

Minutes- Approved: 5.20.2026
Meeting Type: Finance Committee
Time/Date: 8:00pm CST, April 8, 2026
Location: 112 E. 5th Street, #102 Chaska, Minnesota 55318



LOWER MINNESOTA RIVER
WATERSHED DISTRICT

1. CALL TO ORDER AND ROLL CALL

President McNew called the meeting to order at 7:00 PM CST.

Managers Present: Joseph Barisonzi, Carter McNew, Vinatha Viswanathan, Kyle Bakkum

Staff Present: Will Lytle, Damaris Canales

2. PUBLIC COMMENT

No formal public comment was received.

3. NEW BUSINESS

The discussion focused primarily on agenda item 3.1, the review and recommendation of accounts payable, with Lytle outlining that the current batch of invoices totaled approximately \$1.5 million. He noted that a significant portion represented the final major invoice from Sunram related to the Area 3 project, with remaining invoices expected to be routine for the time of year. The conversation also addressed an invoice from CLA that had been temporarily withheld pending receipt of a detailed hourly breakdown, which had since been provided; however, concerns remained regarding whether the deliverables aligned with the approved work plan. Additional administrative questions arose regarding invoicing frequency for Loomis, with staff explaining that attempts had been made to move her toward monthly or quarterly billing, though compliance had been difficult and inconsistent with existing work plan cycles.

The discussion broadened into a policy-level conversation about financial management practices, particularly the importance of timely invoicing and accurate reporting of liabilities. Lytle emphasized that managing financial records with delayed or irregular invoices creates an inaccurate picture of outstanding obligations and complicates monthly reporting. He suggested that financial systems should reflect accrued liabilities based on approved work rather than cash timing, ensuring a more accurate representation of ongoing obligations. Staff discussed whether existing financial policies already required more frequent invoicing, and if not, whether such a policy should be formally amended. The conversation also touched on the idea of imposing penalties for late invoicing, mirroring contractual late-payment penalties, though there was acknowledgment that such provisions may be difficult to implement in practice, particularly in engineering and legacy vendor agreements.



Barisonzi further characterized the current arrangement as a legacy contract structure that should be phased out over time, warning against allowing outdated agreements to persist and create ongoing administrative inefficiencies. He reiterated the need to “cut the cord” on problematic or outdated vendor arrangements. A question was raised regarding potential tax implications of delayed or lump-sum vendor payments, which Lytle addressed by clarifying that the arrangement involves vendor contracts rather than payroll, meaning obligations are governed by contract terms rather than employment tax structures.

Action: To approve the accounts payable report totaling approximately \$1.5 million, including invoices for project work, consulting services, and vendor payments, for processing and payment as presented.									
1st:		2nd:							
Bar.	Y	Bak.	Y	Vis.	Y	McN.	Y		
Motion Carried									

Action: Authorize staff to develop and present, as part of the budget revision process, a clearly defined list of specific line items, contracts, agreements, and workplans that could be suspended, reduced, realigned, or terminated.									
1st:		2nd:							
McN.	Y	Bar.	Y	Vis.	Y	Bak.	Y		
Motion Carried									

4. OLD BUSINESS

The conversation began with the status of several grants and ongoing project-related funding issues, particularly those tied to broader governance and political conflicts affecting the district. Lytle explained that while there were no major updates, the district had multiple grant applications pending and had already received funding from BWSR for the Bevins Creek water quality and storage program. However, he noted that the project had become entangled in a broader conflict situation involving outside entities and stakeholder disagreements. According to Lytle, BWSR had instructed the district not to proceed with work or submit billings on the project until the larger dispute was resolved. Geosyntec, identified as a primary engineering partner connected to the grant, was aware of the situation and understood that the project

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timeline allowed flexibility because grant-related activity could still be completed before the 2029 deadline.

Lytle stated that all involved parties had effectively agreed to pause work on the Bevins Creek project temporarily rather than cancel, reallocate, or return the grant funding. He emphasized that BWSR preferred the project move forward only after a broader compromise or resolution had been reached regarding the underlying conflicts. He also explained that district staff had documented the various stakeholder positions associated with these disputes so board members could better understand or respond to concerns, misinformation, or differing narratives regarding budgets, grants, and district operations. Lytle encouraged members to reach out for additional historical context if needed but indicated that he did not intend to revisit the full conflict history during this meeting segment.

The conversation then briefly shifted to dredging agreement reviews and future revenue considerations. Lytle noted that staff would likely require assistance from legal counsel in reviewing and updating dredging-related agreements. He suggested that revised agreements could potentially generate additional revenue for the district, although the exact financial impact had not yet been determined.

5. ADMINISTRATIVE REPORTS

Staff focused on financial and administrative complications surrounding the Area 3 project reimbursement process. Lytle explained that reimbursement funding from the state had been unexpectedly delayed due to unresolved property-recording issues tied to the land acquisition required for the project. In order for the district to qualify for state funding, the district needed to officially own the property associated with the Area 3 work. Although the purchase transaction had already occurred and funds had been paid, the deed could not yet be formally recorded because of unresolved back taxes connected to the original property owner. The situation became more complicated because the parcel division process required county review and approval from the city regarding subdivision of the lot before the recording could proceed.

Lytle described the matter as a stressful and unexpectedly time-consuming bureaucratic issue that had consumed substantial staff effort during the month. Additional payments had reportedly been required to resolve tax-related complications, and staff had spent many hours coordinating with county and state entities in an effort to clear the remaining obstacles. He

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explained that the district could not receive state reimbursement funds until the deed was officially recorded within the county system. Because the state's reimbursement money needed to arrive before the district could pay related accounts payable obligations, the delay was expected to temporarily postpone invoice payments connected to the project. Members discussed contacting outside governmental relationships to help expedite county processing and reduce the delay.

The conversation also touched on concerns that the delays may have stemmed either from ordinary bureaucratic red tape or from outside actors intentionally slowing the process to create operational or financial difficulties for the district. Lytle noted that technical issues remained regarding survey documentation, including distinctions between draft and signed surveys required for official acceptance. He characterized the situation as an unexpectedly intense administrative challenge associated with carrying out a capital improvement project under a compressed timeline.

Additional discussion addressed public project permit review costs and future cost recovery mechanisms. Lytle relayed information from Young indicating that the district's 2026 budget assumptions for public permit reviews were likely inadequate because the district had recently experienced larger and more complex public projects than anticipated. While the district already maintained cost recovery mechanisms for private-sector development projects, it did not yet have equivalent recovery systems in place for public institutions. As a result, taxpayer funds were effectively subsidizing extensive public project review work. Lytle explained that future budget amendments would need to reflect these increased review costs and that the district intended to pursue memorandums of understanding or similar agreements to recover costs from public entities where legally permissible. He noted, however, that implementation of those recovery mechanisms would require confirmation and support from the district's future attorney before moving forward.

6. ADJOURNMENT

The meeting was adjourned at 9:06 PM CST.