

Please note the meeting date has changed from Wednesday to Monday and the meeting will be held at the Scott County Law Enforcement Center, 301 Fuller Street South, Shakopee, MN



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Lower Minnesota River Watershed District
7:00 PM
Monday, September 17, 2018
Scott County Law Enforcement Center
301 Fuller Street South, Shakopee, MN 55379

Agenda Item	Discussion
1. Call to order	A. Roll Call
2. Approval of agenda	
3. Citizen Forum	<i>Citizens may address the Board of Managers about any item not contained on the regular agenda. A maximum of 15 minutes is allowed for the Forum. If the full 15 minutes are not needed for the Forum, the Board will continue with the agenda. The Board will take no official action on items discussed at the Forum, with the exception of referral to staff or a Board Committee for a recommendation to be brought back to the Board for discussion or action at a future meeting.</i>
4. Consent Agenda	<p><i>All items listed under the consent agenda are considered to be routine by the Board of Managers and will be enacted by one motion and an affirmative vote of a majority of the members present. There will be no separate discussion of these items unless a Board Member or citizen request, in which event, the items will be removed from the consent agenda and considered as a separate item in its normal sequence on the agenda.</i></p> <p>A. Approve Minutes for June 13, 2018, July 18, 2018 & August 15, 2018 Regular Meeting</p> <p>B. Receive and file Financial Reports</p> <p>C. Approval of Invoices for payment</p> <ul style="list-style-type: none"> i. Barr Engineering - No-rise modeling & Riley Creek ii. Culligan Bottled Water - water for Chaska office iii. Managers - 1st half 2018 per diem & expenses iv. Metro Sales - Payment for copier service agreement v. MAWD - reimbursement to MAWD for Summer Tour additional bus expense vi. Rinke Noonan - June 2018 legal expenses vii. Steinkraus Development LLC - for August & September 2018 office rent viii. Burns & McDonnell - May & June 2018 engineering/technical services ix. US Bank Equipment Finance - September 2018 copier rental x. Waypoint Insurance Advisors - Directors & officers insurance xi. Western National Insurance Company - Liability insurance xii. Freshwater Society - payment for Lake Coring Project

	<ul style="list-style-type: none"> xiii. Naiad Consulting, LLC - for June & July 2018 admin services & expenses xiv. USGS - Annual payment for sediment and flow monitoring xv. Dakota County SWCD - 2nd Quarter monitoring service xvi. TimeSaver Off Site Secretarial - Preparation of July 2018 meeting minutes <p>D. Resolution 18-12 Approving the Local Surface Water Management Plan for the City of Mendota Heights</p>
5. Public Hearing	A. The matter of the None Foot Channel Permanent Disposal Sites Acquisition and Development Basic Water Management Project
6. New Business/ Presentations	<ul style="list-style-type: none"> A. Minneapolis/St. Paul Airport boundary changes between LMRWD and Minnehaha Creek WD B. 2017 Annual Report C. Election of Officers D. Support for MAWD emphasis on Chloride regulation legislation
E. Old Business	<ul style="list-style-type: none"> A. 2018 Financial Audit B. Dredge Management <ul style="list-style-type: none"> i. Funding for dredge material management ii. Vernon Avenue Dredge Material Management site iii. Private Dredge Material Placement C. Watershed Management Plan D. 2019 Legislative Action - No new information to report since last update E. Education & Outreach - No new information to report since last update F. LMRWD Projects - No new information to report since last update <ul style="list-style-type: none"> i. Eden Prairie Area #3 Stabilization ii. Riley Creek Cooperative project/Lower Riley Creek restoration iii. Seminary Fen ravine stabilization project iv. Analysis of Dakota County Monitoring v. East Chaska Creek - CSAH 61 & TH 41 Transportation improvements G. Project Reviews <ul style="list-style-type: none"> i. Hennepin County - CSAH 61 - Flying Cloud Drive ii. MNDOT - I494/TH 5/TH 55 Mill & Overlay project iii. MNDOT - I35W Bridge Replacement iv. City of Shakopee - Amazon Fulfillment Center drainage v. City of Eagan Comprehensive Plan & Local Water Management Plan vi. City of Savage - Magellan Pipeline Project H. MPCA Soil Reference Values - No new information since last update
F. Communications	<ul style="list-style-type: none"> A. Administrator Report B. President C. Managers D. Committees E. Legal Counsel F. Engineer
9. Adjourn	Next meeting of the LMRWD Board of Managers is Wednesday, October 24, 2018

Upcoming meetings/Events

- [Metro MAWD](#) - Thursday, September 20, 2018, 2:00pm-4:00pm, walking tour starting at Surly Brewing
- 2018 Scott WMO & Scott SWCD Fall Tour - Monday, September 24th 3:30 pm to 7:00pm, Scott County Highway Department
- [Metro Children's Water Festival](#) - Wednesday, September 26, 2018, 8:00am to 3:00pm, MN State Fair Grounds
- [Pollinator Summit 2018](#) - Friday, October 12, 2018, 9:00am to 4:30pm, Minnesota Landscape Arboretum
- [Minnesota Water Resource Conference](#) - Tuesday, October 16 - Wednesday, October 17, 2018; River Centre, St. Paul
- BWSR Academy - October 29 to October 31, Breezy Point Conference Center
- [Climate Adaption Conference](#) - November 14, 2018, University of Minnesota, Continuing Education and Conference Center, 1890 Buford Avenue, St. Paul, MN
- MAWD 2018 Annual Conference November 29 to December 1, 2018; Arrowwood Resort and Conference Center, Alexandria, MN
- USACE River Resource Forum - December 2018, US Fish & Wildlife Center, Bloomington, MN

For Information Only

- WCA Notices
 - City of Shakopee - Notice of Application - Canterbury Park 7th Addition
 - City of Shakopee - Notice of Decision - Canterbury Park 7th Addition
- DNR Public Waters Work permits
 - None received
- DNR Water Appropriation permits
 - Carver County - water appropriation permit application 20512 and request for comments - application 2018-3238 submitted by CenterPoint Energy - to allow for inspection, maintenance and repair of a natural gas pipeline in the cities of Chaska.
 - Carver County - water appropriation permit application 20509 and request for comments - application 2018-3249 submitted by CenterPoint Energy - to allow for inspection, maintenance and repair of a natural gas pipeline in the cities of Chaska and Carver.
 - Carver County - water appropriation permit 2018-3248 granted to CenterPoint Energy - to allow for inspection, maintenance and repair of a natural gas pipeline in the cities of Chaska and Carver.
 - Carver County - water appropriation permit 2018-3249 granted to CenterPoint Energy - to allow for inspection, maintenance and repair of a natural gas pipeline in the cities of Chaska and Carver.
 - Hennepin County - Water appropriation permit application 2018-3334 to MNDOT - Temporary dewatering of cofferdams to construct 3 bridge piers on the north side of the river
 - Hennepin County - Water appropriation permit 2018-3334 - to MNDOT - Construction dewatering to allow the I-35W bridge over the Minnesota River to be replaced.

