Sunrise River WMO

2241 – 221st Ave
Cedar, MN 55011

APPROVED MINUTES

Sunrise River Water Management Organization Meeting
Thursday, September 10, 2026
Meeting was held in person at the East Bethel City Hall

1. Call to Order
   Mr. Mundle called the meeting to order at 6:30 p.m.

2. Roll Call

Present	Absent		Present	Absent	
☒	☐	Karen Fleming (Columbus)	☒	☐	John Olson (Linwood)
☐	☒	Tim Melchior, Secretary (Columbus)	☒	☐	Kevin Kelly, Vice Chair (Linwood)
☒	☐	Brian Mundle, Chair (E Bethel)	☒	☐	Ben Harker, Treasurer (Linwood Alt.)
☒	☐	Leon Mager (E Bethel)	☒	☐	Jamie Schurbon (Admin)
☒	☐	Troy Wolens (Ham Lake)	☒	☐	Other: Kate Luthner, ACD
☒	☐	Andrew Hallberg (Ham Lake)	☒	☐	Other: Josh Norman, BWSR
			☒	☐	Other: George Mejicano, Linwood Lake Improvement Assoc.

3. Approval of Agenda
   Ms. Fleming moved to approve the agenda, and Mr. Olson seconded this motion. The motion carried with all in favor.

4. Approval of Minutes for June 11, 2026
   Mr. Olson moved to approve the minutes, and Mr. Hallberg seconded this motion. The motion carried with all in favor.

5. Financial Reports
   A. Treasurer's report
   Mr. Harker reviewed the Treasurer's Report and noted that financial activity had been quiet since the June meeting. Two checks were issued following the June 11 meeting: $178.00 to Timesaver Offsite Secretarial for the April 9 meeting minutes and $13,154.00 to the Anoka Conservation District for the 2026 Monitoring and Management Work Plan. Linwood Township made its second 2026 contribution on June 15 for $10,115.70. No additional activity occurred through the remainder of June, July, or August. The ledger reflected a total bank balance of $42,114.86 after the Linwood contribution.

   Mr. Mager moved to accept the treasurer's report as presented, and Mr. Kelly seconded this motion. The motion carried with all in favor.

B. Grants financial report

Mr. Schurbon reviewed the September 1, 2026, Grants Financial Report and provided updates on several SRWMO projects. He reported that $2,133.55 from the Cost Share Grant Fund for Landowners was used for the Senft Linwood Lake shoreline restoration project, leaving a balance of $7,524.70. The Phase 2 Sunrise Chain of Lakes Shoreline Stabilization grant and the FY25 Watershed Based Implementation Funds grant were both fully expended and will be closed. Together, the funding supported shoreline stabilization projects on Linwood, Coon, and Martin Lakes, as well as the East Front Boulevard rain garden.

Mr. Schurbon also reported that the Ditch 20 Wetland Restoration project was essentially complete, with approximately $30,000 expected to remain after final construction costs. Those funds could support technical and engineering work associated with the related Ditch 13 project.

Mr. Schurbon reported that the Ditch 13 Wetland Restoration project remained in design and permitting, with permits expected shortly and construction anticipated during the coming winter. He also discussed potential future funding opportunities, including Lower St. Croix Partnership funds for internal phosphorus-loading analyses on Linwood and Martin Lakes to help determine whether future lake treatments may be appropriate. He noted that Clean Water Fund opportunities have become less frequent at every-other-year. At the same time, Watershed Based Implementation Funds continue through the Lower St. Croix Partnership, and he identified a possible federal grant opportunity for additional shoreline projects.

6. Unfinished Business

A. Consider Lower St. Croix Partnership Membership

Mr. Schurbon reviewed the requested follow-up regarding possible SRWMO membership in the Lower St. Croix Partnership. The SRWMO Joint Powers Agreement requires unanimous approval from all four member communities to participate in a comprehensive watershed management planning process. Linwood Township and Columbus supported rejoining, Ham Lake did not, and East Bethel had not taken a position; therefore, the SRWMO could not rejoin, and no Board action was necessary.

Mr. Hallberg explained that Ham Lake represents a relatively small portion of the watershed and did not believe the potential benefits justified the additional liability associated with Partnership participation.

