated that the new website was launched in 2021 and highlighted the different elements of the new LMCD website. She noted much public feedback was considered in its development and positive comments have been received.

### 3. ADJOURNMENT

There being no further business, the work session was adjourned at 6:59 p.m.

## FORMAL MEETING

7:00 p.m.

1. CALL TO ORDER

Chair Thomas called the meeting to order at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Members present: Gregg Thomas, Tonka Bay; Rich Anderson, Orono; Ann Hoelscher, Victoria; Bill Cook, Greenwood; Dan Baasen, Wayzata; Ben Brandt, Mound; Michael Kirkwood, Minnetrista; Mark Kroll, Excelsior; Denny Newell, Woodland; Nicole Stone, Minnetonka; Jake Walesch, Deephaven; and, Deborah Zorn, Shorewood. Also present: Troy Gilchrist, LMCD Legal Counsel; Vickie Schleuning, Executive Director; and Matt Cook, Environmental Administrative Technician.

Members absent: Mark Chase, Spring Park; and Dennis Klohs, Minnetonka Beach.

Audience present:

Joe Thull, Eric Evenson, Jay Soule, John Bendt.

The following usernames were present, but user did not identify themselves: Bill, Ipad, Gabriel, Andrew.

4. APPROVAL OF AGENDA

MOTION: Anderson moved; Newell seconded to remove Item 13B from the agenda.

Further discussion: Thomas asked for a brief explanation of the request.

Anderson noted that the information presented in the packet is not the recommendation that came from the committee. He noted that his name is also listed at the top of the application and should not be.

VOTE: A roll call vote was performed:

Anderson	aye
Baasen	aye
Brandt	aye
Cook	aye
Hoelscher	aye
Chase	absent
Kirkwood	aye
Klohs	absent
Kroll	aye
Newell	aye
Stone	aye
Thomas	aye
Walesch	aye
Zorn	aye

Motion carried unanimously.

Anderson stated that he would like to discuss the new hire and asked if that item could be added to the agenda as Item 13B.

**Thomas suggested that Anderson discuss that during the Treasurer's Report.**

Anderson stated that he has not yet done a deep dive on the numbers.

Thomas stated that Schleuning copied him on a memorandum she emailed to Anderson with those salary details.

MOTION: Anderson moved, Newell to add an Item 13B to the agenda to discuss a new hire that would replace M. Cook.

Further discussion: Zorn apologized that the Operations Committee was unable to meet this month as that was intended to be discussed at that meeting. She noted that this position will be a direct report to Schleuning and therefore she was not surprised that the position was posted immediately. She stated that if there is a desire of the Board to revise the position, which could be discussed, otherwise this is simply a replacement of staff.

Thomas stated that he spoke with Schleuning and agreed that the position should be posted immediately because that position will be needed. He echoed the comments of Zorn as to why he believed the position could be posted.

Walesch stated that he does not believe it would be important to talk about it but agrees that the position should have been posted. He noted that it would make sense at some time to discuss the type of employee they would be looking at for the position. He stated that if there are no changes to the position intended, he would not see a need to follow a different path. He stated that he would support having a discussion either tonight or at another time.

VOTE: A roll call vote was performed:

Anderson	aye
Baasen	aye
Brandt	aye
Cook	aye
Hoelscher	aye
Chase	absent
Kirkwood	aye
Klohs	absent
Kroll	aye
Newell	aye
Stone	aye

Thomas	aye
Walesch	aye
Zorn	aye

Motion carried unanimously.

MOTION: Thomas moved; Walesch seconded to approve the agenda as amended.

VOTE: A roll call vote was performed:

Anderson	aye
Baasen	aye
Brandt	aye
Cook	aye
Hoelscher	aye
Chase	absent
Kirkwood	aye
Klohs	absent
Kroll	aye
Newell	aye
Stone	aye
Thomas	aye
Walesch	aye
Zorn	aye

Motion carried unanimously.

#### 5. CHAIR ANNOUNCEMENTS

Chair Thomas commented that at the last meeting there was some discussion about the Saint Anthony Falls Study, and he noted that he would work on something to identify a process. He stated that he is working on a draft which he will present at the Officers meeting in March and to the full Board at the first meeting in March.

#### 6. APPROVAL OF MINUTES- 02/09/2022 LMCD Regular Board Meeting

MOTION: Walesch moved; Kroll seconded to approve the 02/09/2022 LMCD Regular Board Meeting minutes as submitted.

VOTE: A roll call vote was performed:

Anderson	aye
Baasen	aye
Brandt	aye
Cook	aye
Hoelscher	aye

Chase	absent
Kirkwood	aye
Klohs	absent
Kroll	aye
Newell	aye
Stone	aye
Thomas	aye
Walesch	aye
Zorn	aye

Motion carried unanimously.

#### 7. APPROVAL OF CONSENT AGENDA

MOTION: Baasen moved, Anderson seconded to approve the consent agenda as presented. Items so approved included: 7A) Audit of Vouchers (02/16/2022 – 02/28/2022); 7B) Approval of Municipal Dock Request for Massasoit Avenue, Big Island, City of Orono; 7C) Denial of Watercraft for Hire Application, Andrew Krenzer of Tonka Tours, LLC; and 7D) Resolution Accepting Save the Lake Contributions (01/01/2022 – 02/15/2022).

VOTE: A roll call vote was performed:

Anderson	aye
Baasen	aye
Brandt	aye
Cook	aye
Hoelscher	aye
Chase	absent
Kirkwood	aye
Klohs	absent
Kroll	aye
Newell	aye
Stone	aye
Thomas	aye
Walesch	aye
Zorn	aye

Motion carried unanimously.

#### 8. CONTRIBUTION RECOGNITION

Baasen recognized a contribution at the bronze sponsor level that has kicked off the new season.

#### 9. PUBLIC COMMENTS- Persons in attendance, subjects not on the agenda (limited to 5 minutes)



Gabriel Jabbour, 985 Tonkawood Road, commented that most of the Board activity and its challenges seems to stem from applications related to planning and zoning. He asked the Board to recall the amount of time spent on environmental issues. He stated that he had a bad experience with applications that he had submitted through the LMCD. LMCD had an interim City Manager and the application process ran smoothly with many applications. LMCD should have staff that can process applications smoothly and that has planning and zoning experience. He suggested the LMCD contract out for environmental issues.

John Bendt, 1120 Tonkawood Road and President of Citizens for Sharing Lake Minnetonka, stated that two weeks ago he sent a letter to the Board members expressing the position of CSLM related to the St. Anthony Falls Study. He emphasized the importance of action on the part of the Board. He stated that the research data available renders the current standard of 150 feet from shore indefensible from wave energy. . He provided other data from the different studies related to wave size and motor size. He realized that there is temptation to state that more information is necessary before action can be taken. He did not believe that waiting another year would provide more data on the distance from shore. He stated that a greater distance is required than currently regulated by the LMCD and asked the Board to act now to protect the lake.

#### 10. PUBLIC HEARING

There were no public hearings.

#### 11. OTHER BUSINESS

There was no other business.

#### 11. OLD BUSINESS

##### A) Designation of Committee Members

Schleuning reported that she has not heard from all the committee chairs regarding their members.

Thomas asked the committee chairs to provide input on whether they are comfortable approving the members listed.

Brandt confirmed that he is comfortable approving the AIS Committee.

Hoelscher stated that Chase indicated that he would like to join the Communications Committee but is listed under the Operations Committee.

Schleuning confirmed that Chase would like to join both the Communications and Operations Committees.

Zorn confirmed that Chase reached out expressing interest in joining the Operations Committee and was comfortable approving the membership for that group.

Anderson confirmed agreement with the Finance Committee.

Hoelscher suggested that the Nominating Committee not be appointed at this time as its members are designated at the end of the year.

Thomas agreed to hold off on that committee.

Baasen confirmed agreement with the members listed for the Save the Lake Committee, except for Gross and Kroll from whom he has not received confirmations.

Kroll confirmed his interest in continuing.

Baasen stated that he would agree to approve the members listed except for Gross as he has not been able to verify whether he would like to continue.

Thomas asked if the committees have elected a chair and secretary at this time.

Hoelscher stated that communications have not yet done so and will do that at the next committee meeting.

Thomas wondered if this action is premature if changes would be needed.

Anderson suggested that the chairs be removed, and that the membership simply be approved at this time.

Walesch suggested postponing all action on this item as it is not time sensitive.

Hoelscher agreed.

Thomas noted that action will be postponed for this item, and it will come back to the Board at the next meeting. He agreed it would be best to act once the chair and secretary for each committee is known.

## 12. NEW BUSINESS

### A) Update Regarding Cedar Point West Channel Slow Wake Request, Cooks/West Upper Lake Bays

Schleuning stated that there have been concerns regarding the buoy channel on Cedar Point West between Cooks Bay and Upper Lower Lake. She stated that staff visited the site this summer to make observations.

Kirkwood shared perspective from the past 28 years he has lived on Cedar Point. He stated that there are issues with speed and safety in the channel. He stated that the Minnetrista City Council agrees that this is an area of concern related to safety. He provided details on the composition of the channel area noting that there have been many situations where he and his neighbors have witnessed near collisions of boats. He stated that if a boater were traveling at 40 miles per hour and took the two seconds to look over their shoulder behind them, it would have traveled 100 feet through the channel. He commented on the problems different types of watercraft have in the channel. **He noted that the charter boats from Al and Alma's travel through the channel at no wake speeds, which is commendable, but those boats do take up space which can cause issues from the fast-traveling boats in the channel at the same time.** He noted that most of the shoreline property owners have invested in substantial improvements to protect their shoreline because of the wake created. He asked that a slow/no wake zone be

instituted in the channel, noting that boats that do not wish to slow down can go around to the west. He stated that he spoke with over 40 neighbors about the channel and all, but one, had safety concerns with the channel. He stated that he also spoke with the Water Patrol and slow/no wake would also assist them in pursuing boaters and enforcement. He asked that this move forward to a public hearing at the next opportunity.

Schleuning confirmed that the LMCD would have the jurisdiction to place slow/no wake buoys.

Thomas asked if the LMCD pays for and/or installs buoys at any other location in the lake.

Schleuning stated that Hennepin County contractor installs buoys for the LMCD such as slow/no wake zones and Big Island. She stated that this was meant to be an update, but formal consideration would come back for a public hearing, noting that she could have that meeting scheduled for an April meeting. She stated that an official request has been received from Minnetrista, therefore this will come back for a public hearing. She stated that the intent was to gain input regarding information the Board would find helpful.

Hoelscher stated that she would like information on who would be responsible for placement of the buoy and the cost. She asked if placement of buoys here would mean that they would need to be removed from another location.

Cook stated that he would like to see a recommendation from staff at the next review along with information on whether this would set precedent or whether precedent has been set through previous requests.

Newell commented that prior to joining the Board, the mayor for his city expressed concern they were having with Cedar Point in their city. He stated that there was a lot of traffic coming from the Grays Bay launch that was making that channel busy and the LMCD granted them a slow wake area with buoys. He stated that has vastly improved the safety in that area, therefore he supports this request.

Schleuning stated that during the observations during a period of 60 to 90 minutes last summer, staff observed boat speeds, safety issues, and violations that will be reported at the next review.

#### B) New Hire to Replace Matthew Cook

Thomas stated that Schleuning spoke with him about a replacement for this position and he did not feel it would be necessary to go to the Operations Committee or full Board to fill the position.

Anderson stated that when the last new hire was brought on, the position was brought through the Operations Committee and Finance Committee, both which provided recommendations. He provided details on a review of the personnel budget for 2022 and believes that this new hire would have a cost of \$27,500 over the budgeted amount. He believed that this position should follow a similar path to the last new hire. He noted that he sent emails to Thomas and the officers and did not receive response.

Hoelscher commented that while she does receive the emails from Anderson, she does not reply to all of them. She did agree with Anderson that the Board should be following the same process that was followed for the last new hire. She recognized that the Operations Committee meeting was canceled but noted that a special meeting could be called to consider time sensitive items. She also believed that this may be an opportunity to rethink what is needed in this position.

Walesch agreed with the comments of Hoelscher. He stated that the operations or officers committee should review this item. He believed it would add value to have a quick discussion. He recognized that staff needs help in the office so this should move quickly.

Gilchrist stated that Schleuning also consulted with him prior to posting the job position. He confirmed that she does have the authority to advertise for positions. He stated that the process would be different if Schleuning were requesting to create a new position, but this is filling a position which has become vacant.

Schleuning stated that it was not her intent to overstep boundaries. She stated that this is a position that was already approved by the Board and a link was included in a memorandum previously to the Board that included the job posting and salary. She commented that she felt that the job description accurately described what is needed. She recognized the tough job market and stated that they were looking to fill the position as soon as possible.

Thomas stated that he also supported this action.

Zorn commented that she will check with the Operations Committee to schedule a meeting within the next week. She stated that while the position is already posted, the committee can still develop items that could be added to the posting. She noted that if Schleuning is not satisfied with the pool of applicants received, the position can be revised and reposted. She noted that M. Cook provided input on how his hours were spent to ensure the posting details were correct.

Walesch stated that he wants it to be clear that the intention is not to say anyone overstepped bounds. He stated that there is simply a thought that the Board should discuss the position further.

Thomas suggested that the posting be taken down given the comments received. He believed that it would be cleaner to have the Operations Committee and Finance Committee provide recommendations.

Zorn stated that she would default to Schleuning on what is best.

Schleuning stated that she has no comments and asked the Board to make a motion and she will follow that path. She stated that she reviewed the position and organization needs and if she believed that it was not necessary to post the position, she would not have done so.

Hoelscher stated that she does not believe the posting has to come down but does believe there is value in reviewing this through committees to determine if adjustments should be made to the position. She stated that any time a position is vacated, it is an opportunity to decide if adjustments are necessary.

Brandt agreed with keeping the posting up. He noted that job descriptions can easily be modified even through the interview process. He noted that taking the posting down would cause a two- or three-week delay and he did not see the value in taking it down.

Schleuning noted that the last time the vacant position followed that path it was months before it was reposted.

Walesch asked if the current posting requires environmental degrees.

Schleuning stated that the posting mirrored the position for the last new hire, with broad language which allows flexibility to find the best fit because they are aware recruitment is tough at this time.

Walesch stated that he would support leaving the posting up and having the Operations Committee review the item to determine if changes should be made.

Schleuning encouraged everyone to read the job posting, as the language mirrors the comments received from the Board during the last job posting process. She noted that it is a tough recruitment market and therefore the issue may need to be revisited regardless.

Brandt asked how long the position has been posted.

Schleuning stated that the position has been posted for a few days and is posted through March 4<sup>th</sup> or until filled. She stated that a few applications have been received but she has not verified if the minimum qualifications have been met.

#### 14. TREASURER REPORT

Anderson presented a preliminary year-end review of the finances, noting that it is subject to auditor review.

#### 15. EXECUTIVE DIRECTOR UPDATE

Schleuning provided the following information:

- CD3 Machine outpost is in storage at the Hennepin County storage facility
- Informational notice was sent out regarding The Cove noting that more details will be provided in the future and the review involved significant environmental considerations
- Staff is looking to see how they can be more efficient in supporting the committees
- **Today was M. Cook's last day with the LMCD** and we appreciated his work over the years

Newell asked if the CD3 unit is the new one or the one from Grays Bay.

Schleuning stated that it is the second portion for Grays Bay. She noted that she will continue to update the Board with progress on the **Carson's** Bay request.

Thomas thanked M. Cook, noting that he was a terrific addition to the LMCD team and wished him best in his future career.

M. Cook thanked Schleuning, the office staff, and the Board noting that he has enjoyed his time with the LMCD.

#### 16. STANDING LMCD COMMITTEE/WORKGROUP

Aquatic Invasive Species: Brandt reported that the Crystal Bay presentation was pulled from the agenda tonight to allow due diligence on the application and process through the committee. He stated that they will bring that request

back to the March 9<sup>th</sup> meeting along with applications received from Black Lake and Browns Bay.

Communications: Hoelscher reported that the committee meeting was rescheduled and will meet on Tuesday, March 1<sup>st</sup>.

Finance: Anderson reported that the committee met to review the strategic initiatives, focusing on the funding of reserves and appropriate balance for those accounts. He stated that the committee may bring forward budget amendments for 2022 as well.

Operations: Zorn reported that the committee did not meet in February, but a meeting will be set within the next week as previously discussed.

Save the Lake: Baasen reported that the focus for 2022 is to continue to focus on lake safety and the expanded use of the lake. He stated that the committee will be meeting the second Tuesday of each month during 2022. He stated that they are going to accelerate fundraising activities in a more focused manner, sending three solicitations during the year. He stated that the committee will attempt to remove the onus off staff to work more effectively.

Cook stated that the committee discussed solar lights, which are currently funded through the operating budget. He stated that all the solar lights are anticipated to be replaced over a three-year period and the committee has recommended that up to \$5,000 be spent for solar lights for the first round of replacement lights. He believed that was included in the budget and therefore would not require Board action and simply wanted to provide that update.

17. CLOSED SESSION TO CONDUCT PERFORMANCE EVALUATION OF THE EXECUTIVE DIRECTOR PURSUANT TO MINN. STAT. 13D.05, SUBD. 3(a)

MOTION: Thomas moved; Walesch seconded to adjourn the meeting to closed session at 8:40 p.m.

VOTE: A roll call vote was performed:

Anderson	aye
Baasen	aye
Brandt	aye
Cook	aye
Hoelscher	aye
Chase	absent
Kirkwood	aye
Klohs	absent
Kroll	aye
Newell	aye
Stone	aye
Thomas	aye
Walesch	aye
Zorn	aye

Motion carried unanimously.

The meeting returned to open session at 9:57 p.m.

18. ADJOURNMENT

MOTION: Thomas moved, Baasen seconded to adjourn the meeting at 9:58 p.m.

VOTE: A roll call vote was performed:

- Anderson aye
- Baasen aye
- Brandt aye
- Cook aye
- Hoelscher aye
- Chase absent
- Kirkwood aye
- Klohs absent
- Kroll aye
- Newell aye
- Stone aye
- Thomas aye
- Walesch aye
- Zorn aye

Motion carried unanimously.

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Gregg Thomas, Chair

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Dan Baasen, Secretary

1:31 PM  
03/01/22

Lake Minnetonka Conservation District  
**Check Detail**  
March 1 - 15, 2022

**ITEM 8A**

Date	Num	Name	Memo	Account	Class	Paid Amount
03/15/2022	EFT-22-27	ADP		<b>Alerus Checking</b>		
			Salaries - Admin	4020M10 · Salaries-002 - Admin	Admin.	-16,769.82
			P.E.R.A.	2020 · Payroll Liabilities -	Admin.	2,342.36
			ER PERA	4022M10 · ER PERA - Admin	Admin.	-1,254.83
			ER/FICA Medicare - Admin	4021M10 · ER Share of Admin FICA/Medic...	Admin.	-1,279.98
			Long Term Disability	2020-LT · Payroll Liabilities - UNUM	Admin.	81.16
TOTAL						-16,881.11
03/10/2022	EFT-22-28	ADP Service Fee		<b>Alerus Checking</b>		
			Payroll 3/1/22 - 3/15/22	4180M10 · Professional Services - Admin.	Admin.	-84.55
TOTAL						-84.55
03/01/2022	EFT-22-29	SelectAccount Group Service Cent...		<b>Alerus Checking</b>		
			HSA Employer Contribution for January 2022 - Vickie Schleuning	4380M10 · Employee Benefits - Admin.	Admin.	-116.67
			HSA Employer Contribution for January 2022 - Tammy Duncan	4380M10 · Employee Benefits - Admin.	Admin.	-116.67
TOTAL						-233.34
03/01/2022	EFT-22-30	P.E.R.A		<b>Alerus Checking</b>		
			Payroll 3/1/22 - 3/15/22	2020 · Payroll Liabilities -	Admin.	-2,342.36
TOTAL						-2,342.36
03/01/2022	EFT-22-31	Unum Life Insurance		<b>Alerus Checking</b>		
			Long Term Disability - March 2022	2020-LT · Payroll Liabilities - UNUM	Admin.	-170.07
TOTAL						-170.07
03/10/2022	22087	AIS Advanced Imaging Solutions		<b>Alerus Checking</b>		
02/23/2022	Inv.#466208832		Copier Contract 2/20/22 - 3/20/22	4140M10 · Office Equipment R&M - Admin.	Admin.	-853.36
TOTAL						-853.36
03/10/2022	22088	ECM Publishers, Inc.		<b>Alerus Checking</b>		
02/17/2022	Inv.#877909		Sun Sailor Ordinance 243	4110M10 · Public Info Legal Fees- Admin.	Admin.	-59.50
TOTAL						-59.50
03/10/2022	22089	LMCC		<b>Alerus Checking</b>		
02/24/2022	Inv.#1471		VOD Services for Meeting 2/23/22	4182M10 · Media (Cable/Internet) - Admin.	Admin.	-100.00



1:31 PM

03/01/22

**Lake Minnetonka Conservation District**  
**Check Detail**  
**March 1 - 15, 2022**

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Class</u>	<u>Paid Amount</u>
TOTAL						-100.00
03/10/2022	22090	Lynette M. Rohde Bookkeeping		Alerus Checking		
01/31/2022	Inv.#2022-005		Bookkeeping Services 1/19/22, 1/25/22, 1/26/22	4024 · Contract Labor	General	-228.91
TOTAL						-228.91
03/10/2022	22091	Matthew Cook		Alerus Checking		
02/18/2022	Mileage 1/1-2/18...		Mileage 8/31/21 - 12/8/21	4400M10 · Mileage/Exp's - Admin.	Admin.	-31.94
TOTAL						-31.94
03/10/2022	22092	NCPERS Group Life Insurance		Alerus Checking		
02/10/2022	March 2022		Life Insurance, March 2022	4380M10 · Employee Benefits - Admin.	Admin.	-48.00
TOTAL						-48.00
03/10/2022	22093	TimeSaver Off Site Secretarial, Inc.		Alerus Checking		
02/14/2022	Inv.#M27091		Board Minutes 2/9/22	4230M10 · Meeting Exp. - Admin.	Admin.	-411.38
TOTAL						-411.38