Future Manager Agenda Items list

- Report of water quality testing of Minnesota River from MPCA
- Report on Flying Cloud Landfill
- Record retention policy
- AIS Policy
- Riverbank stabilization policy

Future TAC Agenda Items List

- LMRWD monitoring plan



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Minutes of Regular Meeting

Board of Managers

Wednesday June 13, 2018

County Board Room, Carver County Government Center, Chaska MN, 7:00 p.m.

Approved _____, 2018

1. CALL TO ORDER AND ROLL CALL

On Wednesday, June 13, 2018, at 7:00 PM in the Board Room of the Carver County Government Center, Chaska, Minnesota, President Shirk called to order the meeting of the Board of Managers of the Lower Minnesota River Watershed District (LMRWD) and asked for roll call to be taken. The following Managers were present: President Yvonne Shirk, Manager David Raby and Manager Jesse Hartmann. In addition, the following were also present: Linda Loomis, Naiad Consulting, LLC, LMRWD Administrator; Della Schall Young, Young Environmental Consulting Group, LLC, Technical Consultant; Lindsey Albright, Dakota SWCD

2. APPROVAL OF THE AGENDA

Administrator Loomis requested the removal of the May 16, 2018 Regular Meeting minutes and the addition of Item 6. J. - Request from Friends of the MN Valley.

President Shirk made a motion to approve the agenda with the addition. The motion was seconded by Manager Raby. The motion carried unanimously.

Manager Loomis administered the oath of office to Manager Raby.

3. CITIZEN FORUM

There were no citizens who wished to address the board.

4. CONSENT AGENDA

President Shirk Introduced the item.

~~A. Approval of Minutes for May 16, 2018 Regular Meeting~~

B. Receive and file Financial Report

C. Presentation of Invoices for payment

- i. Barr Engineering - No-rise evaluation and model
- ii. Burns & McDonnell - March 2018 engineering services
- iii. Culligan Bottled Water - Bottled Water for Chaska office
- iv. Time Saver Offsite Secretarial - Preparation of March & April Board meeting minutes
- v. US Bank Equipment Finance - June 2018 copier rental
- vi. Friends of the Minnesota Valley - 2017 Education & Outreach at County Fairs in Minnesota River Basin
- vii. Pace Analytical Services, LLC - Chloride testing of Ike's Creek water samples
- viii. Rinke Noonan - for April 2018 legal services
- ix. Scott County SWCD - 1st quarter 2018 monitoring services

- x. **Star Tribune - Publication of public hearing legal notice**
 - xi. **Steinkraus Development LLC - for June office rent**
 - xii. **Dakota County SWCD - 1st quarter 2018 monitoring services**
 - xiii. **Naiad Consulting, LLC - for March 2018 admin services & expenses**
- D. LMRWD/Dakota County Agreement addendum for Technical Assistance Services**

Manager Raby commented that there is a correction to the Financial report. There were expenses for plan reviews that are not reflected in the YTD number.

Manager Raby made a motion to approve the consent agenda with Item 4.A. - Approval of Minutes for April 18, 2018 regular Meeting removed and the correction to the financial report. The motion was seconded by President Shirk. The motion carried unanimously.

5. NEW BUSINESS/PRESENTATIONS

A. Presentation of 2017 Audit report

Ms. Peggy Moeller presented the audit report. She referred to page 3 of the annual financial report and said for 2017 the board has received an unmodified or clean opinion. She walked the Board through the report.

Manager Hartmann asked why there is a deficit in the channel fund. Administrator Loomis said there is a deficit in the 9 foot channel because it was the policy of the board to not levy for expenses incurred by the 9 foot channel. The managers previously felt the benefit of the channel extend far beyond the district so it was a matter of principal. Administrator Loomis said all of the expenses for the channel this year will be reimbursed from the state funding. Manager Raby asked why the transfer wasn't budgeted. Administrator Loomis said it was. Ms. Moeller said it was not in the budget that they received. Administrator Loomis said that it may be how the item appeared in the budget.

6. OLD BUSINESS

A. Hennepin County Landslide Inventory

Administrator Loomis said she has not additional information to report other than what was reported in the executive summary. Manager Raby asked if Minnehaha Creek has decided to participate. Administrator Loomis said Minnehaha has not yet decided. However, she did hear from Freshwater Society yesterday and there is enough funding to move forward with the project.

B. MAWD Summer Tour

Administrator Loomis said she made reservations for 175 box lunches. She noted that there is a good representation of local leaders, legislators and other that are planning to attend. She noted that one of the speakers will be from Chart Industries in New Prague. Chart is the business that ships cryo-tanks out of the CHS terminal.

Manager Shirk asked if there is anything in particular that she should say. If there is she asked to have the comments written out for her. Administrator Loomis said there will be a map of the river with highlights.

C. Dredge Management

i. Review Process for funding of maintenance of Navigation Channel

Administrator Loomis said staff sent the proposal for the Capitol Project to the DNR and BWSR and they are still waiting for responses. Manager Raby asked when it was sent to the agencies.

Della Young, technical consultant for the District responded that the project was sent to both agencies in May. She detailed the conversations that have occurred with DNR staff.

