MINNEHAHA CREEK
WATERSHED DISTRICT
QUALITY OF WATER, QUALITY OF LIFE

Meeting: Board of Managers
Meeting date: 5/28/2026
Agenda Item #: 7.1
Board Consent Item

Title:	Authorization to Amend Funding Agreement for the Morningside Stormwater Improvement Project
Resolution number:	26-051
Prepared by:	Name: Corrina Marshall Phone: 952-641-4507 cmarshall@minnehahacreek.org
Reviewed by:	Name/Title: Becky Christopher, Policy Planning Director
Recommended action:	Authorize Administrator to amend funding agreement
Schedule:	March 2025 – Construction initiated October-December 2025 – MCWD issue identification and city discussions May 2026 – Review and approval of change order June-July 2026 – Anticipated project completion
Budget considerations:	Fund name and code: Morningside Ravine Stabilization, 3501 Fund budget: $0 budgeted for 2026, $171,621 in fund from 2025 budget Expenditures to date: $0 Requested amount of funding: Estimated at $14,916 (not to exceed $28,379)
Past Board action:	Res #: 25-012 Title: Directing Public Hearing to Consider Ordering the Morningside Stormwater Improvement Project Res #: 25-013 Title: Ordering the Morningside Stormwater Improvement Project, Authorizing Funding Agreement, and Amending 2025 Budget

Summary:

Program Background

The Minnehaha Creek Watershed District (MCWD or District) is focused on the protection and improvement of natural resources in ways that support thriving communities. Since what happens on the land is the primary driver of the health of our natural resources, MCWD's Balanced Urban Ecology Policy (BUE Policy) recognizes that the District can deliver the most value to its communities by working in partnership with those who change the landscape. To support this, the Land and Water Partnership (LWP) program provides technical and financial resources for partner-led projects that deliver significant regional water resource benefits.

Project Background

The Morningside Stormwater Improvement Project (Project) is being led by the City of Medina (City) with funding support through the LWP Program. The Project includes construction of a regional stormwater pond to treat approximately 76 acres of land and stabilization of three eroded ravines. The project is located within the Painter Creek Subwatershed, and runoff from these 76 acres drains to Lake Katrina, before ultimately discharging to impaired Jennings Bay (See Attachment 1). The project is estimated to achieve a total annual phosphorus load reduction of 30.7 lbs/yr.

The City submitted a Notice of Interest under the LWP Program in October 2024 requesting funding support of $200,000. On February 13, 2025, the Board ordered the project and authorized execution of a funding agreement

(Attachment 2) that committed MCWD to pay 40% of the awarded construction contract amount (estimated at $512,000), not to exceed $200,000.

Project Inspection and Recommendations

Construction was completed in fall 2025. Upon completion, MCWD staff and the District Engineer (Stantec) conducted site inspections and identified three areas of concern where the ravine stabilization did not meet design plans and/or could create risk of erosion. These findings and recommended corrective actions were communicated to the City and outlined in a Stantec memo (Attachment 3). It was agreed that spring would be the best time to make these corrections.

To address noted areas of concern, the City plans to issue a change order in the estimated amount of $37,290. MCWD staff and the District Engineer will be meeting with the City on-site on May 26 to discuss the proposed change order and make any final adjustments as needed.

The funding agreement commits the District to pay 40% of the awarded construction contract amount, not to exceed $200,000, which would not include change orders. However, because the stabilization issues were identified late in the construction process after the contractor had been paid, the City has been cooperative in resolving the issues, and the awarded construction contract was well below the original engineer's estimate and funding cap set by the District, staff recommends that the funding agreement be amended to cover 40% of the total construction cost (including the change order), not to exceed $200,000.

The original awarded contract amount was $429,052, so MCWD's current 40% contribution equates to $171,621. With the proposed change order, the total construction cost would increase to $466,342, resulting in a revised MCWD 40% contribution to $186,537, a difference of $14,916.

