

**COON CREEK WATERSHED DISTRICT
Request for Board Action**

MEETING DATE: March 9, 2026
AGENDA NUMBER: 6
ITEM: Administrator's Report

AGENDA: Consent

REQUESTED ACTION:
Receive report.

ADMINISTRATOR'S EVALUATION

District Capacity and Capability

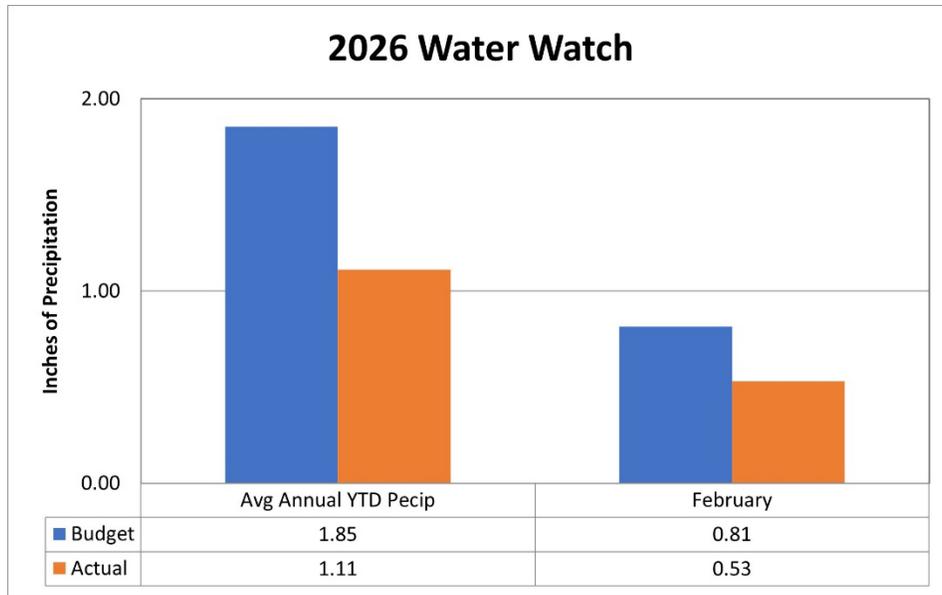
Since the administrative transition on January 1, efforts have focused on stabilizing operational processes, reviewing workload and staffing capacity, and aligning program activities with available funding and staffing resources. Initial evaluation indicates most program areas remain manageable with prioritization, while several areas require adjustments to staffing, consultant support, or scheduling to maintain planned activities. This evaluation will continue over the coming months to inform operational priorities and future staffing considerations.

MANAGEMENT SITUATION

Natural Environment

The District received an average of **0.53 inches** of precipitation (snow water equivalent) in the month of February. This puts the District 0.28 inches (35%) below average for the month and 0.74 inches (40%) below for the year. February snowfall averaged 2-4 inches, and snowpack depths are 0 to 3 inches with a snow water equivalent of less than 0.5 inches.

According to the latest [US Drought Monitor](#) release (Feb 26th), all of Anoka County is free of drought. Currently, springtime flood risk is low due to lack of snowpack, dry soils, and dry conditions leading into winter. Precipitation leading into spring will be the main driver of springtime flood risk.



Economic Environment

Minnesota Management and Budget’s February 2026 budget and economic forecast projects a \$3.7 billion surplus for the FY2026–2027 biennium, reflecting stronger-than-expected tax collections and continued economic stability. While the state outlook remains positive, policymakers continue to discuss long-term spending commitments and potential impacts on future budget cycles.

Management Environment

Agency	Status
Federal Government	•
State Government	• Minnesota legislators are considering water policy, funding, and permitting issues this session. Staff continue monitoring legislative proposals and coordinating with Minnesota Watersheds and partner organizations to track developments and ensure District interests are represented.
Minnesota DNR	• Flood Hazard Mitigation grant program recommended \$45M in funding; Governor's budget recommends \$9M
Board of Water and Soil Resources (BWSR)	• Local Government Road Wetland Replacement program recommended \$35M in funding; Governor’s budget recommends \$5M.
Minnesota Pollution Control Agency (MPCA)	• Is reissuing the MS4 General Permit regulating municipal stormwater discharges. CCWD submitted comments on draft permit. No updates announced.
Minnesota Watersheds	• Coordinating legislative advocacy and policy discussions affecting watershed districts and water resource management.