She has checked in with legal counsel to ask if there is a time limitation for responses from the agencies. The things that the DNR is asking for are things that will come after the project is approved, like the no-rise evaluation, which will happen once the project is approved. John Kolb, attorney for the District has spoken with DNR staff to clarify the project for them. LMRWD staff will contact the DNR and BWSR and tell them that if they have comments or questions, just to put them all in a letter, so that the District can move forward with the project.

- ii. **Vernon Avenue Dredge Material Management site**
No information other than what was reported in the Executive Summary.
- iii. **Private Dredge Material Placement**
No information other than what was reported in the Executive Summary.

D. Watershed Management Plan

Administrator Loomis said the final draft has been provided to the Board for review. Staff is looking for the Board to accept the final draft and authorize submittal of the draft plan to BWSR for the 90-day final review. She noted section 4 will be updated to reflect the implementation plan that was provided to the Board at the May meeting.

President Shirk asked about the implementation plan and the amount of \$250,000 a year for General Administration for 10 years with no adjustment for inflation. Administrator Loomis said that amount is statutory and would only be changed if state statute changes it.

Manager Raby thought the SONAR (Statement of Need and Reasonableness) fairly detailed and made a lot of sense to him. Administrator Loomis said the SONAR was sent to all LMRWD stakeholders and TAC (Technical Advisory Committee) and the District has not received any comments.

President Shirk made a motion to approve the draft plan amendment and authorize staff to submit the plan to BWSR. The motion was seconded by Manager Hartmann. The motion carried unanimously.

Manager Raby asked when the plan would be submitted for the 90 day period. Ms. Young said they are prepared to submit the plan at the end of the month. She said that she is having an intern go through the comments to make sure that all comments have been addressed.

Manager Hartmann asked what the next steps are. Ms. Young explained that it will be submitted to BWSR and other review agencies. Comments can be made by review agencies, cities and others can comment on the final draft. The Plan would then come before the Board of BWSR for a hearing and approval. After the District receives BWSR approval a resolution will be prepared for the Board to officially adopt the plan.

E. 2018 Legislative Action

Administrator Loomis explained that the last time she was at the Capitol, she and the Lisa Frenette, the District's lobbyist were calling legislators that had expressed interest in the District's plan process off the floor to explain what the District has done to address their constituents concerns with the LMRWD Plan and invited them to the River Tour.

She said she is planning to meet with Ms. Frenette this month to work on a legislative agenda for the Board's approval for the next legislative session.

F. Education and Outreach Plan

Administrator Loomis said she has nothing to report.

G. LMRWD Projects

i. Eden Prairie Area #3 Stabilization

No information other than what was reported in the Executive Summary.

ii. Riley Creek Cooperative Project/Hennepin County Flying Cloud Drive/CSAH 61 reconstruction project

Administrator Loomis said the City of Eden Prairie asked about permits required for this project. She said the DNR told the contractor the LMRWD project would fall under the permitted issued to the county for the CSAH 61/Flying Cloud Drive Project. She said the City wanted to discuss the long term maintenance of the project.

Manager Hartmann asked what kind of maintenance would be needed. Administrator Loomis said the culvert is being taken out and a bridge is being put in its place so there will not be a culvert to maintain. She said it is more about the plunge pool filling with sediment and needing to be cleaned out to remain effective at reducing the velocity and then making sure any bank stabilization stays intact. She said she would speak to the city about maintenance.

Manager Hartmann asked about the date of completion. Administrator Loomis found she had given the Board an incorrect date for the start of the project. The project start date is June 18th.

iii. Floodplain Lake Coring Project with Freshwater Society

Administrator Loomis said she has spoken with Carrie Jennings and that she is working on the final report for this project. The Board should have the report in the next couple of months.

iv. Seminary Fen ravine stabilization project

No information other than what was reported in the Executive Summary.

v. Analysis of Dakota County Groundwater Project

No information other than what was reported in the Executive Summary.

vi. East Chaska Creek/ CSAH 61 & TH 41 Transportation Improvement Project

No information other than what was reported in the Executive Summary.

H. Project/Plan Reviews

Administrator Loomis said she didn't have any additional information to add. The comment letters staff intends to send were provided to the Board in the meeting packet.

i. City of Bloomington - MN Valley State Trail

Administrator Loomis said this is one item that the Board needs to take action on. The DNR has indicated that there will be a slight rise in the flood plain, which the Board should discuss and determine if it will allow the rise.

Ms. Young said she spoke with the DNR and the Board would not just approve it, but that the DNR needed to show justification for the rise, which they did stating that if they reduced the rise it would increase velocities. President Shirk asked if the DNR could formalize that. Ms. Young said it was documented in the response from the DNR to the District. President Shirk asked staff if the request was reasonable. Ms. Young stated that she felt that it was.

Manager Raby commented on the information provided by the DNR which stated they could reduce the rise to the floodplain, however that would cause more damage.

President Shirk made a motion to approve the plan as proposed. The motion was seconded by Manager Raby.

Manager Hartmann asked Manager Raby to elaborate. Manager Raby said that the DNR stated that to reduce the rise in the floodplain they would need to lower the trail, which would increase the velocity thereby potentially causing more damage.

Manager Hartmann asked if the trail is going to be asphalt. Administrator Loomis said she didn't think that has been decided, however the District has received several comments about the paving of the trail. MS Young said that this is just an interim step by the DNR to make sure the plans meet the LMRWD standards. The District will see more plans in the future.

Manager Raby noted the concept is just being approved. Ms. Young agreed. It was explained that paving the trail will not impact the rise. The Board discussed the imperviousness of the trail surface. Staff explained that the trail surface is not connected with the calculations for the rise cause by the trail.

The motion carried unanimously.

ii. Scott County WMO - 2019–2026 Comprehensive Water Resources Management Plan Review

Comment letter has been sent

iii. Draft Dakota County Comprehensive Plan Review

Comment letter has been sent

iv. Burnsville Comprehensive Plan Review

Comment letter has been sent

v. City of Burnsville - Dodge of Burnsville

Comment letter has been sent

vi. City of Chaska - MCES L-71 lift station project

Comment letter has been sent

vii. City of Eden Prairie - Abra Auto Body

Manager Raby asked where the location of this Abra Auto Body is. He said he thought it would be in Riley Creek Purgatory. Staff will check on this.

