



MINNEHAHA CREEK
WATERSHED DISTRICT
QUALITY OF WATER, QUALITY OF LIFE

Meeting: Board of Managers

Meeting date: 12/18/2025

Agenda Item #: 7.1

Action type: Consent

Title: Surety Return Project Update and Authorization to Send Cash Sureties to the State of Minnesota Unclaimed Property Fund

Resolution number: 25-073

Prepared by: Name: Deb Johnson
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Reviewed by: Name/Title: Veronica Sannes, Permitting Program Lead

Recommended action: Approval of Resolution to send Surety funds to MN Unclaimed Property

Purpose:

This will serve as the annual update to the Board of Managers on the financial surety return project progress made through 2025 by the Operations and Permitting staff, and request board action on a related resolution. The last update was provided at the January 23, 2025 board meeting.

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, the Erosion Control, Wetland Protection, Shoreline & Streambank Stabilization, Dredging, and Stormwater Management rules. Funds are held in a commingled District escrow bank account.

Under the District's [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 and applicable plan review, 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.

Update:

Of the 57 open sureties received from 2000-2010 ten remain open with two of the ten awaiting approval via the attached resolution to be sent to the State as unclaimed property. Staff continues to work towards resolution on the eight that remain open.

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 time period, to-date 77 have been closed, which is an additional six since the last report in January 2025.

Lastly, it was anticipated from the onset of this project, given the age of a number of these sureties, that staff would be unable to locate owners and/or an entity would no longer be in business. After numerous mailings, on-line searches including the Minnesota Secretary of State business finder, Google, LinkedIn and various others, staff have identified three sureties that the District will be unable to return. These permit sites have passed staff inspection and would otherwise have had their funds returned to the rightful owner.

Staff has included a resolution for board consideration to send these three sureties (totaling \$5,500) to the state's unclaimed property fund. Staff will continue on an annual basis to bring to the Board for consideration the surety permits identified each year that cannot be returned to the permit holder, and recommendation to forward the funds to the Minnesota Unclaimed Property Fund.

Until such time as permits having been held for longer than 10 years have been inspected and sureties returned to their rightful owner, or funds sent to the State's unclaimed property fund, staff will continue their work on this project and provide the board with an annual update.



RESOLUTION

Resolution number: 25-073

Title: Authorization to Send Cash Sureties to the State of Minnesota Unclaimed Property Fund

- WHEREAS, Since 2000 the MCWD has accepted cash sureties for certain permit types, including erosion control wetland protection, shoreline and streambank stabilization, dredging and stormwater management; and
- WHEREAS, Cash sureties are held in a separate Old National (formerly Bremer Bank) account outside of the District's general funds; and
- WHEREAS, Upon completion of a project the permit holder is to contact the District for an inspection of the project and begin the process of funds return; and
- WHEREAS, During the 2020 annual financial audit the auditing firm identified sureties remaining with the District for a decade or more; and
- WHEREAS, Staff began the process of contacting, inspecting and returning surety funds to permit holders; and
- WHEREAS, After several mailing attempts and numerous online researches staff has identified three sureties with passing inspections that the District is unable to return to their rightful owner; and
- WHEREAS, Staff recommends sending surety funds being held for these three permits in the amount of \$5,500 to the State of Minnesota Unclaimed Property Fund.

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers authorize staff to initiate a wire transfer from the District's Old National Bank surety funds account in the amount of \$5,500 to the State of Minnesota Unclaimed Property Fund.

Resolution Number 25-073 was moved by Manager _____, seconded by Manager _____.
Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. 12/18/2025

Secretary Date: _____