COLLABORATOR ACTIONS CAPACITY AND CAPABILITY

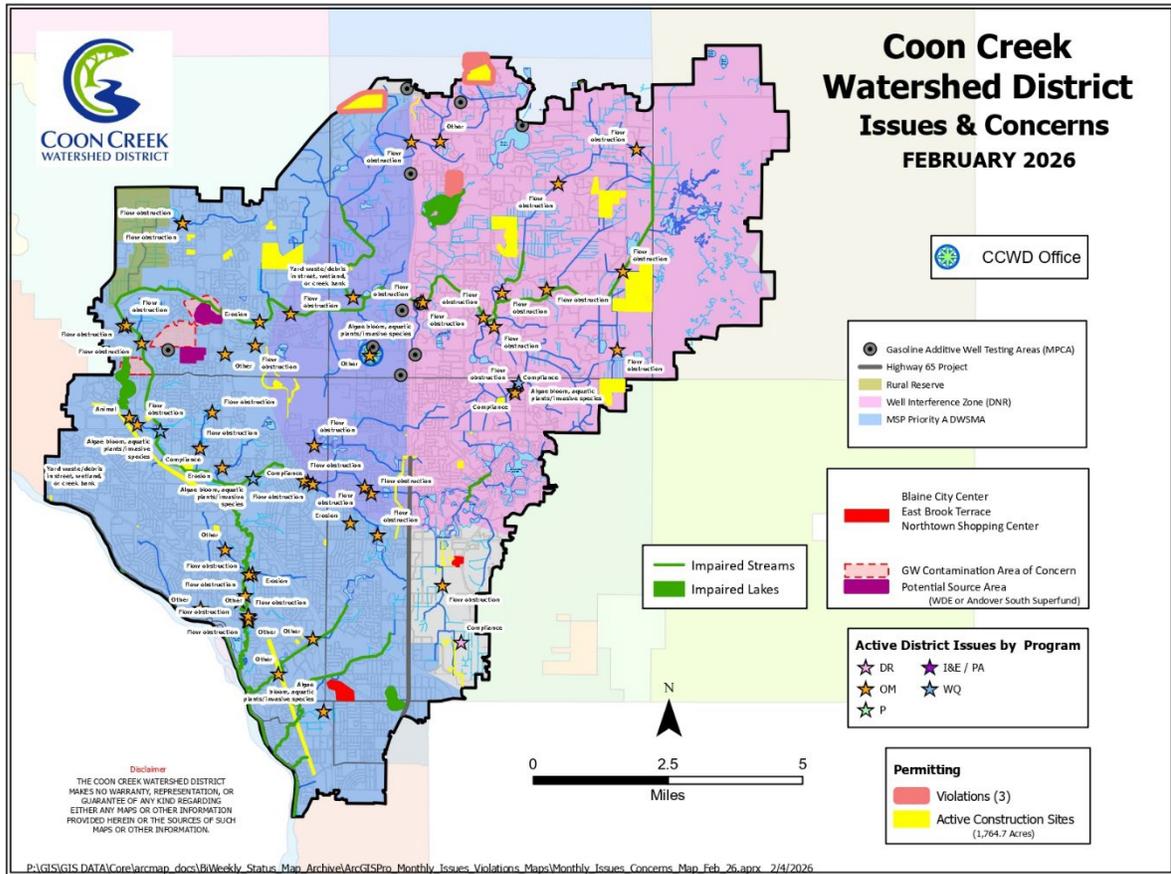
Collaborator	Description
Anoka County	<ul style="list-style-type: none"> • Continuing coordination on regional water planning and administering the process for upcoming CCWD Board appointments. • Anoka County Hazard Mitigation Plan update progressing; partner agencies adopting resolutions.
Cities	<ul style="list-style-type: none"> • Staff continue meeting with city and county partners to build shared understanding around winter maintenance practices, focusing on opportunities to reduce salt use through improved techniques and technology while maintaining public safety and respecting the operational needs and expertise of maintenance staff.
Regional Partners	<ul style="list-style-type: none"> • Staff continue coordinating with regional partners on watershed planning and implementation activities.