Requested Action

District staff recommend that the Board authorize the Administrator to execute an amendment to the funding agreement for the Morningside Stormwater Improvement Project to fund 40% of the total construction cost (including the change order), not to exceed $200,000.

Supporting Documents:

Attachment 1: Project Overview Map
Attachment 2: Funding Agreement – redlined with proposed changes
Attachment 3: Stantec Memo regarding areas of concern

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RESOLUTION

Resolution number: 26-051

Title: Authorization to Amend Funding Agreement for the Morningside Stormwater Improvement Project

WHEREAS, MCWD's Balanced Urban Ecology Policy recognizes that partnership with entities that change the landscape is essential to achieving water resource goals, and the Land and Water Partnership (LWP) Program provides technical and financial support for such partner-led projects; and

WHEREAS, the City of Medina requested funding support through the LWP program for the Morningside Stormwater Improvement Project to improve water quality in the Painter Creek Subwatershed and downstream waters, including Lake Katrina and Jennings Bay; and

WHEREAS, on February 13, 2025, the MCWD Board of Managers ordered the project and authorized execution of a funding agreement committing the District to fund 40 percent of the awarded construction contract amount, not to exceed $200,000; and

WHEREAS, following construction completion in fall 2025, MCWD staff and the District Engineer identified areas where construction did not meet design specifications and recommended corrective actions to reduce risk of erosion; and

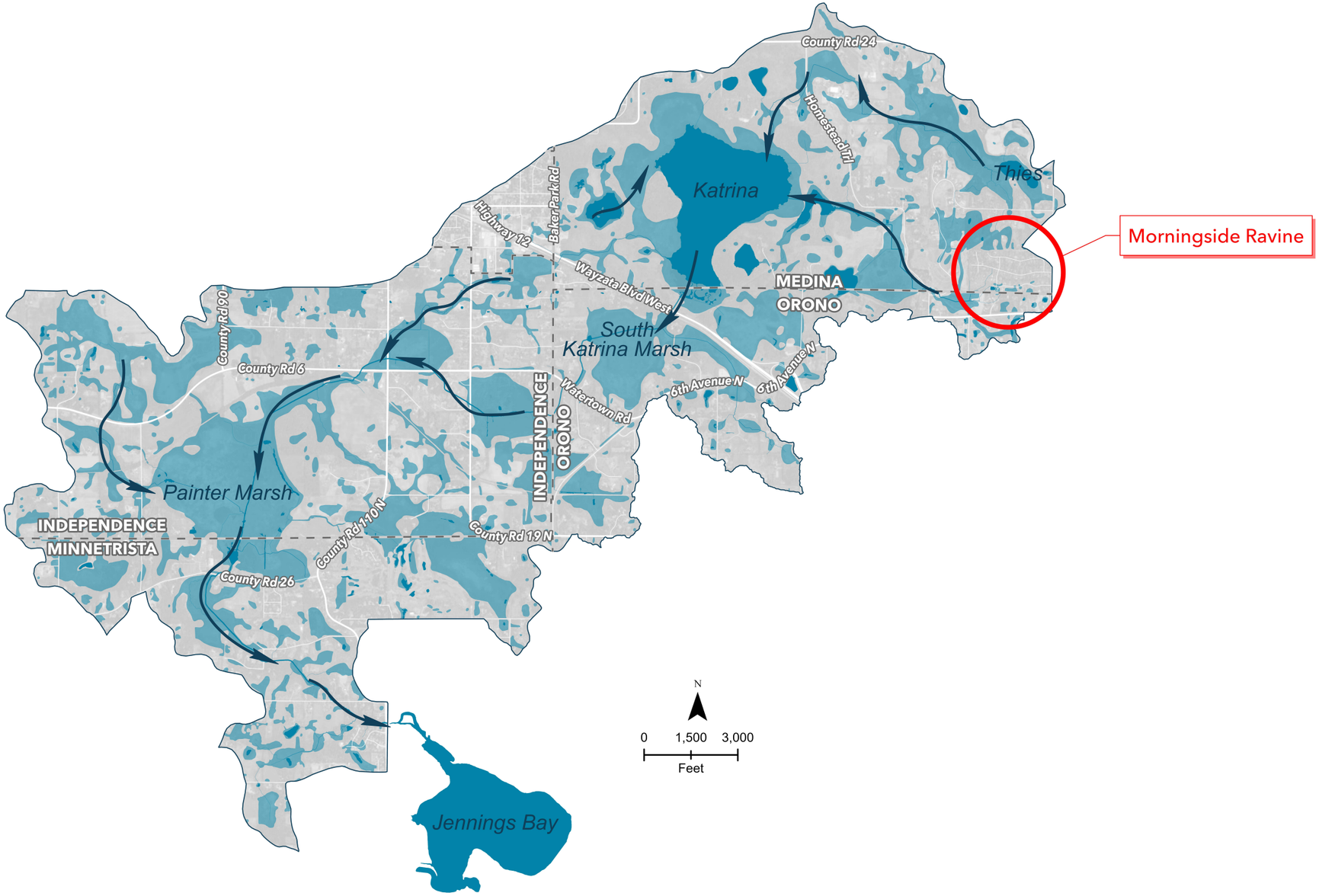
WHEREAS, the City of Medina intends to issue a change order, currently estimated at $37,290, to address those deficiencies; and

