RED LAKE WATERSHED DISTRICT
April 12, 2018
Agenda
9:00 a.m.

9:00 a.m. Call to Order Action

Review and approve agenda Action

Requests to appear Information

March 13, 2018 Minutes Action

March 19, 2018 Minutes Action

Financial Report dated April 11, 2018 Action

RLWD Investments Information

General Fund Budget Information

9:15 a.m. BWSR-Water Management Districts-Matt Fischer Information

9:45 a.m. 2017 Audit Report-Brady Martz, Brian Opsahl Info./Action

10:00 a.m. Pine to Prairie Birding Trail-Laura Stengrim Information

Blackduck Lake, RLWD Project No. 50E-Joint Powers Agreement Information

Ditch 16, RLWD Project No. 177- Preliminary Engineers Report Information

Thief River Falls West Side FDR Project No. 178-Update Information

Black River Impoundment, RLWD Project No. 176 Info./Action

Agricultural Land Rental Bids

Judicial Ditch 72, RLWD Project No. 41-Update Information

Release of Claims Form-Gopher Trapping Action

Brandt Impoundment, RLWD Proj. 60D

Parnell Impoundment, RLWD Proj. 81

Louisville/Parnell Impoundment, RLWD Proj. 121
Proposed Buffer Administrative Penalty Order Amendment Information
MAWD-Newsletter, Training Work Plan, Summer Tour Information
Pennington SWCD-Area 1 Envirothon Info./Action
Permits: No. 18011-18014 Action
Six Month Employee Evaluation – Technician II Info./Action
Fox Lawson Review Info./Action
RLWD Advisory Board Meeting Information
Administrators Update Information
Legal Counsel Update Information
Managers’ updates Information
Adjourn Action

UPCOMING MEETINGS
April 12, 2018 RLWD Board Meeting, 9:00 a.m.
April 17, 2018 RRWMB Board Meeting, RLWD Office, 9:30 a.m.
April 26, 2018 RLWD Board Meeting, 9:00 a.m.
May 10, 2018 RLWD Board Meeting, 9:00 a.m.
President, Dale M. Nelson, called the meeting to order at 9:00 a.m. at the Red Lake Watershed District Office, Thief River Falls, MN.


The Board reviewed the agenda. Manager Dwight requested the addition of Bartlett Lake. A motion was made by Ose, seconded by Dwight, and passed by unanimous vote that the Board approve the agenda with the addition of Bartlett Lake. Motion carried.

The Board reviewed the February 22, 2018 minutes. Motion by Tiedemann, seconded by Sorenson, to approve the February 22, 2018 Board meeting minutes as presented. Motion carried.


Manager Sorenson stated that a Certificate of Deposit will mature on March 30, 2018 with Edward Jones. Sorenson recommended depositing the maturing Certificate of Deposit into the District’s Northern State Bank checking account. Motion by Sorenson, seconded by Ose, to approve the deposit of the Certificate of Deposit set to mature on March 30, 2018 into the District’s Northern State Bank checking account. Motion carried.

Engineer’s Jerry Pribula and Nick Pribula, Pribula Engineering, presented the Engineer’s Preliminary Survey Report for the establishment of RLWD Ditch No. 16, RLWD Project No. 177. Motion by Tiedemann, seconded by Ose, to accept for filing the Engineer’s Preliminary Survey Report for the establishment of RLWD Ditch 16, RLWD Project no. 177 and set the preliminary hearing for April 26, 2018 at 10:00 a.m. at the District office. Motion carried.

Brian Holmer, Rod Otterness, and Mark Borseth, representing the City of Thief River Falls, appeared before the Board to discuss the Thief River Falls West Side Flood Damage Reduction Project, RLWD Project No. 178. The Thief River Falls West Side Flood Damage Reduction project is a joint effort between the District, City of Thief River Falls and Pennington County to address flood concerns from County Ditch 70, west of the City of Thief River Falls. Minnesota Department of Transportation (MnDOT), in their Capital Improvement Plan, has targeted Minnesota State Highway 1 and TH #59 corridor that enters the City of Thief River Falls on the west side, for a highway improvement project targeted for 2020. The District, city and county have been working with MnDOT to strategize the timing of the MnDOT project to coincide with the development of the Thief River Falls West Side Flood Damage Reduction Project. MnDOT will need a decision by the end of April, as to the location of the proposed outlet of the project. At this point, it appears that the Thief River Falls West Side Flood Damage Reduction Project
has a $2 million-dollar shortfall in funding. Officials from the City will be at the state capital lobbying for funding for the proposed project and requested a letter of support from the District. Administrator Jesme also lobbied for support when he attended the Minnesota Association of Watershed District’s Legislative Reception. It was the consensus of the Board, to submit a letter of support for the potential State funding for the Thief River Falls West Side Flood Damage Reduction Project, RLWD Project No. 178.

Engineer Tony Nordby, Houston Engineering, Inc. discussed the landowner meeting held at the District office on March 12, 2018 for the proposed Black River Impoundment, RLWD Project No. 176. The Board reviewed a letter received from landowners, Mike and Lori Brooks. Nordby stated that his office will work on completing the plan and permitting requirements. Discussion was held on ROW requirements, field crossings, and drop structures. Discussion was held on the solicitation of quotes for rental of agricultural land for the 2018 crop year. Due to the possibility of fall construction, the District would require crops to be harvested by September 1, 2018. Motion by Ose, seconded by Tiedemann, to proceed with the advertising for the rental of approximately 406.48 acres of agriculture land, for the 2018 crop year, located within the area of the proposed Black River Impoundment, RLWD Project No. 176, with crops to be removed by September 1, 2018. Motion carried.

Administrator Jesme discussed the Judicial Ditch 72, RLWD Project No. 41/Polk County Ditch 61, landowner meeting held on February 27, 2018 at the Gully Community Center. Viewers are currently working on the redetermination of benefits for Judicial Ditch 72. Polk County is proceeding with the consolidation of ditches with Polk County Ditch 61.

Administrator Jesme stated that the District and Agassiz National NWR received the signed grant agreement for a Conservation Partners Legacy Grant in the amount of $242,000 for cattail management to enhance wildlife habitat and increase biodiversity in more than 26,000 acres of non-forested wetlands. Work will also consist of repairs to water control structures. Motion by Tiedemann, seconded by Ose, to assign the Agassiz Wetland Habitat Quality and Management Enhancement, as RLWD Project No. 180. Motion carried.

Engineer Nate Dalager stated that he received an email from the U.S. Army Corps of Engineers (Corps), stating the Corps will certify 10 acres of wetland banking located within the Louisville-Parnell Impoundment, RLWD Project No. 121.

The Board reviewed correspondence from BWSR regarding Determination of Adequacy for Mahnomen and Beltrami County’s Buffer Ordinance.

The Board reviewed a draft letter to Enbridge regarding the proposed Line 3 replacement project, that will cross the dredged portion of the Lost River under the jurisdiction of the District. As required by the US Army Corps of Engineers, Enbridge is requesting a letter of No Objection from the District for crossing the pipeline under the Lost River which was a Corps’ sponsored project. Motion by Sorenson, seconded by Page, to authorize President Nelson, to sign the letter to Enbridge, regarding the proposed Line 3 replacement. Motion carried. Enbridge will complete the District’s permit application process.
The Board reviewed a request for an extension to Permit No. 17037, Minnesota DNR Forestry, Minnie Township, Beltrami County, until June 1, 2019. Motion by Dwight, seconded by Ose, to grant a one-year extension for RLWD Permit No. 17037, Minnesota DNR Forestry, Minnie Township, Beltrami County, until June 1, 2019. Motion carried.

The Board reviewed the permits for approval. Motion by Dwight, seconded by Ose, to approve the following permits with conditions stated on the permit: No. 18008, Mike and Jani Wiebolt, Sanders Township, Pennington County; No. 18009, Garden Valley Telephone Company, King Township, Polk County, and No. 18010, Red Lake County Highway Department, Wylie Township, Red Lake County. Motion carried.

Discussion was held on the District’s Tile Permit Drainage Rules. Manager Dwight requested that District staff should review the tile permit rules and regulations that the Middle Snake Tamarac Watershed District use, and report back to the April 12, 2018 Board meeting.

The 2018 MN Viewers Association dues request was submitted to the Board. Motion by Ose, seconded by Tiedemann, and passed unanimously that the RLWD submit annual dues in the amount of $200 to the MN Viewers Association.

The MAWD Summer tour will be held June 20-22, 2018, hosted by the Riley Purgatory Bluff Creek Watershed District.

The RLWD Advisory Committee meeting will be held on March 19, 2018 at 9:30 a.m. at the District office. Managers Ose, Sorenson, Page and Dwight plan to attend.

Administrators Update:

- The next RRWMB meeting will be held on March 20, 2018 at 9:30 a.m. at the Courtyard by Marriott in Moorhead, in conjunction with RRWMB/Red River Basin Flood Damage Work Group March Conference. Included in the packet was the agenda for the Technical Seminar and the conference.
- Jesme, Tammy Audette and Corey Hanson participated in a phone conference on February 27th for the preparation of Thief River 1W1P meeting that was held on March 14th at the District office.
- The Red Lake River 1W1P Policy Committee met on February 21st at the District office to review potential projects and budget. The final Work Plan was submitted to BWSR by March 12th.
- Jesme and Loren Sanderson participated in the Parnell Impoundment Advisory meeting on February 28th at the District office. Polk County Ditch 126 and County Ditch 60 Advisory committee members met at the same time.
- Jesme and Manager Tiedemann participated in the MAWD Legislative Reception March 7-8, 2018 in St. Paul. Jesme also participated in the Minnesota Association of Watershed Administration meeting on March 7th. Meetings were held with various legislators to discuss potential FDR funding.
- Staff member Ashley Hitt attended the Aquatic Invaders Summit II conference in Minneapolis on February 28-March 1, 2018. Hitt currently sits on the Polk County AIS workgroup.
- Included in the packet was a snow survey moisture survey completed by District staff.
- Included in the packet was the November and December 2017 Water Quality Report.
- Jesme reminded that Board that he will be on vacation March 15-19th.

Legal Counsel Sparby stated that he can assist Nate Dalager and Administrator Jesme with the drafting of a letter of support for the Thief River West Side Flood Damage Reduction Project, RLWD Project No. 178.

Administrator Jesme stated that he had received an email from landowner Karen Gebhard regarding the status of the Abandonment for Judicial Ditch 5, RLWD Project No. 102.

Manager Dwight stated that he and Manager Ose, will meet with members of the Thief River 1W1P Policy Committee members to discuss the 1W1P process.

Manager Dwight stated that he attended a meeting regarding the Bartlett Lake near Northome. Dwight indicated that the MPCA completed a sediment study and has hired Emmons and Olivier Resources, Inc. to identify projects for implementation to help the lake recover.

Motion by Ose, seconded by Dwight, to adjourn to the March 19, 2018, RLWD Advisory Board meeting at 9:30 a.m. at the RLWD Office at 1000 Pennington Avenue South, Thief River Falls, MN 56701. Motion carried.

__________________________________________
LeRoy Ose, Secretary
Present were: Managers LeRoy Ose, Allan Page, Terry Sorenson and Brian Dwight. Absent: Les Torgerson, Dale M. Nelson and Gene Tiedemann. Staff present: Loren Sanderson, Tammy Audette, Christina Slominski, Corey Hanson, and Ashley Hitt.

Secretary LeRoy Ose called the Red Lake Watershed District Board Meeting to order at 9:30 a.m., to allow the Board to participate in the RLWD Advisory Committee meeting.

After the RLWD Advisory Committee meeting concluded, a motion was made by Sorenson, seconded by Page, to adjourn the meeting. Motion carried.

LeRoy Ose, Secretary
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<td>Myron Jesme</td>
<td>Per diem meals for Legislative briefing and RRRWMB meetings</td>
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<td>Ashley Hitt</td>
<td>Reimburse for mileage</td>
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<td>36722</td>
<td>Sjoberg's Cable TV</td>
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<td>Cenex Credit Card</td>
<td>Gas for 3 vehicles</td>
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<td>36724</td>
<td>Ameripride Services Inc.</td>
<td>Rug rental</td>
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<td>36725</td>
<td>Tammy Audette</td>
<td>Clean offices in March</td>
<td>315.00</td>
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<td>36726</td>
<td>Centurylink</td>
<td>Telephone expense</td>
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<td>Dakota Mailing &amp; Shipping</td>
<td>Ink cartridges for postage meter and sealing solution</td>
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<td>36728</td>
<td>Garden Valley Technologies</td>
<td>Telephone maintenance</td>
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<td>36729</td>
<td>Houston Engineering, Inc.</td>
<td>*Engineering fees</td>
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<td>36730</td>
<td>Hugo's</td>
<td>Meeting and maintenance supplies</td>
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<td>36731</td>
<td>Les's Sanitation Inc.</td>
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<td>36732</td>
<td>Marco</td>
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<td>MCI</td>
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<td>Northwest Beverage, Inc.</td>
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<td>Olson Construction</td>
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<td>Purchase Power</td>
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<td>36743</td>
<td>Thief River Falls Times</td>
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### Payroll

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<td>Registration, mileage, and meal-MN Viewers Assn. meeting</td>
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<td>Blue Cross Blue Shield Health insurance premium</td>
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<td>Deluxe Business Forms Accounts payable checks</td>
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<td>Deluxe Business Forms Refund sales taxes</td>
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<td>SelectAccount FSA medical account</td>
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<td>Al Page Mileage and meal</td>
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<td>Brian Dwight Mileage and meal</td>
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<td>Terry Sorenson Mileage and meals</td>
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### Total Checks

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**Houston Engineering, Inc.**

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<td>Proj. 149AA PTMapp</td>
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<td>Proj. 176 Black River Impoundment</td>
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<td><strong>TOTAL</strong></td>
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**Marco**

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<td>(15) Office 365 Monthly expense</td>
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### Northern State Bank

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<td>Total Checks Written</td>
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<td>Receipt #016521 CDARS-Matured CDs with interest</td>
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<td>Receipt #016522 State of Minnesota-Blackduck Lake Outlet Structure grant reimbursement</td>
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<td>Receipt #016523 Pitney Bowes-Reimburse for postage meter overcharges</td>
<td>$17.34</td>
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<td>Receipt #016524 State of Minnesota-Reimburse for 2 water quality grant cost shares</td>
<td>$6,940.00</td>
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<td>Receipt #016525 Northern State Bank-Monthly interest</td>
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<td>Receipt #016527 First National Bank-Bemidji-interest on CD</td>
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<td>Receipt #016528 NRCS-Reimburse for Req.#7-Four Legged Lake RCPP</td>
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<td>Receipt #016529 Ultima-Interest on CD</td>
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<td>Receipt #016530 CDARS-Monthly interest on CDs</td>
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<td>Receipt #016531 Edward Jones-Interest on matured CD</td>
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<td>10010 Northern State Bank (checking)</td>
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<td>10200 Border State Bank (Investor savings)</td>
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<td>Thief River Falls</td>
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<td>10840 Edward Jones (Ally Bank)</td>
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<td>(Savings account)</td>
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<tr>
<td>10470 CDARS-Bank of America, Charlotte, NC</td>
<td>$ 200,000.00</td>
</tr>
<tr>
<td>monthly interest payment via ACH</td>
<td></td>
</tr>
<tr>
<td>10240 CDARS-TriState Capital Bank-Pittsburgh</td>
<td>$ 200,000.00</td>
</tr>
<tr>
<td>12 mos. CD, int. paid monthly</td>
<td></td>
</tr>
<tr>
<td>10550 Citizens State Bank, Roseau</td>
<td>$ 200,000.00</td>
</tr>
<tr>
<td>#59137 18 mos.(int.pd semi-annually)</td>
<td></td>
</tr>
<tr>
<td>10760 Ultima Bank Minnesota-Fosston (1076)</td>
<td>$ 200,000.00</td>
</tr>
<tr>
<td>#16623 12 month CD</td>
<td></td>
</tr>
<tr>
<td>10770 CDARS-Bank of China, NY</td>
<td>$ 243,500.00</td>
</tr>
<tr>
<td>Interest direct deposited monthly</td>
<td></td>
</tr>
<tr>
<td>10770 CDARS-Great Plains National Bank</td>
<td>$ 113,000.00</td>
</tr>
<tr>
<td>Interest direct deposited monthly</td>
<td></td>
</tr>
<tr>
<td>10770 CDARS-MainStreet Bank</td>
<td>$ 243,500.00</td>
</tr>
<tr>
<td>Interest direct deposited monthly</td>
<td></td>
</tr>
<tr>
<td>10830 Edward Jones-Morgan Stanley</td>
<td>$ 200,000.00</td>
</tr>
<tr>
<td>Interest paid at maturity</td>
<td></td>
</tr>
<tr>
<td>10650 First National Bank-Bemidji-12 mos. CD</td>
<td>$ 200,000.00</td>
</tr>
<tr>
<td>#94230 Qtrly interest-direct deposit(1065)</td>
<td></td>
</tr>
<tr>
<td>10660 CDARS-Amarillo National Bank, TX</td>
<td>$ 146,500.00</td>
</tr>
<tr>
<td>12 mos. CD, int. paid monthly</td>
<td></td>
</tr>
<tr>
<td>10660 CDARS-Conway, AR</td>
<td>$ 53,500.00</td>
</tr>
<tr>
<td>12 mos. CD, int. paid monthly</td>
<td></td>
</tr>
</tbody>
</table>

$ 3,480,932.12 $ 3,489,123.08
Certificate of Deposit (CD's):
- Money is held locally at American Federal Bank.
- FDIC Insurance up to $250,000.
- For all Deposits in excess of $250,000 American Federal Bank will pledge collateral in order to insure the Deposit up to State required pledging limits.

<table>
<thead>
<tr>
<th>CD Term</th>
<th>APY</th>
</tr>
</thead>
<tbody>
<tr>
<td>91 Day</td>
<td>1.40%</td>
</tr>
<tr>
<td>182 Day</td>
<td>1.55%</td>
</tr>
<tr>
<td>12 Month</td>
<td>1.80%</td>
</tr>
<tr>
<td>18 Month</td>
<td>1.90%</td>
</tr>
<tr>
<td>24 Month</td>
<td>2.00%</td>
</tr>
<tr>
<td>36 Month</td>
<td>2.15%</td>
</tr>
<tr>
<td>48 Month</td>
<td>2.25%</td>
</tr>
<tr>
<td>60 Month</td>
<td>2.30%</td>
</tr>
</tbody>
</table>

Rates as of 4/2/18

Certificate of Deposit Registry Service (CDARS):
- American Federal Bank is currently enrolled in the CDARS networking system.
- Money is disbursed to multiple banks to stay under $250,000 FDIC limit at each institution.

Checking Account:
- Current APY paid on Money Market Checking Accounts is 0.50% (negotiable on large balance accounts)
  - For an average balance of $500K+ APY would range 2x-3x more than your current checking APY
- No charge for check images returned with Statement.
  - ezDeposit:
    - Allows you to make check deposits to your account electronically right from the convenience of your office.
    - Easy 3 step process of Scan, Balance, and Transmit your checks to your account 24/7.
    - Eliminates deposit transportation time and the risks associated with transporting deposits.
  - Online Banking:
    - View account balances and review account and transaction activity.
    - Transfer funds between eligible accounts.
    - A security rich system which enables the business manager to set who has access to which accounts and at what level.
    - Establish automatic recurring bill pay - safer than mailing checks.
    - Recurring wire transfers template.
Ultima Bank Minnesota Direct Savings Account

Be Smart About Saving
Paying our most competitive rate with the convenience of accessing your account COMPLETELY ONLINE.

- Open an account with as little as $1000
- Transfer money from your account all online
- Earn one of the best rates in the country
- Pay no service charge (if you maintain a $1000 balance)
Account Features

- UBM Direct Savings Account holders must have a checking account (at any financial institution chartered in the US) to transfer money to and from the UBM Savings Account.

- Account statements will be delivered electronically -- The interest rate on the UBM Direct Savings Account is variable and may change daily. The interest calculation is based on the available daily balances using simple interest and is compounded and credited to your account monthly.

- No interest is earned and a $10 monthly service charge will apply if the account balance falls below $1000.

- $25 fee if account is closed in the first 90 days.

To access - go online at www.ultimabank.com and select UBM DIRECT SAVINGS read through the features, click open a UBM Direct Savings Account and fill out the application.

FOR ASSISTANCE CALL 800-421-2588
Today's Interest Rates - Savings

Interest accrual begins on the first business day after the day we receive your deposit.
Interest is calculated daily based on your available balance.
The interest rate is variable and is subject to change without notice.
Fees could reduce earnings.

