

# RED LAKE WATERSHED DISTRICT

May 9, 2024

9:00 a.m.

## Agenda

9:00 a.m.	Call to Order	Action
	Review and approve agenda	Action
	Requests to appear	Information
	April 25, 2024 Minutes	Action
	Financial Report dated May 8, 2024	Action
	ACH Update	Info/Action
	2023 Audit/Brady Martz – Brian Opsahl	Info/Action
	Clearwater River 1W1P, RLWD Project No. 149B	Information
	Thief River 1W1P, RLWD Project No. 149A Bank Stabilization Projects - Drees/Stock	Information
	SD 83 Flooding Concerns Project Work Team – Facilitation Services	Info/Action
	RLWD Project No. 119, Polk County Ditches 104, 61, 47, 94 - Survey	Info/Action
	District Office Parking Lot Repair – Quotes	Info/Action
	Permits: 24026, 24033-24035, and 24037-24042	Info/Action
	2024 MN Watersheds Summer Tour - St. Paul, MN June 25-26, 2024	Information
	Chiefs Coulee, RLWD Project No. 46S – Petition	Info/Action
	RLWD Project No. 180C, Mud River - Funding Application	Info/Action
	Turtle Cross Connection, RLWD Project No. 114 Update & Proposal – HDR Engineering	Info/Action
	Administrator’s Update	Information
	Legal Counsel Update	Information
	Managers’ Update	Information
	Adjourn	Action

UPCOMING MEETINGS:

May 9, 2024 RLWD Board Meeting, 9 am  
May 21, 2024 RRWMB Meeting, Ada, 10 am  
May 23, 2024 RLWD Board Meeting, 9 am  
May 27, 2024 Memorial Day Holiday, RLWD Office Closed  
June 13, 2024 RLWD Board Meeting, 9 am  
June 18, 2024 RRWMB Meeting, Ada, 10 am  
June 25-26, 2024 MN Watershed Summer Tour, St. Paul, MN  
June 27, 2024 RLWD Board Meeting, 9 am

RED LAKE WATERSHED DISTRICT  
Board of Manager's Minutes  
April 25, 2024

President, Gene M. Tiedemann, called the meeting to order at 9:00 a.m. at the Red Lake Watershed District Office, Thief River Falls, MN.

Present: Managers: Gene Tiedeman, LeRoy Ose, Tom Anderson, Grant Nelson, Brian Dwight, Terry Sorenson, and Allan Page. Staff Present: Tammy Audette, Elaine Rychlock, Melissa Bushy, Lindsey Kallis, Corey Hanson, Erick Huseh, Nate Koland, and Tony Olson, and Legal Counsel, Delray Sparby. Guests: Nate Dalager, Tony Nordby, Gary Kiesow, Jim Graham, and Darrold Rodahl.

The Board reviewed the agenda. A motion was made by Ose, seconded by Page, and passed by unanimous vote that the Board approve the agenda as presented. Motion carried.

The Board reviewed the April 11, 2024, Board meeting minutes. Motion by Sorenson, seconded by Anderson, to approve the April 11, 2024, Board meeting minutes, as presented. Motion carried.

The Board reviewed the Financial Report dated April 24, 2024. Motion by Anderson, seconded by Sorenson, to approve the Financial Report dated April 24, 2024. Motion carried.

Quotes for the Payment Ring Dike, RLWD Project No. 129BC were opened at 4:30 p.m., on April 24, 2024, at the District office. Administrator Audette stated that we received 3 quotes for the Payment Ring Dike. Engineers Estimate of probable cost was \$57,712. Quotes submitted for consideration were from Anderson Excavating in the amount of \$95,547.60, Olson Construction in the amount of \$75,519.80, and from Ryan's Backhoe Service LLC in the amount of \$229,456.56. Motion made by Dwight, seconded by Nelson, to award the apparent low quote to Olson Construction in the amount of \$75,519.80 for construction of the Payment Ring Dike, RLWD Project No. 129BC, subject to administrative and legal review. Motion carried.

The board discussed the Elm Lake Screw Gate Replacement, RLWD Project No. 52. A motion was made by Ose, seconded by Nelson, to move forward with receiving quotes for the work. Motion carried.

Administrator Audette shared with the Board the tentative list of names for the SD 83 Flooding Concerns Project Work Team. Audette has made phone calls to area landowners filling them in on what it would mean to be on this work team as well as reiterating the time commitment it would entail. A motion was made by Dwight, seconded by Ose, to develop a project work team that includes both upstream and downstream landowners. Motion carried.

Administrator Audette discussed the need for engineering services with SD 83 Flooding Concerns. After much discussion, a motion was made by Dwight, seconded by Anderson, to appoint Houston Engineering to work with the RLWD on the SD 83 Flooding Concerns project work team. Motion carried.

Administrator Audette discussed RLWD Project No. 180C, Mud River Project. After much discussion, a motion was made by Sorenson, seconded by Page, to proceed with Task Order No. 3, with HDR Engineering, Inc., in the amount of \$190,550 for completion of the Preliminary Design of the Mud River Project, RLWD Project No. 180C. Motion carried with Manager Dwight voting in opposition. Manager Dwight stated that he is opposed in supporting this motion because the U.S. Fish and Wildlife Service is engaged in discussions regarding the transfer of the Tamarac National Wildlife Refuge to the White Earth Reservation, with concerns this same conversation could take place at Agassiz National Wildlife Refuge.

Nate Dalager, HDR Engineering, provided an update to the Board on the 20% Flood Damage Reduction Tour that was held in March 2024 with the 20% Flood Damage Reduction Committee.

Nate Dalager, HDR Engineering, gave an update on Turtle Cross Connection, RLWD Project No. 114. A Project Work Team meeting will be held on April 29, 2024.

Nate Dalager, HDR Engineering, provided an update on Chief's Coulee, RLWD Project No. 46S.

Don Bajumpaa, Minnesota Board of Water and Soil Resources (BWSR) reviewed the Organizational Report through the Performance Review and Assistance Plan (PRAP). PRAP is set up to systematically review the performance of local units of government to ensure effective operation. The PRAP report documents the results of the review. PRAP was set up as part of the Minnesota Legislative Audit to track the effectiveness of funding received from the state. Bajumpaa stated that the District should be commended for the efforts of the Board and staff for good working relationships with various partners in making the District a very successful organization in delivering high quality water management projects and programs to the District's partners and producers.

The Board reviewed a funding request from the Pennington SWCD for the Sorvig LLP Grade Stabilization Structure Project located in Section 4, Polk Centre Township, Pennington County in the amount of \$1,400. The project cost estimate is \$19,095. Motion by Nelson, seconded by Dwight, to approve the funding request from the Pennington SWCD for the Sorvig LLP Grade Stabilization Structure Project in the amount of \$1,400. Motion carried.

Staff member, Tony Olson, discussed a permit violation located in Hickory Township, Pennington County. A motion was made by Nelson, seconded by Sorenson, to require the landowner to obtain an after-the-fact permit and bill charges for staff time associated with the violation. Motion carried.

The Board reviewed the permits for approval. Motion by Anderson, seconded by Ose, to approve the following permits with conditions stated on the permit: No. 24019, Randy Weiss, Lake Pleasant Township, Red Lake County; No. 24020, Darrell Payment, Gervais Township, Red Lake County; No. 24021, Danny Payment, Gervais Township, Red Lake County; 24022, Danny Payment, Terrebonne Township, Red Lake County; and 24023, Otter Tail Power Company, Lambert Township, Red Lake County. Motion carried. A motion was made by Ose,

seconded by Page to table No. 24028 and require that the landowner notify the RLWD upon completion. Motion carried.

Staff member, Tony Olson, reviewed the vehicle quotes he received from Northern Motors, Thief River Ford, and Thibert Chevrolet. After much discussion, a motion was made by Page, seconded by Sorenson, to approve the trade-in and low quote purchase of a new truck from Thibert Chevrolet. Motion carried.

RLWD staff are requesting summer hours from Memorial Day weekend to Labor Day weekend, which would entail working Monday – Thursday, 7:00 a.m.-4:30 p.m. (9-hour days) and Friday, 8:00 a.m. – 12:00 p.m. (4-hour day), therefore closing the office at noon on Friday’s. Consideration would be given for construction activities and water sampling schedule as per approval by the Administrator. Motion by Dwight, seconded by Sorenson, to approve the request of District Staff for summer hours between Memorial Day weekend and Labor Day weekend. Motion carried. Manager Dwight asked for summer hours to be reviewed after Labor Day to possibly consider having a modified schedule year-round.

Administrator Audette discussed the schedule for the week of July 4, 2024 at the RLWD office. Audette proposed the office to be closed on July 4, 2024, and July 5, 2024. A motion was made by Page, seconded by Nelson, to approve the RLWD office to be closed July 4, 2024, and July 5, 2024, with staff using vacation time for July 5, 2024 hours. Motion carried.

#### Administrators Update:

- **Houston Engineering GPS/survey training:** District staff participated in the survey training sponsored by Houston Engineering, Inc. Staff reported that the training was extremely beneficial to them.
- **Pine Lake levels:** District staff installed an additional stoplog on Monday, April 22. The lake elevation was at 1283.45, with summer target elevation at 1283.5.
- **Good Lake Impoundment:** Staff delivered new stoplogs to Good Lake Impoundment on Tuesday, April 23<sup>rd</sup>. The gate tender requested an additional 8 stoplogs. Four to install to allow water to get up to the spillway elevation, which will allow for 4 extra stoplogs. Staff reported that the top of the dike roadway is in rough shape.
- **RLWD Ditch Maintenance on the following:**
  - Burnham Creek Project, RLWD Project No. 43B
  - Polk County Ditch Improvements 104, 61, 47, 94, RLWD Project No. 119-sediment deposits, SWI repairs
  - Ditch 10, RLWD Project No. 161-minor sloughing was completed by Anderson Construction on April 23<sup>rd</sup>
  - Ditch 11, RLWD Project No. 166-headcutting of the outlet
  - Ditch 16, RLWD Project No. 177-Northland Township non-functioning abandoned culvert that is caving in needs to be removed (Board prior approved removal)

Red Lake Watershed District

April 25, 2024

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A motion was made by Anderson, seconded by Dwight, to approve the development of a Memorandum of Understanding with Red Lake Band of Chippewa Indians for the Upper/Lower Red Lake One Watershed One Plan, RLWD Project No. 149C. Motion carried.

Motion by Nelson, seconded by Sorenson to adjourn the meeting. Motion carried.

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LeRoy Ose, Secretary

**RED LAKE WATERSHED DISTRICT****Financial Report for May 9 , 2024**

<b>Ck#</b>	<b>Check Issued to:</b>	<b>Description</b>	<b>Amount</b>
online	EFTPS	Withholding FICA, Fed & Medicare (pp 4-24-24)	\$ 4,613.24
online	MN Department of Revenue	Withholding Taxes (pp 4-24-24)	\$ 791.54
online	PERA	PERA (5/8/24 payroll)	\$ 2,796.51
41243	Clearwater Co. SWCD	Soil Health Incentive payments 1W1P	\$ 29,192.68
41244	Forestry Supplier	Staff gauges - 4	\$ 651.14
41245	Houston Engineering	**	\$ 22,272.25
41246	Huberts	Routine maintenance on ATV's	\$ 1,061.86
41247	Kermit Kruger	Mileage for Red Lake River 1W1P Advisory Meeting	\$ 80.40
41248	Kim Nordheim	Baked goods for board mtg	\$ 50.00
41249	Marco	Office Phones	\$ 376.50
41250	Quality Spray Foam	Repaired, seeded & put down blanket on ditch 10	\$ 1,407.50
41251	Randy Rue	Mileage for Red Lake River 1W1P Advisory Meeting	\$ 36.16
41252	Red Lake Co. SWCD	**	\$ 4,411.25
41253	RMB	Lab analysis of water quality samples	\$ 7,164.00
41254	West Polk SWCD	**	\$ 17,324.02
41255	Farmers Union TRF	Gas for vehicles	\$ 1,022.37
41256	Hugos	Meeting goodies & kitchen supplies	\$ 184.90
41257	Marco	Copy machine expense	\$ 348.05
41258	Pitney Bowes	Postage machine lease	\$ 124.53
41259	West Polk SWCD	T&E 2022 Red Lake River 1W1P	\$ 1,427.47
41260	Ihle Sparby & Haase	Legal fees	\$ 8,240.00
41261	Fleet Supply	Stop log hardware	\$ 60.43
41262	RMB	Courier Fees for water quality samples	\$ 350.00
41263	Maple Lake Improvement Dist.	RMB Lab analysis from June - Sept. 2023	\$ 1,091.00
41264	HDR	Flood Reduction Committee & Board Mtg.	\$ 542.50
online	Card Member Services	**	\$ 2,146.30
online	Northwest Service Coop	Health Insurance premium	\$ 10,100.02
online	Vestis (Aramark)	Office Rug Rental	\$ 94.28
online	WEX	FSA Medical	\$ 20.00
online	Aflac	Staff paid insurance	\$ 326.24
online	Dental Dental	Dental Insurance Premium	\$ 597.05
direct	Terrance Sorenson	Mileage	\$ 172.86
direct	Brian Dwight	Mileage	\$ 393.14
direct	Grant Nelson	Mileage	\$ 53.60
direct	Al Page	Mileage	\$ 69.68
direct	Staff and Board Payroll	Salaries (pp 5/8/24)	\$ 16,256.21
	<b>Total Checks</b>		\$ 135,849.68

**\*\*Houston**State Ditch 83 - Drees North site review  
Payment & Cardinal Ring Dike Professional Services  
Elm Lake / Lost River Professional Services**\*\*Red Lake Co. SWCD**2023 Clearwater 1W1P  
Red Lake Falls Sec. 22/Hockey Arena Road Project**\*\*West Polk SWCD**T&E 2022 Red Lake River 1W1P  
(\$14,030.23 cost share RLR1W1P-WP-22-01)

**\*\*Card Member Services**

Arrowhead MADI Conference (Erick)  
MN Watershed Legislative Conf. St Paul  
RRWMB Courtyard By Marriot Moorhead

**Banking**

**Northern State Bank**

Balance as of April 30, 2024		\$ 620,358.62
Total Checks Written		\$ (135,849.68)
Receipt #12213	Monthly Interest	\$ 1,477.29
Receipt #12215	Reimbursement for Invoice #7 - TR Swagg	\$ 894.19
Receipt #12216	50% Supplemental Funds for Clearwater 1W1P	\$ 195,013.00
Balance as of May 9, 2024		\$ 681,893.42

Current interest rate is 3.25%

**American Federal Bank-Fosston**

Balance as of April 25, 2024		\$ 5,233,020.28
Receipt#12214	Monthly Interest	\$ 15,139.92
Balance as of May 9, 2024		\$ 5,248,160.20

Current interest rate is 3.3%

**CD's**

**Edward Jones**

Balance	12 month CD 5.02%	\$ 237,000.00
	Expiry 5-03-24 (will renew on 5-9-24 @ 5.15%)	

**Edward Jones**

Balance	12 month CD 5.02%	\$ 237,000.00
	Expiry 5-07-24 (will renew on 5-9-24 @ 5.15%)	

**Edward Jones**

Balance	12 month CD 5.02%	\$ 26,000.00
	Expiry 5-09-24	

**Edward Jones**

Balance	12 month CD 5.45%	\$ 237,000.00
	Expiry 9-18-24	

**Edward Jones**

Balance	12 month CD 5.5%	\$ 237,000.00
	Expiry 9-27-24	

**Edward Jones**

Balance	12 month CD 5.5%	\$ 33,000.00
	Expiry 9-27-24	

**Edward Jones**

Balance	12 month CD 4.85%	\$ 237,000.00
	Expiry 12-20-24	

<b>Edward Jones</b> Balance	12 month CD 4.55% Expiry 1-2-25	<u>\$ 50,000.00</u>
<b>Edward Jones</b> Balance	12 month CD 4.75% Expiry 1-2-25	<u>\$ 237,000.00</u>
<b>Edward Jones</b> Balance	12 month CD 4.9% Expiry 1-30-25	<u>\$ 238,000.00</u>
<b>Edward Jones</b> Balance	12 month CD 4.9% Expiry 2-14-25	<u>\$ 237,000.00</u>
	<b>Total CD Investments</b>	<b>\$ 2,006,000.00</b>
	<b>Total Cash (NSB + AFB + CD's)</b>	<b>\$ 7,936,053.62</b>
	<b>Cash that has been received and earmarked for projects: 5/08/24</b>	
	2022 Grant Thief River 1W1P Proj. #149A	\$ 626,536.80
	2023 Grant Clearwater 1W1P Proj. #149B	\$ 1,016,044.43
	2024 Grant Red Lake River 1W1P Proj. #149	\$ 321,779.72
	Mid Point Grant Proj. #149	\$ 24,867.92
	Chief Coulee Proj. #46S	<u>\$ 214,375.00</u>
		\$ 2,203,603.87
	<b>Payables committed to by board action:</b>	
	Chief Coulee Proj. #46S	<u>\$ 800,000.00</u>
		\$ 800,000.00
	<b>Total accessible cash (Est)</b>	<b>\$ 4,932,449.75</b>

The Board of Managers have in the past approved vendors to be paid electronically each month after approval the of monthly bills. Listed below are the vendors and the amounts that will be deducted each month.

## 2024 ACH Auto Pay Vendor List Payment Schedule

<u>Date of Deduct</u>	<u>Company</u>	<u>Explanation</u>	<u>Amount</u>
1	Northwest Service Coop/Medica	Health premiums	\$ 10,100.02
1	Cardmember Services/Elan	Credit Card	*
2	Aramark	Rug Rental	\$ 94.28
5	Aflac	Staff paid insurance	\$ 326.24
6	Delta Dental	Dental insurance premiums	\$ 597.05
9	NCPERS	Staff Life Insurance	\$ 128.00
11	City of Thief River Falls	Utilities	*
15	Les's Sanitation	Garbage Removal	\$ 35.74
16	Sunlife Financial	Life Insurance	\$ 144.64
21	Intuit - Quick Books	Monthly Fee	\$ 424.00
15	Purewater Technology	Office H2O	\$ 38.00
22	MN Energy	Heat	*
25	WEX	Monthly Fee	\$ 8.25
26	AT & T	Cell Phone Expense	\$ 414.86
28	Garden Valley	Internet Expense	\$ 68.95

\* payment different each month

### With Each Payperiod

EFTPS - Federal withholdings	*	1 week p pp will auto post on NSB + QB
MN Department of Revenue	*	1 week p pp will auto post on NSB + QB
PERA - Public Employers Retirement Asst.	*	create/ copy expenditure. Change amount.

qtrly	Pitney Bowes (check)	Jan, Apr, Jul, Oct.
	Marco (check)	

**RED LAKE WATERSHED DISTRICT  
THIEF RIVER FALLS, MINNESOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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**RED LAKE WATERSHED DISTRICT  
OFFICIAL DIRECTORY  
DECEMBER 31, 2023**

Board of Managers

<u>Manager</u>	<u>County</u>	<u>Position</u>
Dale M. Nelson	Pennington	President
Gene Tiedemann	West Polk	Vice President
LeRoy Ose	Marshall	Secretary
Terry Sorenson	East Polk	Treasurer
Brian Dwight	Beltrami	Manager
Allan Page	Red Lake	Manager
Tom Anderson	Clearwater	Manager

## INDEPENDENT AUDITOR'S REPORT

Board of Managers  
Red Lake Watershed District  
Thief River Falls, Minnesota

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying cash basis financial statements of the governmental activities, each major fund, and the remaining fund information of the Red Lake Watershed District as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the remaining fund information of the Red Lake Watershed District, as of December 31, 2023, and the respective changes in cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

#### *Basis of Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Red Lake Watershed District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Basis of Accounting*

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Red Lake Watershed District's basic financial statements. The budgetary comparison schedule, statement of fund balances by project, and the statement of direct expenditures by classification as listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule, statement of fund balances by project, and the statement of direct expenditures by classification are fairly stated in all material respects in relation to the basic financial statements as a whole as described in the basis of accounting described in Note 1.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the official directory and the management's discussion and analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2024 on our consideration of the Red Lake Watershed District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Red Lake Watershed District's internal control over financial reporting and compliance.



**BRADY, MARTZ & ASSOCIATES, P.C.  
THIEF RIVER FALLS, MINNESOTA**

April 22, 2024

**RED LAKE WATERSHED DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Our discussion and analysis of the Red Lake Watershed District's financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2023, within the limitations of the District's cash basis of accounting. Please read it in conjunction with the District's financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- The District's governmental funds total revenues exceeded total expenditures, on the cash basis of accounting, by \$2,579,592 for the year ended December 31, 2023.
- The general fund showed a decrease of cash basis fund balance in the amount of \$36,642.
- The District's General Fund ended the year with a fund balance of \$234,033.
- The District's combined fund balance at the close of the current year was \$8,095,418.

**Overview of the Financial Statements**

The discussion and analysis is intended to serve as an introduction to the Red Lake Watershed District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Basis of Accounting.** The District has elected to present its financial statements on a cash basis of accounting. The cash basis of accounting is a basis of accounting other than generally accepted accounting principles. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the District's cash basis of accounting, revenues and expenses are recognized when the cash transactions occur.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts and taxes receivable and related revenue not collected yet) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not paid yet) are not recorded in these financial statements. Therefore when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

**Government-Wide Financial Statements.** The government-wide financial statements are designed to display information about the Red Lake Watershed District taken as a whole.

Over time, increases or decreases in net position – cash basis may serve as a useful indicator of whether the financial cash position of the Red Lake Watershed District is improving or deteriorating.

The government-wide financial statements can be found on pages 12 and 13 of this report.

**RED LAKE WATERSHED DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Fund Financial Statements.** The fund financial statements focus on the individual parts of the District. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Red Lake Watershed District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of Red Lake Watershed District are governmental funds.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Red Lake Watershed District maintains three major governmental funds. Information is presented separately in the governmental fund statement of balances arising from cash transactions and in the governmental fund statement of cash receipts, disbursements and changes in cash fund balance for the General Fund, Special Projects Fund, and Capital Projects Fund.

The basic government fund financial statements can be found on pages 14 through 15 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 25 of this report.

**RED LAKE WATERSHED DISTRICT'S NET CASH POSITION**

	<u>2023</u>	<u>2022</u>	<u>Change 22-23</u>
<b>ASSETS</b>			
Cash and Investments	<u>\$ 8,095,418</u>	<u>\$ 5,515,826</u>	<u>\$ 2,579,592</u>
<b>NET CASH POSITION</b>			
Restricted for Ditch Maintenance	\$ 550,543	\$ 589,247	\$ (38,704)
Unrestricted	<u>7,544,875</u>	<u>4,926,579</u>	<u>2,618,296</u>
	<u>\$ 8,095,418</u>	<u>\$ 5,515,826</u>	<u>\$ 2,579,592</u>

At the end of 2023 and 2022, the Red Lake Watershed District is able to report positive balances in net cash assets.

**RED LAKE WATERSHED DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

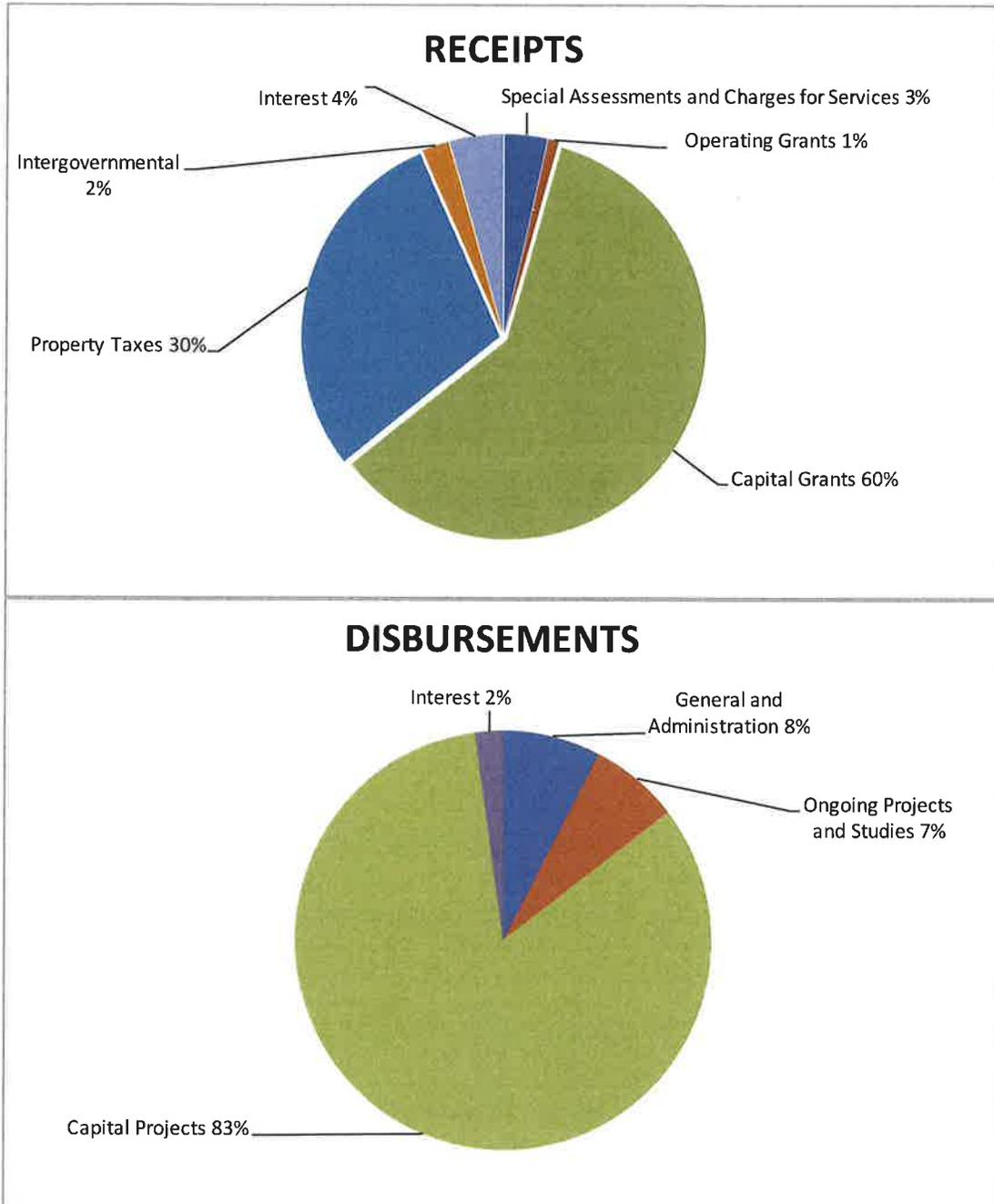
**RED LAKE WATERSHED DISTRICT'S CHANGE IN NET CASH ASSETS**

Governmental activities resulted in an increase of \$2,579,592 of Red Lake Watershed District's net cash position from the fiscal year 2022 to the current fiscal year. The details of the changes are as follows:

	<u>2023</u>	<u>2022</u>	<u>Change</u> <u>22-23</u>
<b>Receipts</b>			
Program Revenues			
Special Assessments and Charges			
for Services	\$ 211,947	\$ 432,491	\$ (220,544)
Operating Grants	52,510	13,171	39,339
Capital Grants	3,659,622	5,024,774	(1,365,152)
General Revenues			
Property Taxes	1,785,340	1,710,045	75,295
Intergovernmental	133,418	140,101	(6,683)
Interest	<u>267,525</u>	<u>115,904</u>	<u>151,621</u>
<b>Total Receipts</b>	<u>6,110,362</u>	<u>7,436,486</u>	<u>(1,326,124)</u>
<b>Disbursements</b>			
General and Administration	267,119	140,188	126,931
Ongoing Projects and Studies	245,476	231,632	13,844
Capital Projects	2,941,454	3,643,960	(702,506)
Allocated Interest	<u>76,721</u>	<u>67,686</u>	<u>9,035</u>
<b>Total Disbursements</b>	<u>3,530,770</u>	<u>4,083,466</u>	<u>(552,696)</u>
<b>Increase (Decrease) in Net Position</b>	<u>2,579,592</u>	<u>3,353,020</u>	<u>(773,428)</u>
<b>Net Position - January 1</b>	<u>5,515,826</u>	<u>2,162,806</u>	<u>3,353,020</u>
<b>Net Position - December 31</b>	<u>\$ 8,095,418</u>	<u>\$ 5,515,826</u>	<u>\$ 2,579,592</u>

**RED LAKE WATERSHED DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Below are specific graphs which provide comparisons of the receipts and disbursements for the year ended December 31, 2023:



**RED LAKE WATERSHED DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Governmental Activities**

To aid in the understanding of the Statement of Activities Arising from Cash Transactions on page 13, some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column, with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. This type of format highlights the relative financial burden of each of the functions on the District's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue, even if restricted for a specific purpose.

**A FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

**General Fund Budgetary Highlights**

For the year ended December 31, 2023, General Fund expenditures were \$73,607 over final budget. The budget was not amended during the year.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

As noted below, construction will begin on several projects as well as work on several water quality grants, flow through-grants, cooperative projects and grants with other agencies.

**OTHER ITEMS OF INTEREST**

**Water Quality Projects**

Thanks to the Clean Water Land and Legacy Act (CWLLA), the Minnesota Pollution Control Agency (MPCA) has been able to provide the District with funding for four watershed restoration and protection strategy (WRAPS) projects (Thief River, Red Lake River, Grand Marais Creek, and Clearwater River watersheds). Another WRAPS project, for the Upper/Lower Red Lakes Watershed, was completed by the Red Lake Department of Natural Resources. The WRAPS process and stakeholder involvement informed the 1W1P process, which has provided much of the funding for the implementation of on-the-ground projects that protect and improve water quality. Surface Water Assessment Grants (SWAG) from the MPCA (also funded by the CWLLA) help fund intensive monitoring of targeted watersheds. The targeting and prioritization work completed during the WRAPS and 1W1P processes have aided the acquisition of additional grant funding. The United States Environmental Protection Agency awarded a Small Watersheds Focus 319 Grant to the Red Lake River that has been used to install structural agricultural best management practices and streambank stabilization projects. Because of the Red Lake River 1W1P partners' accomplishments and active development of shovel ready projects, the MPCA awarded additional 319 Grant funding (funding that was unspent in another area of the state) to the Red Lake Watershed District (District) in 2023 to help fund the construction of a bank stabilization project.

**Pine Lake Project – Phase II**

Phase II of the Pine Lake Outlet Structure includes replacement of the existing arch pipe and replace it with a box culvert in the Lost River, downstream of the Pine Lake Outlet Structure. This structure is being designed by District engineering staff as well MnDNR staff to allow more flow capacity during flood events at the same time allowing proper fish passage on the Lost River. The District awarded the project in late 2023 with construction slated to be completed by the Fall of 2024.

**RED LAKE WATERSHED DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Red Lake River One Watershed One Plan (1W1P)**

In 2018, funding through the BWSR Clean Water Fund in the amount of \$677,551 was awarded to this planning region to complete various projects identified in the workplan approved by BWSR. It should be noted at the request of the Policy Committee formed to oversee the implementation of the plan; the District was appointed as the fiscal agent for the implementation of the plan. Implementation of the funds dispersed in the 2018 workplan started in 2019, continued into 2020 with 50% of the funds being spent. The reconciliation for the 2018 grant in the amount of \$667,551 was completed, closed and the remaining 10% of the grant in the amount of \$67,755 was dispersed in February 2022.

In 2020, funding through the BWSR Watershed Base Implementation Funding (WBIF) in the amount of \$1,071,149 was awarded by BWSR for the implementation of various projects identified in the workplan. The Policy Committee appointed the District as the fiscal agent for the implementation of the plan. Implementation of the funds dispersed in the 2020 workplan started in 2020, continued into 2021 with 50% of the funds being spent. In October 2022, BWSR dispersed 40% of the grant, in the amount of \$428,460. The reconciliation for the 2020 grant in the amount of \$1,071,149 was completed in December 2022, and the remaining funds was dispersed in 2023.

In 2022, another round of WBIF was awarded in the amount of \$1,071,149. The District and their partners continued to complete water quality projects in accordance with the approved 2022 work plan. The Policy Committee formed to oversee the implementation of the plan appointed the District as the fiscal agent for the implementation of the plan. BWSR dispersed 50% of the grant, in the amount of \$535,575, in March 2022.

In 2023, the District and their partners were awarded a \$50,000 Mid-Point Assessment Grant from BWSR, which allows for the assessment of the implementation process and plan amendment of the Red Lake River 1W1P. These additional funds were added to the 2022 Grant therefore a grant amendment was required, which also included extending the grant expiration date from June 30, 2024 to December 31, 2024. BWSR dispersed 50% of the grant, in the amount of \$25,000, in May 2023. The Policy Committee also appointed the District as Fiscal Agent for 2023.

In 2023, BWSR announced the availability of Supplemental Funds, with a deadline date of submittal of January 8, 2024.

**Thief River One Watershed One Plan (1W1P)**

In 2020, funding through the BWSR Clean Water Fund in the amount of \$529,892 was awarded to this planning region to complete various projects identified in the workplan approved by the BWSR. It should be noted at the request of the Policy Committee formed to oversee the implementation of the plan the District was appointed as the fiscal agent for the implementation of the plan. Implementation of the funds dispersed in the 2020 workplan started in 2021, continued into 2022 with 50% of the funds dispersed in July 2022.

In 2022, another round of WBIF was awarded in the amount of \$529,892. The District and their partners continued to complete water quality projects in accordance with the approved 2022 work plan. The Policy Committee formed to oversee the implementation of the plan appointed the Red Lake Watershed District as the fiscal agent for the implementation of the plan. BWSR dispersed 50% of the grant, in the amount of \$264,946, in June 2022.

In May 2023, BWSR dispersed 40% of the 2020 grant, in the amount of \$211,957. The reconciliation for the 2020 grant was completed in December 2022, and the remaining funds in the amount of \$52,989 will be dispersed early 2024.

**RED LAKE WATERSHED DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Clearwater River One Watershed One Plan (1W1P)**

In 2023, BWSR approved the Clearwater River 1W1P Comprehensive Plan, along with the Implementation workplan approved by BWSR. At the request of the Policy Committee, the District was appointed as the fiscal agent for the implementation of projects identified the workplan. In March 2023, BWSR dispersed 50% of the grant payment in the amount of \$487,363.

In 2023, BWSR announced the availability of Supplemental Funds, with a deadline date of submittal of January 8, 2024.

