

NORTH CANNON RIVER




WATERSHED MANAGEMENT ORGANIZATION

BOARD OF MANAGERS
Wednesday, July 23, 2025

Tour 6:00 pm
Special Meeting 7:00 pm
Castle Rock Townhall
2537 240th St. W
Castle Rock, MN 55024

- 1. Call to Order**
- 2. Roll Call**
- 3. Approval of Agenda**
- 4. Audience**
Anyone in the audience wishing to address the Board regarding an item that is not on the agenda may come forward at this time.
- 5. New Business**
 - 6.1 Minutes, April 16, 2025
 - 6.2 Financials
 - 6.2.1 2024 Audit
 - 6.2.2 2025 YTD Financial Report
 - 6.2.3 Invoices for Payment
 - 6.2.4 2026 Budget
 - 6.3 2024 Water Quality Report
 - 6.4 County Financial Assistance for Private Well Treatment Systems
 - 6.5 Waterford Quarry Proposal Update
- 6. Member Community Reports**
- 7. Agenda Items and Location for November 19, 2025 Meeting**
- 8. Adjournment**



Serving the Communities of: Castle Rock Township, Douglas Township, Eureka Township, Greenvale Township, Hampton Township, Randolph Township, Sciota Township, Waterford Township, City of Miesville, City of New Trier, and the City of Randolph

1. Call to Order

Chair Jeff Reed called meeting to order at 7:00pm.

2. Roll Call

Member	Present	Absent	Voting Manager
Douglas Township	X		Chair, Jeff Reed
Greenvale Township	X		Vice Chair, Wayne Peterson
Waterford Township	X		Secretary/Treasurer, Frank Wergin
Eureka Township	X		Melanie Storlie
Hampton Township	X		Dan Peine
Randolph Township	X		Tom Krauter
Sciota Township	X		Jill Trescott
City of Randolph	X		Randy Ferguson
Castle Rock Township		X	
City of Miesville*		X	
City of New Trier*		X	
	8	4	Quorum is 5 of 10 Appointed Managers

* Member has not appointed a Manager to the board

Others Present: NCRWMO Administrator Victoria Ranua, Castle Rock Manager Heather Mavencamp**, Greenvale Alternate Tom Wirtzfeld, Dakota SWCD Board member Jayne Hager Dee, DNR Hydrologist John Gleanson, County Groundwater Protection Unit Supervisor Valerie Neppi, Brian Haskin (Castle Rock), Langer (Greenvale)

** Attended remotely, but meeting was not posted for remote attendance, so was not a voting manager.

3. Approval of Agenda

A motion by Peine to approve the agenda as amended. Second by Storlie. Motion carried unanimously.

4. Audience

No members of the public came to address the board.

5. Presentation

Minnesota DNR Hydrologist John “Jack” Gleason gave a presentation related to the DNR water appropriation permitting process for those users withdrawing more the 10,000 gallons a day or 1 million gallons per year. Slide deck is available.

6. Consent Agenda

6.1 Minutes of January 15, 2025 Meeting

A motion by Wergin to approve the consent agenda. Second by Storlie. Motion carried unanimously.

7. New Business

7.1. Policy and Regulation, Waterford Ordinance on Data Centers

Waterford Township Ordinance 2024-03 was available for Managers to review. After learning from the DNR Water Appropriation Permit presentation that no proposed data centers are seeking their own water appropriation permit, and are instead utilizing municipal systems. It seemed ineffective for Townships to adopt ordinances related to data centers. Instead, Townships face annexation by adjacent Cities of their land for use as data centers. Water concerns could be potentially addressed in annexation agreements.

7.2. Annual Reports

Administrator Ranua shared a nearly complete draft of the annual report. Board supported the annual report with minor information updates and re-arrangements for visual appeal.

7.3. Waterford Quarry Proposal Update

Manager Wergin states that its likely that the environmental review documents related to the Waterford Quarry to be available before next board meeting. Administrator

Ranua receives the EQB emails, and will inform NCRWMO Board members when the Waterford documents are available. At this time, the members did not feel they needed to call a special meeting on this topic for document review.

7.4. Information, County Well Testing (Hampton Township and New Trier)

County information was available on the free well testing for certain areas of the County. Earlier, County Groundwater Protection Supervisor Valerie Neppel, mentioned that this program rotates testing throughout the County, but mentioned that if your well has not been tested, they may have some funds available to provide free testing if you are not this year's selected municipalities.

7.5. Information, Volunteer Opportunity County Wetland Health Evaluation Program

County had information on a wetland health volunteer opportunity- to take vegetation and invertebrate samples. The NCRWMO sponsors two wetlands to be evaluated annually through this program.

8. Member Community Updates

None.

9. Agenda Items for and location for July 16, 2025 Meeting

Discussed potential options for the annual tour before the July meeting. Ideas included:

- Callister Farms, 2024 Conservationists of the Year
- Wicklund Walk-In-Access
- AI in Randolph near Byllesby with goats

10. Adjournment

A motion by Trescott to adjourn meeting. Second by Storlie. Motion carried unanimously. Meeting adjourned at 9:18pm.

Respectfully submitted,



NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION

Regular Board Meeting Minutes

Douglas Township Hall

April 16, 2025

A handwritten signature in black ink, appearing to read "V. Ranua", followed by a long horizontal line extending to the right.

Victoria Ranua
Administrator

Approved by Board on:

July X, 2025

**NORTH CANNON RIVER
WATERSHED MANAGEMENT ORGANIZATION**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

DRAFT

**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
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FOR THE YEAR ENDED DECEMBER 31, 2024**

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**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
ORGANIZATION
DECEMBER 31, 2024**

Board of Managers:

	<u>City/Township</u>
Heather Mavencamp Vacant (Alternate)	Castle Rock Township Castle Rock Township
Jeff Reed (Chair) Vacant (Alternate)	Douglas Township Douglas Township
Melanie Storlie Brian Storlie (Alternate)	Eureka Township Eureka Township
Wayne Peterson (Vice-Chair) Tom Wirtzfeld (Alternate)	Greenvale Township Greenvale Township
Dan Peine Vacant (Alternate)	Hampton Township Hampton Township
Vacant (Alternate) Vacant (Alternate)	City of Miesville City of Miesville
Vacant (Alternate) Vacant (Alternate)	City of New Trier City of New Trier
Todd Carlock Vacant (Alternate)	City of Randolph City of Randolph
Tom Krauter Vacant (Alternate)	Randolph Township Randolph Township
Jill Trescott Vacant (Alternate)	Sciota Township Sciota Township
Frank Wergin (Secretary/Treasurer) Vacant (Alternate)	Waterford Township Waterford Township

Advisors:

Victoria Ranua – Dakota County Soil and Water Conservation District – Administrator

INDEPENDENT AUDITOR'S REPORT

Board of Managers
North Cannon River Watershed Management Organization
Farmington, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and the general fund of North Cannon River Watershed Management Organization, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise North Cannon River Watershed Management Organization's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of North Cannon River Watershed Management Organization, as of December 31, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. 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 North Cannon River Watershed Management Organization 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 North Cannon River Watershed Management Organization's 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 opinion. 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 and GAS, 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 North Cannon River Watershed Management Organization'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 North Cannon River Watershed Management Organization'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.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 14 and the note to the required supplementary information on page 15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

Management is responsible for the other information. The other information comprises the WMO's organizational information under the introductory section but does not include the financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 26, 2025 on our consideration of North Cannon River Watershed Management Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the North Cannon River Watershed Management Organization's internal control over financial reporting and compliance.

Peterson Company Ltd

Peterson Company Ltd
Waconia, Minnesota

June 26, 2025

**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
STATEMENT OF NET POSITION
DECEMBER 31, 2024**

	<u>Governmental Activities</u>
Assets:	
Cash	\$ 51,439
Due from other governments	<u>637</u>
Total Assets	<u>52,076</u>
Liabilities:	
Due to other governments	<u>19,449</u>
Total Liabilities	<u>19,449</u>
Net Position:	
Unrestricted	<u>32,627</u>
Total Net Position	<u><u>\$ 32,627</u></u>

See accompanying notes to the financial statements and Independent Auditor's Report.

**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024**

		Program Revenues			Net (Expenses) Revenues and Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<u>Functions/Programs</u>	<u>Expenses</u>				
Governmental Activities:					
General government	\$ 21,310	\$ -	\$ -	\$ -	\$ (21,310)
Programs	18,494	-	-	-	(18,494)
Total Governmental Activities	<u>\$ 39,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(39,804)</u>
General Revenues:					
Member dues					41,000
Interest					38
Total General Revenues					<u>41,038</u>
Change in Net Position					<u>1,234</u>
Net Position - January 1					<u>31,393</u>
Net Position - December 31					<u>\$ 32,627</u>

See accompanying notes to the financial statements and Independent Auditor's Report.