<table>
<thead>
<tr>
<th>Account Name</th>
<th>Available Balance</th>
<th>Interest Rate (In %)</th>
<th>Annual Percentage Yield (APY In %)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UBM Direct ...</strong></td>
<td>1,000-499,999</td>
<td>1.15</td>
<td>1.16</td>
</tr>
<tr>
<td></td>
<td>500,000 &amp; Over</td>
<td>1.30</td>
<td>1.31</td>
</tr>
<tr>
<td><strong>SMART...</strong></td>
<td>Any Amount</td>
<td>2.25</td>
<td>2.27</td>
</tr>
<tr>
<td><strong>Ultima Kids Club...</strong></td>
<td>Any Amount</td>
<td>0.35</td>
<td>0.35</td>
</tr>
<tr>
<td><strong>Christmas Club...</strong></td>
<td>Any Amount</td>
<td>0.25</td>
<td>0.25</td>
</tr>
<tr>
<td><strong>Regular....</strong></td>
<td>Any Amount</td>
<td>0.35</td>
<td>0.35</td>
</tr>
<tr>
<td><strong>Money Market....</strong></td>
<td>0-2,499</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>2,500-9,999</td>
<td>0.35</td>
<td>0.35</td>
</tr>
<tr>
<td></td>
<td>10,000-24,999</td>
<td>0.40</td>
<td>0.40</td>
</tr>
<tr>
<td></td>
<td>25,000-49,999</td>
<td>0.45</td>
<td>0.45</td>
</tr>
<tr>
<td></td>
<td>50,000-74,999</td>
<td>0.50</td>
<td>0.50</td>
</tr>
<tr>
<td></td>
<td>75,000 &amp; Over</td>
<td>0.55</td>
<td>0.55</td>
</tr>
<tr>
<td><strong>Ultima...</strong></td>
<td>0-9,999</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>10,000-24,999</td>
<td>0.40</td>
<td>0.40</td>
</tr>
<tr>
<td></td>
<td>25,000-49,999</td>
<td>0.50</td>
<td>0.50</td>
</tr>
<tr>
<td></td>
<td>50,000-74,999</td>
<td>0.55</td>
<td>0.55</td>
</tr>
<tr>
<td></td>
<td>75,000-99,999</td>
<td>0.65</td>
<td>0.65</td>
</tr>
<tr>
<td></td>
<td>100,000 &amp; Over</td>
<td>0.75</td>
<td>0.75</td>
</tr>
</tbody>
</table>

March 22, 2018 - Member FDIC
# 2018 GENERAL FUND BUDGET

## (unaudited)

### 2018 Budget

<table>
<thead>
<tr>
<th>Item</th>
<th>2018 Budget</th>
<th>2018 Exp.</th>
<th>(over) under</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>TO 3-31-18</td>
<td>TO 3-31-18</td>
<td></td>
</tr>
<tr>
<td>Manager's fees, salaries</td>
<td>20,000.00</td>
<td>3,075.00</td>
<td>16,925.00</td>
</tr>
<tr>
<td>Board of Manager's expense</td>
<td>22,000.00</td>
<td>3,422.80</td>
<td>18,577.20</td>
</tr>
<tr>
<td>Staff salaries</td>
<td>461,000.00</td>
<td>120,810.70</td>
<td>340,189.30</td>
</tr>
<tr>
<td>Payroll taxes</td>
<td>35,266.50</td>
<td>7,870.35</td>
<td>27,396.15</td>
</tr>
<tr>
<td>Employee benefits</td>
<td>108,368.50</td>
<td>16,813.89</td>
<td>91,554.61</td>
</tr>
<tr>
<td>Travel and meetings (inc. mileage &amp; exp.)</td>
<td>5,000.00</td>
<td>1,617.29</td>
<td>3,382.71</td>
</tr>
<tr>
<td>Audit</td>
<td>9,000.00</td>
<td>6,000.00</td>
<td>3,000.00</td>
</tr>
<tr>
<td>Legal</td>
<td>15,000.00</td>
<td>2,430.00</td>
<td>12,570.00</td>
</tr>
<tr>
<td>Office supplies</td>
<td>15,000.00</td>
<td>3,963.75</td>
<td>11,036.25</td>
</tr>
<tr>
<td>Office equipment</td>
<td>18,000.00</td>
<td>2,086.00</td>
<td>15,914.00</td>
</tr>
<tr>
<td>Appraiser/Viewer Expense</td>
<td>2,000.00</td>
<td>0.00</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Professional services (inc. Eng. Fees)</td>
<td>20,000.00</td>
<td>3,659.00</td>
<td>16,341.00</td>
</tr>
<tr>
<td>Dues and subscriptions</td>
<td>10,000.00</td>
<td>8,809.08</td>
<td>1,190.92</td>
</tr>
<tr>
<td>Insurance and bonds</td>
<td>25,000.00</td>
<td>0.00</td>
<td>25,000.00</td>
</tr>
<tr>
<td>Repairs and maintenance-Building</td>
<td>15,000.00</td>
<td>1,998.38</td>
<td>13,001.62</td>
</tr>
<tr>
<td>Utilities</td>
<td>10,000.00</td>
<td>2,942.90</td>
<td>7,057.10</td>
</tr>
<tr>
<td>Advertising and publications</td>
<td>4,000.00</td>
<td>303.50</td>
<td>3,696.50</td>
</tr>
<tr>
<td>Telephone</td>
<td>11,000.00</td>
<td>2,308.60</td>
<td>8,691.40</td>
</tr>
<tr>
<td>Vehicle expense and maintenance</td>
<td>14,000.00</td>
<td>1,323.36</td>
<td>12,676.64</td>
</tr>
<tr>
<td>Engineering supplies</td>
<td>3,000.00</td>
<td>35.61</td>
<td>2,964.39</td>
</tr>
<tr>
<td>Engineering equipment</td>
<td>40,000.00</td>
<td>0.00</td>
<td>40,000.00</td>
</tr>
<tr>
<td>Interest</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>862,635.00</td>
<td>189,470.21</td>
<td>673,164.79</td>
</tr>
<tr>
<td>Less: Overhead</td>
<td>691,500.00</td>
<td>165,307.18</td>
<td>(526,192.82)</td>
</tr>
<tr>
<td>Less: Miscellaneous revenue</td>
<td>7,000.00</td>
<td>7,583.34</td>
<td>583.34</td>
</tr>
<tr>
<td>General Fund Budget</td>
<td>164,135.00</td>
<td>16,579.69</td>
<td>147,555.31</td>
</tr>
</tbody>
</table>

### 2018 January 1 Beg. Balance

<table>
<thead>
<tr>
<th>Item</th>
<th>327,947.46</th>
</tr>
</thead>
<tbody>
<tr>
<td>County levies revenue</td>
<td>0.00</td>
</tr>
<tr>
<td>Misc. revenue</td>
<td>0.00</td>
</tr>
<tr>
<td>Gross balance with revenue</td>
<td>327,947.46</td>
</tr>
<tr>
<td>Less net expenses</td>
<td>(16,579.69)</td>
</tr>
<tr>
<td>Subtotal- General Fund</td>
<td>311,367.77</td>
</tr>
<tr>
<td>Plus interest earned</td>
<td>6,551.81</td>
</tr>
<tr>
<td>General Fund Balance 3-31-18</td>
<td>317,919.58</td>
</tr>
</tbody>
</table>
RED LAKE WATERSHED DISTRICT
THIEF RIVER FALLS, MINNESOTA

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017
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<td></td>
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<td>39</td>
</tr>
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</tr>
<tr>
<td>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</td>
<td>41</td>
</tr>
<tr>
<td>Schedule of Findings and Responses</td>
<td>43</td>
</tr>
<tr>
<td>Corrective Action Plan</td>
<td>44</td>
</tr>
</tbody>
</table>
## Board of Managers

<table>
<thead>
<tr>
<th>Manager</th>
<th>County</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dale M. Nelson</td>
<td>Pennington</td>
<td>President</td>
</tr>
<tr>
<td>Gene Tiedemann</td>
<td>West Polk</td>
<td>Vice President</td>
</tr>
<tr>
<td>Terry Sorenson</td>
<td>East Polk</td>
<td>Treasurer</td>
</tr>
<tr>
<td>LeRoy Ose</td>
<td>Marshall</td>
<td>Secretary</td>
</tr>
<tr>
<td>Brian Dwight</td>
<td>Beltrami</td>
<td>Manager</td>
</tr>
<tr>
<td>Allan Page</td>
<td>Red Lake</td>
<td>Manager</td>
</tr>
<tr>
<td>Les Torgerson</td>
<td>Clearwater</td>
<td>Manager</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITOR’S REPORT

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

Report on the Financial Statements

We have audited the accompanying modified 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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified 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 Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements 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 entity’s internal control. Accordingly, we express no such opinion. An audit also includes
evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified 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, 2017, and the respective changes in modified cash basis financial position for the year then ended in conformity with the basis of accounting described in Note 1.

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 modified 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 the matter.

Other Matters

Other 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 official directory, management's discussion and analysis, budgetary comparison schedule, statement of receipts and disbursements and changes in fund balance, statement of direct expenditures by classification, and statement of receipts and disbursements and changes in amounts due to other governmental units as shown in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule, statement of receipts and disbursements and changes in fund balance, statement of direct expenditures by classification, and statement of receipts and disbursements and changes in amounts due to other governmental units are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 and the supplementary statements are fairly stated in all material respects in relation to the financial statements as described in the basis of accounting described in Note 1.

The official directory and the management's discussion and analysis section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.
Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 30, 2018 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 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 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

March 30, 2018
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, 2017, within the limitations of the District's modified cash basis of accounting. Please read it in conjunction with the District's financial statements that begin on page 15.

**FINANCIAL HIGHLIGHTS**

- The District's governmental funds total expenditures exceeded total revenues, on the modified cash basis of accounting, by $75,246 for the year ended December 31, 2017.
- The general fund showed a decrease on the modified cash basis fund balance in the amount of $141,528.
- The District's General Fund ended the year with a fund balance of $327,501.
- The District's combined fund balance at the close of the current year was $4,612,076.

**Overview of the Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's modified cash basis of accounting.

**Report Components**

This annual report consists of five parts as follows:

**Government—Wide Financial Statements:** The Statement of Net Cash Position and the Statement of Activities Arising from Cash Transactions on pages 15 and 16 provide information about the activities of the District government-wide (or “as a whole”) and present a longer-term view of the District's finances.

**Fund Financial Statements:** Fund financial statements (starting on page 17) focus on the individual parts of the District government. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District’s most significant (“major”) funds. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

**Notes to the Basic Financial Statements:** The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Other Supplementary Information:** This Management’s Discussion and Analysis and the General Fund Budgetary Comparison Schedule (starting on page 33) represent other financial information. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as “the basic financial statements”).

**Other Supplementary Statements:** This part of the annual report (starting on page 35) includes other supplemental financial information which is provided to address certain specific needs of various users of the District's annual report. These statements and schedules include individual Fund Statements for Governmental units.
Basis of Accounting

The District has elected to present its financial statements on a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 modified cash basis of accounting, revenues and expenses are not recorded until the related cash transactions take place. Differences between reported revenues and expenses and the related cash transactions are recorded when they result from cash transactions, except for the recording of depreciation expense on the capital assets in the government-wide financial statements.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue from billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in the basic 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 modified cash basis of accounting.

Reporting the District as a Whole

The District’s Reporting Entity Presentation

This annual report includes all activities for which the Red Lake Watershed District Board of Managers is fiscally responsible. These activities, defined as the District’s reporting entity, are operated within separate legal entities that make up the primary government. The District has no reportable component units.

The Government-Wide Statement of Net Cash Position and the Statement of Activities Arising from Cash Transactions

Our financial analysis of the District as a whole begins on page 7. The government-wide financial statements are presented on pages 15 and 16. One of the most important questions asked about the District’s finances is, “Is the District as a whole better off or worse off as a result of the year’s activities?” The Statement of Net Cash Position and the Statement of Activities Arising from Cash Transactions report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District’s assets and liabilities resulting from the use of the modified cash basis of accounting.

These two statements report the District’s net cash position and changes in them. Keeping in mind the limitations of the modified cash basis of accounting, you can think of the District’s net cash position—the difference between assets and liabilities—as one way to measure the District’s financial health or financial position. Over time, increases or decreases in the District’s net cash position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District’s property tax base and the condition of the District’s infrastructure, to assess the overall health of the District.
In the Statement of Net Cash Position and the Statement of Activities Arising from Cash Transactions, the District has one type of activity:

**Government Activities** - The District’s basic services are reported here, including the general administration and capital projects. Property taxes, state aids, and state and federal grants finance most of these activities.

**The Fund Financial Statements**

The fund financial statements begin on page 17 and provide detailed information about the most significant funds. Some funds are required to be established by state law and by bond covenants.

However, the Board of Managers establishes certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The District’s two kinds of funds—governmental and fiduciary—use different accounting approaches.

**Governmental funds**— Most of the District’s basic services are reported as governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds report the acquisition of capital assets and payments for debt principal as a detailed short-term view of the District’s general government operations and the basic services it provides. Governmental fund information helps you to determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs.

The District considers the General Fund, the Special Revenue Fund, and the Capital Project Fund as significant or major governmental funds. There are no other funds.

**Fiduciary funds**— These fund types are often used to account for assets that are held in a trustee or fiduciary capacity such as pension plan assets, assets held per trust agreements, and similar arrangements.

**A FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

**Net Cash Position**

The District's combined government-wide Net Position, resulting from modified cash basis transactions increased by $646,617 between fiscal years 2017 and 2016. As noted earlier, net position - modified cash basis may serve over time as a useful indicator of a government's financial position. In the case of Red Lake Watershed District, assets exceeded liabilities by $19,183,122 at December 31, 2017, which is an increase of $646,617 over the year ended December 31, 2016; which is more than a 3.49% increase over the prior year.

A portion of Red Lake Watershed District's net position ($14,571,046 or 75.96%) reflects its investment in capital assets. Red Lake Watershed District uses these capital assets to provide services to citizens; consequently, these are not available for future spending.

A portion of Red Lake Watershed District's net position ($95,703) reflects a portion of net position that is restricted for ditch maintenance.
RED LAKE WATERSHED DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>Change 16-17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>$ 4,612,076</td>
<td>$ 5,487,822</td>
<td>($875,746)</td>
</tr>
<tr>
<td>Net Capital Assets</td>
<td>14,571,046</td>
<td>13,048,683</td>
<td>1,522,363</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$ 19,183,122</td>
<td>$ 18,536,505</td>
<td>$ 646,617</td>
</tr>
<tr>
<td><strong>Net Position</strong></td>
<td>$ 19,183,122</td>
<td>$ 18,536,505</td>
<td>$ 646,617</td>
</tr>
</tbody>
</table>

**Changes in Net Cash Position**  

For the years ended December 31, 2017 and 2016, Net Position of the primary government (resulting from modified cash basis transaction) changed as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>Change 16-17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special Assessments and Charges for Services</td>
<td>$ 235,043</td>
<td>$ 187,479</td>
<td>$ 47,564</td>
</tr>
<tr>
<td>Operating Grants</td>
<td>16,060</td>
<td>20,720</td>
<td>(4,660)</td>
</tr>
<tr>
<td>Capital Grants</td>
<td>950,015</td>
<td>653,358</td>
<td>296,657</td>
</tr>
<tr>
<td>General Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Taxes</td>
<td>1,468,953</td>
<td>1,496,117</td>
<td>(27,164)</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>1,805</td>
<td>903</td>
<td>902</td>
</tr>
<tr>
<td>Interest</td>
<td>65,441</td>
<td>31,049</td>
<td>34,392</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$ 2,737,317</td>
<td>$ 2,389,626</td>
<td>$ 347,691</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and Administration</td>
<td>$ 148,788</td>
<td>$ 135,125</td>
<td>$ 13,663</td>
</tr>
<tr>
<td>Ongoing Projects and Studies</td>
<td>268,581</td>
<td>145,602</td>
<td>122,979</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>1,655,164</td>
<td>1,712,057</td>
<td>(56,893)</td>
</tr>
<tr>
<td>Allocated Interest</td>
<td>18,167</td>
<td>5,879</td>
<td>12,288</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>$ 2,090,700</td>
<td>$ 1,998,663</td>
<td>$ 92,037</td>
</tr>
<tr>
<td><strong>Increase in Net Position</strong></td>
<td>$ 646,617</td>
<td>$ 390,963</td>
<td></td>
</tr>
</tbody>
</table>
Below are specific graphs which provide comparisons of the governmental activities revenues and expenditures for the year ended December 31, 2017:

**Governmental Activities - Revenues**

- Property Taxes 53%
- Capital Grants 34%
- Assessments and Charges for Services 10%
- Operating Grants 1%
- Intergovernmental 0%
- Interest 2%

**Governmental Activities - Expenditures**

- Capital Projects 80%
- Ongoing Projects and Studies 13%
- General and Administration 7%
- Interest 0%
Governmental Activities

To aid in the understanding of the Statement of Activities Arising from Cash Transactions on page 16, 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, 2017, General Fund expenditures were $12,476 under final budget. The budget was not amended during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets—Modified Cash Basis

At December 31, 2017, the District had approximately $14,571,046 (net of accumulated depreciation) invested in capital assets. This investment in capital assets consists of building, equipment, and infrastructure assets necessary for the District to carry out watershed and conservation management within its service area.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and Improvements</td>
<td>$775,594</td>
<td>$478,790</td>
<td>$501,421</td>
<td></td>
</tr>
<tr>
<td>Infrastructure Improvements</td>
<td>12,601,966</td>
<td>9,740,111</td>
<td>10,240,256</td>
<td></td>
</tr>
<tr>
<td>Engineering Equipment</td>
<td>426,170</td>
<td>67,292</td>
<td>58,589</td>
<td></td>
</tr>
<tr>
<td>Office Equipment</td>
<td>169,323</td>
<td>35,473</td>
<td>12,793</td>
<td></td>
</tr>
<tr>
<td>Land and Permanent Easements</td>
<td>3,018,474</td>
<td>3,018,474</td>
<td>1,906,922</td>
<td></td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>1,230,906</td>
<td>1,230,906</td>
<td>328,702</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$18,222,433</td>
<td>$14,571,046</td>
<td>$13,048,683</td>
<td></td>
</tr>
</tbody>
</table>

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 with other agencies, and investigation into a flood control project.
OTHER ITEMS OF INTEREST

Water Quality grants from the State of Minnesota, Minnesota Pollution Control Agency, for Surface Water Assessment Grants, Watershed Assessment Projects (watershed based TMDL), are ongoing for Clearwater River, Red Lake River, Thief River, and Grand Marais Creek. Expenses over and above the grants are expended from the Capital Projects Fund.

The Red River Watershed Management Board (RRWMB) was awarded funding for farmstead ring dike construction in the Red River Valley in 2015, by a grant provided by the Minnesota Department of Natural Resources, through an appropriation by the Minnesota State Legislature. Since the Red Lake Watershed District (RLWD) is a part of the RRWMB, funding for up to 3 ring dikes was appropriated. During the summer of 2016, a ring dike was constructed at a farmstead in Polk County as part of this funding. The grant was cost shared at 50% by the Minnesota Department of Natural Resources, 25% by the RRWMB, 12.5% landowner, and 12.5% RLWD. The cost share of the RLWD is paid from the Capital Project Funding. This project was closed out in 2017 when the Red Lake Watershed District received cost share funding from the Red River Watershed Management Board.

In 2013, the Red Lake Watershed District, in partnership with the United States Geological Survey, applied for and was approved for a $400,000 flow through grant from the Legislative-Citizen Commission on Minnesota Resources (LCCMR) for a project referred to in this report as Glacial Ridge Water Quality Study, Project 152B. The project’s goals are intended to measure and characterize water flows through all parts of the water cycle in 4 surface (SW) and groundwater (GW) basins covering 28,754 acres as well as measure and characterize water quality in four groundwater and surface-water basins for comparison with pre-restoration water quality. Although the LCCMR grant was intended to cover all costs of the project, the overrun of staff time of Red Lake Watershed District was paid from the Capital Project Fund. Due to various grant extensions, this project was completed in June 2017.

In August of 2014, the Red Lake Watershed District, in partnership with the United States Geological Survey, was approved for a $168,000 flow through grant from the Legislative-Citizen Commission on Minnesota Resources (LCCMR) for a project referred to in this report as Glacial Ridge Water Quality Study, Project 152C. The project’s goals are intended work in conjunction with the existing $400,000 grant mentioned above which is to measure and characterize water flows through all parts of the water cycle in 4 surface (SW) and groundwater (GW) basins covering 28,754 acres as well as measure and characterize water quality in four groundwater and surface-water basins for comparison with pre-restoration water quality. Although the LCCMR grant was intended to cover all costs of the project, the overrun of Red Lake Watershed District staff time was paid from the Capital Project Funding. Due to various grant extensions, this project was completed in June 2017.

State of Minnesota flow-through grant with Federal Emergency Management Agency (FEMA) for flood plan analysis along on the Red Lake River in Polk, Red Lake, and Pennington Counties was extended to April 30, 2015. This extension was intended to allow time for FEMA to determine how past modeling within the Cities of Crookston and East Grand Forks will match present datum. Public meetings were held in 2016 and presently the District is waiting for final approval from FEMA to implement the findings of the study. It is our understanding that in 2017 the hydraulic model went through QA/QC, but there is a potential change in the discharge frequencies that are being analyzed which will delay the end results. It is the hope of FEMA, Minnesota Department of Natural Resources, and the Red Lake Watershed District that the modeling issues will be resolved in 2018.
January of 2016, the Board approved contributing $35,000 to the Beltrami County Environmental Services to assist in the Aquatic Invasive Species (AIS) program in the Red Lake watershed area of Beltrami County. The funds will be used to assist in mileage reimbursement for volunteer inspectors for the Upper Red Lake access, increase inspection hours, fund inspection on several smaller lakes, installation of additional car counters, and to assist in obtaining a decontamination unit. An update on this project was presented to the Board of Managers on January 26, 2017. At this point, there is no additional funding going toward this project.

On September 8, 2016, the Red Lake Watershed District Board of Managers approved a motion to proceed with the completion of plans and specification for the City of Erskine Memorial Park, RLWD Project #164, in conjunction with a partnership with the City of Erskine and the East Polk Soil Water Conservation District. The project was to repair sloughs on Cameron Lake near the public swimming pool. Engineering was completed with construction starting late fall of 2016. The project was substantially completed with construction being halted due to winter. On June 8, 2017 at 9:30 am, final hearing was held for Davidson Construction of Middle River, MN in the amount of $17,310.00. Hearing no objection from the public, the Board by unanimous decision ordered the final payment be made for the project. Total construction cost for the project totaled $79,635.00 which included, $20,000 from City of Erskine, $12,500 dollars from East Polk Soi Conservation Service, $5,000 from the Erskine American Legion and the remaining balance of $42,135 being paid by the Red Lake Watershed District from the Capital Projects Fund.

Red Lake Watershed District entered into a grant agreement with the Natural Resource Conservation Service for the study of projects which qualify for the Regional Conservation Partnership Programs (RCPP). The grant for the Pine Lake Watershed will fund 70 percent, not to exceed $500,000, which will include a study for the completion of a Watershed Protection Plan. It is the hopes of the District to have this program completed by mid-2018.

Red Lake Watershed District entered into a second grant agreement with the Natural Resource Conservation Service for the study of projects which qualify for the Regional Conservation Partnership Programs (RCPP). The grant for the Four-Legged Lake Watershed will fund 70 percent, not to exceed $265,088, which will include a study for the completion of a Watershed Protection Plan. It is the hopes of the District to have this program completed by mid-2018.

Blackduck Lake Dam serves as the outlet of Blackduck Lake which is the headwater of the Blackduck River. The dam is located in Hines Township, in Beltrami County, and was given to Hines Township through legislative action in 1970’s. The Red Lake Watershed District received a request by Hines Township to assist with the repair of the structure/dam. On October 16, 2016, the Red Lake Watershed District entered into an agreement with Hines Township for maintenance of the structure and hired Houston Engineering to analyze the dam and bring their recommendation to the Board. The Red Lake Watershed District, on behalf of Hines Township, applied for and was accepted for a $50,000 Conservation Partners Legacy Grant from the MnDNR to assist in repairing the dam. On June 27, 2017, Houston Engineering presented the plans and specifications to the Board of Managers which in turn lead to the advertising of bids. On July 27, 2017 bids were opened and low bid the amount of $87,968.00 was awarded to Gerit Hanson Contracting, Inc. Final hearing in the amount of $93,081.25 was held on December 17, 2017. It is anticipated that in the spring of 2018, staff will inspect the project to determine if there are any minor repairs needed to the project due to winter conditions.

Red Lake Watershed District and local partners entered into a grant agreement with the Board of Soil Resources (BWSR) to complete a Pilot Project referred to the public as "Red Lake River One Watershed One Plan". The grant, administered by Pennington Soil and Water Conservation
District in the amount of $127,266, was for the development of a comprehensive ten-year plan for the Red Lake River Watershed. The planning and writing of the grant was completed in 2016 with final approval by the BWSR Board in July of 2017. It is expected that in 2018, funding through the BWSR Clean Water Fund will be awarded with various projects being completed.

Red Lake Watershed District and local partners entered into a grant agreement with the Board of Soil Resources (BWSR) to complete a Pilot Project referred to the public as “Thief River One Watershed One Plan”. The planning process was started in late 2017, will continue through 2018 and expected to be completed in early 2019.

As part of a $38,700 grant agreement applied for and approved by the Board of Soil and Water Resource, the Red Lake Watershed District will develop a Drainage Database which will better record maintenance which can be used for development of future Inspection Plans and Reports. It is the hopes of the District that this project will be completed by December 31, 2018.

Red Lake Watershed District approved by motion to proceed with the investigation of developing a flood damage reduction project referred to as the Black River Impoundment. In late 2016, the RLWD has entered into agreements with three landowners and preliminary engineering was ordered. In June of 2017, options with landowners were exercised with land purchases and easements completed. It is the hope of the District that Minnesota State bonding dollars can be obtained and construction on this project occurring early 2019.

Red Lake Watershed District was petitioned by the City of Thief River Falls and Pennington County to investigate the drainage issues along the westside of the City. Engineering analysis was being completed for the “Thief River Falls Westside Flood Damage Reduction Project” in 2017 with the hopes of having alternatives to the Board in early 2018.