WHEREAS, the existing funding agreement does not explicitly include funding for change orders, and District staff recommend amending the agreement to include the change order in the total costs supported by the District, under the same not-to-exceed amount of $200,000;

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers authorizes the District Administrator to amend the funding agreement with the City of Medina, with non-material changes on advice of counsel, to allow reimbursement of 40 percent of the total construction cost not to exceed $200,000.

Resolution Number 26-051 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution ___ ayes, ___ nays, ___abstentions. Date: 5/28/2026

_____ Date: _____
Secretary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Homestead Trl
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Highway 12
Baker Park Rd
Wayzata Blvd West
MEDINA
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Watertown Rd
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Morningside Ravine

FUNDING AGREEMENT
MINNEHAHA CREEK WATERSHED DISTRICT and the CITY of MEDINA

Morningside Ravine Stabilization and Stormwater Improvement Project
1225 Maplewood Dr. Medina, MN 55356

A. THIS FUNDING AGREEMENT ("Agreement") is entered into by and between the Minnehaha Creek Watershed District, a special purpose unit of local government under Minnesota Statutes Chapters 103B and 103D (MCWD), and the City of Medina, a statutory city of the State of Minnesota ("City").

B. The MCWD's 2017 Watershed Management Plan outlines the District's intention to remain responsive to opportunities created through land use change and includes in its capital improvement program opportunity-based projects that reduce stormwater volume and nutrient loads to impaired waters;

C. On November 27, 2023, the MCWD Board of Managers ("Board") approved the District's Land and Water Partnership (LWP) program and adopted program implementation guidance setting forth procedures to receive and evaluate applications for program funding, and criteria by which the MCWD will evaluate applications;

D. The Morningside Ravine Stabilization and Stormwater Improvement Project ("Project") includes stabilization of three eroding ravines and construction of a regional stormwater facility to treat approximately 76 acres of land. The Project is located within the Painter Creek Subwatershed, and drains to Lake Katrina, ultimately discharging to impaired Jennings Bay. The City's engineering assessment indicates that the Project will reduce total phosphorus load by 36 pounds per year, including 21.5 pounds per year for the ravine stabilization and 14.5 pounds per year for the stormwater pond.

E. The City has secured other Project funding in the amount of $243,200 in state watershed-based implementation funding (WBIF). On February 13, 2025, the MCWD Board approved LWP funding of 40% percent of the construction contract price as awarded, up to a cap of $200,000. The City has committed its own funding for the remainder of Project cost.