**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2024**

	General Fund
Assets	
Cash	\$ 51,439
Due from other governments	637
Total Assets	<u>\$ 52,076</u>
Liabilities and Fund Balance	
Liabilities	
Due to other governments	\$ 19,449
Total Liabilities	<u>19,449</u>
Fund Balance	
Unassigned	32,627
Total Fund Balance	<u>32,627</u>
Total Liabilities and Fund Balance	<u>\$ 52,076</u>
Total Fund Balance	<u>\$ 32,627</u>
Net Position of Governmental Activities	<u>\$ 32,627</u>

See accompanying notes to the financial statements and Independent Auditor's Report.

**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	General Fund
Revenues	
Member contributions	\$ 41,000
Interest	38
Total Revenues	<u>41,038</u>
Expenditures	
Current:	
General government:	
Administrative	20,810
Dues	500
Program expenditures:	
Education/outreach	7,740
Cost share	4,850
Water quality monitoring	5,904
Total Expenditures	<u>39,804</u>
Net Change in Fund Balance	1,234
Fund Balance - January 1	<u>31,393</u>
Fund Balance - December 31	<u>\$ 32,627</u>
Net Change in Fund Balance - Governmental Fund	<u>\$ 1,234</u>
Change in Net Position of Governmental Activities	<u>\$ 1,234</u>

See accompanying notes to the financial statements and Independent Auditor's Report.

**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The North Cannon River Watershed Management Organization (the "WMO") was established by a Joint Powers Agreement in 1983, between the townships of Castle Rock, Douglas, Eureka, Greenvale, Hampton, Randolph, Sciota, and Waterford, and the cities of Miesville, New Trier, and Randolph, Minnesota. The WMO was formed to meet the requirements of the Metropolitan Surface Water Management Act under the provisions of Minnesota Statutes 103B. The Act requires, among other things, the preparation of Watershed Management Plans in the Minneapolis – St. Paul Metropolitan area.

The purpose of the Watershed Management Plan is to:

- Protect, preserve, and use natural surface and groundwater storage and retention systems.
- Minimize public capital expenditures needed to correct flooding and water quality problems.
- Identify and plan for the means to effectively protect and improve surface and groundwater quality.
- Establish more uniform local policies and official controls for surface and groundwater management.
- Prevent erosion of soil into surface water systems.
- Promote groundwater recharge.
- Protect and enhance fish and wildlife habitats and water recreational facilities.
- Secure the other benefits associated with the proper management of surface and groundwater.

The WMO comprises approximately 150 square miles in southern Dakota County. The WMO is governed by a twenty-two-member Board of Managers appointed by each of the member municipalities.

The financial statements present the WMO and its component units. The WMO includes all funds, account groups, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the WMO are financially accountable and are included within the basic financial statements of the WMO because of the significance of their operational or financial relationships with the WMO.

The WMO is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization or if there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the WMO.

Blended Component Units - Reported as if they were part of the WMO.

Joint Ventures and Jointly Governed Organizations - The relationship of the WMO with the entity is disclosed.

Related Organization - The relationship of the WMO with the entity is disclosed.

As a result of applying the component unit definition criteria above, we have not identified any organizations that are considered to be component units of the WMO.

Government-Wide Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the WMO. Governmental activities are normally supported by member contributions and intergovernmental revenues.

**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Fund Financial Statements (Continued)

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. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. 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. Internally dedicated revenues are reported as general revenues rather than program revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the WMO considers revenues to be available if they are collected within 60 days of the end of the current period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Intergovernmental revenues and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the WMO.

The WMO reports one major governmental fund. The General Fund (Administrative Fund) is the general operating fund of the WMO. It is used to account for financial resources to be used for general administrative expenditures and programs of the WMO.

Assets, Liabilities, and Net Position/Fund Balance

Cash

Cash consists of one checking and one savings account.

Due from Other Governments

Due from other governments is recorded for past due dues for one member of the WMO.

**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position/Fund Balance (Continued)

Fund Balance Classifications

In the fund financial statements, governmental funds report fund classifications comprise a hierarchy based primarily on the extent to which the WMO is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. These classifications are as follows:

Non-spendable – These are amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.

Restricted – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through enabling legislation.

Committed – These are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the government's highest level of decision-making authority, which is the Board of Managers, and that remain binding unless removed by subsequent formal action of the Board of Managers.

Assigned – These are amounts that are constrained by the WMO's intent to be used for specific purposes but are neither restricted nor committed and include all remaining amounts (except for negative balances) that are reported in governmental funds, other than the Administrative Fund, that are not classified as non-spendable, restricted, or committed. Assignments are made by the WMO's Administrator based on the Board of Manager's direction.

Unassigned – These are residual amounts in the Administrative Fund not reported in any other classification. The Administrative Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of non-spendable, restricted, and committed fund balances exceed the total net resources of that fund.

When both restricted and unrestricted resources are available for use, it is the WMO's policy to first use restricted resources, and then use unrestricted resources as they are needed. When committed, assigned or unassigned resources are available for use, it is the WMO's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned.

Net Position

Net position represents the difference between assets and liabilities in the government-wide financial statements. Net position is reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Use of Estimates

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from such estimates.

Change in Accounting Principle

Effective January 1, 2024, the WMO adopted GASB 101, *Compensated Absences*. The new standard aligns the recognition and measurement under a unified model and by amending certain previous required disclosures. The WMO has no employees; therefore, this does not affect them.

**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk - Deposits: This is the risk that in the event of a bank failure, the WMO's deposits may not be returned to it. Minnesota Statutes requires all deposits be protected by federal deposit insurance, corporate surety bonds, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by federal deposit insurance or corporate surety bonds. As of December 31, 2024, the WMO's bank balance was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution's trust department or agent and in the WMO's name.

The WMO did not have formal policies in place as of December 31, 2024, to address custodial credit risk for deposits. The WMO also did not have policies in place to address credit risk, concentration of credit risk, interest rate risk and custodial credit risk for investments.

At December 31, 2024, cash and investments were comprised of deposits at a commercial bank.

NOTE 3 - MEMBER CONTRIBUTIONS

In accordance with the provisions of the Joint Powers Agreement (Section 9, Subd. 2), members agreed to contribute each year to the General Fund. Each member's percentage share is based on an average of the following two percentages:

- (1) The percentage of the total assessed valuation of all real property within WMO which lies within the member's boundaries; and
- (2) The percentage of the total area in WMO which lies within the member's boundaries.

For 2024, the WMO assessed the members \$41,000 in member contributions.

NOTE 4 - RISK MANAGEMENT

The WMO purchases commercial insurance coverage through the League of Minnesota Cities Insurance Trust (LMCIT) with other cities in the state, which is a public entity risk pool currently operating as a common risk management and insurance program. The WMO pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining, through commercial companies, for excess claims. The WMO is covered through the pool for any claims incurred but unreported, however, retains risk for the deductible portion of its insurance policies. The amount of these deductibles are considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

At December 31, 2024, there were no other claims liabilities reported in the fund based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

The WMO is not aware of any existing or pending lawsuits, claims or other actions in which the WMO is a defendant.

**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 6 - SUBSEQUENT EVENTS

The WMO has evaluated events and transactions for potential recognition or disclosure through June 26, 2025, the date the financial statements were available to be issued.

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**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Original/Final Budget	Actual Amounts	Over (Under)/Final Budget
Revenues			
Member dues	\$ 41,000	\$ 41,000	\$ -
Interest	300	38	(262)
Total Revenues	<u>41,300</u>	<u>41,038</u>	<u>(262)</u>
Expenditures			
Current:			
General government:			
Administrative	17,250	20,810	3,560
Dues	500	500	-
Programs:			
Education/outreach	5,075	7,740	2,665
Cost share	8,450	4,850	(3,600)
Water quality monitoring	12,025	5,904	(6,121)
Total Expenditures	<u>43,300</u>	<u>39,804</u>	<u>(3,496)</u>
Net Change in Fund Balance	<u>\$ (2,000)</u>	<u>\$ 1,234</u>	<u>\$ 3,234</u>
Fund Balance - January 1		<u>31,393</u>	
Fund Balance - December 31		<u>\$ 32,627</u>	

See accompanying note to required supplementary information and Independent Auditor's Report

**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

NOTE 1 – BUDGETARY INFORMATION

Budgets are adopted annually by the Board of Managers. During the budget year, supplemental appropriations and deletions are, or may be, authorized by the Board. The amounts shown in the financial statements as "Budget" represent the original budgeted amounts plus all revisions made during the year and/or for the year. Encumbrance accounting, under which purchase orders, contracts and other commitments of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the WMO.

