

COON CREEK WATERSHED DISTRICT
Request for Board Action

MEETING DATE: January 13, 2025
AGENDA NUMBER: 6
ITEM: Administrator’s Report

AGENDA: Consent

REQUESTED ACTION:

Receive report.

ADMINISTRATOR’S EVALUATION

Upcoming Board Considerations

- Aquatic Invasive Species Annual Report

District Capacity and Capability

The District possesses the required resources and is trained to undertake most of its legislative mission for which it is organized or designed.

The District can accomplish most required tasks to the required standard under most conditions.

MANAGEMENT SITUATION

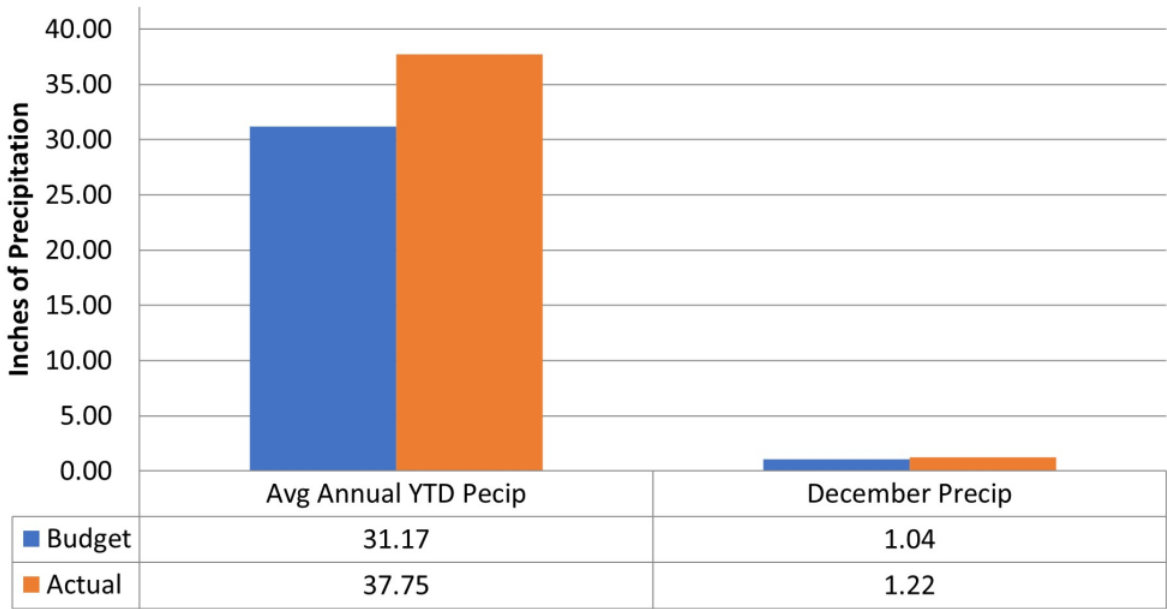
Natural Environment

The District averaged 1.2” of precipitation in the month of December. That leaves us 0.2” (17%) above average for the month and 6.6” (21%) above average for the year. The 2024 growing season ended 3.3” (15%) above average.