**Federal Emergency Management Funds (FEMA)**

In early 2022, projects within the District sustained significant damage in the amount of \$580,557.16. The District applied for and was awarded funding for repairs to the projects from the Federal Emergency Management Agency (FEMA). Allocated funds, minus 10% were dispersed in 2023.

**Legal Drainage Petitions**

During the 2022 spring flood event, extensive damage was done to various ditch systems under jurisdiction of the District. The District applied for and was awarded funding for repairs to the project from the Federal Emergency Management Agency (FEMA). Repairs and funds were completed in 2023.

In 2022, the Red Lake Watershed District and petitioners, appealed a District Court decision for the Improvement of Polk County Ditch #39, RLWD, Project 179. The Appeal will be taken to the Minnesota Supreme Court in early 2024.

**Chiefs Coulee Project**

This project was initiated by the City of Thief River Falls, with the District being a project partner. The project located within and north of the City of Thief River Falls, will direct high flows from entering the city, along with improving serious water quality concerns within the city. The District and the city has each committed \$800,000 to the project, and will seek outside funding for the remainder of the costs.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of Red Lake Watershed District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Red Lake Watershed District, 1000 Pennington Avenue South, Thief River Falls, Minnesota 56701.

## BASIC FINANCIAL STATEMENTS

**RED LAKE WATERSHED DISTRICT**  
**STATEMENT OF NET CASH POSITION**  
**DECEMBER 31, 2023**

	<u>Total</u>
<b>Assets</b>	
Petty Cash	\$       100
Pooled Cash and Investments	<u>8,095,318</u>
<b>Total Assets</b>	<u><b>\$ 8,095,418</b></u>
<b>Net Cash Position</b>	
Restricted for Ditch Maintenance	\$     550,543
Unrestricted	<u>7,544,875</u>
<b>Total Net Cash Position</b>	<u><b>\$ 8,095,418</b></u>

See Notes to the Basic Financial Statements

**RED LAKE WATERSHED DISTRICT**  
**STATEMENT OF ACTIVITIES ARISING FROM CASH TRANSACTIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Functions/Programs	Disbursements			Program Receipts and Sources			Net Cash Sources (Uses) and Changes in Net Cash Position
	Direct	Allocated Salaries and Overhead	Total	Special Assessments and Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>							
General and Administrative	\$ (1,076,526)	\$ 809,407	\$ (267,119)	\$ 9,230	\$ -	\$ -	\$ (257,889)
Ongoing Projects and Studies	(178,759)	(66,717)	(245,476)	142,532	52,510	-	(50,434)
Capital Projects	(2,198,764)	(742,690)	(2,941,454)	60,185	-	3,659,622	778,353
Allocated Interest	(76,721)	-	(76,721)	-	-	-	(76,721)
Total Governmental Activities	\$ (3,530,770)	\$ -	\$ (3,530,770)	\$ 211,947	\$ 52,510	\$ 3,659,622	\$ 393,309
<b>General Receipts:</b>							
Tax Levies							\$ 1,785,340
Intergovernmental (not restricted to specific programs)							133,418
State MV and Disparity Reduction Credits							267,525
Allocated Interest							
Total General Receipts							2,186,283
Change in Net Cash Position							2,579,592
Net Cash Position - Beginning							5,515,826
Net Cash Position - Ending							\$ 8,095,418

See Notes to the Basic Financial Statements

**RED LAKE WATERSHED DISTRICT**  
**STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS – GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

<u>ASSETS</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
Petty Cash	\$ 100	\$ -	\$ -	\$ 100
Pooled Cash and Investments	233,933	550,543	7,310,842	8,095,318
Total Assets	<u>\$ 234,033</u>	<u>\$ 550,543</u>	<u>\$ 7,310,842</u>	<u>\$ 8,095,418</u>
 <u>CASH FUND BALANCE</u>				
Restricted for Ditch Maintenance	\$ -	\$ 550,543	\$ -	\$ 550,543
Committed for Capital Projects	-	-	7,310,842	7,310,842
Unassigned	234,033	-	-	234,033
Total Cash Fund Balance	<u>\$ 234,033</u>	<u>\$ 550,543</u>	<u>\$ 7,310,842</u>	<u>\$ 8,095,418</u>

See Notes to the Basic Financial Statements

**RED LAKE WATERSHED DISTRICT**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCES –**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>RECEIPTS</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Project Fund</u>	<u>Total Governmental Funds</u>
Property Taxes	\$ 217,104	\$ -	\$ 1,568,236	\$ 1,785,340
Special Assessments	-	137,127	1,120	138,247
Intergovernmental:				
Federal	-	11,507	492,550	504,057
State	-	19,915	2,100,912	2,120,827
Local	-	21,088	1,199,578	1,220,666
Other:				
Miscellaneous	9,230	5,405	59,065	73,700
Allocated Interest	42,264	24,677	200,584	267,525
<b>Total Receipts</b>	<u>268,598</u>	<u>219,719</u>	<u>5,622,045</u>	<u>6,110,362</u>
<u>DISBURSEMENTS</u>				
General and Administrative	267,119	-	-	267,119
Ongoing Projects and Studies	-	245,476	-	245,476
Capital Projects	-	-	2,941,454	2,941,454
Allocated Interest	38,121	12,947	25,653	76,721
<b>Total Disbursements</b>	<u>305,240</u>	<u>258,423</u>	<u>2,967,107</u>	<u>3,530,770</u>
Net Change in Cash Fund Balance	(36,642)	(38,704)	2,654,938	2,579,592
CASH FUND BALANCE JANUARY 1	<u>270,675</u>	<u>589,247</u>	<u>4,655,904</u>	<u>5,515,826</u>
CASH FUND BALANCE DECEMBER 31	<u>\$ 234,033</u>	<u>\$ 550,543</u>	<u>\$ 7,310,842</u>	<u>\$ 8,095,418</u>

See Notes to the Basic Financial Statements

**RED LAKE WATERSHED DISTRICT**  
**STATEMENT OF CHANGES IN NET CASH POSITION – FIDUCIARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Custodial Fund</u>
<u>ADDITIONS</u>	
<u>Property Taxes</u>	
Beltrami County	\$ 108,346
Clearwater County	219,647
Itasca County	758
Koochiching County	8,586
Mahnomen County	2,460
Marshall County	70,243
Pennington County	293,425
Polk County	727,779
Red Lake County	136,691
Roseau County	185
State - MV	<u>66,710</u>
 TOTAL ADDITIONS	 <u>1,634,830</u>
<u>DEDUCTIONS</u>	
Red River Watershed Management Board	<u>1,634,830</u>
 TOTAL DEDUCTIONS	 1,634,830
 CHANGE IN NET CASH POSITION	 -
 NET CASH POSITION - BEGINNING	 <u>-</u>
 NET CASH POSITION - ENDING	 <u>\$ -</u>

See Notes to the Basic Financial Statements

**RED LAKE WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Red Lake Watershed District, (the "District"), was established under the Minnesota Watershed Act as an agency of the State of Minnesota. The purpose of the District is to carry out conservation of the natural resources of the State of Minnesota through land utilization, flood control, and other needs, upon sound scientific principles for the protection of the public health and welfare and the provident use of natural resources. The District serves an area in Northwestern Minnesota and includes all of Red Lake County and parts of the following counties: Beltrami, Clearwater, Itasca, Koochiching, Mahnomen, Marshall, Pennington, Polk, and Roseau. The District is governed by the Board of Managers, which is composed of seven members appointed by the county boards in accordance with Minnesota Statutes.

**Reporting Entity**

The financial statements of the District include all organizations, funds and account groups over which the District's Board exercises significant influence over and/or is financially accountable or organizations for which the nature and significance of their relationship with the District is such that exclusion would cause the Red Lake Watershed District's financial statements to be misleading. Currently, the District does not have any component units.

**Basis of Presentation**

*Government-Wide Financial Statements*

The Statement of Net Cash Position and Statement of Activities Arising From Cash Transactions display information about the reporting government taken as a whole. They include all funds of the reporting entity except any fiduciary funds. The statements would distinguish between governmental and business-type activities (if any). The District displays all operations as governmental activities because governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues.

*Fund Financial Statements*

Fund financial statements of the District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues and expenditures. Funds are typically organized into three major categories: governmental, fiduciary and proprietary. The District currently has no proprietary funds.

An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that type, AND
- b. Total assets, liabilities, revenues or expenditures of the individual governmental fund are at least 5% of the corresponding total for all governmental funds combined.

**RED LAKE WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**Governmental Funds**

**General Fund**

The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**Special Revenue Fund**

The special revenue fund is used to account for the proceeds of specific revenue sources (other than capital projects) where the expenditures are legally restricted for purposes specified in the grant or project agreements. The reporting entity includes the special revenue fund as a major fund.

**Capital Projects Fund**

The Capital Projects Fund is used to account for resources committed for the acquisition, construction and maintenance of specific capital projects or items. The reporting entity includes the capital projects fund as a major fund.

**Fiduciary Funds**

**Custodial Fund**

The reporting entity includes one custodial fund and does not involve the measurement of results of operations. The custodial fund is as follows:

<b><u>Fund</u></b>	<b><u>Brief Description</u></b>
Red River Water Management Board	Property Taxes are levied by the District on behalf of the Board and submitted to the Management Board.

**Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe the recognition of revenues and expenditures within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

*Measurement Focus*

In the government-wide Statement of Net Cash Position and the Statement of Activities Arising From Cash Transactions, governmental activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting, as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the cash basis of accounting is used as appropriate:

**RED LAKE WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

*Basis of Accounting*

In the government-wide Statement of Net Cash Position and Statement of Activities Arising from Cash Transactions, governmental activities are presented using the cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable, property and related accumulated depreciation, and revenue for billed or unbilled services provided in current year) and certain liabilities and their related expense (such as accounts payables, unpaid goods or services received in the current year and accrued expenses) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the cash basis of accounting and the government-wide financials would be presented on the accrual basis of accounting.

**Budgets**

The budget is prepared using the same method of accounting as the financial statements. The annual adopted budget is not legally binding on the District, with the exception of the revenue budget for the general fund, which is limited by state statute at \$250,000 and set by the Board for 2023 at \$250,000. All appropriations lapse at year-end.

**Revenues**

In the Statement of Activities Arising from Cash Transactions, cash basis revenues that are derived directly from each activity or from parties outside the District's taxpayers are reported as program revenues. The District has the following program revenues; direct project cost reimbursements and project special assessments, rental income and operating and capital grants specific to projects. All other governmental revenues and general tax levies are classified as general revenue.

**Property Taxes**

The District levies property taxes on property owners within the District, which becomes an enforceable lien as of January 1. Taxes are levied in September and are payable to counties on May 15 and October 15 (November 15 for farm property) of the following year. The District levies the tax, while the respective counties collect and remit the tax collections to the District. Property taxes are recognized when received from the counties under the cash basis of accounting. The District also levies special assessments through the counties against property owners who obtain direct benefits from projects or property owners who request, through the petition process, to have a project undertaken. The special assessment collections are recorded in a manner similar to that for property taxes.

**RED LAKE WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**Compensated Absences**

Full-time employees starting on the date of employment will accrue 80 hours per year of vacation for the first five years of employment. During the next five years of employment, an employee accrues 120 hours per year, after ten years of employment but less than twenty, an employee accrues 160 hours per year of vacation, and after 20 years of employment an employee accrues 200. Qualifying part-time employees are entitled to vacation based on the percentage of hours worked per pay period. The maximum accumulation of vacation leave is 200 hours. Unused vacation leave is paid only upon termination of employment.

Full-time employees employed with the District accrue eight hours of sick leave per month. Part-time employees who have worked 60% of the time for a period of nine months shall be entitled to sick leave based on the percentage of hours worked per pay period. The maximum accumulation of sick leave is 400 hours and does not vest upon termination of employment. As of January 1, 2014, half of the employee's remaining sick leave will be paid at the employee's current hourly rate to the employee upon retirement. If the employee quits or is terminated for any reason, no payment shall be made to the employee. District Office shall maintain leave records by posting leave earned and taken, and calculating a current balance for each employee. There will be no payment in lieu of sick leave, except when retirement of employment occurs. No vested or accumulated liability has been recorded for accumulated compensated absences.

**Pensions**

Plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Equity**

In the government-wide financial statements, equity is classified as "net position" and displayed in two components:

1. Restricted Net Cash Position – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
2. Unrestricted Net Cash Position – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

It is the District's policy to first use restricted Net Position prior to the use of unrestricted Net Position when an expense is incurred for purposes for which both restricted and unrestricted Net Position are available.

**Cash Fund Balance**

In the governmental fund financial statements, cash fund balances are classified as nonspendable, restricted, committed, assigned or unassigned.

**RED LAKE WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

Nonspendable fund balance represents a portion of fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance represents a portion of fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority which is the Board of Managers through an ordinance or resolution.

Assigned fund balance represents amounts constrained by the government's intent to be used for specific purposes, but neither restricted nor committed.

Unassigned fund balance represents residual classification for the general fund. This classification represents fund balance not assigned to other funds and not restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it would be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to first use restricted resources, and then use unrestricted resources as they are needed. When committed, assigned or unassigned resources are available for use, it is the District's policy to use resources in the following order: 1) committed, 2) assigned and 3) unassigned.

### **Interfund Balances**

In the process of aggregating the fund information for the government-wide Statement of Net Cash Position and Statement of Activities Arising from Cash Transactions, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

By its nature as a local government unit, the District is subject to various federal, state, and local laws and contractual regulations. There are no instances of noncompliance that are considered material to the financial statements.

**RED LAKE WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

**NOTE 3 CASH**

The District maintains cash accounts at its depository banks. Investments are carried at cost and consist of Certificates of Deposit.

Minnesota Statutes require that all deposits with financial institutions be collateralized in an amount equal to 110% of deposits in excess of FDIC (140% if collateralized with notes secured by first mortgages).

At December 31, 2023, all deposits were covered by FDIC and pledged collateral as required by Minnesota Statute.

**Interest Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

The District is authorized by Minnesota Statutes to invest in the following: direct obligations or obligations guaranteed by the federal government or its agencies; share of investment companies registered under the Federal Investment Company Act of 1940 and is rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better, general obligations of Minnesota Housing Finance Agency rated "A" or better; commercial paper issued by United States' corporations or their Canadian subsidiaries, of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank or insurance company, domestic branch of a foreign bank and with a credit quality in one of the top two highest categories; repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers. The District has no investment policy that would further limit its investment choices.

**Custodial Risk**

The District does not have a formal policy which would limit the amount held by any one financial institution or investment type.

**Related-Party Investments**

As of December 31, 2023, the District held no related-party investments.

**NOTE 4 DEFINED BENEFIT PENSION PLANS**

**Plan Description**

All full-time and certain part-time employees of the Red Lake Watershed District are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan (accounted for

**RED LAKE WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2023**

in the General Employees Fund), which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

PERA provides retirement, disability, and death benefits. Benefits are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

The benefit provisions stated in the preceding paragraphs of this section are current provisions and apply to active plan participants.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for the General Employees Plan. That report may be obtained on the PERA's website at [www.mnpera.org/about/financial/](http://www.mnpera.org/about/financial/).

### **Funding Policy**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state Legislature. In 2023, Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary.

The Red Lake Watershed District's contributions to the General Employees Fund for the years ended December 31, 2023, 2022, and 2021 were \$38,430, \$38,336, and \$36,147 respectively.

**RED LAKE WATERSHED DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2023

**NOTE 5 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The District manages these various risks of loss with the purchase of insurance through commercial insurance providers. The District carries commercial insurance coverage on its commercial property and for liability, personal and advertising injury, non-owned auto and a miscellaneous floater.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**NOTE 6 OVERHEAD COST ALLOCATION**

Overhead costs are allocated to all projects at 150% of direct salaries to projects. Overhead costs represent those costs incurred by the District for administration, employee benefits, engineering, and related operating expenditures, which are not charged directly to the project. The total overhead costs charged to projects in 2023 was \$809,407.

**NOTE 7 CONTINGENCIES**

**Grants**

The District participates in state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of money received may be required and the collectability of any related receivable at December 31, 2023, may be impaired. The District is not aware of any significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

**Claims and Litigation**

The District is not presently involved in any legal actions relating to projects undertaken or attempted to be undertaken that are deemed to be material to the financial statements.

**NOTE 8 NEW PRONOUNCEMENTS**

GASB Statement No. 99, *Omnibus 2022*, provides guidance on the following accounting matters:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

**RED LAKE WATERSHED DISTRICT**  
NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED  
DECEMBER 31, 2023

- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, enhances the accounting and financial reporting requirements for accounting changes and error corrections. The statement is effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences through aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The statement is effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures*, requires entities to disclose critical information about their exposure to risks due to certain concentrations or limitations that could lead to financial distress or operational challenges. This statement is effective for fiscal years beginning after June 15, 2024.

Management has not yet determined what effect these statements will have on the District's financial statements.

**NOTE 9 SUBSEQUENT EVENTS**

No significant events occurred subsequent to the District's year end. Subsequent events have been evaluated through April 22, 2024, which is the date these financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

**RED LAKE WATERSHED DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE – CASH BASIS – GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original and Final Budget	Actual 2023	Variance
<b>REVENUES</b>			
Tax Levies	\$ 250,000	\$ 217,104	\$ (32,896)
Miscellaneous	3,000	9,230	6,230
Allocated Interest	-	42,264	42,264
	<u>253,000</u>	<u>268,598</u>	<u>15,598</u>
<b>EXPENDITURES</b>			
General and Administrative	231,633	267,119	35,486
Interest	-	38,121	38,121
	<u>231,633</u>	<u>305,240</u>	<u>73,607</u>
Expenditures Exceed Revenues	21,367	(36,642)	(58,009)
FUND BALANCE JANUARY 1	<u>270,675</u>	<u>270,675</u>	
FUND BALANCE DECEMBER 31	<u>\$ 292,042</u>	<u>\$ 234,033</u>	

**NOTE 1 – BUDGETARY COMPARISON**

The budget is prepared using the same method of accounting as the financial statements. The annual adopted budget is not legally binding on the District, with the exception of the revenue budget for the general fund, which is limited by state statute at \$250,000 and set by the Board for 2023 at \$250,000. All appropriations lapse at year-end.

**RED LAKE WATERSHED DISTRICT**  
**SCHEDULE OF BALANCES BY PROJECT – CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Revenues					Expenses			Transfer	Fund Balance (Deficit) December 31
	Fund Balance (Deficit) January 1	Assessments and Other Charges for Services	Operating/ Capital Grants and Contribution	Allocated Interest Earned	Taxes	Direct	Allocated Interest Charged	Allocated Salary and Overhead	In	
									(Out)	
GENERAL FUND	\$ 270,675	\$ 9,230	\$ -	\$ 42,264	\$ 217,104	\$ 1,076,526	\$ 38,121	\$ (809,407)	\$ -	\$ 234,033
SPECIAL REVENUE FUND JOBS:										
Red Lake River Project	83,117	1,950	-	2,377	-	-	-	-	-	87,444
Clearwater River Project	51,761	8,290	-	1,566	-	-	-	-	-	61,617
Lost River Project	16,402	4,298	-	808	-	24	-	167	-	21,317
RLWD Ditch #1	8,800	1,597	-	357	-	2,688	-	198	-	7,868
RLWD Ditch #3	4,519	1,985	-	150	-	2,500	-	2,559	-	1,595
State Ditch #83	101,621	32,159	20,596	3,241	-	27,377	-	16,148	-	114,092
County Ditch #20/State Ditch #83	(417)	-	-	-	-	-	19	-	-	(436)
RLWD Ditch #7	10,230	5,514	-	214	-	11,804	-	1,598	-	2,556
Pine Lake Maintenance	(11,408)	10,027	-	-	-	3,081	941	11,899	-	(17,302)
RLWD Ditch #8	3,722	2,500	-	13	-	8,060	-	1,734	-	(3,559)
RLWD Ditch #9	611	246	-	15	-	525	-	152	-	195
J.D. Ditch #72	3,377	(3,377)	-	-	-	-	-	-	-	-
J.D. Ditch #100	(8,550)	701	-	-	-	-	378	-	-	(8,227)
J.D. Ditch #100 Maint	652	3,228	-	31	-	1,140	-	1,312	-	1,459
J.D. Ditch #101	(6,787)	3,102	-	-	-	-	266	-	-	(3,951)
J.D. Ditch #101 Maint	1,501	7,502	-	88	-	-	-	2,431	-	6,660
Burnam Creek Channel	(20,725)	-	21,088	-	-	-	514	1,558	-	(1,709)
Clearwater/Wild Rice River	(1,349)	980	-	-	-	-	44	2,872	-	(3,285)
Branch A & 1, J.D. #2	2,824	5,473	-	135	-	960	-	152	-	7,320
Main J.D. #2 and Branch B&C	3,031	475	-	46	-	2,220	-	394	-	938
Main J.D. 2C. Eck	2,435	137	-	64	-	-	-	339	-	2,297
Krostue Petition	6,171	5,186	-	226	-	1,839	-	289	-	9,455
Clearwater County Joint Ditch #4	5,772	463	-	144	-	16	-	966	-	5,397
Clearwater County Joint Ditch #5	(7,565)	2,404	-	-	-	-	306	304	-	(5,771)
Clearwater County Ditch #1	(144)	473	-	-	-	120	2	-	-	207
Clifford Arveson Ditch	9,931	227	-	271	-	1,000	-	107	-	9,322
Winsor/Hangaard/Clearwater County Petition	12,105	1,194	-	294	-	9,184	-	1,534	-	2,875
Equality RLWD Ditch #1, lat C	1,545	1,637	-	45	-	1,079	-	259	-	1,889
K. Johnson Petition	2,114	2,305	-	50	-	743	-	2,043	-	1,683
Polk County Ditch #s 104, 61, 47, 94	11,382	17,191	-	532	-	714	-	502	-	27,889
TRF Drainage Ditch (Challenger Ditch)	2,547	46	-	18	-	107	-	74	-	2,430
Scott Baatz Petition	1,030	1,165	-	34	-	300	-	773	-	1,156
Polk County Ditch #63 Improvement	16,012	311	-	414	-	15,690	-	606	-	441
Polk County Ditch #33 Improvement	12,915	472	-	317	-	2,843	-	274	-	10,587
RLWD Ditch #10	79,054	1,829	-	2,179	-	3,220	-	1,775	-	78,067
RLWD Ditch #11	6,810	679	-	163	-	2,911	-	183	-	4,558
RLWD Ditch #12	4,947	12,014	-	152	-	7,307	-	1,912	-	7,894
RLWD Ditch #13	2,346	211	-	54	-	788	-	198	-	1,625
RLWD Ditch #14	(7,303)	457	3,300	-	-	7,550	390	992	-	(12,478)
TRF Damage Reduction Project	169	2,536	-	-	-	3,912	61	930	-	(2,198)

**RED LAKE WATERSHED DISTRICT**  
**SCHEDULE OF BALANCES BY PROJECT – CASH BASIS– CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Revenues					Expenses			Transfer	Fund Balance (Deficit) December 31
	Fund Balance (Deficit) January 1	Assessments and Other Charges for Services	Operating/ Capital Grants and Contribution	Allocated Interest Earned	Taxes	Direct	Allocated Interest Charged	Allocated Salary and Overhead	In (Out)	
SPECIAL REVENUE FUND JOBS (Continued):										
RLWD Ditch #15	\$ 26,708	\$ 3,153	\$ -	\$ 707	\$ -	\$ 4,513	\$ -	\$ 2,330	\$ -	\$ 23,725
Black River Diversion Ditches	(1,375)	-	-	-	-	6,980	311	2,440	-	(11,106)
RLWD Ditch #16	356,621	470	-	9,972	-	7,052	-	1,360	-	358,651
TRF Westside	(11,817)	1,322	7,526	-	-	8,898	560	2,000	-	(14,427)
Improv to Polk Co. #39	(186,095)	-	-	-	-	31,614	9,155	1,353	-	(228,217)
	<u>589,247</u>	<u>142,532</u>	<u>52,510</u>	<u>24,677</u>	<u>-</u>	<u>178,759</u>	<u>12,947</u>	<u>66,717</u>	<u>-</u>	<u>550,543</u>
CAPITAL PROJECT FUND JOBS:										
Administrative Construction	4,499,627	-	66,709	147,963	1,568,236	-	-	-	(1,180,301)	5,102,234
Web Page Development	1,200	-	1,500	41	-	2,594	-	1,470	1,323	-
Moose River Project	-	-	27,485	122	-	19,460	-	12,248	4,130	29
Lost River Improvement	-	-	-	-	-	3,695	357	10,296	15,535	1,187
Stream Gauging	-	-	-	-	-	14,374	702	3,566	18,291	(351)
Schirrick Dam	-	-	16,280	378	-	2,647	-	1,249	-	12,762
Pine Lake PWT	-	-	-	-	-	83	19	872	964	(10)
Little Pine Lake WMA	-	-	-	-	-	680	90	2,400	3,125	(45)
Pine Lake FDR	-	-	691,031	17,221	-	35,875	-	13,623	-	658,754
Hydrologic Analysis	-	-	-	-	-	42,767	2,361	23,254	66,807	(1,575)
Flood Control Study	-	-	165,186	2,298	-	23,862	-	26,428	-	117,194
RRWMB - Technical Com	-	-	-	-	-	821	405	15,308	16,332	(202)
Burnham Creek - BR6	-	-	-	-	-	13	15	601	621	(8)
Water Quality	-	-	51,193	-	-	63,472	789	107,282	120,650	300
TRF Oxbow Restore	-	-	-	-	-	2	-	66	68	-
Water Quality- RL River 319 Grant	-	-	52,214	-	-	-	232	1,754	512,409	562,637
Chief's Coulee	-	-	214,375	4,513	-	-	-	1,959	-	216,929
Maintenance Dams	-	-	-	-	-	-	91	2,360	2,406	(45)
Miller Dam	-	-	12,920	175	-	8,995	-	345	-	3,755
Knutson Dam	-	-	16,246	387	-	2,813	-	59	(13,671)	90
Thibert Dam	-	-	-	-	-	88,404	436	4,198	-	(93,038)
Elm Lake	-	-	-	-	-	8,955	394	6,844	-	(16,193)
Grand Marais Creek Subwatershed	-	-	-	-	-	-	1	30	31	-
Euclid East Impoundment	-	3,011	5,446	-	-	6,538	123	3,040	-	(1,244)
Brandt Impoundment	110	1,080	4,226	-	-	2,815	1	2,052	-	548
Brandt Channel Restoration	-	474	-	-	-	1,197	51	743	1,491	(26)
Grand Marais - Restoration	-	-	-	-	-	908	101	3,375	4,341	(43)
Grand Marais Cut Channel Stabilization	-	-	-	-	-	-	14	-	-	(14)
Red Lake Res/Good Lake	-	-	-	-	-	3,673	89	140	990	(2,912)
Parnell Impoundment	1,650	4,244	11,531	-	-	11,196	5	6,081	-	143
Cleanwater Public Education (River Watch)	-	598	-	-	-	1,278	471	18,146	19,061	(236)
Greenwood 27 Bank Stabilization	-	-	-	-	-	-	-	-	-	-

**RED LAKE WATERSHED DISTRICT**  
**SCHEDULE OF BALANCES BY PROJECT – CASH BASIS– CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Fund Balance (Deficit) January 1	Revenues				Expenses			Transfer	Fund Balance (Deficit) December 31
		Assessments and Other Charges for Services	Operating/ Capital Grants and Contribution	Allocated Interest Earned	Taxes	Direct	Allocated Interest Charged	Allocated Salary and Overhead	In (Out)	
CAPITAL PROJECT FUND JOBS (continued):										
Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,581	\$ 2,662	\$ 124,321	\$ 127,233	\$ (1,331)
Project Development	-	-	-	-	-	57,326	4,073	119,083	178,612	(1,870)
Red River Basin Long Term Flood Control	-	-	-	-	-	2,681	182	6,121	8,893	(91)
Red River Fishing Pier	-	-	-	-	-	5,000	168	415	5,498	(85)
Four Legged Lake PWT	-	-	-	-	-	-	11	564	575	-
Turtle Lake/Cross Lake Study	-	-	-	-	-	36,506	1,070	12,083	-	(49,659)
Louisville/Parnell Project	-	-	-	-	-	1,494	34	61	1,572	(17)
Challenger Ditch Realign	-	-	-	60	-	-	3	106	49	-
Ring Dike Program - General	-	-	7,897	-	-	180	239	23,463	-	(15,985)
Ring Dike Program - Fladeland	-	21,824	10,894	-	-	159,745	2,994	6,730	-	(136,751)
Ring Dike Program - Beich	-	18,431	9,414	-	-	124,129	1,985	9,683	-	(107,952)
Ring Dike Program - Boll	-	-	-	-	-	2,005	103	1,328	3,384	(52)
Ring Dike Program - Hagge	-	-	-	-	-	-	108	2,458	-	(2,566)
Ring Dike Program - Cardinal	-	-	-	-	-	19,032	206	963	-	(20,201)
Ring Dike Program - Payment	-	-	-	-	-	24,967	325	2,423	-	(27,715)
Flood Storage Easmtc	-	-	-	-	-	284	8	94	386	-
G.I.S.	-	-	-	-	-	10,533	617	17,165	28,008	(307)
Wetland Banking	91,076	-	-	2,571	-	-	-	118	-	93,529
Ten Year Overall Plan	86,923	-	1,094,616	-	-	983,576	717	29,851	-	167,395
Thief River 1W1P	(24,898)	-	211,957	984	-	237,545	-	41,168	-	(90,670)
Cleanwater River 1W1P	-	-	510,113	10,249	-	171,316	-	15,400	-	333,646
Upper/Lower RL1W1P	216	1,120	-	37	-	750	133	7,959	-	(7,469)
Parnell Storage Site	-	-	-	-	-	710	17	98	-	(825)
Red Lake River Watershed Assessment	-	-	-	-	-	-	1	22	23	-
Erosion Control Projects	-	-	-	-	-	18,000	253	592	18,719	(126)
Drainage- Inv & Insp	-	-	-	-	-	4,000	46	-	4,023	(23)
TR SWAGG	-	-	24,924	-	-	27,674	653	25,072	28,148	(327)
Black River Impoundment	-	9,403	543,404	13,585	-	(137,659)	-	4,983	-	699,068
TRF Westside FDR	-	-	-	-	-	8	4	111	123	-
Agassiz Grant SILT	-	-	-	-	-	-	-	125	151	26
Mud River Project Work Team	-	-	43,479	-	-	100,264	2,294	20,341	-	(79,420)
Total Capital Projects	4,655,904	60,185	3,793,040	200,584	1,568,236	2,198,764	25,653	742,690	-	7,310,842
Total All Funds	\$ 5,515,826	\$ 211,947	\$ 3,845,550	\$ 267,525	\$ 1,785,340	\$ 3,454,049	\$ 76,721	\$ -	\$ -	\$ 8,095,418

**RED LAKE WATERSHED DISTRICT**  
**STATEMENT OF DIRECT EXPENDITURES BY CLASSIFICATION –**  
**GOVERNMENTAL FUNDS - CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>DIRECT EXPENDITURES:</u>	<u>2023</u>
Salaries -	
Inspection	\$ 45,015
Survey - Preliminary	5,699
Survey - Construction	1,510
Drafting	439
Engineering	11,000
Project Administration	328,309
Field Work - Water Programs	53,396
Other	137,619
Compensated Absences	512
Payroll Taxes and Benefits	209,474
Manager's Expense	69,225
Travel, Mileage, Meetings and Per Diems	8,502
Audit	10,400
Legal	47,201
Other Professional Fees	255,262
Office Supplies	9,227
Office Equipment	35,372
Dues and Subscriptions	10,131
Insurance and Bonds	33,541
Repairs and Maintenance	41,091
Utilities	8,496
Telephone	8,454
Advertising and Publications	9,119
Truck Expense	14,344
Miscellaneous	901
Construction	1,553,209
Engineering Costs and Fees	16,809
Engineering Fees	482,097
Engineering Equipment	47,695
	<hr/>
Total Expenditures	<u>\$ 3,454,049</u>

## INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Managers  
Red Lake Watershed District  
Thief River Falls, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, each major fund, and the remaining fund information of the Red Lake Watershed District of Thief River Falls, Minnesota as of and for the year ended December 31, 2023 and the related notes to the financial statements, and have issued our report thereon dated April 22, 2024.

### Legal Compliance

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of contracting and bidding, deposits and investments, conflicts of interest, claims and disbursements, and miscellaneous provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions insofar as they relate to accounting matters.

### Purpose of the Report

The purpose of this report is solely to describe the scope of our testing of compliance and the result of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.



**BRADY, MARTZ & ASSOCIATES, P.C.**  
**THIEF RIVER FALLS, MINNESOTA**

April 22, 2024

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Managers  
Red Lake Watershed District  
Thief River Falls, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, each major fund, and the remaining fund information of the Red Lake Watershed District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Red Lake Watershed District's basic financial statements and have issued our report thereon dated April 22, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Red Lake Watershed District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Red Lake Watershed District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Red Lake Watershed District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Red Lake Watershed District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Red Lake Watershed District's Response to Finding**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the finding identified in our audit and described in the accompanying schedule of findings and response. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**BRADY, MARTZ & ASSOCIATES, P.C.**  
**THIEF RIVER FALLS, MINNESOTA**

April 22, 2024

**RED LAKE WATERSHED DISTRICT**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**2023-001 Finding – Significant Deficiency**

**Criteria**

An appropriate system of internal control requires the District to prepare financial statements in compliance with the cash basis of accounting.

**Condition**

The District's personnel prepare periodic financial information for internal use that meets the needs of management and the Board. However, the District currently does not prepare the financial statements, including the accompanying note disclosures, as required by the cash basis of accounting. The District has elected to have the auditors assist in the preparation of the financial statements and notes.

**Cause**

The District elected to not allocate resources for the preparation of the financial statements.

**Effect**

There is an increased risk of material misstatement to the District's financial statements.

**Recommendation**

We recommend the District consider the additional risk of having the auditors assist in the preparation of the financial statements and note disclosures. As a compensating control, the District should establish an internal control policy to document the annual review of the financial statements and schedules and to review the financial statements disclosure checklist.

**Views of Responsible Officials and Planned Corrective Actions**

The District agrees with the recommendation and will review on an annual basis.