The WMO monitors budget performance on a fund basis. All amounts over budget have been approved by the Board through disbursement approval procedures.

DRAFT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Managers
North Cannon River Watershed Management Organization
Farmington, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of North Cannon River Watershed Management Organization as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the North Cannon River Watershed Management Organization's basic financial statements, and have issued our report thereon dated June 26, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Cannon River Watershed Management Organization's internal control over financial reporting 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 North Cannon River Watershed Management Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the North Cannon River Watershed Management Organization's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting 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 combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 over financial reporting that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2024-001 and 2024-002, that we consider to be a significant deficiencies.

Report on Compliance and Other Matters

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

North Cannon River Watershed Management Organization's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the WMO's responses to the internal control findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The North Cannon River Watershed Management Organization's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Peterson Company Ltd

Peterson Company Ltd
Waconia, Minnesota

June 26, 2025

DRAFT

INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

To the Board of Managers
North Cannon River Watershed Management Organization
Farmington, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of North Cannon River Watershed Management Organization, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the North Cannon River Watershed Management Organization's basic financial statements, and have issued our report thereon dated June 26, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the North Cannon River Watershed Management Organization failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public 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 Minnesota Statutes § 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 North Cannon River Watershed Management Organization's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Peterson Company Ltd

Peterson Company Ltd
Waconia, Minnesota

June 26, 2025

**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2024**

2024-001: Segregation of Duties

Criteria: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Condition and Context: Substantially all accounting procedures are performed by one person.

Cause: The WMO's limited size and staffing resources have made it difficult for management to provide sufficient staffing to fully segregate incompatible duties in a cost-effective matter.

Effect: Without sufficient segregation of duties, the risk significantly increases that errors and fraud, including misappropriation of assets, could occur and not be detected within a timely basis.

Prior Year Finding: No.

Recommendation: Management and the board should consider a formal evaluation of their risks associated with this lack of duties segregation. In response to the identified risks, consideration should be given to identifying and implementing controls that could help mitigate the risks associated with lack of segregation of duties, such as providing increased management oversight and an independent reconciliation of accounts. Any modification of internal controls in this area must be viewed from a cost/benefit perspective.

Management Response: The WMO has adequate policies and procedures in place to compensate for the lack of segregation of duties. This is done by having all disbursements approved by the Board of Managers.

**NORTH CANNON RIVER WATERSHED MANAGEMENT ORGANIZATION
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
DECEMBER 31, 2024**

2024-002: Financial Statement Presentation

Criteria: The WMO's management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of the financial statements in accordance with generally accepted accounting principles.

Condition and Context: As part of the audit, management requested us to prepare a draft of the financial statements, including the related notes to the financial statements. Management has accepted responsibility for the financial statements and reviewed them.

Cause: The WMO has a limited number of personnel with financial reporting experience.

Effect: The design of the controls over the financial reporting process would affect the ability of the WMO to report its financial data consistently with the assertions of the management in the financial statements.

Prior Year Finding: No.

Recommendation: We recommend that the WMO be aware of the requirements for fair presentation of the financial statements in accordance with the generally accepted accounting principles. Should the WMO elect, based upon an analysis of costs and benefits, to establish the full oversight of the financial statement preparation of an appropriate level, we suggest management establish effective review policies and procedures including but not limited to the following: reconciling general ledger amounts to the draft financial statements; review of all supporting documentation and explanations for journal entries proposed by us; complete the disclosure checklist; review and approval of schedules and calculations supporting the amounts included in the notes to the financial statements; apply analytic procedures to the draft financial statements; and perform other procedures considered necessary by management.

Management Response: The WMO understands that this is required communications for the preparation of the financial statements.

North Cannon River Watershed Management Organization

January 1, 2025 to July 18, 2025

Balance Sheet

Assets

Cash in Checking	\$77.54
Cash in Savings	\$60,657.65
Total Cash:	\$ 60,735.19

Accounts Receivable	\$ -
Total Accounts Receivable:	\$ -

Total Assets:	\$ 60,735.19
----------------------	---------------------

Liabilities and Equity

Accounts Payable	\$ 13,292.79
Total Accounts Payable:	\$ 13,292.79

Equity

General Fund Balance January 1	\$ 31,990.19
Net Surplus / (-) Deficit	\$ 15,452.21
Total Equity:	\$ 47,442.40

Total Liabilities and Equity:	\$ 60,735.19
--------------------------------------	---------------------

Balances	\$	-
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North Cannon River Watershed Management Organization

January 1, 2025 to July 18, 2025

Revenue and Expense Summary

General Fund	Q1	Q2	Q3	Q4	Final Entries	Annual Total	2025 Budget
Revenues							
Member Allocations	\$26,747.90	\$ 1,325.33	\$ 7,086.89			\$ 35,160.12	\$ 46,733.00
Interest - Savings Account	\$ 17.25	\$ 14.13				\$ 31.38	\$ 300.00
Total Revenues:	\$ 26,765.15	\$ 1,339.46	\$ 7,086.89	\$ -	\$ -	\$ 35,191.50	\$ 47,033.00
Expenses							
Administrative Services	\$ 4,375.00	\$ 4,475.00				\$ 8,850.00	\$ 18,100.00
Financial Audit						\$ -	\$ 2,000.00
Organizational Dues	\$ 375.00					\$ 375.00	\$ 500.00
Cost Share: Agricultural						\$ -	\$ 4,000.00
Cost Share: Landscaping for Clean Water		\$ 2,000.00				\$ 2,000.00	\$ 4,550.00
Monitoring: Water Quality	\$ 146.50	\$ 1,967.79				\$ 2,114.29	\$ 10,583.00
Monitoring: Wetlands			\$ 3,300.00			\$ 3,300.00	\$ 3,300.00
Outreach, Education, & Advocacy	\$ 1,550.00	\$ 1,550.00				\$ 3,100.00	\$ 2,500.00
5th Generation WM Plan						\$ -	\$ 1,500.00
Total Expenses:	\$ 6,446.50	\$ 9,992.79	\$ 3,300.00	\$ -	\$ -	\$ 19,739.29	\$ 47,033.00

DAKOTA COUNTY



— SOIL & WATER —
CONSERVATION DISTRICT

Dakota County Soil & Water Conservation District

4100 220th Street West, Ste 102
Farmington, MN 55024
(651) 480-7777
DakotaSWCD.Accounting@CO.Dakota.MN.US

Invoice

DATE	INVOICE #
7/1/2025	3481

BILL TO

North Cannon River WMO
Frank Wergin, Treasurer
30468 Canada Avenue
Northfield, MN 55057

AGREEMENT

2025 Agreement

BILLING PERIOD

Apr - Jun 2025

TERMS

Net 30 Days

DESCRIPTION

HRS/COUNT

RATE

AMOUNT

ADMINISTRATION

Financials, Audit and Annual Reports; Board Meeting Preparation, and Watershed Plan

39

100.00

3,900.00

Fees: Paper, Printing and Postage

1

25.00

25.00

ADVOCACY, EDUCATION AND OUTREACH

Fees: Website Hosting:

0

0.00

0.00

Website Maintenance:

5.5

100.00

550.00

Advocacy and Outreach:Greenvale and Miesville presentations, model mining ordinance inquiry, MaMoDaG Field Day, Trout Brook meeting, Landscaping for Clean Water Introduction Class

15.5

100.00

1,550.00

Fees:

1

2,000.00

2,000.00

0

0.00

0.00

TECHNICAL ASSISTANCE

Water Monitoring

19.5

100.00

1,950.00

Fees: Buffer and Conductivity Solution

1

17.79

17.79

Landscaping for Clean Water Technical Assistance

0

600.00

0.00

Conservation Projects Technical Assistance

0

1,000.00

0.00

COST SHARE

Landscaping for Clean Water Grants:

0

250.00

0.00

Cost Share Programs for Landowners:

0

0.00

0.00

It's been a pleasure working with you!

Total

\$9,992.79



INVOICE

FROM:

Environmental Resources Department
Attn: Katie Pata
Dakota County Western Service Center
14955 Galaxie Avenue
Apple Valley, MN 55124
Phone: 952-891-7117
Katie.Pata@co.dakota.mn.us

JULY 15, 2025

TO:

Ashley Gallagher
North Cannon River Watershed Management
Organization
Ashley.gallagher@co.dakota.mn.us

FOR:

Wetland Health Evaluation Program (WHEP)

DESCRIPTION	AMOUNT
In accordance with the North Cannon River Watershed Management Organization-Dakota County joint powers agreement to administer the Wetland Health Evaluation Program on behalf of the City, payment for the NCRWMO's participation in WHEP for 2025. 3 (2 plus 1 crosscheck) wetlands @ \$1,100 each	\$3,300.00
Total	\$3,300.00

Make all checks payable to Dakota County Treasurer-Auditor.
Total due in 30 days.