It should also be noted that in 2017 the District received two legal drainage petitions, one for a new ditch and one for an improvement of an existing public drainage system. Both petitioned projects are in Polk County Minnesota. It is the hope of the District that these two projects will go through the hearing process in late summer of 2018.

More details of the 2017 construction, maintenance, and ongoing water quality programs of Red Lake Watershed District are included in the 2017 Annual Report or by contacting the Red Lake Watershed District.

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
## Statement of Net Cash Position

**As of December 31, 2017**

### Assets

**Current Assets:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash</td>
<td>$100</td>
</tr>
<tr>
<td>Pooled Cash and Investments</td>
<td>4,611,976</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td><strong>4,612,076</strong></td>
</tr>
</tbody>
</table>

**Capital Assets:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property and Equipment</td>
<td>18,222,433</td>
</tr>
<tr>
<td>Less: Accumulated Depreciation</td>
<td>(3,651,387)</td>
</tr>
<tr>
<td><strong>Net Capital Assets</strong></td>
<td><strong>14,571,046</strong></td>
</tr>
</tbody>
</table>

**Total Assets**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>19,183,122</strong></td>
</tr>
</tbody>
</table>

### Net Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in Capital Assets</td>
<td>14,571,046</td>
</tr>
<tr>
<td>Restricted for Ditch Maintenance</td>
<td>95,703</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>4,516,373</td>
</tr>
</tbody>
</table>

**Total Net Position**

<table>
<thead>
<tr>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>19,183,122</strong></td>
</tr>
</tbody>
</table>

---

See Notes to the Basic Financial Statements
## RED LAKE WATERSHED DISTRICT
STATEMENT OF ACTIVITIES ARISING FROM CASH TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Expenses</th>
<th>Program Receipts and Sources</th>
<th>Net Cash Sources (Uses) and Changes in Net Cash Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Allocated Salaries and Overhead</td>
<td>Special Assessments and Charges</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>$ (766,827)</td>
<td>$ 618,039</td>
<td>(148,788)</td>
</tr>
<tr>
<td>Ongoing Projects and Studies</td>
<td>(204,727)</td>
<td>(63,854)</td>
<td>(288,581)</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>(1,100,979)</td>
<td>(554,185)</td>
<td>(1,655,164)</td>
</tr>
<tr>
<td>Allocated Interest</td>
<td>(18,167)</td>
<td>-</td>
<td>(18,167)</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>$ (2,060,700)</td>
<td>-</td>
<td>$ (2,090,700)</td>
</tr>
</tbody>
</table>

### General Receipts:
- **Tax Levies**: $1,468,953
- **Intergovernmental (not restricted to specific programs)**
  - State MV, Disparity Reduction Credits, and PERA Aid: 1,805
  - Allocated Interest: 65,441
- **Total General Receipts**: 1,536,199
- **Change in Net Position**: 646,617
- **Net Position - Beginning**: 18,536,505
- **Net Position - Ending**: 19,183,122

See Notes to the Basic Financial Statements
# RED LAKE WATERSHED DISTRICT
## STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS – GOVERNMENTAL FUNDS
### AS OF DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>General Fund</th>
<th>Special Revenue Fund</th>
<th>Capital Project Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petty Cash</td>
<td>$ 100</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 100</td>
</tr>
<tr>
<td>Pooled Cash and Investments</td>
<td>327,401</td>
<td>95,703</td>
<td>4,188,872</td>
<td>4,611,976</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 327,501</td>
<td>$ 95,703</td>
<td>$ 4,188,872</td>
<td>$ 4,612,076</td>
</tr>
<tr>
<td>FUND BALANCES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted for Ditch Maintenance</td>
<td>$ -</td>
<td>$ 95,703</td>
<td>$ -</td>
<td>95,703</td>
</tr>
<tr>
<td>Committed for Capital Projects</td>
<td>-</td>
<td>-</td>
<td>4,188,872</td>
<td>4,188,872</td>
</tr>
<tr>
<td>Unassigned</td>
<td>327,501</td>
<td>-</td>
<td>-</td>
<td>327,501</td>
</tr>
<tr>
<td>Total Fund Balances</td>
<td>327,501</td>
<td>95,703</td>
<td>4,188,872</td>
<td>4,612,076</td>
</tr>
<tr>
<td>Total Fund Balances</td>
<td>$ 327,501</td>
<td>$ 95,703</td>
<td>$ 4,188,872</td>
<td>$ 4,612,076</td>
</tr>
</tbody>
</table>

Amounts reported from governmental activities in the Statement of Net Cash Position are different because:

Total Fund Balance per Statement of Balances Arising from Cash Transactions, from above  

$ 4,612,076

When capital assets (land, building, equipment and infrastructure) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net cash position includes those capital assets among the assets of the District as a whole.

| Cost of Capital Assets          | 18,222,433   |
| Accumulated Depreciation       | (3,851,387)  |
| **Total Net Position**         | **$ 19,183,122** |
#### RED LAKE WATERSHED DISTRICT
##### STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH FUND BALANCES – GOVERNMENTAL FUNDS
##### FOR THE YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>RECEIPTS</th>
<th>General Fund</th>
<th>Special Revenue Fund</th>
<th>Capital Project Fund</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>$</td>
<td>$</td>
<td>$1,468,953</td>
<td>$1,468,953</td>
</tr>
<tr>
<td>Special Assessments</td>
<td>-</td>
<td>162,535</td>
<td>-</td>
<td>162,535</td>
</tr>
<tr>
<td>Intergovernmental:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>-</td>
<td>60</td>
<td>372,336</td>
<td>372,336</td>
</tr>
<tr>
<td>State</td>
<td>1,805</td>
<td>16,000</td>
<td>412,860</td>
<td>430,665</td>
</tr>
<tr>
<td>Local</td>
<td>-</td>
<td>-</td>
<td>164,819</td>
<td>164,819</td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,432</td>
<td>-</td>
<td>71,076</td>
<td>72,508</td>
</tr>
<tr>
<td>Allocated Interest</td>
<td>7,359</td>
<td>2,138</td>
<td>55,944</td>
<td>65,441</td>
</tr>
<tr>
<td><strong>Total Receipts</strong></td>
<td><strong>10,596</strong></td>
<td><strong>180,733</strong></td>
<td><strong>2,545,988</strong></td>
<td><strong>2,737,317</strong></td>
</tr>
</tbody>
</table>

| DISBURSEMENTS        | General and Administrative | - | - | 148,788 |
|                      | Ongoing Projects and Studies | - | 268,581 | - | 268,581 |
|                      | Capital Projects            | - | - | 3,177,527 | 3,177,527 |
|                      | Allocated Interest          | 3,336 | 573 | 14,258 | 16,167 |
| **Total Disbursements** | **152,124** | **269,154** | **3,191,785** | **3,613,063** |

**EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS**

- (141,528) | (88,421) | (645,797) | (875,746)

**OTHER FINANCING SOURCES (USES)**

| Transfers In | - | 140 | - | 140 |
| Transfers Out | - | - | (140) | (140) |
| Net Other Sources (Uses) | - | 140 | (140) | - |

Net Change in Fund Balances

- (141,528) | (88,281) | (645,937) | (875,746)

FUND BALANCE JANUARY 1

469,029 | 183,984 | 4,834,609 | 5,447,822

FUND BALANCE DECEMBER 31

$327,501 | $95,703 | $4,188,872 | $4,612,076

See Notes to the Basic Financial Statements

-18-
RED LAKE WATERSHED DISTRICT
RECONCILIATION OF CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Change in Fund Balances - Total Governmental Funds</td>
<td>$ (875,746)</td>
</tr>
<tr>
<td>Governmental funds report capital outlay as expenditures, while governmental activities report depreciation expense allocating those expenditures over the life of the asset: Capital Additions</td>
<td>2,074,878</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>(552,515)</td>
</tr>
<tr>
<td>Change in Net Position - Governmental Activities</td>
<td>$ 646,617</td>
</tr>
</tbody>
</table>

See Notes to the Basic Financial Statements
RED LAKE WATERSHED DISTRICT
STATEMENT OF NET CASH POSITION – FIDUCIARY FUNDS
AS OF DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Agency Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$__________-</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$__________-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCES</th>
<th>Agency Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due To Red River Watershed Management Board</td>
<td>$__________-</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$__________-</td>
</tr>
</tbody>
</table>

See Notes to the Basic Financial Statements
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.

As discussed further in Note 1C, these financial statements are presented on a modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. FINANCIAL 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 for 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. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 61 which are included in the District's reporting entity.

B. 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 as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. The District has only governmental activities which are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues; because of this, all of the District's activities are reported as governmental activities.

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity 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 constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. 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/expenses of the individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, AND

b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below and are all considered major programs for financial statement purposes.

**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**

**Agency Funds**

Agency funds account for assets held by the District in a purely custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The agency fund is as follows:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Brief Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Red River Water Management Board</td>
<td>Property Taxes are levied by the District and submitted to the Management Board.</td>
</tr>
</tbody>
</table>
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “how” transactions are recorded 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 Statement of Activities Arising from Cash Transactions, governmental activities are presented using the economics resources measurement focus, within the limitations of the modified 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 modified cash basis of accounting, is used as appropriate.

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 and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognized assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with the provisions for capital assets, deferred inflows of resources, deferred outflows of resources, and debt and depreciation in the government wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.
D. ASSETS, LIABILITIES, AND EQUITY

CASH AND CASH EQUIVALENTS

For the purpose of financial reporting, "cash and cash equivalents" includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of one year or less. Cash balances from all funds are pooled and invested to the extent available in authorized investments authorized by Minnesota statutes. Earnings from such investments are allocated to the respective funds on the basis of average cash balance participation by each fund. Funds with deficit averages are charged with the investment earnings lost in financing the deficits.

CAPITAL ASSETS

The District's modified cash basis of accounting reports capital assets resulting from cash transactions and reports depreciation where appropriate.

All capital assets are valued at historical cost, or if donated, recorded at its estimated fair value. Infrastructure assets acquired prior to January 1, 2004 are not capitalized, but subsequent acquisitions are recorded at cost. Costs associated with infrastructure on property not owned by the District are immediately expensed.

In the government-wide financial statements, capital assets arising from cash transactions are accounted for as an expense in the Statement of Net Cash Position, with accumulated depreciation reflected in the Statement of Net Cash Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. Capitalization thresholds of $500 for equipment and building improvements of $5,000 for infrastructure are used to report capital assets. Estimated useful lives being used are summarized below:

- Building and Improvements: 19-40 years
- Equipment, Furniture, and Fixtures: 3-15 years

In governmental fund financial statements, capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net cash position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resource (expense/expenditure) until then. In addition to liabilities, the statement of net cash position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any items that qualify for reporting in these categories.
LONG-TERM DEBT

All long-term debt arising from cash transactions to be repaid from governmental fund resources is reported as a liability only in the government-wide statements.

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and the payment of principal and interest are reported as expenditures.

Currently the District does not have long-term debt.

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

Government-Wide Statements

Equity is classified as Net Position and displayed in three components:

a. **Restricted Net Position** – Consists of Net Position 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.

b. **Unrestricted Net Position** – All other Net Position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."
c. **Investment in Capital Assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation.

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.

**EQUITY CLASSIFICATION**

**Fund Financial Statements**

Governmental fund equity is classified as fund balance.

**E. REVENUES, EXPENDITURES AND EXPENSES**

**PROGRAM REVENUES**

In the Statement of Activities Arising from Cash Transactions, modified 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 are reported as general revenue. All taxes are classified as general revenue even if restricted for a specific purpose.

**F. USE OF ESTIMATES**

The preparation of financial statements in conformity with the other comprehensive basis of accounting (OCBOA) used by the District required management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**G. FUND BALANCE CLASSIFICATIONS**

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – consists of amounts that are not in spendable form, such as inventory and prepaid items.

- **Restricted** – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

- **Committed** – consists of internally imposed constraints. These constraints are established by the Board of Managers.

- **Assigned** – consists of internally imposed constraints. These constraints reflect specific purpose for which it is the District’s intended use. These constraints are established by the Board of Managers and/or management.
Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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.

**H. NET POSITION**

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**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.

**NOTE 3 DETAIL NOTES-TRANSACTION CLASSES/ACCOUNTS**

The District maintains a cash account at its depository bank. Investments are carried at fair value. The District considers Certificates of Deposit to be cash.

**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 may invest idle funds as authorized in Minnesota Statutes, as follows:

a. Direct obligations or obligations guaranteed by the United States or its agencies.
b. Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above.
c. General obligations of the State of Minnesota or any of its municipalities.
d. Bankers Acceptance of United States banks eligible for purchases by the Federal Reserve System.

e. Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.

f. Repurchase or reverse repurchase agreements 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.

g. Futures contracts sold under authority of Minnesota Statutes 471.56, Subd. 5.

The District has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk**

The District places no limit on the amount the District may invest in any one issuer.

**Custodial Credit Risk - Deposits**

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the District’s Board, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all District deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

At December 31, 2017, the carrying amount of the District’s deposits was $4,612,076 and the bank balance was $5,410,081. The bank balance was covered by Federal Depository Insurance and by collateral held by the District’s agent in the District’s name at December 31, 2017.

**NOTE 4 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 modified 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.

**NOTE 5 DEFINED BENEFIT PENSION PLANS**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90% funded for two consecutive years are given 2.5%
increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases. The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. 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.

1. General Employees Plan Benefits
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 and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year 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.

Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.50%, respectively, of their annual covered salary in calendar year 2017. The District was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in calendar year 2017.

Pension Plan Fiduciary Net Position

Detailed information about each defined benefit pension plan’s fiduciary net position is available in a separately issued PERA financial report. That report may be obtained on the Internet at www.mnpera.org.

Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.50%, respectively, of their annual covered salary in calendar year 2017. The Red Lake Watershed District is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members, 7.5% for Coordinated Plan members. The District’s contributions to the Public Employees Retirement Fund for the year ended December 31, 2017 was $30,223.

Related-Party Investments

As of December 31, 2017, the District held no related-party investments.
NOTE 6  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 7  INTERFUND TRANSFERS

The following reconciles interfund transfers during the fiscal year ended December 31, 2017:

<table>
<thead>
<tr>
<th></th>
<th>Transfers In</th>
<th>Transfers Out</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Projects Fund</td>
<td>$</td>
<td>$140</td>
</tr>
<tr>
<td>Special Revenues Fund</td>
<td>140</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$140</td>
<td>$140</td>
</tr>
</tbody>
</table>

The transfer made between funds is to recognize a previous board action to close a project.

NOTE 8  CAPITAL ASSETS

Capital assets activity resulting from modified cash basis transactions for the year ended December 31, 2017 was as follows:

<table>
<thead>
<tr>
<th>Capital Assets</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and Improvements</td>
<td>$775,594</td>
<td>-</td>
<td>-</td>
<td>$775,594</td>
</tr>
<tr>
<td>Infrastructure Improvements</td>
<td>12,601,966</td>
<td>-</td>
<td>-</td>
<td>12,601,966</td>
</tr>
<tr>
<td>Engineering Equipment</td>
<td>395,732</td>
<td>30,438</td>
<td>-</td>
<td>426,170</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>138,639</td>
<td>30,684</td>
<td>-</td>
<td>169,323</td>
</tr>
<tr>
<td>Land and Permanent Easements</td>
<td>1,906,922</td>
<td>1,111,552</td>
<td>-</td>
<td>3,018,474</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>328,702</td>
<td>902,204</td>
<td>-</td>
<td>1,230,906</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$16,147,555</strong></td>
<td><strong>$2,074,878</strong></td>
<td>-</td>
<td><strong>$18,222,433</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accumulated Depreciation</th>
<th>Beginning Balance</th>
<th>Additions</th>
<th>Deletions</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and Improvements</td>
<td>$274,173</td>
<td>$22,631</td>
<td>-</td>
<td>$296,804</td>
</tr>
<tr>
<td>Infrastructure Improvements</td>
<td>2,361,710</td>
<td>500,145</td>
<td>-</td>
<td>2,861,855</td>
</tr>
<tr>
<td>Engineering Equipment</td>
<td>337,143</td>
<td>21,735</td>
<td>-</td>
<td>358,878</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>125,846</td>
<td>8,004</td>
<td>-</td>
<td>133,850</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,098,872</strong></td>
<td><strong>$552,515</strong></td>
<td>-</td>
<td><strong>$3,651,387</strong></td>
</tr>
</tbody>
</table>

Depreciation expense of $552,515 for the year ended December 31, 2017 is included in general and administrative program costs.
NOTE 9  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 2017 was $618,039.

NOTE 10  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, 2017, 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.

NOTE 11  SUBSEQUENT EVENTS

No significant events occurred subsequent to the District’s year end. Subsequent events have been evaluated through March 30, 2018, which is the date these financial statements were available to be issued.
SUPPLEMENTARY INFORMATION
# RED LAKE WATERSHED DISTRICT

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>Original and Final Budget</th>
<th>Actual 2017</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Levies</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td>-</td>
<td>1,805</td>
<td>1,805</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>1,432</td>
<td>1,432</td>
</tr>
<tr>
<td>Allocated Interest</td>
<td>-</td>
<td>7,359</td>
<td>7,359</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>-</td>
<td>10,596</td>
<td>10,596</td>
</tr>
</tbody>
</table>

| EXPENDITURES                  |                           |             |          |
| General and Administrative    | 164,600                   | 148,788     | (15,812) |
| Interest                      | -                         | 3,336       | 3,336    |
| Total Expenditures            | 164,600                   | 152,124     | (12,476) |

Expenditures Exceed Revenues  
(164,600)                      
(141,528)                      
23,072

| FUND BALANCE JANUARY 1        | 469,029                   | 469,029     |
| FUND BALANCE DECEMBER 31     | $ 304,429                 | $ 327,501   |

---

See Note to the Budgetary Comparison Schedule
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 budget for the general fund, which is limited by state statute at $250,000 and set by the Board for 2017 at $0. All appropriations lapse at year-end.
# RED LAKE WATERSHED DISTRICT

## STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN FUND BALANCE – ALL FUNDS – MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>Fund Balance</th>
<th>Revenues</th>
<th>Expenses</th>
<th>Transfer</th>
<th>Fund Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Deficit)</td>
<td>(Deficit)</td>
<td>(Deficit)</td>
<td>(Out)</td>
<td>(Deficit)</td>
</tr>
<tr>
<td><strong>January 1</strong></td>
<td><strong>Mod. Cash Basis</strong></td>
<td><strong>Allocations</strong></td>
<td><strong>Disbursements</strong></td>
<td><strong>December 31</strong></td>
</tr>
<tr>
<td><strong>GENERAL FUND</strong></td>
<td>$469,026</td>
<td>$1,432</td>
<td>$1,805</td>
<td>$7,369</td>
</tr>
</tbody>
</table>

### SPECIAL REVENUE FUND JOBS:

- **Red Lake River Project**
- **Clearwater River Project**
- **Lost River Project**
- **RLWD Ditch #1**
- **RLWD Ditch #3**
- **State Ditch #3**
- **RLWD Ditch #7**
- **Pine Lake Maintenance**
- **RLWD Ditch #9**
- **J.D. Ditch #7**
- **Clearwater/Wild Rice River**
- **Branch A & J. D. #2**
- **Main J.D. #2 and Branch B&C**
- **Main J.D. 2C, Eck**
- **Krostue Petition**
- **Clearwater County Joint Ditch #1**
- **Clearwater County Joint Ditch #4**
- **Cleanwater County Joint Ditch #5**
- **Clearwater County Ditch #1**
- **Clifford Anson Ditch**
- **Winser/Hangard/Clelwater County Petition**
- **Equality RLWD Ditch #1, lat C**
- **K. Johnson Petition**
- **Polk County Ditch # 104, 61, 47, 94**
- **TRF Drainage Ditch (Challenger Ditch)**
- **Scott Baatz Petition**
- **Polk County Ditch # 63 Improvement**
- **Polk County Ditch #33 Improvement**
- **RLWD Ditch #10**
- **RLWD Ditch #11**
- **RLWD Ditch #12**
- **RLWD Ditch #14**
- **RLWD Ditch #15**
- **Burnham Creek Channel**
- **RLWD Ditch #13**
- **Thief River Falls Flood Damage Reduction Project**
- **RLWD Ditch #16**
- **Improvis to Polk Co. #19**

### TOTAL SPECIAL REVENUE

$183,864

162,535

16,060

2,138

204,727

573

63,354

140

95,703

-35-
## RED LAKE WATERSHED DISTRICT

STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN FUND BALANCE – ALL FUNDS –
MODIFIED CASH BASIS – CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2017