**RED LAKE WATERSHED DISTRICT  
CORRECTIVE ACTION PLAN  
DECEMBER 31, 2023**

**2023-001 Finding**

Contact Person – Tammy Audette, Administrator

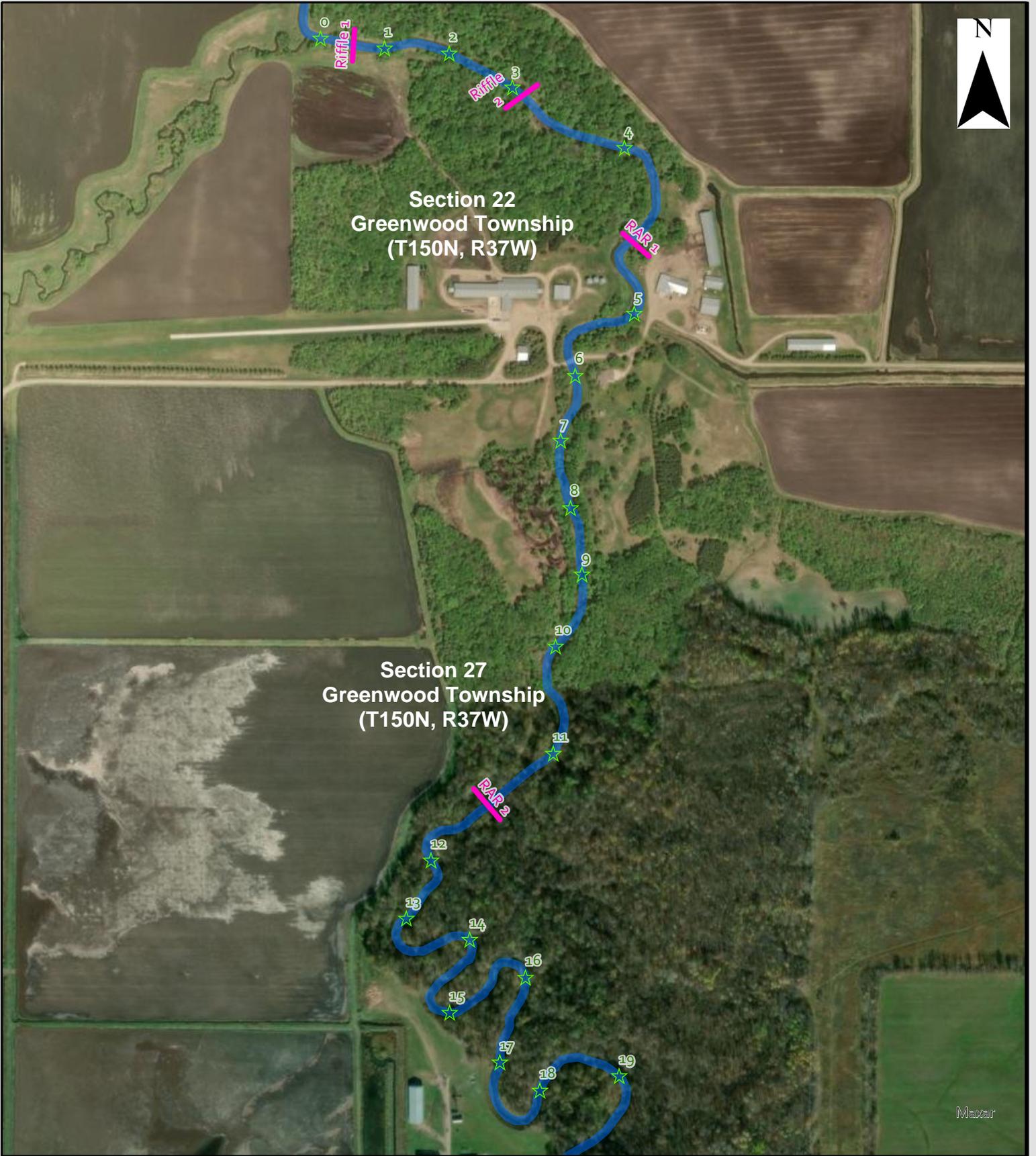
Corrective Action Plan – Will establish a policy to document review of financial statements and notes.

Completion Date – Ongoing



Section 22  
Greenwood Township  
(T150N, R37W)

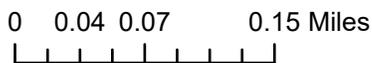
Section 27  
Greenwood Township  
(T150N, R37W)



Maxar

### Legend

-  Results Table Locations
-  Channel
-  Version D Riffles



### Scenario D

Scale: AS SHOWN	Drawn by: CJC	Checked by: TN	Project No.: 3655-0105	Date: 4/7/2024	Sheet:
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## **Polk County Ditch Improvements 104, 61, 47, 94, RLWD Projecty No. 119**

Sediment build-up, blocked culverts, etc.

### **Project History:**

- Petitioned in 1994
- Constructed in 1996-1997 by Davidson Construction
- Ditch is 13.42 miles
- Benefitted Area 8471 acres with a benefitted amount of \$1,142,519
- 27 years with no major repairs

### **Recommendation:**

- Profile every 200 feet of the ditch system with cross sections every quarter of a mile.
- Overlay the survey with the as-built plans to determine amount of sediment in the system.
- Report findings to the Board to determine appropriate action.



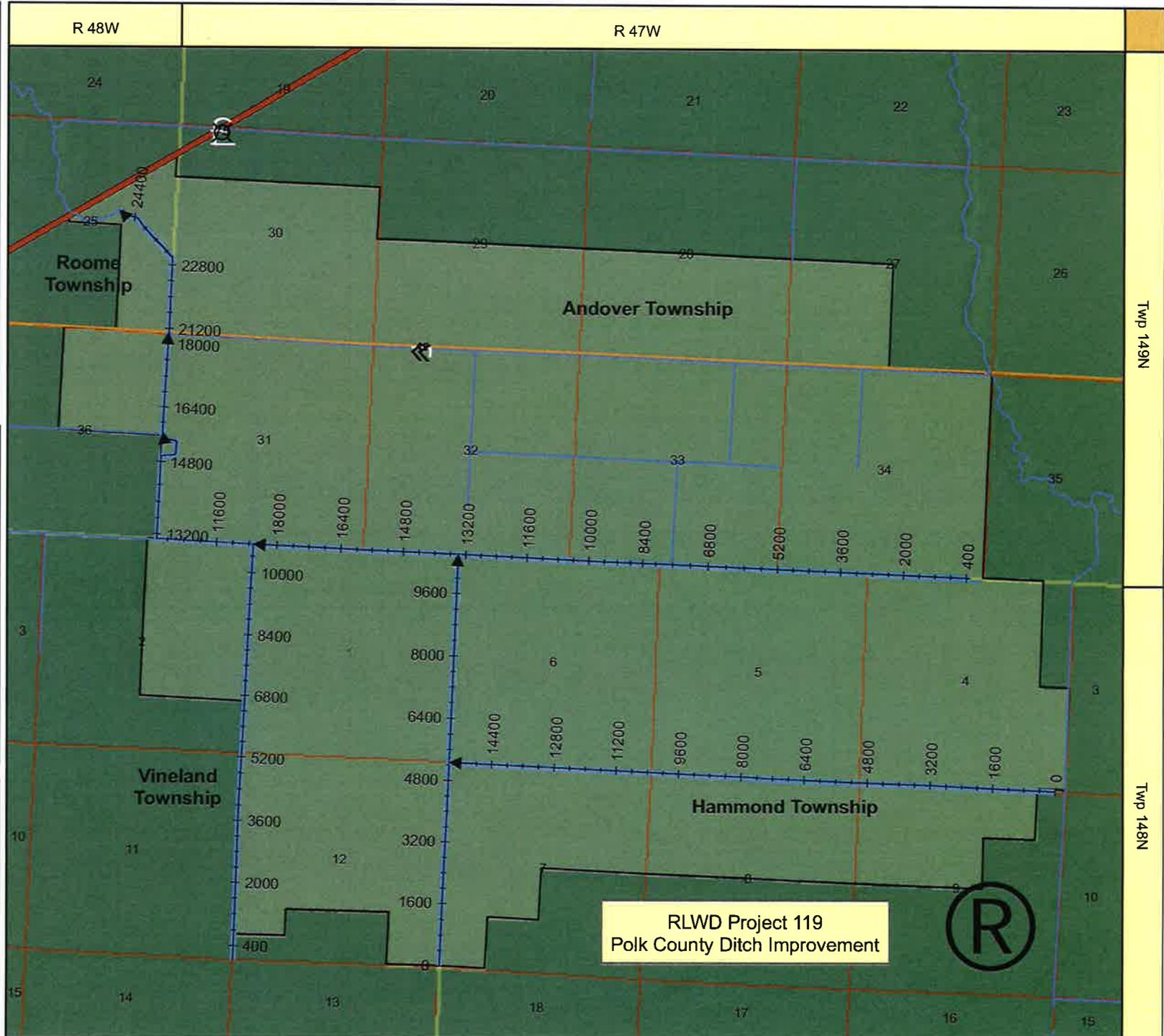
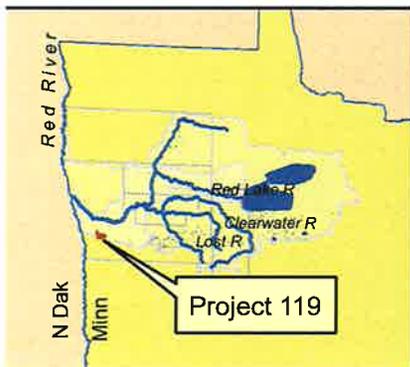
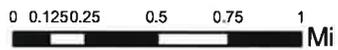
**Red Lake Watershed District**

**RLWD Project 119  
Polk Co. Ditch Improvement**

Polk County  
Red Lake River  
Subwatershed

Scale: 1:42,000

- Project 119 Channel
- Streams/Ditches
- Benefitted Area
- Township Boundary
- Section Boundary

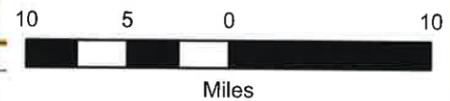
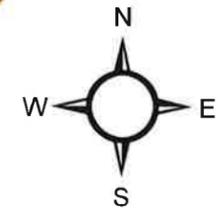
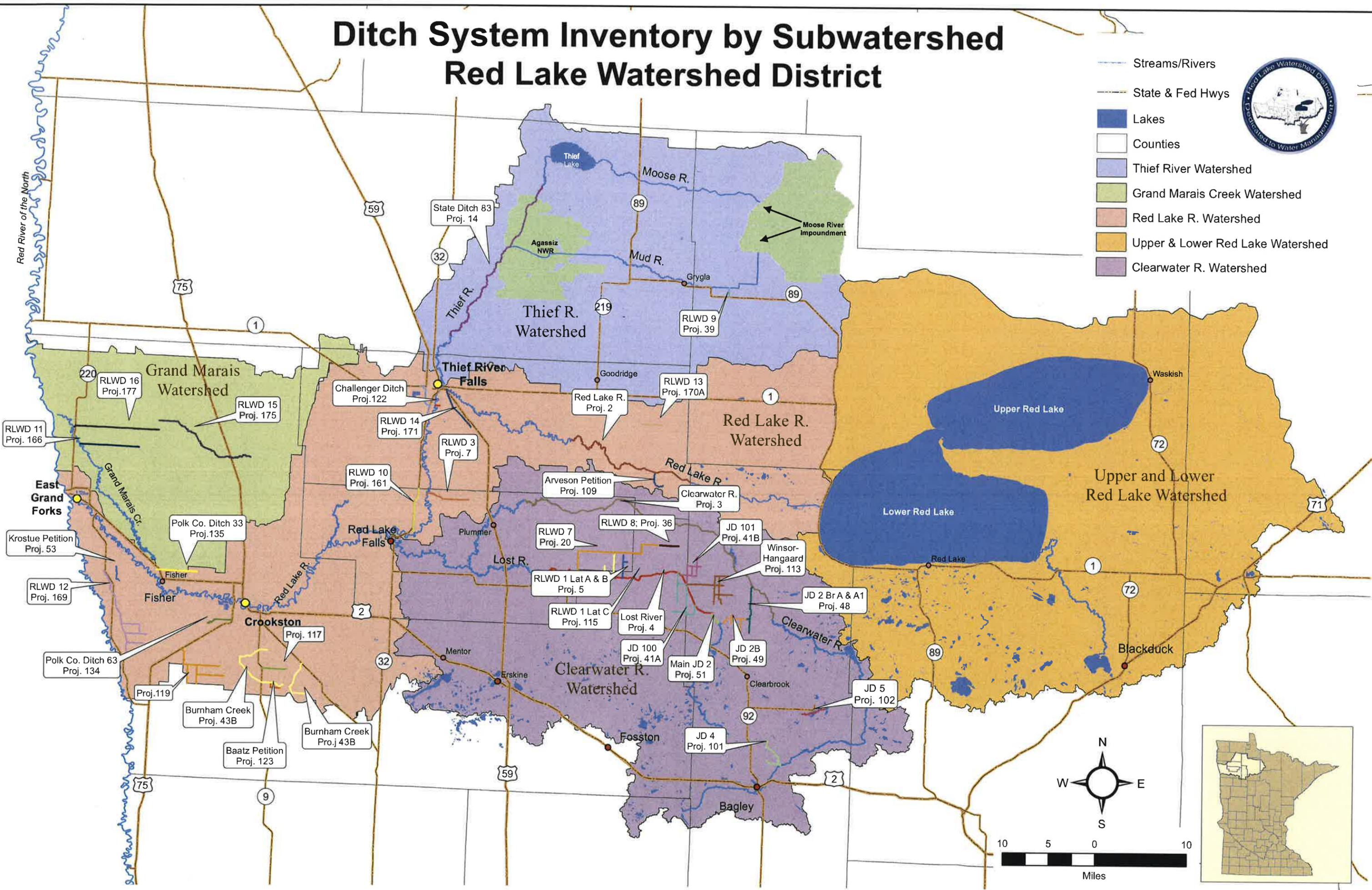


RLWD Project 119  
Polk County Ditch Improvement

# Ditch System Inventory by Subwatershed

## Red Lake Watershed District

-  Streams/Rivers
-  State & Fed Hwys
-  Lakes
-  Counties
-  Thief River Watershed
-  Grand Marais Creek Watershed
-  Red Lake R. Watershed
-  Upper & Lower Red Lake Watershed
-  Clearwater R. Watershed



**Advanced Striping**

4586 27 St N  
Fargo, ND 58102  
701.388.4426  
office@fmstriping.com

**Prepared By:** Jake Johnson  
jake@fmstriping.com  
763-226-1047



**Initial:**     ja    

**Prepared For:**  
Erick Huseth  
1000 Pennington Ave S  
Thief River Falls, MN 56701

**Attention:**  
Erick Huseth

**Project Address:**  
Erick Huseth  
1000 Pennington Ave S  
Thief River Falls, MN 56701

Dear Erick Huseth, thank you for the opportunity to provide you with this proposal. We look forward to answering any questions you may have and working with you on this project.

***\*This proposal is valid for thirty (30) days from the date written at the bottom of this estimate.***

***\*Parking Lots Only: If towing is required for us to complete scheduled work, this will be your responsibility. If we are working after business hours, or on weekends, the towing cost will be added to your invoice\****

**ASPHALT INFRARED REPAIR** \$3,200.00  
  
Heat up existing asphalt with Infrared Heater, LooT out old asphalt and install new hot mix asphalt and compact.  
Approximately 8 heats to cover areas.  
**Yellow areas on below aerial image.**

**CRACKFILL** \$3,051.00  
  
Clean and seal approximately 1,695 LF of suitable cracks on asphalt with WR Meadows 3405 hot pour rubber sealant.  
\*\*\*Crack sealing does not include alligator or spider cracking. Only suitable cracks will be filled.

**SEALCOAT PARKING LOT** \$7,250.00  
  
Clean and sealcoat approximately 22,180 SQFT of asphalt with Seal Master commercial-grade pavement sealer.  
Two coats with an application rate of 85-100 SQFT per a gal.

**RE-STRIPE** \$1,615.00  
  
Re-stripe parking lot using oil based traffic paint. All areas must be clean and clear of obstructions. Striping will consist of approximately:  
  
23                      Parking Stalls  
2                        ADA stalls  
1                        Hash Marking

PROPOSAL TOTAL: \$15,116.00

Advanced Striping proposes to furnish material and labor to perform the work outlined herein for the sum of: **\$15,116.00**  
\*Additional MOB charges due to obstruction will be charged; \*Additional \$50/man hour for downtime accrued due to parking lot not being ready  
\*We accept checks, cashiers checks, money orders and all major credit cards (credit card payments will be subject to a 4% convenience fee)\*  
\*This Agreement shall supersede and replace all prior agreements, promises, and understandings, oral or written.  
Client Signature: \_\_\_\_\_ Today's date: \_\_\_\_\_  
\*\*\*\*\*

**SERVICES WE OFFER!**



**Parking Lot Services:** Pavement Markings, Sign Installation, Curb Stops/Parking Bumpers, Bollard Installation, Asphalt Repair, Concrete Repair, Crack Filling, Sealcoating, Pressure Washing  
**Driveway:** Asphalt Repair, Concrete Repair, Crack Filling, Sealcoating, Pressure Washing

**TERMS, CONDITIONS & GUARANTEE**

*Advanced Striping Inc.*

**Asphalt Guarantee** Fully covering labor, and materials against breakup for a period of 1 year. This excludes skin patching. Any request made to Advanced Striping INC by the owner, general contractor or their respective authorized supervisory employees to overlook the standard practices and procedures previously stated in these conditions will automatically negate any guarantee of material or workmanship whether such guarantee is written, implied or orally stated. Guarantee does not cover markings from sharp pointed objects, power steering created tire marks, or drippings from solvents and gas. Guarantee does not cover heaving of asphalt, subgrade failure, settling or expansion cracks due to freeze thaw weather cycle or tree roots. Asphalt is a machine laid surface which has seams that are sometimes noticeable. The surface texture of hand laid areas may not be uniform to machine laid areas, due to hand raking. "Advanced Striping INC not be liable for water ponding or retention in surrounding areas of patching due to current grades or construction method chosen. Guarantee does not cover damage caused by acts of third parties.

**Sealcoat Guarantee:** Advanced Striping INC will guarantee sealers (Asphalt emulsions and Blended sealers) from chipping and peeling for a period of 1 year. This guarantee does not include wearing of sealer and adherence of sealer to oil spots, hydraulic spots and tree sap. Guarantee does not cover damage caused by acts of third parties.

**Terms:** Payment Payment is due upon receipt of your invoice. If payment is not made in accordance, the customer agrees to pay any collection, legal fees and interest for any unpaid balances. Interest will accrue at a rate of .66% per month from the date of completion. Terms of guarantee are contingent upon receipt of final payment.

**PRICE** is based on specifications and estimates as shown on the "Proposal & Agreement". Field measurements may be made when the job is completed and any changes of specifications, areas, tonnage, or gallonages will correspondingly change the completed price. One mobilization charge is included in price, unless stated on the "Proposal & Agreement". Additional mobilization charges will be at the rate set forth in agreed upon change order which is made part and parcel of these conditions and "Proposal & Agreement" or a min charge of \$150.00.

**ADDITIONAL CHARGES** may become necessary if permit(s), extra equipment time, extra materials, or extra labor would become necessary to complete this job, if subgrade is not up to acceptable specifications or requirements or if extra services and/or materials are requested in writing by the owner or general contractor of their respective authorized supervisory employees. Advanced Striping INC shall not be held liable for damage to surrounding areas of driveway or parking lot due to poor subgrade, moisture, or other unforeseen circumstance. Additional charges would be in accordance with the agreed upon change order which is made part and parcel of these conditions and "Proposal & Agreement". Advanced Striping INC reserves the right to refuse additional equipment time, extra materials or extra labor if it would interfere with advanced scheduling with other customers with whom previous commitments had already been extended.

**Conditions:** The above prices, specifications and conditions are satisfactory and are hereby accepted. You are contracted to do the work as specified and the stated payment terms are acceptable. All material is guaranteed to be as specified. All work is to be completed in a workmanlike manner in accordance to standard construction practices. Any deviation from this proposal or extra work will be executed only upon owner or owners agent orders and may become an extra charge over and above this agreement. All agreements are contingent upon delays beyond our control. Property owner to carry fire, tornado and any other necessary insurance. We do not guarantee against pavement cracking from weather cycles and water ponding or retention due to pre-existing grade conditions. We cannot guarantee drainage or against water ponding on new asphalt without adequate slope. In flat areas water will not drain unless there is more than 1-1/2" of fall per 10 feet. Advanced Striping INC shall not be liable for damage to adjoining concrete flat work by asphalt installation equipment during standard construction procedures. Proposal excludes the following unless otherwise stated in the proposal: Permits, Excavation, Staking, Material Testing, Sod Restoration & Landscaping, Manhole/Catch Basin/Gate Valve Adjustments or Repairs, Vegetation Removal, SAC/WAC Charges, Dewatering. You authorize Advanced Striping INC to perform a credit investigation and /or obtain credit reports from credit reporting agencies.

**Notice Of Lien:** Any person or company supplying labor or materials for this improvement to your property may file a lien against your property if that person or company is not paid for the contributions.

\_\_\_\_\_ Date \_\_\_\_\_

[www.advancedstripingfargo.com](http://www.advancedstripingfargo.com)





IMG\_3226



Screenshot 2024-05-06 at 8.56.05 AM



I had these guys stripe our lot early last summer. From start to finish, everything was very professionally ran. Something you don't encounter often these days, especially in this line of work. They were on-time, clean, meticulous and economical. I highly recommend these guys and will definitely be using them again in the future.

- Erik H

I Have been using Advanced Striping & Sealcoating for several years now. Not only for my own property, but for properties I manage. They do good work, in a timely manner, the product looks good when they are finished and the work holds up very well!

- David W.

Tyler is not only professional and good at what he does but he's also a great guy. His crew is respectful and accommodating to special circumstances. I highly recommend Advanced Striping and Sealcoating.

- Eric S.

Advanced Striping was so professional and conducted quality work! Customer service was above and beyond our expectations. We will definitely use them again and highly recommend them to anyone!

- Laura W.



**BEFORE/AFTER**

**BEFORE/AFTER**



Advanced Striping, Inc | 4586 27th St N. Fargo, ND 58102  
Email: [office@fmstriping.com](mailto:office@fmstriping.com) | Phone: 701-388-4426

[advancedstripingfargo.com](http://advancedstripingfargo.com)

**E & A Services LLC**  
1011 Main Ave N  
Thief River Falls, MN 56701  
218-689-4957  
e\_a.services@outlook.com



**Estimate**

**ESTIMATE # 2011**  
**DATE 04/29/2024**

**ADDRESS**

Red Lake Watershed District  
1000 Pennington Ave S  
Thief River Falls, MN 56701

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
	<b>Asphalt</b>	Cut out frost boiled area, dig out base down to clay, pack in class 5 Gravel, Pack in 4" of hot mix. 12'x30'	1	3,500.00	3,500.00
	<b>Gravel</b>	Class 5	1	300.00	300.00
				<b>SUBTOTAL</b>	3,800.00
				<b>TAX</b>	0.00
				<b>TOTAL</b>	<b>\$3,800.00</b>

**RECEIVED**

Accepted By

APR 29 2024

Accepted Date

**Initial:** EA

Thank you for your business!  
Evan & AJ





Permit # 24-026

Status Report: **Approved**

**Applicant Information**

Name	Organization	Address	Email	Phone Number(s)
Shirley Odegaard		17041 Grant Street Lansing, MI 60438		tel:218-686-1605 mobile: fax:

**General Information**

(1) The proposed project is a:

**Culvert Installation / Removal / Modification**

(2) Legal Description

(3) County: **Pennington** Township: **River Falls** Range: **43** Section: **2 1/4**:

(4) Describe in detail the work to be performed. **widen field crossing by adding a 20" x 20" culvert**

(5) Why is this work necessary? Explain water related issue/problem being solved. **access to field is too narrow for farm machinery**

**Status**

Status	Notes	Date
Approved	P.A. #24-026 – Shirley Odegaard/Murray Engelstad Pennington County – River Falls Township – Section 2 The Red Lake Watershed District (RLWD) approves to extend an 18" culvert for wider crossings for farm machinery. If any work is within a public road and/or public ditch Right-of-Way, applicant shall contact the appropriate road/ditch authority for their approval and must meet their specs/conditions. Directly downstream of the culvert outlet, applicant shall ensure that adequate grade and drainage is provided. This application does not exempt the permit applicant from local, state, or federal authority that might require their approval. Applicant is responsible for utility locates by calling Gopher 1. (1-800-252-1166) T.O.	May 3, 2024
Received	None	April 18, 2024

**Conditions**

NOTE: This permit does not relieve the applicant of any requirements for other permits which may be necessary from Township, County, State, or Federal Government Agencies.



Permit # 24-033

Status Report: **Approved**

**Applicant Information**

Name	Organization	Address	Email	Phone Number(s)
Pennington County		250 125th Avenue NE Thief River Falls, MN 56701		tel:218-689-0330 mobile: fax:

**General Information**

(1) The proposed project is a:

**Culvert Installation / Removal / Modification**

(2) Legal Description

(3) County: **Pennington** Township: **Rocksbury** Range: **43** Section: **25 1/4**:

(4) Describe in detail the work to be performed. **remove 2 - 60" pipes in driveway and install 2 - 60" pipes**

(5) Why is this work necessary? Explain water related issue/problem being solved. **Rusting out**

**Status**

Status	Notes	Date
Approved	P.A. #24-033 – Pennington County Highway Department Pennington County – Rocksbury Township – Section 25 The Red Lake Watershed District (RLWD) approves replacing (2) 60" culverts with (2) new 60" culverts. All excavation shall be consistent with the existing road and ditch slopes and there shall be no vertical excavation faces. Current flow patterns shall remain "as-is" and there shall be no additional drainage area or flows from the adjacent agriculture land routed to the ditch. Applicant shall ensure that all disturbed areas are seeded with appropriate seed mixture and that consideration for rock riprap with filter fabric is placed at the outlet end of the permitted culverts. If any work is within a public road and/or public ditch Right-of-Way, applicant shall contact the appropriate road/ditch authority for their approval and must moot their specs/conditions. Permit Holder shall contact the road authorities when cutting through roads when applicable. Directly downstream of the outlet, applicant shall ensure that adequate grade and drainage is provided. This permit does not exempt the permit applicant from local, state, or federal authority that might require their approval. Applicant is responsible for utility locates by calling Gopher 1. (1-800-252-1166) T.O.	May 3, 2024
Received	None	April 25, 2024

**Conditions**

NOTE: This permit does not relieve the applicant of any requirements for other permits which may be necessary from Township, County, State, or Federal Government Agencies.



Permit # 24-034

Status Report: **Approved**

### Applicant Information

Name	Organization	Address	Email	Phone Number(s)
Pennington County		250 125th Ave NE Thief River Falls, MN 56701		tel:218-689-0330 mobile: fax:

### General Information

- (1) The proposed project is a:  
**Culvert Installation / Removal / Modification**
- (2) Legal Description
- (3) County: **Pennington** Township: **Smiley** Range: **42** Section: 1 1/4:
- (4) Describe in detail the work to be performed. **removing pipe and installing 24" pipe**
- (5) Why is this work necessary? Explain water related issue/problem being solved. **pipe is rusting out**

### Status

Status	Notes	Date
Approved	P.A. #24-034 – Pennington County Highway Department Pennington County – Smiley Township – Section 1/12 The Red Lake Watershed District (RLWD) approves replacing an 18" culvert with a new 18" culvert. All excavation shall be consistent with the existing road and ditch slopes and there shall be no vertical excavation faces. Current flow patterns shall remain "as-is" and there shall be no additional drainage area or flows from the adjacent agriculture land routed to the ditch. Applicant shall ensure that all disturbed areas are seeded with appropriate seed mixture and that consideration for rock riprap with filter fabric is placed at the outlet end of the permitted culverts. If any work is within a public road and/or public ditch Right-of-Way, applicant shall contact the appropriate road/ditch authority for their approval and must meet their specs/conditions. Permit Holder shall contact the road authorities when cutting through roads when applicable. Directly downstream of the outlet, applicant shall ensure that adequate grade and drainage is provided. This permit does not exempt the permit applicant from local, state, or federal authority that might require their approval. Applicant is responsible for utility locates by calling Gopher 1. (1-800-252-1166) T.O.	May 3, 2024
Received	None	April 25, 2024

### Conditions

NOTE: This permit does not relieve the applicant of any requirements for other permits which may be necessary from Township, County, State, or Federal Government Agencies.



Permit # 24-035

Status Report: **Approved**

**Applicant Information**

Name	Organization	Address	Email	Phone Number(s)
Kjell Johnsrud		27250 110th St NE Thief River Falls, MN 56701		tel:218-689-7090 mobile: fax:

**General Information**

- (1) The proposed project is a:  
**Culvert Installation / Removal / Modification**
- (2) Legal Description
- (3) County: **Pennington** Township: **Kratka** Range: **41** Section: **26 1/4**:
- (4) Describe in detail the work to be performed. **install culvert in driveway**
- (5) Why is this work necessary? Explain water related issue/problem being solved. **better drainage**

**Status**

Status	Notes	Date
Approved	P.A. #24-035 – Kjell Johnsrud Pennington County – Kratka Township – Section 26 The Red Lake Watershed District (RLWD) approves installing a 15" culvert to assist with drainage. The drainage area for this pipe is very small, and the new pipe will assist in helping to drain the portion of ditch in-between the two dry crossings. All excavation shall be consistent with the existing road and ditch slopes and there shall be no vertical excavation faces. Current flow patterns shall remain "as-is" and there shall be no additional drainage area or flows from the adjacent agriculture land routed to the ditch. Applicant shall ensure that all disturbed areas are seeded with appropriate seed mixture and that consideration for rock riprap with filter fabric is placed at the outlet end of the permitted culverts. If any work is within a public road and/or public ditch Right-of-Way, applicant shall contact the appropriate road/ditch authority for their approval and must meet their specs/conditions. Permit Holder shall contact the road authorities when cutting through roads when applicable. Directly downstream of the outlet, applicant shall ensure that adequate grade and drainage is provided. This permit does not exempt the permit applicant from local, state, or federal authority that might require their approval. Applicant is responsible for utility locates by calling Gopher 1. (1-800-252-1166) T.O.	May 3, 2024
Received	None	April 24, 2024

**Conditions**

NOTE: This permit does not relieve the applicant of any requirements for other permits which may be necessary from Township, County, State, or Federal Government Agencies.



Permit # 24-037

Status Report: **Approved**

**Applicant Information**

Name	Organization	Address	Email	Phone Number(s)
Jeffrey Bachand Revocable Trust		20827 Pine Ridge Circle SE Erskine, MN 56535		tel:218-280-3386 mobile: fax:

**General Information**

(1) The proposed project is a:

**Other**

(2) Legal Description

(3) County: **Red Lake** Township: **Lambert** Range: **41** Section: **9** 1/4:

(4) Describe in detail the work to be performed. **Clean north ditch**

(5) Why is this work necessary? Explain water related issue/problem being solved. **water doesn't flow west very good**

**Status**

Status	Notes	Date
Approved	P.A. #24-037 – Jeffrey Bachand Revocable Trust Red Lake County – Lambert Township – Section 9 The Red Lake Watershed District (RLWD) approves to clean a portion of ditch located on the North side of State Hwy 92 and on the East side of 260th Ave SE. RLWD Staff completed a survey. The portion along State Hwy 92 will need approval from MN DOT before cleaning begins. All excavation shall be consistent with the existing road and ditch slopes and there shall be no vertical excavation faces. Current flow patterns shall remain “as-is” and there shall be no additional drainage area or flows from the adjacent agriculture land routed to the ditch. Applicant shall ensure that all disturbed areas are seeded with appropriate seed mixture. If any work is within a public road and/or public ditch Right-of-Way, applicant shall contact the appropriate road/ditch authority for their approval and must meet their specs/conditions. Permit Holder shall contact the road authorities when cutting through roads when applicable. This permit does not exempt the permit applicant from local, state, or federal authority that might require their approval. Applicant is responsible for utility locates by calling Gopher 1. (1-800-252-1166) T.O.	May 8, 2024
Received	None	April 30, 2024

**Conditions**

NOTE: This permit does not relieve the applicant of any requirements for other permits which may be necessary from Township, County, State, or Federal Government Agencies.



Permit # 24-038

Status Report: **Approved**

**Applicant Information**

Name	Organization	Address	Email	Phone Number(s)
Black Gold Farms		4320 18th Ave South Grand Forks, ND 58201		tel: 208-431-4799 mobile: fax:

**General Information**

(1) The proposed project is a:

**Other**

(2) Legal Description

(3) County: **Red Lake** Township: **Lambert** Range: **41** Section: **9 1/4**:

(4) Describe in detail the work to be performed. **clean the ditch**

(5) Why is this work necessary? Explain water related issue/problem being solved. **water has a hard time going to the west**

**Status**

Status	Notes	Date
Approved	P.A. #24-038 – Black Gold Farms (Greg Halverson Family) Red Lake County – Lambert Township – Section 9 The Red Lake Watershed District (RLWD) approves to clean a portion of ditch located on the North side of State Hwy 92 and on the East side of 260th Ave SE. RLWD Staff completed a survey. The portion along State Hwy 92 will need approval from MN DOT before cleaning begins. All excavation shall be consistent with the existing road and ditch slopes and there shall be no vertical excavation faces. Current flow patterns shall remain “as-is” and there shall be no additional drainage area or flows from the adjacent agriculture land routed to the ditch. Applicant shall ensure that all disturbed areas are seeded with appropriate seed mixture. If any work is within a public road and/or public ditch Right-of-Way, applicant shall contact the appropriate road/ditch authority for their approval and must meet their specs/conditions. Permit Holder shall contact the road authorities when cutting through roads when applicable. This permit does not exempt the permit applicant from local, state, or federal authority that might require their approval. Applicant is responsible for utility locates by calling Gopher 1. (1-800-252-1166) T.O.	May 8, 2024
Received	None	April 30, 2024

**Conditions**

NOTE: This permit does not relieve the applicant of any requirements for other permits which may be necessary from Township, County, State, or Federal Government Agencies.