NORTH CANNON RIVER



WATERSHED MANAGEMENT ORGANIZATION

BOARD AGENDA ITEM REPORT

MEETING DATE:	July 23, 2025
AGENDA ITEM:	2026 Budget
PREPARED BY:	Victoria Ranua, Administrator
AGENDA ITEM:	6.2.4
GOAL AREA & OBJECTIVE	Fiscal Management

BACKGROUND:

Under the NCRWMO JPA it states the following:

***Subdivision 1. Operating Funds.** On or before August 1 of each year, the WMO shall prepare a work plan and operating budget for the following year for the purpose of providing funds to operate the WMO's business... After approval, the Secretary shall certify the recommended budget to each party on or before September 1 of each year, together with a statement showing the amounts due from each party.*

Despite this language being in the JPA, the NCRWMO has typically approved its budget in November. The budget often coincides with the SWCD Workplan, and the SWCD is not prepared to develop a workplan during the middle of the field season.

Known expenses: WBIF \$4,000 matching funds for 2026

Potential expense: Saving for audit

Unknown: SWCD costs

RECOMMENDED MOTION: None.

ATTACHMENT: Very DRAFT 2026 Budget

North Cannon River WMO

2026 Budget DRAFT


EXPENSES	AMOUNT	NOTES
Administrative Services	\$18,100	See SWCD Work Plan: Based on 4 meetings 170 hours @ \$100/hour Plus website domain and mailing expenses
Financial Audit	\$1,200	Annual Audit: Anticipate 2030 cost at \$6,000 (1/5th of cost)
Water Quality Monitoring	\$10,583	See SWCD Work Plan: Increased in 2024 due to SWCD rate increase and laboratory cost increases
Agricultural Cost Share Program	\$4,000	See SWCD Work Plan: \$3,000 project funding and \$1,000 technical
Landscaping for Clean Water	\$4,550	See SWCD Work Plan: 3 projects (raingarden, native garden, or shoreline) plus Introduction Class and Design Courses
Advocacy, Education and Outreach	\$2,500	See SWCD Work Plan: 25 hours @ \$100/hour
Support Existing Education Programs	\$3,300	Sponsor a team to monitor wetlands through the Wetland Health Evaluation Program (WHEP) or other programs approved by the Board.
5th Generation Watershed Management Plan Reserves	\$1,500	Next generation Watershed Plan required in 2033.
Organizational Dues	\$500	Membership to applicable and approved organizations: Cannon River Watershed Joint Powers Board or other approved by NCRWMO.

TOTAL EXPENSES **\$46,233**

REVENUES	AMOUNT	NOTES
Member Allocations	\$46,733	Increase \$1,000
Projected Interest	\$300	Same estimate as 2023

TOTAL REVENUES **\$47,033**

TOTAL BUDGET SURPLUS/(DEFICIT) **\$800**



NORTH CANNON RIVER



WATERSHED
MANAGEMENT
ORGANIZATION

Dakota
COUNTY

2024 Water Quality Monitoring Report

State of the Watershed

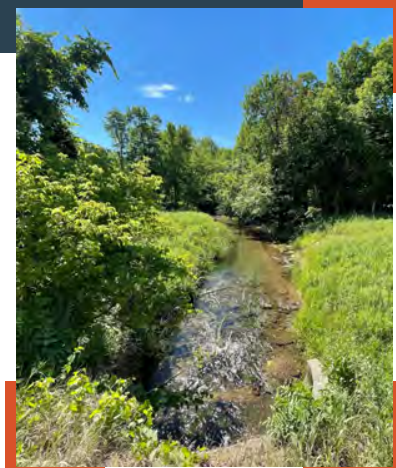
In 2024, water quality in the North Cannon River Watershed (Chub Creek, Pine Creek, and Trout Brook Subwatersheds) met many of the state and federal standard, indicating overall healthy conditions in each subwatershed. There is room for improvement though, particularly regarding low dissolved oxygen, and elevated nitrogen levels and *E. coli* bacteria levels. Continued monitoring of these issues, as well as the planning and implementation of restoration and protection efforts at various stream reaches, will help address the various beneficial use impairments (life (fish and macroinvertebrates), total suspended solids), recreation (fecal coliform), and drinking water (nitrate)) found throughout the watershed.

Sampling Summary

- 9 monitoring events
- 43 samples collected
- Conducted under Baseflow and Runoff conditions

Highlights

- Low total phosphorus and total suspended solids levels across the watershed
- Nitrate levels continue to increase in the Trout Brook Subwatershed



Climate Conditions

2024 was marked by extreme weather events, with a combination of record-breaking floods, excessive rainfall, some of the warmest temperatures ever recorded across the state, and drought. After experiencing warm, but very dry conditions in the late winter and very early spring months, wetter conditions and warmer temperatures arrived and continued into June. June 2024 was the fourth-wettest June and the fifth-wettest of any month on record in Minnesota. After the return of more "normal" hydroclimatic conditions for July and August, a dry spell took hold during September and much of October resulting in the 10th-driest autumn on record.



Watersheds

The Cannon River Watershed within Dakota County is divided into three major subwatersheds – Chub Creek, Pine Creek, and Trout Brook. This part of the county is predominantly rural in nature, with agriculture as its primary land use. Rolling hills spread across the northern and southwest portions of the watershed; steep hills, bluffs, and rocky outcroppings are found in the east. Karst features in this watershed are highlighted by shallow depth of soils and glacial material covering limestone. Water quality is a major concern as pollutants traveling with surface water can pass rapidly into the groundwater, creating a greater risk of groundwater contamination than is found in other soil types.

Chub Creek Watershed

Chub Creek originates in Chub Lake, a natural 274-acre lake with a large adjacent wetland. Major tributaries include Dutch Creek, Mud Creek, and the North Branch of Chub Creek. The subwatershed is generally flat and the streams meander slowly through the landscape.

Several streams are listed as impaired for fecal coliform (Chub Creek, Mud Creek), as well as biologically impaired for aquatic macroinvertebrates (bugs) and fish (Chub Creek, Dutch Creek).



Pine Creek Watershed

The Pine Creek sub-watershed drains approximately 21 square miles of flat, agricultural land. Most of the creek's length was ditched and straightened to create County Ditch #1 in 1960. The creek is designated by the MNDNR as a trout stream downstream of Highway 52. With few meanders and a medium slope, the creek flows fairly quickly along its length. Pine Creek is listed as impaired for nitrates.



Trout Brook Watershed

Trout Brook is a groundwater-fed stream located in southeast Dakota County. The majority of its perennial flow is contained within the Miesville Ravine Park Reserve, and enters the Cannon River immediately after leaving the park. The lower section is a MNDNR-designated trout streams. High nitrate levels in the Trout Brook watershed have been a concern for a number of years. The mainstem of Trout Brook is listed on the Impaired Waters list for nitrates (2010) and the western branch was added in 2018. Trout Brook is also listed as impaired for turbidity and aquatic macroinvertebrates.



Monitoring History and Sampling Parameters

Surface Water

The North Cannon River Watershed Management Organization (NCRWMO) has been monitoring the water quality and quantity of major creeks in the watershed since 1999, but began to focus their limited resources on Chub Creek, monitoring near its confluence with the Cannon River, starting in 2006. Beginning in 2018 and in partnership with Dakota County Parks (DC Parks), water quality monitoring efforts within the Pine and Trout subwatersheds began anew. One monitoring site for the Pine subwatershed and three sites within Trout Brook were selected. In addition to the permanent monitoring station on Chub Creek, three monitoring sites were also added within that subwatershed. All seven sites have been monitored at one time in the past, so historically relevant monitoring data is available when evaluating current conditions in each subwatershed.

Groundwater

Trout Brook is found in a karst landscape, a geologic system that is characterized by underground drainage systems such as caves and sinkholes, and dotted with springs. Four of these springs have become sentinel nitrate monitoring sites in that they have been monitored on a regular basis over the last three decades (dating back as early as 1985). Nitrate monitoring in this watershed is of particular interest because Trout Brook has some of the highest stream baseflow nitrate concentrations found in southeastern Minnesota. For over a decade, the NCRWMO has supported a triennial monitoring effort of the sentinel springs to better assess nitrate levels and possible sources in the watershed.

