

Minutes- Approved: 3.11.2026
Meeting Type: Finance Committee
Time/Date: 8:00pm CST, 2.11.2026
Location: County Board Room, Carver County Government
Center, 602 East 4th Street, Chaska, MN 55318



LOWER MINNESOTA RIVER
WATERSHED DISTRICT

1. CALL TO ORDER AND ROLL CALL

President Barisonzi called the meeting to order at 8:00 PM CST.

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

Staff Present: Will Lytle, Damaris Canales

Others Present: Christopher Knopik

With attendance established and a quorum clearly present, Chair McNew directs the committee's attention to the agenda displayed before them. He asks whether there is a motion to accept and approve the agenda as presented. Manager Bakkum responds first, moving to approve the agenda. Manager Barisonzi then adds that he seconds the motion. The Chair acknowledges the motion and second, confirming that the agenda approval process can proceed.

The committee turned its attention to the review and approval of the 1.14.26 Finance Committee meeting minutes. The Chair asked whether members had reviewed the minutes, prompting Manager Barisonzi to comment on the clarity of how motions and recommendations were represented. He emphasized the importance of distinguishing committee recommendations to the full board from committee approvals. Before moving to a motion, Manager Bakkum raised an additional accuracy concern: whether Manager Kuplic had been in attendance at the referenced meeting. Manager Viswanathan was unsure, and Manager Barisonzi confirmed that she had not been present. Staff also supported this correction. With these clarifications made, the Chair asked again for a motion.

Manager Barisonzi then formally moved to approve the January minutes with two amendments: first, to remove Theresa Kuplic from the attendance list; and second, to revise the action item under New Business #3 to accurately reflect that the committee had recommended forwarding the staff response and recommendations from the 2023 audit to the Board rather than approving them. The Chair restated the motion, summarizing that it included both the attendance correction and standard recommendation language. The motion was

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seconded by Manager Bakkum. The Chair confirmed that the motion carried and that the amended meeting minutes were approved.

Action: Approval of the 2.11.2026 Finance Committee meeting agenda.									
1st:		2nd:							
Bak.	Y	Bar.	Y	Kup.	Y	McN.	Y	Vis.	Y
Motion Carried									

Action: Approval of the 1.14.2026 Finance Committee Meeting Minutes with amendments.									
1st:		2nd:							
Bar.	Y	Bak.	Y	Kup.	Y	McN.	Y	Vis.	Y
Motion Carried									

2. PUBLIC COMMENT

No formal public comment was received.

3. NEW BUSINESS

The committee began the New Business portion of the meeting with a presentation from Administrator Lytle on revising the district’s accounts and coding structure. He explained that recent audit cycles had revealed recurring problems in how invoices were categorized within Bill.com and QuickBooks, where the “account” and “classification” fields were often used redundantly or inconsistently. This led to expenditures being improperly placed into budget lines such as engineering or professional services, creating confusion, and reducing the clarity of audit results. After reviewing coding practices used by other watershed districts, Lytle determined that their approaches—often tied closely to staffing structures—were not well suited to this district. Instead, he recommended a comprehensive redesign of the district’s

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accounting framework so that accounts and sub-accounts align more closely with the watershed management plan and the district's functional program areas.

Administrator Lytle also recommend adopting several new coding layers to improve tracking and context for expenditures. These included identifying the customer or partner tied to an expense, tagging the type of approach being applied—such as engineering, restoration, or public engagement—and marking where each expenditure falls within the project's lifecycle. He explained that these additions would enhance the district's ability to understand its spending patterns and ensure that project-level activities were documented more accurately. Manager Barisonzi strongly supported the proposal, describing it as an absolutely critical and long overdue step. A motion was then introduced to move forward with implementing Lytle's proposed redesign of the accounts and coding structure.

The next topic addressed the State Audit Services request reconciliation. Lytle noted that this item had been requested by Barisonzi and was related to the earlier payables issue. Manager Barisonzi explained that the City of Shakopee believed the district might owe \$300,000, including \$100,000 for which the district had no record of contracts or board authorization. He emphasized the potential political and fiduciary concerns involved, stating that invoices for work completed years earlier could not be paid without supporting documentation. Barisonzi also stressed the need to gather information quickly, so the district would be prepared to initiate a state audit if the facts uncovered in the coming weeks warranted it. After clarifying that the communication had come from Shakopee's engineering department, the committee introduced a motion referencing the staff's recommendation related to this reconciliation effort.

The committee then briefly turned to the historical payables discussion, with Administrator Lytle summarizing the key points; explaining that the district had received a surprise \$100,000 invoice from the City of Shakopee for an unbudgeted item, reinforcing the concerns already raised about documentation gaps and unclear obligations.

Discussion next shifted to outreach activities involving the Citizens Advisory Committee, particularly the CAC-endorsed Rotary Club event scheduled for March 21. Manager Barisonzi commented on the importance of improving communication between the CAC and the board

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and encouraged CAC members to present their feedback directly when appropriate. Manager Bakkum stated that he believed the CAC had reached consensus in support of participating in the event and offered to make a motion on the CAC’s behalf. Chair McNew supported the idea and emphasized the importance of gathering impact data—such as contact numbers or participation estimates—as part of the district’s zero-based budgeting approach. Bakkum reiterated his support for the motion, and Will agreed that developing better reporting and evaluation methods aligned with long-term planning efforts. A motion followed to recommend board support for participation in the March 21 outreach event. Barisonzi provided additional context about the Green Crew Youth Program and its involvement in the Envirothon, highlighting the regional significance of the event and the leadership role that young participants play.