8:31 AM  
03/17/22

Lake Minnetonka Conservation District  
**Check Detail**  
March 16 - 31, 2022

**ITEM 8A**

Date	Num	Name	Memo	Account	Class	Paid Amount
03/16/2022		US Bank		<b>Alerus Checking</b>		
				1087M10 · US Bank (Credit Card)	Admin.	-6,432.21
TOTAL						-6,432.21
03/24/2022	EFT-22-32	ADP Service Fee		<b>Alerus Checking</b>		
			Payroll 3/16/22 - 3/31/22	4180M10 · Professional Services - Admin.	Admin.	-84.55
TOTAL						-84.55
03/24/2022	EFT-22-33	ADP		<b>Alerus Checking</b>		
			Salaries - Admin	4020M10 · Salaries-002 - Admin	Admin.	-6,472.13
			P.E.R.A.	2020 · Payroll Liabilities -	Admin.	900.70
			ER PERA	4022M10 · ER PERA - Admin	Admin.	-482.52
			ER/FICA Medicare - Admin	4021M10 · ER Share of Admin FICA/Medic...	Admin.	-492.19
			Long Term Disability	2020-LT · Payroll Liabilities - UNUM	Admin.	81.16
TOTAL						-6,464.98
03/16/2022	EFT-22-34	SelectAccount Group Service Fee		<b>Alerus Checking</b>		
			HSA Administrative fee for March 2022	4380M10 · Employee Benefits - Admin.	Admin.	-1.60
TOTAL						-1.60
03/24/2022	EFT-22-36	P.E.R.A		<b>Alerus Checking</b>		
			Payroll 3/16/22 - 3/31/22	2020 · Payroll Liabilities -	Admin.	-900.70
TOTAL						-900.70
03/24/2022	EFT-22-37	Medica		<b>Alerus Checking</b>		
			March Health Insurance (Schleuning)	4380M10 · Employee Benefits - Admin.	Admin.	-721.50
			March Health Insurance (Cook)	4380M10 · Employee Benefits - Admin.	Admin.	-721.50
			March Health Insurance (Duncan)	4380M10 · Employee Benefits - Admin.	Admin.	-721.50
TOTAL						-2,164.50
03/24/2022	22094	Abdo LLP	VOID	<b>Alerus Checking</b>		
TOTAL						0.00
03/24/2022	22095	City of Mound		<b>Alerus Checking</b>		
03/24/2022	April 2022		Rent, April 2022	4320M10 · Office Rent - Admin.	Admin.	-1,691.20

8:31 AM  
03/17/22

**Lake Minnetonka Conservation District**  
**Check Detail**  
**March 16 - 31, 2022**

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Class</u>	<u>Paid Amount</u>
TOTAL						-1,691.20
<b>03/24/2022</b>	<b>22096</b>	<b>City of Wayzata</b>		<b>Alerus Checking</b>		
02/28/2022	April - Dec 2022		2022 Agreement for Meeting Room - prorated for April - December	4230M10 · Meeting Exp. - Admin.	Admin.	-2,881.00
TOTAL						-2,881.00
<b>03/24/2022</b>	<b>22097</b>	<b>Tallen &amp; Baertschi</b>		<b>Alerus Checking</b>		
03/24/2022	February 2022		Prosecution Cost February 2022	4640M10 · Prosecution Legal Fees - Admin.	Admin.	-1,568.84
TOTAL						-1,568.84
<b>03/24/2022</b>	<b>22098</b>	<b>TimeSaver Off Site Secretarial, Inc.</b>		<b>Alerus Checking</b>		
02/28/2022	Inv.#M27130		Board Minutes 2/23/22	4230M10 · Meeting Exp. - Admin.	Admin.	-273.38
TOTAL						-273.38
<b>03/24/2022</b>	<b>22099</b>	<b>Abdo</b>		<b>Alerus Checking</b>		
02/16/2022	Inv.#453920		2021 Audit - Progress Bill	4040M10 · Auditing - Admin.	Admin.	-7,400.00
TOTAL						-7,400.00
<b>03/24/2022</b>	<b>22100</b>	<b>CD3 General Benefit Corporation</b>		<b>Alerus Checking</b>		
03/24/2022	Inv.#373893-34-...		Balance Due for CD3 Outpost Software, Custom Kiosk, Winter Cover, & ...	4151M30 · Equip. Supplies -AIS Prevention	AIS	-6,800.00
TOTAL						-6,800.00

11:12 AM

03/15/22

Accrual Basis

**Lake Minnetonka Conservation District**  
**Credit Card Payment Detail**  
**February 6 through March 2, 2022**

Type	Date	Num	Name	M	Clr	Split	Amount	Balance
<b>1087M10 · US Bank (Credit Card)</b>								
Credit Card Charge	02/06/2022	1/26-2/25	Mediacom		X	4060 · Telephone/Internet	255.77	255.77
Credit Card Charge	02/14/2022	12/25-1/24	Consumer Cellular		X	4060 · Telephone/Internet	29.21	284.98
Credit Card Charge	02/16/2022	Email Renew	GoDaddy.com		X	4530M10 · Comp. Sftwr & Hdwr - Admin.	5,752.80	6,037.78
Credit Card Charge	02/24/2022	20220224	Amazon		X	4230M10 · Meeting Exp. - Admin.	78.68	6,116.46
Credit Card Charge	02/24/2022	20220224	Amazon		X	4230M10 · Meeting Exp. - Admin.	25.99	6,142.45
Credit Card Charge	03/01/2022	20220301	Amazon		X	4230M10 · Meeting Exp. - Admin.	25.89	6,168.34
Credit Card Charge	03/02/2022	Art on Lake	Zapp Software		X	4111M20 · Public Servi/Edu/Safety - S/L	30.00	6,198.34
Credit Card Charge	03/02/2022	Linux	GoDaddy.com		X	4530M10 · Comp. Sftwr & Hdwr - Admin.	233.87	6,432.21
Total 1087M10 · US Bank (Credit Card)							6,432.21	6,432.21
<b>TOTAL</b>							<b>6,432.21</b>	<b>6,432.21</b>



**RESOLUTION 237**

**A RESOLUTION ACCEPTING CONTRIBUTION(S) TO THE LAKE MINNETONKA CONSERVATION DISTRICT (LMCD)**

**WHEREAS**, the LMCD is a regional government agency established by Minnesota Statutes Section 103B.605, Subd. 1; and

**WHEREAS**, contributions to the LMCD "Save the Lake" fund are generally tax deductible to individuals under the IRS Code 26 USC Section 170 (b)(1)(a) because contributions to any political subdivision of any state for exclusively public purposes are deductible; and

**WHEREAS**, municipalities are generally authorized to accept donations of real and personal property pursuant to Minnesota Statutes Section 465.03 for the benefit of its stakeholders, and is specifically authorized to accept gifts; and

**WHEREAS**, LMCD wishes to follow similar requirements as established for municipalities for accepting donations; and

**WHEREAS**, the attached listed person(s) and entity(ies) have offered to contribute the cash amount(s) set forth with any terms or conditions as outlined in Attachment I to the LMCD; and

**WHEREAS**, such contribution(s) have been contributed to the LMCD for the benefit of the public, as allowed by law; and

**WHEREAS**, the LMCD Board of Directors finds that it is appropriate to accept the contribution(s) offered.

**NOW THEREFORE**, BE IT RESOLVED BY THE LMCD BOARD, STATE OF MINNESOTA AS FOLLOWS:

1. The contribution(s) described with Attachment I is/are accepted and shall be used to establish and/or operate services either alone or in cooperation with others, as allowed by law.

RESOLUTION #237

Page 2

2. The executive director is hereby directed to issue receipt(s) acknowledging the LMCD's receipt of the contributor's contribution(s).

Adopted by the Board this 23<sup>rd</sup> day of March, 2022.

ATTEST:

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Gregg Thomas, Chair

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Dan Baasen, Secretary

**Lake Minnetonka Conservation District**  
**Transaction Detail By Account**  
 February 16 through March 16, 2022

**Resolution #237 Attachment 1 - Save the Lake Contribution**

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
<b>Contributions</b>				
	<b>3001M20 · Donations (General) - S/L</b>			
03/01/2022	PayPal	Gregg Thomas	Transfer from PayPal (\$500.00)	485.06
	<b>Total 3001M20 · Donations (General) - S/L</b>			
				<u>485.06</u>



# LAKE MINNETONKA CONSERVATION DISTRICT

5341 MAYWOOD ROAD, SUITE 200 • MOUND, MINNESOTA 55364 • TELEPHONE 952/745-0789 • FAX 952/745-9085

## ITEM 8C

**DATE:** March 23, 2022  
**TO:** LMCD Board of Directors  
**FROM:** Tammy Duncan, Administrative Assistant  
**THROUGH:** Vickie Schleuning, Executive Director  
**SUBJECT:** Resolution Approving 2022 Liquor Licenses for Watercraft for Hire

### ACTION

Board consideration of a resolution approving 2022 Liquor licenses for Watercraft for Hire with Intoxicating Liquor (with Sunday sale) and Non-Intoxicating Malt Liquor, with respective Ports of Call on condition of receipt of signed Zoning Certificates for municipalities with Ports of Call, attendance at the annual training meeting, inspections, insurance certificates, satisfactory background investigations, and all other pertinent regulatory requirements.

The following motions are offered depending on whether the Board wishes to approve or deny the request.

#### Approval:

I make a motion to adopt the resolution approving the 2022 Liquor Licenses for Watercraft for Hire <with the following conditions/exceptions...>

#### Denial:

I make a motion to deny the resolution approving the 2022 Liquor Licenses for Watercraft for Hire based on the following conditions...

### BACKGROUND

A list is attached that includes the Watercraft for Hire applicants that have submitted renewal on-sale intoxicating liquor license with Sunday sale, non-intoxicating malt liquor, and/or wine license applications to the Lake Minnetonka Conservation District (LMCD) for the 2022 boating season.

By LMCD code, the LMCD Executive Director may issue Watercraft for Hire licenses administratively. However, alcoholic beverage licenses such as liquor (with Sunday sale), non-intoxicating malt liquor, and wine license applications must be approved by the Board. This approval includes the respective authorized ports of call.

According to Article 6, Chapter 1, Section 6-5.17, and Article 7, Chapter 3 pertaining to alcoholic beverages, a violation of the code or of a license condition is ground for revocation, suspension, or denial of a license. As of March 16, 2022, the LMCD staff is not aware of any violations



regarding the applicants. If a violation is discovered during the investigative process, the application may be brought back to the Board for further consideration.

The LMCD sent the applications to the Hennepin County Sheriff's Office (HCSO) for completion of background investigations for 22 vessels on February 24, 2022. If any of the application investigations indicate possible invalidation of a liquor license, the applicant could bring the application to the Board for further consideration of a liquor license.

### **CONSIDERATIONS**

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The following items are pending and conditions of the license:

- The application fees must be paid in full;
- According to LMCD Code Section 7-3.25, Subd. 2, ports of call must comply with municipal zoning laws. Municipal Certification for Watercraft for Hire and/or Alcoholic Beverage License Authorized Port of Call approval forms have been distributed to the respective municipalities for their review;
- License applicants must attend the annual *Watercraft for Hire with Alcoholic Beverage License* training scheduled for March 29, 2022 via a hybrid format.
- All required State and Local inspections must be completed and passed;
- All required insurance certificates must be provided with satisfactory coverages; and,
- Background investigations must be satisfactory
- All other regulatory requirements are met.

### **BUDGET**

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N/A

### **STRATEGIC PRIORITIES**

---

<input type="checkbox"/> Operational Effectiveness	<input type="checkbox"/> Clear & Timely Communications	<input type="checkbox"/> Effective Governance	<input checked="" type="checkbox"/> Lake Protection	<input type="checkbox"/> Other
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### **ATTACHMENT**

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1. List of Watercraft for Hire Liquor License Applications
2. Resolution

**2022 Alcoholic Beverage License Renewal Applications for Watercraft for Hire**  
 March 23, 2022 LMCD Board Meeting

**Item 8C Attachment 1**

Company	Name	Vessel Name	Type	Port of Call 1	City 1	Port of Call 2	City 2	Port of Call 3	City 3	Port of Call 4	City 4	Port of Call 5	City 5	
Al & Alma's Supper Club, Corp	Jay Soule	<i>Allante</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Al & Alma's	Mound	Wayzata City Dock	Wayzata	Excelsior City Dock	Excelsior	Lafayette Club	Minnetonka Beach			
		<i>Arabella</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Al & Alma's	Mound	Wayzata City Dock	Wayzata							
		<i>Avanti</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Al & Alma's	Mound	Wayzata City Dock	Wayzata	Excelsior City Dock	Excelsior	Lafayette Club	Minnetonka Beach			
		<i>Avenir</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Al & Alma's	Mound	Wayzata City Dock	Wayzata	Excelsior City Dock	Excelsior	Lafayette Club	Minnetonka Beach			
		<i>Aventure</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Al & Alma's	Mound	Wayzata City Dock	Wayzata	Excelsior City Dock	Excelsior	Lafayette Club	Minnetonka Beach			
		<i>Bella Vista</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Al & Alma's	Mound	Wayzata City Dock	Wayzata	Excelsior City Dock	Excelsior					
		<i>Isabella</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Al & Alma's	Mound	Wayzata City Dock	Wayzata	Excelsior City Dock	Excelsior					
Lady of the Lake, Inc.	Terrence Jungers	<i>Lady of the Lake</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Excelsior City Dock	Excelsior									
Linda Lee Charters, LLC	Anne Davis	<i>Linda Lee</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Excelsior City Dock	Excelsior	Wayzata City Dock	Wayzata							
PaddleTap, LLC	Ryan Jaeger	<i>LazyTap Two</i>	Non-intoxicating Malt Liquor	5th Street Ventures	Spring Park	Excelsior City Dock	Excelsior	Lord Fletchers	Spring Park	Wayzata City Dock	Wayzata			
		<i>TikiTap One</i>	On-Sale Intoxicating Malt Liquor	5th Street Ventures	Spring Park	Excelsior City Dock	Excelsior	Lord Fletchers	Spring Park	Wayzata City Dock	Wayzata			
		<i>Miracle</i>	Non-intoxicating Liquor w/ Consumption/Display	5th Street Ventures	Spring Park	Lord Fletchers	Spring Park	Metro Lakes Marina	Mound	Wayzata City Dock	Wayzata	Excelsior City Dock	Excelsior	
		<i>Rossi</i>	Non-intoxicating Liquor w/ Consumption/Display	5th Street Ventures	Spring Park	Lord Fletchers	Spring Park	Metro Lakes Marina	Mound	Wayzata City Dock	Wayzata	Excelsior City Dock	Excelsior	
		<i>Serenity</i>	Non-intoxicating Liquor w/ Consumption/Display	5th Street Ventures	Spring Park	Lord Fletchers	Spring Park	Metro Lakes Marina	Mound	Wayzata City Dock	Wayzata	Excelsior City Dock	Excelsior	
Paradise Charter Cruises	David Lawrance	<i>Paradise Destiny II</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Excelsior City Dock	Excelsior	Wayzata City Dock	Wayzata							
		<i>Paradise Princess II</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Excelsior City Dock	Excelsior	Wayzata City Dock	Wayzata							
		<i>Paradise Grand</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Excelsior City Dock	Excelsior	Wayzata City Dock	Wayzata							
Tonka Yacht Rental, LLC.	Steve Bedell	<i>Fait Accompli</i>	Non-intoxicating Liquor w/ Consumption/Display	Lord Fletchers	Spring Park	5th Street Ventures	Spring Park	Lafayette Club	Minnetonka Beach					
Venture Holdings LLC	Peter LaBate	<i>Venture Rental</i>	None	Wayzata City Dock	Wayzata									
Wayzata Bay Charters, Inc	Mark Peet	<i>Elixir</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Excelsior City Dock	Excelsior									
		<i>Her Excellency</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Excelsior City Dock	Excelsior									
		<i>Voyager</i>	On-Sale Intoxicating Liquor w/ Sunday Sales	Excelsior City Dock	Excelsior									

UPDATED 03-17-2022





**RESOLUTION NO. 236**

**A RESOLUTION APPROVING 2021 LIQUOR AND ALCOHOLIC BEVERAGE LICENSES FOR WATERCRAFT FOR HIRE LICENSEES**

**WHEREAS**, the Lake Minnetonka Conservation District (LMCD) is authorized pursuant to Minnesota Laws 1986, Chapter 437, Section 6 to regulate liquor and issue liquor licenses for the Lake in the same manner as a municipality;

**WHEREAS**, the LMCD has adopted regulations regarding intoxicating liquor, including license requirements, as part of Article 7, Chapter 3 of the LMCD Code of Ordinances, which incorporates by reference the provisions of Minnesota Statutes, chapter 340A;

**WHEREAS**, the LMCD Code of Ordinances indicates that no person shall directly or indirectly deal in, sell, or keep for sale on the Lake any alcoholic beverage without a license and indicates only certified watercraft for hire may obtain a liquor license; and

**WHEREAS**, LMCD staff have received and processed applications for liquor and alcoholic beverage licenses for twenty-two (22) vessels.

**NOW, THEREFORE, BE IT RESOLVED**, by the LMCD Board of Directors as follows:

1. The 2022 Liquor and Alcoholic Beverage Licenses, as listed on the attached table, which is incorporated herein, are hereby approved on condition of receipt of signed Zoning Certificates for municipalities with Ports of Call, attendance at the annual training meeting, inspections, insurance certificates, satisfactory background investigations, and compliance with the other applicable requirements of the Code of Ordinances.

Adopted by the Board this 23<sup>rd</sup> day of March, 2022.

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Gregg Thomas, Chair

ATTEST:

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Dan Baasen, Secretary

# ITEM 8D

## SUMMARY OF EXECUTIVE DIRECTOR PERFORMANCE EVALUATION

The following is a summary of the conclusions from the performance evaluation of the LMCD Executive Director the LMCD Board of Directors (“Board”) conducted in closed session on February 23, 2022 pursuant to Minnesota Statutes, section 13D.05, subdivision 3(a).

The Board determined to focus its review of the Executive Director using three questions: (1) What does the Executive Director do well? (2) Please list any areas that the Executive Director could improve on? (3) Please share any other comments for the Executive Director below:

The Board reviewed the responses it received from the Directors on these questions, the Executive Director’s self-evaluation responses, and discussed the overall performance of the Executive Director. The Board discussed the areas where the Executive Director meets or exceeds expectations and areas that can be improved upon. The Board recognized the importance of effective and positive communications with the Board, partners, stakeholders, and the public; the efficient and consistent processing of applications; the range of demands placed on the position; clearly identifying LMCD priorities and focusing on them; limited staff resources and the importance of filling the staff vacancy; and presenting concise reports on applications. The Board Chair indicated he would communicate the Board’s review to the Executive Director.

Presented at the March 23, 2022 Board meeting.



## LAKE MINNETONKA CONSERVATION DISTRICT

5341 MAYWOOD ROAD, SUITE 200 • MOUND, MINNESOTA 55364 • TELEPHONE 952/745-0789 • FAX 952/745-9085

**DATE:** March 23, 2022 (Prepared March 17, 2022)  
**TO:** LMCD Board of Directors  
**FROM:** Vickie Schleuning, *Vickie Schleuning* Executive Director  
**SUBJECT:** Multiple Dock License Request, The Yacht Club, LLP, 4165 Shoreline Drive in Spring Park

### ACTION

Board consideration of a request from Leslie Oare of The Yacht Club, LLP (“Applicant”) to return to its designation as a Club Facility with a Commercial Multiple Dock License and Special Density License for its property at 4165 Shoreline Drive, Spring Park, MN 55384 (“Subject Property”), with shoreline on Spring Park Bay.

The following motions are offered depending on whether the Board wishes to approve or deny the request:

#### Approval

I make a motion to approve the Findings of Fact and Order per a request by The Yacht Club, LLP to revert to its Previous Commercial Multiple Dock Licenses as a Club Facility with Special Density License for the Property located at 4165 Shoreline Drive in the City of Spring Park, <subject to the following conditions>...

#### Denial

I make a motion to deny the request for the Yacht Club LLP to revert back to its Previous Commercial Multiple Dock Licenses as a Club Facility with Special Density License for the Property located at 4165 Shoreline Drive in the City of Spring Park, and make application for consideration if a different license type is desired.

### APPLICATION SUMMARY

The Lake Minnetonka Conservation District (“LMCD”) received a request from Leslie Oare of The Yacht Club, LLP (“Applicant”) to return to its designation as a Club Facility with a Commercial Multiple Dock License for its property at 4165 Shoreline Drive, Spring Park, MN 55384 (“Subject Property”). In 2021, the Applicant applied to the LMCD to convert from a Club Facility to a Qualified Commercial Marina, which the Board approved by an order issued on August 11, 2021. After further consideration, the Applicant requested to revert to its previous designation as a Club Facility.

The Subject Property was licensed in 1989 as a Club Facility with a Special Density License and operated as a yacht club since that time. A copy of the 1989 Site Plan and Findings of Fact and Order is attached.

The Yacht Club Multiple Dock License Request  
4165 Shoreline Drive in Spring Park  
LMCD Board Meeting | March 23, 2022

The Applicant applied for and met the requirements of a Qualified Commercial Marina, and therefore, the license was approved by a Board on August 11, 2021. Since the QCM Order was issued late in the season, the Applicant did not make any changes to its docks or operations following issuance of the order.

Having further considered its operations and the concerns raised by the City, the Applicant is requesting to vacate the QCM Order and to revert to the Prior Licenses to allow it to continue to operate the Commercial Multiple Dock, but under the previous Club Facility classification.

Because the Applicant is merely seeking to continue operating as it has historically done, it seems reasonable to assist the Applicant with the request, without the need to go through a new application process and public hearing. It is not anticipated that the continued use of the Subject Property will not create discernable negative impacts on the surrounding owners or the Lake. LMCD staff had previously determined the docks are longer than allowed under the Prior Licenses, which will need to be met, along with other previous license conditions.

**RECOMMENDATION**

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In consultation with LMCD legal counsel, LMCD staff are recommending approval of the request to revert to the prior commercial multiple dock licenses.