Beginning in 2018, DC Parks has continued this effort with quarterly monitoring of the sentinel springs and three stream sites. Nitrate data is used by DC Parks, Minnesota Department of Natural Resources (MNDNR), and University of Minnesota researchers, as well as other state agencies and local entities, to better understand the dynamics of the surface to groundwater interactions within the watershed.

Sampling parameters include a combination of chemical, physical, and biological parameters and assessments to help identify major sources of pollutants and prioritize areas for management.

Chloride • Chlorophyll a
Dissolved Oxygen
E. coli bacteria • Nitrate • pH
Specific Conductance
Temperature
Total Phosphorus
Total Suspended Solids
Transparency

Additional Groundwater Monitoring

In response to concerns about drinking water quality in rural Dakota County, a rural monitoring well network, which includes several wells installed in the NCRWMO, was developed. Monitoring data from this, as well as the County's private well sampling program, are used to evaluate trends in groundwater and drinking water chemicals, including nitrate, chloride and pesticides.

More information about well locations and monitoring results can be found by scanning the QR code.



Water Quality Monitoring

Water quality monitoring of several chemical and physical parameters enables local decision makers and state agencies to evaluate the Chub Creek, Pine Creek, and Trout Brook subwatersheds in order to implement appropriate management strategies to better protect and improve overall health.

Transparency of water is affected by both dissolved and suspended materials. The amount of solids (sediment, organic material) suspended in the water has the greatest impact, though dissolved organic material (tea colored water) can also result in low transparency. Elevated sediment levels in a waterbody can reduce the biological productivity of a system by reducing light penetration, increasing water temperature, covering bottom habitat, and diminishing visibility for mobile organisms. Monitoring changes in water transparency is a quick and efficient way to identify when pollutants are present in a given waterbody.

Dissolved Oxygen (DO) is a measure of the oxygen available to aquatic organisms (plant and animal). Reduced DO levels within a stream reach can cause aquatic animals (fish, macroinvertebrates) to leave the area, and under extreme conditions, lack of oxygen can result in death of aquatic organisms. In freshwater systems, such as lakes, rivers, and streams, DO concentrations fluctuate diurnally and will vary by season, location, and water depth. Many factors can influence DO levels in a water body including: water temperature, rate of photosynthesis, light penetration (turbidity and water depth), water turbulence or wave action, and the amount of oxygen used by respiration and decay of organic matter. The state standard for coldwater streams is 7 mg/L as a daily minimum and 5 mg/L as a daily minimum for warm water streams.

Conductivity is a measure of water's ability to transmit an electrical current due to the presence of dissolved chemicals. Chemicals like sodium chloride (salt) dissolve in water and the ions can have physiological effects on plants and animals. Conductivity is fairly constant in most bodies of water, but significant change, due to natural flooding, evaporation or anthropogenic pollution (such as urban and agricultural runoff), can be very detrimental to water quality.

pH is a measure of acidity (less than 7) or alkalinity (greater than 7). A change in pH can alter the behavior of other chemicals (ammonia and some heavy metals) in the water making them toxic. pH extremes can damage gills and membranes, and affect the reproductive success of fish and aquatic macroinvertebrates (bugs). Human sources of pH fluctuations are usually related to pollution, including stormwater or agricultural runoff, wastewater discharge, or industrial runoff.

Temperature is an important factor to consider when assessing water quality. Water temperature is influenced by both natural (groundwater) and anthropogenic factors (stormwater runoff, eroding soils, and removal of streambank vegetation). Not only can it influence other important monitoring parameters (such as DO and pH), but temperature also dictates the types of macroinvertebrates and fish that are able to survive in a given waterbody. Several trout species thrive in cooler waters and studies have shown that temperatures outside their preferred range can affect metabolic rate, as well as behavior, predator-prey responses, and duration of active/rest periods.



Mud Creek



Phosphorus is required by all living things and occurs in the natural environment (rocks, soil). Phosphorus is generally considered to be the “limiting nutrient” in aquatic ecosystems, meaning that the availability of phosphorus controls the pace at which algae and aquatic plants grow. When too much phosphorus enters a given water body, eutrophication and harmful algal growth can occur. Sources of excess phosphorus are usually associated with human activities: soil erosion, human and animal wastes, septic systems, detergents, and runoff from farmland or lawns. The state standard for all monitoring sites within the NCRWMO is less than or equal to 0.15 mg/L.

Nitrates are a form of nitrogen, which is found in several different forms (ammonia (NH_3), nitrates (NO_3^-), and nitrites (NO_2^-)) in terrestrial and aquatic ecosystems. Nitrates are essential plant nutrients, but in excess amounts they can cause significant water quality problems including accelerated eutrophication, which in turn, affects dissolved oxygen, temperature, and other water quality indicators. Nitrates are naturally present in surface and ground waters in low concentrations, but are harmful to humans and livestock and cause aquatic ecosystem degradation in high concentrations. Due to the karst topography of the Trout Brook Subwatershed, water flows from the stream directly into the underlying groundwater aquifer. Because of this, practices on the landscape can affect the amount of surface water runoff, sediment, and nutrients that are transported to the river. Possible sources of nitrates include runoff from cropland and fertilized lawns, failing on-site septic systems, and runoff from animal manure storage areas. Coldwater streams are protected as potential drinking water sources and are subject to a 10 mg/L standard.

Total Suspended Solids (TSS) is a measure of all the suspended particles (organic and inorganic material, bacteria, and algae) in the water and is a significant factor when monitoring water clarity. Suspended particles can come from a variety of sources including soil erosion from fields and stream banks, storm water runoff, industrial or wastewater discharges, stirred bottom sediments, decaying vegetation, and algal blooms. Excessive suspended sediment can impair water quality for both aquatic and human life, disrupt feeding behaviors, impede navigation and increase the potential for flooding. The state standard for coldwater streams is less than or equal to 10 mg/L and less than or equal to 30 mg/L for warm water streams.

Chlorophyll-a (Chl-a) is the green pigment that is found in plants and algae. Because all algal cells contain this pigment, its concentration provides an estimate of the amount of free floating algae in the water column. High chlorophyll-a levels can impact water clarity. The state standard is less than or equal to 35 $\mu\text{g/L}$.

Escherichia coli (*E. coli*) bacteria are measured as an indicator of the presence of disease-causing pathogens in the water. Originating in the intestines of living creatures (humans and other warm-blooded animals), the presence of *E. coli* in water is a strong indication of recent sewage or animal waste contamination. Potential sources of *E. coli* include land use practices (manure used as fertilizers), animal waste (wild or domestic), and failing septic tanks. *E. coli* contamination is found most commonly in heavily populated or farmed areas. The *E. coli* standard of less than or equal to 126 organisms/100mL as a geometric mean replaced fecal coliform as Minnesota’s water quality standard for bacteria in 2008.

Chub Creek Subwatershed



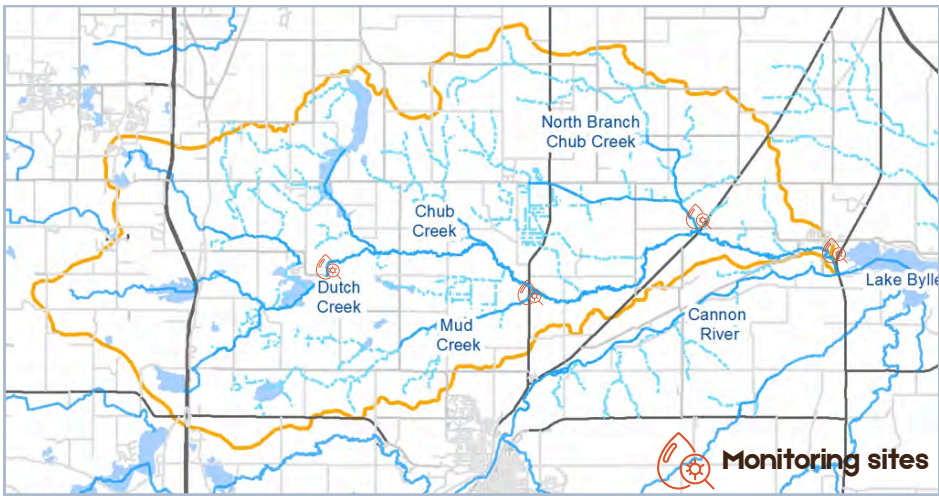
Chub Creek

Monitoring Activity Summary

- Water samples were collected monthly from April through October
 - 7 total samples, collected on routine basis
- Water level monitoring equipment was installed at the permanent monitoring site on Chub Creek on Dixie Ave in March and was removed in November
 - Water level and temperature were recorded at 15 minute intervals on continuous basis
- Three manual streamflow measurements were collected in October and November

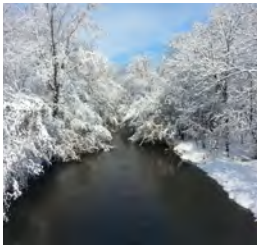
Monitoring Sites

- Dutch Creek (DUTCH300)
 - Dutch Creek at 300th Street W
- Mud Creek (MUD3)
 - Mud Creek at Highway 3
- North Branch Chub Creek (NB47)
 - North Branch Chub Creek at Highway 47
- Chub Creek (Chub PMS)
 - Chub Creek on Dixie Ave



Field Data - Temperature, Dissolved Oxygen, Transparency, Conductivity, pH

Water quality data collected in the Chub Creek Subwatershed during baseflow and runoff conditions from April to October, 2024. **On most occasions, field parameters fell within the desired ranges.** Baseflow conditions were always within the desired range. During runoff monitoring events, issues with dissolved oxygen (too low at Dutch Creek and just barely above at Mud Creek) and conductivity levels (exceeded at Dutch Creek and Mud Creek) were identified.