Permit # 24-039

Status Report: **Approved**

**Applicant Information**

Name	Organization	Address	Email	Phone Number(s)
Brian Lundeen		18623 120th St NE Thief River Falls, MN 56701		tel:218-686-2912 mobile: fax:

**General Information**

- (1) The proposed project is a:  
**Culvert Installation / Removal / Modification**
- (2) Legal Description
- (3) County: **Pennington** Township: **Smiley** Range: **42** Section: **29** 1/4:
- (4) Describe in detail the work to be performed. **install culvert**
- (5) Why is this work necessary? Explain water related issue/problem being solved. **access**

**Status**

Status	Notes	Date
Approved	P.A. #24-039 – Brian Lundeen Pennington County – Smiley Township – Section 29 The Red Lake Watershed District (RLWD) approves installing an 18” culvert for access to land. Install new culvert at existing inverts/flowline. All excavation shall be consistent with the existing road and ditch slopes and there shall be no vertical excavation faces. Current flow patterns shall remain “as-is” and there shall be no additional drainage area or flows from the adjacent agriculture land routed to the ditch. Applicant shall ensure that all disturbed areas are seeded with appropriate seed mixture and that consideration for rock riprap with filter fabric is placed at the outlet end of the permitted culverts. If any work is within a public road and/or public ditch Right-of-Way, applicant shall contact the appropriate road/ditch authority for their approval and must meet their specs/conditions. Permit Holder shall contact the road authorities when cutting through roads when applicable. Directly downstream of the outlet, applicant shall ensure that adequate grade and drainage is provided. This permit does not exempt the permit applicant from local, state, or federal authority that might require their approval. Applicant is responsible for utility locates by calling Gopher 1. (1-800-252-1166) T.O.	May 3, 2024
Received	None	April 30, 2024

**Conditions**

NOTE: This permit does not relieve the applicant of any requirements for other permits which may be necessary from Township, County, State, or Federal Government Agencies.



Permit # **24-040**

Status Report: **Approved**

**Applicant Information**

Name	Organization	Address	Email	Phone Number(s)
Alan Vettleson		11553 330th Ave SE Thief River Falls, MN 56701		tel:218-684-1598 mobile: fax:

**General Information**

- (1) The proposed project is a:  
**Culvert Installation / Removal / Modification**
- (2) Legal Description
- (3) County: **Pennington** Township: **Deer Park** Range: **40** Section: **9 1/4**:
- (4) Describe in detail the work to be performed. **install culvert**
- (5) Why is this work necessary? Explain water related issue/problem being solved. **access**

**Status**

Status	Notes	Date
Approved	P.A. #24-040 – Alan Vettleson Pennington County – Deer Park Township – Section 9 The Red Lake Watershed District (RLWD) approves installing a 24” culvert for access to land. Install new culvert at existing inverts/flowline. All excavation shall be consistent with the existing road and ditch slopes and there shall be no vertical excavation faces. Current flow patterns shall remain “as-is” and there shall be no additional drainage area or flows from the adjacent agriculture land routed to the ditch. Applicant shall ensure that all disturbed areas are seeded with appropriate seed mixture and that consideration for rock riprap with filter fabric is placed at the outlet end of the permitted culverts. If any work is within a public road and/or public ditch Right-of-Way, applicant shall contact the appropriate road/ditch authority for their approval and must meet their specs/conditions. Permit Holder shall contact the road authorities when cutting through roads when applicable. Directly downstream of the outlet, applicant shall ensure that adequate grade and drainage is provided. This permit does not exempt the permit applicant from local, state, or federal authority that might require their approval. Applicant is responsible for utility locates by calling Gopher 1. (1-800-252-1166) T.O.	May 3, 2024
Received	None	April 30, 2024

**Conditions**

NOTE: This permit does not relieve the applicant of any requirements for other permits which may be necessary from Township, County, State, or Federal Government Agencies.



Permit # 24-041

Status Report: **Approved**

**Applicant Information**

Name	Organization	Address	Email	Phone Number(s)
James Abeld		1204 Walsh Street Crookston, MN 56716		tel:218-281-2196 mobile: fax:

**General Information**

- (1) The proposed project is a:  
**Culvert Installation / Removal / Modification**
- (2) Legal Description
- (3) County: **Red Lake** Township: **Wylie** Range: **45** Section: **28 1/4**:
- (4) Describe in detail the work to be performed. **replace culvert**
- (5) Why is this work necessary? Explain water related issue/problem being solved. **culvert rusted out**

**Status**

Status	Notes	Date
Approved	P.A. #24-041 – James Abeld Red Lake County – Wylie Township – Section 28 The Red Lake Watershed District (RLWD) approves replacing a failed 18” culvert with a new 18” culvert. All excavation shall be consistent with the existing road and ditch slopes and there shall be no vertical excavation faces. Current flow patterns shall remain “as-is” and there shall be no additional drainage area or flows from the adjacent agriculture land routed to the ditch. Applicant shall ensure that all disturbed areas are seeded with appropriate seed mixture and that consideration for rock riprap with filter fabric is placed at the outlet end of the permitted culverts. If any work is within a public road and/or public ditch Right-of-Way, applicant shall contact the appropriate road/ditch authority for their approval and must meet their specs/conditions. Permit Holder shall contact the road authorities when cutting through roads when applicable. Directly downstream of the outlet, applicant shall ensure that adequate grade and drainage is provided. This permit does not exempt the permit applicant from local, state, or federal authority that might require their approval. Applicant is responsible for utility locates by calling Gopher 1. (1-800-252-1166) T.O.	May 8, 2024
Received	None	May 2, 2024

**Conditions**

NOTE: This permit does not relieve the applicant of any requirements for other permits which may be necessary from Township, County, State, or Federal Government Agencies.



Permit # 24-042

Status Report: **Approved**

**Applicant Information**

Name	Organization	Address	Email	Phone Number(s)
Halverson Family Holdings LLLP		4320 18th Ave South Grand Forks, ND 58201		tel:701-741-6837 mobile: fax:

**General Information**

(1) The proposed project is a:

**Tiling**

(2) Legal Description

(3) County: **Red Lake** Township: **Lambert** Range: **41** Section: **9 1/4**:

(4) Describe in detail the work to be performed. **pattern tile - lift station/pump**

(5) Why is this work necessary? Explain water related issue/problem being solved. **better drainage**

**Status**

Status	Notes	Date
Approved	P.A. #24-0042 – Halverson Family Holdings LLLP Red Lake County – Lambert Township – Section 9 The Red Lake Watershed District (RLWD) approves the pattern tile project to be installed into the SW of the SE quarter section 9 Lambert Twp. The pumped outlet will be installed in the SW corner of the property and flow into the ditch along State Hwy 92. If any work is within a public road and/or public ditch Right-of-Way, applicant shall contact the appropriate road/ditch authority for their approval and must meet their specs/conditions. Directly downstream of the tile and/or pump station(s) outlets, applicant shall ensure that adequate grade and drainage is provided. Applicant shall install appropriate erosion control measures for energy dissipation at the tile outlets. Applicant shall install appropriate markers to show the outlet end of the pipe, any damage caused by ditch maintenance will be at the expense of the landowner/applicant ■ Note: Please be aware of and review the 'bullet points' on the bottom half of the application. This application does not exempt the permit applicant from local, state, or federal authority that might require their approval. If any of the work is done near adjacent wetlands or public watercourse, applicant shall contact the appropriate jurisdictional authority prior to the installation of the tile lines and meet their spec's/conditions. Applicant is responsible for utility locates by calling Gopher 1. (1-800-252-1166) T.O.	May 8, 2024
Received	None	May 3, 2024

**Conditions**

NOTE: This permit does not relieve the applicant of any requirements for other permits which may be necessary from Township, County, State, or Federal Government Agencies.

**STATE OF MINNESOTA**  
*Before the*  
**PENNINGTON COUNTY BOARD OF COMMISSIONERS**  
**SITTING AS THE DRAINAGE AUTHORITY FOR**  
**PENNINGTON COUNTY DITCH SYSTEM 70**

---

**In the Matter of:**

**Petition for Authority to Use  
Pennington County Ditch System 70  
as an Outlet**

**PETITION**

---

Pursuant to Minn. Stat. § 103E.401 and 103E.411, Petitioners seek authority to use Pennington County Ditch System 70 as an outlet for drainage. For their Petition, the undersigned Petitioners state and allege the following:

**Findings:**

1. Petitioners request express authority from the Pennington County Board of Commissioners, acting as the drainage authority for Pennington County Ditch System 70 (hereinafter "CD 70"), to use the CD 70 system as an outlet for the City of Thief River Falls Chief's Coulee Water Quality Project.
2. The City of Thief River Falls Chief's Coulee Water Quality Project proposes that as part of the improvements to be made by the project that there would be regrading of the ditch along the West side of MN 32. There is presently a field access with a 24" culvert that serves as a grade break, or high point, in the existing MN 32 ditch. The proposed improvement project would lower the culvert by 1 foot and increase the capacity with the installation of a new 36" culvert. A portion of high flows from approximately 189 acres of agricultural drainage will be conveyed North to CD 70 and outlet into the Thief River.
3. The Engineer's report for the evaluation of CD 70 as an outlet for the proposed City of Thief River Falls Chief's Coulee Water Quality Project is attached hereto as Exhibit "A" and incorporated herein by reference.

- 4. A description of the property and acreage that is proposed to use the drainage system as an outlet is set forth in the attached Exhibit "A".
- 5. Petitioners have consulted with Nathan Dalager, HDR Engineering, a professional engineer licensed in Minnesota, to evaluate the capacity of CD 70 as an outlet for the City of Thief River Falls Chief's Coulee Water Quality Project.
- 6. A copy of the engineer's report is attached hereto as Exhibit "A".
- 7. The engineer has concluded that there is capacity in the CD 70 drainage system for the acres proposed to be drained by petitioners' City of Thief River Falls Chief's Coulee Water Quality Project to outlet into CD 70.
- 8. Petitioners request the drainage authority, concurrent with this petition, appoint a viewer to view the properties described above and make a recommendation to the drainage authority on an appropriate outlet fee for the beneficial use received through the CD 70 drainage system outlet and to determine a benefit amount for future assessments.
- 9. This petition may be signed in counterparts.

Respectfully submitted this 8 day of May, 2024 by:

**City of Thief River Falls, MN**

By: B. D. H.  
Brian Holmer, Mayor

By: Angela Philipp  
Angela Philipp, City Administrator

**Red Lake Watershed District**

By: \_\_\_\_\_  
Tammy Audette, Administrator



# Turtle Connection Cross Lakes

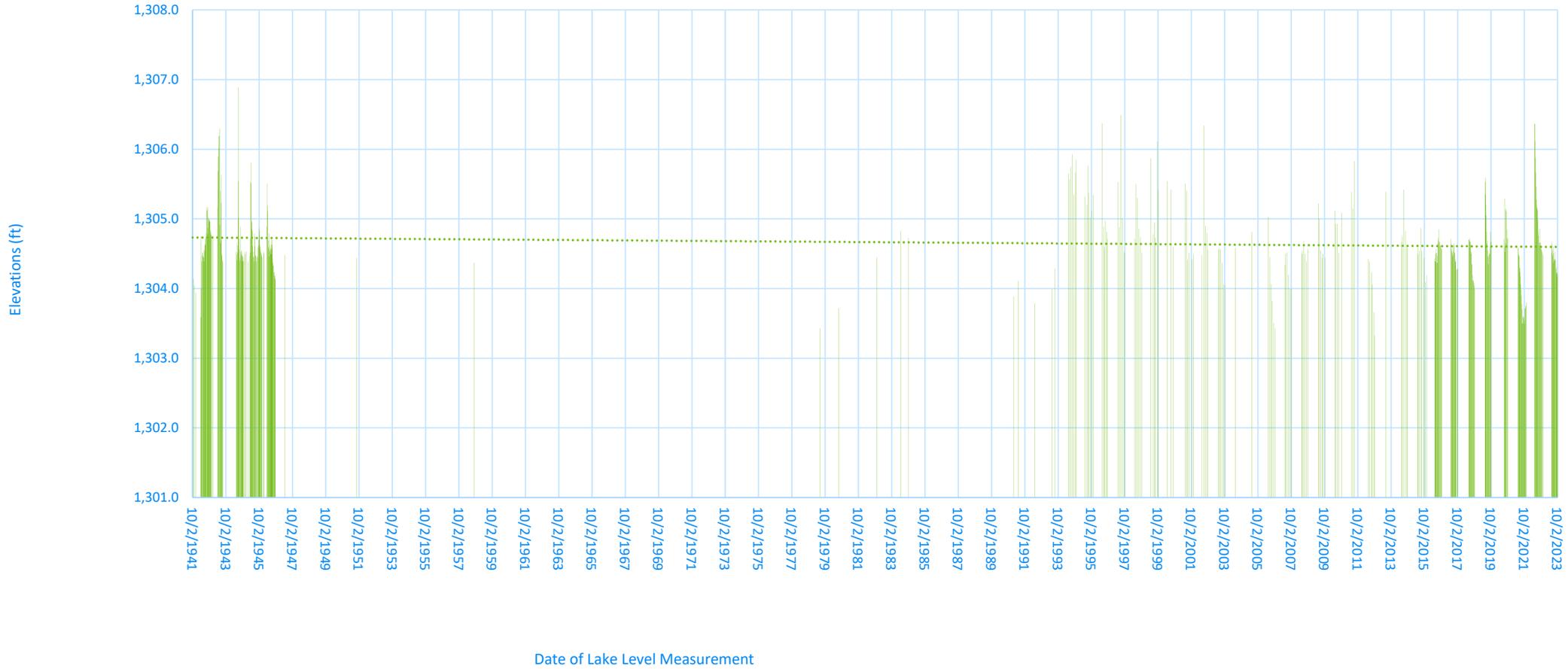
## Red Lake Watershed District



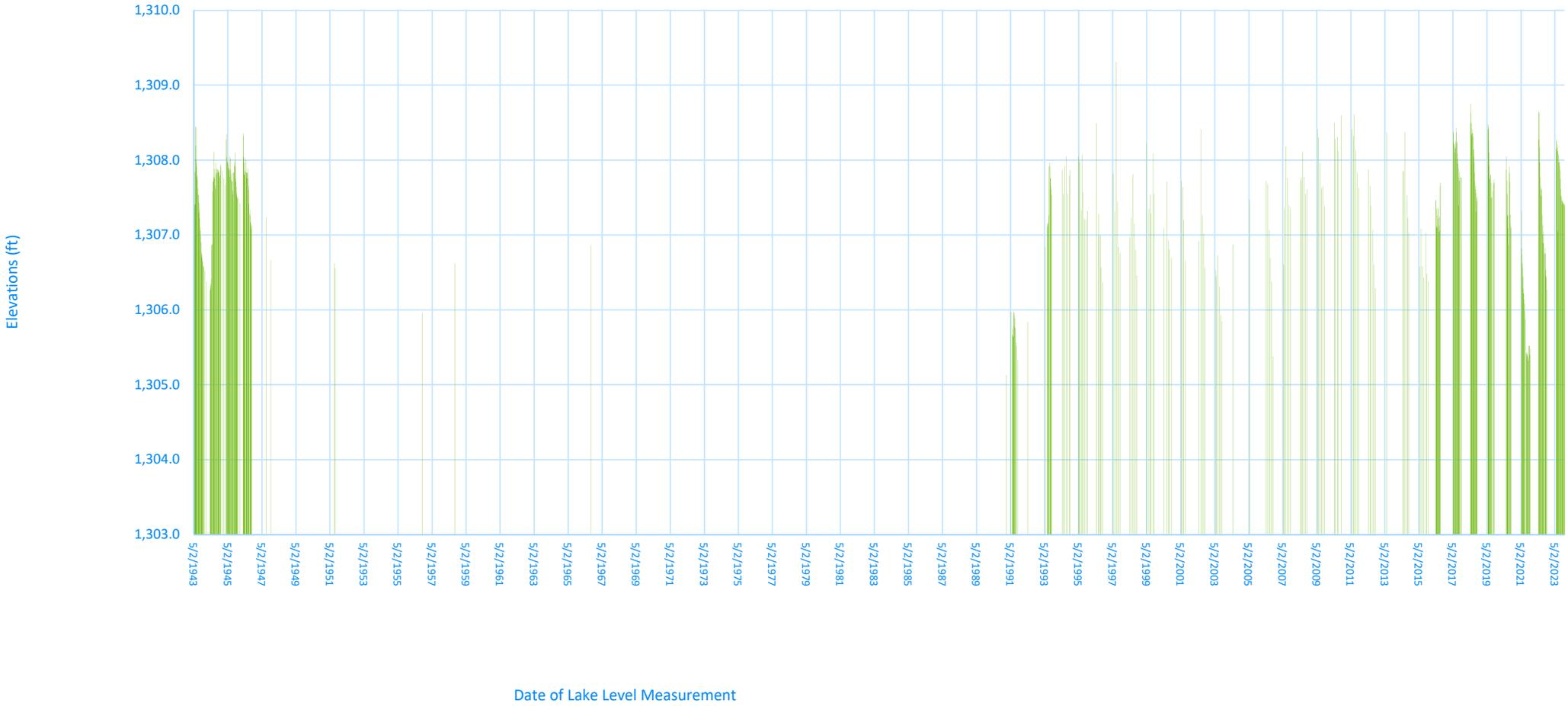
**Turtle Connection Cross Lakes Project Development:  
Major Milestones and Timeline Estimate**

Milestone	Steps	Anticipated Timeline
<b>Form Project Team (PT)</b>	Identify Issue	1-3 months
	Gather information	
	Form PT	
<b>Establish Purpose and Need</b>	Define issues and goals	3-6 months
	Begin to document potential solutions	
<b>Evaluate Alternatives</b>	Select approaches	12-18 months
	Establish evaluation criteria	
	Evaluate alternatives	
	Proceed with project	
<b>Establish Project</b>	Public hearing (if District Project)	12-36 months
	Begin design	
	Begin regulatory	
	Land agreements	
	Begin establishing project funding	
<b>Final Design</b>	Finalize design	18-36 months
	Operation and maintenance (O&M) planning	
	Apply for permit(s) and land agreement(s)	
	Final public hearing	
	Finalize funding for project	
<b>Final Permitting &amp; Construction</b>	Secure final permits	18-48 months
	Construction bidding	
	Construct Project	
	Begin O&M	

# Cross Lake Levels



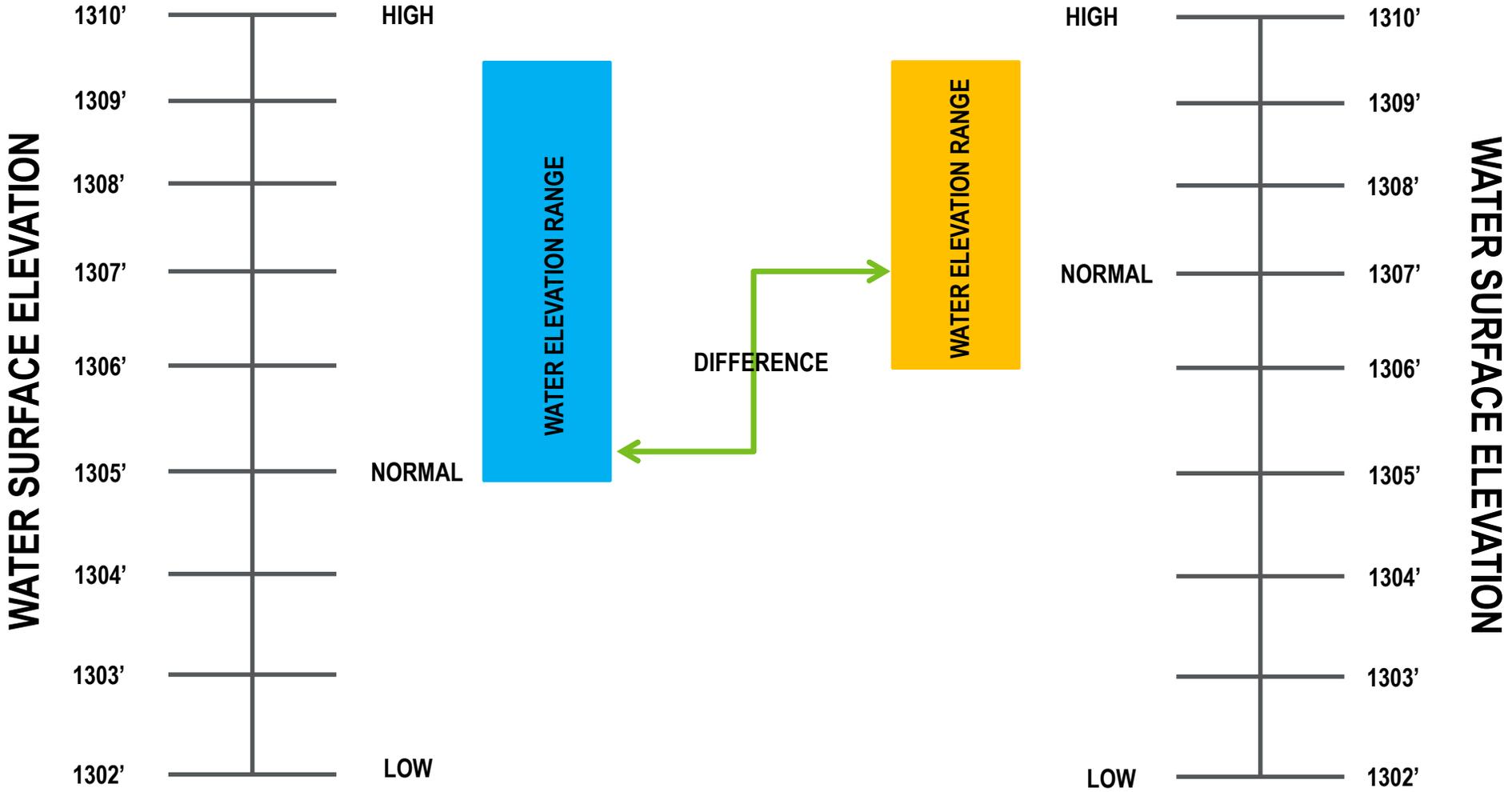
## Turtle Lake Levels



# TURTLE - CONNECTION LAKE WATER LEVEL

EXISTING CONDITION

FUTURE CONDITION



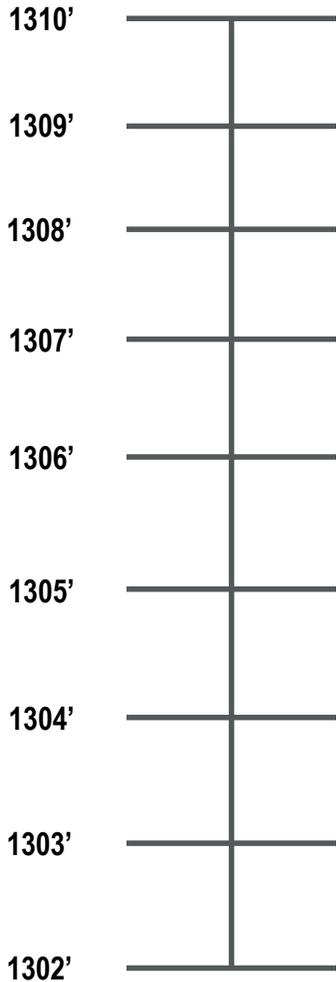
# CROSS LAKE WATER LEVEL

EXISTING CONDITION

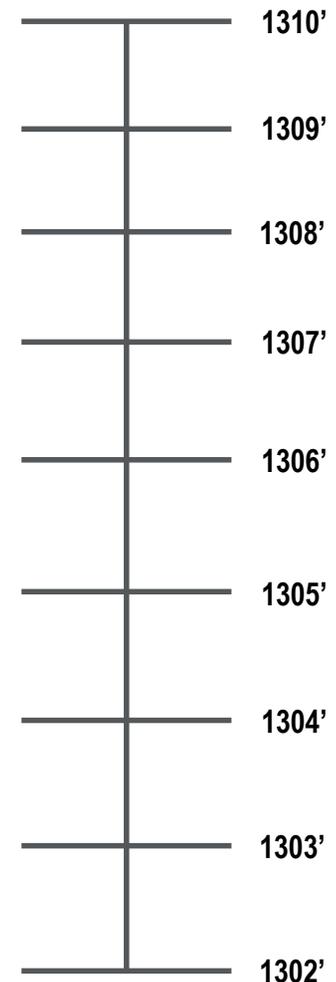
FUTURE CONDITION

**WATER SURFACE ELEVATION**

**WATER SURFACE ELEVATION**



HIGH  
NORMAL  
LOW



HIGH  
NORMAL  
LOW



CHANGE?





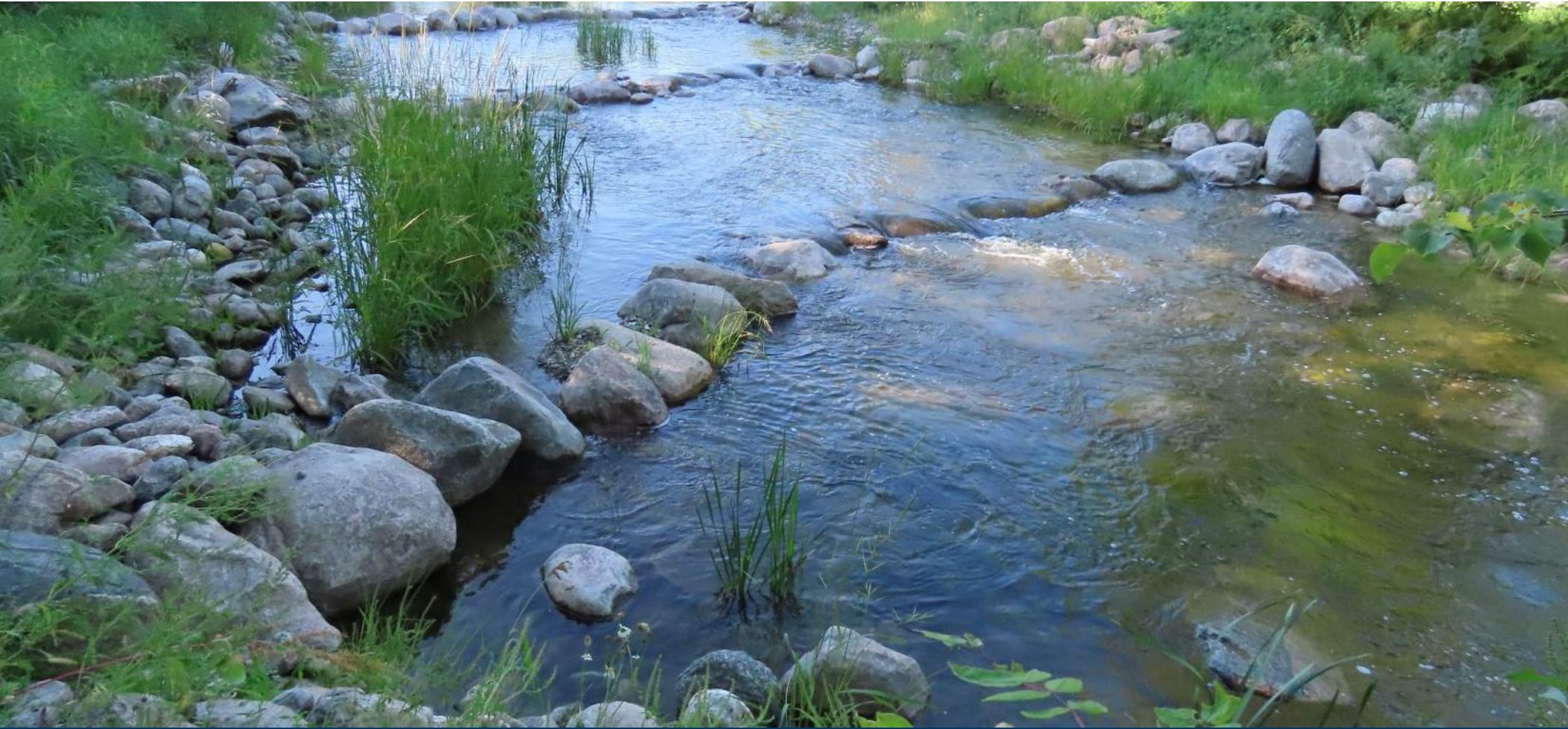


# SIDE CHANNEL STRUCTURE EXAMPLE



# CONTROL STRUCTURE, BYPASS CHANNEL, AND ROCK ARCH





## ROCK ARCH DAM

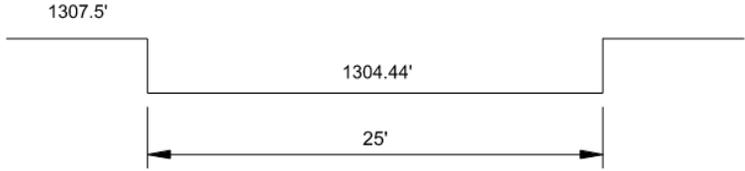


## **BYPASS CONTROL STRUCTURE**

**Figure 8:  
Existing Cross Lake  
Outlet Structure**



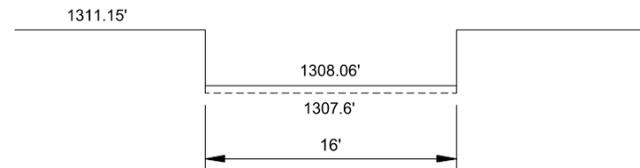
EXT - CROSS LAKE WEIR



## Figure 9: Existing Connection Lake Outlet Structure



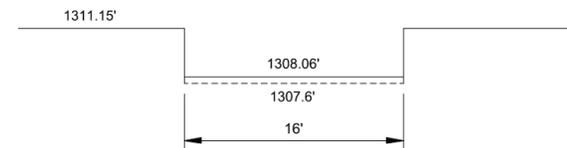
EXT - CONNECTION LAKE WEIR



# Figure 10: Existing Turtle Lake Outlet Structure



EXT - CONNECTION LAKE WEIR



**Table 3:  
Impact/Purpose of Lake Elevation Adjustments**

Adjustments to Lake Elevation	Turtle and South Connection Lake	Cross Lake	Impact
Court Ordered Runout Elevation	Rock Arch Rapids with outlet crest at court ordered runout elevation	Rock Arch Rapids with outlet crest at court ordered runout elevation	Improved fish passage, No FDR benefit, improvement to recreation
Raise lake 0.5 ft above court ordered runout	N/A	Rock Arch Rapids with outlet crest 0.5 ft above court ordered runout elevation	Improved recreation, No FDR benefit
Drawdown lakes 0.5 ft below court ordered runout	Construct gated outlet structure and bypass channel	N/A	FDR benefit

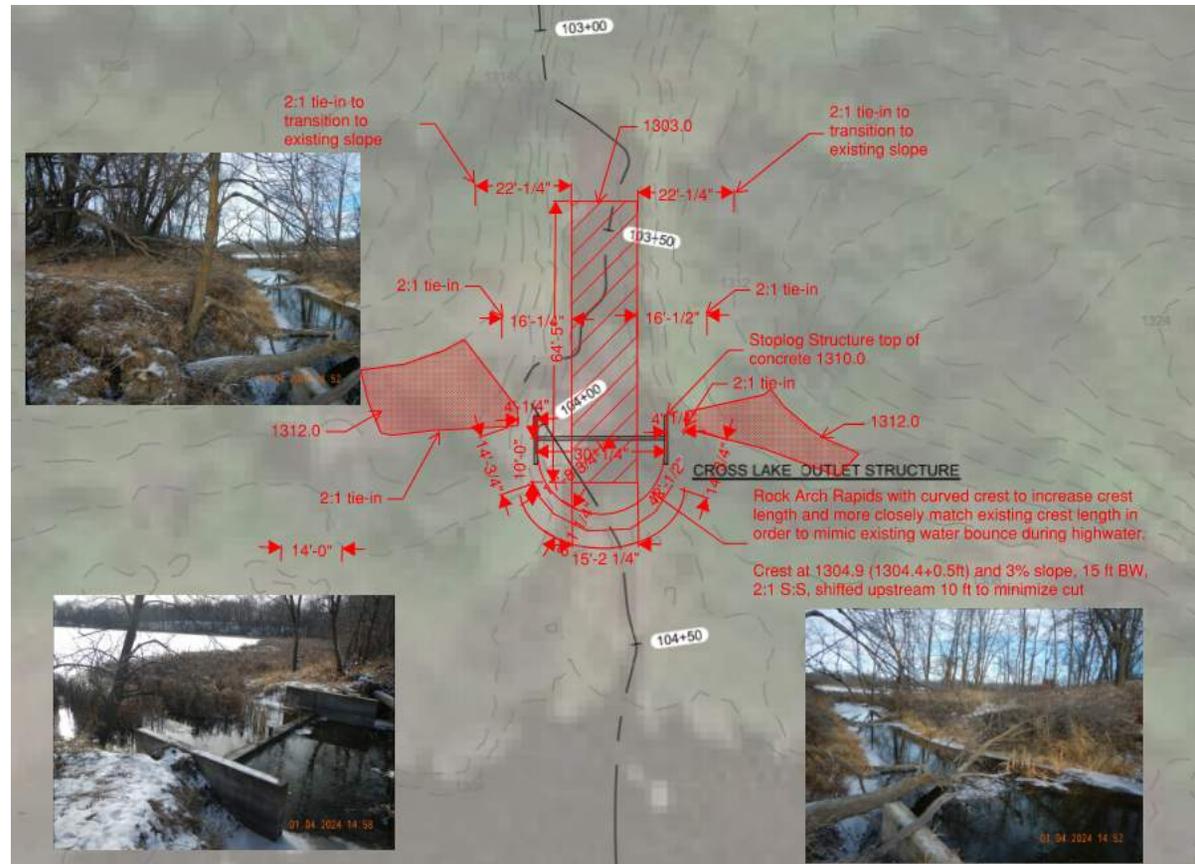
## Table 5: Alternatives Considered

Location	Temporary WSE Increase Above Court Ordered Runout Elevation	Manage WSE's and Temporarily Lower Lake Below Court Ordered WSE	Lake at Court Ordered WSE's	Increase Lake WSE Above Court Ordered WSE
Cross Lake Outlet	Multi-stage Crest at Cross improves FDR by creating temporary storage in Cross.	Not Recommended	Cross Lake Rock Arch Rapids at court ordered elevation does not provide FDR gain. It does improve fish passage.	Cross Lake Rock Arch Rapids above court ordered elevation does not provide FDR gain. It does improve fish passage and improves recreation.
South Connection Lake Outlet	Multi-stage Crest at Connection improves FDR by creating temporary storage in Connection and Turtle.	Gated Bypass at Connection improves FDR by creating storage in Connection and Turtle.	Connection Lake Rock Arch Rapids at court ordered elevation does not provide FDR gain. It does improve fish passage.	Connection Lake Rock Arch Rapids above court ordered elevation does not provide FDR gain. It does improve fish passage and improves recreation.
Turtle Lake Outlet	Multi-stage Crest at Turtle improves FDR by creating storage in Turtle.  Remove structure	Gated Bypass at Connection improves FDR by creating storage in Connection and Turtle.	Turtle Lake Rock Arch Rapids at court ordered elevation results in no FDR gain, restricts fish passage as compared to an open channel, and could restrict flow lowering lake WSE during dry years.  Turtle Lake elevations can be set by Connection Lake outlet structure so an open channel at Turtle Lake will provide fish passage at the court ordered elevation.	Turtle Lake Rock Arch Rapids above court ordered elevation does not provide FDR gain, restricts fish passage as compared to an open channel, and improves recreation in most years, but could restrict flow lowering WSE during dry years.