**BUDGET**

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N/A

**STRATEGIC PRIORITIES**

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<input type="checkbox"/> Operational Effectiveness	<input type="checkbox"/> Clear & Timely Communications	<input type="checkbox"/> Effective Governance	<input type="checkbox"/> Lake Protection	<input checked="" type="checkbox"/> Other
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**ATTACHMENTS**

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1. Applicant (The Yacht Club LLP) Request to Revert to Previous Licenses
2. LMCD Legal Counsel Letter
3. Findings of Fact & Order to Approve the Request to Revert to Previous Licenses
4. Previous Site Plan and Findings (1989)
5. Current Site Plan and Findings (2021)



February 28, 2022

John C. Holper  
Direct Dial: (612) 604-6542  
Direct Fax: (612) 604-6842  
jholper@winthrop.com

Ms. Vickie Schleuning  
Executive Director  
Lake Minnetonka Conservation District  
5341 Maywood Road  
Suite 200  
Mound, MN 55364



Re: *The Yacht Club, LLP Dock License*  
*4165 Shore Line Drive, Spring Park, MN*

Dear Ms. Schleuning:

We are legal counsel for The Yacht Club, LLP (“Yacht Club”). On February 15, 2022, I wrote to you regarding the Lake Minnetonka Conservation District’s (“LMCD”) use classification for the Yacht Club. Specifically, I advised that the Yacht Club was withdrawing its application to convert to a “Qualified Commercial Marina.” In my letter, I incorrectly noted that the Yacht Club had previously operated as a “Qualified Yacht Club”. I now know that the Yacht Club has operated over the past thirty years as a “Club Facility.”

On February 24, 2022, we received a letter from your counsel, Troy Gilchrist, in response to my February 15, 2022 letter. In his letter, he acknowledged that the Yacht Club desired to return its facility to how it operated before the prior classification change to comply with the requirements of the previous license. That is correct. In addition, Mr. Gilchrist wrote:

The LMCD Board would need to approve such a change in the designated use of the facility. However, since I understand there have been no changes made to the facility’s operations or its docks since the change in classification, I am willing to recommend the LMCD allow a written request from the Yacht Club to revert to a Club Facility to go directly to the LMCD Board for a decision without needing to work through a full application and hearing process.

Please accept this letter per Mr. Gilchrist’ letter as the Yacht Club’s request to revert to a Club Facility. The Yacht Club requests that the LMCD grant this request without the need to work through a full application and hearing process as the request simply confirms the status quo for how the Yacht Club has operated for the past thirty years.



Ms. Vickie Schleuning  
Lake Minnetonka Conservation District

February 28, 2022  
Page 2

Thank you for consideration. Please contact me should you have any questions.

Very truly yours,

WINTHROP & WEINSTINE, P.A.

*s/John C. Holper*

John C. Holper

c: Troy J. Gilchrist, Esq. (via e-mail – [tgilchrist@kennedy-Graven.com](mailto:tgilchrist@kennedy-Graven.com))  
Leslie Dennis (via e-mail)

23507569v1



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St. Cloud Affirmative Action, Equal Opportunity Employer

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**TROY J. GILCHRIST**  
Attorney at Law  
Direct Dial (612) 337-9214  
Email: [tgilchrist@kennedy-graven.com](mailto:tgilchrist@kennedy-graven.com)

Also: St. Cloud Office  
501 W. Germain Street, Suite 304  
St. Cloud, MN 56301  
(320) 240-8200

February 24, 2022

John Holper  
Winthrop & Weinstine  
225 South 6<sup>th</sup> Street  
Minneapolis, MN 55402

**VIA U.S. MAIL AND EMAIL**  
([jholper@winthrop.com](mailto:jholper@winthrop.com))

Re: LMCD Use Classification of The Yacht Club, LLC in Spring Park

Dear Mr. Holper:

I am the attorney for the LMCD and I write on its behalf in response to your letter dated February 15, 2022 regarding the LMCD use classification of your client The Yacht Club, LLP (“Yacht Club”). Your letter indicates the Yacht Club is withdrawing its application to convert to a Qualified Commercial Marina and “intends to fully operate as a qualified yacht club as it has done for almost thirty years.” You enclosed the renewal letter from the LMCD dated November 1, 2021 that refers to the facility as a Qualified Yacht Club to support the claimed reversion to the classification of a Qualified Yacht Club. However, the Yacht Club was previously classified as a Club Facility, not a Qualified Yacht Club, and so it is not possible to revert back to a classification the facility did not previously hold. Additionally, the application to convert to a Qualified Commercial Marina was approved months ago and so the Yacht Club cannot now claim to withdraw its application.

The LMCD Code sets out different “classifications of use,” which identifies “the category into which a particular use is classified for the purposes of determining the applicable regulations and licensing requirements.” Section 1-3.01, subd. 14. The LMCD Code recognizes a range of use categories, including Club Facilities, Qualified Yacht Clubs, and Qualified Commercial Marianas. Over the decades you mentioned, the Yacht Club was classified and licensed as a Club Facility. In early 2021, Inland Development Partners submitted an application to the LMCD to convert from a Club Facility to a Qualified Commercial Marina. The LMCD Board held a hearing on the request and directed preparation of an order approving the requested conversion. The order was placed on the April 28, 2021 meeting agenda for approval, but Inland Development Partners withdrew its application before it was adopted. Shortly thereafter, the Yacht Club submitted a similar application seeking the same conversion from a Club Facility to

John Holper  
February 24, 2022  
Page 2 of 2

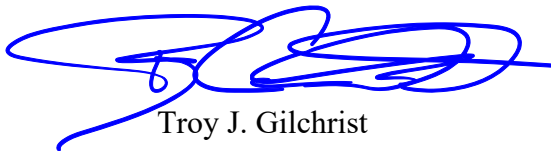
a Qualified Commercial Marina. The LCMD Board heard the request and on August 11, 2021 issued an order approving the conversion to a Qualified Commercial Marina and approving a Commercial Multiple Dock license. A copy of the approved order is enclosed. Once an application is approved, the applicant does not have the option to withdraw the application months later. Such a claimed withdrawal has no legal effect and it certainly does not allow a claimed reversion to a classification the facility did not hold.

The renewal notice sent to the Yacht Club in November incorrectly identifying the facility as a Qualified Yacht Club does not change its classification. It should have identified the facility as a Qualified Commercial Marina in accordance with the August 11, 2021 order. The renewal notice was part of a large annual mailing of renewal notices sent to all of the different types of licensed facilities around the lake. It was a simple mistake that does not override the Board's order. In fact, on February 8, 2022, prior to the date of your letter, the LMCD Executive Director sent your client an email noting the error in the renewal notice and that it should have recognized the facility as a Qualified Commercial Marina.

I understand your client is interested in returning its facility to how it operated before the approved change in classification and to comply with the requirements of the previous license. The LMCD Board would need to approve such a change in the designated use of the facility. However, since I understand there have been no changes made to the facility's operations or its docks since the change in classification, I am willing to recommend the LMCD allow a written request from the Yacht Club to revert to a Club Facility to go directly to the LMCD Board for a decision without needing to work through a full application and hearing process. However, if the Yacht Club is interested in being classified as a Qualified Yacht Club, it would need to apply for the desired change in classification and go through the entire review and hearing process as it did last year when it converted to a Qualified Commercial Marina. It is up to the Yacht Club to decide how it would like to proceed, but the LMCD currently has the facility classified as a Qualified Commercial Marina and that classification will remain unless the LMCD Board approves either a reversion to a Club Facility or an application seeking a different classification.

You are welcome to contact me if there are any questions.

Sincerely,



Troy J. Gilchrist

cc: Vickie Schleuning, LMCD Executive Director  
(vschleuning@lmc.org)

Jim Brimeyer, Spring Park Interim City Administrator  
(jrbimeyer@ci.spring-park.mn.us)

**Type:** Commercial Multiple Dock License/Club Facility  
**Date:** March 23, 2022  
**PID(s):** 18-117-23-44-0022  
**Address:** 4165 Shoreline Drive  
Spring Park, MN 55384

**LAKE MINNETONKA CONSERVATION DISTRICT  
HENNEPIN COUNTY, MINNESOTA**

IN RE:

Request by The Yacht Club, LLP to revert to its Previous Commercial Multiple Dock License as a Club Facility with Special Density License for the Property located at 4165 Shoreline Drive in the City of Spring Park.

**FINDINGS OF FACT  
AND ORDER**

The Lake Minnetonka Conservation District (“LMCD”) received a request from Leslie Oare of The Yacht Club, LLP (“Applicant”) to return to its designation as a Club Facility with a Commercial Multiple Dock License for its property at 4165 Shoreline Drive, Spring Park, MN 55384 (“Subject Property”). In 2021, the Applicant applied to the LMCD to convert from a Club Facility to a Qualified Commercial Marina, which the Board approved by an order issued on August 11, 2021. After further consideration, the Applicant requested to revert to its previous designation as a Club Facility. The Board considered the request at its March 23, 2022 meeting and hereby makes the following Findings of Fact and Order:

**FINDINGS OF FACT**

- a. The Subject Property is located in the City of Spring Park, on Spring Park Bay, which is part of Lake Minnetonka (“Lake”).
- b. The Subject Property was licensed in 1989 as a Club Facility with a Special Density License and operated as a yacht club since that time. The most recent Commercial Multiple Dock License issued for the Club Facility is attached hereto as Exhibit A (“Prior License”).
- c. The Applicant applied for and was approved to convert the operation to a Qualified Commercial Marina by a Board order issued on August 11, 2021 (“QCM Order”).
- d. Because the QCM Order was issued late in the season, the Applicant did not make any changes to its docks or operations following issuance of the order.
- e. Having further considered its operations and the concerns raised by the City, the Applicant is requesting to vacate the QCM Order and to revert to the Prior Licenses to allow it to continue to operate the Commercial Multiple Dock as a Club Facility.

- f. Because the Applicant is merely seeking to continue operating as it has historically done without expanding its docks or operations, the Executive Director determined, and the Board agrees, it is not necessary for the Applicant to go through a new application process and public hearing.
- g. The Board determines that approving the Applicant's request is reasonable under the circumstances and the reversion to the long-standing use of the Subject Property will not create discernable negative impacts on the surrounding owners or the Lake.
- h. LMCD staff has previously determined the docks, as constructed in recent years, are longer than allowed under the Prior Licenses and other previous license conditions will need to be met. Therefore, the Applicant will be required to ensure its docks and operations conform, and remain in conformance, with the requirements and limitations imposed on the Club Facility under the Prior Licenses.

**ORDER**

ON THE BASIS OF THE FOREGOING AND THE RECORD OF THIS MATTER, IT IS HEREBY ORDERED BY THE BOARD AS FOLLOWS:

- 1. QCM Order Vacated. The QCM Order issued for the Subject Property on August 11, 2021 is hereby vacated.
- 2. Prior Licenses Reinstated. The Prior Licenses, attached hereto as Exhibit A, approving a Commercial Multiple Dock license for a Club Facility and Special Density License previously issued for the Subject Property is hereby reinstated and reissued.
- 3. Conditions. The Applicant is required to bring the Subject Property into compliance with the Prior Licenses and to continue to operate the Club Facility and the Commercial Multiple Dock in compliance with those conditions and the LMCD Code.
- 4. Authorizations. The LMCD staff is hereby authorized and directed to issue a current license for the Subject Property as directed herein and to take such other actions as may be needed to ensure compliance with this Order and the requirements of the Code.

BY ORDER OF THE BOARD OF DIRECTORS of the Lake Minnetonka Conservation District this 23<sup>rd</sup> day of March 2022.

\_\_\_\_\_  
Gregg Thomas, Chair

ATTEST: \_\_\_\_\_  
Dan Baasen, Secretary

**EXHIBIT A**  
**Prior License**

[attached hereto]

# The Yacht Club - SPRING PARK, MN

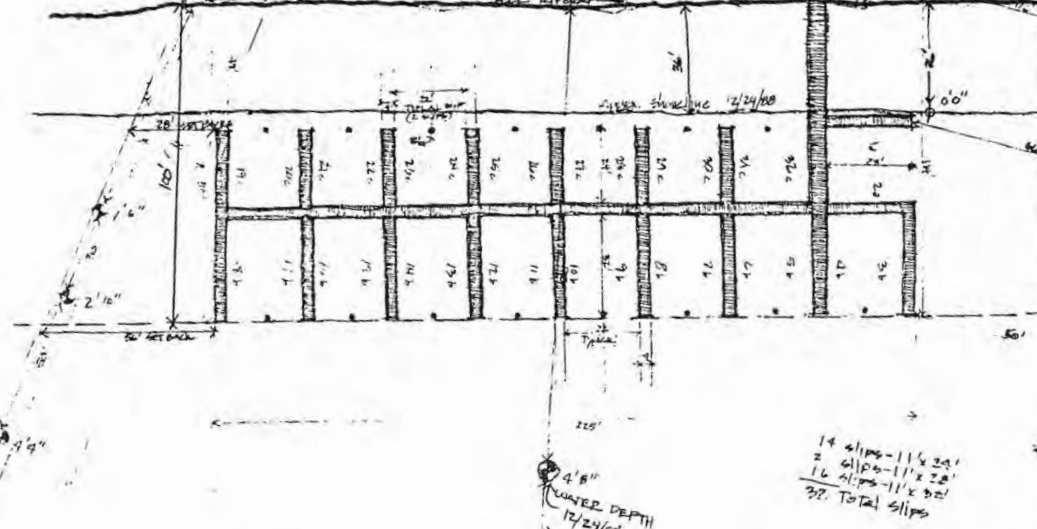
RDP PARTNERS/UPPER LAKE MINNETONKA YACHT CLUB

57WSU -

Edgewater  
Apartments  
111 W. WISCONSIN  
LAKESIDE, MN

Subject to Special Density  
Order of 7-26-89

HEAVY CO.  
WATER PUMP



- 2001-320/1989-32D
- 2002-32D
- 2003-320 1990-32D
- 2004-320 1991-32D
- 2005-320 (Not built yet) (R)
- 2006-32D 1992- Non-renewing
- 2007-32D Held in abeyance
- 2008-320 1993-32 D
- 2009-32 1994-32 D
- 2010-320 1995-32D
- 2011-32D 1996-32D
- 2012-32D 1997-32D
- 2013-32D 1998-32D
- 2014-32D
- 2015-32D

14 slips - 11' x 28'  
2 slips - 11' x 28'  
16 slips - 11' x 28'  
37 Total slips

EXISTING LOCK PLAN  
12/28/88



LAKE  
MINNETONKA - Spring Park Bay

LAKE MINNETONKA CONSERVATION DISTRICT

IN RE: APPLICATION OF UPPER MINNETONKA YACHT CLUB/RDP PARTNERS

FINDINGS OF FACT

The public hearing on the application of the Upper Minnetonka Yacht Club/RDP Partners (the "Applicant") was held on December 17, 1988, at 8:30 a.m. at the Tonka Bay City Hall. Dick Putnam appeared for the Applicant.

The Applicant was seeking a new dock license, special density permit, and variance for the relocation of its existing yacht club facilities consisting of 60 slip spaces presently located at Enchanted Island in the City of Shorewood. Additionally, the Applicant requested a special density permit for an additional 32 slips to be constructed to a length of 114 feet from the shoreline.

The subject property is located in the south upper lake in LMCD area number 5 in the City of Spring Park and consists of 320 feet of shoreline.

The amenities offered by the Applicant are as set forth in the following Order.

The Board finds the depth of water at the subject property adequate to dock out to the point of navigability without a variance for length except as may be necessary in periods of low water. However, the Board finds that an adequate provision can be made by temporary low water dock extension permits to accommodate the facility in periods of low water.

Neighbors appearing at the hearing express concerns about the proposed development of 60 slips and the aesthetic effect of the docks on the adjacent Minnetonka Edgewater apartments. However, the Board finds that the facilities authorized in the following Order will not have the significant adverse effect on the environment or on adjacent properties.



In the original application, the Applicant noted that the 32 slip facility would be made available for use by tenants of the building on this site. However, upon learning that LMCD Code Section 2.05, Subd. 2, does not allow such a connection between entitlement to slip space and an interest in real estate, the Applicant has given assurance that there will be no connection between an interest in real estate and the right to use slips.

#### CONCLUSION

1. The ordinances of the LMCD allow no more than one boat per 10 feet of shoreline. Therefore, given 320 feet of available shoreline, no more than 32 slips may be allowed. LMCD Code does not allow more than 32 slips under the facts of this case by transfer from noncontiguous locations or otherwise.

2. The Board finds that the public amenities listed hereafter in the Order, as offered and agreed to by the Applicant, are sufficient to justify granting the maximum number of slips allowed under the code by special density permit.

3. The Board finds that the criteria specified for granting a multiple dock permit are satisfied in this case.

4. The Board finds that the Applicant has not made a sufficient demonstration of hardship to justify the granting of a length variance as requested.

5. LMCD Code Section 2.05, Subd. 2, forbids a preference or connection between entitlement to slip space and an interest in real estate. The assurances given by the Applicant to the effect that there will be no such connection together with the conditions and limitations on rental policy hereinafter provided are sufficient to ensure there will not be an impermissible relationship between ownership in real estate and entitlement to slip space.

## ORDER

1. The special density permit, new dock licenses, and variance requested are denied in part and granted in part as hereinafter provided subject to the following conditions, the violation of any one of which, without prior approval of the LMCD Board of Directors, is ground for revocation of the license and permit herein granted.

2. That part of Applicant's request to transfer 30 slips from the Upper Minnetonka Yacht Club's current location on Enchanted Island to the subject property is denied.

3. The Applicant's request for a length variance to allow construction of a dock out to 114 feet from the shoreline is denied.

4. The dock license and special density license for storage of 32 watercraft is hereby granted for construction of docks meeting all length limitations, side setbacks, and dimensional limits in the LMCD Code, to be constructed in accordance with the dock plan attached as Attachment One, and hereby made a part of this Order.

5. The Applicant shall establish and maintain the following public amenities:

(a) Handicapped accessible docks from building entrance to docks via elevators and ramps.

(b) Six rental sailboats shall be made available to experienced public at large by reservation.

(c) A meeting room shall be made available to community for civic, educational or safety purpose groups by reservation.

(d) A swimming beach, sail boards, and sailboats shall be made available for use by, and be used by, West Tonka Community Education Classes.

(e) Youth and adult sailing programs will be conducted for the public at large as well as members of the club.

- (f) The shoreline of the site shall be stabilized with rip rap.
- (g) A public telephone shall be provided at the site.
- (h) Handicapped accessible public rest rooms shall be made available at the site.

(i) The Applicant will maintain and operate a gin pole to assist sailors in raising masts which shall be available to the public-at-large as well as members of the club.

(j) All parking areas shall be covered with a dust-free, nonerodable, hard surface.

(k) A deck and picnic area shall be constructed and maintained which is available by reservation by the general public for civic, educational or safety purposes.

6. No slips shall be made available to tenants, owners or occupants of the building at the site of the docks except in accordance with the following requirements:

(a) Slips shall be made available only to the University of Minnesota sailing, the Hennepin County Sheriff's Water patrol and members of the Upper Minnetonka Yacht Club.

(b) Slips shall not be made available to owners, tenants, or occupants of the building at the site unless they are also members of the Yacht Club. Slips shall be made available to members of the Yacht Club on a non-discriminatory basis and no privilege of priority shall be given to any club members who are tenants, owners or occupants of the building at the site.

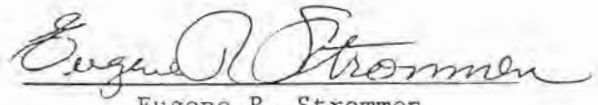
(c) The Applicant shall annually provide to the District, prior to approval of its dock license renewal, a statement and description of the policies of the club governing allocation of slip privileges among members, which policy together with other assurances required by the District, shall be sufficient to assure the District that no violation of LMCD Code Section 2.05, Subd. 2, has occurred or will occur under the policy. The Club shall submit at the same time a list of all persons or entities to whom slip privileges have been given and the owners of the boats kept at the slips. The Club shall also submit a description of the identifies of any such persons who are also owners, tenants or occupants of the site or are related to, affiliated with, or employed by such owners.

7. The permit is being issued without requiring that portions of the dock be fenced to prevent tying up at unauthorized locations at the dock. However, the Board reserves the right to require such fencing in the event such fencing is deemed necessary by the Board in the future.

8. Prior to construction of the dock, the Applicant shall secure all necessary land use and building approvals required by the City of Spring Park.

The licenses issued hereby shall grant no vested rights to the use of Lake Minnetonka. Such use shall at all times remain subject to regulation by the District to assure the public of reasonable and equitable access to the Lake.

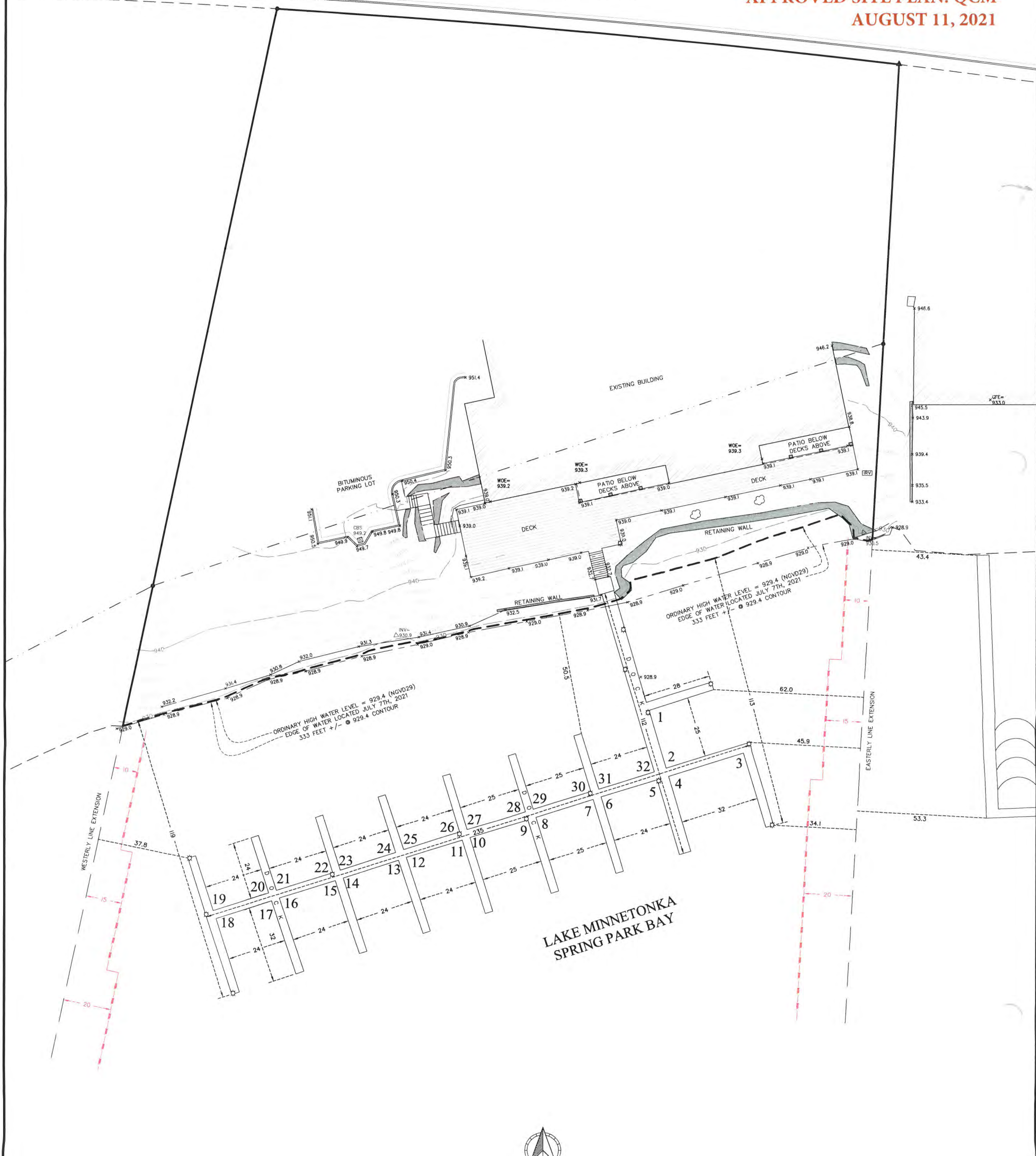
By Order of the Board of Directors of the Lake Minnetonka Conservation District this 26<sup>th</sup> day of July, 1989.