I. MPCA Soil Reference Values - no change since last update

No new information since last update.

J. MN River Congress Request/Friends of the MN Valley

Administrator Loomis said a funding request for his project was made. The question asked is if the board would be interested in participating in the education. Administrator Loomis reminded the Board that Mr. Suss wanted to hold seminars in each county in the Minnesota River Basin, where farmers that are farming with cover crops and working to improve soil health could share their success stories with others. Mr. Suss is looking for other partners and feels he could complete this project for \$50,000.

Manager Raby asked if Mr. Suss has been successful in finding other partners to fund this initiative. He wondered how this proposal has been received by others.

President Shirk said a similar presentation was made at a Minnesota River Conference she attended and she said she thinks he is on the right track. She recommended approving \$5,000 subject to him raising the rest of the funds and a better budget of how it is going to be spent. Manager Hartmann asked if \$5,000 would be enough. The board agreed they could raise the amount if needed.

Administrator Loomis said a motion will be requested once a budget is received and the District is at the point of releasing funds.

7. COMMUNICATIONS

- A. Administrator Report:** Administrator Loomis did not have anything to report.
- B. President:** No report
- C. Managers:** No report
- D. Committees:** No report
- E. Legal Counsel:** No report
- F. Engineer:** No report

8. ADJOURN

President Shirk made a motion to adjourn. Manager Hartmann seconded the motion. The motion carried unanimously. The meeting was adjourned at 7:53 pm.

Dave Raby, Secretary

Attest:

Linda Loomis, Administrator

Item 4.B.
LMRWD 9-17-18

BEGINNING BALANCE	31-Jul-18	\$ 1,338,450.11
ADD:		
General Fund Revenue:		
MAWD Summer Tour		\$ 2,500.00
Total Revenue and Transfers In		\$ 2,500.00
DEDUCT:		
Warrants:		
408689 Barr Engineering	No-rise evaluation & constr. obser.	\$ 1,449.00
408700 Culligan Bottled Water	bottled water for Chaska office	\$ 30.75
408710 Manager Per diem & Expenses	1st half 2018	\$ 954.17
408729 Metro Sales	Copier maintenance agreement	\$ 64.43
408731 MAWD	Summer Tour bus expense	\$ 409.50
408737 Manager Per diem & Expenses	1st half 2018	\$ 568.60
408739 Rinke Noonan	June 2018 Legal expense	\$ 82.50
408746 Steinkraus Development	August 2018 Rent	\$ 650.00
409027 Burns & McDonnell	May & June Technical Services	\$ 25,140.82
409082 US Bank Equipment Finance	September Copier Rental	\$ 231.91
409088 Waypoint Insurance Advisors	Directors & Officers Insurance	\$ 1,008.00
409080 Western National Insurance	Liability Insurance	\$ 7,883.00
409382 Barr Engineering	Expenses related to Riley Creek proj.	\$ 878.00
409397 Freshwater Society	Payment for Lake Coring Project	\$ 37,200.00
409433 Steinkraus Development	September Office Rent	\$ 650.00
100006333 Naiad Consulting LLC	June 2018 admin service & expenses	\$ 14,560.67
100006341 US Geological Survey	River sediment & flow monitoring	\$ 8,500.00
100006432 Dakota County Soil & Water	2nd Quarter 2018 monitoring	\$ 1,720.00
100006587 Naiad Consulting LLC	July 2018 admin service & expenses	\$ 9,207.74
100006592 Manager Per diem & Expenses	1st half 2018	\$ 601.30
100006598 TimeSaver Off Site Secretarial	July 2018 meeting minutes prep	\$ 245.50
Total Warrants/Reductions		\$ 112,035.89
ENDING BALANCE	31-Aug-18	\$ 1,228,914.22

EXPENDITURES	2018 Budget	August Actual	YTD 2018	Over (Under) Budget
Administrative expenses	\$ 250,000.00	\$ 35,468.19	\$ 156,350.44	\$ (93,649.56)
Cooperative Projects				
Gully Erosion Contingency Fund	\$ -	\$ -	\$ -	\$ -
Ravine Stabilization at Seminary Fen in Chaska	\$ -	\$ -	\$ -	\$ -
Eden Prairie Bank Stabilization Area #3	\$ -	\$ -	\$ -	\$ -
Eagle Creek	\$ -	\$ -	\$ -	\$ -
USGS Sediment & Flow Monitoring	\$ 18,500.00	\$ 8,500.00	\$ 8,500.00	\$ (10,000.00)
509 Plan Budget				
<i>Resource Plan Implementation</i>				
Sustainable Lakes Management Plan (Trout Lakes)	\$ 50,000.00	\$ -	\$ -	\$ (50,000.00)
Geomorphic Assessments (Trout Streams)	\$ 50,000.00	\$ -	\$ -	\$ (50,000.00)
Paleolimnology Study (Floodplain Lakes)	\$ 50,000.00	\$ 37,200.00	\$ 37,200.00	\$ (12,800.00)
Fen Stewardship Program	\$ 75,000.00	\$ -	\$ -	\$ (75,000.00)
District Boundary Modification	\$ 10,000.00	\$ -	\$ -	\$ (10,000.00)
East Chaska Creek Treatment Wetland Project	\$ 10,000.00	\$ -	\$ -	\$ (10,000.00)
Minnesota River Sediment Reduction Strategy	\$ 25,000.00	\$ -	\$ -	\$ (25,000.00)
Seminary Fen - gap analysis	\$ -	\$ -	\$ -	\$ -
Data Assessments and Program Review	\$ -	\$ -	\$ -	\$ -
Dakota County groundwater modeling	\$ -	\$ -	\$ -	\$ -
Riley Creek Cooperative Project	\$ 50,000.00	\$ 1,229.00	\$ 75,075.49	\$ 25,075.49
Local Water Management Plan reviews	\$ 12,000.00	\$ 1,872.75	\$ 6,384.13	\$ (5,615.87)
Project Reviews	\$ 16,000.00	\$ 5,640.25	\$ 8,424.63	\$ (7,575.37)
<i>Monitoring</i>	\$ 65,000.00	\$ -	\$ 8,419.92	\$ (56,580.08)
<i>Monitoring Data Analysis</i>				\$ -
<i>Technical Assistance</i>				\$ -
<i>Watershed Management Plan</i>				\$ -
Plan Amendment	\$ 50,000.00	\$ 11,850.20	\$ 61,148.60	\$ 11,148.60
Vegetation Management Standard/Plan	\$ -	\$ -	\$ -	\$ -
<i>Public Education/CAC/Outreach Program</i>	\$ 30,000.00	\$ 4,755.62	\$ 19,899.60	\$ (10,100.40)
<i>Cost Share Program</i>	\$ 20,000.00		\$ 10,000.00	\$ (10,000.00)
Savage Fen/Dakota Ave. Ravine Stabilization Project	\$ -	\$ -	\$ -	\$ -
Nine Foot Channel	\$ 50,000.00	\$ -	\$ -	\$ (50,000.00)
Dredge Site Improvements	\$ 240,000.00	\$ 3,799.88	\$ 13,194.62	\$ (226,805.38)
Total:	\$ 1,071,500.00	\$ 110,315.89	\$ 404,597.43	