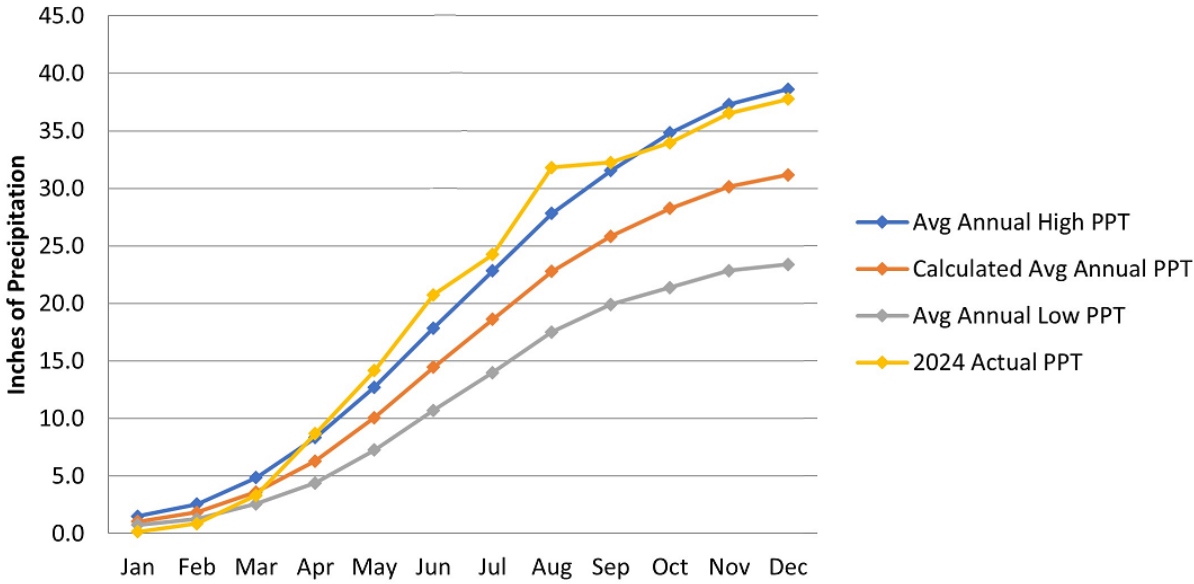
During the 2024 growing season, the District experienced minimal time under drought conditions, reaching a Moderate Drought status for only four weeks at its worst. Over the past three years, the growing season experienced an average of 19 weeks under at least moderate drought conditions. Above average precipitation during 2024 was reflected in baseflows and water levels across the District, which also spent more time in the average or above-average range compared to the previous three years.

The current lack of snowpack indicates that precipitation and temperature in the coming weeks will influence late-season frost depths and spring flood risk. While long-range forecasts show no clear trends for temperature and precipitation, short-term forecasts predict below-average temperatures and little to no precipitation over the next seven days. It is too early to predict springtime flood risk with certainty, but there is currently no indication of an elevated risk.

2024 Water Watch



2024 Year-To-Date Precipitation



Economic Environment

Smaller fund balance projected

Structural imbalance grows

- FY 2026-27 projected balance is \$616 million, \$1.1 billion less than prior estimates
- Structural imbalance widens as spending growth exceeds long term revenue forecast, driving projected deficit in FY 2028-29 biennium

Revenues

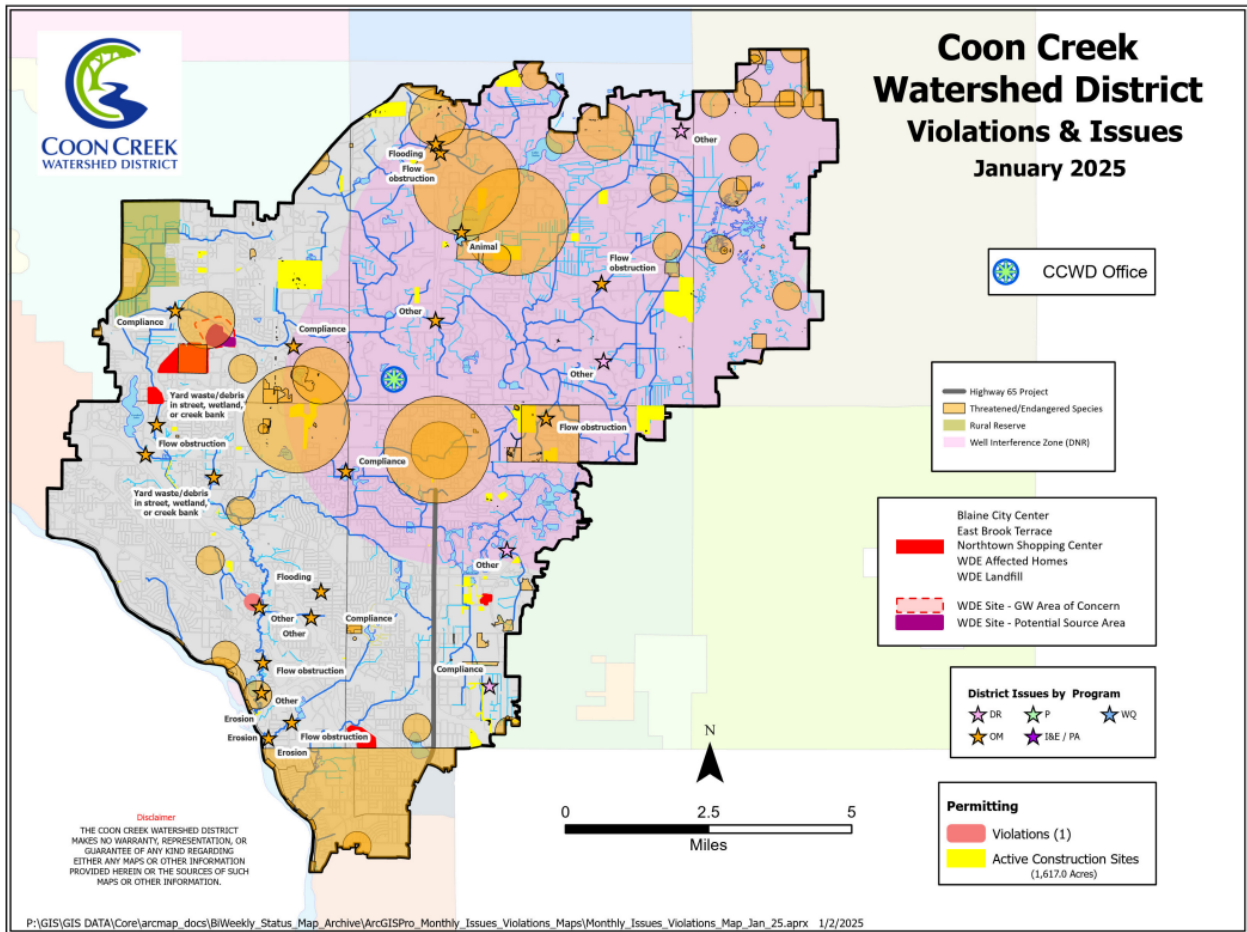
- **Individual income and sales tax revenues are lower than previously estimated.**
 - **However, January report shows revenues 1.4% higher than expected**
 - **Net sales tax receipts were \$1 million (0.1 percent) lower than forecast.**
- Long-term care services and special education drive increased spending
- Potential policy shifts at federal level create forecast uncertainty
- Statutory allocation to budget reserve reinforces state’s commitment to strong financial planning