PROBLEMS, ISSUES, AND CONCERNS

Strategic Issues and Concerns

- **State Regulatory Inconsistency and Unevenness:**
 - State permitting implementation continues to show variability affecting project timelines, scope, and administrative effort. Staff are monitoring developments and recently participated in a DNR Permit Application Completeness discussion and Minnesota Watersheds legislative briefing to improve coordination and ensure District interests are represented.
- **Minneapolis & St Paul Drinking Water Supply Area - Surface Water.**
 - No new activity. Staff will monitor and report any future developments.

Operational Issues and Concerns

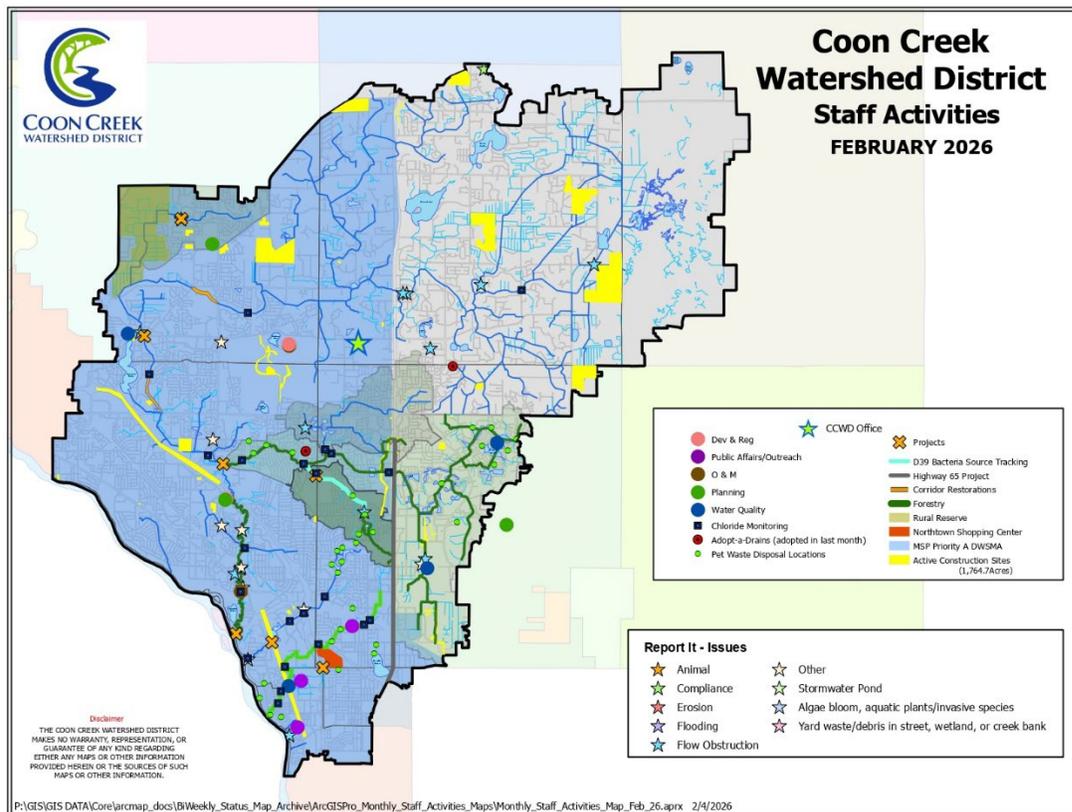


STAFF ACTIVITIES

Strategic Management Activities

- 1) **Ditch 39 Flood Modeling and Planning:** MPCA evaluating Ditch 39 planning grant proposals. Award decisions expected within March.
- 2) **Organizational Capacity Review:** Staff continuing evaluation of organizational capacity relative to workload to inform future staffing and budget planning.
- 3) **Legislative coordination:** Staff continue monitoring water policy and funding proposals and coordinating with Minnesota Watersheds.
- 4) **Grant Strategy:** Staff continue pursuing external funding opportunities aligned with District programs and capital projects.