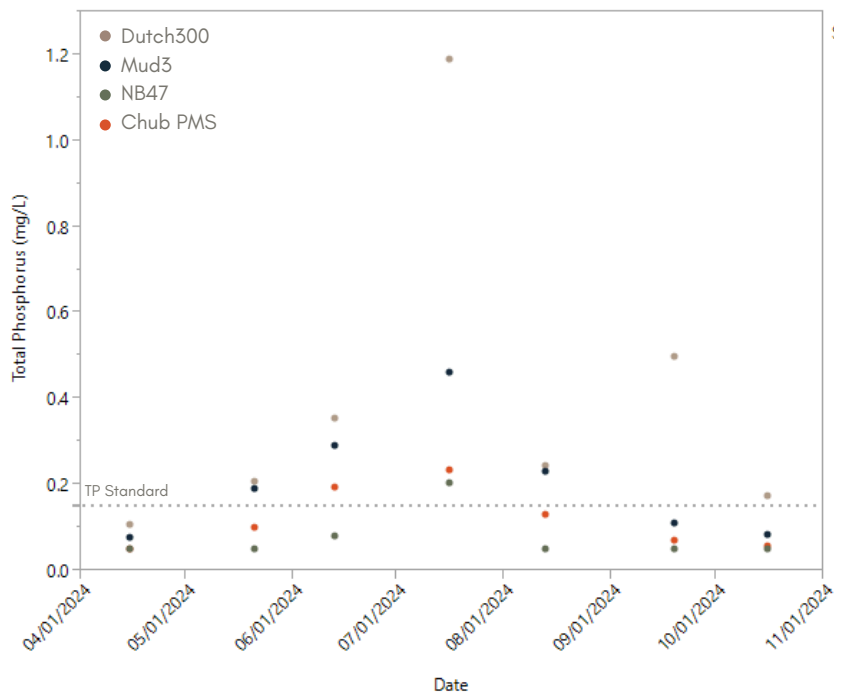
Parameter	Desired Range	Dutch Creek Range	Mud Creek Range	NB Chub Creek Range	Chub Creek Range
Temperature (°C)	Less than 30	5.6 - 21.39	5.82 - 19.52	6.74 - 15.18	5.59 - 18.60
Dissolved Oxygen (mg/L)	Greater than 5.0	0.17 - 5.8	5.2 - 10.18	7.66 - 11.07	7.6 - 11.35
Transparency (cm)	Greater than 25	70 - > 100	71 - > 100	74 - > 100	47 - > 100
Conductivity (µS/cm)	Less than 698	508 - 776	535 - 741	546 - 609	570 - 663
pH (S.U.)	6.5 to 9.0	7.28 - 7.7	7.61 - 7.81	7.7 - 8.05	8.03 - 8.27

Phosphorus

Total Phosphorus (TP) includes all forms of phosphorus; particulate and dissolved. The state standard of 0.15 mg/L (light grey dotted line) was exceeded at all sites during both baseflow and runoff conditions throughout the monitoring season.

Large rain events in late June and early July resulted in elevated TP levels for the June monitoring effort. The July effort occurred as water levels receded, but TP levels remained above baseflow through the middle of July.

Major runoff events send sediment and other pollutants such as fertilizers, manure, and organic wastes, into the creek via storm runoff from agricultural fields, lawns, and streets.



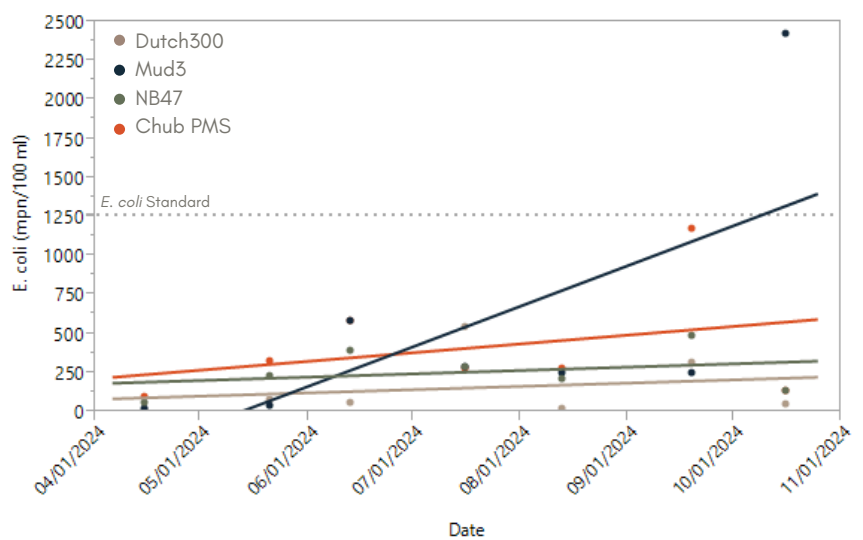
Total Suspended Solids

For all water samples collected in 2024, the total suspended solids (TSS) levels were within the state standard of 30 mg/L for warm water sites, although the standard may have been exceeded on days when samples were not collected. TSS levels fluctuated throughout the season, but were highest during runoff events in the watershed as that would have resulted in increased sediment flowing into the creek.

E. coli

Three of the four stream reaches in the Chub Creek Subwatershed have an aquatic recreation impairment for fecal coliform (*E. coli* replaced as the state standard in 2008). ***E. coli* levels were consistently below or around 500 MPN/100mL throughout the monitoring season.** Only one sample in all four stream reaches - Mud3 in October - exceeded the state single sample standard (< 1,260 MPN/100mL).

All sites showed increasing *E. coli* levels from spring into the fall.



Chlorophyll-a

Chlorophyll-a serves as an indirect indicator of nutrient levels in a river due to the relationship between water quality and algae biomass.

Chlorophyll-a levels were below the state standard (≤ 35 ug/L), with increased variability during runoff events or under baseflow conditions .

Nitrates

The US Environmental Protection Agency set a drinking water nitrate standard of ≤ 10 mg/L to protect human health. Nitrate in streams is natural, but natural levels are generally lower.

Nitrate concentrations were below the standard at all sites, but NB47. Samples at Chub PMS had elevated nitrate levels due to influence from NB47 (site immediately upstream).

Pine Creek Subwatershed



Monitoring Activity Summary

- Water samples were collected monthly from April through October
 - 7 total samples, collected on routine basis
- Water level monitoring equipment was installed by MNDNR
 - Water level and temperature were recorded at 15 minute intervals on continuous basis
- Manual streamflow measurements were collected by MNDNR on routine basis throughout the year