Management Environment

Agency	Status
US EPA	<ul style="list-style-type: none"> • Proposing modification to 2022 Construction General Permit to expand list of Federal Land areas potentially covered by permit.
Minnesota Legislature	<ul style="list-style-type: none"> • Legislature convenes Tuesday January 14 • Split houses mean Committee Co-Chairs. Expectations should be low concerning legislative change or appropriation of money
BWSR	<ul style="list-style-type: none"> • Board scheduled to meet January 22 • Staff receiving complaints about inability to complete grant funded projects because of MPCA & DNR permit process.
Clean Water Council	<ul style="list-style-type: none"> • Next meeting January 27 • Met in December to hear the General Fund and Clean Water Fund Budget reports and forecast
Department of Natural Resources	<ul style="list-style-type: none"> • Virtual meeting with Commissioner Strommen to discuss permitting planned for January 15 <ul style="list-style-type: none"> ○
Minnesota Pollution Control Agency	<ul style="list-style-type: none"> • Meeting with Commissioner Kessler to discuss permitting tentatively planned for either January 15 or 16 •
Minnesota Association of Watersheds (MAWD)	<ul style="list-style-type: none"> • Pursuing two legislative/Policy priorities <ul style="list-style-type: none"> ○ Chloride ○ DNR permitting
MN Legislature - House	<ul style="list-style-type: none"> • Speaker of the House: Lisa Demuth (R-Cold Spring) is officially the Republican speaker-designate

	<ul style="list-style-type: none"> House Environment & Natural Resources: Co-Chairs Rick Hansen (D) Cottage Grove and Josh Heintzeman (R), Nisswa, former Watershed Manager Thirty-Lakes WD.
MN Legislature - Senate	<ul style="list-style-type: none"> Senate Environment and Natural Resources Committee Co-Chairs: Bill Ingebrigtsen (R) and Dan D. Hall (R) Met with Senator Kreun January 2 to Discuss DNR & PCA permitting

Problems, Issues, and Concerns



Collaborator Actions Capacity and Capability

Collaborator	Description
Anoka Conservation District	<ul style="list-style-type: none"> No Report
Anoka County Highways	<ul style="list-style-type: none"> Has petitioned for review of Administrative Penalty Order issued by MPCA in Lower Coon Creek. CSAH 18/20 Roundabout being planned CSAH 17 improvements being planned