<table>
<thead>
<tr>
<th>Fund Balance (Deficit)</th>
<th>Assessments and Other Charges for Services</th>
<th>Operating/Capital Grants and Allocated Interest</th>
<th>Allocated Interest</th>
<th>Allocated Salary and Overhead</th>
<th>Transfer</th>
<th>Fund Balance (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>December 31</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CAPITAL PROJECT FUND JOBS:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moose River Project</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>$ -</td>
</tr>
<tr>
<td>Lost River Impoundment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Stream Gauging</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Culvert Sizing</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Schminck Dam</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Pine Lake PWT</td>
<td>(165,862)</td>
<td>272,401</td>
<td>426,831</td>
<td>2,454</td>
<td>13,381</td>
<td>(336,147)</td>
</tr>
<tr>
<td>Hydrologic Analysis</td>
<td>-</td>
<td>-</td>
<td>45</td>
<td>-</td>
<td>8,425</td>
<td>8,525</td>
</tr>
<tr>
<td>Emergency Maintenance</td>
<td>109,779</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>110,812</td>
</tr>
<tr>
<td>RRVMB - Technical Corr</td>
<td>-</td>
<td>725</td>
<td>725</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Water Quality</td>
<td>-</td>
<td>75</td>
<td>42,141</td>
<td>8</td>
<td>22,086</td>
<td>2,840</td>
</tr>
<tr>
<td>Maintenance Dams</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>438</td>
<td>411</td>
</tr>
<tr>
<td>Odny Flaat Dam</td>
<td>(1)</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>408</td>
<td>411</td>
</tr>
<tr>
<td>Latundresse Dam</td>
<td>(1)</td>
<td>-</td>
<td>2,454</td>
<td>20</td>
<td>365</td>
<td>2,840</td>
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<tr>
<td>Miller Dam</td>
<td>-</td>
<td>-</td>
<td>46</td>
<td>-</td>
<td>222</td>
<td>265</td>
</tr>
<tr>
<td>Seager Dam</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>230</td>
<td>221</td>
</tr>
<tr>
<td>Blackduck Lake Structure</td>
<td>(17,942)</td>
<td>40</td>
<td>-</td>
<td>-</td>
<td>138,996</td>
<td>609</td>
</tr>
<tr>
<td>Elm Lake</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,254</td>
<td>14</td>
<td>3,125</td>
</tr>
<tr>
<td>Red Lake Res./Good Lake</td>
<td>-</td>
<td>-</td>
<td>104,152</td>
<td>146,906</td>
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<td>-</td>
</tr>
<tr>
<td>Parnell Impoundment</td>
<td>-</td>
<td>3,210</td>
<td>425</td>
<td>2</td>
<td>107</td>
<td>-</td>
</tr>
<tr>
<td>Permits</td>
<td>-</td>
<td>-</td>
<td>54,731</td>
<td>514</td>
<td>116,041</td>
<td>122,028</td>
</tr>
<tr>
<td>Project Development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>38,720</td>
<td>335</td>
</tr>
<tr>
<td>Louisville/Parnell Project</td>
<td>-</td>
<td>11,847</td>
<td>313</td>
<td>1,597</td>
<td>(9,886)</td>
<td>-</td>
</tr>
<tr>
<td>Ring Dike Program - General</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>1,105</td>
<td>1,107</td>
</tr>
<tr>
<td>Ross Ring Dike</td>
<td>-</td>
<td>25,208</td>
<td>197</td>
<td>2</td>
<td>121</td>
<td>(25,284)</td>
</tr>
<tr>
<td>Strandel Ring Dike</td>
<td>(4,026)</td>
<td>3,128</td>
<td>-</td>
<td>17</td>
<td>466</td>
<td>1,381</td>
</tr>
<tr>
<td>G.I.S.</td>
<td>-</td>
<td>-</td>
<td>3,476</td>
<td>118</td>
<td>19,605</td>
<td>23,199</td>
</tr>
<tr>
<td>Wetland Bankng</td>
<td>400</td>
<td>-</td>
<td>2,869</td>
<td>9</td>
<td>665</td>
<td>3,101</td>
</tr>
<tr>
<td>Ten Year Overall Plan</td>
<td>-</td>
<td>302</td>
<td>23</td>
<td>6,206</td>
<td>5,590</td>
<td>-</td>
</tr>
<tr>
<td>Thrf River 1W1P</td>
<td>-</td>
<td>127,340</td>
<td>356</td>
<td>46,586</td>
<td>30,817</td>
<td>50,293</td>
</tr>
<tr>
<td>PTMAPP Grant</td>
<td>-</td>
<td>30,280</td>
<td>171</td>
<td>-</td>
<td>15,026</td>
<td>14,823</td>
</tr>
<tr>
<td>North Parnell Storage Site</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>77</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Clearwater River - TMDL</td>
<td>-</td>
<td>-</td>
<td>3,192</td>
<td>23</td>
<td>3,423</td>
<td>3,203</td>
</tr>
<tr>
<td>Red River Corridor</td>
<td>-</td>
<td>-</td>
<td>227</td>
<td>3</td>
<td>488</td>
<td>728</td>
</tr>
<tr>
<td>Erosion Control Projects</td>
<td>-</td>
<td>30,000</td>
<td>-</td>
<td>66,302</td>
<td>743</td>
<td>6,386</td>
</tr>
<tr>
<td>WS Ditch System Inventory &amp; Mapping</td>
<td>273</td>
<td>-</td>
<td>6,275</td>
<td>66</td>
<td>3,497</td>
<td>(9,587)</td>
</tr>
<tr>
<td>FEMA D-Firm Grant</td>
<td>-</td>
<td>-</td>
<td>3,446</td>
<td>-</td>
<td>3,456</td>
<td>-</td>
</tr>
<tr>
<td>Black River Impoundment</td>
<td>(37,986)</td>
<td>36,240</td>
<td>341,122</td>
<td>1,920</td>
<td>20,478</td>
<td>(355,266)</td>
</tr>
<tr>
<td>Web Page Development</td>
<td>-</td>
<td>1,085</td>
<td>-</td>
<td>2,400</td>
<td>9</td>
<td>731</td>
</tr>
<tr>
<td>Administrative Construction</td>
<td>5,129,284</td>
<td>67,845</td>
<td>53,899</td>
<td>1,468,953</td>
<td>-</td>
<td>(966,500)</td>
</tr>
<tr>
<td>Brownam Creek - B16</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25</td>
<td>2</td>
<td>1,570</td>
</tr>
<tr>
<td>Euclid East Impoundment</td>
<td>-</td>
<td>2,993</td>
<td>-</td>
<td>3,078</td>
<td>17</td>
<td>913</td>
</tr>
<tr>
<td>Brandt Impoundment</td>
<td>-</td>
<td>102</td>
<td>-</td>
<td>6</td>
<td>5</td>
<td>1,026</td>
</tr>
</tbody>
</table>

-36-
# RED LAKE WATERSHED DISTRICT

**STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN FUND BALANCE – ALL FUNDS—MODIFIED CASH BASIS – CONTINUED**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

<table>
<thead>
<tr>
<th>Fund Balance (Deficit)</th>
<th>Revenues</th>
<th>Expenses</th>
<th>Transfer</th>
<th>Fund Balance (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1</td>
<td>Assessments</td>
<td>Operating/ Capital Grants and Contribution</td>
<td>Allocated Interest Earned</td>
<td>Taxes</td>
</tr>
<tr>
<td>Brandt Channel Restoration</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Grand Marais - Restoration</td>
<td>-</td>
<td>51,828</td>
<td>-</td>
<td>239</td>
</tr>
<tr>
<td>Grand Marais Cut Channel Stabilization</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cleanwater Public Education (River Watch)</td>
<td>-</td>
<td>340</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Red River Basin Long Term Flood Control</td>
<td>-</td>
<td>635</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Four Legged Lake PWT</td>
<td>-</td>
<td>143,939</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>BWSR Flood Storage Pilot Project</td>
<td>-</td>
<td>68,283</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Glacial Ridge/LCCMR/400k</td>
<td>-</td>
<td>44,961</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Thief River TMDL</td>
<td>-</td>
<td>1,095</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Red Lake River Watershed Assessment</td>
<td>-</td>
<td>21,652</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grand Marais WRAP</td>
<td>-</td>
<td>11,443</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Cleanwater River WRAP</td>
<td>-</td>
<td>40,262</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TRF Westside FDR</td>
<td>-</td>
<td>23,888</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Capital Projects</td>
<td>4,834,809</td>
<td>71,076</td>
<td>950,015</td>
<td>55,944</td>
</tr>
<tr>
<td>Total All Funds</td>
<td>$ 5,487,822</td>
<td>$ 235,043</td>
<td>$ 967,890</td>
<td>$ 65,441</td>
</tr>
</tbody>
</table>
RED LAKE WATERSHED DISTRICT
STATEMENT OF DIRECT EXPENDITURES BY CLASSIFICATION – GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

DIRECT EXPENDITURES:
Salaries -
  Inspection $ 8,165
  Survey - Preliminary 4,975
  Survey - Construction 175
  Drafting 6,448
  Engineering 63,031
  Project Administration 245,105
Field Work - Water Programs 42,967
Other 32,595
  Compensated Absences 38,661
Payroll Taxes and Benefits 119,619
Manager's Expense 24,853
Travel, Mileage, Meetings and Per Diems 5,917
Audit 9,000
Legal 23,613
Appraisal and Viewers 650
Other Professional Fees 91,717
Office Supplies 12,922
Office Equipment 30,684
Dues and Subscriptions 6,146
Insurance and Bonds 19,781
Repairs and Maintenance 10,699
Utilities 8,956
Telephone 9,128
Advertising and Publications 7,303
Truck Expense 12,635
Land Acquisition and Easements 1,111,552
Construction 419,322
Engineering Costs and Fees 5,393
Engineering Fees 1,079,203
Engineering Equipment 30,437
Glacial Ridge 113,244

Total Expenditures $ 3,594,896
RED LAKE WATERSHED DISTRICT
STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO OTHER GOVERNMENTAL UNITS – TRUST AND AGENCY FUND – MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

RECEIPTS

<table>
<thead>
<tr>
<th>Property Taxes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beltrami County</td>
<td>$ 90,979</td>
</tr>
<tr>
<td>Clearwater County</td>
<td>195,117</td>
</tr>
<tr>
<td>Itasca County</td>
<td>979</td>
</tr>
<tr>
<td>Koochiching County</td>
<td>8,073</td>
</tr>
<tr>
<td>Mahnomen County</td>
<td>1,979</td>
</tr>
<tr>
<td>Marshall County</td>
<td>62,087</td>
</tr>
<tr>
<td>Pennington County</td>
<td>269,949</td>
</tr>
<tr>
<td>Polk County</td>
<td>712,237</td>
</tr>
<tr>
<td>Red Lake County</td>
<td>127,421</td>
</tr>
<tr>
<td>Roseau County</td>
<td>131</td>
</tr>
<tr>
<td>State - MV</td>
<td>67,546</td>
</tr>
</tbody>
</table>

TOTAL RECEIPTS                      1,536,498

DISBURSEMENTS

Red River Watershed Management Board 1,536,498

EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS -

AMOUNT DUE TO OTHER GOVERNMENTAL UNITS, JANUARY 1 -

AMOUNT DUE TO OTHER GOVERNMENTAL UNITS, DECEMBER 31 $ -
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 modified 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, 2017 and the related notes to the financial statements, and have issued our report thereon dated March 30, 2018.

Legal Compliance

The Minnesota Legal Compliance Audit Guide for Other Political Subdivisions, promulgated by the State Auditor Pursuant to Minn. § Stat. 6.65 contains six categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, claims and disbursements, miscellaneous provisions, and tax increment financing. Our study included all of the listed categories, except for tax increment financing.

In connection with our audit, nothing came to our attention that caused us to believe that Red Lake Watershed District failed to comply with the provisions of the Minnesota Legal Compliance Audit Guide for Other Political Subdivisions. 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.

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

March 30, 2018

www.bradymartz.com
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 modified 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, 2017, 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 March 30, 2018.

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) to determine the 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 2017-001 that we consider to be a significant deficiency.

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 determination of financial statement amounts. 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

Red Lake Watershed District’s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The District’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

This 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

March 30, 2018
2017-001 Finding – Significant Deficiency

Criteria

An appropriate system of internal controls requires that a District make a determination that financial statements and the underlying general ledger accounts are properly stated on the modified cash basis of accounting. This requires the District’s personnel to maintain a working knowledge of current accounting principles generally accepted in the United States of America and required financial statement disclosures.

Condition

The District’s auditors prepared the financial statements as of December 31, 2017. An appropriate system of internal controls requires that a District must make a determination that financial statements and the underlying general ledger accounts are properly stated on the modified cash basis of accounting. This requires the District’s personnel to maintain a working knowledge of current modified cash basis accounting principles and required financial statement disclosures.

Cause

The District could put together the financial statements on the modified cash basis of accounting; however, they have requested assistance in ensuring all required disclosures are properly included and changes made by GASB are implemented.

Effect

The District requested that the auditors prepare the financial statements.

Recommendation

Compensating controls could be provided through client preparation of the financial statement preparation and/or review function.

Views of Responsible Officials and Planned Corrective Actions

The District will continue to have the auditor prepare the financial statements; however, the District has established an internal control policy to document the annual review of the financial statements.
2017-001 Finding

Contact Person – Myron Jesme, Administrator

Corrective Action Plan – Will obtain internal expertise to handle all aspects of external financial when it becomes economically feasible.

Completion Date – Ongoing
Pine to Prairie Birding Trail – Site Criteria

1. The site is known to be a good birding site, i.e. is historically visited by birders.
2. The site adds to the diversity of habitat types included in the length of the birding trail.
3. The site is usually home to unique bird life.
4. The site contains unique habitats not easily found elsewhere.
5. The site adds to the mix of ownerships (federal, state, county, private, tribal, etc.)
6. The site is a location for other unique features such as insects, flora or fauna.
7. The site is within 25 miles of the main highway corridor (Highways 59, 32, and 11) OR from the main highway corridor west to the ND border.
8. The site is locally desired and supported
9. Parking and accessibility are adequate for visitors, travelers
10. Sites should be equitably distributed (to the extent possible) along the length of the trail, so as to ensure that all partner communities have a number of sites within the vicinity to refer people to.
11. There should be representative sites in the three main landscapes.
12. Presence of informational or educational trail signs or other site improvements.
13. The sites will be reviewed annually.
14. Sites no longer meeting these criteria may be dropped from the trail
15. The Pine to Prairie Birding Trail(sm) Logo Sign is required to be placed on the site.
16. Written approval for public wildlife watching access from the land owner is required.
JOINT POWERS AGREEMENT  
BLACKDUCK LAKE DAM

THIS AGREEMENT, Made and entered into this 6th day of July, 2016, by and between the Red Lake Watershed District, created pursuant to the authority set forth in Minnesota Statutes § 103D.01 et al., and the Township of Hines, State of Minnesota, witnesseth:

WHEREAS, The State of Minnesota is empowered pursuant to Minnesota Statute § 103F.161 to provide flood hazard mitigation grants to local units of government to conduct flood plain drainage studies and/or plan and implement mitigation measures, as well as maintenance and modifications; and

WHEREAS, The Red Lake Watershed District and the Township of Hines desire to apply for and obtain any said available grant monies and represent that they are duly qualified and willing to perform the services required of them; and

WHEREAS, Minnesota Statutes Section 471.59 provides authority for entering into this agreement, and

NOW, THEREFORE, The parties hereto, their successors and assigns, agree as follows:

1. GENERAL PURPOSE. The purpose of this joint powers agreement is to establish an organization to coordinate efforts of planning, implementing, and maintaining and operating the Blackduck Lake Dam.

3. DEFINITIONS.

3.1. Board shall mean the Board of Directors established by this Agreement.

3.2. Director shall mean a member of the Board of Directors.

3.3. Member shall mean any watershed district or township which is a signatory to this agreement.

4. MEMBERSHIP.


4.2. Change. No change in governmental boundaries, structure, organizational status, or character shall affect the eligibility of any Member listed above to be represented on the Board as long as such Member continues to exist as a separate political subdivision.
5. BOARD OF DIRECTORS.

5.1. Composition. The Joint Powers Board shall be governed by a Board of Directors which shall consist of two Directors appointed by the governing body of the Red Lake Watershed District and one Director appointed by the Township of Hines Board of Supervisors. Each Member may designate an alternate for its appointed Director(s).

5.2. Compensation. Directors shall serve without compensation from the Board. This shall not prevent a Member from providing compensation to a Director for serving on the Board.

5.3. Vacancy. A vacancy occurring on the Board of Directors shall be filled by the governing body of the Member who is no longer represented on the Board.

6. POWERS AND DUTIES OF THE BOARD.

6.1. The Board will formulate a program to carry out its purpose.

6.2. The Board will coordinate information between the Members.

6.3. The Board may make contracts, employ consultants, incur expenses, and make expenditures necessary and incidental to the effectuation of its purposes and powers, in conformance with the requirements applicable to contracts and purchases of all of the Members.

6.4. The Board or either Member may cause to be made an annual audit of the books and accounts of the Joint Powers Board and shall make and file a report to its Members which shall include the following information:

6.4.1. The status of the Joint Powers Board project(s);

6.4.2. The business transacted by the Joint Powers Board;

6.4.3. The financial condition of the Joint Powers Board; and

6.4.4. Other matters which affect the interests of the Joint Powers Board.

6.5. The Joint Powers Board's books, plans, records, and reports shall be open to inspection by its Members at all reasonable times.

6.6. The Board may appoint such committees as it deems necessary to exercise the powers of the Board.

6.7. The Board will raise funds through solicitation, grants, legislation, or such other means as are available to complete its purpose.
7. FINANCES.

7.1. Budget. The Members shall unanimously determine a budget for the Joint Powers Board and the percentage of contribution that each Member shall make, which shall not be required to be equal. Contributions may be made by Members as any Member deems necessary to carry out this Agreement.

7.2. Initial Contribution. The initial contribution by each Member shall be as follows:

7.3. Expenditure. The Joint Powers Board's funds may be expended by the Board in accordance with this Agreement in a manner determined by the Board. The Board shall designate the Red Lake Watershed District to act as depository for the Joint Powers Board's funds. In no event shall there be a disbursement of Joint Powers Board funds from the Red Lake Watershed District's fund depository without the signature of two officers of the Board, unless otherwise designated by the Board.

7.4. Report. The Board shall receive an annual financial report of all expenditures, receipts, and current fund balances from the treasurer.

7.5. Debt. The Board may not incur debts beyond its budgetary ability to pay.

8. QUORUM-VOTING.

8.1. Quorum. A majority of all of the Directors shall constitute a quorum. A simple majority vote of the Directors present at a meeting with a valid quorum shall be required for the Board to take action, unless otherwise provided in this Agreement or by law. If less than a quorum is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice. The Directors present at a duly organized meeting may continue to transact business until adjournment, not withstanding the withdrawal of enough Directors to leave less than a quorum.

8.2 Proxy. There shall be no voting by proxy. All votes must be cast by the Director, or designated alternate, at a Board meeting. Each Director shall have one vote.

9. OFFICERS.

9.1. Number and Qualification. The Officers of the Board shall be a Chair, Vice-Chair, Secretary, and Treasurer. Officers must be members of the Board of Directors. One Director may serve as secretary and treasurer.

9.2. Election. At its first meeting, the Board shall elect a Chair, a Vice-Chair, and a Secretary, and a Treasurer who shall serve to the first meeting of the following year. At the
first meeting of each year, the Board shall elect a Chair, a Vice-Chair, and Secretary, and a Treasurer.

9.3. Vacancy. Any vacancies occurring in the officers shall be filled for the remainder of the term by the Board.

9.4. Removal. Any officer elected by the Board may be removed by the Board whenever in its judgment the best interests of the Joint Powers Board would be served thereby.

10. MEETINGS.

10.1. Regular Meetings. The Board shall meet at least annually or on such intervals as set on a schedule determined by the Board.

10.2. Special Meetings. Meetings of the Board may be called by the Chair or upon written request of the majority of the Directors.

10.3. Notice. The Secretary shall provide three days mailed notice of regular or special meetings except when emergency situations arise and there is not sufficient time to provide three day notice. All notices shall be in writing, mailed by first class mail, to the last known address of each Director and alternate Director.

11. DURATION.

11.1 Each Member agrees to be bound by the terms of this agreement until termination.

12. TERMINATION.

12.1. Any Member may petition the Board to terminate this Agreement. Upon thirty days notice in writing to the Clerk or Secretary of the governing body of each Member, the Board shall hold a hearing and upon a three-fifths vote of all Directors eligible to vote, the Board may by resolution recommend that the Agreement be terminated. The resolution shall be submitted to the governing body of each Member and if ratified by two thirds of the governing bodies of all Members within sixty days, the Board shall terminate the Agreement, allowing a reasonable time to complete windup.

12.2. Upon dissolution, all bills and other obligations shall be paid in full and any remaining assets shall be distributed equally amongst Members.

13. EFFECTIVE DATE. This Agreement shall be in full force and effect no earlier than the date hereof or when all Members have signed this Agreement.
14. AMENDMENTS. Any Member may petition the Board or the Board on its own initiative may recommend amendments to this Agreement. Any amendments shall be submitted to the Board of Directors for their review. Should the Board approve an amendment by two-thirds or more vote, the Board shall submit the proposed amendment to the governing bodies of all Members. Should two-thirds of the governing bodies of all Members ratify the amendment within sixty days of submission, the amendment shall then become effective.

IN WITNESS WHEREOF, The undersigned governmental units, by action of their governing bodies, have caused this Agreement to be executed in accordance with the authority of Minnesota Statutes 471.59.

Township of Hines
By: 
Its: Chairman

By: 
Its: Clerk

Red Lake Watershed District
By: 
Its: President

By: 
Its: Secretary
March 19, 2018

Mayor Brian Holmer
City of Thief River Falls
405 Third Street East, PO Box 528
Thief River Falls, Minnesota 56701-0528

Dear Mayor Holmer,

I’m responding to your March 13, 2018 letter to Governor Dayton regarding the proposed Thief River Falls Westside Flood Damage Reduction Project and your phone call when we discussed the project. Thank you for your continued support of Minnesota’s Flood Damage Reduction (FDR) Grant Assistance Program. Yours and many other communities throughout the state have benefitted significantly through cost share FDR grants to reduce community flood risk.

The Red Lake Watershed District (RLWD) informed DNR of the Thief River Falls Westside Flood Damage Reduction Project in mid-February of this year. The RLWD has submitted a grant application requesting $1,500,00 in cost-share funding to complete the funding for the $5.0 million project.

We have reviewed the application and agree the diversion project will provide improved flood protection along Pennington County Ditch #70 and other parts of the city. The project is eligible for FDR funding, and has been added to our list of statewide projects seeking funding this year and beyond. That project list includes fifteen communities requesting over $21 million in state funding this year, as well as sixteen watershed district projects seeking another $23 million.

Governor Dayton’s bonding request includes $20 million for flood hazard mitigation; however, the final appropriation amounts won’t be known until mid to late May. Once a bonding bill is passed and signed by Governor Dayton, we would assess all projects and provide funding to those projects most at risk, most ready to move forward, and those that have their matching funds secured. The Thief River Falls Westside Flood Damage Reduction Project will be included in our consideration.

We are committed to continued cooperation with the Red Lake Watershed District to advance flood risk reduction projects. If you have any questions about the program or our funding priorities, please contact me at 651-259-5701 or Pat Lynch at 651-259-5691.

Sincerely,

Kent Lokkesmoe
Director of Capital Investment

CC: Governor Mark Dayton
DNR Commissioner Tom Landwehr
Sen. Dave Senjem
Rep. Dean Urdahl
Sen. Mark Johnson
Rep. Dan Fabian
Myron Jesme, Red Lake Watershed District
TRF Westside Flood Damage Reduction Project
Funding Breakdown

- MN – FDR $1,500,000 (30%)
- RRWMB $1,000,000 (20%)
- BENEFITTING LANDOWNERS $1,000,000 (20%)
- MN DOT $750,000 (15%)
- RLWD $500,000 (10%)
- PENN. CO. – STATE AID $250,000 (5%)
**DISCLAIMER:** This is data extracted from the web farm database. Because of potential messaging failures in MIDAS, this data is not guaranteed to be an accurate and complete representation of data contained in the MIDAS system, which is the system of record for Farm Records.