Please note the meeting date has changed from Wednesday to Monday and the meeting will be held at the Scott County Law Enforcement Center, 301 Fuller Street South, Shakopee

LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting
Monday, September 17, 2018

Agenda Item

Item 4. D. - Resolution 18-12 Approving the Local Surface Water Management Plan for the City of Mendota Heights

Prepared By

Linda Loomis, Administrator

Summary

This item is a housekeeping item. In 2017, the LMRWD received the Local Surface Water Management Plan (SWMP) from the city of Mendota Heights. LMRWD staff reviewed the SWMP and provided comments to the City. The city responded to our comments and revised the SWMP accordingly. The LMRWD reviewed the revision and recommended Board approval of the SWMP. In preparing the 2017 Annual Report, I discovered that the Resolution approving the SWMP was never placed on a Board agenda.

Therefore, a new resolution has been prepared and placed on the Consent Agenda for the September 17, 2018 Board meeting.

Attachments

Resolution 18-12 Approving the Local Surface Water Management Plan for the City of Mendota Heights

Recommended Action

Motion to adopt Resolution 18-12 Approving the Local Surface Water Management Plan for the City of Mendota Heights

Manager _____ introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-12

RESOLUTION APPROVING THE LOCAL SURFACE WATER MANAGEMENT PLAN
FOR THE CITY OF MENDOTA HEIGHTS

WHEREAS, the Lower Minnesota River Watershed District ("LMRWD") is a special purpose unit of government, established in accordance with Minnesota Statute 1013D; and

WHEREAS, On December 14, 2011, the LMRWD adopted a Watershed Management Plan (LMRWD Plan) under Minnesota Statutes 103B.231 subdivision 10, which as amended, details the existing physical environment, land use and development in the watershed and establishes as plan to manage water resources and regulate water resource use to improve water quality, prevent flooding and otherwise achieve goals of Minnesota Statutes Chapters 103B and 103D; and

WHEREAS, Minnesota Statute 103B.235 Local Water Management Plans (LWMPs) require that local government units having land use planning and regulatory responsibility for territory within the watershed shall prepare or cause to be prepared a local water management plan, capital improvement program and official controls as necessary to bring local water management into conformance with the LMRWD Plan. Local Plans must meet the requirements of the LMRWD Plan as well as the general requirement of Minnesota Statutes 103B.235 and Minnesota Rules Chapter 8410; and

WHEREAS, the city of Mendota Heights ("City") lies partially within the LMRWD and therefore must meet the requirements of the LMRWD Plan; and

WHEREAS, that portion of the City that lies within the LMRWD also lies within the Mississippi River Critical Corridor Area (MCCRA) and the City must therefore comply with rules of the MCCRA; and

WHEREAS, after submission of a Surface Water Management Plan (SWMP), August 16, 2017, and a process of LMRWD review and comment which was completed on October 5, 2017, the City requested LMRWD approval of the plan; and

WHEREAS, Minnesota Statutes, Section 103B.235, Subd, 3 authorizes the watershed district to review and approve local water management plans and to take other actions necessary to assure that the local plan is in conformance with the LMRWD's plan and standards set forth therein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the LMRWD hereby approved the SWMP for the City of Mendota Heights, dated August 7, 2017 with the conditional understanding that:

- 1) In accordance with LMRWD Plan Goal 2: Strategies 2.2.3 and 2.2.4 - "Cost Share Incentive Program and Water Quality Restoration Program" should be referenced in the SWMP.
- 2) In accordance with Minnesota Statutes, Section 103B.235, Subd. 4, the Mendota Heights plan shall be adopted and implemented by the City within 120 days of this action, and the City shall amend its official controls in accordingly within 180 days.
- 3) After the LMRWD plan amendment is approved and adopted or otherwise amended pursuant to Minnesota Statute 103B.231 the City shall bring it's LWMP into conformance with the LMRWD Plan within the time period prescribed in the implementation program of the LMRWD Plan.

- 4) Pursuant to Minnesota Statutes, Section 103B.235, Subd. 5 and consistent with the Lower Minnesota River Watershed Management Plan, the City shall submit amendments to the local water management plan to the LMRWD for review and approval in accordance with State Statutes and Minnesota Rules.
- 5) The LMRWD Managers believe that regulation is most properly performed by the local governmental unit (LGU), provided that regulation by the LGU is consistent with the goals and policies of the LMRWD Plan. The city of Mendota Heights shall implement water management policies, standards and criteria as least as strict as those in the LMRWD Plan, as amended, on all projects within the boundaries of the LMRWD in the City of Mendota Heights.
- 6) For properties that are split between the LMRWD and any other watershed management organization, the most restrictive water management policies, standards and criteria will be implemented.

BE IT FURTHER RESOLVED that the city has complied with the above conditions, revised the plan accordingly and has approved and adopted the SWMP dated July 2018.

The Motion was seconded by Manager _____ and adopted by a unanimous vote by the Board of Managers of the LMRWD this 17th day of September, 2018.