Mr. Schurbon explained that although SRWMO would not be eligible to request funds reserved for Partnership members, ACD could potentially apply for those funds on behalf of projects supported by both organizations. He also reviewed the two sources of Watershed-Based Implementation Funds, noting that SRWMO's request through the current metro-area funding cycle was not selected and those funds were instead directed to the broader watershed funding pool administered by the Lower St. Croix Partnership. New Partnership funds were

expected to become fully available within several months, at which time ACD could seek funding for appropriate projects within the SRWMO area.

7. New Business

A. Audit Requirements

Mr. Schurbon introduced Mr. Norman, Board of Water and Soil Resources (BWSR) Board Conservationist. Mr. Norman explained that he grew up in Anoka County, graduated from Anoka High School, attended the University of Wisconsin-Stevens Point, and returned to the area to work in water resource conservation. Mr. Schurbon noted that Mr. Norman would assist the SRWMO when its watershed plan update begins in approximately one year.

Mr. Schurbon summarized a disagreement between the Office of the State Auditor (OSA) and BWSR regarding financial audit requirements for watershed management organizations. Historically, organizations below the applicable revenue threshold have completed an audit or agreed-upon procedures every five years, which remains BWSR's interpretation of Minnesota law and rules; however, OSA now maintains that an audit is required annually regardless of revenue. Because SRWMO completed an audit for 2024, the issue currently concerns its 2025 finances. He explained that OSA initially based its position on a statutory provision concerning special district aid, which SRWMO does not receive, but after further correspondence and legal review, continued to require an annual audit based on older Minnesota Rules 8410 which were written by and are administered by BWSR. Mr. Schurbon subsequently reviewed the rule and contacted BWSR for clarification, as directed by the OSA.

Mr. Norman explained that BWSR conducted its own legal review and disagreed with OSA. BWSR maintains that the long-standing five-year audit interpretation remains correct for WMOs below the statutory revenue threshold. The matter reached BWSR's executive director, and BWSR asked OSA to pause implementation of the new interpretation, allowing time for the state agencies to reach resolution and the WMOs to adapt. OSA later said it still disagreed with BWSR. Mr. Norman characterized the issue as an unresolved issue between OSA and BWSR, and explained that BWSR was exploring additional avenues, potentially including legislative clarification.

Mr. Schurbon reported that attorneys for the Middle St. Croix WMO and North Cannon River WMO had separately reviewed the question and agreed with BWSR's interpretation. The meeting packet estimated an SRWMO audit at approximately $4,000 to $6,000, plus staff time. Under the traditional five-year schedule, audit costs had represented roughly two percent of the organization's budget over five years; annual audits could increase that impact to approximately ten percent.

Mr. Norman advised SRWMO not to initiate a 2025 audit at this time and instead allow BWSR to continue working with OSA toward a resolution.

The board discussed possible consequences of either agency's interpretation. Under BWSR's rules, failure to complete the required five-year audit could result in a finding that a watershed organization was failing to implement its plan, which could jeopardize access to State funding until the organization returned to compliance. Mr. Norman stated that BWSR considers SRWMO compliant under the existing five-year schedule. The possible consequences of not following OSA's annual-audit interpretation remain uncertain.

Mr. Norman reported that other metropolitan WMOs which OSA contacted were generally taking the same wait-and-see approach. None he knew of had proceeded with an annual audit solely because of OSA's new interpretation. The Upper Rum River WMO had recently chosen to take no action while the agencies worked through the issue.

Mr. Schurbon reviewed the alternatives identified in his memorandum: wait for BWSR and OSA to resolve the issue; request a separate legal opinion from SRWMO's attorney; request an extension from OSA; or engage an auditor for the 2025 finances. He cautioned that extensions reportedly granted to other WMOs had provided only four to fourteen additional days, insufficient time to complete an audit, and requesting an extension might be interpreted as acknowledging that an annual audit is required. Engaging an auditor would require Board approval and use of undesignated reserve funds.

Mr. Mundle and Board members generally favored following BWSR's recommendation and taking no action at this time rather than incurring legal or audit expenses. At the same time, the State agencies remain in disagreement.

Mr. Schurbon and Mr. Norman will keep the Board informed of developments. No formal action was taken.