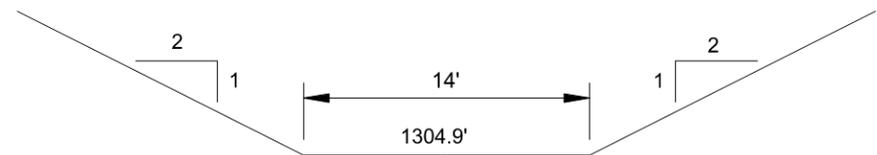
# Alternative and Lake Impact

Alternative	Starting Connection/Turtle Lake Elevation	Adjustments to Connection/Turtle Lake Elevation	South Connection Lake Outlet Structure	Cross Lake	Impact
Alternative 1	Connection/Turtle Runout Elevation at Court Ordered.	No change between existing and proposed 100-year lake elevation	Multi-tiered weir crest at the Rock Arch Rapids	Cross 0.5 ft above Court Ordered.	FDR benefit for the 10-year event, but not for the 100-year event. Creates a temporary bounce in Turtle and Connection Lake elevations for the 10-year with no change in 100-year.
Alternative 2	Connection/Turtle Runout Elevation at Court Ordered.	0.5 ft increase between existing and proposed 100-year lake elevation	Multi-tiered weir crest at the Rock Arch Rapids	Cross 0.5 ft above Court Ordered.	FDR benefit for the 100-year event by creating a temporary 0.5 ft bounce in 100-year Turtle and Connection Lake elevation.
Alternative 3	Connection/Turtle Runout Elevation at Court Ordered.	1.0 ft increase between existing and proposed 100-year lake elevation	Multi-tiered weir crest at the Rock Arch Rapids	Cross 0.5 ft above Court Ordered.	FDR benefit for the 100-year event by creating a temporary 1.0 ft bounce in 100-year Turtle and Connection Lake elevation.
Alternative 4	Connection/Turtle Runout Elevation 0.5 ft below Court Ordered.	No change between existing and proposed 100-year lake elevation	Multi-tiered weir crest at the Rock Arch Rapids	Cross 0.5 ft above Court Ordered.	FDR benefit for the 10-year event, but not for the 100-year event. Creates a temporary bounce in Turtle and Connection Lake elevations for the 10-year with no change in 100-year. Additional storage by 0.5 ft Connection/Turtle drawdown prior to event also provides FDR benefit.
Alternative 5	Connection/Turtle Runout Elevation 0.5 ft below Court Ordered.	0.5 ft increase between existing and proposed 100-year lake elevation	Multi-tiered weir crest at the Rock Arch Rapids	Cross 0.5 ft above Court Ordered.	FDR benefit for the 100-year event by creating a temporary 0.5 ft bounce in 100-year Turtle and Connection Lake elevation. Additional storage by 0.5 ft Connection/Turtle drawdown prior to event also provides FDR benefit.
Alternative 6	Connection/Turtle Runout Elevation 0.5 ft below Court Ordered.	1.0 ft increase between existing and proposed 100-year lake elevation	Multi-tiered weir crest at the Rock Arch Rapids	Cross 0.5 ft above Court Ordered.	FDR benefit for the 100-year event by creating a temporary 1.0 ft bounce in 100-year Turtle and Connection Lake elevation. Additional storage by 0.5 ft Connection/Turtle drawdown prior to event also provides FDR benefit.

# Figure 11: Recommended Cross Lake Weir Crest

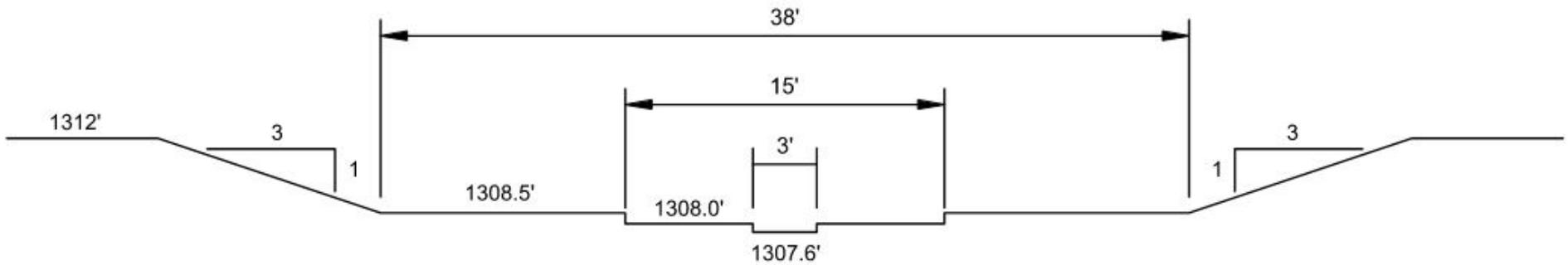


CROSS LAKE WEIR



# Figure 13: Alternative 1 Connection Lake Outlet Structure Layout

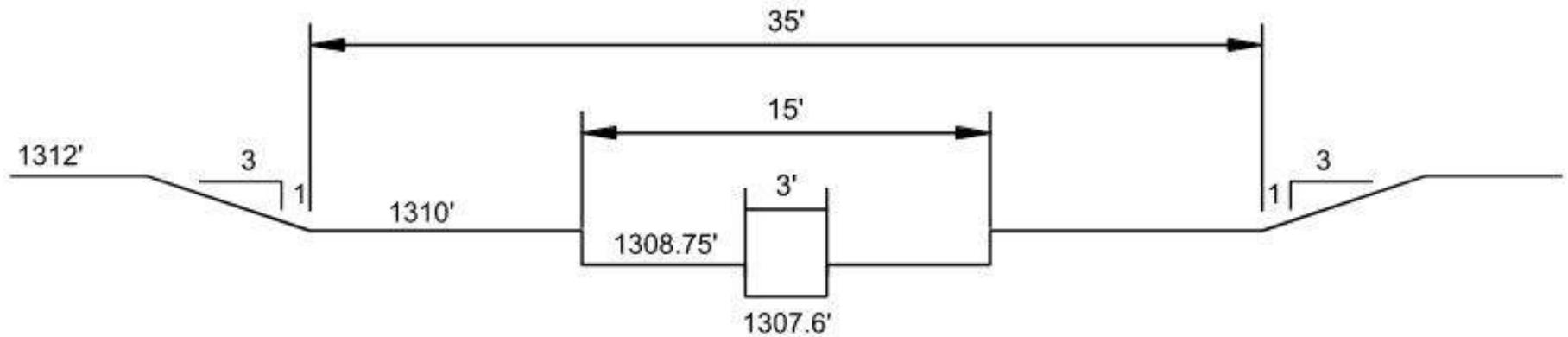
ALT 1 - CONNECTION LAKE WEIR



**Figure 14:  
Alternative 2  
Connection Lake Outlet  
Structure Layout**

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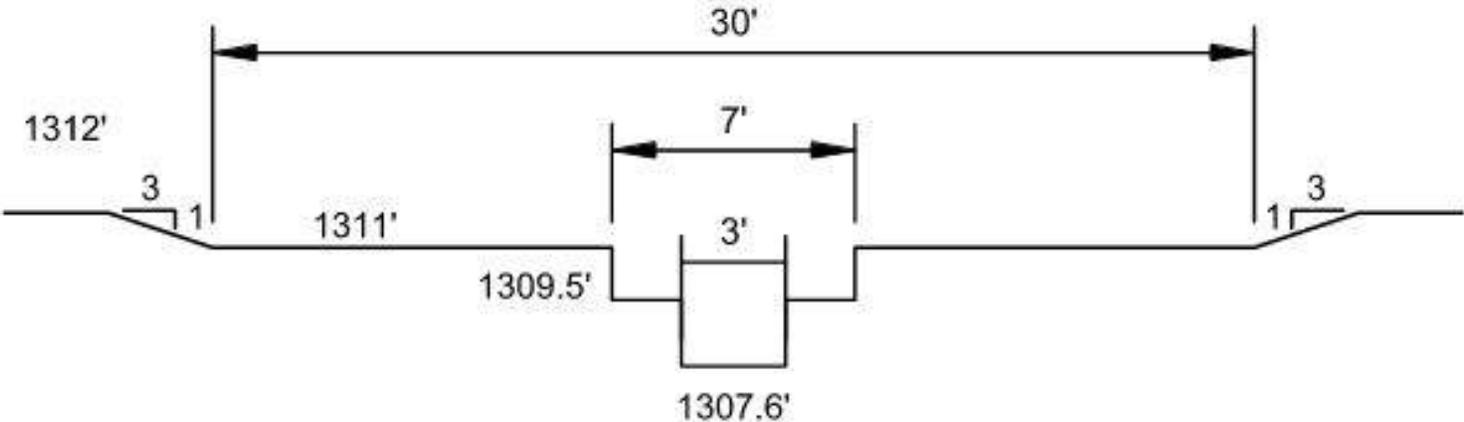
ALT 2 - CONNECTION LAKE WEIR



**Figure 15:  
Alternative 3  
Connection Lake Outlet  
Structure Layout**

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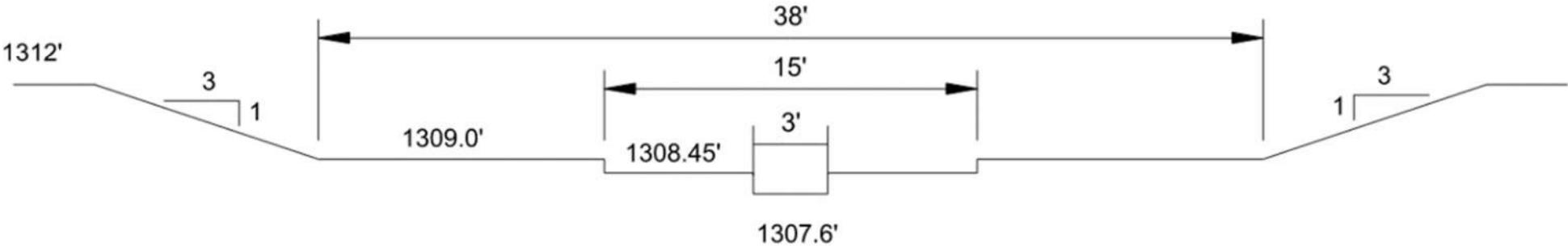
ALT 3 - CONNECTION LAKE WEIR



**Figure 16:  
Alternative 4  
Connection Lake Outlet  
Structure Layout**

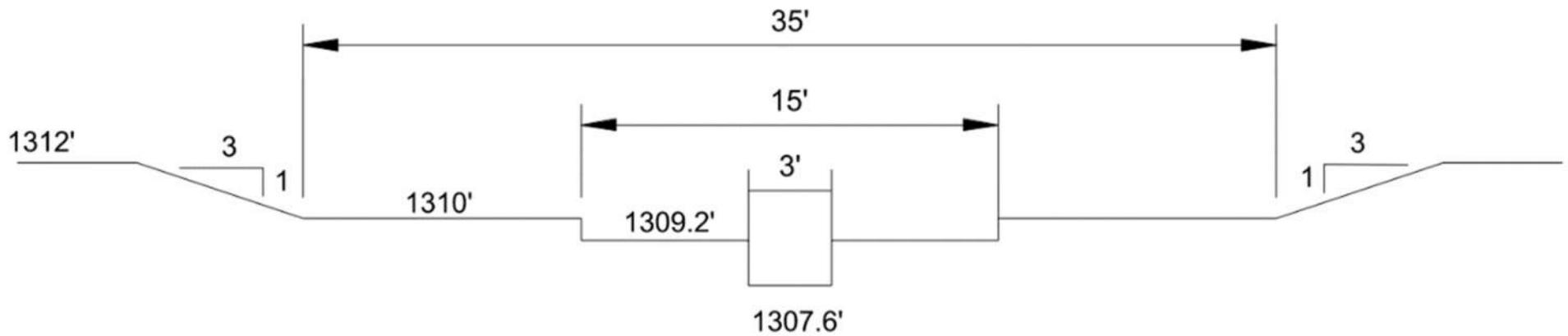
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ALT 4 - CONNECTION LAKE WEIR



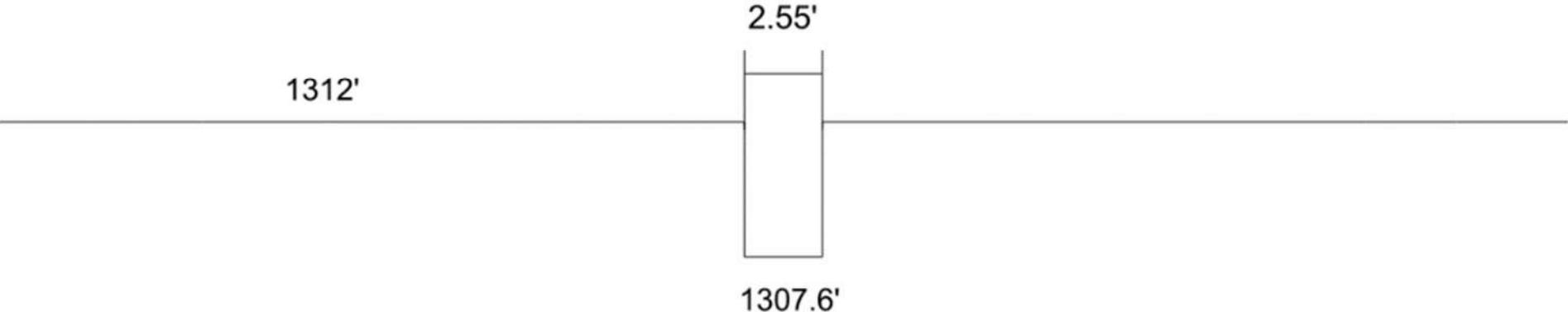
# Figure 17: Alternative 5 Connection Lake Outlet Structure Layout

ALT 5 - CONNECTION LAKE WEIR

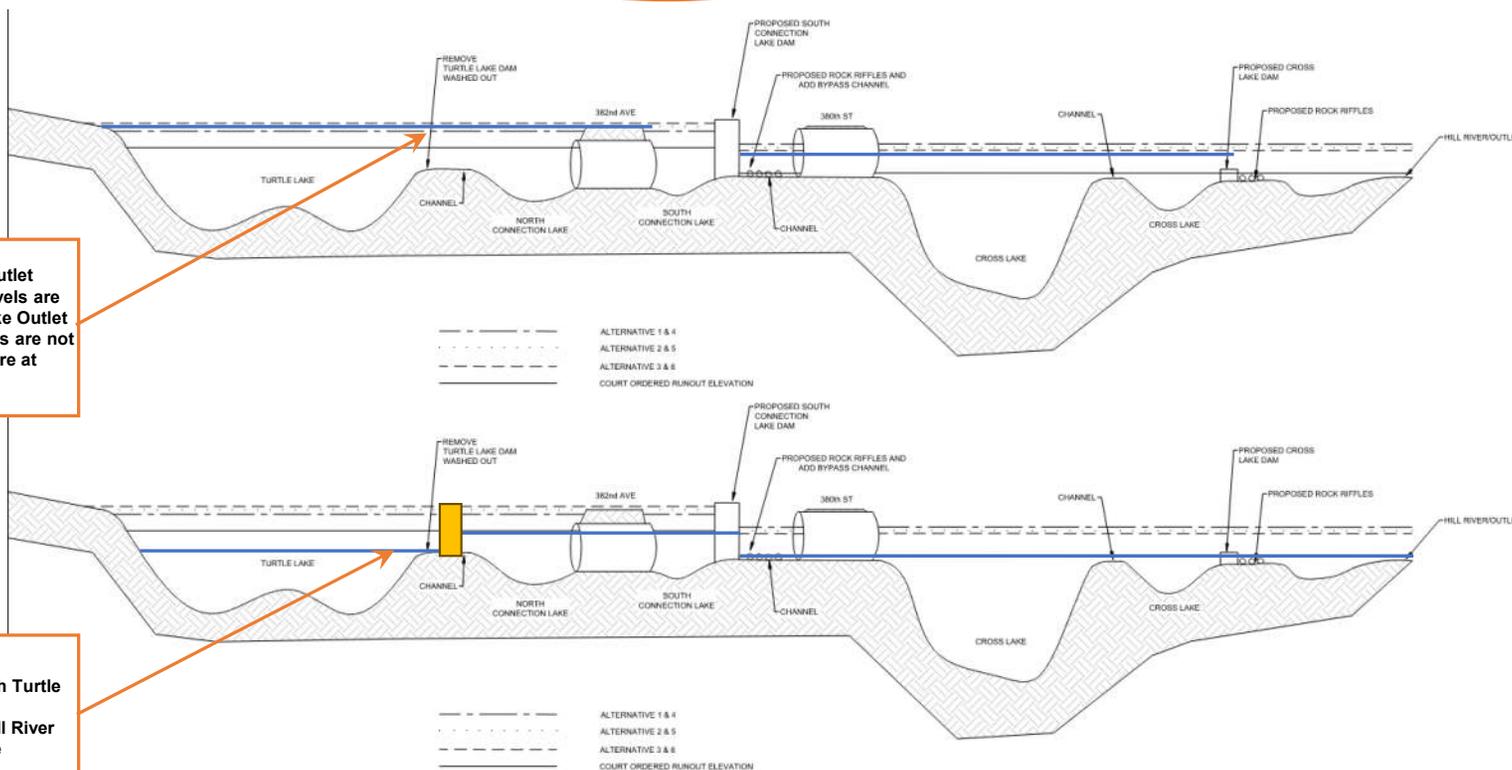


**Figure 18:  
Alternative 6  
Connection Lake Outlet  
Structure Layout**

ALT 6 - CONNECTION LAKE WEIR



## Figure 19: With and Without Turtle Lake Outlet Structure



With no Turtle Lake Outlet Structure the water levels are set by Connection Lake Outlet Structure. Water levels are not restricted by a structure at Turtle Lake

Low flow scenario with Turtle Lake Outlet Structure potentially keeping Hill River flow out of Turtle Lake

**Table 10:**  
**Monthly Evaporation at St. Paul, MN**

---

Year	April (inches)	May (inches)	June (inches)	July (inches)	August (inches)	September (inches)	October (inches)	Total (inches)
2018	1.82	7.06	6.20	6.86	5.67	4.46	0.39	32.46

## Figure 21: Precipitation Information

Latitude: 47.6187 Longitude: -95.6433 Elevation: 1319ft (402m)

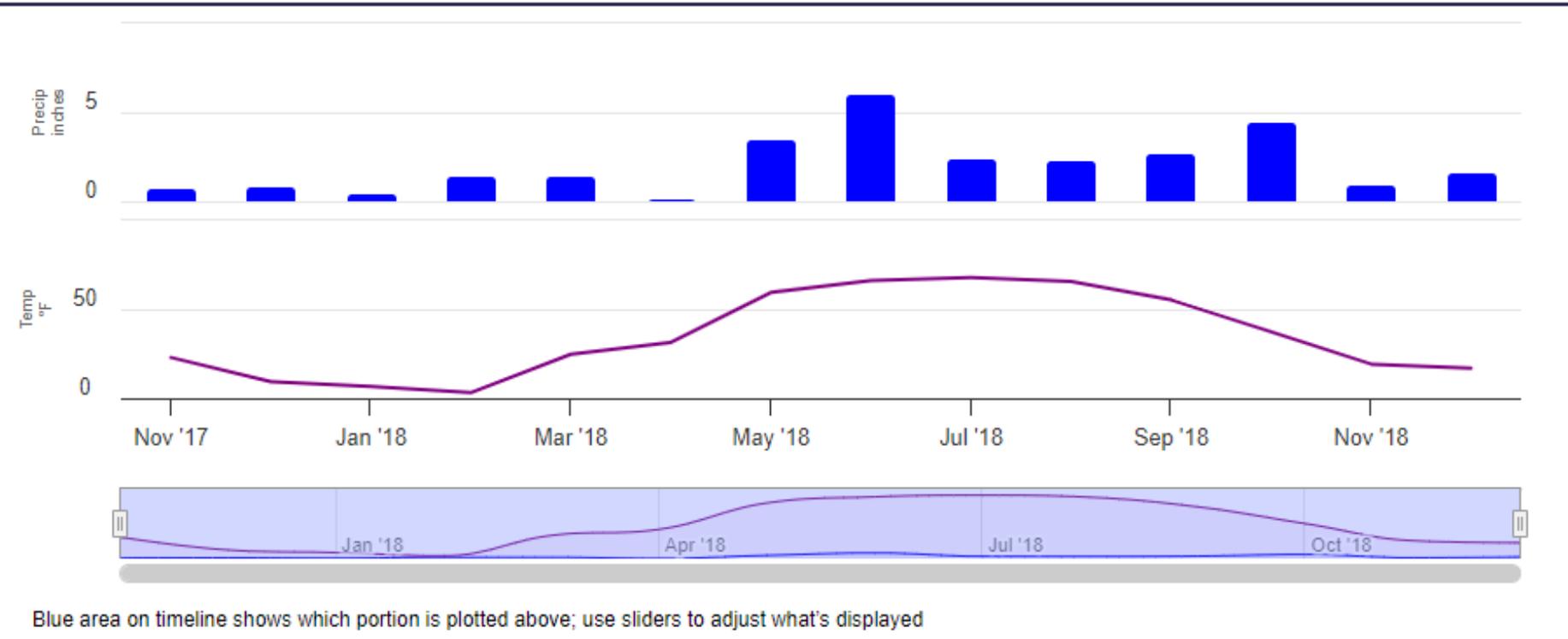
4km PRISM cells / not interpolated

Precipitation, Mean temp

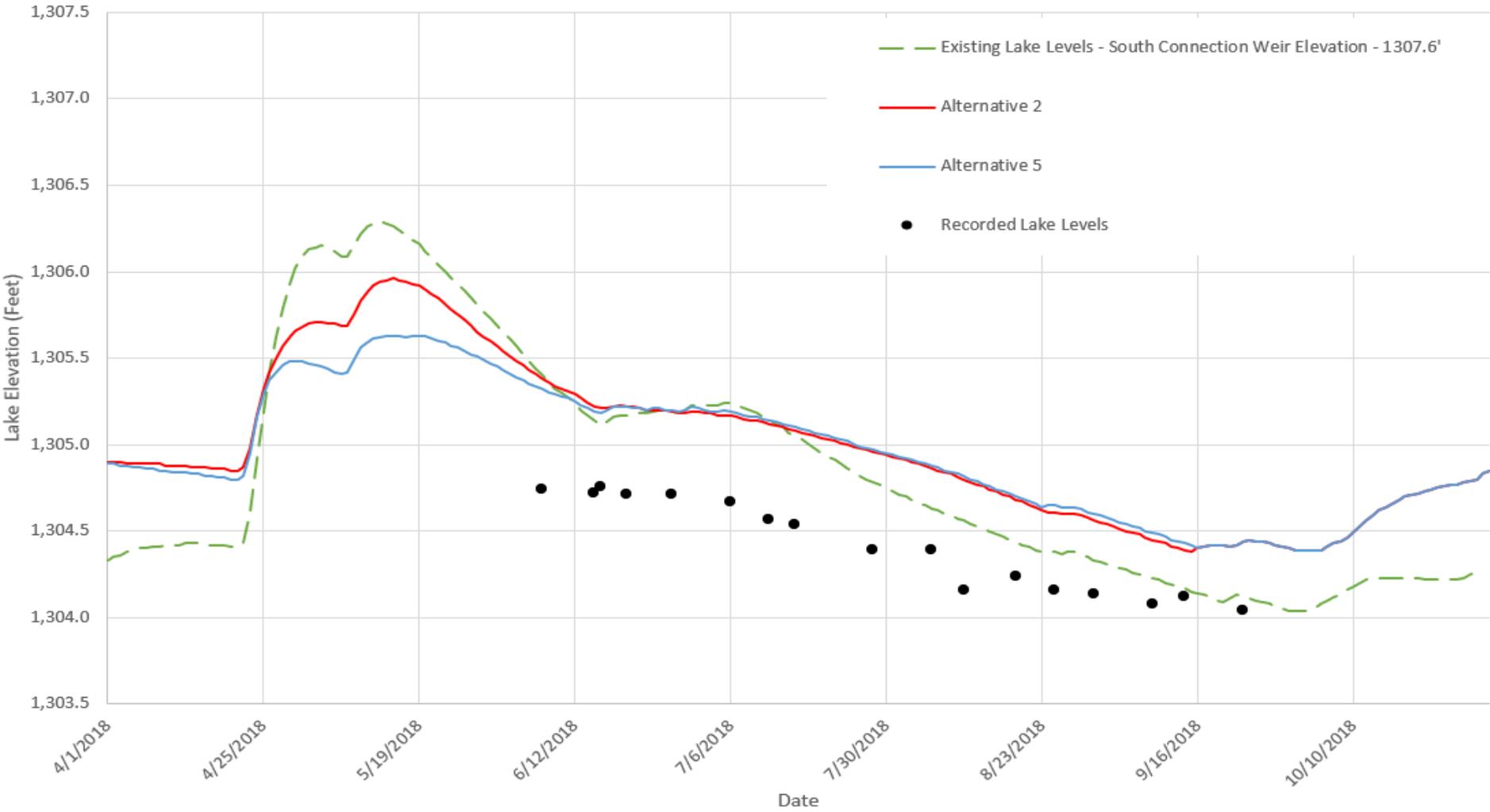
English units / Monthly values

November 2017 - December 2018 (the PRISM day spans 24 hours ending at 1200 UTC on the day shown)

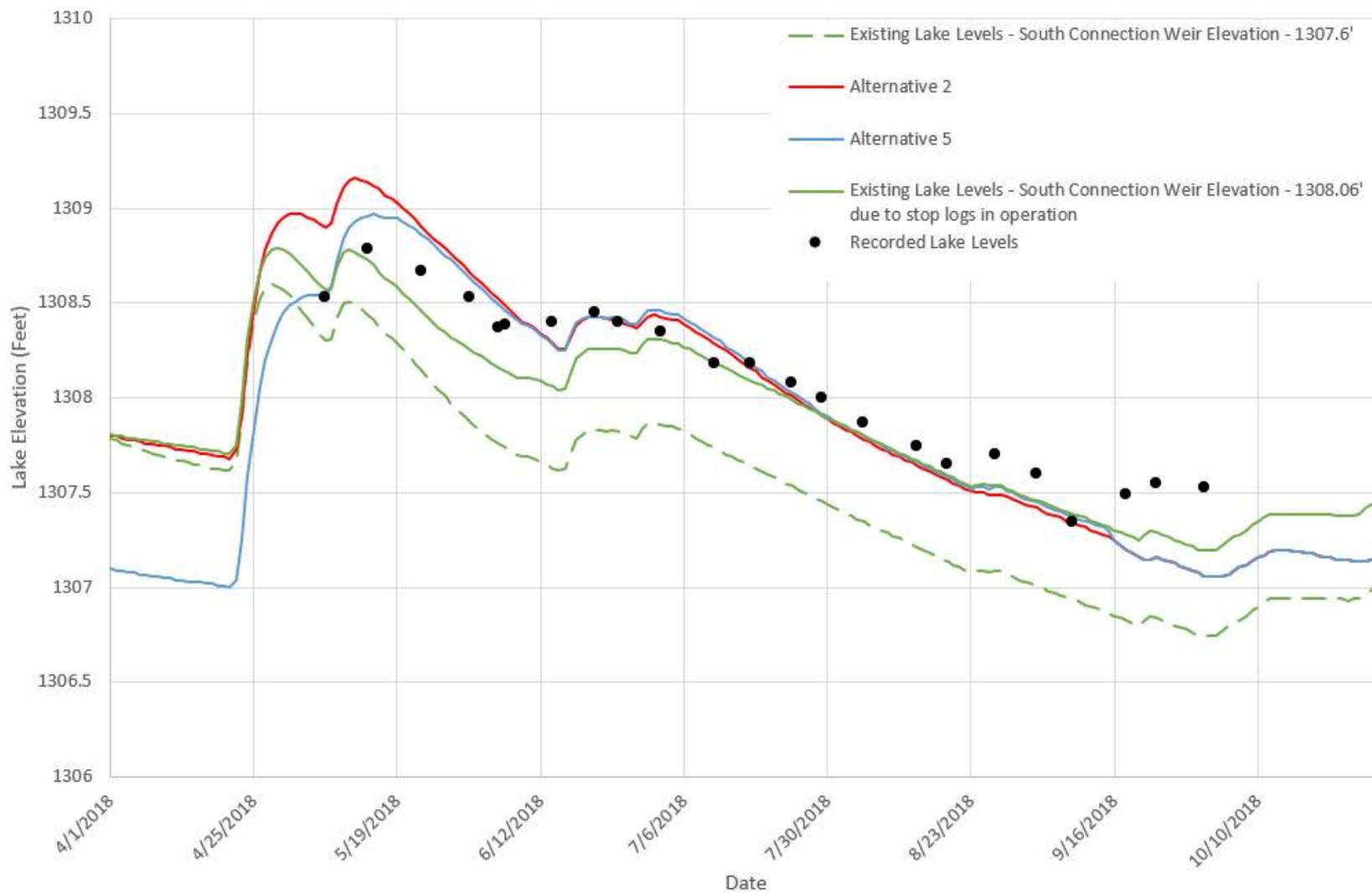
Data stability: stable

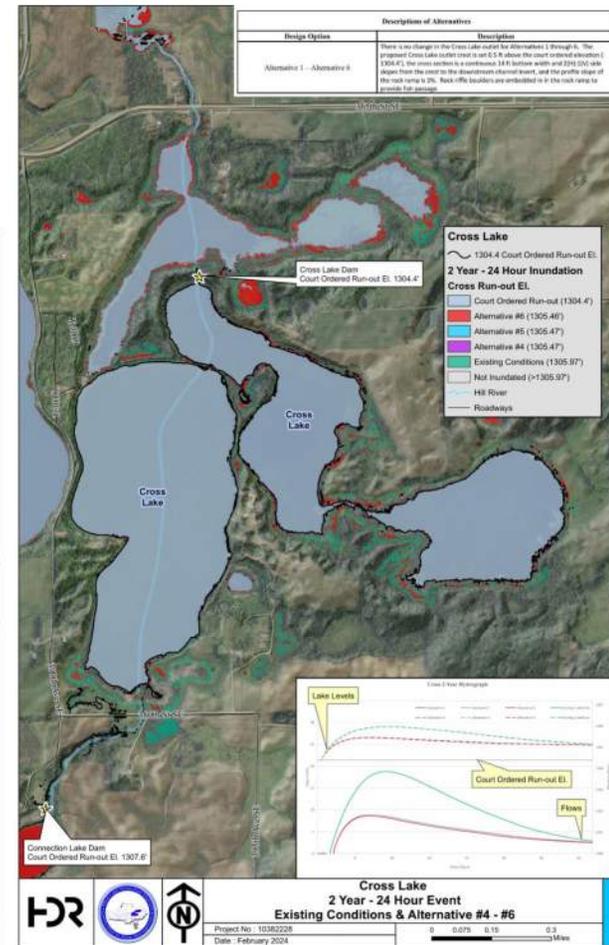
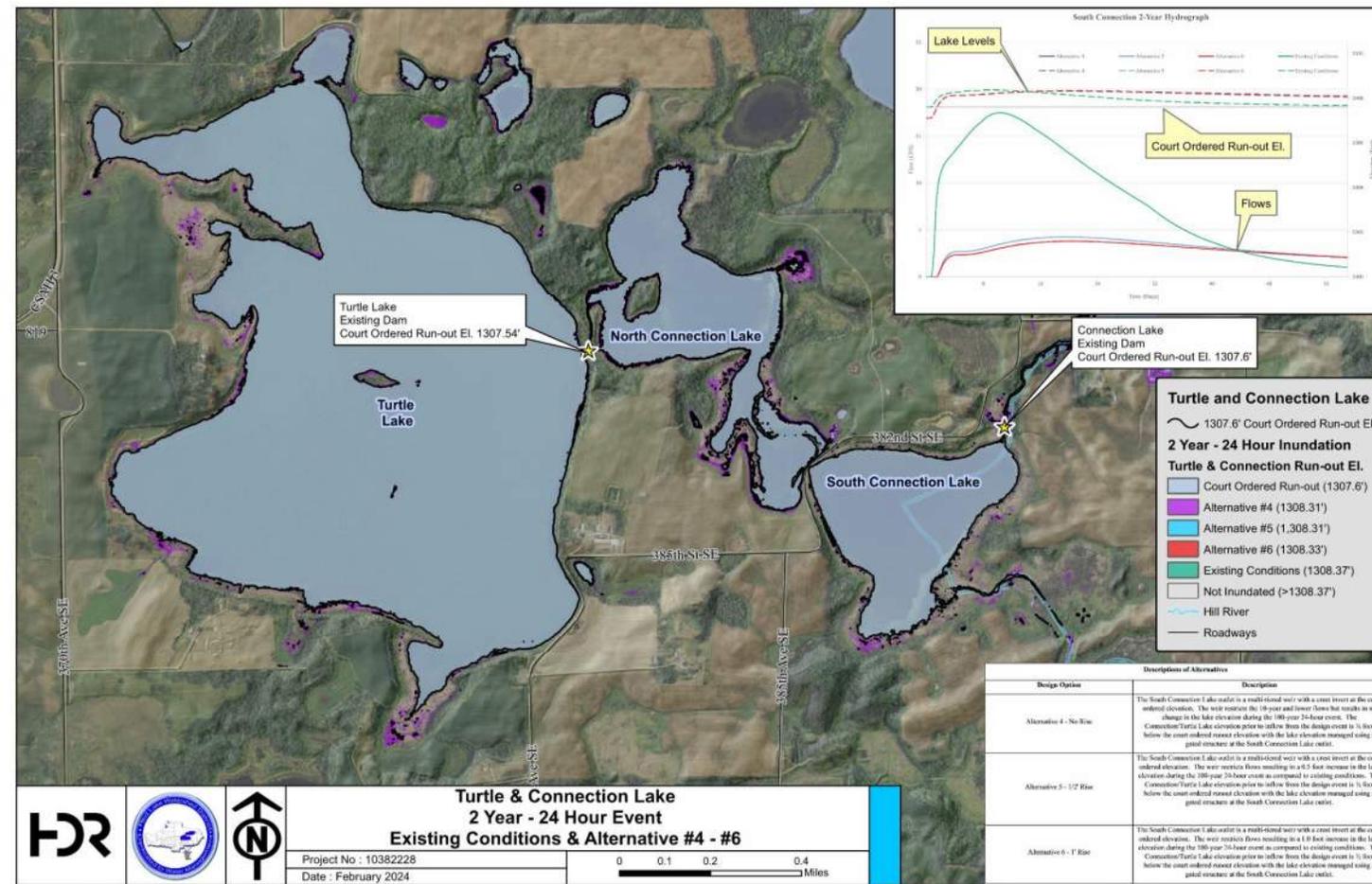