Jesse Hartmann, Vice President

ATTEST:

David L. Raby, Secretary



Please note the meeting date has changed from Wednesday to Monday and the meeting will be held at the Scott County Law Enforcement Center, 301 Fuller Street South, Shakopee

LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting
Monday, September 17, 2018

Agenda Item

Item 5. A. - Public Hearing - The matter of the None Foot Channel Permanent Disposal Sites Acquisition and Development Basic Water Management Project

Prepared By

Linda Loomis, Administrator

Summary

This item is the next step in the process the LMRWD began in September 2015. The Board of Managers adopted Resolution 15-12 initiating the process. The Board then commissioned Burns & McDonnell to prepare an estimate of the costs the District could expect to incur managing dredge material and maintaining the Vernon Avenue Dredge Material Placement site over the course of the next 25 years. This report was received by the Board in February of 2017.

The Board also commissioned a report of the special benefit the 9-foot Navigation Channel has on real property that has access to the Channel. Patchin Messner Dodd & Brumm was retained to prepare this report, which the Board received in October of 2017. The proposed project was then sent to the MN DNR and BWSR (Board of Water & Soil Resources) for comment. Comments were received from both agencies in 2018.

The next step in the process is to hold a public hearing. A public hearing was called at the August 15, 2018 meeting of the Board of Managers of the Lower Minnesota River Watershed District. Notice of the hearing was published in the August 26, 2018 and September 2, 2018 editions of the Star Tribune newspaper. Notice was also emailed to all the MN DNR, BWSR counties and cities that have portions of its jurisdictions within the LMRWD and affected property owners (those properties for which the LMRWD had emails). All affected properties were sent notices via US Postal Service using the address of record at the County in which the affected property is located.

At the hearing on September 17th, the Board will open the public hearing, take testimony and answer questions from those in attendance at the hearing wishing to speak. After everyone wishing to speak has had an opportunity to do so, the Board will then decide its next step. Possible steps include, but are not limited to the following:

1. Closing the hearing and make a motion to proceed with the project
2. Continuing the hearing and provide direction to staff as to next steps

Attachments

Resolution 15-12 Directing Initiation of Proceedings to Modify the Nine Foot Channel Permanent Disposal Sites Acquisition and Development Basic Water Management Project

Comments from MN DNR

[Estimate of Probable Cost](#) (found online)

[Special Benefit Study](#) (found online)

Recommended Action

Staff will bring a list of possible actions for the Board to take to the hearing

Manager Shirk introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 15-12

RESOLUTION DIRECTING INITIATION OF PROCEEDINGS TO MODIFY THE NINE FOOT CHANNEL PERMANENT DISPOSAL SITES ACQUISITION AND DEVELOPMENT BASIC WATER MANAGEMENT PROJECT

WHEREAS, the Lower Minnesota River Watershed District was established with a purpose, in part, to serve as the local project sponsor for a Federal navigation project authorized by Congress in 1958; and

WHEREAS, the Federal project authorized the dredging of a 9-foot deep by 100-foot wide channel from the confluence of the Minnesota and Mississippi Rivers, 14.7 miles upstream; and

WHEREAS, the project was conditioned on local sponsorship to furnish lands and rights-of-way for the disposal of dredge materials, make changes to roads, and hold the United States harmless of any damages caused by the construction; and

WHEREAS, after its establishment, the District adopted a watershed management plan. The watershed management plan included the project as an improvement and basic water management project of the District to be undertaken jointly by the District and the U.S. Army Corps of Engineers (Corps); and

WHEREAS, on August 22, 1962, the District adopted a resolution giving its assurance to the Secretary of the Army that the Board would fulfill its obligations as local sponsor of the project. In its resolution, the Board identified both regional (district wide) and direct (individual property) bases of benefit for the project; and

WHEREAS, the 1962 resolution, combined with correspondence between the District and the Corps, constitute a Project Agreement under which construction or implementation is to be paid by the Corps but the rights-of-way, legal, and general expenses of the improvement are to be paid by the District; and

WHEREAS, the District undertook proceedings, held hearings and established the Nine Foot Channel Permanent Disposal Sites Acquisition and Development Basic Water Management Project (dredge project), specifically identifying the dredge project as a "basic water management project" with "basic water management features;" and

WHEREAS, the District has historically levied an additional ad valorem tax within the District to pay for management of the project as an improvement of basic water management; and

WHEREAS, in the original establishment of the project, the bases of benefits articulated by the Board included both generalized statements regarding the economic welfare of the region and specific reference to increased property values and economic benefit to interests adjacent to the river; and

WHEREAS, the District did not conduct proceedings to determine benefits to properties affected by the project for the purpose of allocating a portion of the project costs to assessments to properties benefitted by the project; and

WHEREAS, the Board of Managers finds that the dredge project, and specifically the management of dredge spoils, is necessary to minimize public capital expenditures needed to correct flooding and water quality problems; to protect and improve surface water quality; to prevent erosion of soil into surface water systems; to protect and enhance water recreational facilities; and to secure other benefits associated with the proper management of surface water; and

WHEREAS, the District has performed analysis documenting benefits of the dredge project to industrial properties on the river that utilize the improved river channel for barge transportation. The District's analysis documents an estimated \$22.5 million of total annual savings to industry by using barge transport versus other forms of transportation. The barge transport is made possible by the dredge project; and

WHEREAS, the Board of Managers desires to investigate the possibility of a project assessment to properties benefitted by the dredge project in order to pay a portion of the cost of establishing, developing and maintaining the dredge spoil disposal sites for the project; and

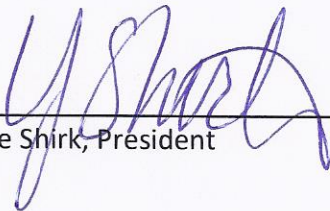
WHEREAS, the Board also desires to clarify the status of the previously established project as a basic water management improvement of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the Lower Minnesota River Watershed District as follows:

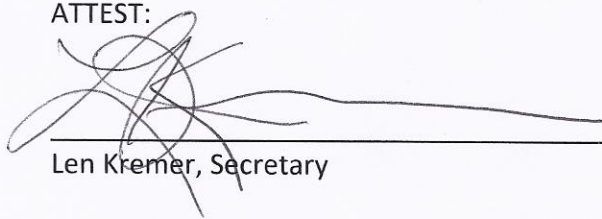
1. The Board initiates proceedings under Statutes section 103D.605 to modify the previously established Nine Foot Channel Permanent Disposal Sites Acquisition and Development Basic Water Management Project.
2. The proceedings shall follow the requirements of Statutes sections 103D.605 and 103D.715 – .731 as appropriate.
3. Concurrent with the Statute section 103D.605 proceedings, the District shall also undertake proceedings under Statutes section 103B.251 to include the Nine Foot Channel Permanent Disposal Sites Acquisition and Development Basic Water Management Project as a capital improvement project of the District.