Andover	<ul style="list-style-type: none"> • New City Administrator, Sarah Cotton, has started. • Council meets January 7 & 20th • Council will initiate process to fill vacant Council seat
Blaine	<ul style="list-style-type: none"> • Council meets January 6 & 22nd. • Only new council member, Chris Ford.
Columbus	<ul style="list-style-type: none"> • Council meets January 13 & 27
Coon Rapids	<ul style="list-style-type: none"> • Council meets January 6 & 20
Fridley	<ul style="list-style-type: none"> • Council meets January 13 & 27
Ham Lake	<ul style="list-style-type: none"> • Council meets January 6 & 20 • City Engineer Tom Collins was killed December 30 in an auto accident. Dave Krugler is presumed to take his place.
Spring Lake Park	<ul style="list-style-type: none"> • Council will meet January 21
Crooked Lake Area Assoc	<ul style="list-style-type: none"> • No report
Ham Lake Lake Assoc	<ul style="list-style-type: none"> • No report

STAFF ACTIVITIES

Strategic Management Activities

- 1) Goal: Request Legislature allocate more money to achieve TMDL by 2045: In December, Staff spoke with BWSR and the Water Resource Council on funding for TMDL implementation and the delays and negation of these agency grant programs on TMDL achievement.
- 2) Goal: Staged TMDL deadline: Discussion and lobbying on the suddenness and absence of standards in state permit requirements has references the 2045 TMDL deadline. Staff meeting with Sen. Keun.
- 3) Goal: Differentiate water resources: No report
- 4) Goal: Comp Plan Updates: Staff discussing updates to Capital Improvement Plan