Monitoring Sites

- Pine Creek (PC3)
 - Pine Creek at 280th Street



Field Data - Temperature, Dissolved Oxygen, Transparency, Conductivity, pH

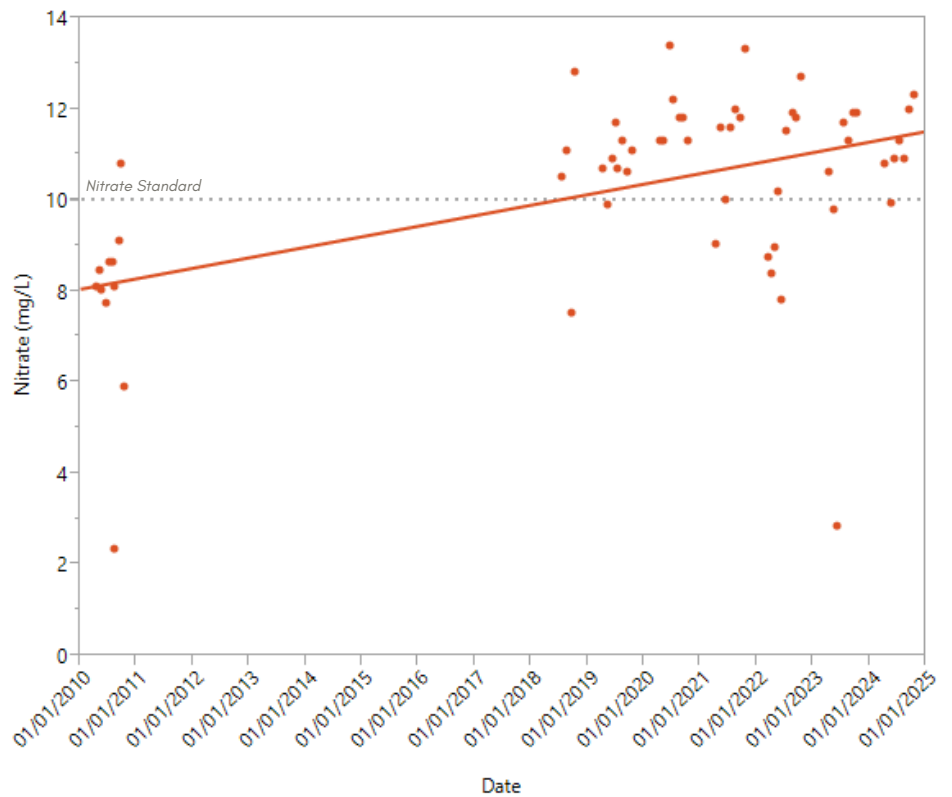
Water quality data was collected at the one monitoring site in the Pine Creek Subwatershed during baseflow and runoff conditions from April to October, 2024. Historical data ranges are shown below in order to compare against current findings. **On most occasions, field parameters fell within the desired ranges.** Water temperature remained low (good for trout) and dissolved oxygen was above the 5 mg/L standard which is inline with recent sampling.

Parameter	Desired Range	2024 Pine Creek Range	2018 - 2023 Historical Range	1999 - 2010 Historical Range
Temperature (°C)	Less than 30	8.13 - 13.94	3.53 - 15.98	3.7 - 19.93
Dissolved Oxygen (mg/L)	Greater than 5.0	6.36 - 9.44	5.48 - 11.18	3.39 - 10.76
Transparency (cm)	Greater than 25	> 100	76 - >100	> 100
Conductivity (µS/cm)	Less than 698	572 - 618	546 - 652	321 - 631
pH (S.U.)	6.5 to 9.0	7.6 - 7.93	7.18 - 8.11	7.35 - 8.38

Nitrates

Pine Creek has been listed as impaired for nitrates since 2010. A consistent monitoring program began in 2018 and **nitrate levels have shown an increasing trend** (especially when considering samples collected in 2010).

In 2024, nitrate concentrations exceeded the EPA's ≤ 10 mg/L drinking water standard for all monitoring events, but one sample (9.93 mg/L in May) which was collected during a late spring runoff event. Lower nitrate levels during runoff is expected as rainwater will dilute in-stream nitrate concentrations.



Total Suspended Solids

TSS levels met the state's coldwater standard of 10 mg/L throughout the monitoring season.

TSS levels were highest during runoff events in the watershed. During these conditions, TSS levels would be higher due to increased sediment flowing into the creek. Post-runoff baseflow sampling events also had elevated TSS levels as water levels were slowly returning to baseflow levels.

Phosphorus

The TP state standard of 0.15 mg/L was met during all monitoring events. Slightly higher levels were seen during runoff events relative to baseflow conditions (0.05 mg/L to 0.065 mg/L). Runoff events often lead to sediment and other pollutants being carried into the creek via storm runoff from streets and agricultural fields.

Chlorophyll-a

Chlorophyll-a levels were below the state standard (≤ 35 ug/L), with increased variability in the spring months.

E. coli

E. coli levels were low in 2024. **No samples exceeded the state single sample standard ($< 1,260$ MPN/100mL)** with the highest sample (579 MPN/100mL) collected in September right as the creek returned to baseflow conditions.



Trout Brook Subwatershed

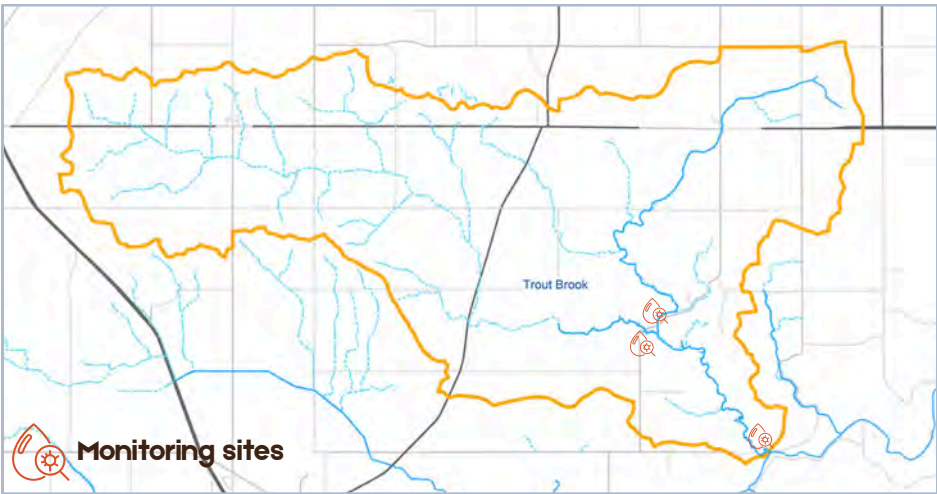


Surface Water Monitoring Activity Summary

- Water samples were collected monthly from April through October
 - 7 total samples, collected on routine basis
- Water level monitoring equipment was installed by MNDNR
 - Water level and temperature were recorded at 15 minute intervals on continuous basis
- Manual streamflow measurements were collected by MNDNR on routine basis throughout the year

Monitoring Sites

- Trout Brook (TB1)
 - Unnamed Tributary to Trout Brook at Miesville Trail
- Trout Brook (TB2)
 - Trout Brook at Miesville Trail
- Trout Brook (TB3)
 - Trout Brook at Orlando Trail



Field Data - Temperature, Dissolved Oxygen, Transparency, Conductivity, pH

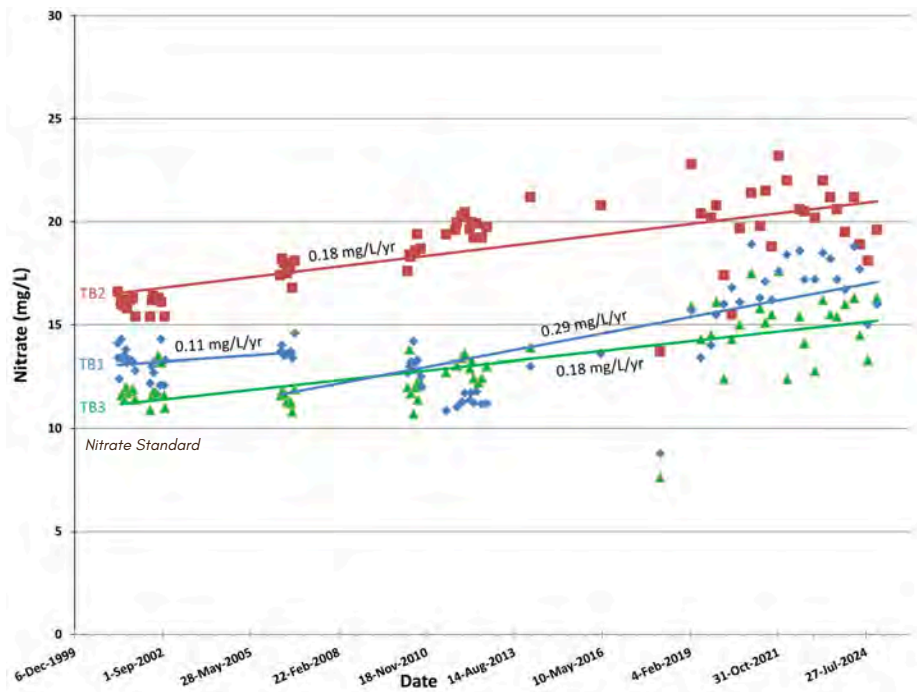
Water quality data was collected at the three monitoring sites in the Trout Brook Subwatershed during baseflow and runoff conditions from April to October, 2024. **On most occasions, field parameters fell within the desired ranges.** Baseflow conditions were always within the desired range. Temperature remained low and dissolved oxygen was above the desired range throughout the season (important for trout). Conductivity levels at TB2 exceeded the desired range for almost all of the sampling events. This was expected due to the relationship between nitrate and conductivity – an increase in nitrate levels (highest at TB2) tends to correlate with an increase in in-stream conductivity levels.