4. The Secretary is authorized to coordinate with staff and to take all actions necessary to implement this resolution, except those actions reserved by statute to the Board of Managers.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District
this 16th day of September, 2015



Yvonne Shirk, President

ATTEST:


Len Kremer, Secretary

The motion for the adoption of the foregoing resolution was seconded by Manager Murphy and upon a vote being taken thereon, the following voted in favor thereof: 4; and the following voted against the same: 0. Whereupon said resolution was declared passed and adopted, this 16th day of September, 2015 signed by the President and his signature attested by the Secretary.

June 14, 2018

Linda Loomis
Administrator, Lower Minnesota River Watershed District
6677 Olson Memorial Highway
Golden Valley, MN 55427

Re: Engineer's Report: Lower Minnesota River Watershed District - Dredge Management Project Update

Dear Linda Loomis,

On behalf of the Director of the Division of Ecological and Water Resources of the Minnesota Department of Natural Resources (DNR), I offer the following comments on the Engineer's Report for the above-cited project, in accordance with Minnesota Statutes section 103D.605, subdivision 2.

The dredge material management site is subject to the Channel Maintenance and Management Plan (CMMP) for the Navigation System on the Upper Mississippi, Minnesota, and St. Croix Rivers. There does not appear to be significant changes in the project that would be inconsistent with the CMMP.

We understand that the Lower Minnesota River Watershed District (District) evaluated the following changes to the current Dredge Management Project:

- Reconfigure the dredge placement site from one cell to two cells;
- Add two water control structures (one per cell);
- Add a culvert along Vernon Avenue;
- Vernon Avenue upgrade;
- Change the access site for private slip dredge material unloading.

In relation to the project site, as stated within the project report, the site lies within the Minnesota River floodway. The update memo does not include a detailed stage increase analysis under the floodplain section. The DNR expects that the no-rise modeling and analysis will be provided as part of the CUP amendment process and that the analysis will adequately demonstrate how the District will meet FEMA and the City of Savage's requirements related to floodway fill. The DNR will review the amendment request when the City routes it for review and comment. The District has stated a request will be made to remove the CUP condition to remove fill during flood events. We expect there will be an analysis certifying that any dredge fill left in place will not cause a rise, as required by the City of Savage and FEMA regulations.

In relation to state-listed Threatened and Endangered species, while the DNR doesn't have any concerns regarding the proposed modifications, it is unclear whether potential impacts to state-listed species were considered in the original plan. To ensure compliance with the Minnesota Endangered Species Statute and Rules, the DNR recommends that all watershed projects involving new disturbance include an assessment of potential impacts to state-listed species. Please visit the [NHIS webpage](#) for information on how to request a Natural Heritage Review or enter into a license agreement with the DNR for the use of the Rare Features Data.

Thank you for your consideration of these comments.

Sincerely,


Dan Lais
Regional Manager

- CC: MN DNR - Bill Huber
- MN DNR - Jennie Skancke
- City of Savage – Jesse Carlson
- BWSR – Ben Carlson

Website Address:

The website address for Minnesota DNR's Natural Heritage Information System webpage is:
<https://www.dnr.state.mn.us/nhnrp/nhis.html>.



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LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting
Monday, September 17, 2018

Agenda Item

Item 6. A. - Minneapolis/St. Paul Airport boundary changes between LMRWD and Minnehaha Creek Watershed District

Prepared By

Linda Loomis, Administrator

Summary

The Minneapolis/St. Paul Airport recently bid a project that crosses watershed boundaries. Mr. Al Dye contacted me to see if the LMRWD would be interested in aligning the watershed districts' boundaries to match the actual drainage areas.

A map is attached showing the actual drainage areas and the boundaries of the watershed districts. Boundary changes was identified as an activity in the LMRWD Plan and the 2018 budget included \$10,000 for boundary modification. None of this money has been spent.

Mr. Dye is willing to help facilitate the boundary change. If the Board is willing to modify the boundaries, staff will put together a plan to proceed.

Attachments

Email from Mr. Al Dye

Map of Watershed District boundaries and drainage areas

Recommended Action

Provide direction to staff



Linda Loomis <naiadconsulting@gmail.com>

FW: Minnehaha and Lower MN watershed boundary line - RE: Greg Robinsons Contact

Dye, Al <Al.Dye@mspmac.org>

Thu, Aug 16, 2018 at 3:36 PM

To: Linda Loomis <naiadconsulting@gmail.com>

Good afternoon Linda,

We recently bid a project that is right on the border of the line between LMRWD and Minnehaha WD.

It brought back to light the fact that the watershed boundaries do not match the actual drainage areas. See attached.

The drainage areas changed with the construction of the new runway at MSP, which was done in 2005.

At that time, the LMRWD Managers considered getting the boundaries changed, but Minnehaha WD was not interested.

I am wondering if we should get the boundaries changed to match the drainage, as it should.

Not sure what it takes to do this, but MAC is willing to help.

Let me know what you and/or the Managers think.