Operations Activities



DISTRICT CAPACITY AND CAPABILITY

Equipment:

- **Equipment On Hand:** Good condition
- **Field and Hard Asset Condition:**
 - Field assets are performing as expected
 - Spring road restrictions are in effect limiting heavy vehicle travel. District construction schedules were planned to avoid impacts this season.

- Scheduled Equipment Purchases:
 - Planning underway to replace one fleet vehicle in 2026

Facilities

- Operating normally for the winter season
- Stormwater filters remain offline until spring startup

Training

- Staff attended MN Erosion Control Association conference and DNR floodplain management training.

Staffing:

- Compliment & Strength: 12.8 FTEs
- Staffing plan: Continue assessing organizational capacity relative to current workload and upcoming program needs. Insights from this evaluation will help inform future staffing considerations as part of upcoming budget discussions.
- Project Manager/Watershed Restoration & Protection Coordinator: Interviews complete. Next steps underway.
- Watershed Development: following the vacancy created in September, options are being reviewed to ensure adequate support for the program.

Sustaining:

- Personnel manual updates underway to align with Minnesota law changes, including new state leave requirements.

Benefits

- No changes to employee benefits this month.

Budget & Financials

- Anoka County certified taxes payable in 2026; tax statements will be mailed mid-March.
- Annual audit underway, kickoff meeting complete, on site audit fieldwork scheduled.

Coon Creek Watershed District
CCWD - Budget Report

As of Date: 02/28/2026

	Year Ending 12/31/2026	Year To Date 02/28/2026			
	CCWD 2026 Budget	CCWD 2026 Budget	Actual Expenses YTD	Variance YTD	
Revenue					
Property Taxes	6,924,414.00	1,154,070.00	0.00	1,154,070.00	-100%
Fees & Charges	180,573.00	30,096.00	36,652.52	(6,556.52)	22%
Grants	2,372,179.00	395,364.00	0.00	395,364.00	-100%
Other Revenue	180,000.00	30,000.00	20,982.39	9,017.61	-30%
Total Revenue	9,657,166.00	1,609,530.00	57,634.91	1,551,895.09	-96%
Expense					
Salaries & Benefits	2,711,666.00	451,946.00	273,245.33	178,700.67	-40%
Professional Services	527,084.00	87,846.00	27,967.03	59,878.97	-68%
Operating Expenses	367,759.00	61,296.00	41,734.30	19,561.70	-32%
Program Expense	6,713,313.00	1,118,892.00	40,508.74	1,078,383.26	-96%
Capitalized Expenses	71,000.00	11,834.00	8.00	11,826.00	-100%
Total Expense	10,390,822.00	1,731,814.00	383,463.40	1,348,350.60	-78%

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Coon Creek Watershed District
Cash Balance

As of Date: 02/28/2026

	Escrow Fund	General Fund	All Funds
	Month Ending	Month Ending	Month Ending
	02/28/2026	02/28/2026	02/28/2026
Cash and Cash Equivalents			
Cash	1,502,789.12	(1,778,410.09)	(275,620.97)
Petty Cash	0.00	250.00	250.00
Investment Account	20,570.00	6,636,746.59	6,657,316.59
Total Cash and Cash Equivalents	1,523,359.12	4,858,586.50	6,381,945.62

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February started with an operational fund balance of approximately \$4,941,916.50
Change in net cash position was - \$83,330.00
Balance of the escrow trust fund is \$1,521,734.12
One month into the fiscal year, the budget variance is 18%