Cross Lake Water Levels April 1st Through October 31st 2018



### Turtle Lake Water Levels April 1st Through October 31st 2018

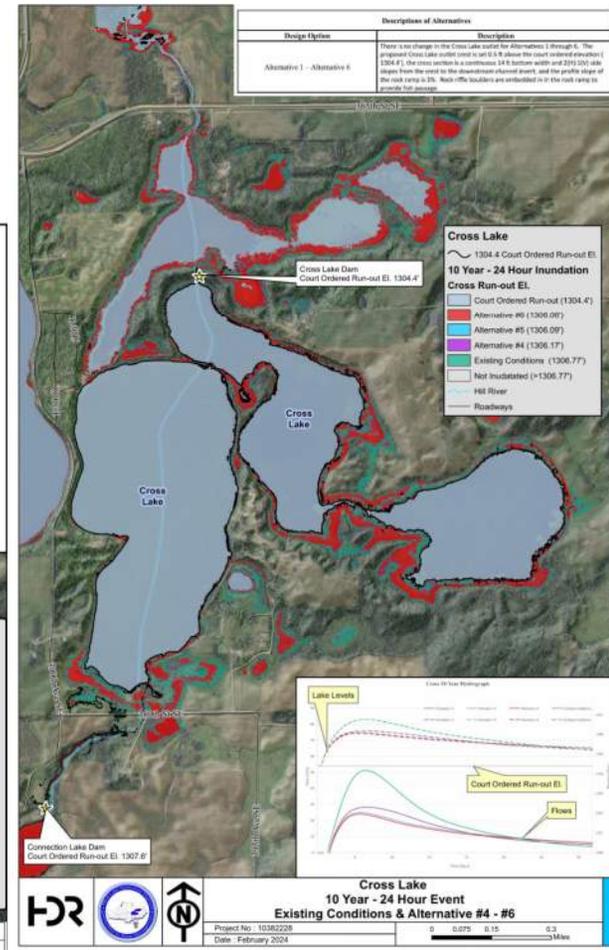
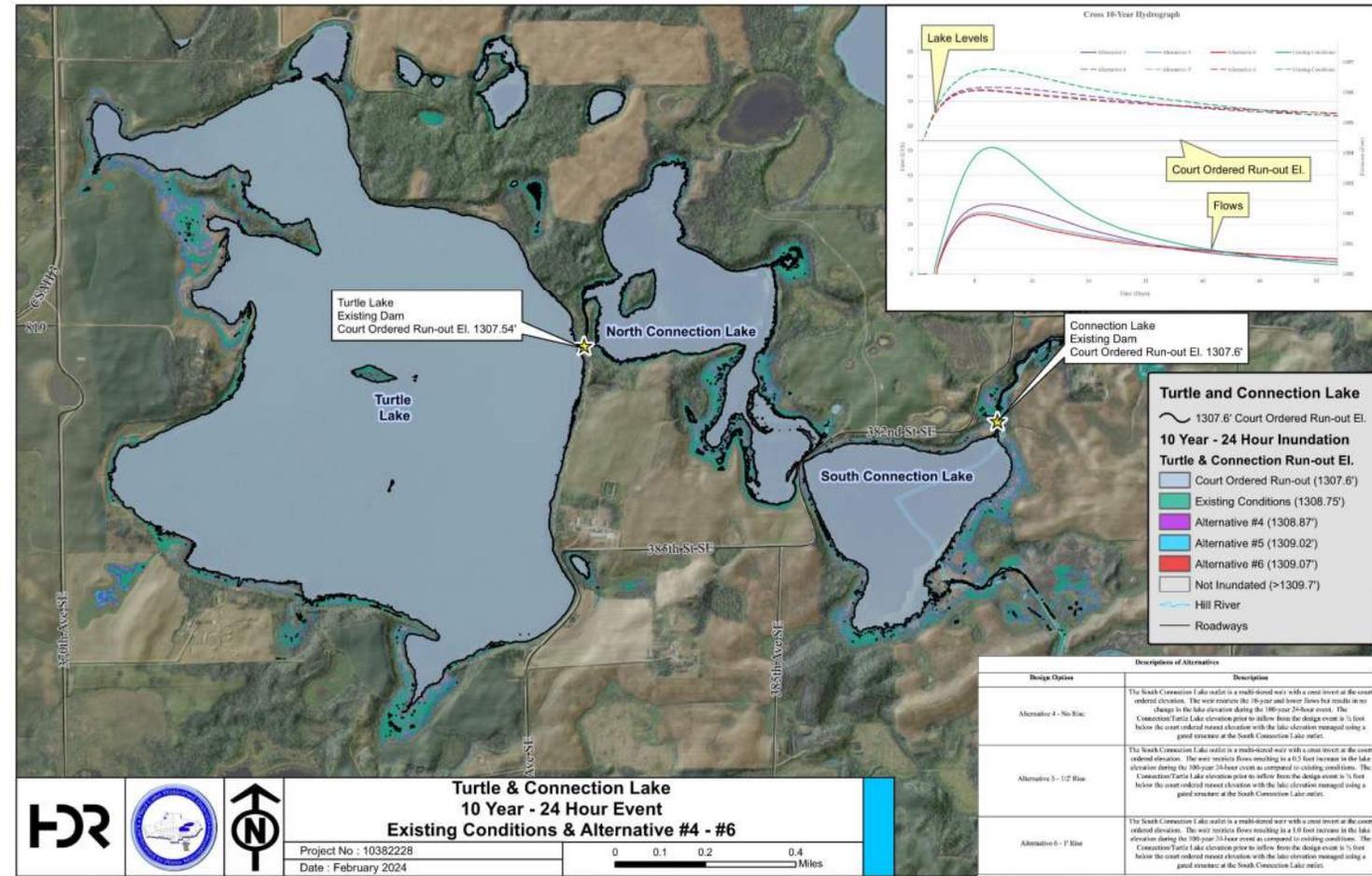




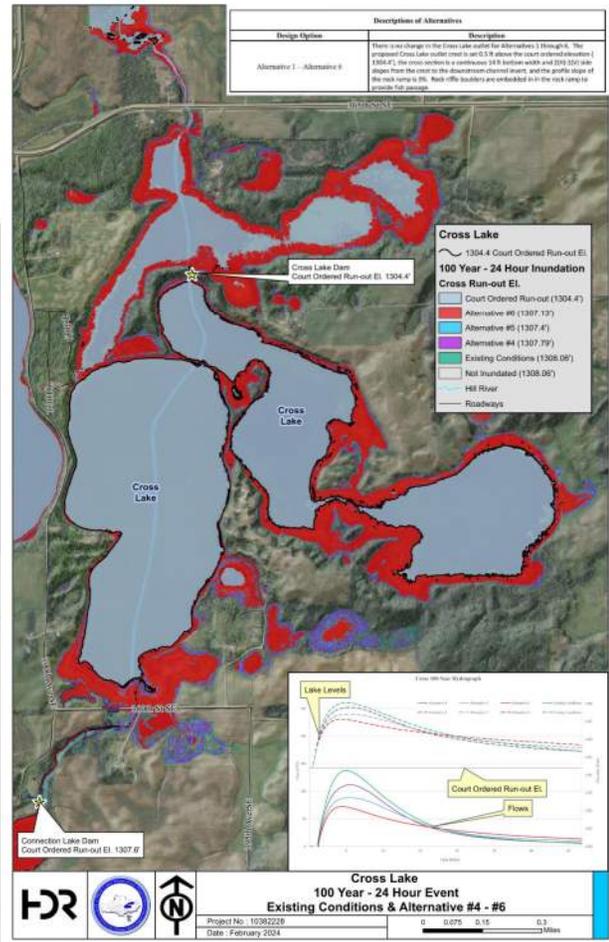
**Turtle & Connection Lake**  
 2 Year - 24 Hour Event  
 Existing Conditions & Alternative #4 - #6

Project No: 10382228  
 Date: February 2024

Scale: 0 0.1 0.2 0.4 Miles



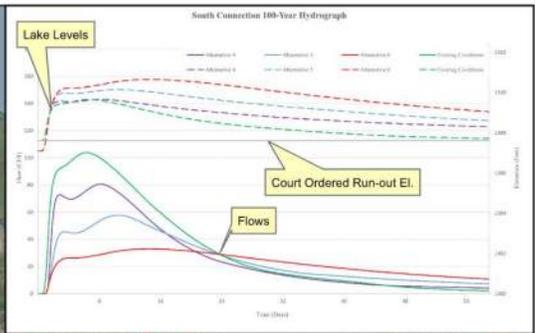
Description of Alternatives	
Design Option	Description
Alternative 1 - Alternative 8	There is no change to the Cross Lake outlet for Alternatives 1 through 6. The proposed Cross Lake outlet crest is set 1.5' above the court-ordered elevation of 1304.4'. The cross section is a continuous 24.8' bottom width and 20' (10') side slopes from the crest to the downstream channel depth, and the gentle slope of the rock ramp to 3%. Rock riffle boulders are embedded in the rock ramp to provide fish passage.



**Cross Lake 100 Year - 24 Hour Event Existing Conditions & Alternative #4 - #6**

Project No: 10382228  
Date: February 2024

Scale: 0 0.075 0.15 0.3 Miles

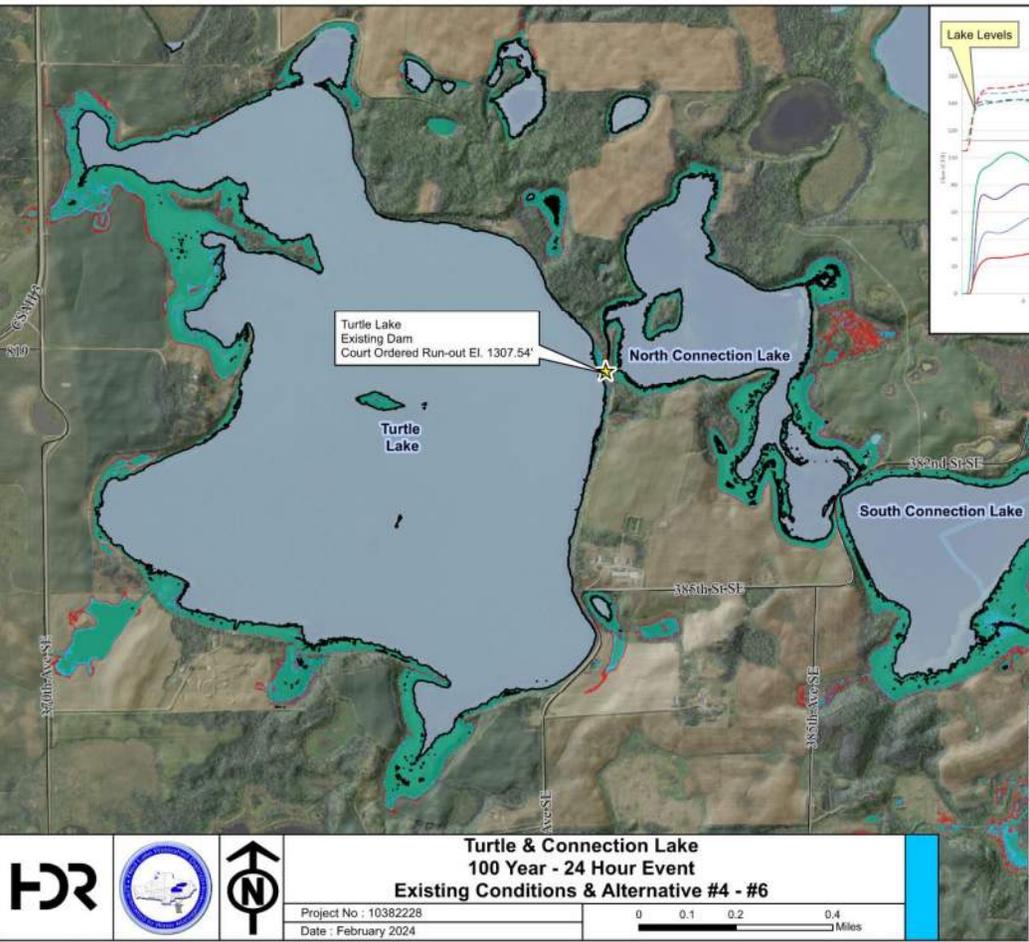


**Turtle and Connection Lake 1307.6' Court Ordered Run-out EI.**

**Turtle & Connection Run-out EI.**

- Court Ordered Runout (1307.6')
- Existing Conditions (1309.65')
- Alternative #4 (1309.66')
- Alternative #5 (1310.15')
- Alternative #6 (1310.65')
- Not Inundated (>1310.65')
- Hill River
- Roadways

Description of Alternatives	
Design Option	Description
Alternative 4 - No Rise	The South Connection Lake outlet is a multi-dated weir with a crest level at the court ordered elevation. The weir raises the 10-year and lower flows but results in no change to the lake elevation during the 100-year 24-hour event. The Connection Turtle Lake elevation prior to inflow from the design event is 1/2 foot below the court ordered runoff elevation with the lake elevation managed using a gated structure at the South Connection Lake outlet.
Alternative 5 - 1/2 Rise	The South Connection Lake outlet is a multi-dated weir with a crest level at the court ordered elevation. The weir results flows resulting in a 0.5 foot increase in the lake elevation during the 100-year 24-hour event as compared to existing conditions. The Connection Turtle Lake elevation prior to inflow from the design event is 1/2 foot below the court ordered runoff elevation with the lake elevation managed using a gated structure at the South Connection Lake outlet.
Alternative 6 - 7/8 Rise	The South Connection Lake outlet is a multi-dated weir with a crest level at the court ordered elevation. The weir results flows resulting in a 7/8 foot increase in the lake elevation during the 100-year 24-hour event as compared to existing conditions. The Connection Turtle Lake elevation prior to inflow from the design event is 1/2 foot below the court ordered runoff elevation with the lake elevation managed using a gated structure at the South Connection Lake outlet.



**Turtle & Connection Lake 100 Year - 24 Hour Event Existing Conditions & Alternative #4 - #6**

Project No: 10382228  
Date: February 2024

Scale: 0 0.1 0.2 0.4 Miles

# TURTLE CONNECTION OPERATING PLAN – CROSS LAKE (NO OPERATION)

## Turtle Connection Existing Structure

- Washed out dam - 1305.00 runout

## Proposed Structure

- Dam Crest ~1307.50
- Fall Drawdown 6 inches to 1307.00
- Open Gate: 1308.50 (1-1.5 feet of storage)
- Close Gate (after peak): 1308.50



# BENEFITS OF NEW DAMS

- FDR Downstream
- Higher and More Stable Lake Levels
- Operational Flexibility / Access
- Fish Passage



**Table 7:  
Storage Options**

---

<b>Lake Level Adjustment</b>	<b>Storage (Acre-Feet)</b>
<b>Connection and Turtle 0.5 ft Drawdown Below Court Ordered</b>	340
<b>Connection and Turtle 0.5 ft Increase Above Court Ordered</b>	440
<b>Connection and Turtle 1.0 ft Increase Above Court Ordered</b>	898

**Table 9:**  
**100-year Existing and Alternative 5 Results**

Model Run	Connection / Turtle Lakes Peak Lake Level (ft)	Cross Lake Peak Lake Level (ft)	Connection Lake Outlet Peak Flow (cfs)	Cross Lake Outlet Peak Flow (cfs)	Connection Lake Outlet Peak Velocity (fps)	Cross Lake Outlet Peak Velocity (fps)
<b>Existing</b>	1309.65	1308.06	103.86	137.39	3.17	1.52
<b>Alternative 5</b>	1309.97	1307.54	64.05	96.17	2.94	1.89
<b>Change</b>	+0.32	-0.52	-39.81	-41.22	-0.23	+0.37
<b>% Change</b>			-38.3%	-30.0%	-7.3%	+24.3%

# RECOMMENDATIONS

- Alternative 5 (0.5' drawdown and 0.5' bounce) OR
- Alternative 6 (0.5' drawdown and 1.0' bounce)
- Cost \$1M - \$1.5M



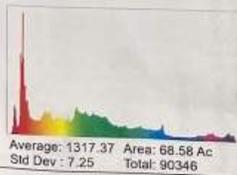
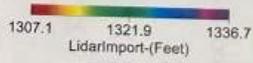
## **NEXT STEPS**

- Project Team Consensus
- RLWD Initiates Project
- Engineer Submits Engineer's Report to BWSR / DNR
- RLWD Hearing
- Project is Established Under MN Statute 103D.605 or 103D.711
- Project Design
- RRWMB Step Process \$\$
- Apply for Permits
- Apply For and Secure Funding
- Construction ~2025

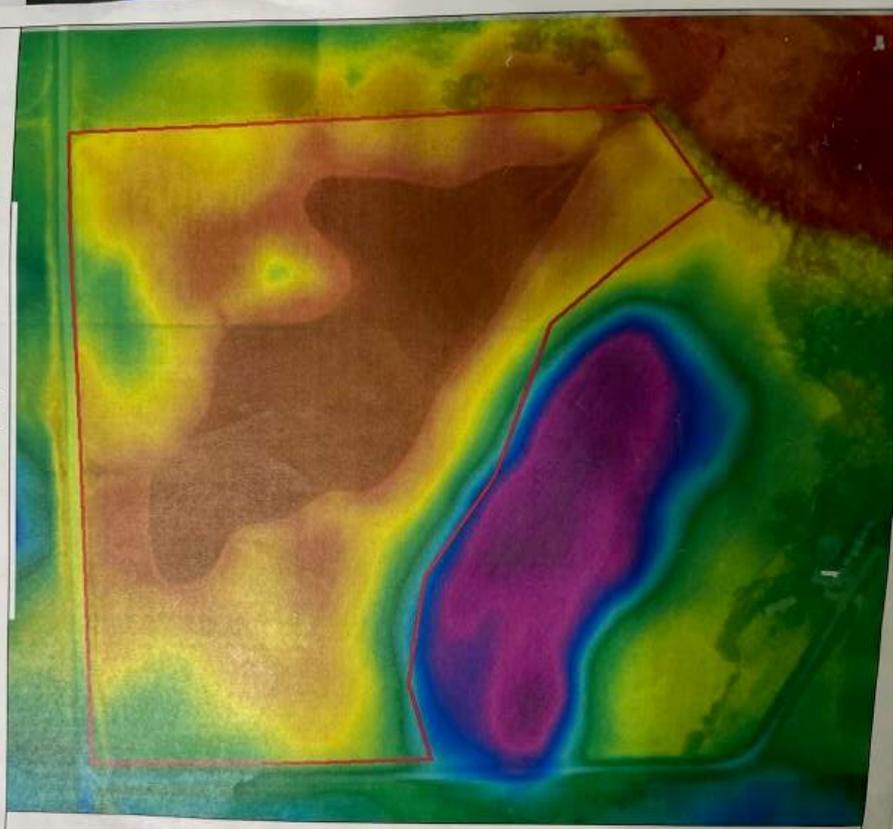
Data  
David Olson  
Queen 30 SW

LidarImport

1308.7	2.5 Acres
1310.3	12.5 Acres
1311.9	4.6 Acres
1313.5	5.8 Acres
1315.2	5 Acres
1316.8	6 Acres
1318.4	6.3 Acres
1320	5.8 Acres
1321.7	3.6 Acres
1323.3	2.9 Acres
1324.9	2.9 Acres
1326.6	2.4 Acres
1328.2	1.9 Acres
1329.8	0.9 Acres
1331.4	0.9 Acres
1333.1	1.6 Acres
1334.7	1.6 Acres
1336.3	1.6 Acres



Feet



Boundary - 24.7 Ac





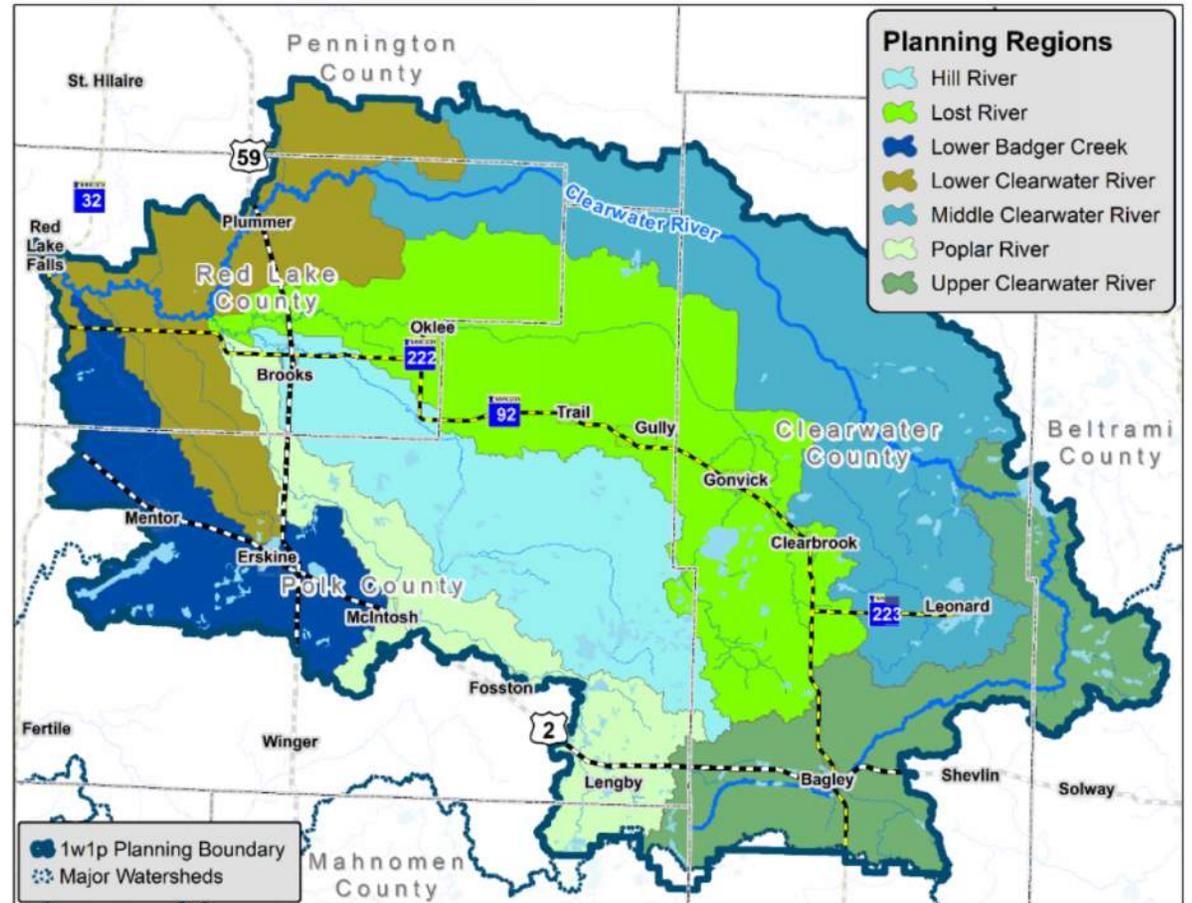




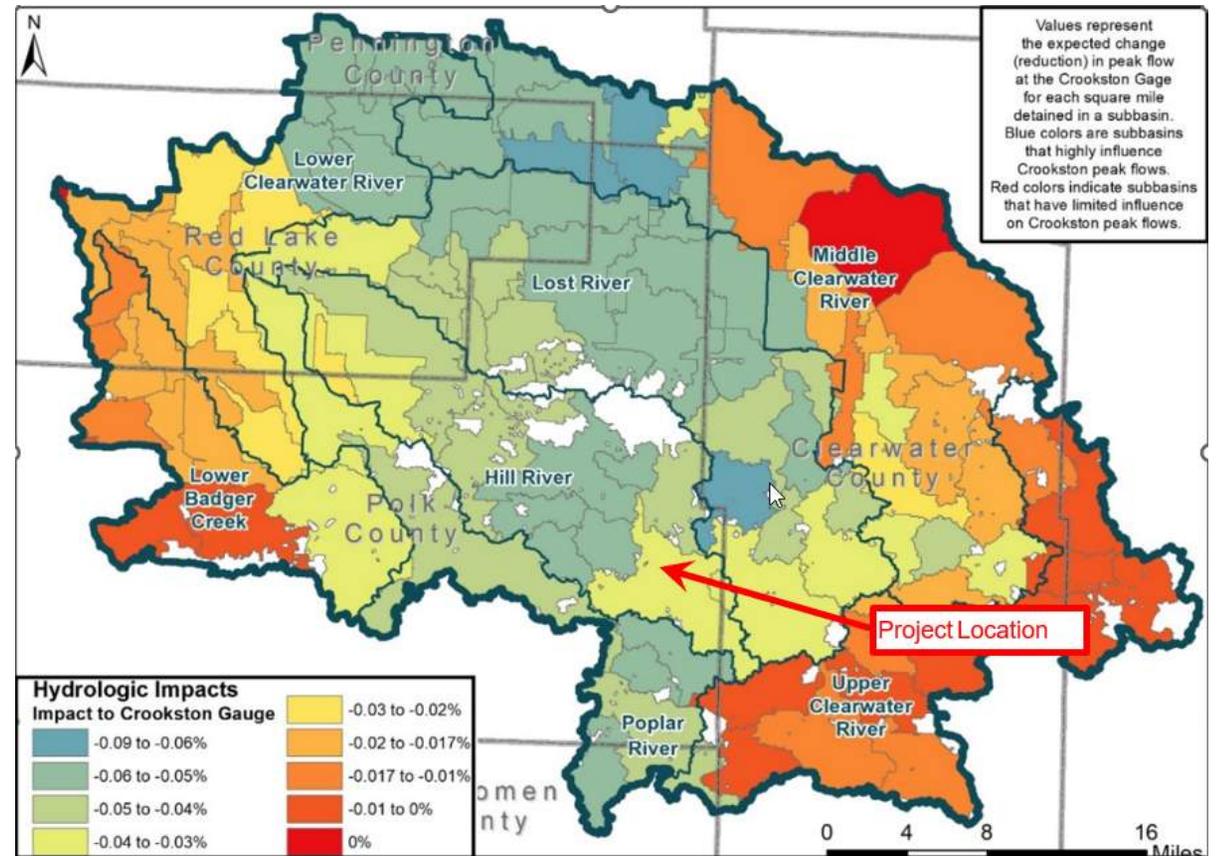




**Figure 1:  
Clearwater River  
Subwatershed**

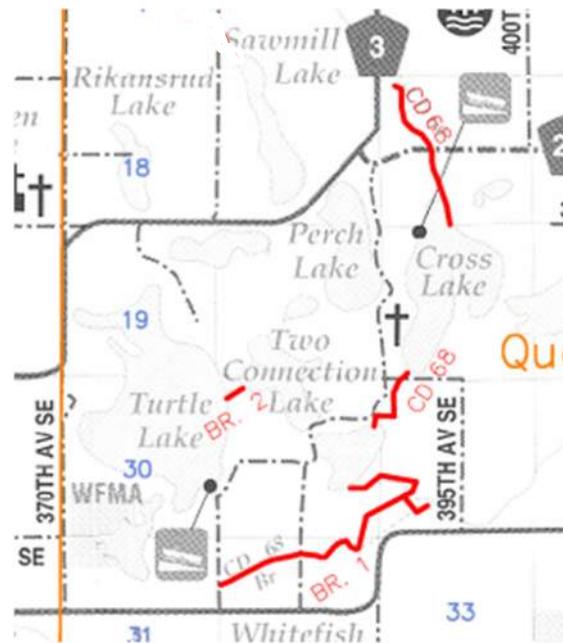


**Figure 2:  
Clearwater River  
Subwatershed**



# Background

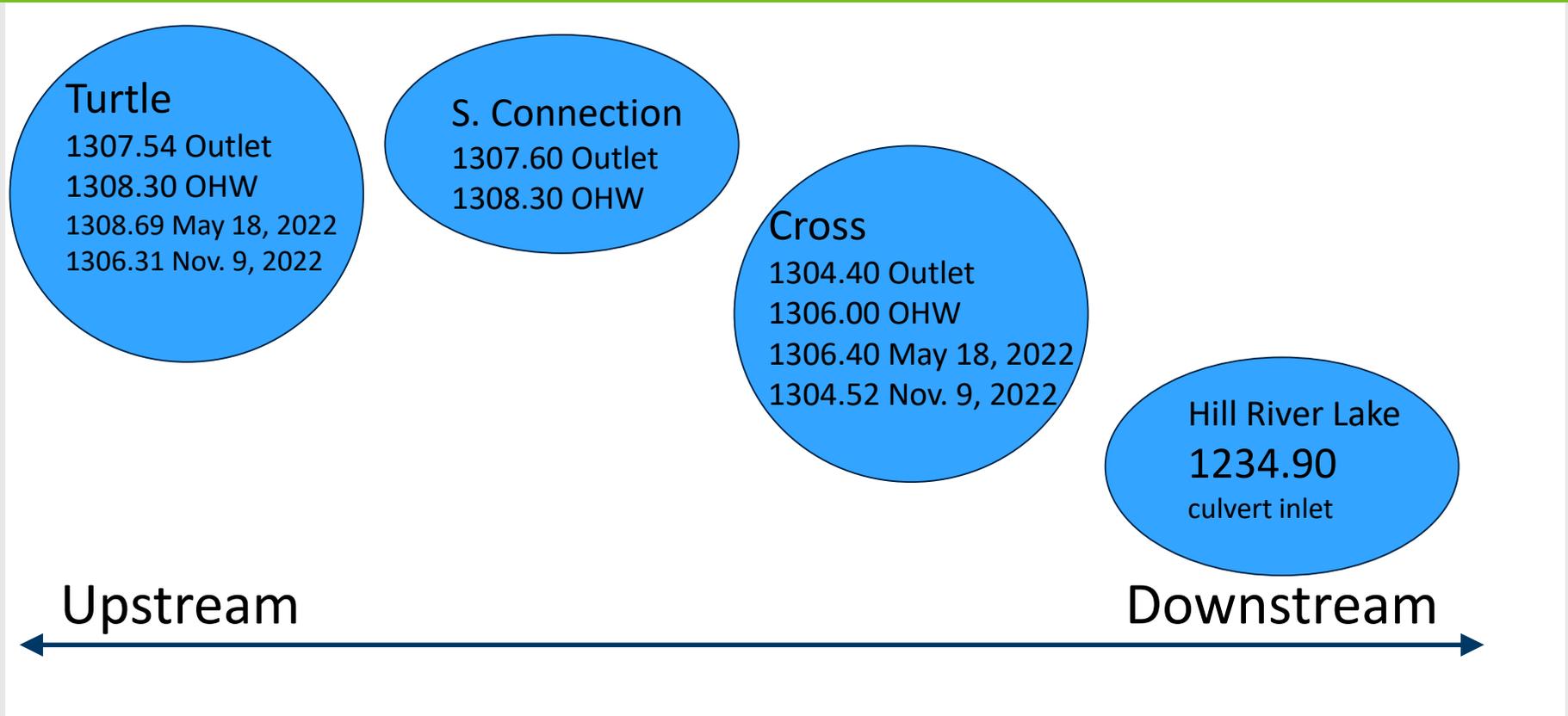
- Circa 1918: County Ditch #68 built to drain Turtle, Connections, & Cross.



# Background

- 1933: All three dams built, and water levels established by court order.
- 1934-1940: Much debate about removing the dams.
- Sometime between 1933 to 1991: Turtle Lake Dam washed out and has been non-functioning for years.
- Mid 1990s: Red Lake Watershed District completes *“Cross Lake and Turtle Lake Water Quality Study Report.”*
- Circa 2019: South Connection Lake Dam washed out.

# Background-Outlet & Ordinary High Water (OHW) Elevations 1988 Datum



## Background



- DNR now has two dams that have failed (Turtle & South Connection).
- One dam (Cross Lake) that has no boards installed.

**Turtle - 60003200**  
Polk County

# Turtle Lake



\*\*1929 NGVD Datum - Last 10 years of data, click to enlarge.

