

Minutes- Approved: Feb 14, 2026  
Time/Date: 7:00pm CST, January 14, 2026  
Location: 112 E. 5th Street, #102 Chaska, Minnesota 55318  
Virtual Location: [Teams Meeting](#) | [Transcript](#)



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## 1. CALL TO ORDER AND ROLL CALL

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

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

**Staff Present:** Will Lytle, Damaris Canales

**Others Present:** Christopher Knopik (CLA), Andy Hering (RedPath)

## 2. PUBLIC COMMENT and PRESENTATIONS

The Board reviewed a presentation of the draft 2023 audit from Redpath, presented by auditor Andy Hering. It was explained that due to the rapid audit cycle, larger discussions were intentionally pulled into the Finance Committee to streamline Board review, and that the draft audit was presented for information and feedback rather than immediate action. Hering noted that he, Lytle, and Loomis had met to review the draft and identified only minor, non-substantive changes. He outlined a proposed timeline to issue the final audit later in the week, pending a final confirmation from Lytle after managers had an opportunity to review the report. Hering explained that manager feedback at this stage is typically informal and does not usually affect the final audit. He also highlighted that a Financial Policies and Procedures document approved by the Board in 2025 is currently being amended.

## 3. NEW BUSINESS

The Chair formally opened New Business Item 3.1, Review of the Governance Letter and the 2023 Annual Financial Reports where Lytle explained that any changes between the current draft materials and the versions anticipated for the following week would be limited to minor items such as highlighted dates, signatures, and other non-substantive edits previously described by the auditor, Hering. He clarified that the Committee was reviewing materials earlier in the process than usual, as members would ultimately only receive the finalized versions.

McNew confirmed whether an action was required by the Committee, specifically whether a vote was needed to forward the items to the full Board. Lytle advised that no formal action was necessary unless the Committee wished to direct staff to make major changes, which was not the case at this time.



Under New Business Item 3.2, Review of the Staff Response and Recommendations to the 2023 Audit, Lytle presented staff's proposed actions aligned with the governance letter findings. He explained that several audit issues stemmed from year-end closing checklists not being fully embedded during periods when audit timing overlapped across fiscal years. He noted that formalizing and consistently implementing the year-end closeout process would help identify misstatements earlier and support other required activities such as grant reporting, annual reports, and coordination among administrators, contractors, and accounting staff.

Lytle further reviewed updates to internal financial control policies, explaining that while the policy had been adopted previously, implementation had been piecemealed, and staff were now working toward full compliance. He described updates to incorporate audit recommendations, including standardized conflict-of-interest and statement-of-economic-interest requirements that have become more common statewide. Additional recommendations discussed included establishing consistent coding standards across accounting platforms and clarifying investment income allocation practices. Lytle explained that while current checking and savings accounts yield similar returns, staff were considering future strategies to ensure reserve and recovery funds are positioned to maximize interest earnings.

- Action: Approve the staff's response and recommendations related to the 2023 audit.
  - First: Bakkum.
  - Second: Barisonzi.
  - Decision: Motion Passed.

#### **4. OLD BUSINESS**

The Committee continued Old Business with a detailed review of the Zero-Based Budgeting (ZBB) draft report. Lytle explained that the ZBB report represented the culmination of the completed ZBB process and was intentionally comprehensive, noting that it could have reasonably been placed earlier on the agenda due to its scope. He stated that the draft report was intended to document what had occurred through the ZBB process and what would be made public, including context, methodology, and outcomes. Lytle explained that if the Committee felt the report accurately reflected its goals, the staff's recommendation would be to advance the report to the Board along with a recommended budget amendment and

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additional implementation recommendations. If not, the document still served as a compiled record of the analysis completed through the process.

Lytle reviewed the structure of the report, including the originally adopted 2026 budget, reviewer comments and notes, aggregated scoring results, and recommended budget changes derived from the ZBB evaluation. He explained how those recommendations translated into a revised budget that aligned with the levy-certified amounts and noted that, when timing permitted, staff would recommend adopting this revised budget as a formal amendment, ideally in the first quarter of the year. He further recommended that the revised budget be entered into QuickBooks and used operationally as a baseline for work plans and financial tracking, even if the full amendment process was not immediately completed.

Barisonzi commented that the ZBB process represented a strong first step and emphasized that the revised budget reflected significant and substantive cuts, deeper than what may be operationally sustainable long term, but valuable in promoting intentional and strategic decision-making. He stated that he preferred this disciplined approach over the alternative and moved that the revised budget be advanced to the Board for approval. Barisonzi also outlined ancillary policy expectations, including that staff should not bring forward project proposals that exceed approved budget line items without an explicit budget amendment, and that approval of a project should not be assumed to implicitly amend the budget. He further recommended embedding the ZBB evaluation criteria into all future project proposals so that new initiatives are ranked against the same standards on an ongoing basis, rather than treating ZBB as a one-time exercise.

McNew suggested that these ancillary directives could be addressed through a separate resolution directing staff, potentially brought forward at a subsequent meeting, and possibly reinforced through bylaw amendments to provide long-term consistency and enforceability.

The Committee then proceeded to Item 4.2, an update on grant opportunities. Lytle reported that staff maintained a running grant-tracking document and had applied for several grants, with two rejections received, two applications passing but not prioritized, one pending determination, and additional opportunities in the planning phase. He noted that no action was required and invited Committee members to share potential grant opportunities or partnership ideas for staff to review and add to the tracking list.

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- Action: Forward the revised Zero-Based Budget (ZBB) report and associated budget recommendations to the Board for consideration and approval.
  - First: Barisonzi.
  - Second: Bakkum.
  - Decision: Motion Carried.

## 5. ADMINISTRATIVE REPORTS on STANDING BUSINESS

The Committee moved into Administrative Reports, with Lytle providing a verbal update in lieu of a formal written report. He described ongoing work with CLA to improve the chart of accounts, coding, and financial classifications. He reported that while progress had been made implementing new coding structures, staff identified an additional layer of previously established classifications that conflicted with the updated framework. As a result, further testing and scenario analysis are needed to ensure staff clearly understand account classifications and that transactions are consistently coded. Lytle noted that adoption of the amended budget would enable clearer column alignment of accounts and support finalization of the data structure.

Lytle also reported that final levy and budget materials had been submitted to the counties and confirmed as received. He noted that one additional form was required this year, but staff remained on schedule and anticipated moving forward with the increased levy. He explained that the timing of the 2026 budget amendment was reasonable and would establish a practical six-month cadence for setting and iteratively revising the budget. Lytle also stated that once the Finance Committee action was complete, staff could begin uploading the amended budget and producing monthly budget-to-actual reports in QuickBooks, noting that he had waited to do so until direction was clear.

Knopik confirmed that following final Board approval of the amended budget, staff would upload it into QuickBooks. He added that the bookkeeper would be coordinating with Lytle early the following week to resolve the remaining account-structure issues and ensure consistent coding practices going forward.

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## 6. ADJOURNMENT

The meeting was adjourned at 8:35 PM CST.