The final item in New Business concerned participation in the Econ Expo, an outreach event previously staffed by district personnel and CAC members. Lytle shared that last year’s \$150 table fee had yielded strong engagement because the event targeted attendees specifically interested in water issues. Chair McNew asked whether an after-action reporting component could be added to the motion for improved future evaluation. Administrator Lytle agreed, noting that additional information about the event’s scale and trajectory would help the district budget appropriately in the future. Manager Barisonzi added that water had become a top priority for the region’s Rotary Clubs and that the Expo offered meaningful opportunities for recruitment and public engagement. A motion was made and seconded to approve participation in the Econ Expo, including CAC involvement and after-action reporting.

Action: Approval to move forward with Lytle’s comprehensive overhaul to improve financial clarity and audit accuracy of the district’s accounts and coding structure, including restructuring accounts to align with the watershed management plan and adding new coding layers such as Customer, Location/Approach, and Project Lifecycle Stage.									
1st:		2nd:							
Bar.	Y	Bak.	Y	Kup.	Y	McN.	Y	Vis.	Y
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Action: Approval to proceed with staff recommendations on the State Audit Services to request reconciliation. Addressing the City of Shakopee repayment assertions, completing the needed reconciliation, and preparing to initiate a state audit if forthcoming findings warrant it.									
1st:		2nd:							
Bar.	Y	Bak.	Y	Kup.	Y	McN.	Y	Vis.	Y
Motion Carried									

Action: Approval to recommend that the Board support participation in the March 21st Rotary Club outreach event as proposed through the CAC and requested that the Board authorize the district's involvement.									
1st:		2nd:							
Bak.	Y	Vis.	Y	Kup.	Y	McN.	Y	Bar.	Y
Motion Carried									

Action: Approve district participation in the Econ Expo, with the intent to obtain a table for outreach, involve CAC members in staffing the booth, and incorporate after-action reporting to evaluate engagement and impact.									
1st:		2nd:							
Bar.	Y	Bak.	Y	Kup.	Y	McN.	Y	Vis.	Y
Motion Carried									

4. OLD BUSINESS

The committee proceeded to the Old Business section of the agenda, specifically the topic of grant opportunities. Administrator Lytle provided an update, explaining that the district was in active negotiations with BWSR (Board of Water and Soil Resources) regarding the work plan for a recently awarded Water Quality Storage Grant. The district received approximately \$143,000–\$144,000 to conduct modeling work for water storage in Bevins Creek, an area just outside district boundaries but a major contributor to local flooding impacts.

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Lytle clarified that the district pursued this grant not because Bevins Creek lies within the watershed, but because it represents one of the most significant upstream influences on watershed flooding in the entire state. This work is expected to yield important insights for the district's long-term water quantity and quality strategies. As negotiations conclude, Will anticipates providing a more detailed update within the next one to two weeks.

Committee members acknowledged the significance of the award. Manager Barisonzi noted that, during his years of involvement, this was the first grant the district had successfully secured—marking a meaningful milestone in aligning district priorities with external funding sources rather than relying solely on the tax base. Managers expressed appreciation for the effort, and Lytle added that the district had applied for multiple grants recently, with this one signaling the emergence of new revenue options that complement existing levy-supported initiatives.

Chair McNew concluded the discussion by acknowledging the importance of this achievement.

5. ADMINISTRATIVE REPORTS

The committee moved with administrative reports portion of the agenda, beginning with the draft version of the Treasurer's Report. Administrator Lytle explained that the draft represented an early effort to standardize monthly financial reporting and noted that the clarity of these reports would improve substantially once the district transitions to the new accounts and coding structure previously discussed. Lytle walked the committee through current QuickBooks outputs, explaining that the reports mainly reflected January activity and were therefore limited in usefulness at this stage.

He highlighted the district's unusually high cash balance resulting from recently issued bond funds and noted that an additional \$2.75 million was expected soon. Although interest income was temporarily elevated due to this balance, Will reported that a significant \$800,000 construction payment for Area 3 was upcoming, meaning the high cash balance would not persist for long. Administrator Lytle also demonstrated how purchase orders could be used to track committed funds more effectively, placing work plan items into this system to make them easier to follow as liabilities.

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He then provided updates on accounts payable, noting approximately \$1 million owed—excluding the disputed \$100,000 invoice from the City of Shakopee—and reiterated the major role of the Area 3 construction project at current expenses. Lytle next addressed the budget amendment timeline, recommending that amendments wait until the district receives RFPs and finalizes the new budgeting structure to avoid misallocation.

He also reported that the district had finally secured a credit card through Bill.com, a tool intended for recurring operational payments such as Microsoft subscriptions. He then emphasized that this would reduce reliance on reimbursements to individual staff and that existing internal controls already addressed the card's appropriate use.

The committee then shifted to Lytle's proposal to implement an hourly rate schedule for additional work that falls outside contracted scopes or existing work plans. He explained the need for structured pricing for tasks that arise unexpectedly and described a tiered rate system tied to the complexity and nature of work—ranging from routine program management to substantial new project development. He also described how usage would be capped quarterly and itemized via invoices.

Chair McNew asked whether there were any action items connected to these updates, and Will clarified that none required action at this time. With no further business remaining, the Chair formally adjourned the meeting, thanking all participants.

6. ADJOURNMENT

The meeting was adjourned at 9:18 PM CST.