8. Mail
None

9. Other

A. Upcoming Meeting Dates: 2026 – November 5, 2027 – January 7, February 4

Mr. Mundle reviewed the upcoming meeting schedule. The next SRWMO meeting is November 5, 2026, followed by meetings on January 7 and February 4, 2027.

Mr. Hallberg advised that he could not attend the November meeting.

Mr. Mundle asked Board members who hold elected local-government positions about upcoming elections. Members briefly discussed whether they were seeking reelection and the status of their local races.

B. Linwood Lake Improvement Association

Mr. Schurbon introduced Mr. Mejicano as the new President of the Linwood Lake Improvement Association. He succeeded longtime LLIA President John Murphy and volunteered to help revitalize the Association.

Mr. Mejicano said LLIA members are concerned about aquatic invasive species, lake levels, septic systems, and water quality. The Association wants to become more active, reconnect with SRWMO, and participate in the upcoming ten-year watershed plan update. He emphasized that LLIA wants to coordinate its efforts with SRWMO so the organizations work toward the same goals and can position potential improvement projects for future funding.

Mr. Schurbon and Mr. Mejicano discussed the DNR Aquatic Management Area (AMA) north of Viking Boulevard near Linwood Lake. Mr. Schurbon explained that Aquatic Management Areas are DNR properties managed through fisheries rather than wildlife management. The site includes shallow wetland habitat, wild rice, waterfowl, and other wildlife values. Monitoring has shown high nutrient concentrations in water leaving that area toward Linwood Lake, although the water volume is comparatively low. Any future project would therefore need to balance water-quality benefits and habitat impacts.

Mr. Mejicano explained that residents around Linwood Lake have identified runoff from the north and from the Boot Lake area as major concerns. He wants LLIA to understand the evidence and coordinate any response with SRWMO and the DNR because water entering Linwood Lake can ultimately affect Island Lake, Martin Lake, and downstream waters.

Mr. Schurbon clarified that previous monitoring did examine the northern inflow from the AMA. The DNR Aquatic Management Area showed a higher nutrient concentration, but the flow volume was lower. By comparison, monitoring associated with Boot Lake and other southern inputs found nutrient concentrations generally similar to Linwood Lake itself, meaning those sources were not measurably worsening or improving Linwood Lake water quality.

Mr. Schurbon described potential concepts that could eventually be studied for the Aquatic Management Area, including deeper excavation, fish-habitat improvements, aeration, spent-lime treatment, or alum treatment. Low dissolved oxygen may be contributing to phosphorus release from bottom sediments. Increasing depth or oxygen could reduce internal nutrient release, but deeper water could also reduce wild-rice habitat, which thrives in shallow water. He emphasized that a project concept would require further study and coordination with DNR Fisheries, which has expressed openness to collaboration but has limited funding.

Mr. Mejicano emphasized that LLIA was not proposing immediate construction. Rather, the Association would like the issue considered during SRWMO's next ten-year plan update if additional evidence supports it as a watershed priority.

Mr. Schurbon estimated that the plan update would begin in about one year and could take approximately 18 months or longer to complete.

Mr. Mejicano discussed LLIA membership. The improvement area contains approximately 170 properties, but only 42 paid members participated in 2025. He explained that payment-processing problems and low engagement contributed to the decline and that the Association is working to rebuild participation. Board members discussed LLIA's Facebook presence and ways to improve communication with residents.

Mr. Hallberg explained that Hallberg Marine has partnered with lake associations having at least 50 active members to obtain additional support through the Hallberg Family Foundation. He noted that the program has contributed approximately $45,000 since the previous July to projects involving lake associations in areas such as Coon Lake, Forest Lake, and Chisago. He encouraged LLIA to contact him if its active membership reaches 50.

Board members welcomed LLIA's renewed involvement and expressed support for future active partnerships.

10. Invoice(s) approval
A. Timesaver Offsite Secretarial ($178)
Mr. Hallberg moved to pay TimeSaver $178, and Mr. Kelly seconded this. The motion carried with all in favor.

11. Adjourn
Mr. Mundle adjourned the meeting at 7:14 p.m.

Submitted by:
Sue Osbeck