Eugene R. Strommen  
Executive Director

LK110-011

SHORELINE DRIVE



DESCRIPTION OF PROPERTY SURVEYED

Tract D, REGISTERED LAND SURVEY NO. 1106, Hennepin County, Minnesota

STANDARD NOTES

- 1) Site Address: 4165 Shoreline Drive, Spring Park, Minnesota 55384
- 2) A title opinion was not furnished to the surveyor as part of this survey. Only easements per the recorded plat are shown unless otherwise denoted hereon.
- 3) Benchmark: Elevations are based on MN/DOT Geodetic Station Name: JOHNSON MN053 which has an elevation of: 938.909 feet (NGVD29).

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

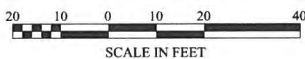
Dated this 8th day of July, 2021.

*Daniel L. Schmidt*

Daniel L. Schmidt, PLS Minnesota License No. 26147  
schmidt@sathre.com



Bearings are based on the Hennepin County Coordinate System (NAD 83 - 1986 adj.)



SURVEY LEGEND

<ul style="list-style-type: none"> <li>○ CAST IRON MONUMENT</li> <li>○ IRON PIPE MONUMENT SET</li> <li>● IRON PIPE MONUMENT FOUND</li> <li>● DRILL HOLE FOUND</li> <li>✕ CHISELED "X" MONUMENT SET</li> <li>✕ CHISELED "X" MONUMENT FOUND</li> <li>▲ PK NAIL MONUMENT SET</li> <li>▲ PK NAIL MONUMENT FOUND</li> <li>△ PK NAIL W/ ALUMINUM DISC</li> <li>△ SURVEY CONTROL POINT</li> <li>□ A/C UNIT</li> <li>□ CABLE TV PEDESTAL</li> <li>□ ELECTRIC TRANSFORMER</li> <li>□ ELECTRIC MANHOLE</li> <li>□ ELECTRIC METER</li> <li>□ ELECTRIC OUTLET</li> <li>□ YARD LIGHT</li> <li>□ LIGHT POLE</li> <li>□ FIBER OPTIC MANHOLE</li> <li>□ FUEL PUMP</li> <li>□ FUEL TANK</li> <li>□ PROPANE TANK</li> <li>□ GAS METER</li> <li>□ GAS VALVE</li> <li>□ GAS MANHOLE</li> <li>□ GENERATOR</li> <li>□ GUARD POST</li> <li>□ HAND HOLE</li> <li>□ MAIL BOX</li> </ul>	<ul style="list-style-type: none"> <li>○ PIEZOMETER</li> <li>○ POWER POLE</li> <li>○ GUY WIRE</li> <li>○ ROOF DRAIN</li> <li>○ LIFT STATION</li> <li>○ SANITARY MANHOLE</li> <li>○ SANITARY CLEANOUT</li> <li>○ STORM MANHOLE</li> <li>○ STORM DRAIN</li> <li>○ CATCH BASIN</li> <li>○ FLARED END SECTION</li> <li>○ TREE CONIFEROUS</li> <li>○ TREE DECIDUOUS</li> <li>○ TREE CONIFEROUS REMOVED</li> <li>○ TREE DECIDUOUS REMOVED</li> <li>○ TELEPHONE MANHOLE</li> <li>○ TELEPHONE PEDESTAL</li> <li>○ UTILITY MANHOLE</li> <li>○ UTILITY PEDESTAL</li> <li>○ UTILITY VAULT</li> <li>○ WATERMAIN MANHOLE</li> <li>○ WATER METER</li> <li>○ WATER SPIGOT</li> <li>○ WELL</li> <li>○ MONITORING WELL</li> <li>○ CURB STOP</li> <li>○ GATE VALVE</li> <li>○ IRRIGATION VALVE</li> <li>○ POST INDICATOR VALVE</li> <li>○ SIGN</li> <li>○ SOIL BORING</li> </ul>	<ul style="list-style-type: none"> <li>WOE WALKOUT ELEVATION</li> <li>FFE FIRST FLOOR ELEVATION</li> <li>GFE GARAGE FLOOR ELEVATION</li> <li>TOF TOP OF FOUNDATION ELEV.</li> <li>LOE LOWEST OPENING ELEV.</li> <li>CONCRETE</li> <li>BITUMINOUS</li> <li>BUILDING SETBACK</li> <li>CABLE TV</li> <li>CONCRETE CURB</li> <li>CONTOUR EXISTING</li> <li>CONTOUR PROPOSED</li> <li>GUARD RAIL</li> <li>DRAIN TILE</li> <li>ELECTRIC UNDERGROUND</li> <li>FENCE</li> <li>FIBER OPTIC UNDERGROUND</li> <li>GAS UNDERGROUND</li> <li>OVERHEAD UTILITY</li> <li>TREE LINE</li> <li>SANITARY SEWER</li> <li>STORM SEWER</li> <li>TELEPHONE UNDERGROUND</li> <li>RETAINING WALL</li> <li>UTILITY UNDERGROUND</li> <li>WATERMAIN</li> <li>TRAFFIC SIGNAL</li> <li>RAILROAD TRACKS</li> <li>RAILROAD SIGNAL</li> <li>RAILROAD SWITCH</li> <li>SATELLITE DISH</li> <li>WETLAND BUFFER SIGN</li> </ul>
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FIELD CREW	NO.	BY	DATE	REVISION
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DATE				
7-1-21				

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TWP:117-RGE:23-SEC:18  
Hennepin County  
**SPRING PARK, MINNESOTA**

**DOCK EXHIBIT**  
PREPARED FOR:  
**DENNIS INVESTMENTS**

FILE NO.  
19333-001  
**1**  
**1**



**Type:** Commercial Multiple Dock License/Qualified Commercial Marina  
**Date:** August 11, 2021  
**PID(s):** 18-117-23-44-0022  
**Address:** 4165 Shoreline Drive  
Spring Park, MN 55384

**LAKE MINNETONKA CONSERVATION DISTRICT  
HENNEPIN COUNTY, MINNESOTA**

IN RE:

Application of The Yacht Club, LLC, for a Commercial Multiple Dock License as a Qualified Commercial Marina for the Property located at 4165 Shoreline Drive in the City of Spring Park.

**FINDINGS OF FACT  
AND ORDER**

The Lake Minnetonka Conservation District (“LMCD”) received an application from Leslie Oare of The Yacht Club, LLC (“Applicant”) for a Commercial Multiple Dock License for its property at 4165 Shoreline Drive, Spring Park, MN 55384 (“Subject Property”). The Subject Property is currently licensed as a Club facility and the Applicant is seeking to be licensed as a Qualified Commercial Marina to allow it to rent slips to the general public. The Applicant seeks a Commercial Multiple Dock license for the existing dock structure under its new classification. The Board provided the Applicant and the general public an opportunity to be heard at the public hearing held on July 28, 2021, and now, based on its proceedings and the record of this matter, hereby makes the following Findings of Fact and Order:

**FINDINGS OF FACT**

- a. The Subject Property is located in the City of Spring Park, on Spring Park Bay, which is part of Lake Minnetonka (“Lake”).
- b. The Subject Property has been licensed as a Club Facility and operated as a yacht club.
- c. The Applicant is seeking to operate it as a Qualified Commercial Marina to allow it to rent slips to the general public. The Applicant is seeking a Commercial Multiple Dock license for the existing dock structure. The dock structure is seasonal (not permanent) and the Applicant is not proposing to make any structural changes to it.
- d. A proposed buyer of the Subject Property previously applied for the same approvals, which the LMCD Board of Directors (“Board”) considered at its April 14, 2021 meeting and, after conducting a hearing on the same, voted to direct the preparation of an order approving the request. However, the buyer withdrew the request before the April 28, 2021 meeting at which the Board was to formally act to approve the application.

- (b) Commercial Multiple Dock License. Issue a Commercial Multiple Dock license for 32 BSUs for overnight storage, with no transient slips, as shown on the Site Plan (Exhibit A).
2. Conditions. The approvals granted in this Order are subject to, and conditioned upon, compliance with the following:
- (a) The Applicant will provide access to the toilet and sanitation facilities disposal on the site for persons using the Commercial Multiple Dock facility.
  - (b) The Commercial Multiple Dock license issued herein is unique to the Applicant. Upon transfer of ownership of the Subject Property to another individual or entity, such individual or entity will be required to apply for a new license and any other approvals from the Board that may be required.
  - (c) Failure of the Applicant to comply with any relevant regulation of the LMCD or other regulatory body may result in revocation of these approvals.
  - (d) Length overall of the watercraft stored at the subject facility shall be no longer than four feet beyond the boat storage unit. Length overall is defined as the horizontal measurement for the foremost to the outmost points of the watercraft including all equipment and attachments in their normal operating position.
  - (e) Dock lighting must be sufficient and meet applicable codes be approved by LMCD staff.
  - (f) Dock structures shall remain and be maintained in strict compliance with the Site Plan (Exhibit A) as approved.
  - (g) The Subject Property must be maintained and operated in compliance with all other provisions of this Code including, but not limited to, noise standards, zoning requirements, and other applicable regulations, ordinances and state law.
  - (h) The subject facility is not approved for a port of call, watercraft for hire may not berth at the subject facility, and rental watercraft businesses may not operate out of the subject facility.
  - (i) Canopies as defined by LMCD Code are not permitted at the subject facility. Fabric coverings that do not meet the definition of a canopy are permitted.
3. Authorizations. The LMCD staff is hereby authorized and directed to issue the approved Commercial Multiple Dock License for the Subject Property and to take such other actions as may be needed to ensure compliance with this Order and the requirements of the Code.
4. Single Order. This order replaces the previous Multiple Dock License issued for the Club use and the previous Special Density license, both of which are hereby repealed.



BY ORDER OF THE BOARD OF DIRECTORS of the Lake Minnetonka Conservation  
District this 11<sup>th</sup> day of August 2021.

/s/Gregg Thomas  
Gregg Thomas, Chair

ATTEST: /s/Dan Baasen  
Dan Baasen, Secretary



**LAKE MINNETONKA CONSERVATION DISTRICT**

5341 MAYWOOD ROAD, SUITE 200 • MOUND, MINNESOTA 55364 • TELEPHONE 952/745-0789 • FAX 952/745-9085

**DATE:** March 23, 2022 (Prepared March 18, 2022)

**TO:** LMCD Board of Directors

**FROM:** Vickie Schleuning, Executive Director *Vickie Schleuning*

**SUBJECT:** 2021 Financial Audit: Annual Presentation

**ACTION**

Board review and acceptance of the 2021 Financial Audit Report, provided by Abdo, Eick & Meyers, LLP.

**BACKGROUND**

Abdo, Eick, & Meyers, LLP has provided a report detailing the process and results of the LMCD's 2021 financial audit. A highlight of the audit will be presented. The findings indicate the LMCD financial position for 2021 was in accordance with accounting principles generally accepted in the United States.

**BUDGET**

This is a review of the 2021 financial status.

**STRATEGIC PRIORITIES**

Operational Effectiveness     Clear & Timely Communications     Effective Governance     Lake Protection     Other

**ATTACHMENT**

- Presentation
- Financial Audit Report
- Financial Management Communication



*Lighting the path forward*

# Lake Minnetonka Conservation District

2021 Financial Statement Audit

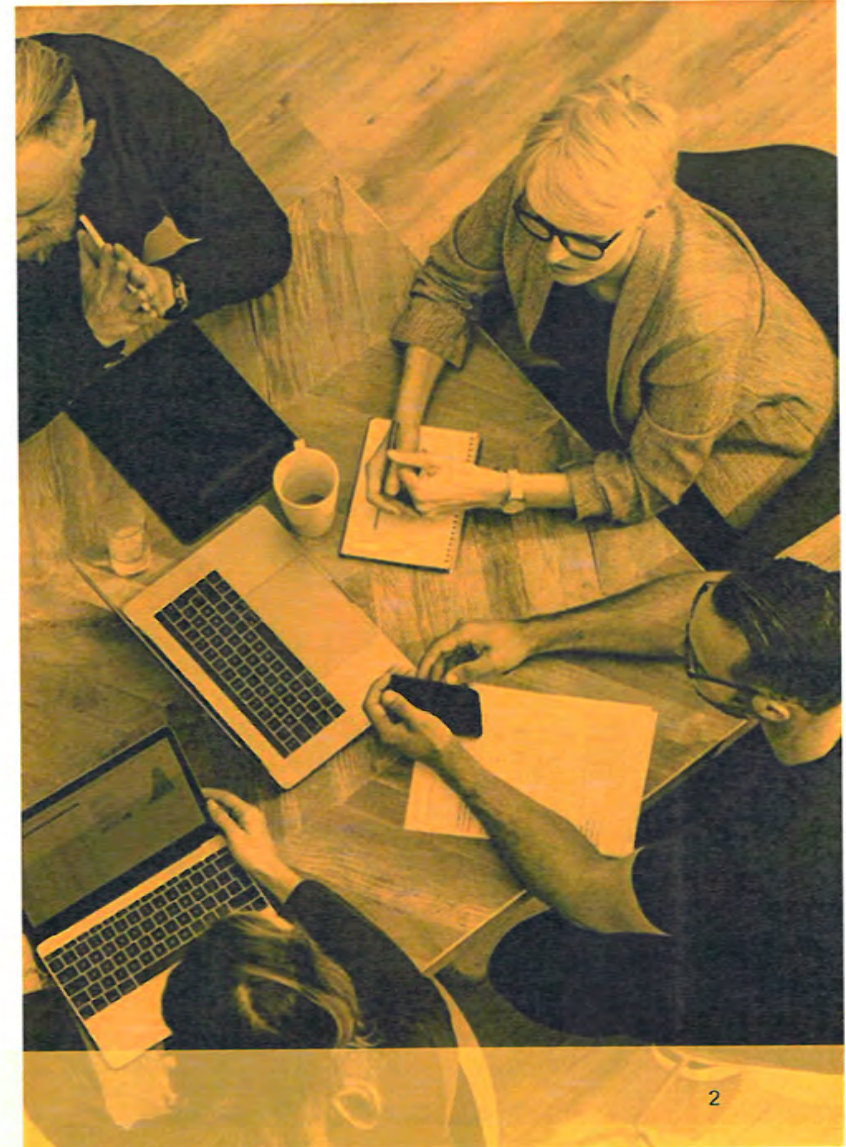
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# Introduction

- Audit Opinion and Responsibility
- General Fund Results
- Other Governmental Funds



# Audit Results

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Auditor's Opinion



Unmodified Opinion

Minnesota Legal  
Compliance



No Compliance Issues

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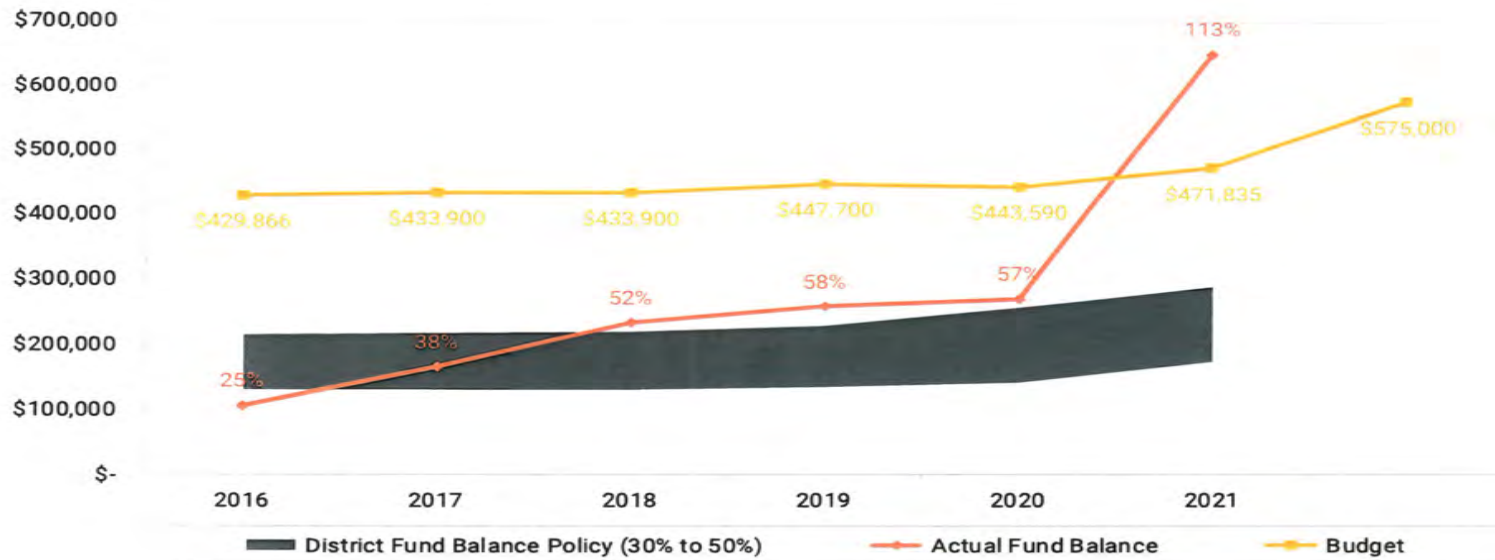
# Audit Results

## 2021 Audit Findings

- Preparation of Financial Statements
  - Internal Control Finding



# General Fund Fund Balances



The LMCD fund balance policy references a 30-50% unrestricted general fund balance compared to next years budgeted expenditures. 30-50% is considered an industry standard. Note that in 2021 the Equipment Replacement and AIS funds were transferred into the General fund which caused the large increase.

