



Title: Surety Return Project Update for 2024

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Purpose:

This will serve as the annual update to the Board of Managers on the financial surety return project progress made through 2024 by the Operations and Permitting staff.

Background:

Beginning in 2000, the District began accepting cash sureties from homeowners, developers and other permittees for certain types of construction projects triggering specific District rules – most notably, Erosion Control, Wetland Protection, Shoreline & Streambank Stabilization, Dredging, and Stormwater Management. Cash funds are held in a commingled District escrow bank account.

Under the District Financial Assurances rule, an applicant is required to submit a notice of completion to the District when work is completed. From receipt, the District has 45 days to inspect the project and determine whether the work has been completed in conformance with the permit and District rules. If a project meets all parameters of the close-out field inspection, the permit is subject to closure and outstanding escrow funds are returned to the permittee.

During the District's 2020 fiscal year annual financial audit the auditors identified 57 open sureties as being held for a decade or more. In June 2021 Operations and Permitting staff began the process of returning these sureties.

Summary of Progress

Of the 57 open sureties received from 2000-2010, through the end of 2024, 45 have been returned to the permit holder or to the state's unclaimed property fund. Of the remaining 12, one has failed inspection, two are awaiting further information from the permit holders and the remaining nine require additional research.

As the oldest sureties began to be returned, staff began reviewing the open sureties received from 2011 to 2018. Of the 128 open from this period, to-date 71 have been closed. Of those remaining open, two are active projects, two have failed inspections, 15 await further information from the permit holder and the remaining require additional research.

Looking Ahead

Staff continued to make progress with 14 sureties with receipt dates between 2000-2018 returned or closed in 2024. That said, with staff resources at a minimum and allocated to Permitting's daily workload throughout 2024 this was less progress than desired. Looking ahead however, staff has a number of inspections already scheduled for spring and has reached out to several permit holders with requests for outstanding items. Staff is looking forward to continued progress and resolution of additional sureties in 2025.

If you have any questions please contact Deb Johnson at djohnson@minnehahacreek.org or Veronica Sannes at vsannes@minnehahacreek.org.