Operator Name: RED LAKE WATERSHED DISTRICT

Farms Associated with Operator:

6155

CRP Contract Number(s): None

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<thead>
<tr>
<th>Farmland</th>
<th>Cropland</th>
<th>DCP Cropland</th>
<th>WBP</th>
<th>WRP/EWP</th>
<th>CRP Cropland</th>
<th>GRP</th>
<th>Farm Status</th>
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**State Conservation**

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<th>MPL/FWP</th>
<th>Native Sod</th>
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**ARC/PLC**

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<th>Base Acreage</th>
<th>CTAP Tran Yield</th>
<th>PLC Yield</th>
<th>CCC-505 CRP Reduction</th>
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**Total Base Acres:** 147.6

Tract Number: 4146  
Description: NE4,S2NE4,N2SE4 3 Polk Centre

BIA Range Unit Number:

HEL Status: NHEL: no agricultural commodity planted on undetermined fields

Wetland Status: Tract does not contain a wetland

WL Violations: None

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**Total Base Acres:** 147.6

Owners: RED LAKE WATERSHED DISTRICT

Other Producers: None
Map of Farm 6157 in Pennington County, Minnesota

Pennington County, Minnesota

2018 Crop Year

Common Land Unit
- Cropland
- Non-cropland
- CRP

Wetland Determination Identifiers
- Restricted Use
- Limited Restrictions
- Exempt from Conservation Compliance Provisions

Farm 6157
Tract 4146

United States Department of Agriculture (USDA) Farm Service Agency (FSA) maps are for FSA Program administration only. This map does not represent a legal survey or reflect actual ownership; rather it depicts the information provided directly from the producer and/or National Agricultural Imagery Program (NAIP) imagery. The producer accepts the data 'as is' and assumes all risks associated with its use. USDA-FSA assumes no responsibility for actual or consequential damage incurred as a result of any user's reliance on this data outside FSA Programs. Wetland identifiers do not represent the size, shape, or specific determination of the area. Refer to your original determination (CPA-028 and attached maps) for exact boundaries and determinations or contact USDA Natural Resources Conservation Service (NRCS).

https://intranet-apps.fsa.usda.gov/cars/setUpReports.do?dispatchTo=report&report=fsa578Map&farmNu...  4/10/2018
Operator Name: RED LAKE WATERSHED DISTRICT

Farms Associated with Operator: 6157

CRP Contract Number(s): None

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State Conservation: 0.0
Other Conservation: 0.0
Effective DCP Cropland: 224.68
Double Cropped: 0.0
MPL/FWP: 0.0
Native Sod: 0.0

ARC-IC
NONE

ARC-CO
WHEAT, OATS, BARLEY

PLC
NONE

PLC-Default
NONE

Crop | Base Acreage | CTAP Tran Yield | PLC Yield | CCC-505 CRP Reduction
--- | --- | --- | --- | ---
WHEAT | 131.75 | 35 | 0.0 | 0.0
OATS | 5.0 | 55 | 0.0 | 0.0
BARLEY | 29.48 | 46 | 0.0 | 0.0

Total Base Acres: 166.23

Tract Number: 4985
Description: E2NE4 4; S2NW4 and Lots 3 & 4 3 Polk Centre

BIA Range Unit Number:

HEL Status: NHEL: no agricultural commodity planted on undetermined fields

Wetland Status: Tract contains a wetland or farmed wetland

WL Violations: None

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State Conservation: 0.0
Other Conservation: 0.0
Effective DCP Cropland: 224.68
Double Cropped: 0.0
MPL/FWP: 0.0
Native Sod: 0.0

Crop | Base Acreage | CTAP Tran Yield | PLC Yield | CCC-505 CRP Reduction
--- | --- | --- | --- | ---
WHEAT | 131.75 | 35 | 0.0 | 0.0
OATS | 5.0 | 55 | 0.0 | 0.0
BARLEY | 29.48 | 46 | 0.0 | 0.0

Total Base Acres: 166.23

Owners: RED LAKE WATERSHED DISTRICT
Other Producers: None
Map of Farm 6155 in Pennington County, Minnesota

Pennington County, Minnesota

Farm 6155
Tract 4985

2018 Crop Year

Wetland Determination Identifiers
- Restricted Use
- Limited Restrictions
- Exempt from Conservation Compliance Provisions

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https://intranet-apps.fsa.usda.gov/cars/setUpReports.do?dispatchTo=report&report=fsa578Map&farmNum... 4/10/2018
RELEASE OF CLAIMS AND INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

That Releasors, LeRoy Christensen (Releasor’s Name), being of lawful age, for the sole consideration, allowing entry onto Louisville Parnell Project, RLWD Project No 121; Parnell Impoundment, RLWD Project No. 81; Brandt Impoundment, RLWD Project No. 60D, to remove gopher along the spoil bank, receipt of which is hereby acknowledged, do hereby and for their heirs, successors, and assigns release, acquit and forever discharge the Red Lake Watershed District, its Board Members, Employees, Representatives Staff and their successors and assigns, (hereinafter “the Red Lake Watershed District”), of and from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses and compensation of whatever kind and of whatever nature, which now exist or which may hereafter accrue on account of or in anyway growing out any negligence on the part of the parties hereby released in regards to the removal/trapping of gopher on portions of the Louisville Parnell Project, RLWD Project No 121; Parnell Impoundment, RLWD Project No. 81; Brandt Impoundment, RLWD Project No. 60D, between Releasors and the Red Lake Watershed District.

Furthermore, the Releasors, jointly and severally, agree to indemnify and hold harmless the Red Lake Watershed District from any liability to third parties, including attorney’s fees and costs, for any liability or claims against the Red Lake Watershed District in relation to the above referenced matter between Releasors and the Red Lake Watershed District.

The Releasors hereby declare and represent that no promise, inducement or agreement not herein expressed has been made to the Releasors, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

THE RELEASORS HAVE READ THE FOREGOING RELEASE AND FULLY UNDERSTAND IT.

DATED: 4-3-18

LeRoy Christensen
17721 140th Avenue Se
Red Lake Falls, MN 56750
218-253-2048
Dayton disavows enforcement plan for his buffer strip law

By STEVE KARNOWSKI Associated Press  APRIL 10, 2018 — 3:30PM

MINNEAPOLIS — Gov. Mark Dayton has disavowed potential fines that could reach into thousands of dollars against farmers who fail to plant buffer strips between fields and waterways, saying they run counter to the cooperative approach envisioned in his signature environmental initiative.

Dayton said in a letter to the Board of Water and Soil Resources, released Tuesday but dated Monday, that he was "surprised and disturbed" to learn about the draft proposal, which also has drawn sharp criticism from key Republican lawmakers who accused his administration of overreach.

"The proposed fines are unreasonable," the Democratic governor told the board. "They have come as a shock not only to myself, but also to Minnesota farmers." He urged the board to swiftly reconsider.

The proposal would give local governments a new option for imposing higher administrative penalties than current regulations allow on landowners who don't comply with the buffer law's requirements. The fines could reach as high as $500 per linear foot of land along ditches and other watercourses, though the amount would be up to the counties and watershed districts that choose to use the approach.

Compliance is over 98 percent already. Dayton said penalties should be a last resort.

Chairmen of legislative committees with jurisdiction over agriculture called the proposal absurd and heavy-handed, and scheduled hearings on for Wednesday and Thursday.

"These fines are an outrageous overreach by Board of Water and Soil Resources, and we encourage Minnesota farmers to make their voices heard," the chairmen of two House agriculture committees, Reps. Rod Hamilton, R-Mountain Lake, and Paul Anderson, R-Starbuck, said in a statement Tuesday.

Sen. Bill Weber, of Luverne, who chairs the Senate agriculture committee, posted a video message to his constituents on Facebook in which he tore the proposal in two and tossing it off his desk.

"This is absolutely and totally ludicrous," he said.

The board issued a statement apologizing for what it called a "communication misunderstanding." The draft was meant only as an option for local governments to achieve compliance, it said.

"If the additional option doesn't have broad support from landowners or local governments, we expect the Board will not adopt it," the statement said.

The Board of Water and Soil Resources consists of 20 members, including local government representatives and administration officials, who are appointed by the governor.
Update and Status: Proposed Buffer Administrative Penalty Order Amendment

BWSR has received significant feedback to the recent Buffer Administrative Penalty Order (APO) draft option released for comment on April 2, 2018. We believe this is a communication misunderstanding, and for that we sincerely apologize. We would like to better explain our process and next steps.

Background:
BWSR recently published a notice for review to get feedback on an additional draft option for local governments (counties and watershed districts) to choose from to achieve buffer compliance. No changes to the current APO Plan adopted by the BWSR Board on June 28, 2017 have been made. There is no additional action a county or watershed district has to take. Further:

1. It is not a requirement for local governments to use APO in enforcing the buffer law.
2. They may choose to use their existing local government authorities.
3. If they do choose APO, per statute, it must be consistent with BWSR criteria.

This Draft APO option:
- BWSR was responding to interest expressed in possible additional compliance options. BWSR is using public feedback as a way to get input on this draft proposal.
- The draft proposal suggests a one-time linear feet measure of compliance. The existing method uses a recurring fine on a per parcel basis for determining compliance.
- BWSR does not plan to use this option in counties where we have enforcement responsibilities under the law.

Buffer Compliance:
- Landowners who are in compliance with the law are not subject to any proposed or existing penalties.
- Over 98% of public waters landowners are in compliance.
- No public ditch landowners are out of compliance — as the deadline date is not until November 1, 2018.
- To our knowledge, no APOs have been issued.
- Non-compliance penalties are forgivable when a landowner brings their land into compliance with the law even after the APO has been issued.
The timing of the public notice was tied to ordinance adoption and the annual election of jurisdiction that counties and watershed districts must make in June each year to receive state funding.

The BWSR Board Committee is scheduled to consider comments as part of their decision-making process this month. If the additional option doesn’t have broad support from landowners or local governments, we expect the Board will not adopt it.

Proposed Amendment to the BWSR Administrative Penalty Order Plan for Buffer Law Implementation
(as posted for comment April 2, 2018)

The proposed amendment to the BWSR Administrative Penalty Order (APO) Plan for Buffer Law Implementation would add an option for assessing penalties on page 4 of the APO Plan adopted by the BWSR Board on June 28, 2017 and available on the BWSR Website: [http://bwsr.state.mn.us/buffers/enforcement/bwsr_apo_plan.pdf](http://bwsr.state.mn.us/buffers/enforcement/bwsr_apo_plan.pdf). The proposed new language is shown via underlined text.

Information and comments will be accepted until 4:30 p.m. on April 16, 2018. Comments may be submitted via email to buffers.bwsr@state.mn.us. Alternatively, comments may be submitted by U.S. mail as follows:

Tom Gile  
Buffers and Soil Loss Operations Supervisor  
Board of Water and Soil Resources  
3555 9th Street NW, Suite 350  
Rochester, MN 55901

**OPTION:** Counties and watershed districts may choose from one of two options below:

**NEW** - (A) is a penalty based on linear feet of water body frontage on a given parcel. This penalty is **NOT** based on linear feet of frontage that is out of compliance. The penalty amount is determined using total riparian frontage on the parcel. This penalty may be repeated at the discretion of the entity with jurisdiction.  
(B) is the existing APO option which can be found on the BWSR website.

**(A)** An annual penalty will be assessed based on the total linear feet of riparian frontage on a parcel. The penalty will be due on day one of the 11th month after the noncompliance notice was issued. The penalty may be repeated at the discretion of the county or watershed district.

The county or watershed district may select a specific penalty amount within the range shown for the corresponding linear feet of riparian frontage, or include the range in their official controls and select a penalty amount subject to the specific characteristics of each case. The table below will be used by BWSR to evaluate a county’s or watershed district’s APO provisions and consistency with the Plan adopted by BWSR pursuant to Minn. Stat. §103F.48, subd. 7

The penalty amount is determined based on the following table:
In no instance may the penalty be more than $500 per linear foot of riparian frontage on the parcel.

Counties and watershed districts may modify the corrective actions and timeline for compliance, in accordance with section B.1, to extend the compliance timeline for a modification that imposes a substantial new action or that would significantly accelerate the completion date for an action.
This document was adopted by the Board of Water and Soil Resources (BWSR) pursuant to Minn. Stat. §103B.101, subd. 12(a) and (b) and Minn. Stat. §103F.48, subd. 7(c) to provide procedures for the issuance of APOs for counties and watershed districts and BWSR. It is a guide, not a rule. It is not a statement of general applicability and future effect. It is not designed to amend statute. Statutes are subject to change and if the language of this Plan differs from statute, the statute controls. In addition, users of the document are encouraged to obtain legal advice of an attorney regarding their specific application of Minn. Stat. §103F.48.

This document is organized as follows:

A. Part A contains guidance for counties and watershed districts that elect to use Administrative Penalty Orders to enforce the riparian protection and water quality practices requirements of Minn. Stat. §103F.48;

B. Part A is best used in conjunction with Procedure 9: BWSR’s Review of Local Buffer Enforcement Rules, Ordinances and Official Controls when evaluating a county or watershed district buffer enforcement mechanism for consistency with this Administrative Penalty Order Plan and Minn. Stat. §103F.48, subd. 1(j); and

C. Part B shall be used when BWSR is the enforcement authority for the riparian protection and water quality practices requirements of Minn. Stat. §103F.48.

Background

In 2015 the Minnesota Legislature passed the “Riparian Protection and Water Quality Practices” law codified in Minn. Stat. §103F.48, which states: It is the policy of the state to establish riparian buffers and water quality practices to:

1) protect state water resources from erosion and runoff pollution;
2) stabilize soils, shores, and banks; and
3) Protect or provide riparian corridors.

Subdivision 3 of the law requires the fee title landowner¹ with property adjacent to a water body identified and mapped on the Buffer Protection Map to maintain a buffer to protect the State’s water resources as specified in the law. Minnesota Statutes 103F.48 also authorizes counties, watershed districts and BWSR to require that landowner’s violations of the riparian protection and water quality practices provided in Minn. Stat. §103F.48 be corrected and to assess administrative penalties to landowners who fail to comply. The APO authority is an enforcement tool to gain compliance with the riparian protection and water quality practices requirements in order to achieve the purposes of the law.

¹ In certain circumstances, the landowner includes the landowner’s agent or operator, see Minn. Stat. §103F.48, subd. 7(g) and subd. 9.
This law also directs BWSR in subdivision 7 to “adopt a plan containing procedures for the issuance of APOs by local governments and BWSR” which must be published in the State Register no later than July 1, 2017. The BWSR APO Plan, and any subsequent amendments, become effective 30 days after publishing. The procedures that BWSR will use when it is the enforcement authority are contained in Part B of this Plan.

This Plan provides guidance for counties, watershed districts or BWSR to effectively use APO authority to ensure that the landowner of property adjacent to a waterbody shown on the Buffer Protection Map comply with the riparian protection and water quality practices requirements of Minn. Stat. §103F.48. The primary goal is to protect water quality through compliance rather than to exact penalties. Thus, the responsible party or parties will have the opportunity to come into compliance before any penalties are assessed.

In addition, BWSR has developed additional documents to support implementation of the riparian protection and water quality practices requirements by BWSR, local governments and landowners. Local governments and landowners should comply with these documents, as appropriate, and encouraged to review the guidance when considering actions to comply with these requirements. These documents are available on BWSR’s website.

**Enforcement responsibilities of Soil and Water Conservation Districts, Counties, Watershed Districts and BWSR**

*Soil and water conservation districts* (SWCD) are required under Minn. Stat. §103F.48, subdivision 6 to track landowners progress toward compliance under subdivision 7 and must notify the county or watershed district with jurisdiction and BWSR if it determines a landowner is not in compliance with the riparian protection and water quality practices requirements.

*Counties and watershed districts* are not required to enforce the riparian protection and water quality practices requirements of Minn. Stat. §103F.48, but may elect to exercise their jurisdiction as provided in subdivision 7 by notifying BWSR and identifying the ordinance, rule, or other official control it intends to use to carry out its compliance and enforcement authority. This may include the issuance of APOs and an associated penalty if the county or watershed district had adopted an APO plan consistent with the BWSR APO Plan. In areas where the county or watershed district have not elected to have jurisdiction, BWSR is required under §103F.48, subdivision 7(c) to carry out enforcement responsibilities.

*Counties and watershed districts with jurisdiction and BWSR* are authorized under Minn. Stat. §103B.101, subdivision 12a, to require that violations of the riparian protection and water quality practices requirements be corrected and to assess administrative penalties. In addition, Minn. Stat. §103F.48, subdivision 7, authorizes counties and watershed districts to enforce the riparian protection and water quality practices requirements by ordinance, rule, or by adopting an APO plan consistent with the Plan adopted by BWSR. A model county and watershed district APO Plan is provided in part A.

BWSR is required under Minn. Stat. §103F.48, subdivision 1(j), to determine whether a county or watershed district that has elected jurisdiction has adopted a rule, ordinance or other official control providing adequate procedures for APO issuance, enforcement and appeals for §§103F.48 and 103B.101, subd. 12a. In addition, BWSR has the responsibility to adopt an APO Plan by July 1, 2017 and to ensure that a county or watershed district APO plan is consistent with the Plan adopted by BWSR under Minn. Stat. §103F.48, subdivision 7(c). Minn. Stat. §103F.48, subdivision 9, establishes an appeals process that landowners or their agents or operators can use to appeal APOs issued by counties, watershed districts or BWSR.
Part A. Model County and Watershed District APO Plan

A. Enforcement Procedures

A county or watershed district that elects to exercise its jurisdiction to enforce the requirements of Minn. Stat. §103F.48 must adopt a rule, ordinance, or other official control that provides adequate procedures for the issuance of administrative penalty orders, enforcement and appeals, under Minn. Stat. §103F.48, subd. 7. It is recommended that a county or watershed district consider adopting the methods of determining compliance as provided in BWSR’s APO Plan (Part B). A county or watershed District must define buffer width and measurement requirements and alternative practices and related provisions consistent with Minn. Stat. §103F.48, subd. 3. BWSR has the authority to adopt orders under Minn. Stat. §103B.101 and county enforcement authority is pursuant to Minn. Stat. Chapter 394, and watershed district enforcement authority is pursuant to Minn. Stat. Chapter 103D, which is in addition to any other official control or authority available to BWSR, counties and watershed districts.

B. Administrative Penalty Order (APO) Provisions

A county or watershed district that chooses to use the APO authority granted in Minn. Stat. §103B.101, subd. 12a and Minn. Stat. §103F.48, subd. 7 must adopt a plan consistent with the plan adopted by BWSR (see Minn. Stat. §103F.48, subd. 7(c)). Part A provides guidance to a county or watershed district that elects to use APOs to enforce the riparian protection and water quality practices requirements of Minn. Stat. §103F.48 and can help to determine whether its APO plan is consistent with BWSR’s Plan.

1. Corrective Action Notice

Upon receipt of an SWCD notification of noncompliance, the county or watershed district sends the landowner a corrective action notice that:

(a) Includes a list of corrective actions needed to come into compliance with the requirements of Minn. Stat. §103F.48;
(b) Provides a timeline for the landowner to comply with the notice; and
(c) Includes a statement that a landowner’s failure to respond to this notice will result in the assessment of financial penalties.

The county or watershed district may send the landowner a combined corrective action notice and APO as provided in item 2 so long as the combined notice/APO includes all the required elements of both.

The county or watershed district may exercise its judgment by also naming a tenant or other person with control over that part of the property subject to riparian protection and water quality practices requirements, as a responsible party. The county or watershed district may deliver or transmit the corrective action notice by any means reasonably determined to reach the landowner, and it is recommended to document receipt. However, a failure to document receipt will not preclude the county or watershed district from demonstrating receipt or knowledge of the corrective action notice in an enforcement proceeding. The county or watershed district must send a copy of the notice to the SWCD.

At any time, the landowner may provide documentation of compliance to the county or watershed district. In addition, the landowner may supply information in support of a request to modify a corrective action or the timeline for compliance. On the basis of any such submittal or at its own discretion, the county or watershed district, in writing, may modify the corrective action notice or timeline for compliance, and will deliver or transmit the modified corrective action notice and timeline in accordance with this section. Any modification to the notice
or timeline for compliance should be in writing to ensure that the county or watershed district has a copy for its enforcement file. The county or watershed district should determine if the noncompliance has been fully corrected and issue its determination, in writing (as recommended above), to the landowner.

The SWCD may issue a validation of compliance if requested by the landowner and following consultation with the county or watershed district. On county or watershed district receipt of the validation, the corrective action notice will be deemed withdrawn for the purpose of this item, and the subject property will not be subject to enforcement under that section.

A corrective action notice is not considered a final decision and is not subject to appeal under Minn. Stat. §103F.48, subd. 9.

**OPTION**: Counties and watershed districts may establish a local process to appeal a corrective action notice. The time period for compliance and the initiation of a penalty should be put on hold while any appeal is pending for up to 60 days.

2. APO. The county or watershed district may issue an APO as provided for in Minn. Stat. §103B.101, subdivision 12a and 12(b) against a landowner that does not comply with a corrective action notice. The APO should be sent with the corrective action notice, alternatively, a combined corrective action notice and APO may be sent so long as the combined notice/APO includes all the elements of both. The penalty will continue to accrue until the violation is corrected as provided in the corrective action notice and APO. The penalty schedules shown below in (a) and (b) will be used by BWSR to evaluate county and watershed district APO plan consistency with the Plan adopted by BWSR according to Minn. State. §103F.48, subd. 7

   (a) Initial Violation. The penalty range for landowner on the same parcel that has not previously been the subject of an APO issued by the county or watershed district should be based on the following schedule:

   i. $0 for 11 months after issuance of the corrective action notice;
   ii. $50 - $200 per parcel per month for six (6) months (180 days) following the time period in i; and
   iii. $200 - $500 per parcel per month after six (6) months (180 days) following the time period in ii.

   **OPTION**: Counties and watershed districts are recommended to choose a specific penalty amount within the range shown in ii and iii to ensure consistency with the BWSR APO Plan.

   Counties and watershed districts may modify the corrective actions and timeline for compliance, in accordance with section B.1, to extend the compliance timeline for a modification that imposes a substantial new action or that would significantly accelerates the completion date for an action.

   (b) Repeat violation. The penalty range for a landowner on the same parcel that has previously been the subject of an APO issued by the county or watershed district shall be based on the following schedule:

   i. $50 - $200 per parcel per day for 180 days after issuance of the corrective action notice; and
   ii. $200 - $500 per parcel per day for after 180 days following the time period in i.

   **OPTION**: Counties and watershed districts are recommended to choose a specific penalty amount within the range shown in i and ii to ensure consistency with the BWSR APO Plan.

   Counties and watershed districts may modify the corrective actions and timeline for compliance, in
accordance with section B.1, to extend the compliance timeline for a modification that imposes a substantial new action or significantly accelerates the completion date for an action.

(c) Order. The APO should include:

i. The facts constituting a violation of the riparian protection and water quality practices requirements;

ii. The statute and/or ordinance or rule that has been violated;

iii. Prior efforts to work with the landowner to resolve the violation;

iv. The amount of the penalty to be imposed;

v. The date the penalty will begin to be assessed;

vi. The date that payment of the penalty is due;

vii. The date by which all or part of the penalty may be forgiven if the landowner complies with the corrective action notice; and

viii. The landowner or his/her agent or operators’ right to appeal the APO.

All or part of the penalty may be forgiven based on the correction of the noncompliance by the landowner by the date specified in the APO. If part or all of the penalty is forgiven, the county or watershed district are recommended to document the reasons and the amount of the penalty that has been forgiven.

A copy of the issued APO must be sent to the SWCD and BWSR.

According to Minn. Stat. §103F.48, subdiv. 9 an APO that is not appealed to the executive director of BWSR within 30 days of receipt by the landowner or his/her agent or operator is final.

(d) Administrative Penalty Order Procedures

i. Statute of limitations. According to Minn. Stat. §541.07, subd. 2 (2), the county or watershed district has two years in which to commence an administrative penalty order action after the violation is discovered. The goal is to complete the action as soon as reasonably practical, recognizing that situations for which data must be gathered, field investigations must be completed and/or modeling must be performed will require adequate time to complete the work and communicate with the landowner involved.

ii. Compliance verification. Once a landowner has submitted written evidence of correction of the violation, compliance must be verified. The county or watershed district should:

- Review and evaluate all information related to the APO to determine if the violation has been corrected;
- Verify compliance by a site visit, re-inspection, examination of documentation, or other means as may be reasonable under the facts of the case; and
- Document compliance verification.

The county or watershed district may consult with the SWCD when conducting a compliance verification.

iii. Right to appeal. Minn. Stat. §103F.48, subdivision 9, establishes the rights and procedures for a landowner or his/her agent or operator to appeal an APO issued for a violation of the riparian
protection and water quality practices requirements. A landowner or his/her agent or operator may appeal, in writing, the terms and conditions of an APO issued by a county or watershed district within 30 days of receipt of the APO. The appealing party must provide a copy of the APO that is being appealed, the basis for the appeal and any supporting evidence. The appeal may be submitted personally, by U.S. mail, or electronically, to the Executive Director of BWSR. At the discretion of the Executive Director, APOs for the same or similar violations on a parcel may be combined and addressed as a single appeal. The Executive Director will review the appeal and supporting evidence and issue a decision within 60 days of receipt of the appeal. The Executive Director’s decision is appealable to the Minnesota Court of Appeals pursuant to Minn. Stat. §14.63 to 14.69. The penalty shall not accrue while the appeal is pending.

iv. Penalty due. Unless the landowner or his/her agent or operator appeals the APO within 30 days of receipt of the APO, the penalty is due and payable to the county or watershed district as specified in the APO. If the landowner or his/her agent or operator submits written evidence within 30 days of the date specified in the APO, which may include a validation of compliance issued by the SWCD, that the violation was corrected, and the county or watershed district verify compliance, then the penalty will be payable based on the date the landowner or his/her agent or operator submitted the written evidence of compliance.