THEREFORE, based on the foregoing recitals, which are incorporated into this Agreement, the MCWD and the City agree as follows, intending to be legally bound:

DESIGN

1. The City, through its consulting engineer, has prepared 90 percent Project design plans, labeled 2025 Morningside Ravine Stabilization & Stormwater Improvements (February 11, 2025). The City has supplied the plans to the MCWD, which concurs in them. The City will prepare a final design that conforms to the 90 percent design. MCWD concurrence is for its own funding purposes only and does not constitute a professional representation as to the design.

CONSTRUCTION

2. The City will prepare solicitation documents, procure a contractor and construct the Project in accordance with the design in which the MCWD has concurred, and with all applicable laws, permits and approvals.

3. The City must obtain MCWD consent to any work change that could reduce the Project's stability, longevity or pollutant removal performance. The MCWD will review any such request promptly and will not withhold consent unless it finds that stability, longevity or performance may be materially reduced. The MCWD may not direct the contractor.

4. With respect to the ravine stabilization, the City will give the MCWD 48 hours' written notice before beginning construction. The City will give the MCWD 5 days written notice before Project substantial completion and 5 days written notice prior to project closeout to confirm vegetation has been reestablished after site restoration. The MCWD may inspect the Project at all reasonable times, during construction and thereafter.

5. The City's engineer must certify the Project as substantially complete by September 30, 2025. The City will confirm completion and transmit as-built drawings to the MCWD by July 30, 2026. If the Project is delayed, causing a need to extend the substantial completion or completion date, the City will request an extension in writing at least 30 days before the deadline. The MCWD will review the request promptly and will not unreasonably withhold an extension.

ACCESS RIGHT/MAINTENANCE

6. Attachment A to this Agreement, incorporated herein, are the drainage and utility easements in favor of the City that provides the City the right to enter to construct the Project and to maintain it in perpetuity. The City will not alter its rights under the easement in any respect that renders it unable to construct or maintain the Project in accordance with the terms of this Agreement.

7. After Project completion, the City will maintain the ravine stabilization and stormwater management basin and appurtenances as follows:

> (a) Inspect the ravines at least annually for the first 3 years following project completion, then every 5 years thereafter. The ravines must be maintained in their as-designed condition. The City shall identify any areas of erosion and/or sediment deposition within the ravines and shall remove any deposition and stabilize any erosion within one year of the inspection date. Erosion may be the result of riprap movement or loss of slope integrity. Any movement of riprap must be replaced or supplemented to cover the ravine bottom. Loss of slope integrity or sloughing shall be corrected to a stable slope and vegetated in accordance with the design plan.
>
> (b) Visually inspect the basin at least once annually to ensure that culverts and outfall structures are in good physical condition and clear of any obstructions or sediment accumulation and to correct any erosion or scouring. The City will measure sediment accumulation between 15 years and 20 years of the system's operation. The basin is inadequate if sediment has decreased the wet storage volume by 50 percent of its original design volume. Based on this inspection, if the basin is identified for sediment cleanout, the City will restore it to its original design contours, and restore vegetation in disturbed areas, within three years of the inspection date.

The City will provide a brief maintenance report to the MCWD annually, stating dates of inspections, observations and actions taken.

FUNDING/COST RESPONSIBILITY

8. The MCWD will contribute to Project funding in an amount of 40 percent of the construction ~~contract price as awarded~~costs, not to exceed $200,000. All remaining Project costs are the responsibility of the City, except that the MCWD will bear its own staff and related internal costs to fulfill its obligations under this Agreement.

9. The MCWD will disburse 90 percent of the funded amount when it has confirmed that the Project has been substantially completed, and the City has submitted invoices for qualifying construction contract costs. It will disburse the remaining 10 percent when the Project has been completed, as-builts have been submitted, site vegetation has been reestablished, and the City has submitted final construction invoices.