# General Fund Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 470,415	\$ 488,771	\$ 18,356
Expenditures	<u>471,835</u>	<u>452,543</u>	<u>19,292</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,420)	36,228	37,648
Other Financing Sources Operating transfers in	<u>2,385</u>	<u>342,191</u>	<u>339,806</u>
Net Change in Fund Balance	965	378,419	377,454
Fund Balances, January 1	<u>270,620</u>	<u>270,620</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 271,585</u>	<u>\$ 649,039</u>	<u>\$ 377,454</u>



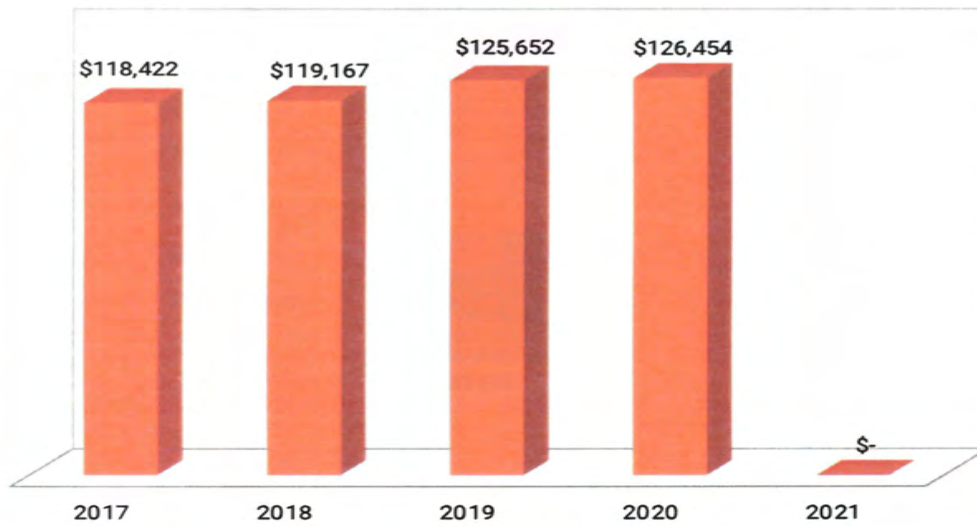
# Invasive Species Budget to Actual

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 75,825	\$ 101,442	\$ 25,617
Expenditures	<u>81,165</u>	<u>63,120</u>	<u>18,045</u>
Deficiency of revenues over expenditures	(5,340)	38,322	43,662
Other financing uses			
Operating transfers in	4,375	-	(4,375)
Transfer out	<u>-</u>	<u>(195,300)</u>	<u>(195,300)</u>
Net Change in Fund Balances	(965)	(156,978)	(156,013)
Fund Balances, January 1	<u>156,978</u>	<u>156,978</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 156,013</u>	<u>\$ -</u>	<u>\$ (156,013)</u>

# Save the Lake Budget to Actual

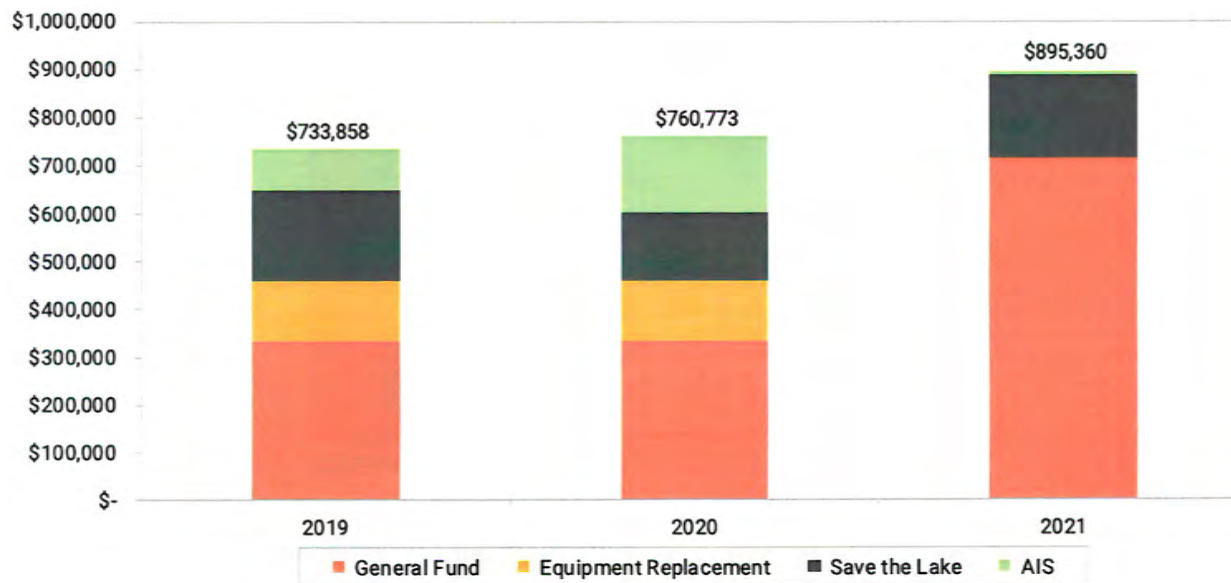
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
Revenues	\$ 41,705	\$ 119,388	\$ 77,683
Expenditures	<u>92,000</u>	<u>88,874</u>	<u>3,126</u>
Excess of revenues over expenditures	(50,295)	30,514	80,809
Other Financing Sources (Uses) Transfer in	<u>295</u>	<u>-</u>	<u>(295)</u>
Net Change in Fund Balances	(50,000)	30,514	80,514
Fund Balances, January 1	<u>143,656</u>	<u>143,656</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 93,656</u>	<u>\$ 174,170</u>	<u>\$ 80,514</u>

**Fund Balance - Equipment Replacement**



# Equipment Replacement Fund Balance

# Cash Balances by Fund Type



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# Your Abdo Team



Steve McDonald, CPA  
Managing Partner

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Jason Fagan  
Intern

---

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# Annual Financial Report

## Lake Minnetonka Conservation District

Mound, Minnesota

For the year ended December 31, 2021



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Lake Minnetonka Conservation District  
Mound, Minnesota  
Annual Financial Report  
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For the Year Ended December 31, 2021

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INTRODUCTORY SECTION  
LAKE MINNETONKA CONSERVATION DISTRICT  
MOUND, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2021

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Lake Minnetonka Conservation District  
Mound, Minnesota  
Board of Directors and Appointed Officials  
For the Year Ended December 31, 2021

**BOARD OF DIRECTORS**

Name	Member City	Position on Board
Gregg Thomas	Tonka Bay	Chair
Ann Hoelscher	Victoria	Vice Chair
Rich Anderson	Orono	Treasurer
Dan Baasen	Wayzata	Secretary
Bill Cook	Greenwood	Director
Ben Brandt	Mound	Director
Mark Chase	Spring Park	Director
Michael Kirkwood	Minnetrissa	Director
Dennis Klohs	Minnetonka Beach	Director
Mark Kroll	Excelsior	Director
Denny Newell	Woodland	Director
Nicole Stone	Minnetonka	Director
Jake Walesch	Deephaven	Director
Deborah Zorn	Shorewood	Director

**APPOINTED OFFICIALS**

Name	Title
Vickie Schleuning	Executive Director
Tammy Duncan	Administrative Assistant
Matthew Cook	Environmental Administrative Technician

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FINANCIAL SECTION  
LAKE MINNETONKA CONSERVATION DISTRICT  
MOUND, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2021

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Lake Minnetonka Conservation District  
Mound, Minnesota

### **Report on Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lake Minnetonka Conservation District (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, of the District as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison for the General, Invasive Species Management, and Save the Lakes fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Lake Minnetonka Conservation District ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 15, and the Schedules of Employer's Share of the Net Pension Liability and the Schedules of Employer's Contributions, starting on page 48, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



**Abdo**  
Minneapolis, Minnesota  
March 17, 2022



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## Management's Discussion and Analysis

As management of Lake Minnetonka Conservation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2021.

### Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$728,420 (*net position*). Of this amount, \$658,006 (*unrestricted net position*) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net position increased by \$124,757 due to an overall increase in revenues. In particular the Save the Lake fund experienced a significant increase in donation revenue in 2021. There was also an increase in court fines and less personal service expenditures because of a vacant position.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$823,209, an increase of \$125,501 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General fund was \$647,348, or 143.0 percent of total General fund expenditures. An additional portion of the fund balance for the General fund, \$1,691, is nonspendable for prepaid items. Further discussion of this fund is detailed on page 18 under "2021 General Fund Budgetary Highlights".
- At the end of the current fiscal year, the fund balance for the Save the Lake fund was \$174,170. This is an increase of \$30,514 in comparison with the prior year.
- At year end the District has \$10,199 of accounts payable outstanding as well as \$78,250 earmarked for 2022 water patrol services.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal period (e.g., earned but unused vacation leave).

The government-wide financial statements can be found starting on page 22 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and changes in fund balance for the General fund, Save the Lake, Invasive Species Management and Equipment Replacement fund.

The District adopts an annual appropriated budget for its General fund, Invasive Species Management and Save the Lake fund. A budgetary comparison statement has been provided for the General fund to demonstrate compliance with their budget. The fund financial statements can be found starting on page 26 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 33 of this report.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$728,420 at the close of the most recent fiscal year.

### Lake Minnetonka Conservation District Summary of Net Position

	December 31,		Increase (Decrease)
	2021	2020	
Assets			
Current	\$ 901,166	\$ 774,665	\$ 126,501
Capital, net of accumulated depreciation	70,414	79,123	(8,709)
Total Assets	<u>971,580</u>	<u>853,788</u>	<u>117,792</u>
Deferred Outflows of Resources	<u>102,854</u>	<u>34,521</u>	<u>68,333</u>
Liabilities			
Current	86,726	85,053	1,673
Noncurrent	142,120	185,984	(43,864)
Total Liabilities	<u>228,846</u>	<u>271,037</u>	<u>(42,191)</u>
Deferred Inflows of Resources	<u>117,168</u>	<u>13,609</u>	<u>103,559</u>
Net Position			
Investment in capital assets	70,414	79,123	(8,709)
Unrestricted	<u>658,006</u>	<u>524,540</u>	<u>133,466</u>
Total Net Position	<u>\$ 728,420</u>	<u>\$ 603,663</u>	<u>\$ 124,757</u>

A portion of the District's net position (9.7 percent) reflects its net investment in capital assets (e.g., machinery and equipment). The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

The remaining balance of unrestricted net position (\$658,006) may be used to meet the District's ongoing obligations to citizens and creditors.

**Governmental Activities.** Governmental activities increased the District’s net position by \$124,757. Key elements of this increase are as follows:

### Lake Minnetonka Conservation Districts Changes in Net Position

	December 31,		Increase (Decrease)
	2021	2020	
Revenues			
Program			
Charges for services	\$ 121,751	\$ 111,494	\$ 10,257
Operating grants and contributions	586,017	453,534	132,483
General			
Unrestricted investment earnings	2,045	4,752	(2,707)
Miscellaneous	317	468	(151)
Total Revenues	<u>710,130</u>	<u>570,248</u>	<u>139,882</u>
Expenses			
Conservation of natural resources	377,258	436,905	(59,647)
Save the lake	88,874	47,437	41,437
Aquatic invasive species	68,983	26,226	42,757
Loss on sale of capital assets	<u>(20,100)</u>	<u>-</u>	<u>(20,100)</u>
Total Expenses	<u>515,015</u>	<u>510,568</u>	<u>4,447</u>
Change in Net Position	195,115	59,680	135,435
Net Position, January 1	<u>603,663</u>	<u>543,983</u>	<u>59,680</u>
Net Position, December 31,	<u>\$ 798,778</u>	<u>\$ 603,663</u>	<u>\$ 195,115</u>

#### Financial Analysis of the Government’s Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the District’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District’s financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$823,209, an increase of \$125,501 in comparison with the prior year.

#### 2021 General Fund Budgetary Highlights

- Overall revenue was over budget by \$18,356. This excess is mainly due to more fines and forfeiture revenue than originally budgeted for.
- Overall expenditures incurred were under the budgeted amount by \$19,292. This is mainly related to less personal services expenses than originally budgeted for.

### **2021 Save the Lake Fund Budgetary Highlight**

- Overall revenue was over budget by \$77,683. This was due to more than budgeted contributions and donations. The fund also received an interest allocation amount of \$392, which was under budget by \$1,313.
- Overall expenditures incurred were under budget by \$3,126. This was due to the operating supplies category being under budget by \$1,836.

### **2021 Invasive Species Management Fund Budgetary Highlight**

- Overall revenue was over budget by \$25,617. This was due to grant revenue from Hennepin County.
- Overall expenditures incurred were less than budget by \$18,045. This was due to less expenses related to operating supplies than anticipated.

### **Capital Assets**

The District's investment in capital assets for its governmental activities as of December 31, 2021, amounts to \$70,414 (net of accumulated depreciation).

### **Economic Factors and Next Year's Budgets**

- The overall budget will increase by 10.7% (\$659,000 compared to \$595,000 in 2020) from the original budget.
- The overall levy to the District member cities for 2022 will decrease by 20% (\$300,000 compared to \$375,000 in 2021) from the original budget.
- The organization will continue initiatives to strategically address aquatic invasive species lake-wide, evolving its role and funding.

### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Vickie Schleuning, Lake Minnetonka Conservation District, 5341 Maywood Road, Suite 200, Mound, Minnesota, 55364.



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GOVERNMENT-WIDE FINANCIAL STATEMENTS

LAKE MINNETONKA CONSERVATION DISTRICT  
MOUND, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2021

Lake Minnetonka Conservation District  
Mound, Minnesota  
Statement of Net Position  
December 31, 2021

	Governmental Activities
<b>Assets</b>	
Cash and temporary investments	\$ 895,360
Accounts receivable	1,515
Due from other governments	2,600
Prepaid items	1,691
Capital assets (net of accumulated depreciation)	
Machinery and equipment	70,414
Total Assets	971,580
<b>Deferred Outflows of Resources</b>	
Deferred pension resources	102,854
<b>Liabilities</b>	
Accounts payable	10,199
Salaries and wages payable	4,183
Unearned revenue	63,575
Noncurrent liabilities	
Due within one year	8,769
Net pension liability	128,113
Due in more than one year	14,007
Total Liabilities	228,846
<b>Deferred Inflows of Resources</b>	
Deferred pension resources	117,168
<b>Net Position</b>	
Investment in capital assets	70,414
Unrestricted	658,006
Total Net Position	\$ 728,420

The notes to the financial statements are an integral part of this statement.

Lake Minnetonka Conservation District  
Mound, Minnesota  
Statement of Activities  
For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Conservation of natural resources	\$ 377,258	\$ 121,751	\$ 366,021	\$ 110,514
Save the lake	88,874	-	118,996	30,122
Aquatic invasive species	68,983	-	101,000	32,017
Equipment replacement	70,358	-	-	(70,358)
Total	<u>\$ 605,473</u>	<u>\$ 121,751</u>	<u>\$ 586,017</u>	<u>102,295</u>
General Revenues				
Unrestricted investment earnings				2,045
Sale of capital assets				20,100
Miscellaneous revenue				317
Total General Revenues				<u>22,462</u>
Change in Net Position				124,757
Net Position, January 1				<u>603,663</u>
Net Position, December 31				<u>\$ 728,420</u>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS  
LAKE MINNETONKA CONSERVATION DISTRICT  
MOUND, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2021

Lake Minnetonka Conservation District  
Mound, Minnesota  
Balance Sheet  
Governmental Funds  
December 31, 2021

	Special Revenue			Capital Project	Total
	General	Save the Lake	Invasive Species Management	Equipment Replacement	
<b>Assets</b>					
Cash and temporary investments	\$ 714,390	\$ 174,170	\$ 6,800	\$ -	\$ 895,360
Accounts receivable	1,515	-	-	-	1,515
Due from other governments	2,600	-	-	-	2,600
Prepaid items	1,691	-	-	-	1,691
<b>Total Assets</b>	<b>\$ 720,196</b>	<b>\$ 174,170</b>	<b>\$ 6,800</b>	<b>\$ -</b>	<b>\$ 901,166</b>
<b>Liabilities</b>					
Accounts payable	\$ 3,399	\$ -	\$ 6,800	\$ -	\$ 10,199
Salaries and wages payable	4,183	-	-	-	4,183
Unearned revenue	63,575	-	-	-	63,575
<b>Total Liabilities</b>	<b>71,157</b>	<b>-</b>	<b>6,800</b>	<b>-</b>	<b>77,957</b>
<b>Fund Balances</b>					
Nonspendable					
Prepays items	1,691	-	-	-	1,691
Committed					
Purchases from donated funds	-	95,920	-	-	95,920
2022 water patrol	-	78,250	-	-	78,250
Unassigned	647,348	-	-	-	647,348
<b>Total Fund Balances</b>	<b>649,039</b>	<b>174,170</b>	<b>-</b>	<b>-</b>	<b>823,209</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 720,196</b>	<b>\$ 174,170</b>	<b>\$ 6,800</b>	<b>\$ -</b>	<b>\$ 901,166</b>

The notes to the financial statements are an integral part of this statement.

Lake Minnetonka Conservation District  
 Mound, Minnesota  
 Reconciliation of the Balance Sheet  
 to the Statement of Net Position  
 Governmental Funds  
 December 31, 2021

Amounts reported for governmental activities in the statement of net position are different because

Total Fund Balances - Governmental Funds	\$ 823,209
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental fund.</p>	
Cost of capital assets	155,233
Less: accumulated depreciation	(84,819)
<p>Noncurrent liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>	
<p>Noncurrent liabilities at year-end consist of</p>	
Compensated absences payable	(22,776)
Net pension liability	(128,113)
<p>Governmental funds do not report long-term amounts related to pensions</p>	
Deferred outflows of pension resources	102,854
Deferred inflows of pension resources	(117,168)
Total Net Position - Governmental Activities	\$ 728,420

The notes to the financial statements are an integral part of this statement



Lake Minnetonka Conservation District  
Mound, Minnesota  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2021

	General	Revenues Provided by Donations	Revenues Provided by Dues	Capital Project	Total
		Special Revenue	Invasive Species Management	Equipment Replacement	
		Save the Lake			
<b>Revenues</b>					
Intergovernmental					
Membership dues	\$ 300,000	\$ -	\$ 75,000	\$ -	\$ 375,000
County	-	-	26,000	-	26,000
License and permits	121,751	-	-	-	121,751
Fine and forfeitures	60,248	-	-	-	60,248
Contributions and donations	-	118,996	-	-	118,996
Interest on investments	874	392	442	337	2,045
Miscellaneous	5,898	-	-	-	5,898
<b>Total Revenues</b>	<b>488,771</b>	<b>119,388</b>	<b>101,442</b>	<b>337</b>	<b>709,938</b>
<b>Expenditures</b>					
Current					
Personal services	280,447	6	-	-	280,453
Operating supplies	5,229	164	51,812	-	57,205
Public services	-	88,704	7,500	-	96,204
Repair and maintenance	8,400	-	404	-	8,804
Contract fees	-	-	20	-	20
Legal fees	61,233	-	-	-	61,233
Other services	5,871	-	-	-	5,871
Other charges	60,027	-	3,384	-	63,411
Capital outlay	31,336	-	-	-	31,336
<b>Total Expenditures</b>	<b>452,543</b>	<b>88,874</b>	<b>63,120</b>	<b>-</b>	<b>604,537</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,228	30,514	38,322	337	105,401
<b>Other Financing Sources (Uses)</b>					
Transfer in	342,191	-	-	-	342,191
Proceeds on sale of capital assets	-	-	-	20,100	20,100
Transfer out	-	-	(195,300)	(146,891)	(342,191)
<b>Total Other Financing     Sources (Uses)</b>	<b>342,191</b>	<b>-</b>	<b>(195,300)</b>	<b>(126,791)</b>	<b>20,100</b>
Net Change in Fund Balances	378,419	30,514	(156,978)	(126,454)	125,501
Fund Balances, January 1	270,620	143,656	156,978	126,454	697,708
Fund Balances, December 31	\$ 649,039	\$ 174,170	\$ -	\$ -	\$ 823,209

The notes to the financial statements are an integral part of this statement.

Lake Minnetonka Conservation District  
 Mound, Minnesota  
 Reconciliation of the Statement of  
 Revenues, Expenditures and Changes in Fund Balances  
 to the Statement of Activities  
 Governmental Funds  
 For the Year Ended December 31, 2021

Amounts reported for governmental activities in the statement of activities are different because

Total Net Change in Fund Balances - Governmental Funds	\$ 125,501
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.</p>	
Capital outlay	71,450
Depreciation expense	(9,801)
Book value of disposed assets	(70,358)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Compensated absences	(2,564)
<p>Long-term pension activity is not reported in governmental funds</p>	
Pension revenue	317
Negative pension expense	10,212
	10,212
Change in Net Position - Governmental Activities	\$ 124,757

The notes to the financial statements are an integral part of this statement.

Lake Minnetonka Conservation District  
Mound, Minnesota  
Statement of Revenue, Expenditures and Changes in Fund Balances  
Budget and Actual  
General, Invasive Species Management and Save the Lake Funds  
For the Year Ended December 31, 2021

	General			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental				
Membership dues	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Public agencies	1,500	1,500	-	(1,500)
Licenses and permits	120,000	120,000	121,751	1,751
Fines and forfeits	45,000	45,000	60,248	15,248
Contributions and donations	-	-	-	-
Interest on investments	2,915	2,915	874	(2,041)
Miscellaneous	1,000	1,000	5,898	4,898
Total Revenues	<u>470,415</u>	<u>470,415</u>	<u>488,771</u>	<u>18,356</u>
Expenditures				
Current				
Personal services	299,500	299,500	280,447	19,053
Operating supplies	9,685	9,685	5,229	4,456
Public services	-	-	-	-
Repair and maintenance	7,000	7,000	8,400	(1,400)
Contract fees	-	-	-	-
Legal fees	68,700	68,700	61,233	7,467
Other services	13,650	13,650	5,871	7,779
Other charges	70,800	70,800	60,027	10,773
Capital outlay	2,500	2,500	31,336	(28,836)
Total Expenditures	<u>471,835</u>	<u>471,835</u>	<u>452,543</u>	<u>19,292</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,420)</u>	<u>(1,420)</u>	<u>36,228</u>	<u>37,648</u>
Other Financing Sources (Uses)				
Transfer in	2,385	2,385	342,191	339,806
Transfer out	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,385</u>	<u>2,385</u>	<u>342,191</u>	<u>339,806</u>
Net Change in Fund Balances	965	965	378,419	377,454
Fund Balances, January 1	<u>270,620</u>	<u>270,620</u>	<u>270,620</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 271,585</u>	<u>\$ 271,585</u>	<u>\$ 649,039</u>	<u>\$ 377,454</u>

The notes to the financial statements are an integral part of this statement.

Invasive Species Management				Save the Lake			
Budgeted Amounts		Actual Amounts	Variance with Final Budget	Budgeted Amounts		Actual Amounts	Variance with Final Budget
Original	Final			Original	Final		
\$ 75,000	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	26,000	26,000	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	40,000	40,000	118,996	78,996
825	825	442	(383)	1,705	1,705	392	(1,313)
-	-	-	-	-	-	-	-
<u>75,825</u>	<u>75,825</u>	<u>101,442</u>	<u>25,617</u>	<u>41,705</u>	<u>41,705</u>	<u>119,388</u>	<u>77,683</u>
-	-	-	-	-	-	6	(6)
67,620	67,620	51,812	15,808	2,000	2,000	164	1,836
9,900	9,900	7,500	2,400	40,000	90,000	88,704	1,296
2,000	2,000	404	1,596	-	-	-	-
1,545	1,545	20	1,525	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
100	100	3,384	(3,284)	-	-	-	-
-	-	-	-	-	-	-	-
<u>81,165</u>	<u>81,165</u>	<u>63,120</u>	<u>18,045</u>	<u>42,000</u>	<u>92,000</u>	<u>88,874</u>	<u>3,126</u>
<u>(5,340)</u>	<u>(5,340)</u>	<u>38,322</u>	<u>43,662</u>	<u>(295)</u>	<u>(50,295)</u>	<u>30,514</u>	<u>80,809</u>
4,375	4,375	-	(4,375)	295	295	-	(295)
-	-	(195,300)	(195,300)	-	-	-	-
<u>4,375</u>	<u>4,375</u>	<u>(195,300)</u>	<u>(199,675)</u>	<u>295</u>	<u>295</u>	<u>-</u>	<u>(295)</u>
(965)	(965)	(156,978)	(156,013)	-	(50,000)	30,514	80,514
<u>156,978</u>	<u>156,978</u>	<u>156,978</u>	<u>-</u>	<u>143,656</u>	<u>143,656</u>	<u>143,656</u>	<u>-</u>
<u>\$ 156,013</u>	<u>\$ 156,013</u>	<u>\$ -</u>	<u>\$ (156,013)</u>	<u>\$ 143,656</u>	<u>\$ 93,656</u>	<u>\$ 174,170</u>	<u>\$ 80,514</u>

The notes to the financial statements are an integral part of this statement.

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Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

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

**A. Reporting Entity**

The Lake Minnetonka Conservation District (the District) was established under laws 1967, chapter 907 and laws 1969, chapter 272 of the Minnesota statutes and consists of a 14 member Board of Directors (the Board) composed of representatives from each member. The purpose of the District is to regulate and monitor the use of Lake Minnetonka. The Board exercises legislative authority and determines all matters of policy. The Board appoints personnel responsible for the proper administration of all affairs relating to the District's activities. The District has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The District has no component units that meet the GASB criteria.