## Water Level Data – NAVD 88 datum

Period of record: 05/02/1943 to 11/09/2022

# of readings: 443

Highest recorded: 1309.35 ft (07/07/1997)

Lowest recorded: 1305.17 ft (01/23/1991)

Recorded range: 4.18 ft

Court Ordered El.: 1307.54 ft

Last reading: 1306.31 ft (11/09/2022)

April – May 2022 High: 1308.70 ft

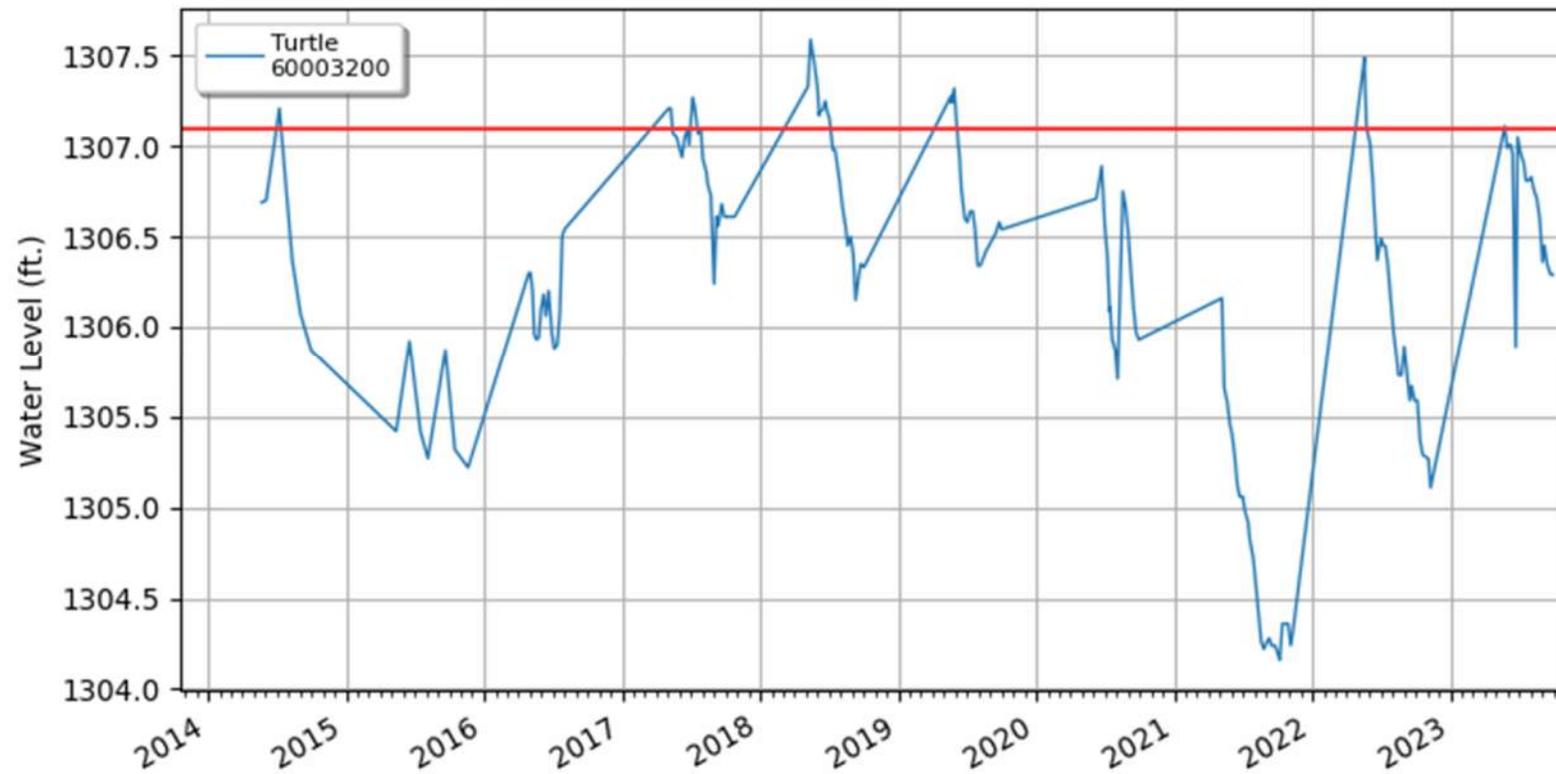
[Ordinary High Water Level \(OHW\)](#) elevation: 1308.3 ft

Datum: NAVD 88 (ft)

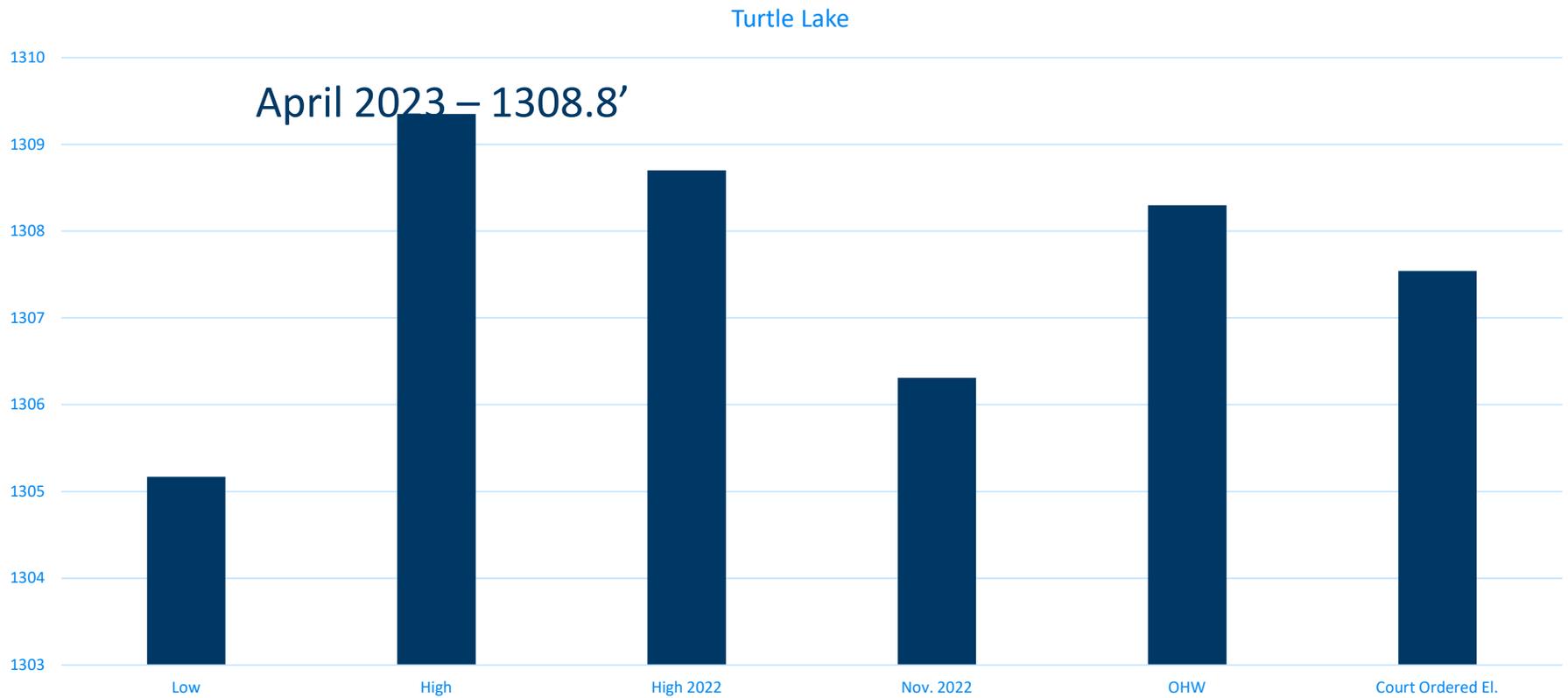
Lake Size: 621 acres

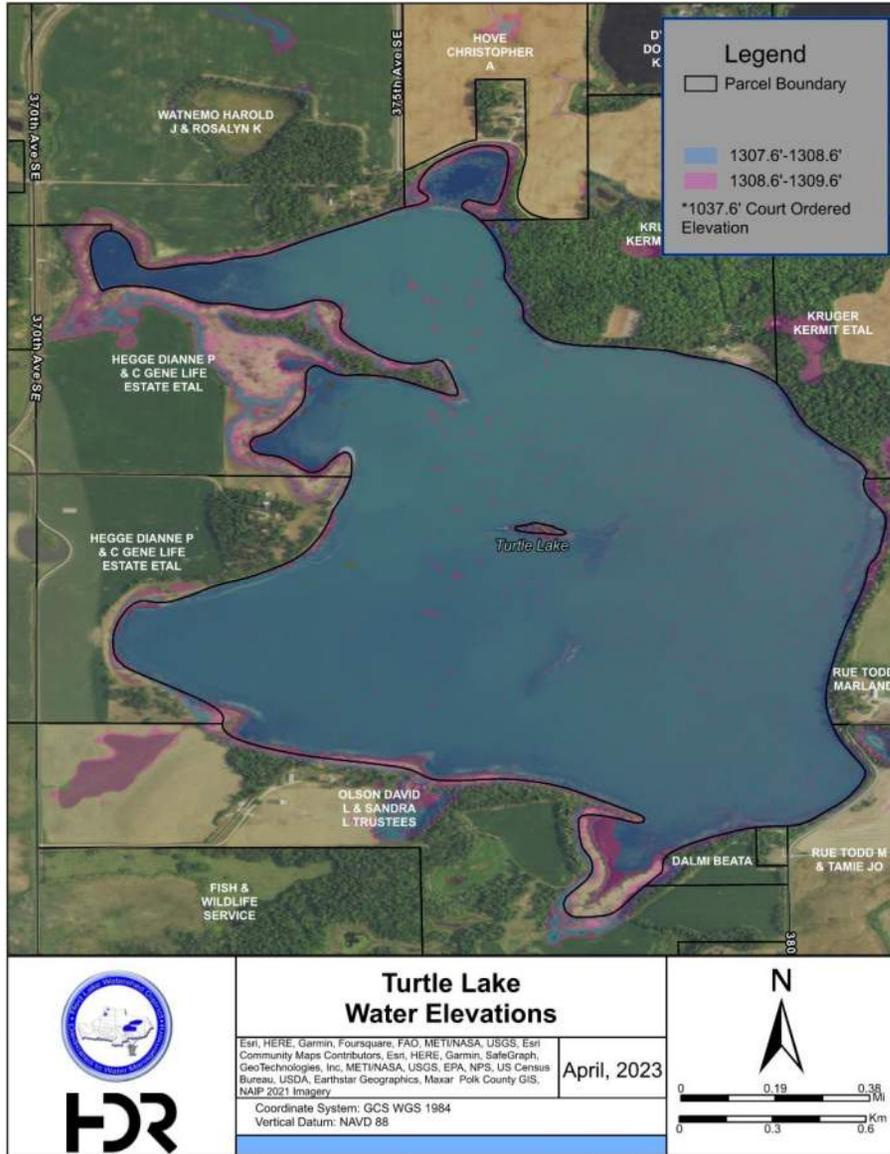
# Turtle Lake

Recorded Water Levels  
2013-10-19 to 2023-10-19



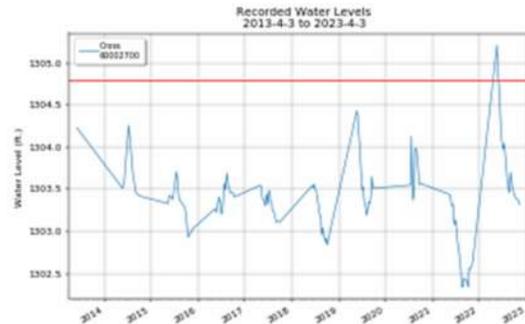
# Turtle Lake Water Levels





# Cross Lake

**Cross - 60002700**  
Polk County



\*\*1929 NGVD Datum - Last 10 years of data, click to enlarge.

## Water Level Data – NAVD 88 datum

Period of record: 10/02/1941 to 11/09/2022

# of readings: 428

Highest recorded: 1306.93 ft (07/02/1944)

[Highest known](#) opens in a new browser tab: 1307.2 ft (01-23-91)

Lowest recorded: 1303.37 ft (10/04/2012)

Recorded range: 3.56 ft

Court Ordered El.: 1304.4 ft

Last reading: 1304.52 ft (11/09/2022)

April – May 2022 High: 1306.45

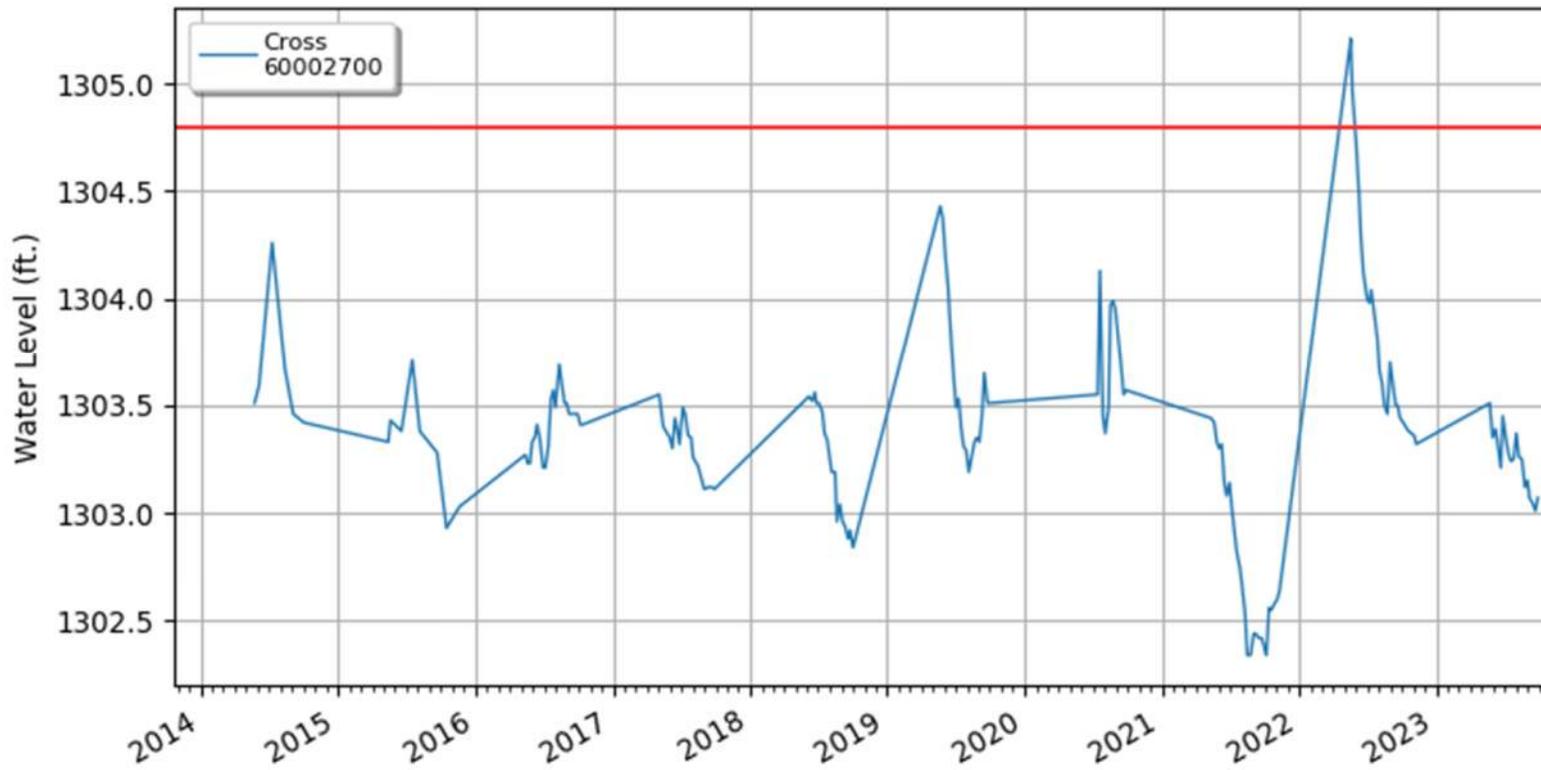
[Ordinary High Water Level \(OHW\)](#) elevation: 1306.0 ft

Datum: NAVD 88 (ft)

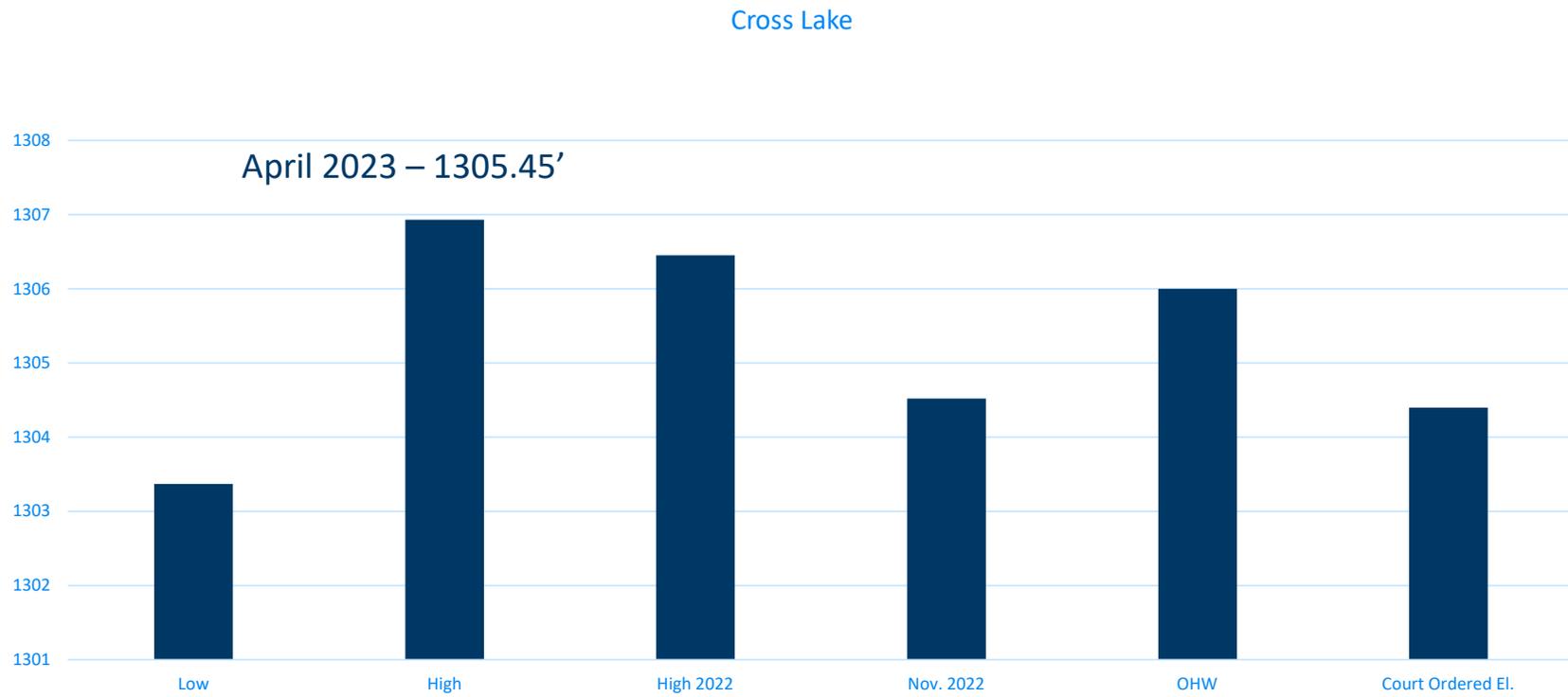
Lake Size: 480 acres

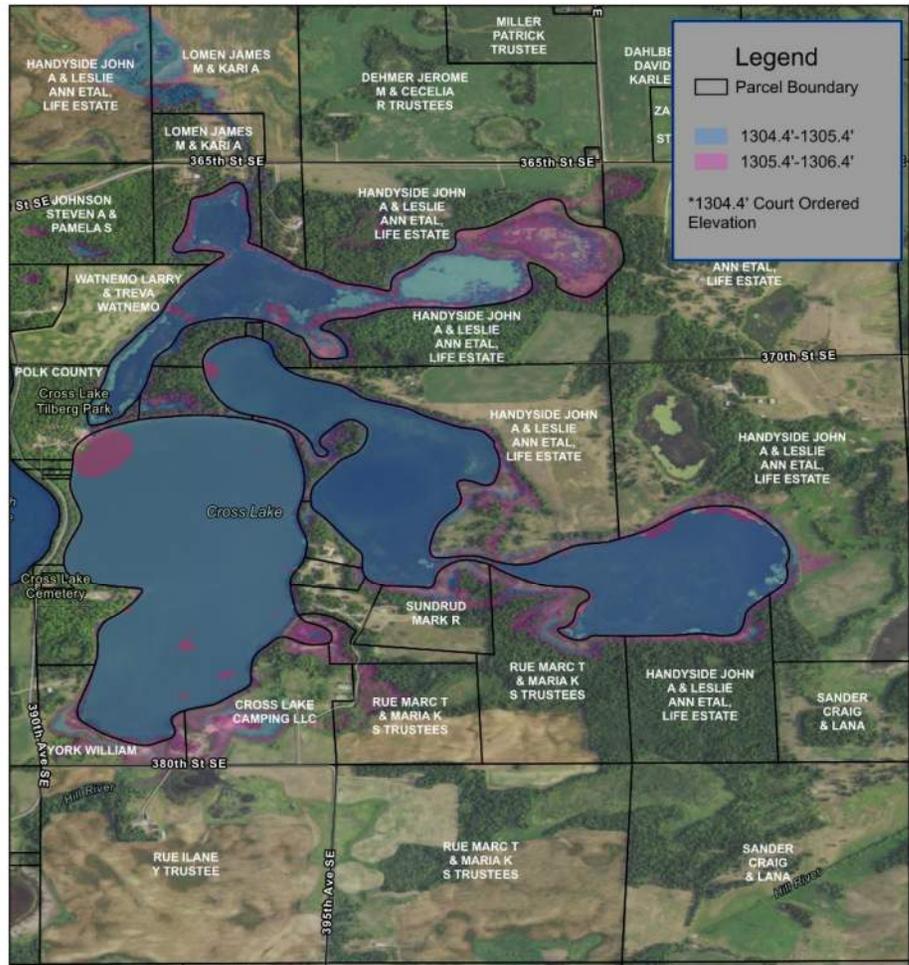
# Cross Lake

Recorded Water Levels  
2013-10-20 to 2023-10-20



# Cross Lake Water Levels





	<h3>Cross Lake Water Elevations</h3>		
	<small>Esri, HERE, Garmin, Foursquare, FAO, METI/NASA, USGS, Esri Community Maps Contributors, Esri, HERE, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, US Census Bureau, USDA, Earthstar Geographics, Maxar Polk County GIS, NADP 2021 Imagery</small>	<b>April, 2023</b>	
<small>Coordinate System: GCS WGS 1984 Vertical Datum: NAVD 88</small>			

# Connection Lakes

## **Two Connections - 60003500**

Polk County

### **Water Level Data – NAVD 88 datum**

Period of record: 01/22/1991 to 01/22/1991

# of readings: 1

Highest recorded: 1305.47 ft (01/22/1991)

[Highest known](#) opens in a new browser tab: 1308.3 ft (08-27-58)

Lowest recorded: 1305.47 ft (01/22/1991)

Recorded range: 0 ft

Court Ordered El.: 1307.60 ft

Last reading: 1305.47 ft (01/22/1991)

[Ordinary High Water Level \(OHW\)](#) elevation: 1308.3 ft

Datum: NAVD 88 (ft)

Lake Size: 197 acres



*Purpose and Need for Action*

The purpose of this proposed action is ***Water Level Stabilization and Flood Damage Reduction***:

The proposed action is needed to stabilize water levels for the benefit of recreational users, landowners, and fish

Secondary benefits from the project may include:

- Temporary flood retention during high runoff events
- Contribution to a regional goal of reducing peak flows along the Red River by 20 percent during flooding events
- Maintenance of late Summer and Fall water levels in order to maintain recreational access for boaters

# VOLUME RELATED TO DRAWDOWN

Size of Turtle Connection (not Cross) Lakes ~818 acres

6 inches of depth across lakes ~409 acre-feet

Total volume between El. 1307' – 1308.5' ~1,227 acre-feet

Drainage Area ~17 square miles (10,880 acres)

½" Runoff ~453 acre-feet

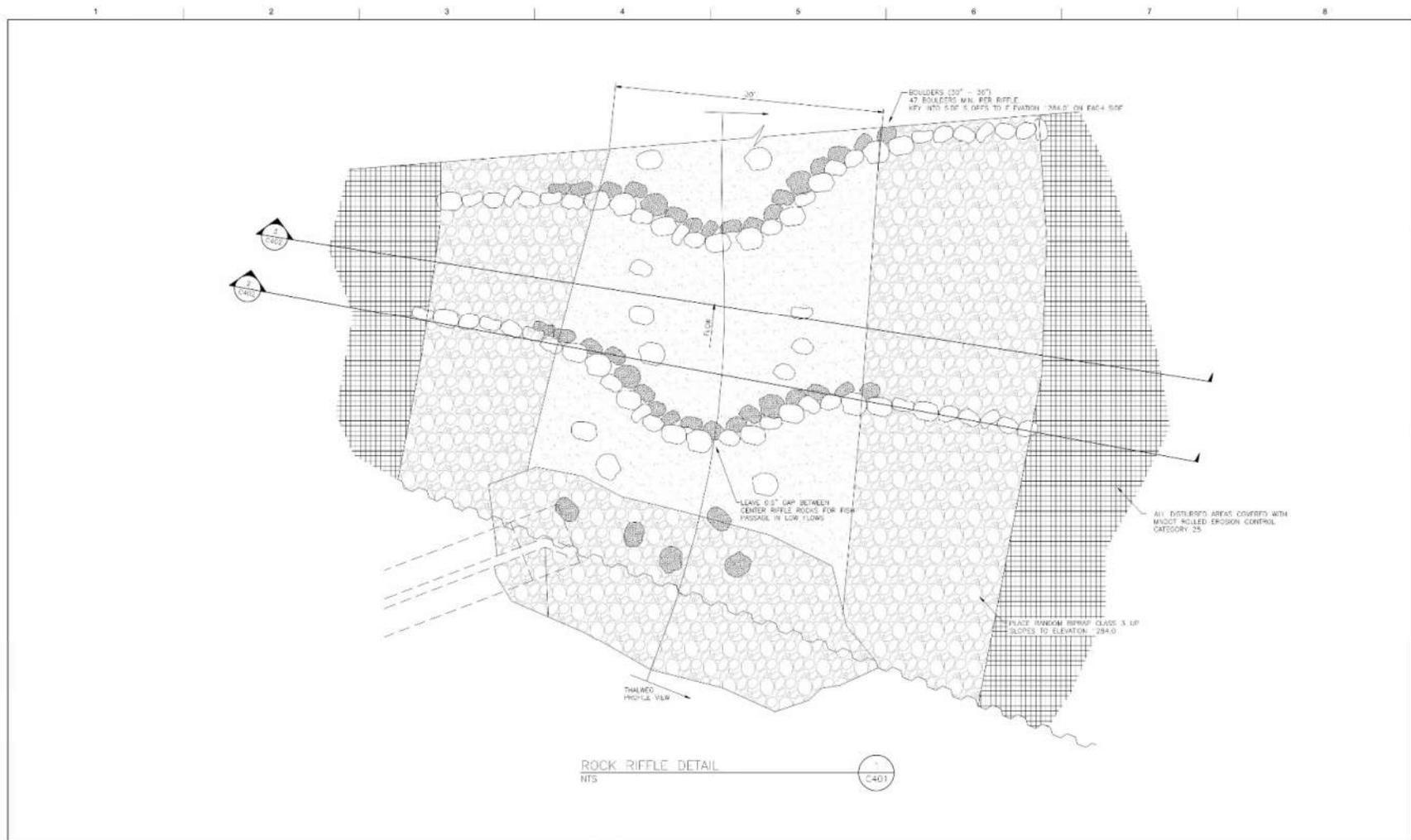
1" Runoff ~906 acre-feet

2" Runoff ~1,812 acre-feet

Summary: For Turtle and Connection Lakes, 1.0 feet of storage requires ~1" of runoff to fill a volume of 818 acre-feet, which is a common Spring occurrence. This volume would have a flood damage reduction benefit downstream in the RLWD.

# ROCK SLOPE FISHWAY





ISSUE	DATE	DESCRIPTION

PROJECT MANAGER: NATHAN P. DALAGER  
 DESIGNER 1: J. KWITT  
 DESIGNER 2: D. NELSON  
 CHECKED BY: N. DALAGER  
 PROJECT NUMBER: 1022893

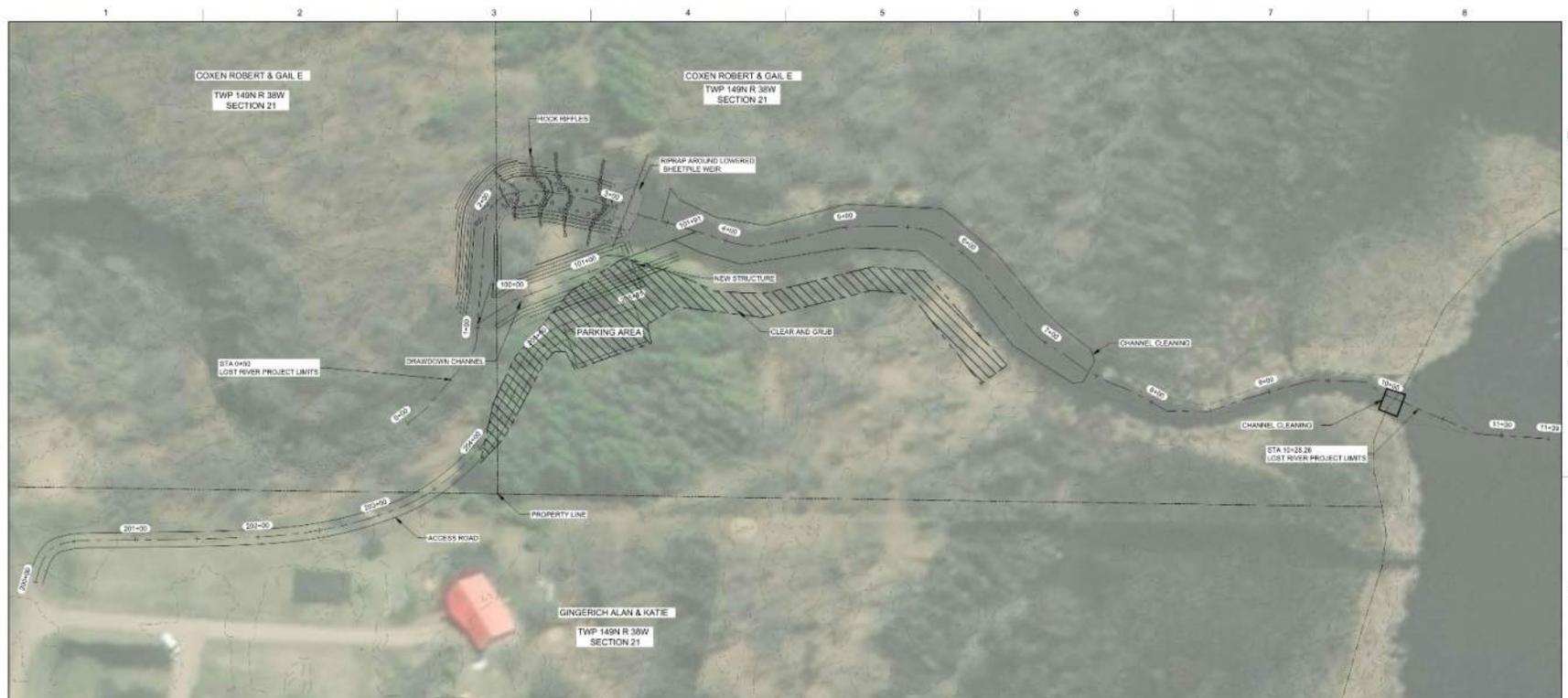
I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY REGISTERED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.  
 DATE: \_\_\_\_\_ LICENSE # 25391  
 Nathan P. Dalager

PINE LAKE OUTLET STRUCTURE REPLACEMENT  
 RED LAKE WATERSHED  
 PROJECT 26B

CIVIL DETAILS

SCALE: AS SHOWN  
 FILENAME: C401.DWG  
 SCALE: AS SHOWN

SHEET  
 C401



BENCHMARK AND GPS CONTROL	
MINDOT GEODETIC DATA BASE STATION #62623 - PINE LAKE 1E	
VERTICAL DATUM	NAVD 88
NORTHING	53632.249 (7)
EASTING	46621.469 (5)
ELEVATION	1293.899 FT. (2)
COORDINATE SYSTEM - CLEARWATER COUNTY COORDINATE SYSTEM	
GEOD MODEL	GEOD12A
LOCATION:	
1.3 MILES SOUTH OF ISONWICK, 1.3 MILES SOUTH ALONG COUNTY ROAD 7 FROM THE JUNCTION OF TRUNK HIGHWAY 62 AND COUNTY ROAD 7 BY ISONWICK, 81.0 FEET WEST OF COUNTY ROAD 7, 48.5 FEET NORTH OF 49TH STREET, 3.2 FEET SOUTH OF A WITNESS POST.	

PROJECT ALIGNMENTS AND WORK SUMMARIES		
ALIGNMENT	STATIONING	WORK SUMMARY
ALIGNMENT 1	0+00 TO 11+39	FISH PASSAGE / CHANNEL CLEANING
ALIGNMENT 2	100+00 TO 101+01	EXCAVATE NEW DRAWDOON CHANNEL
ALIGNMENT 3	200+00 TO 205+81	ACCESS ROAD AND PARKING LOT



ISSUE	DATE	DESCRIPTION

PROJECT MANAGER	NATHAN P. DALAGER
DESIGNER 1	J. KWITT
DESIGNER 2	D. NELSON
CHECKED BY	N. DALAGER
PROJECT NUMBER	1622893

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY REGISTERED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

DATE \_\_\_\_\_ LICENSE # 25391

Nathan P. Dalager

**PINE LAKE OUTLET STRUCTURE REPLACEMENT  
RED LAKE WATERSHED  
PROJECT 26B**



**SITE PLAN**

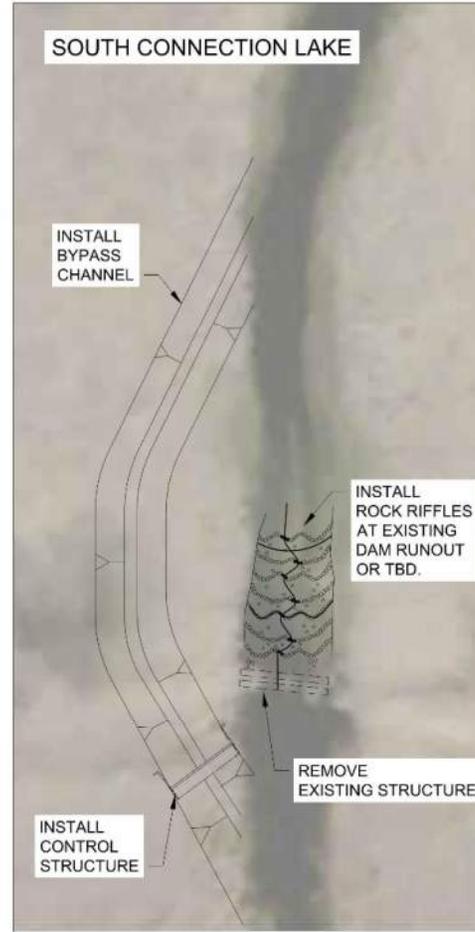
FILENAME: C101.DWG  
SCALE: 1" = 40'

SHEET  
**C101**





1 2 3 4 5 6 7 8



D  
C  
B  
A



			PROJECT MANAGER XXX.X.XXXXXX
ISSUE	DATE	DESCRIPTION	PROJECT NUMBER XXXXXXXXXXXXXXXX

RED LAKE WATERSHED DISTRICT

TURTLE, CONNECTION, AND CROSS LAKES  
CONCEPTUAL AERIAL VIEW



SHEET  
3



May 6, 2024

Tammy Audette, Administrator  
Red Lake Watershed District  
1000 Pennington Avenue South  
Thief River Falls, MN 56701

**RE: Proposal – Turtle Connection Cross Lakes Flood Damage Reduction (FDR) Project –  
Task Order 2 – [Design]**

Dear Tammy,

In response to your request for engineering services for the Turtle Connection Cross Lakes FDR Project, HDR Engineering, Inc. (HDR) is pleased to provide the following proposal for Task Order – 2 for the Turtle Connection Cross Lakes dam replacements. Future tasks and services required to successfully complete the project may be identified separately as they arise, under additional task orders.