10. The MCWD contribution is conditioned on Project construction in accordance with the terms of this Agreement. In addition to any other remedy to which it is entitled for a violation of this Agreement, the MCWD has a remedy of return of funds if the Project is not constructed in accordance with the design plans in which the MCWD has concurred, by the deadline stated herein (including any extensions approved by MWCD, as provided above).

USE OF STORMWATER FACILITY CAPACITY FOR REGULATORY COMPLIANCE

12. As between the MCWD and the City, the City will own all capacity of the stormwater management basin. The City will not use, or permit a third party to use, the capacity, or a part thereof, for regulatory compliance purposes, except as follows:

(a) it has obtained written MCWD concurrence in the as-built capacity; and

(b) it has reimbursed the MCWD in the same proportion of MCWD funding under this Agreement as the amount of capacity used bears to the as-built capacity and pro-rated by the years remaining in the Project's lifecycle.

Notwithstanding the foregoing, residential development within Lot 3, Block 1, Beasley Bluffs, Hennepin County, Minnesota may use the facility for treatment of up to 0.765 acres of impervious surface for stormwater regulatory compliance purposes without triggering the reimbursement requirement of this section. In determining reimbursement under paragraph (b), above, the "as-built capacity" is that calculated under paragraph (a) minus that portion used for Lot 3, Block 1 compliance.

GENERAL TERMS

13. The City will defend MCWD, its board members, employees and agents, indemnify them, and hold them harmless, from any and all actions, costs, damages and liabilities of any nature arising from the Project, except to the extent due to a negligent or willful act or omission of the MCWD, or its board member, employee or agent. Nothing in this Agreement creates a right in any third party against the MCWD or the City, or waives an immunity, defense or liability limit of the MCWD or City with respect to any third party. Remedies to either party for a failure by the other to conform to this Agreement lie in breach of contract only.

14. This Agreement is not a joint powers agreement under Minnesota Statutes §471.59. Nothing herein constitutes one party's agreement to be responsible for the acts or omissions of the other party pursuant to subdivision 1a of that statute.

15. The parties will comply with all applicable laws and regulations in performing their obligations under this Agreement. The Agreement will be construed and enforced according to the laws of Minnesota.

16. The following will be used for any communication under this Agreement:

City:	City of Medina 2052 County Road 24 Medina, MN 55340 ATTN: City Administrator city@medinamn.gov
MCWD:	Minnehaha Creek Watershed District 15320 Minnetonka Boulevard Minnetonka, MN 55345 ATTN: Rebecca Neal rneal@minnehahacreek.org

or at such other address of which a party may, from time to time, notify the other party in writing.

17. This Agreement, including the Project design plans cited in paragraph 1 above and Attachment A, constitutes the entire agreement among the parties relating to the subject matter addressed herein. An amendment to this Agreement is valid only when reduced to writing and duly signed by the parties.

18. This Agreement is effective on execution by the parties. This Agreement has a term of 25 years, which is considered the Project lifecycle for the purpose of this Agreement, and is the required maintenance period and the period to be used to calculate any reimbursement under paragraph 12(c).

Intending to be legally bound:

CITY OF MEDINA

By: _____ Date:
Todd Albers, Mayor

By: _____ Date:
Erin Barnhart, City Administrator

Approved for form and execution

_____
MCWD Counsel

MINNEHAHA CREEK WATERSHED DISTRICT

By: _____ Date:
James Wisker, District Administrator

Stantec

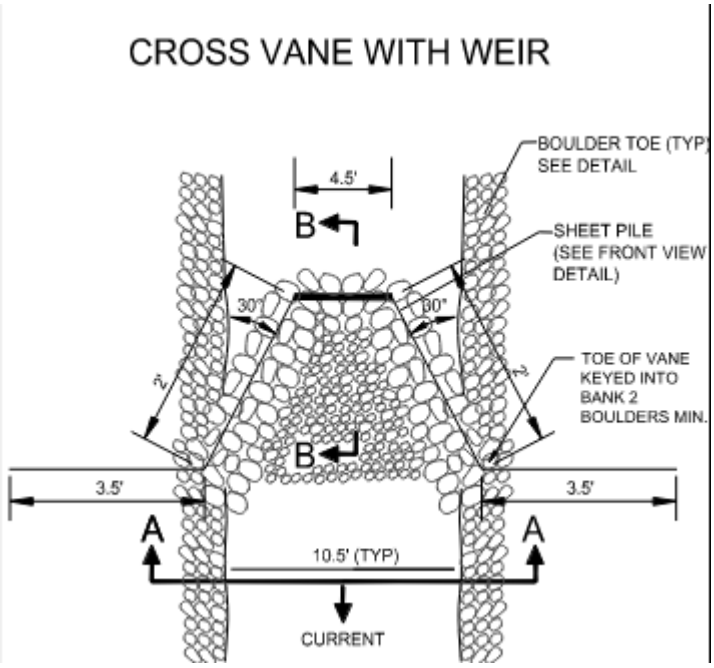
Memo

To:	Rebecca Neal	From:	Nick Wyers, PE
Project/File:	Morningside Ravine Stabilization	Date:	December 4, 2025

Reference: Morningside Ravine Stabilization

Minnehaha Creek Watershed District staff completed a site walkthrough on October 2, 2025, and completed a follow-up site visit on November 13, 2025. During both visits, MCWD staff noted riprap in the eastern and main channel slipping down the stabilized ravines. The contractor stated that filter fabric was only placed above the upper weir, but staff did not find it onsite. Initial comments from MCWD staff noted requesting additional fabric and filter aggregate under the slipping riprap. WSB noted fabric is only called for at pipe outlets and in the pools at the pilings in the main channel. Stantec reviewed the design comments from WSB and agree fabric has the potential to cause sheering on the long linear channels. Stantec has reviewed the photos in conjunction with the plans and determined there are 3 main areas where the stabilization does not meet the plans. Those areas are the main channel weir walls, the eastern channel sedimentation and riprap slipping, and the northwest channel riprap elevations.

The main channel was reviewed using the details shown in the plans. The cross vane with weir detail shows the 3.5’ part of the wall to be keyed into the bank along with the toe keyed in a minimum of 2 boulders. The photos from the site visit show the 3.5’ segments of the weir wall exposed with the surrounding grade lower than the top of the weir. Therefore, the weir walls were not keyed into the bank



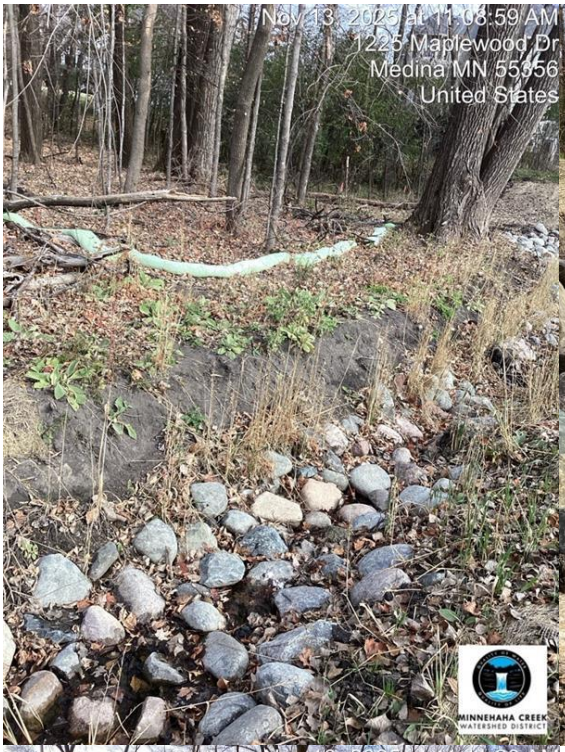
and do not meet the plan details. The grading around the weirs creates a risk of the water routing around the weir and eroding the banks.