**B. Basis of Presentation - Government-wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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

Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Basis of 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 all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Fines, dues, licenses and interest become measurable and available when cash is received by the District and are recognized as revenue at that time.

Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

The District reports the following major governmental funds:

The *General fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Save the Lake fund* accounts for lake improvement projects on Lake Minnetonka. The fund is funded only through donations and interest income.

The *Invasive Species Management fund* accounts for revenue sources that are used to fund expenditures for milfoil control and aquatic invasive species prevention on Lake Minnetonka. The fund is funded only through dues and interest income. The fund has received public agency grants and contributions in prior years.

The *Equipment Replacement fund* accounts for revenue sources that are used to fund expenditures related to future equipment purchases.

As a general rule, the effect of interfund activity has been eliminated from government-wide financial statements.

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

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlement and donations. Revenue from grants, entitlements and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance**

***Cash and Cash Equivalents***

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The District may invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
6. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
7. Repurchase or reverse repurchase 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, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
8. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.



Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

**Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Lives in Years
Machinery and Equipment	5 - 15

**Deferred Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statements of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate the governmental net pension liability.

The total pension expense for the GERP was \$5,830 in 2021.

Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Compensated Absences***

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation, which will be paid to the employee upon separation without the considerations of number of years of service.

The District also has a policy that allows an employee to accumulate sick leave after three years of service at 25 percent up to 720 hours. Vacation time has a maximum accumulation of 160 hours. These are both payable upon termination.

A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General fund is typically used to liquidate governmental compensated absences payable.

***Deferred Inflows of Resources***

In addition to liabilities, the statement of net position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. The unavailable amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The item, deferred pension resources, is reported only in the statements of net position and results from actuarial calculations.

***Fund Balance***

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

*Nonspendable* - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

*Restricted* - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the Board, which is the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board modifies or rescinds the commitment by resolution.

*Assigned* - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the Board itself or by an official to which the governing body delegates the authority. The Board has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the Executive Director.

*Unassigned* - The residual classification for the General fund and also negative residual amounts in other funds. The District considers restricted amounts to be spent first when both restricted and unassigned fund balance is available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of fund balance when expenditures are made.

Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 1: Summary of Significant Accounting Policies (Continued)**

The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District has formally adopted a fund balance policy for the General fund. The District's policy is to maintain a minimum unassigned fund balance of 30 - 50 percent of budgeted expenditures for cash-flow timing needs.

**Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net position is displayed in three components

- a. Investment in capital assets - Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.
- b. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "investment in capital assets."

**Note 2: Stewardship, Compliance and Accountability**

**Budgetary Information**

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America for the General fund, Invasive Species Management and the Save the Lake fund. All annual appropriations lapse at year end. The District does not use encumbrance accounting.

The Board must, on or before July 1 each year, prepare and submit a detailed budget of the District's needs for the next calendar year to the governing body of each city in the District with a statement of the proportion of the budget to be provided by each city. The governing body of each city in the District shall review the budget and the Board, upon notice from a city, must hear objections to the budget. After the hearing, the Board may modify or amend the budget. Notice must be given to the city of modifications or amendments. The legal level of budgetary control is the fund level. There were budget amendments made during the year in the Save the Lake fund. All budget amendments were approved by the Board.

Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on Accounts**

**A. Deposits and Investments**

***Deposits***

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the District's deposits and investments may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. In accordance with Minnesota statutes and as authorized by the Board, the District maintains deposits at those depository banks, all of which are members of the Federal Reserve System.

Minnesota statutes require that all District deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

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

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a 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 selection should be approved by the District.

At year end, the District's carrying amount of deposits was \$895,060 and the bank balance was \$896,147. Of the bank balance, \$250,000 was covered by federal depository insurance. The remaining balance was covered by collateral held by the pledging financial institution's trust department in the District's name.

Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on Accounts (Continued)**

**Investments**

A reconciliation of cash and temporary investments as shown on the Statement of Net Position for the District follows:

	Total
Carrying Amount of Deposits	\$ 895,060
Cash on Hand	300
Total Cash and Temporary Investments	\$ 895,360

**B. Capital Assets**

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, being Depreciated				
Machinery and equipment	\$ 470,574	\$ 71,450	\$ (386,791)	\$ 155,233
Less Accumulated Depreciation for				
Machinery and equipment	(391,451)	(9,801)	316,433	(84,819)
Capital Assets, Net	\$ 79,123	\$ 61,649	\$ (70,358)	\$ 70,414

Depreciation expense was charged to functions/programs of the District as follows:

<b>Governmental Activities</b>	
Conservation of natural resources	\$ 3,938
Aquatic invasive species	5,863
Total	\$ 9,801

Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 3: Detailed Notes on Accounts (Continued)**

**C. Leases**

On June 23, 2018, the District entered into a five-year office lease agreement. Terms of the lease agreement require the District to make initial monthly base rental payments of \$1,570.45 through September 2019, increasing by 2.5 percent annually thereafter. The agreement can be renewed for an additional five years in 2023. Lease expense for 2021 was \$19,923. Future obligations of base rent are as follows:

Year Ending December 31,	Amount
2022	\$ 20,421
2023	20,931
Total	\$ 41,352

**D. Changes in Long-term Liabilities**

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Compensated					
Absences Payable	\$ 17,299	\$ 11,008	\$ (5,531)	\$ 22,776	\$ 8,769

Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 4: Defined Benefit Pension Plans - Statewide**

**A. Plan Description**

The District participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota statutes*, chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

All full-time and certain part-time employees of the District are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

**B. Benefits Provided**

PERA provides retirement, disability and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

General Employee Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

**C. Contributions**

*Minnesota statutes* chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2021 and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the General Employees Fund for the years ending December 31, 2021, 2020 and 2019 were \$16,042, \$15,910 and \$14,862 respectively. The District's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

**D. Pension Costs**

General Employees Fund Pension Costs

At December 31, 2021, the District reported a liability of \$128,113 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$3,923. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020 through June 30, 2021 relative to the total employer contributions received from all of PERA's participating employers. The District's proportion was 0.0030 percent, which was an increase of 0.0001 percent from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$ 128,113
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the District	<u>3,923</u>
Total	<u><u>\$ 132,036</u></u>

For the year ended December 31, 2021, the District recognized pension expense of a \$5,513 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$317 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2021, the District reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 656	\$ 3,906
Changes in Actuarial Assumptions	78,223	2,619
Net Difference between Projected and Actual Earnings on Plan Investments	-	110,643
Changes in Proportion	16,961	-
Contributions to PERA Subsequent to the Measurement Date	<u>7,014</u>	<u>-</u>
Total	<u><u>\$ 102,854</u></u>	<u><u>\$ 117,168</u></u>



Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

The \$7,014 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$	4,448
2022		5,629
2023		(1,143)
2024		(30,262)

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2021 actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan and 2.25 percent for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1 percent per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 29 years of service and 6.0 percent per year thereafter. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan is based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020. The recommended assumptions for that plan were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

The following changes in actuarial assumptions and plan provisions occurred in 2021:

General Employees Fund

Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Stocks	33.50 %	5.10 %
Alternative Assets (Private Markets)	25.00	5.90
Bonds (Fixed Income)	25.00	0.75
International Stocks	16.50	5.30
Total	<u>100.00 %</u>	

**F. Discount Rate**

The discount rate used to measure the total pension liability in 2021 was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund and the Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Lake Minnetonka Conservation District  
Mound, Minnesota  
Notes to the Financial Statements  
December 31, 2021

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

**G. Pension Liability Sensitivity**

The following presents the District’s proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	District Proportionate Share of NPL		
	1 Percent Decrease (6.50%)	Current (7.50%)	1 Percent Increase (8.50%)
General Employees Fund	\$ 261,286	\$ 128,113	\$ 18,837

**H. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**Note 5: Other Information**

**Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries insurance. The District obtains insurance through participation in the League of Minnesota Cities Insurance Trust (LMCIT) which is a risk sharing pool with approximately 800 other governmental units. The District pays an annual premium to LMCIT for its workers compensation and property and casualty insurance. The LMCIT is self-sustaining through member premiums and will reinsure for claims above a prescribed dollar amount for each insurance event. Settled claims have not exceeded the District’s coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The District’s management is not aware of any incurred but not reported claims.

**Note 6: COVID-19**

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus (“COVID-19”) and the risks to the international community as virus spreads globally. On March 11, 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. In response to the pandemic, the State of Minnesota has issued stay-at-home orders and other measures aimed at slowing the spread of the coronavirus.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Due to the rapid development and fluidity of this situation, the District cannot determine the ultimate impact that the COVID-19 pandemic will have on its financial condition, liquidity, and future revenue collection, and therefore any prediction as to the ultimate impact on the City’s financial condition, liquidity, and future results of its revenue collections is uncertain.

REQUIRED SUPPLEMENTARY INFORMATION  
LAKE MINNETONKA CONSERVATION DISTRICT  
MOUND, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2021

Lake Minnetonka Conservation District  
Mound, Minnesota  
Required Supplementary Information  
December 31, 2021

**Schedule of Employer's Share of PERA Net Pension Liability - General Employees Retirement Fund**

Fiscal Year Ending	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the District (b)	Total (a+b)	District's Covered Payroll (c)	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/21	0.0030 %	\$ 128,113	\$ 3,923	\$ 132,036	\$ 217,999	58.8 %	87.0 %
06/30/20	0.0029	173,868	5,380	179,248	219,211	79.3	79.0
06/30/19	0.0025	138,219	4,333	142,552	180,366	76.6	80.2
06/30/18	0.0024	133,142	4,229	137,371	158,391	84.1	79.5
06/30/17	0.0028	178,750	2,242	180,992	172,712	103.5	75.9
06/30/16	0.0028	227,346	2,931	230,277	180,868	125.7	68.9
06/30/15	0.0035	181,388	-	181,388	204,585	88.7	78.2

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

**Schedule of Employer's PERA Contributions - General Employees Retirement Fund**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	District's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/21	\$ 16,042	\$ 16,042	\$ -	\$ 213,893	7.5 %
12/31/20	15,910	15,910	-	212,137	7.5
12/31/19	14,862	14,862	-	198,160	7.5
12/31/18	13,036	13,036	-	173,817	7.5
12/31/17	11,838	11,838	-	157,840	7.5
12/31/16	13,036	13,036	-	173,813	7.5
12/31/15	14,733	14,733	-	196,440	7.5

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Lake Minnetonka Conservation District  
Mound, Minnesota  
Required Supplementary Information (Continued)  
December 31, 2021

**Notes to the Required Supplementary Information - General Employees Retirement Fund**

Changes in Actuarial Assumptions

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Lake Minnetonka Conservation District  
Mound, Minnesota  
Required Supplementary Information (Continued)  
December 31, 2021

**Notes to the Required Supplementary Information - General Employees Retirement Fund (Continued)**

Changes in Plan Provisions

2021 - There were no changes in plan provisions since the previous valuation.

2020 - Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 - There were no changes in plan provisions since the previous valuation.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

OTHER REQUIRED REPORT  
LAKE MINNETONKA CONSERVATION DISTRICT  
MOUND, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2021



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

Board of Directors  
Lake Minnetonka Conservation District  
Mound, 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 each major fund of the Lake Minnetonka Conservation District (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 17, 2022.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of public indebtedness, contracting and bidding, deposits and investments, conflicts of interest, claims and disbursements, miscellaneous provisions and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. 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 District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

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



**Abdo**  
Minneapolis, Minnesota  
March 17, 2022





# Management Communication

## Lake Minnetonka Conservation District

Mound, Minnesota

For the year ended December 31, 2021



### *Edina Office*

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Edina, MN 55436  
P 952.835.9090  
F 952.835.3261

### *Mankato Office*

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Mankato, MN 56001  
P 507.625.2727  
F 507.388.9139

March 17, 2022

Board of Directors  
Lake Minnetonka Conservation District  
Mound, Minnesota

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Lake Minnetonka Conservation District (the District), for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 30, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### **Our Responsibility under Auditing Standards Generally Accepted in the United States of America and Government Auditing Standards**

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control over financial reporting (internal control) of the District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

### **Significant Audit Findings**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control 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. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described below as item 2021-001 that we consider to be a significant deficiency.

**2021-001                      Preparation of Financial Statements**

*Condition:*                      We were requested to draft the audited financial statements and related footnote disclosures as part of our regular audit services. Ultimately, it is management's responsibility to provide for the preparation of your statements and footnotes, and the responsibility of the auditor to determine the fairness of presentation of those statements. It is our responsibility to inform you that this deficiency could result in a material misstatement to the financial statements that could have been prevented or detected by your management. Essentially, the auditors cannot be part of your internal control process.

*Criteria:*                      Internal controls should be in place to provide reasonable assurance over financial reporting.

*Cause:*                      From a practical standpoint, we both prepare the statements and determine the fairness of the presentation at the same time in connection with our audit. This is not unusual for us to do with organizations of your size.

*Effect:*                      The effectiveness of the internal control system relies on enforcement by management. The effect of deficiencies in internal controls can result in undetected errors. It is the responsibility of management and those charged with governances to make the decision whether to accept the degree of risk associated with this condition because of cost and other considerations. We have instructed management to review a draft of the auditor prepared financials in detail for accuracy; we have answered any questions that management might have, and have encouraged research of any accounting guidance in connection with the adequacy and appropriateness of classification of disclosures in your statements. We are satisfied that the appropriate steps have been taken provide you with the completed financial statements.

*Recommendation:*                      Under these circumstances, the most effective controls lie in management's knowledge of the District's financial operations. Regarding the specific situations listed above, we would offer the following specific recommendation: 1) Utilize a disclosure checklist to ensure all required disclosures are present and agree to work papers, and 2) Agree your QuickBooks receipt and disbursement information to the amounts reported in the financial statements plus any applicable accruals.

*Management Response:*

For now, the District's management accepts the degree of risk associated with this condition and thoroughly reviews a draft of the financial statements.



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters noncompliance with which could have a direct and material effect on financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported in accordance with *Government Auditing Standards* or Minnesota statutes.

## Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended December 31, 2021. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates made relate to estimated historical cost of the capital assets, depreciation on capital assets and the liability for the District's pensions.

- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.
- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

## Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

## Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

We also assisted in preparing a number of year end accounting entries. These were necessary to adjust the District's records at year end to correct ending balances. The District has increased the amount of year end journal entries made, such as accruals, the past two years and should continue to do so going forward.

## Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.



### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Matters**

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedules of Employer's Shares of the Net Pension Liability and the Schedules of Employer's Contributions), which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory or statistical sections which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.





## Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future District financial statements: <sup>(1)</sup>

### **GASB Statement No. 87 - Leases**

#### **Summary**

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

#### **Effective Date and Transition**

The requirements of this Statement are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter.

Leases should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or, if applied to earlier periods, the beginning of the earliest period restated). However, lessors should not restate the assets underlying their existing sales-type or direct financing leases. Any residual assets for those leases become the carrying values of the underlying assets.

#### **How the Changes in This Statement Will Improve Accounting and Financial Reporting**

This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

### **GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period**

#### **Summary**

The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.



## **Future Accounting Standard Changes (Continued)**

### **Effective Date and Transition**

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

### **How the Changes in This Statement Will Improve Accounting and Financial Reporting**

The requirements of this Statement will improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.

## **GASB Statement No. 91 - Conduit Debt Obligations**

### **Summary**

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements - often characterized as leases - that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

### **Effective Date and Transition**

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.



## Future Accounting Standard Changes (Continued)

### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

### GASB Statement No. 92 - Omnibus 2020

#### Summary

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.



## Future Accounting Standard Changes (Continued)

### Effective Date and Transition

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.

Earlier application is encouraged and is permitted by topic.

### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements.

### **GASB Statement No. 93** - *Replacement of Interbank Offered Rates*

#### Summary

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend



## Future Accounting Standard Changes (Continued)

### Effective Date and Transition

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR.

### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. More comparable reporting will improve the usefulness of information for users of state and local government financial statements.

## **GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements**

### Summary

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

### Effective Date and Transition

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.



## Future Accounting Standard Changes (Continued)

### **GASB Statement No. 95 - Postponement of the Effective Dates of Certain Authoritative Guidance**

#### **Summary**

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update - 2018
- Implementation Guide No. 2019-1, Implementation Guidance Update - 2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

#### **Effective Date and Transition**

The requirements of this Statement are effective immediately.

#### **How the Changes in This Statement Will Improve Accounting and Financial Reporting**

Providing governments with sufficient time to apply the authoritative guidance addressed in this Statement will help to safeguard the reliability of their financial statements, which in turn will benefit the users of those financial statements.



## Future Accounting Standard Changes (Continued)

### GASB Statement No. 96 - *Subscription-Based Information Technology Arrangements*

#### Summary

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

Under this Statement, a government generally should recognize a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, - which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

#### Effective Date and Transition

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

#### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.



## Future Accounting Standard Changes (Continued)

**GASB Statement No. 97** - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

### Summary

The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, Financial Reporting for Pension Plans, or paragraph 3 of Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively.

This Statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

This Statement supersedes the remaining provisions of Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, as amended, regarding investment valuation requirements for Section 457 plans. As a result, investments of all Section 457 plans should be measured as of the end of the plan's reporting period in all circumstances.

### Effective Date and Transition

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.





### Future Accounting Standard Changes (Continued)

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

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### Restriction on Use

This purpose of this communication is solely for the information and use of the Board of Directors, management and the Minnesota Office of the State Auditor, and is not intended to be, and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



**Abdo**  
Minneapolis, Minnesota  
March 17, 2022





# LAKE MINNETONKA CONSERVATION DISTRICT

5341 MAYWOOD ROAD, SUITE 200 • MOUND, MINNESOTA 55364 • TELEPHONE 952/745-0789 • FAX 952/745-9085

## ITEM 14B

**DATE:** March 23, 2022

**TO:** LMCD Board of Directors

**FROM:** Gregg Thomas, LMCD Board Chair

**SUBJECT:** Executive Director Salary Adjustment 2022

### ACTION

Board consideration of an annual base wage adjustment for the Executive Director.  
 The following motions are offered depending on whether the Board wishes to approve or deny the request.

#### Approval:

I make a motion to approve the annual base wage adjustment for the Executive Director in 2022 at a rate of 3.00 percent <or other percent> retroactive to January 1, 2022.

#### Denial:

I make a motion to deny the annual base wage adjustment for the Executive Director in 2022.

### BACKGROUND

Per the Personnel Policy, employees of the Lake Minnetonka Conservation District (LMCD) are compensated as established by the Board of Directors. Appropriate compensation is important to ensure the organization is competitive with market conditions in the area. The other LMCD employees received a 3.00 percent salary increase effective January 1, 2022.

Member cities were contacted to learn the annual base wage increases planned for employees in 2022. A comparison of annual base wage adjustment of member cities for 2022 is attached. Please note that at the time of inquiry, some rates were preliminary and not yet approved or not available. According to the Bureau of Labor Statistics, the consumer price index for all urban consumers summary for the past year ending December 31, 2021 was 5.3 percent compared to 1.4 percent in 2020.

#### **City Comparison of Annual Wage Adjustment**

City	% Wage Increase	Comments
Deephaven	3%	We are planning on a 3% wage increase for 2022
(Greenwood)		
(Woodland)		
Excelsior	3%	We are at 3% per the union contract

2022 Executive Director Salary Adjustment

LMCD Board Meeting, March 23, 2022

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Minnetonka	3.18%	We have a complicated pay system and not every employee will receive the same increase. For non-union, the average increase is anticipated to be 3.18%.
Minnetonka Beach		
Minnetrista	2.75%	Tentatively, we are anticipating a 2.75% cost of living wage increase for 2022. This is for non-union employees only. Union wage increases are spelled out in the labor agreements
Mound	3%	3% for Mound 2021, 2022, and 2023 was negotiated with our Bargaining Unit in 2021.
Orono	3%	Still being considered.
Shorewood		
Spring Park		
Tonka Bay		
Victoria	2%	The City of Victoria is proposing a 2% COLA increase
Wayzata	3%	3% COLA
<b>Mean</b>	<b>2.86</b>	
<b>Median</b>	<b>3</b>	

**BUDGET** \_\_\_\_\_

N/A

**STRATEGIC PRIORITIES** \_\_\_\_\_

Operational Effectiveness  
  Clear & Timely Communications  
  Effective Governance  
  Lake Protection  
  Other

**ATTACHMENT** \_\_\_\_\_

1. N/A

# ITEM 14C

Submitted by LMCD Board Chair Gregg Thomas

## Lake Minnetonka Conservation District Process to Review Wave Impact on Lake Minnetonka

### **Background**

The advent of wakesurfing and other boats capable of making larger waves on Lake Minnetonka has initiated discussion on what impacts the larger waves have on the ecology, shoreline erosion, and conflicting uses. The Lake Minnetonka Conservation District (LMCD) Board of Directors has received a number of public comments at their meetings both expressing concern about and support of wakesurf boats. To help address these questions the University of Minnesota St. Anthony Falls Laboratory (SAFL) issued a report in February 2022 entitled "A Field Study of Maximum Wave Height, Total Wave Energy, and Maximum Wave Power Produced by Four Recreational Boats on a Freshwater Lake." The LMCD Board has been waiting to review the study results before determining what, if any, action to take. At its February 9, 2022 workshop it was agreed to develop a process for moving forward recognizing the divergent views.

### **Process**

The LMCD Board will use their workshop sessions to receive input from the public and other stakeholders. Because this is an issue of interest to many, the workshop sessions will begin at 5:30 and end at 7:00 when the regular Board meeting begins. It is anticipated that it may take two or three workshops to hear all comments. Individuals representing differing viewpoints will be invited to address the Board. These meetings will be open to the public and speakers will be asked to limit their comments to 5 minutes. At the conclusion of each session, if time permits, others may ask to address the Board with a limit of 3 minutes per speaker. To move the process along speakers will be asked not to repeat points made by previous speakers.

After receiving input and reviewing relevant reports the Board will discuss what action, if any, to take. A decision will be made at a formal meeting. Options will include

1. Wait until the State passes a law
2. Wait until phase 2 on the SAFL report is published
3. Propose an ordinance that addresses
  - a. Distance from shore that boats must operate at low wake
  - b. Whether this distance should to different for different types of boats
  - c. Whether certain smaller bays should have different restrictions than larger bays
  - d. Whether there should be restricted hours or days for some recreational boating activities
  - e. Other?