We look forward to the opportunity to work with you on this project. If you have any questions regarding the attached scope of services, please contact Nate at (218) 681-6100.

Sincerely,

**HDR Engineering, Inc.**

Nathan Dalager, P.E.  
Project Manager

Christine Wiegert, Sr. Vice President  
MN/WI Area Manager

**Enclosed:**

Proposal, Task Order #2

HDR Engineering, Inc. Terms and Conditions for Professional Services

Budget Spreadsheet

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# Turtle Connection Cross Lakes Flood Damage Reduction Project

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## Project Understanding and Scope of Services

HDR understands that the Red Lake Watershed District (RLWD) is interested in developing a Flood Risk Reduction project of significance and Stabilization of Water Levels within this project's watershed.

Currently two of the three lakes included within this project have dams that have failed. In the previous phase of the feasibility study and alternatives analysis, the Project Team reached consensus and recommended further development of the design with for Cross Lake and Turtle and Connection Lake outlet dams that provide a flood damage reduction (FDR) component, improve fish passage, and establish preferred normal lake levels.

This scope of work includes tasks and deliverables that will enable the project sponsor to apply for funding, continue early coordination with permitting agencies, hold a public hearing to establish the project, and complete the engineering stage of the project. These tasks include the following:

1. Assistance with Project Funding Package, Project Team & Partner Coordination
2. Design of FDR Project Components
3. Permitting & Environmental Review
4. Detailed Plans & Specifications
5. Final Engineer's Report

## Proposed Action Description

The proposed Turtle Connection Cross Lakes FDR project consists of removal of the existing dam at Cross Lake and addition of a rock arch rapids, abandonment and removal of the Turtle Lake dam, and removal of the existing dam at Connection Lakes with providing a rock arch rapids and water control structure and bypass channel, which will establish preferred long-term lake levels and provide fish passage for all three lakes. The proposal provides a gated/stop log outlet structure at Connection Lakes to provide the ability to manage water levels in Turtle and Connection Lakes for FDR.

The Project has advanced past the Feasibility Study and Alternatives Analysis phase and has reached a point where design engineering is required to reach the goal of constructing this important Flood Risk Reduction and Water Level Stabilization project.

The Project Team has selected the above referenced alternative as the preferred alternative. The plans are necessary for continuing the next steps related to funding, permitting, and construction. The plans are meant to provide design of each component which will lead to a successful conclusion of the Project.

## Proposed Project Team

The project team will consist of HDR staff that will provide engineering, evaluation, and relevant engineering project management-related services. Key members of the team may consist of the following staff:

Role	Staff
Client and Project Manager	Nate Dalager, PE (MN)
Senior Civil Engineer	Glen Krogman, PE
Water Resources Coordinator	Matt Angel
Water Resources Coordinator	Aly Foty
Design Technician	Randy Knott
Structural Engineer	Goran Stekovic
Geotechnical Engineer	Kerrie Berg, PE (MN)
Senior Geotechnical Engineer	Matt Schuster, PE (MN)
Environmental Scientist	Torin McCormack

## Scope of Services

### 1.0 Project Management and Coordination

This task consists of the overall management of the project, project communication, coordination conferences/meetings, and coordination with funding partners.

- 1.1 **Project Management:** Monitor and control the project budget, scope of work and schedule; manage the project goals and objectives; manage and coordinate resources including staff scheduling and invoicing.
- 1.2 **Project Meetings:** Schedule, review, prepare, participate, and help conduct meetings and teleconferences. This includes RLWD Board of Managers meetings, one public hearing, landowner meetings, and project team meetings. A total of 8 meetings are anticipated.
- 1.3 **Coordinate with Funding Partners:** HDR will provide assistance in coordinating with funding partners such as the Flood Damage Reduction Work Group, Red River Watershed Management Board, and MnDNR.

#### **Deliverables:**

- Monthly invoices and coordination with RLWD Administrator.
- Attendance at RLWD Board meetings, presentations, and updates to the Board.
- Attendance and presentation at one public hearing.
- Attendance at up to two landowner meetings.
- Attendance and presentation at up to two project team and two sub-committee meetings.

#### **Assumptions:**

- Duration of the task is 12 months.
- RRWMB STAR value Step process will be followed.
- All meetings will be held in Thief River Falls or near Fosston, MN, and attended by one or two HDR team members.
- Grant applications will be supported by providing preliminary plans, maps, and cost estimates.
- A total of three RLWD Board meetings are anticipated.

## 2.0 Design

This task includes design analyses of the project concept with hydraulic impacts for Cross Lake and Turtle and Connection Lake outlet dams that provide a flood damage reduction (FDR) component, improve fish passage, and establish preferred normal lake levels. Each subtask will have HDR internal quality control reviews and documentation. The following subtasks will be included:

- 2.1 Design criteria:** This sub-task will define the criteria needed to design the Turtle Connection Cross Lakes FDR project. HDR has completed the feasibility study and alternatives analysis. Additional criteria may be beneficial to the Project, and continued coordination with RLWD and MnDNR will help in clearly defining project details and associated features.
- 2.2 Alternative Assessments:** Continue to evaluate and analyze the established alternative designs for the flood damage reduction and water surface level stabilization to determine the preferred alternative in order to finalize plans and details for design and permitting tasks.
- 2.3 Data collection:** The preferred alternative may require additional field survey for final design and to finalize construction quantities. Survey will include two days in the field. Survey will include existing structures, slopes, and other miscellaneous Project features. Processing publicly available elevation data is included in this task. HDR will solicit soils borings by a third party, and then review and incorporate the data into the design of the Project.
- 2.4 Hydraulics.** Confirm modeling of the preliminary design for the 24-hour, 100-year precipitation event. This task includes updating the previously developed hydraulic models for design of channels, structures, and bypass structures.
- 2.5 Hydraulic Structure Design:** Perform structure design including sizing/selection of hydraulic structures required for the preferred alternative and determined by the hydraulic model. The anticipated structure includes a gated/stop log outlet structure at Connection Lakes to provide the ability to manage water levels in Turtle and Connection Lakes for FDR.
- 2.6 Cross Lake Outlet Design:** Perform outlet design for the preferred alternative. The design will include providing rock arch rapids and removal of the existing dam at the Cross Lake Location. Evaluation will also consider shear stress and stream bed materials for sizing of riprap gradations as part of the rock slope fishway.
- 2.7 Connection Lake Outlet Design:** Perform outlet design for the preferred alternative. The design will include providing a rock arch rapids and water control structure and bypass channel as well as the removal of the existing dam at Connection Lakes, which will establish preferred long-term lake levels and provide fish passage. The proposed water control structure will be a gated/stop log outlet, to be installed after the removal of the existing dam.
- 2.8 Turtle Lake Outlet Design:** Perform outlet design for the preferred alternative. The design will include the abandonment and removal of the dam at the Turtle Lake Location.
- 2.9 Fish Passage Design:** Perform final design for a rock slope fishway. MnDNR will provide design guidance that will inform HDR's design.

### **Deliverables:**

- Field survey and topographic data.
- Hydraulic model.

#### **Assumptions:**

- Up to three coordination meetings will be held with be DNR Fisheries staff.
- Peak flows and volumes developed in previous phase of the project are sufficient for design and additional hydrological analysis will be performed to confirm design assumptions.
- Additional design alternatives will be considered as additional services under a separate task order, if required.
- RLWD will hire a third party to complete soil borings and lab testing.

### **3.0: Permitting and Environmental Compliance**

This task involves support activities which are necessary for early coordination with the United States Army Corps of Engineers, Minnesota Department of Natural Resources, and the Board of Water and Soil Resources and local agencies. The removal of existing dams and construction of the new gated/stop log water control structure includes spoil materials that have potential for wetland impacts requiring mitigation under section 404 of the United States Code of Federal Regulations. The following sub-tasks will be completed in order to determine potential avoidance, minimization, or mitigation of wetland impacts associated with the project.

- 3.1 Wetland Delineation:** HDR will perform the wetland delineation as needed for the preferred alternative. HDR will provide support information such as the Project footprint and temporary working limits as it relates to potential wetland impacts.
- 3.2 Preparation of Technical Data and Coordination:** HDR will provide technical data and assistance in the completion of permit applications pertaining to environmental review and permitting as requested by RLWD. Anticipated permit applications are a MN Public-Waters-Work Permit, Water Level Change Permit, Dam Safety Permit, USACE 404 Wetlands Permit, WCA Permit, and MPCA Stormwater Permit.
- 3.3 Environmental Assessment Worksheets (EAW):** HDR will provide technical data and assistance in the determination of EAW requirements. If an EAW is mandatory, an additional Task Order will be provided.

#### **Deliverables:**

- Level 2 wetland delineation and report
- Public waters water level change proposal and technical memorandum
- Permit applications
- Supporting mapping for applications

#### **Assumptions:**

- Field delineation will be two HDR staff and up to 3 days of field work.
- One round of review to approve the delineation.
- Natural resource enhancement or water quality benefit calculations are not included in this task.
- If necessary, a cultural resources survey will be done under separate task order.
- No mitigation plan is included in this task.

### **4.0: Detailed Plans & Specifications**

This task involves the drafting of 90% plans and specifications for construction of the Project. The plans will include components of the preferred Alternative in detail. HDR will utilize the previous work completed for preliminary engineering designs and estimated quantities in AutoCAD Civil3D.

- 4.1 **Site Plan:** A site plan will be produced within the limits of proposed construction. They will include existing and proposed main features, construction limits, alignment stationing, structures, benchmarks and GPS control points, section lines and numbers, utilities, and aerial imagery.
- 4.2 **Quantities & Construction Notes:** Estimated quantities will be tabulated for the preferred alternative and will be documented in the Engineer's Opinion of Probable Cost.
- 4.3 **SWPPP:** Required SWPPP will be included for the proposed Project.
- 4.4 **Typical Sections & Details:** Up to 10 typical sections will be provided including one for each alignment and unique design aspect.
- 4.5 **Structure Details:** Details from final designs are to be shown for proposed structures in the Project. Up to 10 individual typical details will be provided.
- 4.6 **Plan & Profile Sheets:** Profiles will be provided for each Project alignment and will include existing and proposed grades, structures, notes, and utility information.
- 4.7 **Cross Sections Sheets:** Cross sections will be provided for each Project alignment at 100 foot intervals.
- 4.8 **Specifications & Contract Documents:** Current MnDOT construction specifications and standards will be referenced and amended for the purposes of the Project. Based on the preferred alternative, items for construction will be noted and defined for pay quantities. Labor information, Equal Employment Opportunity provisions, and wage statements will also be included.

**Deliverables:**

- One Electronic copy (PDF) of the plans and specifications.

**Assumptions:**

- There will be one round of review and edits by DNR and RLWD.

## 5.0: Engineer's Report

This task involves documentation of the design of the Preferred Alternative, including impact and project implementation considerations.

- 5.1 **Engineer's Report:** This task includes a report of the analyses of the preferred alternative. The resulting Engineer's Report will be compliant with MN Statutes 103D.711 and 103D.605 for engineer's reports for watershed projects, and HDR will deliver an Engineer's Report with information and results from Tasks 2 and 3 as well as recommendations.
- 5.2 **Mapping and Conceptual Plans:** This task includes computer-aided drafting of conceptual plans for the report. Project mapping will be developed as required.
- 5.3 **Engineer's Opinion of Probable Construction Cost:** HDR will provide an engineer's opinion of probable construction costs for the preferred alternative. Costs will be based on 90% level of design.

**Deliverables:**

- One Electronic copy (PDF) and two bound versions of the Engineer's Report will be provided.

**Assumptions:**

- The report will be filed and submitted to MnDNR and BWSR prior to the public hearing to solicit review and comments.

## Cost Estimate

**The design fee estimates for the completion of Tasks 1 through 5 is \$217,830, which will be performed on a time and materials not-to-exceed basis.** HDR will invoice monthly based on work progress. Our estimated costs are based upon our understanding of the scope of work and assumptions listed. Should the scope of work be modified, it may be necessary to review scope changes and our cost estimate.

## Future Task Orders – Engineering

The following tasks are anticipated for future phases of this project. *These tasks are not included in the price proposal provided herein*, and would be scoped, estimated, and authorized separately at such time as the Red Lake Watershed District (RLWD) elects to initiate them.

- Environmental Assessment Worksheet
- Mitigation Plan
- Final Design and Plans for Construction
- Bidding support services
- Legal Boundaries and Property Right-of-Way Survey
- Additional materials required for preparation of lake level change hearings

## Notice to Proceed

Please indicate your acceptance of this proposal by signing the Notice to Proceed (below) and returning one copy of the signed proposal to HDR.

If you have any questions, please contact me (Nate) at 218.681.6100.

### **NOTICE TO PROCEED**

Client

**Red Lake Watershed District**

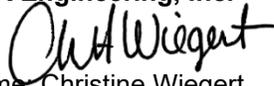
By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Consultant

**HDR Engineering, Inc.**

By: 

Name: Christine Wiegert

Title: Sr. Vice President/MN-WI Area Manager

Fig. 1 Budget Detail

Task No.	Task/Title	Client and Project Manager	Senior Civil Engineer	Water Resources Engineer	Water Resources Coordinator	Design Technician	Structural Engineer	Geotechnical Engineer	Senior Geotechnical Engineer	Environmental Scientist	Hours	Labor Fee
<b>Hourly Rates</b>		<b>\$ 245</b>	<b>\$ 245</b>	<b>\$ 180</b>	<b>\$ 130</b>	<b>\$ 170</b>	<b>\$ 160</b>	<b>\$ 160</b>	<b>\$ 245</b>	<b>\$ 160</b>		
1	Project Management and Coordination	46	0	38	32	0	0	0	0	0	116	\$ 22,270
2	Design	24	12	44	96	48	184	38	6	30	482	\$ 79,170
3	Permitting and Environmental Compliance	34	4	28	0	30	0	0	2	108	206	\$ 37,220
4	Plans and Specifications	4	4	24	0	8	16	4	4	8	72	\$ 43,110
5	Engineers Report	24	32	16	52	16	8	8	0	32	188	\$ 33,760
	<b>Totals</b>	<b>143</b>	<b>66</b>	<b>196</b>	<b>224</b>	<b>166</b>	<b>248</b>	<b>54</b>	<b>17</b>	<b>202</b>	<b>1,316</b>	<b>\$ 215,530</b>
											<b>HDR Labor Subtotal</b>	<b>\$ 215,530</b>
											Mileage (\$0.75/mile)	\$ 1,050
											GPS Equipment Rental (\$350/day)	\$ 1,050
											Printing / Plotting	\$ 200
											<b>HDR Direct Expenses Subtotal</b>	<b>\$ 2,300</b>
											<b>Total Fee</b>	<b>\$ 217,830</b>

## HDR Engineering, Inc. Terms and Conditions for Professional Services

### 1. STANDARD OF PERFORMANCE

The standard of care for all professional engineering, consulting and related services performed or furnished by ENGINEER and its employees under this Agreement will be the care and skill ordinarily used by members of ENGINEER's profession practicing under the same or similar circumstances at the same time and in the same locality. ENGINEER makes no warranties, express or implied, under this Agreement or otherwise, in connection with ENGINEER's services.

### 2. INSURANCE/INDEMNITY

ENGINEER agrees to procure and maintain, at its expense, Workers' Compensation insurance as required by statute; Employer's Liability of \$250,000; Automobile Liability insurance of \$1,000,000 combined single limit for bodily injury and property damage covering all vehicles, including hired vehicles, owned and non-owned vehicles; Commercial General Liability insurance of \$1,000,000 combined single limit for personal injury and property damage; and Professional Liability insurance of \$1,000,000 per claim for protection against claims arising out of the performance of services under this Agreement caused by negligent acts, errors, or omissions for which ENGINEER is legally liable. If flying an Unmanned Aerial System (UAS or drone), ENGINEER will procure and maintain aircraft unmanned aerial systems insurance of \$1,000,000 per occurrence. OWNER shall be made an additional insured on Commercial General and Automobile Liability insurance policies and certificates of insurance will be furnished to the OWNER. ENGINEER agrees to indemnify OWNER for third party personal injury and property damage claims to the extent caused by ENGINEER's negligent acts, errors or omissions. However, neither Party to this Agreement shall be liable to the other Party for any special, incidental, indirect, or consequential damages (including but not limited to loss of use or opportunity; loss of good will; cost of substitute facilities, goods, or services; cost of capital; and/or fines or penalties), loss of profits or revenue arising out of, resulting from, or in any way related to the Project or the Agreement from any cause or causes, including but not limited to any such damages caused by the negligence, errors or omissions, strict liability or breach of contract. The employees of both parties are intended third party beneficiaries of this waiver of consequential damages.

### 3. OPINIONS OF PROBABLE COST

Any opinions of probable project cost or probable construction cost provided by ENGINEER are made on the basis of information available to ENGINEER and on the basis of ENGINEER's experience and qualifications, and represents its judgment as an experienced and qualified professional engineer. However, since ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, or over the contractor(s)' methods of determining prices, or over competitive bidding or market conditions, ENGINEER does not guarantee that proposals, bids or actual project or construction cost will not vary from opinions of probable cost ENGINEER prepares.

### 4. CONSTRUCTION PROCEDURES

ENGINEER's observation or monitoring portions of the work performed under construction contracts shall not relieve the contractor from its responsibility for performing work in accordance with applicable contract documents. ENGINEER shall not control or have charge of, and shall not be responsible for, construction means, methods, techniques, sequences, procedures of construction, health or safety programs or precautions connected with the work and shall not manage, supervise, control or have charge of construction. ENGINEER shall not be responsible for the acts or omissions of the contractor or other parties on the project. ENGINEER shall be

entitled to review all construction contract documents and to require that no provisions extend the duties or liabilities of ENGINEER beyond those set forth in this Agreement. OWNER agrees to include ENGINEER as an indemnified party in OWNER's construction contracts for the work, which shall protect ENGINEER to the same degree as OWNER. Further, OWNER agrees that ENGINEER shall be listed as an additional insured under the construction contractor's liability insurance policies.

### 5. CONTROLLING LAW

This Agreement is to be governed by the law of the state where ENGINEER's services are performed.

### 6. SERVICES AND INFORMATION

OWNER will provide all criteria and information pertaining to OWNER's requirements for the project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations. OWNER will also provide copies of any OWNER-furnished Standard Details, Standard Specifications, or Standard Bidding Documents which are to be incorporated into the project.

OWNER will furnish the services of soils/geotechnical engineers or other consultants that include reports and appropriate professional recommendations when such services are deemed necessary by ENGINEER. The OWNER agrees to bear full responsibility for the technical accuracy and content of OWNER-furnished documents and services.

In performing professional engineering and related services hereunder, it is understood by OWNER that ENGINEER is not engaged in rendering any type of legal, insurance or accounting services, opinions or advice. Further, it is the OWNER's sole responsibility to obtain the advice of an attorney, insurance counselor or accountant to protect the OWNER's legal and financial interests. To that end, the OWNER agrees that OWNER or the OWNER's representative will examine all studies, reports, sketches, drawings, specifications, proposals and other documents, opinions or advice prepared or provided by ENGINEER, and will obtain the advice of an attorney, insurance counselor or other consultant as the OWNER deems necessary to protect the OWNER's interests before OWNER takes action or forebears to take action based upon or relying upon the services provided by ENGINEER.

### 7. SUCCESSORS, ASSIGNS AND BENEFICIARIES

OWNER and ENGINEER, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the covenants of this Agreement. Neither OWNER nor ENGINEER will assign, sublet, or transfer any interest in this Agreement or claims arising therefrom without the written consent of the other. No third party beneficiaries are intended under this Agreement.

### 8. RE-USE OF DOCUMENTS

All documents, including all reports, drawings, specifications, computer software or other items prepared or furnished by ENGINEER pursuant to this Agreement, are instruments of service with respect to the project. ENGINEER retains ownership of all such documents. OWNER may retain copies of the documents for its information and reference in connection with the project; however, none of the documents are intended or represented to be suitable for reuse by OWNER or others on extensions of the project or on any other project. Any reuse without written verification or adaptation by ENGINEER for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, and OWNER will defend, indemnify and hold harmless ENGINEER from all claims, damages, losses and expenses, including attorney's fees,

arising or resulting therefrom. Any such verification or adaptation will entitle ENGINEER to further compensation at rates to be agreed upon by OWNER and ENGINEER.

**9. TERMINATION OF AGREEMENT**

OWNER or ENGINEER may terminate the Agreement, in whole or in part, by giving seven (7) days written notice to the other party. Where the method of payment is "lump sum," or cost reimbursement, the final invoice will include all services and expenses associated with the project up to the effective date of termination. An equitable adjustment shall also be made to provide for termination settlement costs ENGINEER incurs as a result of commitments that had become firm before termination, and for a reasonable profit for services performed.

**10. SEVERABILITY**

If any provision of this agreement is held invalid or unenforceable, the remaining provisions shall be valid and binding upon the parties. One or more waivers by either party of any provision, term or condition shall not be construed by the other party as a waiver of any subsequent breach of the same provision, term or condition.

**11. INVOICES**

ENGINEER will submit monthly invoices for services rendered and OWNER will make payments to ENGINEER within thirty (30) days of OWNER's receipt of ENGINEER's invoice.

ENGINEER will retain receipts for reimbursable expenses in general accordance with Internal Revenue Service rules pertaining to the support of expenditures for income tax purposes. Receipts will be available for inspection by OWNER's auditors upon request.

If OWNER disputes any items in ENGINEER's invoice for any reason, including the lack of supporting documentation, OWNER may temporarily delete the disputed item and pay the remaining amount of the invoice. OWNER will promptly notify ENGINEER of the dispute and request clarification and/or correction. After any dispute has been settled, ENGINEER will include the disputed item on a subsequent, regularly scheduled invoice, or on a special invoice for the disputed item only.

OWNER recognizes that late payment of invoices results in extra expenses for ENGINEER. ENGINEER retains the right to assess OWNER interest at the rate of one percent (1%) per month, but not to exceed the maximum rate allowed by law, on invoices which are not paid within thirty (30) days from the date OWNER receives ENGINEER's invoice. In the event undisputed portions of ENGINEER's invoices are not paid when due, ENGINEER also reserves the right, after seven (7) days prior written notice, to suspend the performance of its services under this Agreement until all past due amounts have been paid in full.

**12. CHANGES**

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement. Adjustments in the period of services and in compensation shall be in accordance with applicable paragraphs and sections of this Agreement. Any proposed fees by ENGINEER are estimates to perform the services required to complete the project as ENGINEER understands it to be defined. For those projects involving conceptual or process development services, activities often are not fully definable in the initial planning. In any event, as the project progresses, the facts developed may dictate a change in the services to be performed, which may alter the scope. ENGINEER will inform OWNER of such situations so that changes in scope and adjustments to the time of performance and compensation can be made as required. If such change, additional services, or suspension of services results in an increase or decrease in the cost of or time required for performance

of the services, an equitable adjustment shall be made, and the Agreement modified accordingly.

**13. CONTROLLING AGREEMENT**

These Terms and Conditions shall take precedence over any inconsistent or contradictory provisions contained in any proposal, contract, purchase order, requisition, notice-to-proceed, or like document.

**14. EQUAL EMPLOYMENT AND NONDISCRIMINATION**

In connection with the services under this Agreement, ENGINEER agrees to comply with the applicable provisions of federal and state Equal Employment Opportunity for individuals based on color, religion, sex, or national origin, or disabled veteran, recently separated veteran, other protected veteran and armed forces service medal veteran status, disabilities under provisions of executive order 11246, and other employment, statutes and regulations, as stated in Title 41 Part 60 of the Code of Federal Regulations § 60-1.4 (a-f), § 60-300.5 (a-e), § 60-741 (a-e).

**15. HAZARDOUS MATERIALS**

OWNER represents to ENGINEER that, to the best of its knowledge, no hazardous materials are present at the project site. However, in the event hazardous materials are known to be present, OWNER represents that to the best of its knowledge it has disclosed to ENGINEER the existence of all such hazardous materials, including but not limited to asbestos, PCB's, petroleum, hazardous waste, or radioactive material located at or near the project site, including type, quantity and location of such hazardous materials. It is acknowledged by both parties that ENGINEER's scope of services do not include services related in any way to hazardous materials. In the event ENGINEER or any other party encounters undisclosed hazardous materials, ENGINEER shall have the obligation to notify OWNER and, to the extent required by law or regulation, the appropriate governmental officials, and ENGINEER may, at its option and without liability for delay, consequential or any other damages to OWNER, suspend performance of services on that portion of the project affected by hazardous materials until OWNER: (i) retains appropriate specialist consultant(s) or contractor(s) to identify and, as appropriate, abate, remediate, or remove the hazardous materials; and (ii) warrants that the project site is in full compliance with all applicable laws and regulations. OWNER acknowledges that ENGINEER is performing professional services for OWNER and that ENGINEER is not and shall not be required to become an "arranger," "operator," "generator," or "transporter" of hazardous materials, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA), which are or may be encountered at or near the project site in connection with ENGINEER's services under this Agreement. If ENGINEER's services hereunder cannot be performed because of the existence of hazardous materials, ENGINEER shall be entitled to terminate this Agreement for cause on 30 days written notice. To the fullest extent permitted by law, OWNER shall indemnify and hold harmless ENGINEER, its officers, directors, partners, employees, and subconsultants from and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) caused by, arising out of or resulting from hazardous materials, provided that (i) any such cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or injury to or destruction of tangible property (other than completed Work), including the loss of use resulting therefrom, and (ii) nothing in this paragraph shall obligate OWNER to indemnify any individual or entity from and against the consequences of that individual's or entity's sole negligence or willful misconduct.

**16. EXECUTION**

This Agreement, including the exhibits and schedules made part hereof, constitute the entire Agreement between ENGINEER and

OWNER, supersedes and controls over all prior written or oral understandings. This Agreement may be amended, supplemented or modified only by a written instrument duly executed by the parties.

**17. ALLOCATION OF RISK**

**OWNER AND ENGINEER HAVE EVALUATED THE RISKS AND REWARDS ASSOCIATED WITH THIS PROJECT, INCLUDING ENGINEER'S FEE RELATIVE TO THE RISKS ASSUMED, AND AGREE TO ALLOCATE CERTAIN OF THE RISKS, SO, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF ENGINEER (AND ITS RELATED CORPORATIONS, SUBCONSULTANTS AND EMPLOYEES) TO OWNER AND THIRD PARTIES GRANTED RELIANCE IS LIMITED TO THE LESSER OF \$1,000,000 OR ITS FEE, FOR ANY AND ALL INJURIES, DAMAGES, CLAIMS, LOSSES, OR EXPENSES (INCLUDING ATTORNEY AND EXPERT FEES) ARISING OUT OF ENGINEER'S SERVICES OR THIS AGREEMENT REGARDLESS OF CAUSE(S) OR THE THEORY OF LIABILITY, INCLUDING NEGLIGENCE, INDEMNITY, OR OTHER RECOVERY. ENGINEER'S AND SUBCONSULTANTS' EMPLOYEES ARE INTENDED THIRD PARTY BENEFICIARIES OF THIS ALLOCATION OF RISK.**

**18. LITIGATION SUPPORT**

In the event ENGINEER is required to respond to a subpoena, government inquiry or other legal process related to the services in connection with a legal or dispute resolution proceeding to which ENGINEER is not a party, OWNER shall reimburse ENGINEER for reasonable costs in responding and compensate ENGINEER at its then standard rates for reasonable time incurred in gathering information and documents and attending depositions, hearings, and trial.

**19. NO THIRD PARTY BENEFICIARIES**

Except as otherwise provided in this Agreement, no third party beneficiaries are intended under this Agreement. In the event a reliance letter or certification is required under the scope of services, the parties agree to use a form that is mutually acceptable to both parties.

**20. UTILITY LOCATION**

If underground sampling/testing is to be performed, a local utility locating service shall be contacted to make arrangements for all utilities to determine the location of underground utilities. In addition, OWNER shall notify ENGINEER of the presence and location of any underground utilities located on the OWNER's property which are not the responsibility of private/public utilities. ENGINEER shall take reasonable precautions to avoid damaging underground utilities that are properly marked. The OWNER agrees to waive any claim against ENGINEER and will indemnify and hold ENGINEER harmless from any claim of liability, injury or loss caused by or allegedly caused by ENGINEER's damaging of underground utilities that are not properly marked or are not called to ENGINEER's attention prior to beginning the underground sampling/testing.

**21. UNMANNED AERIAL SYSTEMS**

If operating UAS, ENGINEER will obtain all permits or exemptions required by law to operate any UAS included in the services. ENGINEER's operators have completed the training, certifications and licensure as required by the applicable jurisdiction in which the UAS will be operated. OWNER will obtain any necessary permissions for ENGINEER to operate over private property, and assist, as necessary, with all other necessary permissions for operations.

**22. OPERATIONAL TECHNOLOGY SYSTEMS**

OWNER agrees that the effectiveness of operational technology systems and features designed, recommended or assessed by ENGINEER (collectively "OT Systems") are dependent upon OWNER's continued operation and maintenance of the OT Systems

in accordance with all standards, best practices, laws, and regulations that govern the operation and maintenance of the OT Systems. OWNER shall be solely responsible for operating and maintaining the OT Systems in accordance with applicable laws, regulations, and industry standards (e.g. ISA, NIST, etc.) and best practices, which generally include but are not limited to, cyber security policies and procedures, documentation and training requirements, continuous monitoring of assets for tampering and intrusion, periodic evaluation for asset vulnerabilities, implementation and update of appropriate technical, physical, and operational standards, and offline testing of all software/firmware patches/updates prior to placing updates into production. Additionally, OWNER recognizes and agrees that OT Systems are subject to internal and external breach, compromise, and similar incidents. Security features designed, recommended or assessed by ENGINEER are intended to reduce the likelihood that OT Systems will be compromised by such incidents. However, ENGINEER does not guarantee that OWNER's OT Systems are impenetrable and OWNER agrees to waive any claims against ENGINEER resulting from any such incidents that relate to or affect OWNER's OT Systems.

**23. FORCE MAJEURE**

ENGINEER shall not be responsible for delays caused by factors beyond ENGINEER's reasonable control, including but not limited to delays because of strikes, lockouts, work slowdowns or stoppages, government ordered industry shutdowns, power or server outages, acts of nature, widespread infectious disease outbreaks (including, but not limited to epidemics and pandemics), failure of any governmental or other regulatory authority to act in a timely manner, failure of the OWNER to furnish timely information or approve or disapprove of ENGINEER's services or work product, or delays caused by faulty performance by the OWNER's or by contractors of any level or any other events or circumstances not within the reasonable control of the party affected, whether similar or dissimilar to any of the foregoing. When such delays beyond ENGINEER's reasonable control occur, the OWNER agrees that ENGINEER shall not be responsible for damages, nor shall ENGINEER be deemed in default of this Agreement, and the parties will negotiate an equitable adjustment to ENGINEER's schedule and/or compensation if impacted by the force majeure event or condition.

**24. EMPLOYEE IMMUNITY**

The parties to this Agreement acknowledge that an individual employee or agent may not be held individually liable for negligence with regard to services provided under this Agreement. To the maximum extent permitted by law, the parties intend i) that this limitation on the liability of employees and agents shall include directors, officers, employees, agents and representatives of each party and of any entity for whom a party is legally responsible, and ii) that any such employee or agent identified by name in this Agreement shall not be deemed a party. Specifically, in the event that all or a portion of the services is performed in the State of Florida, the following provision shall be applicable:

**THE PARTIES ACKNOWLEDGE THAT PURSUANT TO APPLICABLE FLORIDA STATUTES AN INDIVIDUAL EMPLOYEE OR AGENT MAY NOT BE HELD INDIVIDUALLY LIABLE FOR NEGLIGENCE WITH REGARD TO SERVICES PROVIDED UNDER THIS AGREEMENT. To the maximum extent permitted by law, the Parties intend i) that this limitation on the liability of employees**

and agents shall include directors, officers, employees, agents and representatives of each Party and of any entity for whom a Party is legally responsible, and ii) that any such employee or agent identified by name in this Agreement shall not be deemed a Party. The Parties further acknowledge that the Florida statutes referred to above include but are not limited to: §558.0035(1)(a)-(e); §471.023(3)(an engineer is personally liable for negligence except as provided in § 558.0035); §472.021(3) (surveyor and mapper); §481.219(11)(architect and interior designer); §481.319(6) (landscape architect); and §492.111(4) (geologist).

# Administrator's Report

May 9, 2024

**Pine Lake levels:** Elevation of Pine Lake on 5/3/24 was 1283.95. The data collection buoy will be installed on Friday, District staff will monitor lakes levels at that time. Summer target elevation is 1283.5. As per the operating plan, stoplogs can stay at the current elevation until the elevation is over 1284. Staff recently removed debris from the fish passage.

One easement for the Pine Lake Project – Phase 2 has been signed. The landowner for the second easement mailed the document this week, so it is my hope that we have it early next week. This same landowner is concerned about removal of any trees. This issue may need to be re-addressed after the pre-construction meeting which is scheduled for May 29<sup>th</sup> at 10:00 a.m. on-site.

**New Vehicle:** The District received the 2024 Chevy from Thiberts last week. District staff will need to have mud flaps, running boards and a box liner installed.

**Black River Impoundment:** Myron Jesme was in the office last week to assist in close-out of the Black River Impounding funding. The District was not able to close out the funding until we received the FEMA funds. Documents will be submitted to the RRWMB within the next week.