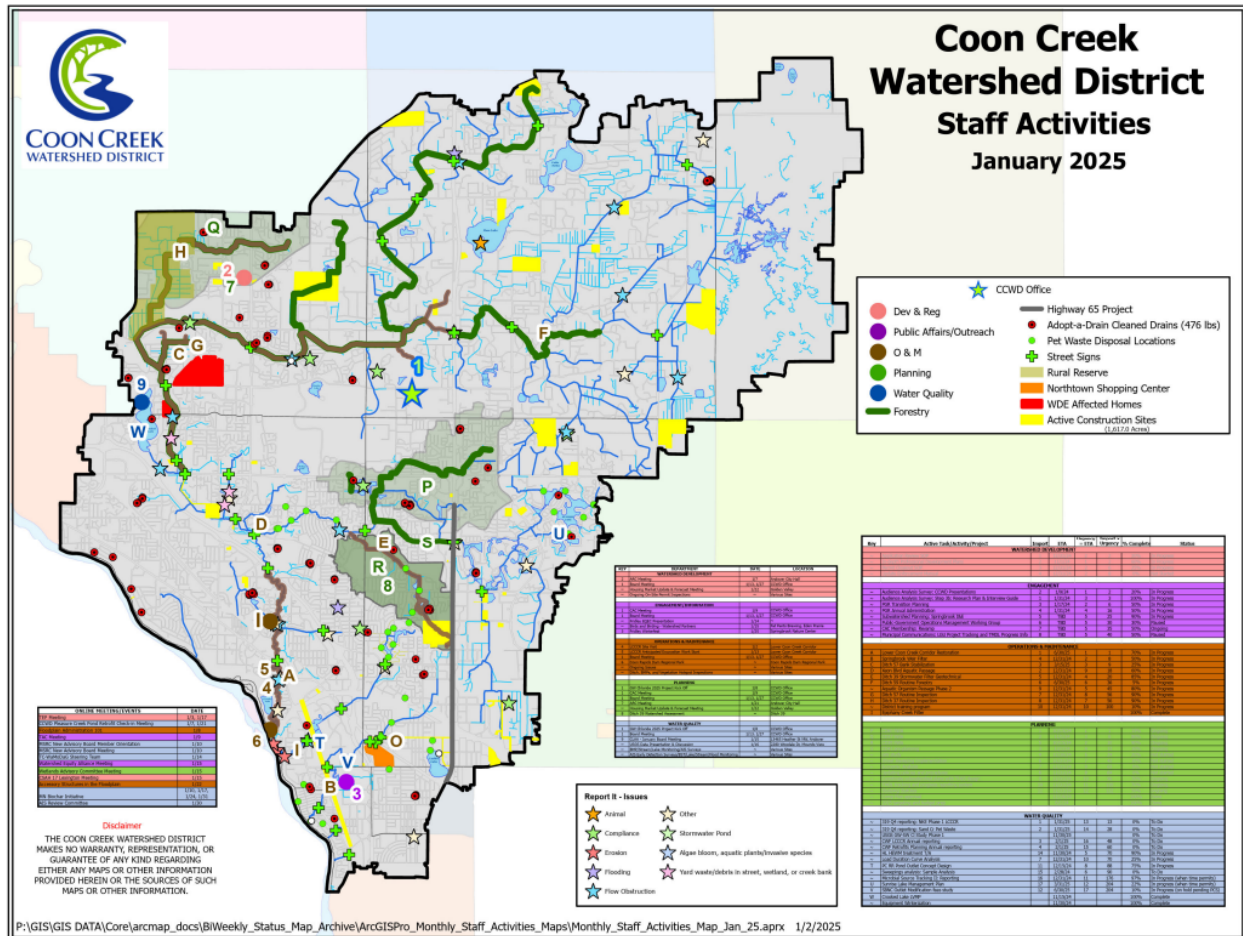
Special Projects

Anoka County Transition:

Benefits Replacement: Benefits are in place.

Payroll Replacement: First payroll was made 1/3. It went OK (Grade of C). Need to audit payments and correct

Operations Management Activities



District Capacity and Capability

Equipment and Facilities:

All equipment is in good working condition.

Training:

- We are currently reviewing and rethinking the District's training plan for staff preparation and development.

Staffing:

- Compliment: The District is at 86% staffing with two vacancies
- Vacancies/New Hires: Staff has met to review and discuss position, evolution in duties. No timetable has been set for posting position.
- Health: The current round of influenzas and Covid have hit the office. Cases are sporadic. Staff has been advised of basic hygiene measures to help prevent introduction.
- Personnel Manual: The re-write of the Personnel Guidance Manual is in rough draft form and will be discussed tonight and at the January 27 Board meeting

Financial Position:

**Coon Creek Watershed District
CCWD - Budget Report**

As of Date:

12/31/2024

	Year Ending 12/31/2024	Year To Date 12/31/2024			
	CCWD 2024 Budget	CCWD 2024 Budget YTD	Actual Expenses YTD	Variance YTD	
Revenue					
Property Taxes	4,965,765.00	4,965,765.00	4,888,075.46	77,689.54	-2%
Fees & Charges	298,423.00	298,423.00	248,905.91	49,517.09	-17%
Grants	314,539.00	314,539.00	235,502.01	79,036.99	-25%
Other Revenue	28,042.00	28,042.00	176,855.56	(148,813.56)	531%
Total Revenue	5,606,769.00	5,606,769.00	5,549,338.94	57,430.06	-1%
Expense					
Salaries & Benefits	1,981,605.00	1,981,605.00	1,743,000.86	238,604.14	-12%
Professional Services	589,000.00	589,000.00	353,016.85	235,983.15	-40%
Operating Expenses	239,164.00	239,164.00	191,425.11	47,738.89	-20%
Program Expense	2,757,867.00	2,757,867.00	1,325,440.48	1,432,426.52	-52%
Capitalized Expenses	166,708.00	166,708.00	114,432.46	52,275.54	-31%
Total Expense	5,734,344.00	5,734,344.00	3,727,315.76	2,007,028.24	-35%

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**Coon Creek Watershed District
Cash Balance**

As of Date:

12/31/2024

	Escrow Fund	General Fund	All Funds
	Month Ending 12/31/2024	Month Ending 12/31/2024	Month Ending 12/31/2024
Cash and Cash Equivalents			
Cash	1,723,607.12	(2,181,056.45)	(457,449.33)
Petty Cash	0.00	250.00	250.00
Investment Account	5,070.00	5,680,006.30	5,685,076.30
Total Cash and Cash Equivalents	1,728,677.12	3,499,199.85	5,227,876.97

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December started with an operational fund balance of approximately \$1,630,116.40
 Change in net cash position was +\$1,869,083.45
 Balance of the escrow trust fund is \$1,729,537.12
 Eleven months into the fiscal year, the budget variance is -%34 less than planned

Facilities & Installations:

South Pleasure Creek Filter: Pump is not working properly

Epiphany Creek Filter: Wash out adjacent to filter and pump has been repaired