## **Principles**

1. All participants will be respectful of others. Participants should be clear and succinct and do not need to repeat themselves.
2. If a speaker wants to agree with a previous comment, they should simply state that they agree and not repeat the points.
3. We should focus on the activity and the results of the activity not the type of boat.

## **Potential Interested Parties/Stakeholders**

St. Anthony Falls Laboratory (SAFL)  
Hennepin County Sherriff's Office (HCSO) Water Patrol  
Minnesota Department of Natural Resources (DNR)  
National Marine Manufacturers Association  
Water Sports Industry Association (WSIA)  
Citizens for Sharing Lake Minnetonka (CSLM)  
Tonka Bay Marina  
Minnesota Lakes and Rivers Advocates (MLR)  
SafeWakes for Minnesota Lakes  
Gabriel Jabbour  
Other?



## ITEM 14D

### LAKE MINNETONKA CONSERVATION DISTRICT

5341 MAYWOOD ROAD, SUITE 200 • MOUND, MINNESOTA 55364 • TELEPHONE 952/745-0789 • FAX 952/745-9085

**DATE:** March 23, 2022 (Prepared March 17, 2022)

**TO:** LMCD Board of Directors

**FROM:** Ben Brandt, LMCD AIS Committee Chair

**SUBJECT:** Resolution Approving 2022 AIS Management Funding Request for Black Lake, Browns Bay, and Crystal Bay

#### ACTION

Board consideration of a funding request from a representative of Black Lake, Brown's Bay, and Crystal Bay to support Aquatic Invasive Species (AIS) management activities on Lake Minnetonka. The motions are provided on separate documents for the Board to decide to approve or deny each request.

#### BACKGROUND

During the February 11, 2022, AIS Committee meeting – unanimous approval was given to fund AIS treatment programs on Black Lake, Browns Bay, and Crystal Bay, in 2022, as presented on the approved LMCD Aquatic Invasive Species Project Funding Application forms. The AIS Committee approved funding levels as follows:

1. Black Lake CLB and EWM:
  - a. 35% of remaining costs of surveys which estimates equal to \$3,750 and LMCD commitment not to exceed \$1,312.50.
  - b. 25% of estimated costs of treatment totaling \$10,740 and LMCD commitment not to exceed \$2,685.
  - c. TOTAL LMCD commitment not to exceed **\$3,997**.
2. Browns Bay CLP and EWM:
  - a. 35% of remaining costs of surveys which estimates equal to \$5,000 and LMCD commitment not to exceed \$1,750.
  - b. 25% of estimated costs of treatment totaling \$28,976 and LMCD commitment not to exceed \$7,244.
  - c. TOTAL LMCD commitment not to exceed **\$8,994**.
3. Crystal Bay CLP and EWM: Contingent upon receiving \$25,000 grant from the MN DNR applied to the \$67,804 total treatment estimate.
  - a. 35% of remaining costs of surveys which estimates equal to \$5,000 LMCD commitment not to exceed \$1,750.
  - b. 25% of estimated costs of treatment totaling \$67,804 minus \$25,000 DNR grant or estimated total of \$42,804 and LMCD commitment not to exceed \$10,701.
  - c. TOTAL LMCD commitment not to exceed **\$12,451**.

#### CONSIDERATIONS

N/A

**BUDGET** \_\_\_\_\_

N/A

**STRATEGIC PRIORITIES** \_\_\_\_\_

Operational Effectiveness     Clear & Timely Communications     Effective Governance     Lake Protection     Other

**ATTACHMENT** \_\_\_\_\_

- Motions Approving 2022 AIS Management Funding Requests
- Black Lake AIS Management Funding Request Application
- Brown's Bay AIS Management Funding Request Application
- Crystal Bay AIS Management Funding Request Application

Attachment- Motions

Board consideration of a funding request from a representative of each bay to support Aquatic Invasive Species (AIS) management activities on Lake Minnetonka. The following motions are offered depending on whether the Board wishes to approve or deny the request.

**Black Lake**

Approval:

I make a motion to authorize funding for Black Lake for Aquatic Invasive Species (AIS) management up to 35% for vegetation surveys and up to 25% for AIS treatment, with additional actual project costs and services rendered not to exceed \$4,000 of the estimated costs in the application. LMCD funding is contingent upon the applicant and/or bay raising the remaining balance of funding needed. The payment distribution will be approved via the Finance Committee and be made directly to the service provider upon verification and completion of the project.

Denial:

I make a motion to deny the Black Lake funding request for AIS management activities for the following reasons.

**Browns Bay**

Approval:

I make a motion to authorize funding for Browns Bay for Aquatic Invasive Species (AIS) management up to 35% for vegetation surveys and up to 25% for AIS treatment, with additional actual project costs and services rendered not to exceed \$9,000 of the estimated costs in the application. LMCD funding is contingent upon the applicant and/or bay raising the remaining balance of funding needed. The payment distribution will be approved via the Finance Committee and be made directly to the service provider upon verification and completion of the project.

Denial:

I make a motion to deny the Browns Bay funding request for AIS management activities for the following reasons.,

**Crystal**

Approval:

I make a motion to authorize funding for Crystal Bay for Aquatic Invasive Species (AIS) management up to 35% for vegetation surveys and up to 25% for AIS treatment, with additional actual project costs and services rendered not to exceed \$12,500 of the estimated costs in the application. LMCD funding is contingent upon the applicant and/or bay raising the remaining balance of funding needed. The payment distribution will be approved via the Finance Committee and be made directly to the service provider upon verification and completion of the project.

Denial:

I make a motion to deny the Crystal Bay funding request for AIS management activities for the following reasons...





# LMCD Aquative Invasive Species (AIS) Project Funding Application

For LMCD Use: Date Received \_\_\_\_\_

1. Applications can be any of the following:

- Initial Baywide Chemical Application for AIS Treatment
- Initial Baywide Surveys required to obtain DNR lisenice or permits
- Others to be determined as program is further developed by LMCD

The purpose of this application is to provide the LMCD's AIS Committee relevant information about the AIS initiative being requested for funding. The application will be reviewed by the AIS Committee for approval. Full LMCD Board of Directors approval is required for successful funding.

2. Project Title:

Phase I - Black Lake treatment of curlyleaf pondweed (CLP) and Eurasian water milfoil (EWM)

3. Contact Information of Applicant			
Name:	Lake Minnetonka Assoc. - Eric Evenson	Title or Position:	Director
Address:	Box 248		
Phone:	612-250-5514		
Email:	evensoneric@comcast.net		

4. Project Location: description and attach a map of the lake area

Black Lake, Black Lake is an approximately 93 acre, shallow lake located between Spring Park Bay and Seaton Lake in Lake Minnetonka (map attached). All except for a very small part of the bay is considered a littoral zone and EWM and CLP are found lakewide. In 2022, it is proposed that no more than 15% of the lake be treated for CLP (9.5 acres) and EWM (9.5 acres) as part of Phase I of the project and that a vegetation survey and Lake vegetation management plan (LVMP) be prepared.

5. Project Narrative: proposed project description, desired project timeline, other project partners (contractors, agencies, associations, stakeholders, professional service recommendations, etc.). Add additional information as appropriate.

Pre-treatment surveys will be done in May, 2022, to determine the actual treatment areas for CLP and EWM. It is estimated about 14 acres of EWM and 14 acres of CLP will be treated. Since no more than 15% of the littoral area will be treated, a variance from the MnDNR is not needed. A LVMP will be prepared as part of Phase I which will eliminate the need for a DNR variances for future treatments. Phase II will be done in 2023 and will include treatments in the rest of the bay. Surveys will be completed by Freshwater Scientific Services and treatments will be done by PLM Lake and Land Management. The LMA will be the project manager and fiscal agent. Delineation surveys and treatments will be completed prior to July 31, 2022. Post treatment surveys and the LVMP will be completed prior to September 31, 2022. Treatments will be scheduled to maximize their effectiveness. CLP will be treated with Diquat. EWM will be treated with a Diquat/ProcellaCOR combination. Copies of surveys and treatment reports will be provided to the MnDNR, LMCD, and the Minnesota AIS Research Center. Results from other bays treated with similar products and techniques have removed hundreds of acres nuisance invasive weeds from Lake Minnetonka and have increased the number and diversity of native plants in the bays treated.

6. Cost Estimate for project

Pre-treatment surveys:	\$ 1,250
Point intercept surveys and LVMP:	\$ 2,500
EWM Treatment (est. 14 acres):	\$ 8,320
CLP Treatment (est. 14 acres):	\$ 2,520
TOTAL Treatment Cost:	\$14,590

I certify that the information provided herein and any attachments hereto are true and correct statements to the best of my knowledge. I agree to the conditions of the funding, if granted; and I consent to permitting officers and agents of the District to investigate at all reasonable times and to determine compliance with conditions of the funding.

Submitted by:

Date:

The purpose of this program is to encourage others to invest in AIS research, identification and removal activities directly associated with Lake Minnetonka. This program is intended to help initiate, promote and support AIS prevention and removal in Lake Minnetonka. This project support is intended to help incubate new projects around the Lake. Additional pages may be necessary.



Seaton Channel

Black Lake



# LMCD Aquative Invasive Species (AIS) Project Funding Application

For LMCD Use: Date Received \_\_\_\_\_

1. Applications can be any of the following:

- Initial Baywide Chemical Application for AIS Treatment
- Initial Baywide Surveys required to obtain DNR liscence or permits
- Others to be determined as program is further developed by LMCD

The purpose of this application is to provide the LMCD's AIS Committee relevant information about the AIS initiative being requested for funding. The application will be reviewed by the AIS Committee for approval. Full LMCD Board of Directors approval is required for successful funding.

2. Project Title:

Browns Bay treatment of curlyleaf pondweed (CLP) and Eurasian water milfoil (EWM)

3. Contact Information of Applicant			
Name:	Lake Minnetonka Assoc. - Eric Evenson	Title or Position:	Director
Address:	Box 248		
Phone:	612-250-5514		
Email:	evensoneric@comcast.net		

4. Project Location: description and attach a map of the lake area

Lower Lake - Browns Bay. Browns Bay extends from the southernmost tip of Bracket's Point to the southernmost lip of Lookout Point. The Minnesota Department of Natural Resources (MnDNR) considers Browns Bay as part of Lake Minnetonka's Lower Lake. A EWM delineation survey completed in August, 2021 (attached), shows the approximate area to be treated for EWM is 29 acres. The proposed CLP treatment is located in the same general area; however, it is estimated to be about 65 acres. A pre-treatment survey will be done in May, 2022, to show the actual treatment area.

5. Project Narrative: proposed project description, desired project timeline, other project partners (contractors, agencies, associations, stakeholders, professional service recommendations, etc.). Add additional information as appropriate.

Pre-treatment surveys will be done in May, 2022, to determine the actual treatment areas for CLP and EWM. It is currently estimated about 29 acres of EWM and 65 acres of CLP will be treated. Since the treatment area is well below 15% of the littoral area, a variance from the MnDNR is not needed. Surveys will be completed by Freshwater Scientific Services and treatments will be done by PLM Lake and Land Management. The LMA will be the project manager and fiscal agent. Delineation surveys and treatments will be completed prior to July 31, 2022. Post treatment surveys will be completed prior to September 31, 2022. Treatments will be scheduled to maximize their effectiveness. CLP will be treated with Diquat. EWM will be treated with a Diquat/ProcellaCOR combination. Copies of surveys and treatment reports will be provided to the MnDNR, LMCD, and the Minnesota AIS Research Center. Results from other bays treated with similar products and techniques have removed hundreds of acres nuisance invasive weeds from Lake Minnetonka and have increased the number and diversity of native plants in the bays treated.

6. Cost Estimate for project

Pre-treatment surveys:	\$ 2,500
Post-treatment surveys:	\$ 2,500
EWM Treatment (est. 29 acres):	\$17,276
CLP Treatment (est. 65 acres):	\$11,700
TOTAL Treatment Cost:	\$33,976

I certify that the information provided herein and any attachments hereto are true and correct statements to the best of my knowledge. I agree to the conditions of the funding, if granted; and I consent to permitting officers and agents of the District to investigate at all reasonable times and to determine compliance with conditions of the funding.

Submitted by: L. Eric Evenson

Date: 1/30/2022

The purpose of this program is to encourage others to invest in AIS research, identification and removal activities directly associated with Lake Minnetonka. This program is intended to help initiate, promote and support AIS prevention and removal in Lake Minnetonka. This project support is intended to help incubate new projects around the Lake. Additional pages may be necessary.

## 2021 Eurasian Watermilfoil Delineation Survey

**Browns Bay** (*Lake Minnetonka, #27-0133*)  
Hennepin County, MN

Surveyed August 30, 2021



### Survey, Analysis, and Reporting by:

James A. Johnson – *Aquatic Ecologist, Freshwater Scientific Services, LLC*



## *Purpose of Survey*

This survey was conducted to document the distribution and abundance of Eurasian watermilfoil (EWM) growing in Browns Bay (Lake Minnetonka, #27-0133). Results from this survey will help to guide management decisions and will be required for DNR permits for aquatic plant control.

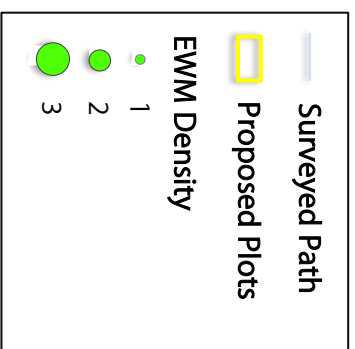
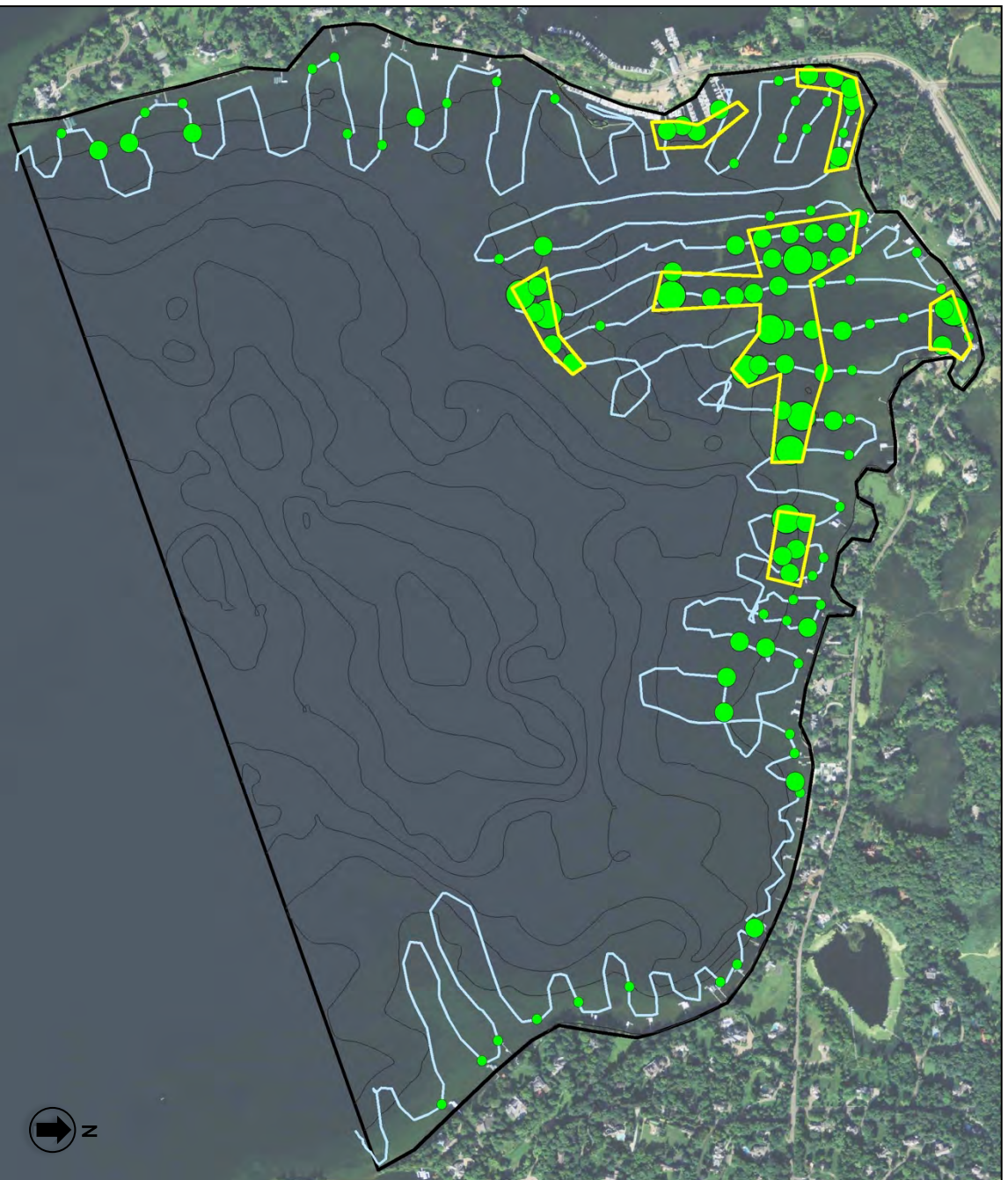
## *Survey Method*

### **Delineation Survey**

Freshwater Scientific Services surveyed the vegetated portion of Browns Bay on Aug 30, 2021. During this survey, we navigated a meandering path through the search area while using a combination of surface observations, sonar readings, and rake tosses to locate and delineate any areas of EWM growth. We used a hand-held Garmin GPS unit (GPS-MAP78) to record each of the locations where we encountered EWM, and also documented water depth and growth density (density rating; 1 to 3 scale as described below). The recorded water depths and plant densities were linked to the appropriate GPS locations and then mapped using desktop GIS software.

<b>Score</b>	<b>Visual</b>	<b>Rake</b>
<b>1</b>	Light / Solitary plants	1-2 stems
<b>2</b>	Moderate / Scattered dense patches	3 to 9 stems
<b>3</b>	Dense / Uniform dense growth	10+ stems

# Browns Bay (Lake Minnetonka, #27-0133) Eurasian Watermilfoil Delineation: 2021



Surveyed: Aug 30, 2021

Surveyor: JA Johnson

Methods: Visual, Rake, Sonar

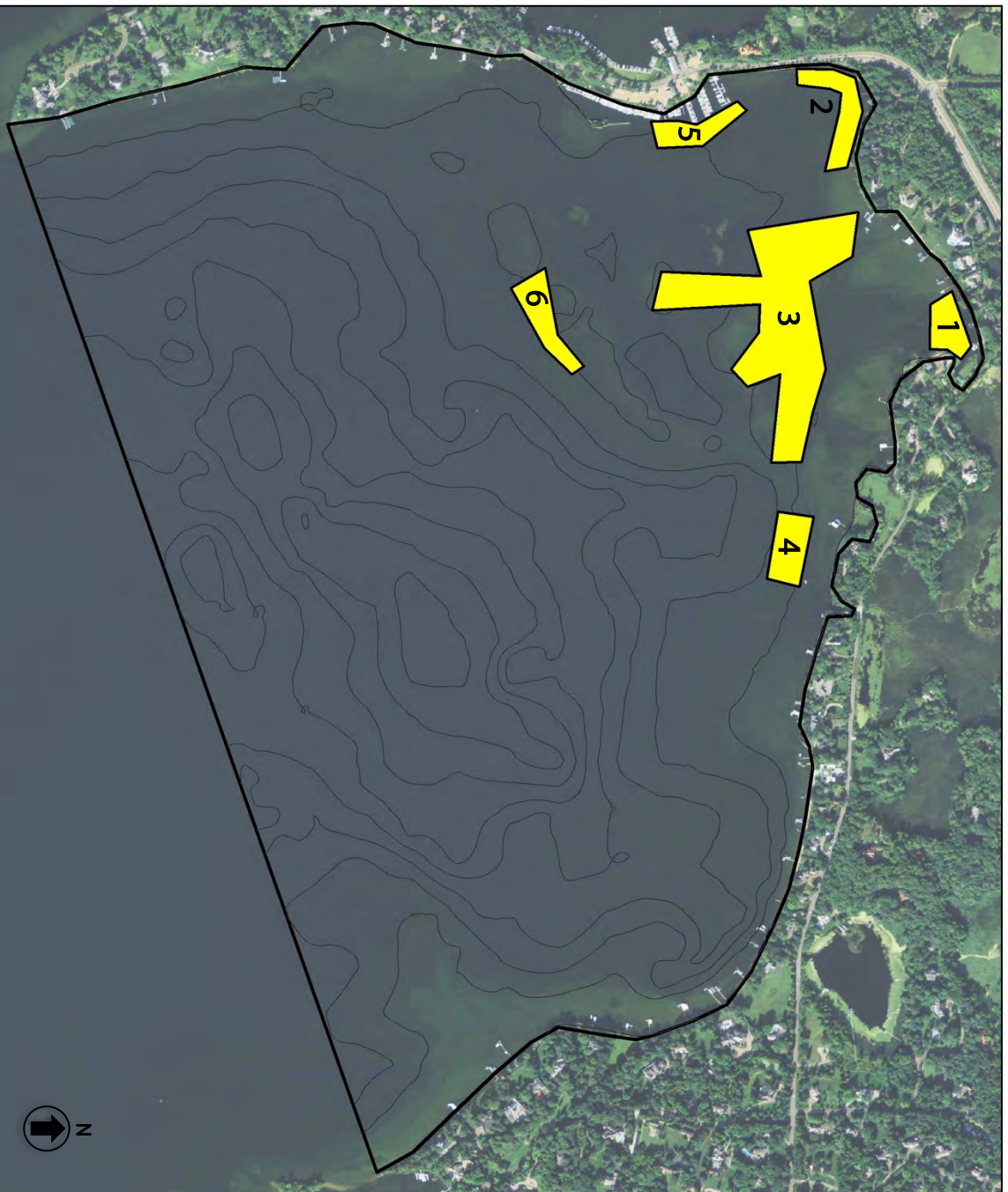
 **Certified Lake Manager**  
www.NALMS.org

Map produced for the  
Lake Minnetonka Association



15771 Creekside Lane  
Osseo, MN 55369  
fixmylake.com  
(651) 336-8696

## Browns Bay (Lake Minnetonka, #27-0133) Eurasian Watermilfoil Delineation: 2021




Proposed Plots

Plot	Area (acres)	Avg Depth (ft)	Avg EWM Density (1-3)
1	1.8	3.4	2.0
2	2.7	4.4	1.6
3	17.8	6.9	2.2
4	2.3	7.9	2.2
5	1.9	7.0	2.0
6	2.5	8.4	2.3

**Total 29.0 acres**


**Certified Lake Manager**  
[www.NALMS.org](http://www.NALMS.org)

Map produced for the  
 Lake Minnetonka Association  
  
 15771 Creekside Lane  
 Osseo, MN 55369  
[fxmnylake.com](http://fxmnylake.com)  
 (651) 336-8696

## *Online Resources & Contacts*

Minnesota Administrative Rules for Aquatic Plant Management

<https://www.revisor.mn.gov/rules/?id=6280>

Minnesota DNR – Aquatic Plant Management Regulations & Permit Application Forms

<http://www.dnr.state.mn.us/apm/index.html>

### **Keegan Lund**

Invasive Species Specialist

Minnesota DNR

[keegan.lund@state.mn.us](mailto:keegan.lund@state.mn.us)

(651) 259-5828

### **Wendy Crowell**

AMS Management Coordinator

Minnesota DNR

[wendy.crowell@state.mn.us](mailto:wendy.crowell@state.mn.us)

(651) 259-5085





# LMCD Aquative Invasive Species (AIS) Project Funding Application

For LMCD Use: Date Received \_\_\_\_\_

1. Applications can be any of the following:

- Initial Baywide Chemical Application for AIS Treatment
- Initial Baywide Surveys required to obtain DNR liscence or permits
- Others to be determined as program is further developed by LMCD

The purpose of this application is to provide the LMCD's AIS Committee relevant information about the AIS initiative being requested for funding. The application will be reviewed by the AIS Committee for approval. Full LMCD Board of Directors approval is required for successful funding.