Our recommendation is to complete grading around the weirs to key in the wall and place riprap over and around the weir to stabilize the grading according to plan specifications. This will direct flow through the middle of the weir wall and prevent any cutting around the weirs.

In addition to the grading around the weirs, the plan details show class IV riprap, fabric and filter aggregate to assist in stabilizing the riprap. The photos from the site visit show exposed topsoil at the riprap tie in and coming through the riprap in the plunge pool and side slope areas. The intent of the fabric and filter aggregate, as shown in the detail, is to provide material separation between the riprap and underlying soils. The presence of topsoil makes it unclear if the area meets the design standards and creates a risk of sedimentation in the riprap pools and the pond before the project is complete. Stantec recommends verifying filter fabric and aggregate have been provided in these areas, remove any excess sediment and provide additional riprap to fill in voids.

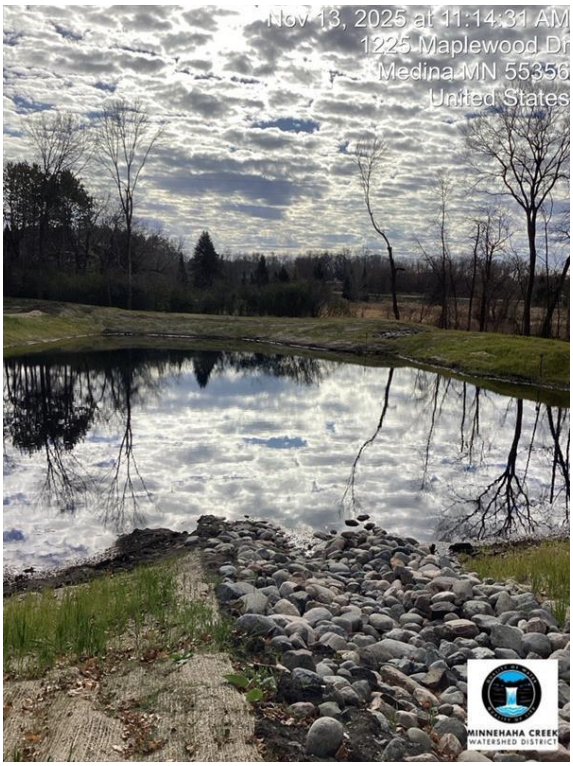
The eastern channel was planned for grading, class III riprap and bio-engineering methods to stabilize the eroded banks. The site visit photos show riprap slipping, sedimentation starting within the channel, and side slopes not stabilized. It appears there was not sufficient riprap placed to stabilize this channel. The recommendation for the eastern channel is to remove any excess sediment and to provide additional riprap at tie ins and in the channel bottom as necessary to stabilize the channel. Filter aggregate may be utilized under the riprap to assist with material segregation and riprap stabilization. We are also requesting verification that live stakes and other bio-engineering solutions have been utilized to assist in the stabilization of these ravines per the plan callouts. If blanket and lives stakes are not provided on bare side slope soils, additional riprap can be used to stabilize side slopes.

Reference: Morningside Ravine Stabilization



Reference: **Morningside Ravine Stabilization**

The northwest channel is shown on the plans to include placing common borrow and class III riprap, and utilizing bio-engineering methods to stabilize eroded banks. The plans also show the riprap channel to be placed in the low point of the surrounding areas to provide a stabilized channel to the pond. The riprap was placed sufficiently to stabilize the channel and eroded banks. However, the photos from the site visit show the riprap channel higher than the surrounding grading. The channel being higher than the surrounding grading has the potential to cause washouts because drainage will either flow to the riprap channel and start to erode the edges or will find another path to the pond through a non-stabilized route. The recommendation for the NW channel is to verify the grading on the north side of the pond between the main channel and the northwest channel to promote drainage to the stabilized channel and prevent future erosion and washout areas.



Regards,

Stantec Consulting Services Inc.

Nick Wyers

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Civil Engineer
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nick.wyers@stantec.com