However, if the county or watershed district determines the violation was not fully corrected, the landowner or his/her agent or operator has 20 additional days to pay the penalty after receipt of a letter of determination from the county or watershed district that the violation has not been fully corrected, or the time period specified in the APO as issued, whichever is later. The penalty will continue to accrue until the violation is corrected as provided in the corrective action notice and APO.

v. Referral for collection of penalty. All penalties assessed under an APO must be paid by the landowner within the specified time and made payable to the county or watershed district. Any penalty not received in the specified time may be collected by any lawful means by the county or watershed district.

vi. Reporting and documentation. Effective compliance reporting and documentation will ensure that proper enforcement action is taken, and that a record is maintained of these actions. When the county or watershed district identifies a violation of the riparian protection and water quality practices requirements, staff should follow record keeping procedures to assess and document the following to the extent known or available:

- Cause of the violation;
- Magnitude and duration of the violation;
- Whether the violation presents an actual or imminent risk to public health and safety, or to the environment or the natural resources of the state;
- Past violations;
- Efforts by the SWCD, county, watershed district or BWSR to assist the landowner to become compliant, including written and oral communications with the landowner; and
- Past and present corrective action efforts by the landowner.
Part B: BWSR Administrative Penalty Order Plan

I. Buffer Requirements

1. Buffer width
   Except as provided under section I.5, a landowner must maintain a buffer area on a water shown on the buffer protection map as follows:
   A. For waters shown on the buffer protection map requiring a fifty (50) foot average width and a thirty (30) foot minimum width buffer as measured according to subsection 2, except as provided in section I.5.
   B. For waters shown on the buffer protection map requiring a sixteen and a half (16.5) foot minimum width buffer as measured according to subsection 2 except as provided in subsection I.5.

2. Buffer Measurement
   A. The measurement of the required buffer on land adjacent to a water requiring a fifty (50) foot average width and a thirty (30) foot minimum width buffer must be from the top or crown of the bank. Where there is no defined bank, measurement must be from the edge of the normal water level.
   B. The measurement of the required buffer on land adjacent to a water requiring a sixteen and a half (16.5) foot minimum width buffer must be in the same manner as for measuring the perennial vegetation buffer strips under Minn. Stat. §103E.021.

3. Use of Buffer Area
   A buffer may not be used for cultivation farming but may be grazed, mowed, hayed or otherwise harvested, provided permanent growth of perennial vegetation is maintained, except as provided in subsection 4.G and section I.5.

4. Exemptions
   A. The requirement of section I.1 does not apply to land that is:
      i. Enrolled in the federal Conservation Reserve Program;
      ii. Used as a public or private water access or recreational use area including stairways, landings, picnic areas, access paths, beach and watercraft access areas, and permitted water-oriented structures as provided in the shoreland model standards and criteria adopted pursuant to Minn. Stat. §103F.211 or as provide in an approved local government shoreland ordinance;
      iii. Covered by a road, trail, building or other structures; or
      iv. Regulated by a national pollutant discharge elimination system/state disposal system (NPDES/SDS) municipal separate storm sewer system, construction or industrial permit under Minnesota Rules, chapter 7090, and the adjacent waterbody is provided riparian protection;
      v. Part of a water-inundation cropping system; or
vi. In a temporary nonvegetated condition due to drainage tile installation and maintenance, alfalfa or other perennial crop or plant seeding, or a construction or conservation project authorized by a federal, state or local government unit.

B. The landowner claiming the applicability of an exemption to their parcel is responsible for identifying the exemption and maintaining evidence of eligibility to demonstrate qualification for the exemption.

5. Alternative practices

The landowner or his/her agent or operator of land that is used for cultivation farming may demonstrate compliance with section 1.1 by establishing and maintaining an alternative riparian water quality practice(s), or combination of structural, vegetative, and management practice(s), based on the Natural Resources Conservation Service Field Office Technical Guide, common alternative practices adopted and published by BWSR, other practices approved by BWSR, or practices based on local conditions approved by the local SWCD that are consistent with the Field Office Technical Guide which provide water quality protection comparable to the water quality protection provided by a required buffer as defined in subsections 1.1 to 1.3.

II. Compliance Determinations

Compliance on each parcel will be determined based on the establishment and maintenance of buffers and/or alternative practices.

Compliance status will be determined by BWSR:

A. On a parcel basis as identified by a unique locally defined property identification number or description; and

B. The compliance status of each bank, or edge of an applicable water body on an individual parcel will be determined independently.

1. Notification of Noncompliance

When BWSR observes potential noncompliance or receives a third party complaint from a private individual or entity, or from another public agency, it will consult with the SWCD to determine the appropriate course of action to confirm compliance status. This may include communication with the landowner or his/her agents or operators, communication with the shoreland management authority, inspection or other appropriate steps necessary to verify the compliance status of the parcel. On the basis of this coordination, the SWCD may issue a Notification of Noncompliance to BWSR. BWSR compliance or enforcement actions under Minnesota Statutes §103F.48 and section III will be based on an SWCD issued Notice of Noncompliance.

At any time, the landowner or his/her agents or operators may provide documentation of compliance to the SWCD. The SWCD should evaluate the documentation, or review the buffer and/or alternative practices to determine if the parcel is in compliance and issue its determination in writing to the landowner or his/her agents or operators and BWSR. The SWCD may issue a Validation of Compliance if applicable and requested by the landowner or his/her agents or operators. The SWCD must send a copy of a Notification of Noncompliance to BWSR.

III. Enforcement and Penalty Procedures

1. Corrective Action Notice
Upon receipt of an SWCD notification of noncompliance, BWSR will send the landowner or his/her agents or operators a corrective action notice that will:

(a) Include a list of corrective actions needed to come into compliance with the requirements of Minn. Stat. §103F.48;
(b) Provide a timeline for complying with this notice; and
(c) Include a statement that failure to respond to this notice will result in the assessment of financial penalties.

The landowner may be sent a combined corrective action notice and APO as provided in item 2 so long as the combined notice/APO includes all the elements of both.

BWSR may deliver or transmit the corrective action notice by any means reasonably determined to reach the landowner or agents or operators, which will document receipt. However, a failure to document receipt will not preclude BWSR from demonstrating receipt or knowledge of the corrective action notice in an enforcement proceeding under section III. BWSR will also send a copy of the notice to the SWCD.

At any time, the landowner or his/her agents or operators may provide documentation of compliance to BWSR. In addition, the landowner or his/her agent or operator may supply information in support of a request to modify a corrective action or the timeline for compliance. On the basis of any such submittal or at its own discretion, BWSR, in writing, may modify the corrective action notice or timeline for compliance, and will deliver or transmit the modified corrective action notice and timeline in accordance with this section. BWSR should determine if the noncompliance has been fully corrected and issue its determination as provided in section III. 3B, in writing, to the landowner or his/her agent or operator.

The SWCD may issue a validation of compliance if requested by the landowner or his/her agent or operator and following consultation with BWSR. On BWSR receipt of the validation the corrective action notice will be deemed withdrawn for the purpose of section 2.0, and the subject property will not be subject to enforcement under that section.

A corrective action notice is not considered a final decision and is not subject to appeal under Minn. Stat. §103F.48, subd. 9.

2. BWSR’s Use of Administrative Penalty Orders.

A. Enforcement by BWSR

BWSR’s authority to enforce the riparian protection and water quality practices requirements of Minn. Stat. §103F.48 by APO is pursuant to Minn. Stat. §103B.101, subdivision 12(a) and (b).

B. BWSR’s enforcement team

Prior to issuance of an APO, BWSR staff may establish an enforcement team to review the specific facts and develop an APO.

C. Amount of penalty

BWSR staff may issue an APO, as provided for in Minn. Stat. §103B.101, subd. 12a against a landowner or his/her agent or operator that does not comply with a corrective action notice. The APO should be sent
with the corrective action notice, alternatively, a combined corrective action notice and APO may be sent so long as the combined notice/APO includes all the elements of both. The penalty will continue to accrue until the violation is corrected as provided in the corrective action notice and APO.

(1) Initial Violation. The penalty for a landowner or his/her agent or operator on the same parcel that has not previously been the subject of an APO issued by BWSR shall be based on the following schedule:

(a) $50 for 11 months after issuance of the corrective action notice;
(b) $100 per parcel per month for six (6) months (180 days) following the time period in (a); and
(c) $500 per parcel per month after six (6) months (180 days) following the time period in (b).

BWSR may modify the corrective actions and timeline for compliance, in accordance with section III.1, to extend the compliance timeline for a modification that imposes a substantial new action or significantly accelerates the completion date for an action.

(2) Repeat violation. The penalty for a landowner or his/her agent or operator on the same parcel that has previously been the subject of an APO issued by BWSR shall be based on the following schedule:

(a) $100 per parcel per day for 180 days after issuance of the corrective action notice; and
(b) $500 per parcel per day after 180 days following the time period in (a).

BWSR may modify the corrective actions and timeline for compliance, in accordance with section III.1, to extend the compliance timeline for a modification that imposes a substantial new action or significantly accelerates the completion date for an action.

D. Order. The APO should include:

i. The facts constituting a violation of the riparian protection and water quality practices requirements;
ii. The statute and/or Board Buffer program document that has been violated;
iii. Prior efforts to work with the landowner or his/her agent or operator to resolve the violation;
iv. The amount of the penalty to be imposed;
v. The date the penalty will begin to be assessed;
vi. The date that payment will be due;
vii. The date by which all or part of the penalty may be forgiven if the landowner or his/her agent or operator has/have complied with the corrective action notice; and
viii. The landowner or his/her agent or operator’s right to appeal the order.

Pursuant to §103F.48, subd. 7(d) all or part of the penalty may be forgiven based on the correction of the noncompliance by the date specified in the APO by the landowner or his/her agents or operators. If part or all of the penalty is forgiven, the reasons and the amount of the penalty that has been forgiven will be documented in the enforcement file.

A copy of the APO should be sent to the SWCD.
According to Minn. Stat. §103F.48, subd. 9 an APO that is not appealed to the executive director of BWSR within 30 days of receipt by the landowner or his/her agent or operator is final.

3. Administrative Penalty Order Procedures

A. Statute of limitations. According to Minn. Stat. §541.07, subd. (2), BWSR has two years in which to commence an APO action after the violation is discovered. The goal is to complete the action as soon as reasonably practical, recognizing that situations for which data must be gathered, field investigations must be completed and/or modeling must be performed will require adequate time to complete the work and communicate with the person(s) involved.

B. Compliance verification. Once a landowner or his/her agents or operators has/have submitted written evidence of correction of the violation, compliance must be verified. BWSR should:

- Review and evaluate all information related to the APO to determine if the violation has been corrected;
- Verify compliance by site visit, re-inspection, examination of documentation, or other means as may be reasonable under the facts of the case; and
- Document compliance verification.

BWSR may consult with the SWCD when conducting a compliance verification.

C. Right to appeal. Minn. Stat. §103F.48, subdivision 9, establishes the rights and procedures for appeal of an APO issued for a violation of the riparian protection and water quality practices requirements. A landowner or his/her agent or operator may appeal, in writing, the terms and conditions of an APO issued by a county, watershed district or BWSR within 30 days of receipt of the APO. The appealing party must provide a copy of the APO that is being appealed, the basis for the appeal and any supporting evidence. The appeal may be submitted personally by U.S. mail, or electronically, to the Executive Director of BWSR. At the discretion of the executive director, APOs for the same or similar violations on a parcel may be combined and addressed as a single appeal. The Executive Director will review the appeal and supporting evidence and issue a decision within 60 days of receipt of the appeal. The Executive director’s Decision is appealable to the Minnesota Court of Appeals pursuant to Minn. Stat. §14.63 to 14.69. The penalty shall not accrue while the appeal is pending.

D. Penalty due. Unless the landowner or his/her agents or operators appeals the APO within 30 days of receipt of the APO, the penalty is due and payable to BWSR as specified in the APO. If the landowner or his/her agents or operators submits written evidence within 30 days of the date specified in the APO, which may include a validation of compliance issued by the SWCD, that the violation was corrected, and BWSR verifies compliance, then the penalty will be payable based on the date the landowner submitted the written evidence of compliance. However, if BWSR determines the violation was not fully corrected, the landowner or his/her agents or operators has 20 additional days to pay the penalty after receipt of the letter of determination from BWSR that the violation has not been fully corrected, or the time period specified in the APO as issued, whichever is later. The penalty will continue to accrue until the violation is corrected as provided in the corrective action notice and APO.

E. Referral for collection of penalty. All penalties assessed under an APO must be paid by the landowner or his/her agent or operator within the specified time and made payable to BWSR. Penalties that have not been paid by the landowner or his/her agent or operator within 12 months of the date specified in the APO will be referred to the Minnesota Department of Revenue for collection. Any penalty or interest not received in the specified time may be collected by any lawful means.
F. Reporting and documentation. Effective compliance reporting and documentation is strongly recommended to ensure that proper enforcement action is taken, and that a record is maintained of these actions in the appropriate enforcement file. When BWSR identifies a violation of the riparian protection and water quality practices requirements, BWSR staff should follow record keeping procedures to assess and document the following to the extent known or available:

- Cause of the violation;
- Magnitude and duration of the violation;
- Whether the violation presents an actual or imminent risk to public health and safety, or the natural resources of the state;
- Past violations;
- Efforts by the SWCD, county, watershed district or BWSR to assist the landowner or agent or operator to become compliant, including written and oral communications with the landowner or agent or operator; and
- Past and present corrective action efforts by the landowner or agent or operator.

Definitions

1. “BWSR” means the Board of Water and Soil Resources.
2. "Buffer" means an area consisting of perennial vegetation, excluding invasive plants and noxious weeds.
3. "Buffer protection map" means the buffer map established and maintained by the commissioner of the Minnesota Department of Natural Resources published in 2017, and as subsequently amended, that is available on the department of natural resources website.
4. "Commissioner" means the commissioner of the Minnesota Department of Natural Resources.
5. “Cultivation farming” means practices that disturb root or soil structure or that impair the viability of perennial vegetation.
6. “Landowner” means the fee title landowner or agent or operator.
7. "Normal water level" means the level evidenced by the long-term presence of surface water as indicated directly by hydrophytic plants or hydric soils or indirectly determined via hydrological models or analysis.
8. "Public waters" has the meaning given in Minn. Stat. §103G.005, subdivision 15. The term public waters as used in this ordinance applies to waters that are on the public waters inventory as provided in Minn. Stat. §103G.201.
2018 MAWD UPDATE – Quarter One

Administration

It has been a busy few months with exciting changes at MAWD. These changes are a direct result of efforts laid out in the strategic plan from countless hours put in by dedicated watershed district managers and staff who wanted the organization to expand services and were willing to make investments to make that happen! Here’s the latest:

**OFFICE.** An official office was opened in January and is co-located with Riley Purgatory Bluff Creek Watershed District in Chanhassen, MN. See the top of the page for our new address and phone.

**STAFFING.** Emily Javens started full time as the Executive Director on January 1, 2018. A contract was extended to Ray Bohn, former MAWD Coordinator, to serve as the organization’s contract lobbyist for 2018. Maddy Bohn’s role as a part-time contract program manager for MAWD events and social media outreach remains unchanged.

Education and Events

The mission of MAWD, as written in the strategic plan, is to provide educational opportunities, information, and training for watershed district managers and staff throughout yearly tours, meetings, and regular communication. Here is an update on MAWD events and efforts to further enhance educational opportunities this year.

**TRAINING WORK PLAN.** Along with the MN Association of Watershed Administrators (MAWA) education committee, a training work plan has been drafted and implementation of it has begun. Feedback from the work plan is being reviewed and a final draft of the work plan will be distributed soon. Please contact your administrator for more details.

**LEGISLATIVE RECEPTION AND BREAKFAST.** The annual legislative reception and breakfast was held on March 7-8. 82 watershed district managers and staff attended, along with Senators Carrie Ruud, Bill Weber, Steve Cwodzinski, and Kent Eken; and Representatives Jeff Backer, Dave Baker, and Mary Kunesh-Podein. Both the MAWD Board of Directors and MAWA held meetings in conjunction with the event. A special thank you to everyone who followed up and met with your legislators during this event! The more we tell our stories, the more we will be recognized!

**SUMMER TOUR.** We are finalizing the details of the summer tour, hosted by the Riley Purgatory Bluff Creek Watershed District, Lower MN Watershed District, and Carver Water Management Organization. The event will be held June 20-22 and includes a barge tour down the Minnesota River, a bus tour, and staff and leadership training. Registration will open in mid-April. Stay tuned!

**EDUCATION COMMITTEE.** The MAWD Board voted to re-establish the education committee. The goals and tasks of the committee are being reviewed, along with all other committees, at a special board workshop on April 6th.

www.mnwatershed.org
Legislative Activity

MAWD is actively working on the following bills that have been successfully introduced. Activities involved in moving a bill forward include writing the bill language, finding legislators willing to sponsor your bill, meeting with entities that oppose your ideas, testifying at hearings, etc. More information on legislative activities will continue to be distributed in separate updates emailed to administrators.

- House File (HF) 3908/Senate File (SF) 3647 – A bill that would substantially reduce the overlap between Total Maximum Daily Load (TMDL) studies, Watershed Restoration and Protection Strategies (WRAPS), and One Watershed One Plans (1W1Ps).
- HF3836/SF3410 – A bill that would allow watershed districts to apply for loans through the AgBMP loan program on behalf of multiple landowners for the installation of ditch buffers. The bill would also allow a simpler runoff and sediment delivery calculation to be used when assessing the costs of ditch repairs.
- HF3834/SF3499 – A bill that would specify that watershed district managers can attend board meetings via electronic television (ex. Skype) if they are located outside of the watershed district jurisdiction.
- HF2456/SF3077 – A bill that would fix the language in our project levy statute that says we can levy funds to match Clean Water Partnership grants (a program that no longer exists.) This bill would allow watershed districts to use that levy authority to match other types of grants, such as Clean Water Funds.

We are monitoring the following bills and meeting with the authors to discuss:

- HF2989/SF3407 – A bill that would require metro watershed districts to incorporate practices that slow down the flow of water into their comprehensive watershed management plans.
- HF3805/SF3379 – A bill that would change multiple facets of watershed district authorities.

Communications

MAWD staff are committed to increasing communication with and between members in 2018. So far this year we have made the following improvements and look forward to expanding these efforts.

WEBSITE. We launched a new website and continue to make enhancements. Check it out and let us know if there is information you would like to see added!

NEWS EMAILS. We started the following email news features that are sent out to administrators. More collections will be added as additional relevant themes are identified.

- MAWD NEWS on TRAINING: news on upcoming training events
- MAWD NEWS on FUNDING: news on funding opportunities for watershed districts

QUARTERLY NEWSLETTERS. We started a quarterly newsletter to keep members up-to-date. For now, they will be distributed to via email to administrators who are in turn asked to distribute them to managers and staff.

www.mnwatershed.org
Advocacy

Over the past three months, Javens along with many partners, has been busy advocating on behalf of watershed districts. Here is a sampling of those efforts.

Local Government Water Round Table (LGWRT). The LGWRT is a partnership between the Association of MN Counties (AMC), the MN Association of Soil and Water Conservation Districts (MASWCD) and MAWD. The partnership works together to advance common water-related issues facing local governments. Staff from the three organizations speak on a weekly basis and recently submitted a letter to Governor Dayton asking for his support on various legislative issues. The letter prompted a request from his Water Advisor, Anna Henderson, for a meeting to discuss in more detail.

Clean Water Council. Javens, along with Yellow Medicine River WD Administrator Michelle Overholser and RESPEC Consultant Julie Blackburn, presented the story of the Yellow Medicine One Watershed One Plan initiative to the Clean Water Council in March.

Drainage Work Group. The MAWD Board selected Tim Dritz, Yellow Medicine River WD and MAWD Board member, and Harvey Kruger, Heron Lake Watershed District to represent watershed districts on the Drainage Work Group for the upcoming year. Javens will also serve on the work group, as well as various subcommittees.

MN Board of Water and Soil Resources (BWSR). Javens meets regularly with BWSR staff to discuss issues such as BWSR Academy, One Watershed One Plan, and drainage issues. Upon request of Tera Guetter, Pelican River WD, Javens facilitated the opportunity for watershed districts who elected jurisdiction of the buffer law to access information stored in BuffCAT, the software program used by SWCDs to track compliance of each parcel in a county with the buffer law.

MN Pollution Control Agency. Javens also meets regularly with Glenn Skuta, watershed division director, on various issues. Most of the meetings so far have focused on how the efforts of the Watershed Restoration and Protection Strategies (WRAPS) are overlapping unnecessarily with local watershed planning. Thank you to Mark Doneux, Capitol Region WD, for assisting with issues specific to the metro.

404 Assumption Committee. The MAWD Board selected Phil Belfiori, Rice Creek WD and Javens to represent watershed district interests on this committee that has been exploring the option for Minnesota to take over Section 404 Permitting, eliminating the Army Corps of Engineers from some permitting activities. One meeting was held this quarter that updated the group on recent activities.

G16. MAWD participated in the “G16” meetings. The group is made up of 16 organizations that originally formed in 2003 to discuss policy issues surrounding impaired waters. The group recently began meeting again to evaluate whether current efforts are heading the right direction. A report summarizing the findings will be out this summer.
MAWD SUMMER TOUR - 2018
A MULTI-FACETED APPROACH TO MANAGING A BIG RIVER WITH SMALL WATERSHEDS

Come explore the Minnesota River, and the projects in the Carver County Water Management Organization and the Riley Purgatory Bluff Creek Watershed District.

Tentative agenda:

Discover the Minnesota River by barge
See the Minnesota River in a new way from the deck of a barge. Presenters will interpret the landscape, past present and future as we float by.

Tour projects in CCWMO & RPBCWD
Board a bus for a tour of exciting projects ranging from a community stormwater reuse system, to managing a lake inside and out.

Learn technical & leadership skills
A day to develop your skills or those of your team. Tracks will include environmental analysis and leadership. Details to come!

Organized by:

Questions?
Contact Claire Bleser:
952-607-6512
cbleser@rpbcwd.org
Mission
Provide ample opportunities for managers, administrators, and staff to be as empowered and well-trained as possible so they can maximize their influence on the restoration and protection of Minnesota’s water resources.

Vision and Goals
“Empowered to be awesome. No excuses!”