2. Project Title:

Phase II Crystal Bay treatment of curlyleaf pondweed (CLP) and Eurasian water milfoil (EWM)

3. Contact Information of Applicant			
Name:	Lake Minnetonka Assoc. - Eric Evenson	Title or Position:	Director
Address:	Box 248		
Phone:	612-250-5514		
Email:	evensoneric@comcast.net		

4. Project Location: description and attach a map of the lake area

Crystal Bay. A point intercept survey was completed in 2020 (attached) shows about 47.7 acres of EWM in the bay; CLP is estimated to cover about 281 acres. In Phase I of this project, 39.4 acres of CLP and EWM were treated in the SW corner of Crystal Bay using a novel approach that treated both plants at the same time. Phase II will treat the remaining 41 acres of EWM and 241 acres of CLP - this area has not been treated in the past. A pre-treatment survey will be done in May, 2022, to show the actual treatment area. Funds are not requested for the area treated during Phase I.

5. Project Narrative: proposed project description, desired project timeline, other project partners (contractors, agencies, associations, stakeholders, professional service recommendations, etc.). Add additional information as appropriate.

Pre-treatment surveys will be done in May, 2022, to determine the actual treatment areas for CLP and EWM. It is estimated about 41 acres of EWM and 241 acres of CLP will be treated. A lake vegetation management plan will be completed for Crystal Bay so a variance from the MnDNR is not needed. Surveys will be completed by Freshwater Scientific Services and treatments will be done by PLM Lake and Land Management. The LMA will be the project manager and fiscal agent. Delineation surveys and treatments will be completed prior to July 31, 2022. Post treatment surveys will be completed prior to September 31, 2022. Treatments will be scheduled to maximize their effectiveness. CLP will be treated with Diquat. EWM will be treated with a Diquat/ProceltaCOR combination. Copies of surveys and treatment reports will be provided to the MnDNR, LMCD, and the Minnesota AIS Research Center. Results from other bays treated with similar products and techniques have removed hundreds of acres nuisance invasive weeds from Lake Minnetonka and have increased the number and diversity of native plants in the bays treated.

6. Cost Estimate for project

Pre-treatment surveys:	\$ 2,500
Post-treatment surveys:	\$ 2,500
EWM Treatment (est. 41 acres):	\$24,424
CLP Treatment (est. 241 acres):	\$43,380
TOTAL Treatment Cost:	\$67,804

I certify that the information provided herein and any attachments hereto are true and correct statements to the best of my knowledge. I agree to the conditions of the funding, if granted; and I consent to permitting officers and agents of the District to investigate at all reasonable times and to determine compliance with conditions of the funding.

Submitted by:	L. Eric Evenson
Date:	1/30/2022

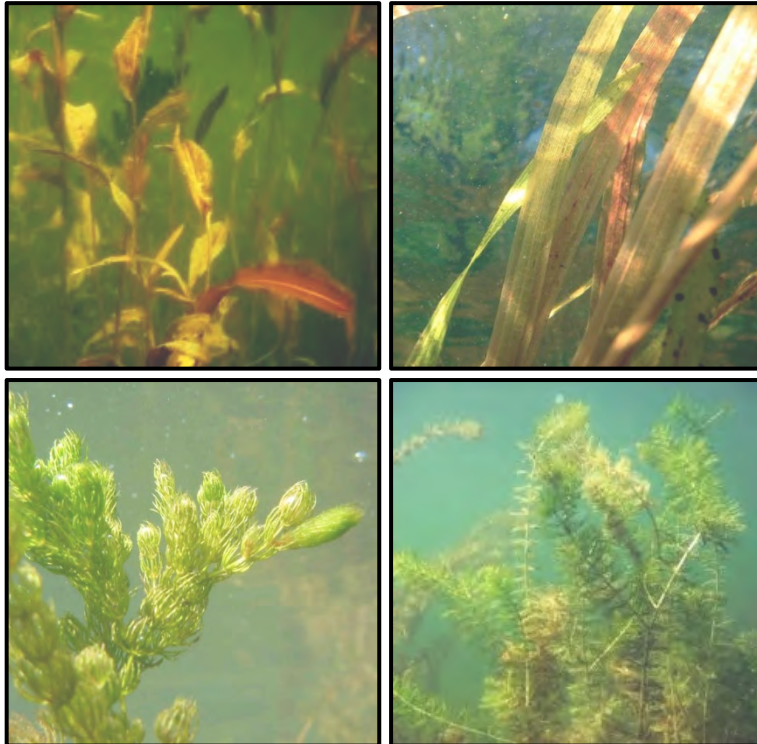
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RETURN TO: LMCD 5341 Maywood Rd Ste 200, Mound MN 55364 | p: 952-745-0789 e: lmcd@lmcd.org form 11232021

## 2020 Aquatic Plant Survey: Crystal Bay (Lake Minnetonka)

(WBIC# 27-0133-03)

Surveyed September 2, 2020



**Surveying, Analysis, and Reporting by:**

*James A. Johnson – Freshwater Scientific Services, LLC*



Prepared for PLM Lake & Land Management Corp. – December 2020

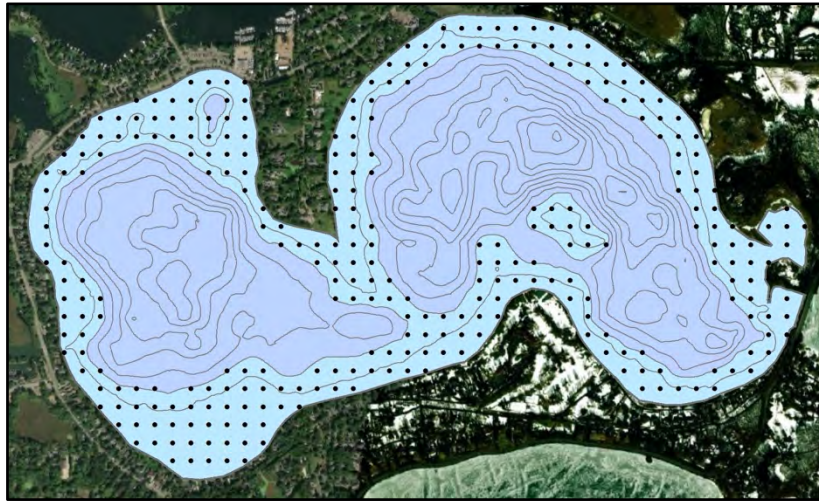
## Survey & Analysis Methods

### Point-Intercept Survey

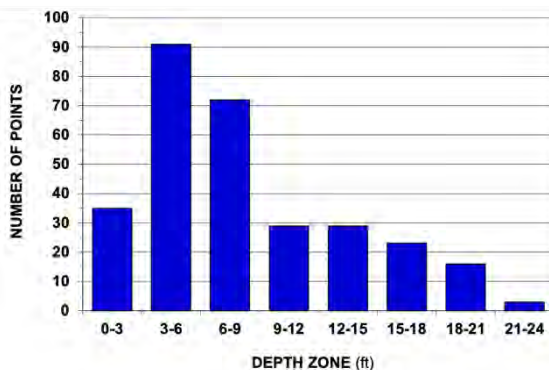
Freshwater Scientific Services, LLC surveyed the aquatic plant community of Crystal Bay (Lake Minnetonka; Hennepin Co., MN) on September 2, 2020 using the point-intercept survey method described by Madsen (1999). This survey incorporated assessments at 301 sample points arranged in a uniform grid (70-m spacing) covering areas shallower than 20 ft (Figures 1 and 2).

At each designated sample location, we collected plants using a double-headed, 14-tine rake on a rope. For each rake sample, we dragged the rake over the lake bottom for approximately 5 ft before retrieving. Retrieved plants were piled on top of the rake head and assigned density scores from 1 to 4 based upon rake head coverage (Figure 3) for each individual species and for all plants collectively.

We calculated the littoral frequency ( $\leq 15$  ft, % occurrence) and littoral mean plant abundance (density score) for each encountered plant species, as well as bay-wide and littoral community metrics (Tables 1 and 2). Plant species that were observed growing within 10 ft of a sample point but not retrieved on the rake were given a rating of zero for that location. These “zero” species were noted as being present, but these “zero” ratings were excluded from calculations of plant community metrics and statistics (not treated as denoting presence). At each location, we also documented water depth and overall plant height.



**Figure 1.** Sampled points for Crystal Bay in 2020



**Figure 2.** Sampling effort (number of locations sampled) within successive 3-ft depth zones. (Crystal Bay, 2020)

## Results

### Statistical Summary of Aquatic Plant Community in Crystal Bay





**Table 1.** Littoral frequency (% occurrence) and abundance (mean density score) of plant species found during the 2020 survey of Crystal Bay. % Occurrence and mean density (0-4 scale) were calculated using all littoral points (water depth ≤15 ft). "P" denotes taxa that were observed growing but not retrieved in any rake samples.

PLANT TAXA	COMMON NAME	% Occurrence	Littoral Density
<b>ALL TAXA (combined)</b>		<b>89</b>	<b>2.5</b>
<b>SUBMERSED TAXA</b>			
<i>Ceratophyllum demersum</i>	Coontail	62	1.2
<i>Myriophyllum spicatum</i>	Eurasian watermilfoil	51	0.8
<i>Potamogeton zosteriformis</i>	Flat-stem pondweed	33	0.4
<i>Vallisneria americana</i>	Wild celery	33	0.5
<i>Heteranthera dubia</i>	Water stargrass	26	0.4
<i>Potamogeton richardsonii</i>	Clasping-leaf pondweed	22	0.3
<i>Stuckenia pectinata</i>	Sago pondweed	16	0.2
<i>Potamogeton crispus</i>	Curly-leaf pondweed	7	0.1
<i>Potamogeton gramineus</i>	Variable pondweed	6	0.1
<i>Potamogeton friesii</i>	Fries' pondweed	6	0.1
<i>Utricularia vulgaris</i>	Common bladderwort	4	<0.1
<i>Chara</i> sp.	Muskgrass	3	<0.1
<i>Potamogeton illinoensis</i>	Illinois pondweed	3	<0.1
<i>Potamogeton amplifolius</i>	Large-leaf pondweed	3	<0.1
<i>Potamogeton pusillus</i>	Small pondweed	3	<0.1
<i>Najas flexilis</i>	Slender naiad	2	<0.1
<i>Potamogeton praelongus</i>	White-stem pondweed	2	<0.1
<i>Elodea canadensis</i>	Canadian waterweed	2	<0.1
<i>Potamogeton nodosus</i>	Long-leaf pondweed	1	<0.1
<i>Potamogeton strictifolius</i>	Stiff pondweed	1	<0.1
<b>FLOATING/EMERGENT TAXA</b>			
<i>Lemna trisulca</i>	Star duckweed	2	<0.1
<i>Nymphaea odorata</i>	White waterlily	2	<0.1
<i>Butomus umbellatus</i>	Flowering rush	1	<0.1
<i>Potamogeton natans</i>	Floating-leaf pondweed	P	–
<i>Nuphar variegata</i>	Bull-head pond-lily	P	–
<i>Schoenoplectus acutus</i>	Hardstem bulrush	P	–
<i>Typha</i> sp.	Cattail	P	–

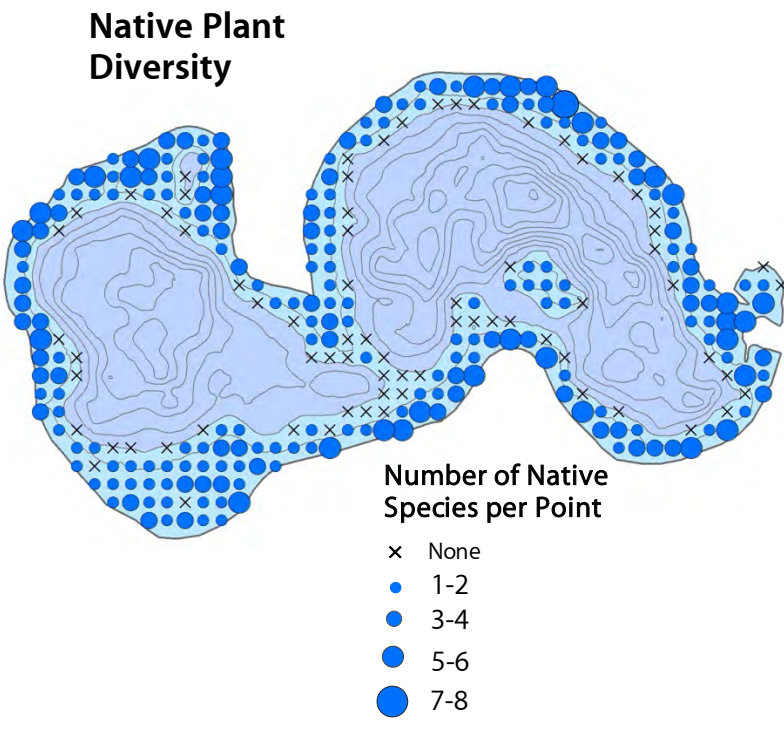
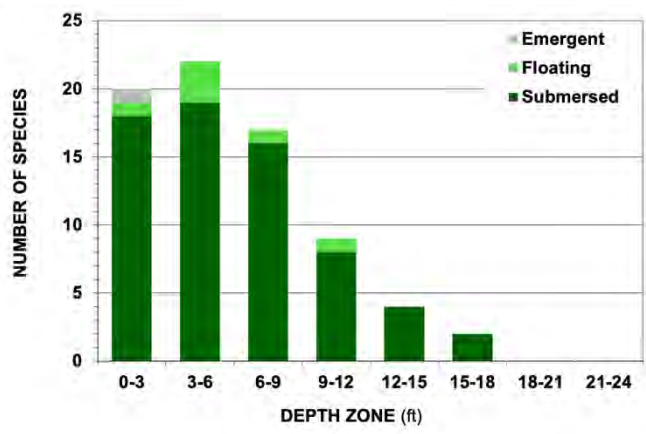
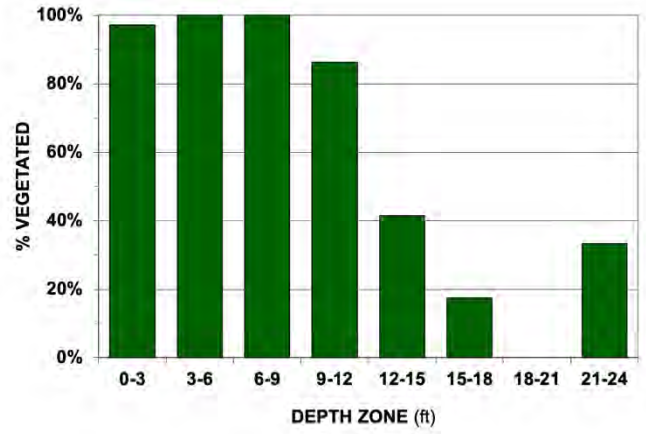
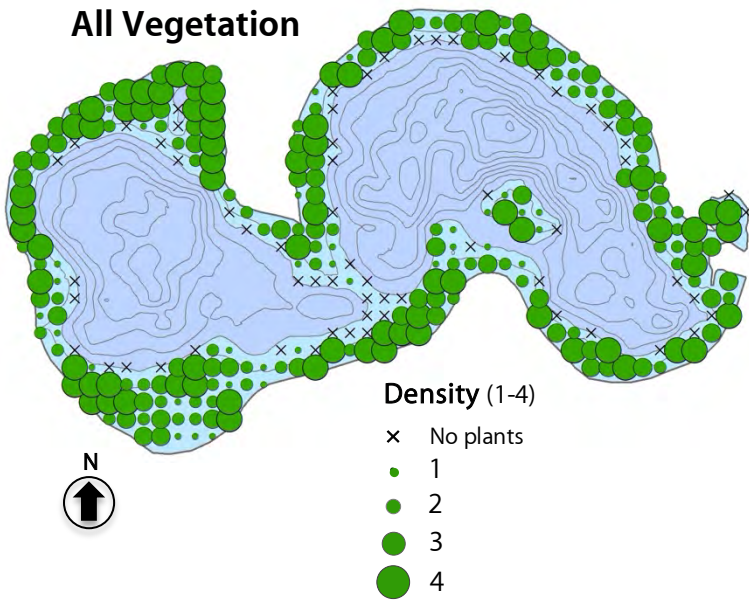
**Table 2.** Summary of plant community metrics for the 2020 survey conducted on Crystal Bay

<b>SURVEY RESULTS</b>	<b>Sep 2020</b>
<b>BAY-WIDE METRICS</b>	
Bay Area (acres)	802
Total Points Sampled	299
% Bay Vegetated	38%
% Bay with Veg. to Surface	7%
Max Depth of Growth (95%)	12.5 ft
# Native Taxa	24
# Non-Native Taxa	3
<b>LITTORAL METRICS (≤15 ft)</b>	
Littoral Area (acres)	328
Littoral Points Sampled	262
% Littoral Points Vegetated	89%
Mean Littoral Plant Height (ft)	2.6 ft
% of Max Littoral Biovolume	44%
Mean Native Taxa / Point	2.3
Simpson's Diversity	0.88
Floristic Quality (FQI)	25.6
AMCI Score	50

**Figure 3.** Rake density scores used to assess plant abundance during point-intercept surveys

Density Score	Rake Coverage	Description
1		Only a few plants retrieved
2		Full length of rake head covered, but tines only partially covered
3		Plants completely cover the rake head and tines
4		Enough plants to cover rake head and tines multiple times

## Crystal Bay – Aquatic Plant Community

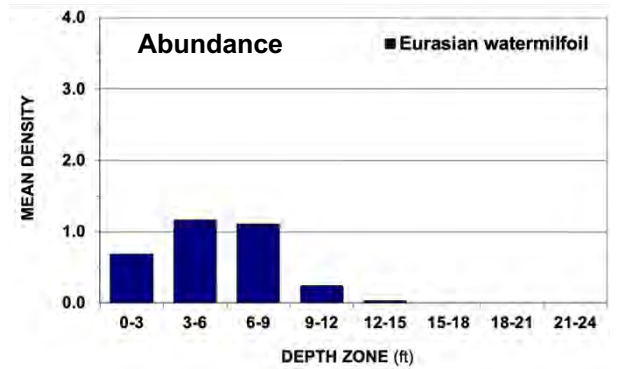
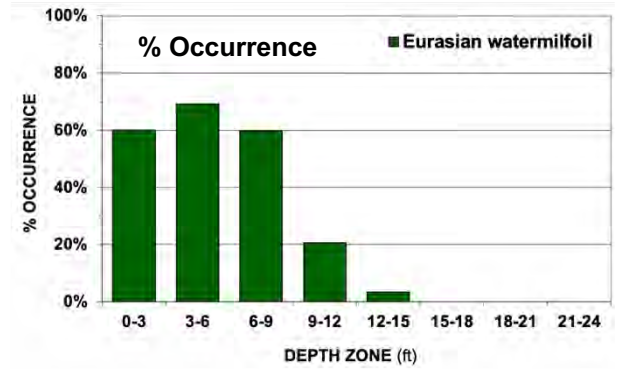
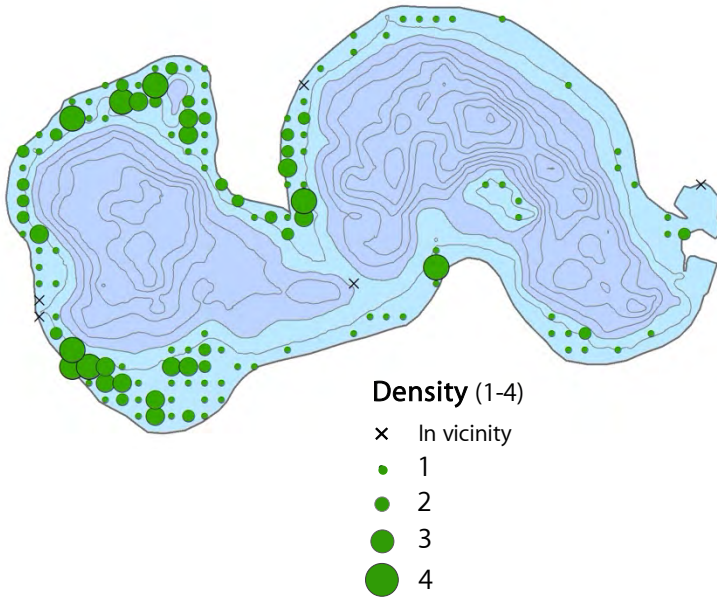


**Surveyed:** Sep 2, 2020  
**Methods:** Rake, Sonar, Depth Rod  
**Surveyor:** JA Johnson



## Crystal Bay – Invasive Aquatic Plants

### Eurasian Watermilfoil



### Flowering Rush