Parameter	Desired Range	TB1 Range	TB2 Range	TB3 Range
Temperature (°C)	Less than 30	8.93 – 11.01	7.51 – 13.60	6.69 – 12.60
Dissolved Oxygen (mg/L)	Greater than 5.0	8.42 – 12.52	8.01 – 10.74	9.92 – 13.26
Transparency (cm)	Greater than 25	> 100	> 100	> 100
Conductivity (µS/cm)	Less than 698	630 – 655	510 – 722	602 – 669
pH (S.U.)	6.5 to 9.0	7.49 – 7.81	7.69 – 7.98	7.9 – 8.4

Nitrates

A study done by the MPCA found that baseflow nitrate concentrations in Trout Brook are the highest in southeastern Minnesota's karst region and this continues to be true in 2024. **Baseflow nitrate levels exceeded the drinking water standard at all monitoring sites in all months (winter sampling included).** TB2 had the highest nitrate levels of the three stream monitoring sites, with concentrations two times the federal standard.

Since monitoring began in 1999 (with more frequent monitoring beginning in 2018), nitrate concentrations continue to increase over time (rate shown) at all three sites with groundwater nitrate levels heavily influencing surface water concentrations.



Phosphorus

Total Phosphorus (TP) includes all forms of phosphorus; particulate and dissolved. **The state standard of 0.15 mg/L was not exceeded at either TB1 and TB3 at any point in 2024. The May sample at TB2 (upstream mainstem site) did exceed the standard (0.42 mg/L). TB1 showed some variability throughout the year, whereas TB3 was consistently low.**

Total Suspended Solids

The total suspended solids (TSS) levels were within the state's coldwater standard (10 mg/L) at both TB1 and TB3. Both sites were consistently between 3-5 mg/L throughout the entire season.

Much like with TP, the May sample for TB2 exceeded the standard and was 30x higher than other samples collected in 2024 (3-5 mg/L vs 126 mg/L).

E. coli

***E. coli* levels in the Trout Brook Subwatershed were below the state single sample standard (< 1,260 MPN/100mL) for the majority of the season.**

Only one sample exceeded the state single sample standard (TB2 in May - 1,986 MPN/100mL). A large rain event in the middle of June kept *E. coli* levels high for both the June and July samples. Late fall concentrations were in line with what was collected in early spring.



Chlorophyll-a

Chlorophyll-a serves as an indirect indicator of nutrient levels in a river due to the relationship between water quality and algae biomass. **Chlorophyll-a levels were well below the state standard (≤ 35 ug/L), with variability seen throughout the monitoring season.**

Trout Brook Subwatershed - Groundwater

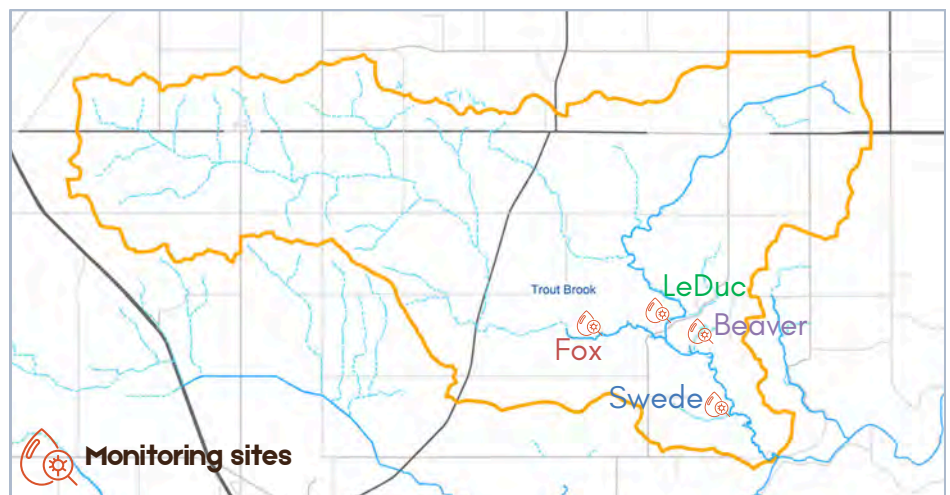
Groundwater Monitoring Activity Summary

- Water samples were collected at four sentinel springs quarterly
 - First monitored in March 1985; Increased monitoring activities in 2011, 2014, and 2017 per the NCRWMO's watershed management plan
 - In 2019, Dakota County Parks provided funding for quarterly sampling in order to get a higher resolution dataset to better understand nitrate levels in the watershed over time.
- Field parameters were collected and samples analyzed for nitrate



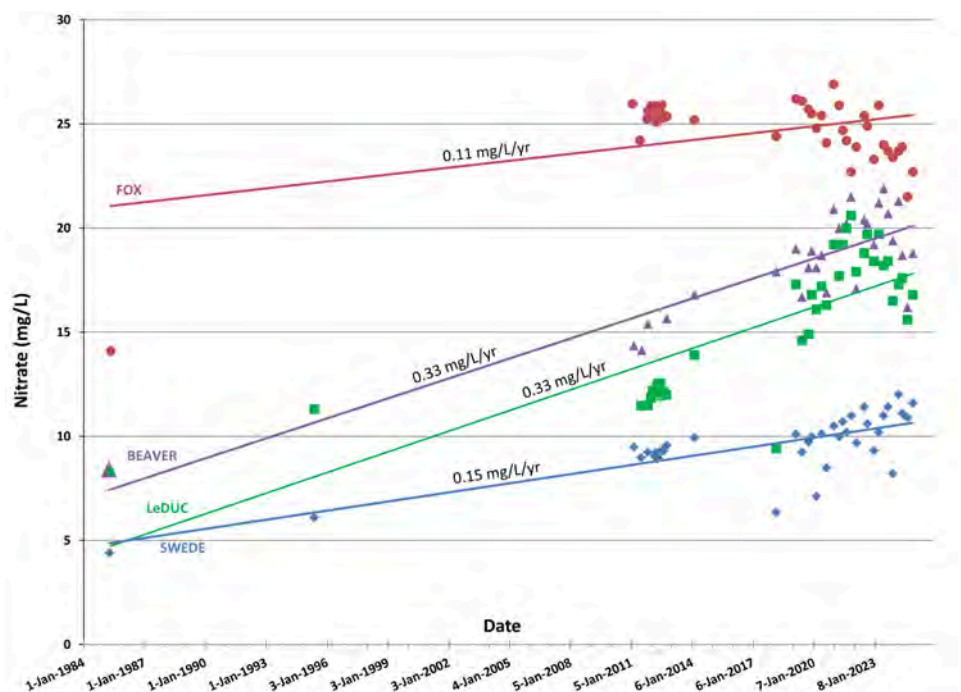
Monitoring Sites

- Beaver
 - Middle mainstem, DS TB1 and TB2 confluence
- Fox
 - Upper mainstem, US TB2
- Le Duc
 - Unnamed tributary, US TB1
- Swede
 - Lower mainstem, US TB3



Nitrate

All four spring monitoring sites show increasing nitrate concentration trends over time. **Fox Spring** (upstream mainstem TB2) had the highest concentrations of nitrate, but is increasing at the slowest rate, about **0.11 mg/L/year**. **LeDuc Spring** (upstream of tributary TB1) is increasing at a rate of **0.33 mg/L/yr**. **Beaver** and **Swede** Springs, both upstream of mainstem TB3, are increasing at rates of about **0.33 mg/L/year** and **0.15 mg/L/year**, respectively. **Swede Spring** has the lowest nitrate values, which may be because it is lower in the stratigraphic section and has a greater proportion of deeper, regional water input to dilute the nitrate-polluted water.



Financial Assistance for Water Treatment



Dakota County has grant funding to help well owners with the expense of drinking water treatment devices to reduce certain contaminants that are over the MN Department of Health drinking water guidelines.

Grant-Eligible Contaminant	Drinking Water Guideline
Arsenic	2 µg/L (micrograms per liter)
Manganese	0.100 mg/L (milligrams per liter)
Nitrate	10 mg/L (milligrams per liter)
Coliform Bacteria	Any detection
Lead	Any detection



To be eligible to apply for a Drinking Water Treatment System Grant, your household must meet financial eligibility requirements. For more information visit www.dakotacounty.us and search "Safe Drinking Water Grant" or scan the QR code above.

This program is first come, first serve so you are encouraged to apply right away.

Should you have any questions I can be reached at watertreatment@co.dakota.mn.us or 952-891-7549.