Goal 1. Unleash the leadership potential in our managers
Goal 2. Ensure effective organizational operations through our administrators
Goal 3. Bolster technical capacity of watershed district staff

Actions

Short Term (2018-2019)
1. Create an inventory and track delivery of needed training
   • Create a single list of the needed training topics that have been identified through the 2017 Administrator Survey and the 2016 MAWD Survey completed by Cliff Aichinger
   • Track training events that address the topics on the list
   • Annually review the list, add/subtract as deemed appropriate
2. Increase communication with BWSR to address training concerns
   • Meet with BWSR Academy Coordinator to discuss how the event could be improved for WDs
   • Meet with BWSR to discuss opportunities to create a leadership training program
   • Develop course descriptions on the top training needs and request assistance from BWSR
   • Follow up with BWSR leadership when WDs aren’t invited to applicable training events
3. Meet with other state agencies, non-profits, etc. to fill training gaps
4. Make sure districts are aware of existing training opportunities (forward training opportunities to administrators via email and use social media when appropriate)
5. Facilitate the sharing of knowledge between districts
   • Create opportunities for employees with similar positions to network with each other at MAWD sponsored events
   • Promote watershed district exchanges and/or retreats
6. Promote minimum training standards as set forth in the Performance Review and Assessment Program and work with BWSR to develop training plan worksheets
7. Increase the number of training opportunities available to MAWD members
   • Enhance training at existing events (Annual Convention, Summer Tour, Legislative Breakfast)
   • Investigate potential for area/regional meetings and training events
   • Forge partnerships with existing training programs to allow WDs to participate

Long Term (2020+)
1. Set up an online training library
2. Update the MAWD Handbook and transition it to a wiki format
3. Consider setting up a mentoring exchange program
Training Topics by Category

**BOARD MEETINGS / GOVERNANCE**
- How to run an effective meeting
- Parliamentary procedures
- Board Chair duties
- Board responsibilities and decision making
- WD governance/operations
- Open Meeting Law
- Role of boards and staff, staff relations and expectations, team work
- Dealing with disruptive managers

**LEADERSHIP**
- New manager training
- New administrator training
- Succession planning
- Leadership training for staff
- Leadership training for managers
- Leadership training for administrators

**FINANCIAL MANAGEMENT**
- Financial software options
- Tips and Tricks for recordkeeping and grant tracking
- Financial reporting
- Insurance requirements / recommendations
- Payroll, insurance, benefits, tracking taxes
- Clean Water Funding for WDs and statewide allocation
- Project funding methods (available grants and grant writing)
- Financial tracking, billing, 1099s
- Financial management – budgeting
- Consultant lists
- Accounting and financial audits

**POLICY ISSUES**
- Updating personnel policies
- Data Practices Policies (Data privacy and public information)
- Record Retention Policies
- Financial / Budget Policies
- Expense Policies (travel, credit cards)
- Beaver Control Policies
- Cell Phone and Social Media Use Policies

**HUMAN RESOURCES**
- Administrator performance reviews
- Staff performance review procedures
- Position descriptions
- Pay Equity Reporting
- Hiring (recruiting, selection, compliance with applicable laws, and sample forms, letters, checklists)
- Employee management
- Human Resources: performance evaluations, hiring, benefits, managing consultants, position descriptions,
- Discipline and termination (understanding the laws, practices, and policies including resignation, retirement, and involuntary discharge)
- Types of benefits plans
- Continuing education for administrators (best practices, fiscal management, personnel management, public relations, team building)
- Conflict management training / mediation
- Board and staff mediation, negotiation, and facilitation
- District crisis management
**PARTNERSHIPS / PUBLIC RELATIONS**
- Requests for Proposals (RFPs) for contracted services
- Joint/shared services agreements (health care, payroll, engineering, GIS, monitoring, etc.)
- Developing intergovernmental cooperation and coordination with local, state, and federal government agencies and staff
- How to establish trust and good working relationships with cities / counties
- How to improve understanding of the purpose and function of WDs
- Developing cooperative projects and programs
- Managing consultants
- Working with non-profits and professional organizations
- Building a strong Citizen Advisory Committee
- General public relations (communication methods, use of social media, communicating with the press)
- Better civic engagement
- Working with counties on WD appointments

**PLANNING**
- Strategic planning
- Watershed management planning
- Total Maximum Daily Load (TMDL) studies
- Watershed Restoration and Protection Strategies (WRAPS)

**TECHNICAL TRAINING**
- General education for managers on new technologies and best management practices
- General education for managers on emerging water management issues
- Ways to use GIS
- Data analysis (nutrient loading models and trends)
- Data collection (lakes, rivers, and stormwater facilities)
- Nutrient removal calculations for stormwater practices
- Water quality goals
- PTM (Prioritize Target Measure) tool
- Conservation Drainage Management
- Stormwater management
- Flood management
- Climate changes, fluctuations
- Building ecosystem resiliency
- Effective culvert design for healthy streams
- Staff technical training (GIS, hydrology, wetland management, modeling, water quality monitoring)
- Stormwater reuse
- Metric development and statistics
- Ditch authority training
- General project management
- New technologies

---

1 2017 Administrator Survey
2 2016 MAWD Survey by Cliff Aichinger
March 27, 2018

Dear Envirothon Sponsor:

The Area I Envirothon is Wednesday, April 25th at Agassiz National Wildlife Refuge. It’s a popular outdoor environmental learning event for Minnesota high school students. Last year we had 22 teams from 8 local schools participate.

We want to thank you for your past financial support, and would like you to consider it again this year. **We are asking for donations of $25 - $300.** This money will help finance trophies, prizes, noon lunch for the students and advancement to the state competition in May. **If you wish to donate, please make the check payable to Area I Envirothon, and send it to our office by April 20th.**

If you have any questions please call 218-683-7075.

Sincerely,

Barb Molskness
District Coordinator
Permit # 18-011

Status Report: Approved

Applicant Information

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
<th>Address</th>
<th>Email</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Minnesota Department of Transportation</td>
<td>3920 Highway 2 West</td>
<td></td>
<td>tel: 218-755-6527</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bemidji, MN 56601</td>
<td></td>
<td>mobile:</td>
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General Information

(1) The proposed project is a:
Road Grading

(2) Legal Description

(3) County: Polk Township, Lowell Range: 47 Section: 25 1/4:

(4) Describe in detail the work to be performed. Concrete pavement rehabilitation on the main line middle two lanes of TH 75. Replace concrete pavement on both sides of the RR tracks. Add concrete pavement on shoulders of TH 75. Bridge 60523 was constructed in 1985 and needs to be upgraded.

(5) Why is this work necessary? Explain water related issue/problem being solved. The concrete pavement has settled. Shoulders are in bad shape.

Status

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Conditions

P.A. #18011 MnDOT – TH #75 – at Crookston – concrete pavement rehabilitation & shoulder work – approve

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.
**Applicant Information**

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<tbody>
<tr>
<td>Jordey Marquis</td>
<td>17433 240th Avenue NE</td>
<td>Goodridge, MN 56725</td>
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**General Information**

1. The proposed project is a: **Culvert Installation / Removal / Modification**
2. Legal Description
3. County: Pennington Township; Silverton Range: 42 Section: 13 1/4; SW1/4
4. Describe in detail the work to be performed, *install crossing for access to property*.
5. Why is this work necessary? Explain water related issue/problem being solved, *No current access*.

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**Conditions**

P.A. #18012 – “Table” @ 4-12-2018 mtg. I recommend this permit be “tabled” until after the 2018 Spring melt. This will allow for adequate time to observe runoff conditions, water elevations, flow patterns and to determine existing culvert sizes.

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 # 18-013

Applicant Information

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<tbody>
<tr>
<td>Dennis Schulz</td>
<td>Schulz Farm</td>
<td>27451 135rd Street</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Euclid, MN 56722</td>
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General Information

(1) The proposed project is a:
Tiling

(2) Legal Description
(3) County: Polk Township. Euclid Range: 47 Section: 24 1/4. NW1/4
(4) Describe in detail the work to be performed. Tile the east edge of Section 24, Euclid Township
(5) Why is this work necessary? Explain water related issue/problem being solved. Moisture has been moving into the field from the impoundment to the east.

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Conditions

P.A. #18013 The Red Lake Watershed District (RLWD) approves the pattern tile project with a ‘gravity’ outlet. 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. ■ Note: Please be aware of, and review the ‘bullet points’ on the bottom half of the application. For proposed work on lands not owned by applicant, he/she must obtain, in writing, permission from the affected landowners to perform proposed work. Applicant is responsible for utility locates by calling Gopher 1. (1-800-252-1166)

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 # 18-014
Status Report: Approved

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<tbody>
<tr>
<td></td>
<td>Enbridge Energy, Limited Partnership</td>
<td>1409 Hammond Avenue</td>
<td></td>
<td>715-394-1444</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Superior, WI 54880</td>
<td></td>
<td>mobile:</td>
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General Information

(1) The proposed project is a:
Utility Installations

(2) Legal Description

(3) County: Clearwater Township; Leon Range: 37 Section: 30 1/4: NW1/4, SW1/4

(4) Describe in detail the work to be performed. Completion of line maintenance within Silver Creek.

(5) Why is this work necessary? Explain water related issue/problem being solved. Address bank de-stabilization issues associated with the existing pipeline crossing of Silver Creek.

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Conditions

P.A. #18014 – Enbridge Pipeline – maintenance – 3 crossings - Silver Creek - proposed work is on private property - Red Lake Watershed District (RLWD) approval as per plan set and drawings submitted with permit application.

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.
103D.331 ADVISORY COMMITTEE.

Subdivision 1. Purpose. The managers must annually appoint an advisory committee to advise and assist the managers on all matters affecting the interests of the watershed district and make recommendations to the managers on all contemplated projects and improvements in the watershed district.

Subd. 1a. Duties. For purposes of carrying out its duties under this section the advisory committee shall:
(1) elect a chair from its membership;
(2) elect a recorder from its membership;
(3) establish a meeting schedule, which at a minimum meets annually;
(4) consider issues pertinent to the functions and purposes of the watershed district;
(5) review and comment on reports, minutes, activities, and proposed projects of the managers; and
(6) report to the managers the general content of advisory committee meetings and resulting recommendations.

Subd. 2. Members. (a) The advisory committee consists of at least five members. If practicable, the advisory committee members selected should include a representative from each soil and water conservation district, a representative of each county, a member of a sporting organization, and a member of a farm organization. Other advisory committee members may be appointed at the discretion of the managers. The members must be residents of the watershed district, except representatives from soil and water conservation districts and counties, and serve at the pleasure of the managers.

(b) In addition, the managers may appoint other interested and technical persons who may or may not reside within the watershed district to serve at the pleasure of the managers.

Subd. 3. Expense reimbursement. The managers may reimburse members of the advisory committee for actual traveling and other necessary expenses incurred in the performance of duties in the amount as provided for state employees.

History: 1990 c 391 art 4 s 24; 1995 c 199 s 15

Copyright
Overall Advisory Committee

John A. Nelson, Walker Brook Area
  Lloyd Wiseth, Landowner
  Steve Holte, Farmer/Landowner
Emmitt Weidenborner, Upper Red Lake Area
  John Ungerecht, Upper Red Lake Area
  Dan Schmitz, Black River Area
  John Gunvalson, Clearwater River Area
  Roger Love, Grand Marais Area
  Dave Rodahl, Thief River Area
Shane Bowe, Red Lake Band of Chippewa Indians
  Loiell Dyrud, Landowner

Advisory Committee Members

Black River Area
  *Dan Schmitz, RLF
  Curt Beyer, RLF
  Greg Dyrdal, TRF

Moose River Area
  Wayne Larson, Middle River
  Elroy Aune, Gatzke

Burnham Creek Area
  Mary Ann Simmons

Clearwater River Area
  Steve Linder, Oklee
  *John Gunvalson, Gonvick

Lost River Area
  Gary Mathis, Gonvick

Grand Marais/Red Area
  Jeep Mattson, EGF

Poplar River Area

Clearwater Lake Area

Thief River Area
  *Dave Rodahl, TRF
  Trent Stanley
  *Steve Holte
  Jim Sparby

Walker Brook Area
  *John A. Nelson, Clearbrook

Pine Lake Area
  Dave Dalager

Red Lake River Area
  Keith Driscoll, EGF

Upper Red Lake Area
  *Emmitt Weidenborner, Kelliher
  *John Ungerecht, Northome
  Wayne Skoe

Hill River Area
  Jake Martell, Oklee

*Overall Advisory Committee Members
Red River Watershed Management Board – Leroy, Terry and I attended the RRWMB meeting held at the Courtyard by Marriott in Moorhead, at 9:30 am, March 20, 2018 in conjunction with the RRWMB & RRBFDWG March Conference. I have included in your packet the survey results from participants at the March Conference, information from the “Small Group” discussion that was held on Tuesday prior to the Conference as well as RRWMB meeting highlights from March 20th.

Thief River 1W1P - The Advisory Committee met at 9:00 am Tuesday, April 11th followed by the Policy Committee meeting at 11:00. There was also a meeting held at 1:00 pm with the Planning Workgroup to get an update on the Zonation process of the plan.

Red Lake River 1W1P – Board of Water and Soil Resources has been working on a press release of all the Pilot Projects for the 1W1P. This update is intended to assist them in telling the story on how we can move forward once the planning process is completed.

League of Minnesota Cities – I have included in your packet the League of Cities Insurance Trust 2017-2018 Premium Rates as well their 2017-2018 Coverage Changes.

Pennington County Township Association Meeting – I attended the Pennington County Township Association meeting held 6:30, April 11th at the Pennington County meeting room.

Water Quality Report – I have included in your packet, Corey’s water quality report dated January 2018.
EVALUATION FORM
2018 RRWMB AND MN FDR ANNUAL CONFERENCE

Please share your feedback and ideas to help us make this event even better next year.

Day 1

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<th>Strongly Agree</th>
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<th>Disagree</th>
<th>Strongly Disagree</th>
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Overall Event

1. What did you like most about the conference?
   A. The history and reason for meeting as well as networking
   B. Networking. Really enjoyed the talks about soil health and wildlife habitat.
   C. Time for interaction with other water manager and agencies, having EQB here was a real plus.
   D. Interaction during breaks
   E. Learning from others
   F. Meeting people and learning about their projects and ideas
   G. Networking
   H. Soil health discussion
   I. Well organized
   J. The history and how things began
   K. Talking with the variety of attendees
   L. Time limits
   M. Visiting with old friends
   N. Henry's cider
   O. Very informative
   P. Contact with others in water world
   Q. 15-20 minute presentations were great – long enough to cover material but not too long to lose attention
   R. Ray’s talk (natural resources impacts)

2. What parts of the conference could be improved?
   A. Provide more focus on what makes economic sense rather than just being a good neighbor
   B. Partner more with RRBC, include session on basin water quality and water supply
   C. Shorten to keep people around, a thought provoking speaker or 2
   D. Strong intro presentations always help, broad, big picture, cheerleading talks
   E. Small group session, sent out questions ahead of time so we can think about them ahead of time (at least some people will do this hopefully)
   F. More time on RRWMB/FDRWG goals and objectives – very important to update what the organizations are about and how they are going to move forward
   G. More vendors
   H. Advertise the Tuesday technical session
   I. Informative – lacking solutions
   J. Red Board meeting plus the conference is too long

3. Do you have suggestions for speakers or general thoughts as we plan for the 2019 conference?
   A. Some speakers went into more detail than necessary or helpful.
B. Someone to explain “science”, “facts”
C. If a significant flood is predicted, have someone from the NWS speak on the forecast
D. How to attract new, young faces
E. Make an effort to invite more Native Americans
F. Should have NCRS bring their runoff simulator for conventional vs. no-till runoff conditions
G. BWSR Board/Staff roles and responsibilities presentation

4. Does this time of the year work to hold the conference?
   A. Yes - 14
   B. Jan – March is good
   C. Yes, good time for it
   D. OK
   E. March
   F. Yes, could be a week or two earlier to avoid it being concurrent with a flood
   G. Would having the conference before session starts be beneficial so legislators could attend?

5. Please comment on the conference facility, meals, or breaks.
   A. Everything was good
   B. Excellent. Easy to get to. Good food.
   C. Great accommodations
   D. OK
   E. Good - 4
   F. Great - 3
   G. Excellent supper and facilities
   H. Facility is very good. Meals were a little less extravagant this year – maybe okay.
   I. Very satisfied
   J. Wasn’t really impressed with meals, not sure if I like the round tables.
   K. Great facility, great meals
   L. Excellent location, very good food
   M. Liked not having to move into different rooms
   N. “healthy” break food was a nice change from the donut and cookie usual
   O. Lighter lunch was easier to stay awake after the meal when things resumed.
   P. Nice

6. Please provide any additional comments or questions below.
A. It was not clear why EQB was at this conference. They probably learned a lot about the Valley but we didn't learn anything from them.

B. Refundable conference fee if they stick around.

C. This conference is held at a good time of year. I was pleased to see more involvement from the SWCD’s. They are playing a larger role in delivery of services and landowner interest.
In 2017, the Red River Watershed Management Board (RRWMB) commenced work on a process to address restructuring and organizational issues. This process will lead to a strategic plan to move the RRWMB into the future to address water management and flooding issues in the Red River Basin in the next 5 to 10 years and beyond.

**Background:** Phase I of this plan was to hire an executive director and an executive assistant, and to establish a permanent office in a public location and this phase has been completed. Phase II of the plan involves obtaining input from member watershed districts, counties, cities, partner and stakeholder organizations, and the general public. Additional input will be gathered from local, state and federal agencies, legislators, and congressional members. The RRWMB will be attending and participating in various meetings and informational sessions in the Red River Basin in the coming months.

Phase II is commencing at this conference with this facilitated discussion. This input will be used to guide future water and natural resources management efforts of the RRWMB as the Board of Managers considers short and long-term goals over the coming months. In addition, the Flood Damage Reduction Work Group (FDRWG) has existed for 20 years and has been working closely with the RRWMB for many years. Below are questions to be answered during this discussion specific to the Minnesota portion of the Red River Basin and the RRWMB and FDRWG:

**Challenges and Opportunities:** As the RRWMB moves forward in its strategic plan with its partners (FDRWG and others), it faces several challenges. These include but are not limited to difficulty in identifying the scope and scale of specific resource concerns and/or alternatives, limited funding sources, political/economic considerations, project permitting, and project marketing difficulties. There are also a number of opportunities including new funding sources for clean water and habitat projects and an interest in multipurpose projects. Given this background, please discuss the following questions to provide input into the strategic planning process.

1. Should the RRWMB’s goals remain the same for the next 10 years and beyond? If not, what changes are needed?

2. Should the goals of the FDRWG remain the same for the next 10 years and beyond? If not, what changes are needed?

3. Considering the future, what are the most important water and resource management problems that the RRWMB and FDRWG should work on?

4. What types of project alternatives should the RRWMB support in the future?

5. How should the RRWMB prioritize funding in the Red River Basin over the next 5-10 years?

6. Do you have other suggestions for the RRWMB as part of the strategic planning process or the FDRWG?
1. Goals should incorporate groundwater quality, quantity, and sustainability
   - Goals should also incorporate biodiversity (wildlife, T & E, natural resources other than water)
2. A goal for more engagement and outreach to the general public should be added.
   - Include the need for multiple RRWB goals (as many as possible) to be reached with each project.
   - Plain language and condense these goals.
   - Connect RRWMB and FDRWG goals
   - Add measurability to NRE components if possible
3. Look for alternative water sources to take pressure off GW
   * RR Water supply project (LAWA)
     - Study/understand overall surface and groundwater budgets for efficient use of water for NRE and Agriculture, and industry
     - Increase involvement in water quality research, implementation, and funding (ditch retrofits, soil health, drainage water management, etc.)
4. Stream restorations, use of alternative water sources, wetland restoration, culvert sizing
5. Require cost-benefit analysis for all proposals. Include environmental damages in the “costs”
6. Involve/include SWCD’s in the FDRWG

Note taker: Mary Presnail, mary.presnail@state.mn.us

1. Goals are great!?
   - Need to focus on all the goals, not just water quantity
   - Need to prioritize the goals
   - Erosion and sediment control are important
   - Water quantity isn’t just about volume of water
     - Maintain flow during low flow situations
   - Need more specific examples of the goals – measurable
   - What is the problem we are trying to solve? – revisit this question often
   - None of the goals 1-10 mention natural resource enhancements
   - Focus is on large storage projects and implied main stem storage, but not seeing this. Annual damages and flood fr2quescy priority needs to be reviewed for smaller events (not just 100 & 500 year).
2. Where are 10 year event damages happening?
   - Which communities do not have 100 year protection?
   - Goal 1 will always be important
   - Technology has greatly improved for forecasting, so maybe not a priority like it used to be
   - Both organizations should focus on appropriate watershed management
   - Climate change needs to be included in discussions!
3. Water quality, watershed health, ecological restoration, adaptation to changing climate, long term project monitoring and management, river and stream health, real alternative analysis, compare 1 large vs. many smaller projects, review success of existing projects (economic vs. success of project), cost-benefit analysis
   - Long term O & M!!
4. The one that solved the problem as efficiently and effectively as possible
   - Multi-purpose means what? What should be considered? Appropriate for the problem? Multiple funding sources?
   - Is flooding always a problem? (crops are resilient)
• Who is getting the benefit vs. who pays?
• Sustainable projects with minimal O&M

5. All of the above...
• Should be reflective of which problem is the most severe, scope of problem
• Need to look at Cost/benefit! Whose cost and whose benefit?
• Is mainstem flooding the most important issue always?
  o Need to consider other projects

6. Term limits on both
• Manager requirements
• Administrators should not be managers
• Figure out problem they are trying to solve and where. Strategic plan!
• Consider other projects i.e fisheries improvements
• Who should be involved in the strategic plan?

Note taker: Tracy Halstengard 218 463 0313

1. No. Too many, not measurable
• Short term/long term
• Combine and define

2. No. Increase protection levels

3. Outreach, marketing plan to public
• More emphasis on objectives beyond flood retention

4. Define problem/need, tailor alternative
• Explore broad range of options

5. Utilize studies and plans (WRAPS, 1W1P)
• Finish what is incomplete
• Showcase benefits of completed projects

Note taker: Mark Anderson markanderson3@gmail.com, BRRWD

1. Yes, priorities may change due to outside factors
2. Yes
3. Quality and quantity issues
4. More multi use project – BMP
5. Continue star and rating systems might tweek on future for water quality
6. Include people other than engineers i.e. economist – agronomist – soil biologist
  • Keep it simple

Note taker: Evelyn Ashiamah, evelyn.ashiamah@state.mn.us, 218 846 8136

1. RRWMB and FDRWG encourage and improve practices that include water quality at all times
• More of a focus on tributaries and smaller systems than just the maintem – in regards to water quantity
• Start focusing on local priorities
2. The problems need to be documented properly, by the Project Team and WD before a solution is developed
3. The goals of the RRWMB should be lumped or tiered: we tend to lose focus when there are too many individual goals
  • Drainage water management should be better utilized – BTSAC recommendations
4. Any alternative that supports the slow release of “drained” water to streams. Egs. Stream restorations, ditch retrofits

5. ...according to prioritized objectives

6. Consideration of Board membership: Staff vs. Board members
   - Formalize the mediation agreement within their (RRWMB) goals
   - Star value only applies to RRWMB goal #4. Is there other criteria for funding other goals?
   - Align criteria with objective

Note taker: Nicole Bernd, wpswcd@gmail.com, 218 281 6070 x122, Nicole.bernd@mn.nacdnet.net

1. No. changes such as: eliminate accomplishments; timelines for objectives and goals; development of cost analysis; ability to conduct cost benefits; clarify measurement goals in regards to the stated RRMB – current sheet stats all only objectives

2. No, but with modification: what are the measurements taken to evaluate? (Human life); is this the responsibility of the RRMB to measure? (damage to structures...); needs evaluation, revisited; make recommendation to funding sources to merge/marry overall goals and objectives of other plans/initiatives (reduce flow to farmland) – how do we adapt?; include more economic value; can flood events handle more or better now than 10-20 years ago?; realistic threshold? Changes to farming practices – farmers changing their own methods; strengthening water management efforts on the farm – ethic; (Reduce damage to transportation? – explain how?; no sub-objectives or goals; need more info; (reduce damage to water quality...) very broad – need to specify (reduce enviro damage...) this is a standard practice, does it need to change – No. this is needed for permits; (Reduce social and econ damage) How do we measure??

3. Adaptation to climate variability; sediment load; water quality/quantity, preventative measures, increase velocity

4. Preventative measures out on the landscape; diversifying from impoundments to smaller scale resource concerns

5. Strengthen outreach to agencies, stakeholders, partners to familiarize the need of funding for smaller scale projects and practices

6. Engage others in the strategic planning. Not just hire a consultant
   - Have a formal process for funding opportunities

Note taker: Nick Brown, Nicholas.brown@state.mn.us

1. More emphasis on retention, long term water supply
   - Update criteria for Financial Support
     - More benefits than just to Red River
   - Floodplain zoning – Basin planning

2. Update of LTFS and combining with RRBFDRWG (set levels of protection)
   - Current BFE

3. Uniform standards for water quality throughout the Basin
   - Emphasis on soil health
   - Benefits assessment

4. Multi-purpose/benefits projects
   - Emphasis on systems – mimic natural systems
   - Comprehensive projects

5. See above

6. Outside facilitation to lead comprehensive planning

Note taker: Linda Vaura; lvaura@fedtel.net; 320 760 1774, BdSWD
1. Will evolve with time
   - Review at 5 year intervals
   - 10 years along time intervals
   - Transitioning to civic engagement
   - Public consultation
2. Continue to support impoundments and flood damage reduction
   - Needs to be reviewed in 5 years
3. Funding for projects
   - Feasible for landowners to make change
4. Soil health
   - Water storage and reuse
   - On farm storage i.e. tiling, soil health, conservation farming
5. Doing fine already
6. Do more education for streams
   - Intrinsic value
   - Encouraging citizens that it takes everyone
   - If you’re not part of the solution you’re part of the problem
   - More comprehensive water managing
   - More to water than quantity
   - Target the younger farmers and tech schools

Note taker: Nathan Trosen, ntrosen@mooreengineeringinc.com; 701 551 1060

1. Goals are good, purpose of this Board to unify watershed objectives
2. Existing goals are good, consider adding goals to hold more water on land, add public outreach with policy makers, landowners, increased reliability of road system during flood emergencies
3. Water quality, hold water on land (farming practice, berm and outlet culvert), education, upstream landowners part of ditch maintenance
4. Soil health benefits to watersheds (reimbursement, reduced taxes), support multi-benefit/purpose project, multi-purpose impoundments
5. Water quality, reduced erosion, have easy to use scoring system, rather than political decision
6. Clearly defined project implementation monitoring, identify ways to speed up process to implement projects

Note taker: Mark Christianson, 218 584 5169

1. Adjust the project ranking (star) for watersheds applying for projects
   - Increase presence at landowner education days to inform them of opportunities
2. Proceed quicker on project
3. Planning for increased frequency and intensity of storm events
   - Increase water retention
4. Promote innovative farming practices – ex. Cover crops, drainage water management
   - Be open to trying new and different farming practices, educate!
5. Priority projects should focus on reducing the peak flow events
6. Increased advisory role in Red River Basin Watershed planning
1. Support natural resource enhancements in flood control projects and water planning
   - Consider resiliency under changing environmental conditions
   - New ways of maintaining water supply, including conservation reuse
   - Promote soil health, as part of goals 6 & 7
2. Consideration of non-structural land management practices to manage water
   - Strategies listed seem out of place in the goals section
   - #4 – add the word “systems”
   - #5 – instead of “reduce” replace with “improve”
   - #8 – “reduce” replace with “enhance”
3. Ecosystem health
   - Resilient system
   - Soil health
   - Stream restoration
   - Water quality
     - Showing cost benefit positive ratio
     - Drinking water quantity
       - Contingency plans
     - Aquifer regeneration
4. See #3, 2, 1
   - Comprehensive, holistic practices that have multiple benefits
5. Ability to demonstrate multiple benefits
   - Higher priority
   - Longer term for cost benefit analysis
   - Consider the question, “Are local benefits more important than reduction in flow to the Red River?”
6. Diversity the Board and Work Group
   - WD administrators should not have a seat on the Red Board. Managers should be on the boards
   - More outreach to the public
   - Review and update technical papers – incorporate new data/science
   - Invest in science-based strategies
1. Financial/Treasurer’s Report – A RRWMB Budget and Finance Committee meeting was held after the regular RRWMB meeting at the Marriot Hotel. Bremer Bank officials attended the Committee meeting and discussed a proposal to raise the interest rates on RRWMB accounts and to reduce fees. Internal controls as well as general financial policies, guidance, process, and procedure were discussed, with several recommendations coming forth to RRWMB Managers in the coming months.

2. Office Location – The RRWMB managers approved a resolution establishing a permanent office in Ada and RRWMB staff will be co-located with the Wild Rice Watershed District. A public hearing was held at the March 20, 2018 RRWMB meeting in accordance with watershed law to establish an office. Public noticing requirements were also met.

3. Legal Services Agreement – Additional information was brought forth and an agreement was reviewed and approved with Smith Partners to provide legal services for the RRWMB. In the past, legal services have been provided on a case by case basis.

4. Annual Conference – The March Conference was a success with approximately 175 people registering. There were several activities that took place before, during, and after the conference. Members of the Minnesota Environmental Quality Board participated in a tour of Moorhead flood projects and held a regular board meeting as part of the conference. There was a banquet presentation by former Senator Roger Moe and a tribute to Don Ogaard, with his family being in attendance at the banquet.

5. Strategic Plan – The Managers will be holding a discussion after the regular RRWMB meeting on Tuesday, April 17, 2018 to commence work on the strategic plan, Phase II. Much input was obtained during the conference and small group discussions were held to gather comments and thoughts on the future direction of the RRWMB and Flood Damage Reduction Work Group.

6. Reports – Several reports were given by RRWMB partners, agencies and local units of government.

7. Upcoming Meetings:
   - The next RRWMB Board Meeting is Tuesday, April 17, 2018 at the Red Lake Watershed District in Thief River Falls.
2017-18 CHANGES

Every year, the League of Minnesota Cities Insurance Trust (LMCIT) Board of Trustees reviews LMCIT’s coverages to ensure those coverages respond to the unique exposures faced by Minnesota’s cities. Many suggestions come from LMCIT members and their insurance agents. This year, the Trustees are pleased to announce several enhancements to address cities’ ever-changing needs. Changes go into effect for property/casualty coverages renewing on or after Nov. 15, 2017 and for workers’ compensation coverage renewing on or after Jan. 1, 2018.

CONTACT

If you have questions about the coming year’s coverage changes, or if you have ideas for future coverage enhancements, contact your assigned underwriter at (651) 281-1200 or (800) 925-1122.

AUTO PHYSICAL DAMAGE COVERAGE

Auto physical damage caused by a hacker or a virus
A change was made to the auto physical damage coverage to ensure coverage of auto damages caused by a computer virus or hacking attack.

EQUIPMENT BREAKDOWN COVERAGE (OPTIONAL COVERAGE)

Various enhancements
A few low-limit enhancements have been added to the equipment breakdown coverage. First, coverage now includes 10 percent, or up to a $10,000 maximum, for the cost to improve power quality after a loss. Second, up to $5,000 is in place for the loss of perishable goods after loss, if the property holding the perishables can be resolved by calibrating, resetting, tightening, adjusting, or cleaning. Third, coverage includes up to $25,000 for the loss or damage to some types of mobile property that may be temporarily located away from a covered location (e.g., portable generators, chainsaws, jaws of life, portable air compressors, and push lawnmowers).

LIABILITY COVERAGE

Data and computer system security breaches
The existing liability coverage protects against damages stemming from a data security breach claim involving the unauthorized acquisition of data that compromises the security of personal or confidential information. A $3 million annual aggregate limit applies for claims that fall within the data security breach definition. This limit now applies for other types of system security breach claims that don’t necessarily involve the unauthorized acquisition of personal or confidential data, such as a member’s failure to prevent a hack into an emergency dispatch, traffic light, or water tower system (coverage applies even if the system doesn’t necessarily contain personal or confidential information).
ABOUT LMCIT

LMCIT's unique partnership with the League of Minnesota Cities results in a holistic, one-stop-shop of services for members. In addition to workers’ compensation and property/casualty coverage, services provided range from loss control, to legal guidance, to advocacy, to media relations assistance.

CONTACT

If you have questions about the coming year's coverage changes, contact your assigned underwriter at (651) 281-1200 or (800) 925-1122.

Joint powers entities
In those cases when governmental entities in other states are acting on behalf of a joint powers entity who is an LMCIT member, the out-of-state entity will be considered a covered party by LMCIT only if allowed by pooling or insurance laws of the other state.

Land use coverage
The intent of the land use and special risk litigation coverage is reinforced to state that it does not respond if litigation is brought by an LMCIT member against a regulatory entity when that member’s own property is not affected.

Pollution exclusion and limited contamination
The coverage form is restructured to make it easier to evaluate which claims are excluded under the pollution exclusion and which claims are covered under the limited contamination coverage. That is, there’s a broad exclusion in the liability coverage for any pollution claim, but there are a few exceptions. One of those exceptions is any limited contamination claim, which is defined by a list of pollution-type or contamination-type exposures. Examples include claims arising out of pesticide or herbicide application operations, lead and asbestos claims, claims arising from disease-producing organic agents, and sewer backup claims. There is a $3 million annual aggregate limit for all damages and defense costs incurred in a single coverage term for all limited contamination claims.

Wastewater lagoon embankments
There’s an exclusion in the liability coverage for damages arising out of the failure of any dike, levee, or similar structure, or Class I or Class II dams as defined by the Minnesota Department of Natural Resources, although coverage can be granted for certain structures upon review by LMCIT. Coverage intent is clarified to state that damages arising out of the failure of a wastewater lagoon embankment is not subject to this exclusion.

PROPERTY COVERAGE

Power surges
Coverage intent is clarified to state that damage due to a naturally caused power surge, such as lightning, is covered under the property coverage; while damage due to an artificially caused power surge, such as arcing between two electrical wires, is covered under the equipment breakdown coverage. However, because the equipment breakdown coverage is optional to members, a nominal amount of coverage - $25,000 per occurrence, per location for artificially caused power surge claims - is now
included in the property coverage as a fallback for members who have not purchased equipment breakdown coverage.

**WORKERS’ COMPENSATION COVERAGE**

**Infectious disease diagnostics testing**

OSHA requires that an employer provide diagnostic testing to an employee who has been exposed to, but hasn’t contracted, an infectious disease such as AIDS, hepatitis, tuberculosis, or anthrax. Since this type of situation isn’t considered an injury or occupational disease under workers’ compensation, most standard insurance policies won’t pay for the diagnostic testing. LMCIT does provide coverage for diagnostic testing, and the limit is increased to $5,000 per employee per infectious exposure incident.
The League of Minnesota Cities Insurance Trust (LMCIT) Board of Trustees annually reviews members’ projected losses and expenses to determine premium rates. Rates are then designed to fund these costs. Usually a contingency margin is also incorporated to cover extra costs in case losses turn out to be more than projected. Funds not needed for claims, expenses, or reserves are returned to members as a dividend.

RANGE IMPACT

This year’s rate changes don’t necessarily mean your premiums will increase or decrease by that exact amount. That’s because premiums are also affected by changes in city expenditures, property values, payrolls, experience rating, and other exposure measures.

PROPERTY/CASUALTY PROGRAM

The following rate changes will go into effect for property/casualty coverages renewing on or after Nov. 15, 2017.

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Rate Change</th>
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<tbody>
<tr>
<td>Average liability rates</td>
<td>0%</td>
</tr>
<tr>
<td>Per household rate (land use liability)</td>
<td>-10%</td>
</tr>
<tr>
<td>Per sewer connection rate (sewer backup liability)</td>
<td>-10%</td>
</tr>
<tr>
<td>Per police officer rate (police liability)</td>
<td>5%</td>
</tr>
<tr>
<td>Per employee rate (employment liability)</td>
<td>5%</td>
</tr>
<tr>
<td>Annual expenditure rate (all other liability)</td>
<td>5%</td>
</tr>
<tr>
<td>Bond rates</td>
<td>-5%</td>
</tr>
<tr>
<td>Liquor liability rates</td>
<td>-5%</td>
</tr>
<tr>
<td>All other coverage rates</td>
<td>0%</td>
</tr>
</tbody>
</table>

LMCIT is also changing its rating methodology for auto physical damage coverage, which means some members’ premiums will increase and others will decrease because of the transition to the new rating method. Learn more about the new auto physical damage rating system.

For a member with a perfectly average mix of exposures, the average rate for all property/casualty coverages (property, liability, and auto) will remain flat. However, specific rates within each of the liability classes (as shown in the table) will fluctuate.

The rate changes for 2017-18 reflect changing loss patterns in recent years, as well as the LMCIT Board’s decision to lessen the contingency margin that LMCIT holds to keep rates as low as possible for members. Because LMCIT holds a very strong fund balance, a solid contingency margin still remains.
ABOUT LMCIT

The premium rates set by LMCIT are not influenced by volatile market swing, and a healthy fund balance is maintained to help members avoid rate fluctuations. New coverages are continually added to reflect the unique exposures faced by Minnesota’s cities.

In addition to keeping premiums low, LMCIT offers voluntary risk management programs and training that helps to keep municipal employees safe, reduce liability claims, and avoid property losses.

WORKERS’ COMPENSATION PROGRAM

Members with renewals on or after Jan. 1, 2018 will see a 2 percent average increase in overall workers’ compensation rate levels. In addition to the average increase, rates for volunteer firefighters will increase an additional 2 percent.

One of the main reasons for the 2 percent increase is because of rising medical costs, which account for about 60 percent of LMCIT’s total workers’ compensation costs. Rates for 2018 assume medical costs will increase about 8 percent, which significantly outpaces the increase in wage levels. Wage levels have only been increasing at a rate of about 2-3 percent and except for volunteer firefighters, wage levels are what LMCIT uses to calculate premiums. Another reason for the increase is because a contingency margin was built into the workers’ compensation rates. The margin held for workers’ compensation coverage is smaller than what is built into the property/casualty rates because losses in the workers’ compensation program are typically much more predictable from year to year.

Rates for volunteer firefighters will increase an additional 2 percent because rates are based on the population volunteer firefighters serve, rather than wage levels. Because population doesn’t increase with inflation like payrolls do, an additional adjustment is needed to keep volunteer firefighter rates from gradually falling behind the rates for other employee classes.

CONTACT

If you have questions about the coming year’s premium rates, contact your assigned underwriter at (651) 281-1200 or (800) 925-1122.
By Corey Hanson, Red Lake Watershed District Water Quality Coordinator. 4/2/2018.

☑ Thief River Watershed One Watershed One Plan
☑ Clearwater River Watershed Restoration and Protection Strategy Project

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

- District staff provided Houston Engineering staff with a GIS layer of impaired waterways in the Thief River watershed.
- Public meetings were held on January 9th and 10th, 2018.
  - Voting on priority issues
  - Meals were provided to attendees
- Photos from the meetings were shared
- A hard copy of the Thief River Watershed Source Water Assessment was found, scanned, and shared.
- Policy and Advisory Committee contact lists were added to the Thief River One Watershed One Plan website ([http://www.rlwdwatersheds.org/thiefriver1w1p](http://www.rlwdwatersheds.org/thiefriver1w1p)).
- Flow data files were shared with Houston Engineering
- Text about aquatic invasive species (AIS) from the Red Lake River WRAPS was provided to Houston Engineering staff so that something similar could be added to the emerging concerns section of the Thief River 1W1P.
- District staff reviewed and provided comments on the draft introduction to the Thief River 1W1P document.
- District staff reviewed and provided comments on the draft Protection and Restoration Strategy Technical Memorandum
- District staff reviewed and provided comments on the structure of the measurable goals table.
- Houston Engineering shared the results of the priority issues voting with the planning work group. Each person that attended a public meeting received 10 stickers for voting on the issues that were most important to them. A total of 431 votes were cast. Public votes outnumbered agency votes 328 to 103. The top vote-getting issue (81 public votes and 3 agency votes) was: “Increased erosion and sedimentation resulting from bank failure and slumping, and gully formation prevents the proper function of drainage systems and increases maintenance costs.” Forty issues received votes and will be prioritized based on the number of votes and other factors. Six issues received zero votes.
Thief River Watershed Prioritize, Target, and Measure Application (PTMAApp) Development

District staff finalized a list of priority resource points for the Thief River PTMAApp.

Thief River Watershed Restoration and Protection Strategy (WRAPS)

The Thief River Watershed Total Maximum Daily load report was edited to address comments from the United States Environmental Protection Agency. A semi-annual progress report was completed for the Thief River WRAPS and sent to the MPCA Project Manager.

Clearwater River Watershed Restoration and Protection Strategy (WRAPS) Project

- Objective 8 – Data Analysis
  - Longitudinal *E. coli* and dissolved oxygen sampling charts were created to communicate the results of 2017 longitudinal sampling within the Clearwater River watershed. The charts can be found in the July-August 2017 water quality report [here](http://www.redlakewatershed.org/waterquality/MonthlyWQReport/2017%20July-Aug%20Water%20Quality%20Report.pdf) and the September – October 2017 water quality report [here](http://www.redlakewatershed.org/waterquality/MonthlyWQReport/2017%20Sept-Oct%20Water%20Quality%20Report.pdf)
  - Longitudinal Poplar River dissolved oxygen assessment
2017 continuous dissolved oxygen data from the Hill River at 290th Ave SE was compiled, corrected, and graphed.

- Objective 10 – Reports
  - Wrote Section 4.3.3 – Stressors of fish biological integrity in the Hill River downstream of Hill River Lake
  - Wrote Section 4.3.8 – Stressors of fish biological integrity in the Hill River upstream of Hill River Lake (09020305-656)
  - Wrote Section 4.3.9 - Stressors of fish biological integrity in Red Lake County Ditch 23 (09020305-658)
  - Wrote Section 4.4.1 - Causes of low dissolved oxygen in Walker Brook (09020305-509)
  - Wrote Section 4.4.2 - Causes of low dissolved oxygen in the headwaters of the Clearwater River (09020305-517)
  - Worked on the Poplar River sections that describe causes of low dissolved oxygen levels, stressors of fish communities, and stressors of macroinvertebrate communities
  - Wrote Section 4.4.11 - Causes of low dissolved oxygen in the Hill River upstream of Hill River Lake (09020305-656)
  - Improvements were made to index of biotic integrity maps.
  - A semi-annual progress report was completed for the Clearwater River WRAPS and sent to the MPCA Project Manager.
Clearwater River Watershed (09020305)
Fish Index of Biotic Integrity
Average Score Minus Impairment Threshold

This map shows how well streams scored in relation to their respective impairment thresholds. Streams with positive values in this map exceeded expectations. Streams with negative values in this map failed to meet expectations. The average F-IBI confidence interval was +/- 10.845 for the sampling stations in this watershed.

Fish IBI = Fish Index of Biotic Integrity Assessment Units (AUIDs) are numbered 09020305-xxx for this watershed and displayed as 9020305-xx on this map. Some AUIDs contain multiple sampling locations. The values in this map represent averages for each AUID.

Legend
Major Highways [(Fish IBI) - (Standard)] Assessed Streams
- Major Highways: -39.00 to -10.84
- CSAH: -10.83 to 0.00
- Major Subwatersheds: 0.01 to 10.85
- All Others: 10.86 to 21.70
- Clearwater River: 21.71 to 29.90
Clearwater River Watershed (09020305)
Macroinvertebrate Index of Biotic Integrity
Scores Compared to Impairment Thresholds

This map shows how well streams scored compared to the M-I BI thresholds (amount above/below the standards) that have been applied to sampling stations within each reach. The impairment threshold value varies by stream classification. The average M-I BI confidence interval for sampled site was +/- 12.89. Some MLIDAs contain multiple sampling locations. The values in this map represent averages for each MLIDA.

M-I BI = Macroinvertebrate Index of Biotic Integrity
Assessment Units (MLIDAs) are numbered 09020305-xxx for this watershed and displayed as 5xx or 6xx on this map.
Red Lake Watershed District Long-Term Monitoring Program

A QA/QC review of 2017 monitoring data was completed prior to finalization of 2017 water quality monitoring data in the Minnesota Pollution Control Agency’s EQuIS database.

River Watch

River Watch teams were working on the preparation of projects for the 2018 River Watch Forum. Ashley Hitt visited schools within the District to provide assistance.

Red Lake River Watershed Restoration and Protection Strategy

A semi-annual progress report was completed for the Red Lake River WRAPS and sent to the MPCA Project Manager.

Red Lake River One Watershed One Plan (1W1P)

The Red Lake River 1W1P has been allocated $677,551 from the Minnesota Board of Water and Soil Resources Clean Water Funding for implementation of the 1W1P. The Planning Work Group has been meeting periodically to develop an initial work plan that describes how that money will be spent.

Grand Marais Creek Watershed Restoration and Protection Strategy

A contract was signed on January 12, 2018 and executed on January 22nd, 2018 for the public notice process and editing of the Grand Marais Creek Total Maximum Daily Load (TMDL) and Watershed Restoration and Protection Strategy (WRAPS) documents. District staff will edit the WRAPS and TMDL documents when the MPCA has completed a review of the draft documents.

Other Notes

- A paleolimnological study has been completed for Bartlett Lake, near Northome. There is local interest in pursuing funding for a project that will improve water quality in the lake.
- A water quality report was completed for July and August of 2017.
- District staff reviewed and provided comments on the 2018 Draft List of Impaired Waters.

January 2018 Meetings and Events

- **January 4, 2018** – Red Lake River One Watershed One Plan Planning Work Group meeting at the Pennington SWCD
- **January 8, 2018** – Thief River One Watershed One Plan coordination call
- **January 9, 2018** – Thief River One Watershed One Plan Public Meeting in Thief River Falls.
• **January 10, 2018** – Thief River One Watershed One Plan Public Meeting, Policy Committee Meeting, and Advisory Committee meeting in Grygla

• **January 23, 2018** – RLWD and City of Thief River Falls staff met to discuss the expensive wastewater treatment facility upgrades that may be required to meet a 1 mg/L standard for discharge. City staff want to explore the possibility funding projects that more cost effectively reduce phosphorus and sediment loading as an alternative to the wastewater treatment upgrades.

• **January 24, 2018** – Conference call to plan the annual Red River Basin Water Quality Monitoring Training event

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**Quote of the Month:**

“We must all either wear out or rust out, every one of us. My choice is to wear out
- Theodore Roosevelt

Red Lake Watershed District Monthly Water Quality Reports are available online: [http://www.redlakewatershed.org/mothwq.html](http://www.redlakewatershed.org/mothwq.html).

Learn more about the Red Lake Watershed District at [www.redlakewatershed.org](http://www.redlakewatershed.org).

Learn more about the watershed in which you live (Red Lake River, Thief River, Clearwater River, Grand Marais Creek, or Upper/Lower Red Lakes) at [www.rlwdwatersheds.org](http://www.rlwdwatersheds.org).

“Like” the Red Lake Watershed District on [Facebook](http://www.facebook.com) to stay up-to-date on RLWD reports and activities.