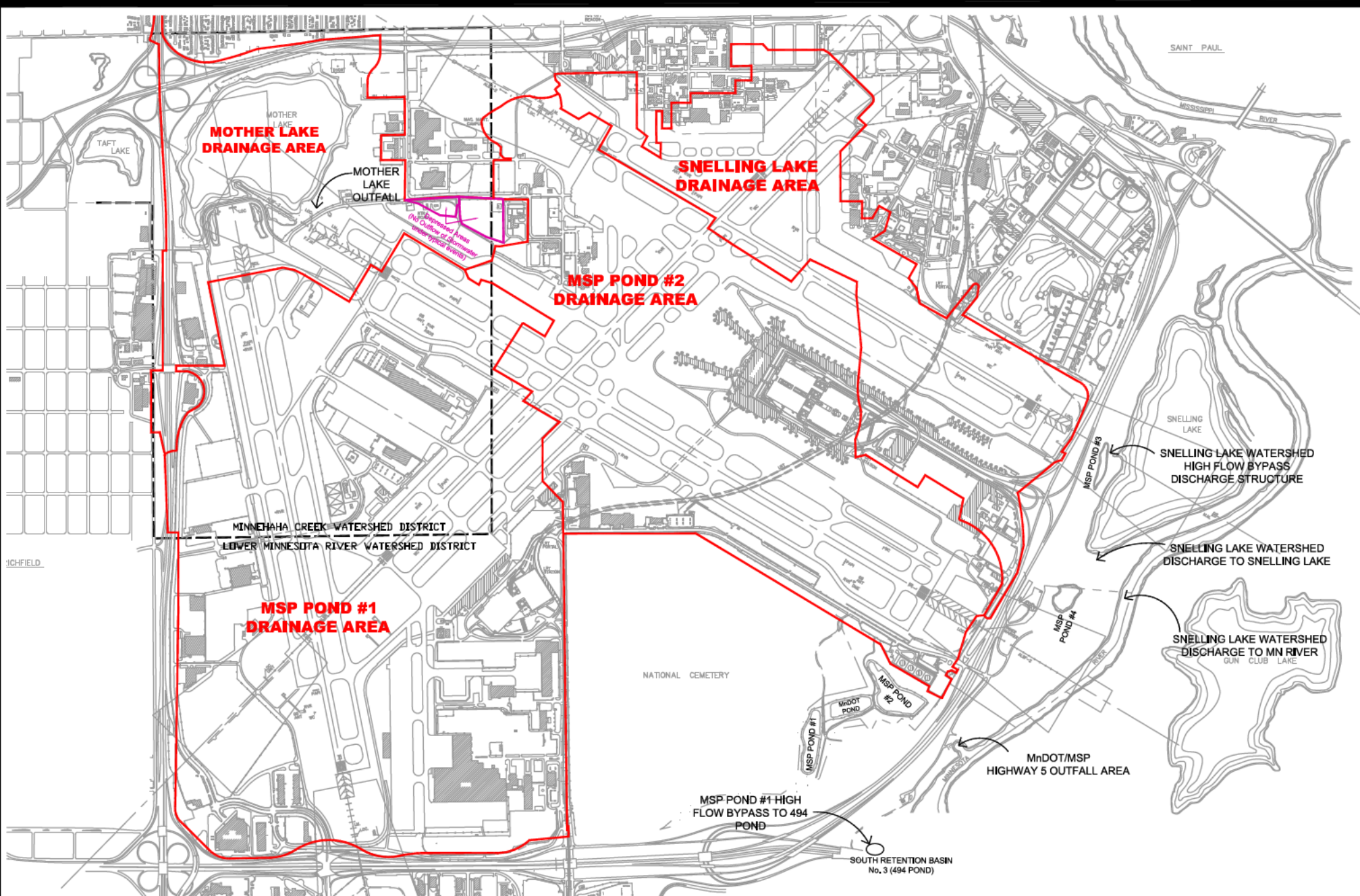
Thanks.

Al

612-713-7492

 Jan 2010.pdf
697K

1-12-10 1=1 PRJ/MAC/AIRPORT DATA/WATERSHED MAPS/JAN 2010.DWG



LIESCH HYDROLOGISTS • ENGINEERS • ENVIRONMENTAL SCIENTISTS

6000 Glaholt Dr. Suite 203 Madison, WI 53713 (608) 223-1532

13400 16th Avenue N Minneapolis, MN 55441 (763) 486-3100

4300 N. Miller Rd., Suite 211 Phoenix, Az 85251 (480) 421-0853

METROPOLITAN AIRPORTS COMMISSION

MINNEAPOLIS-ST. PAUL INTERNATIONAL AIRPORT

DRAINAGE AREA BOUNDARY MAP

JAN 10

FIGURE 1



Please note the meeting date has changed from Wednesday to Monday and the meeting will be held at the Scott County Law Enforcement Center, 301 Fuller Street South, Shakopee

LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting
Monday, September 17, 2018

Agenda Item

Item 6. B. - 2017 Annual Report

Prepared By

Linda Loomis, Administrator

Summary

In accordance with MN Statutes 103D.351 and Rule 8410.0150, The LMRWD has prepared an Annual Report for 2017. The report is attached and was submitted to the Board ahead of the meeting to allow time to review and comment on the report ahead of the meeting.

Attachments

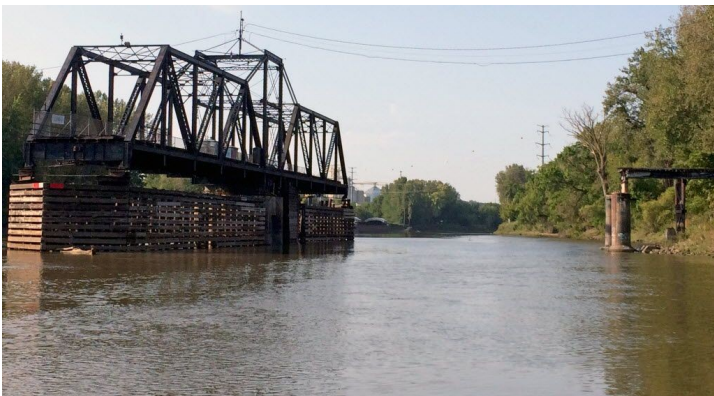
LMRWD 2017 Annual Report

Recommended Action

Motion to approve 2017 Annual Report and authorize distribution



LOWER MINNESOTA RIVER WATERSHED DISTRICT



2017 Annual Report August 2018

Lower Minnesota River Watershed District

2017 Annual Report

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Appendix A - Financial Information

Appendix B - Resolutions

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Note: Monitoring Reports can be found and downloaded off the LMRWD web site at <http://www.lowermnriverwd.org/> click on 'Reports'



LOWER MINNESOTA RIVER
WATERSHED DISTRICT



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary: 2017 Annual Report

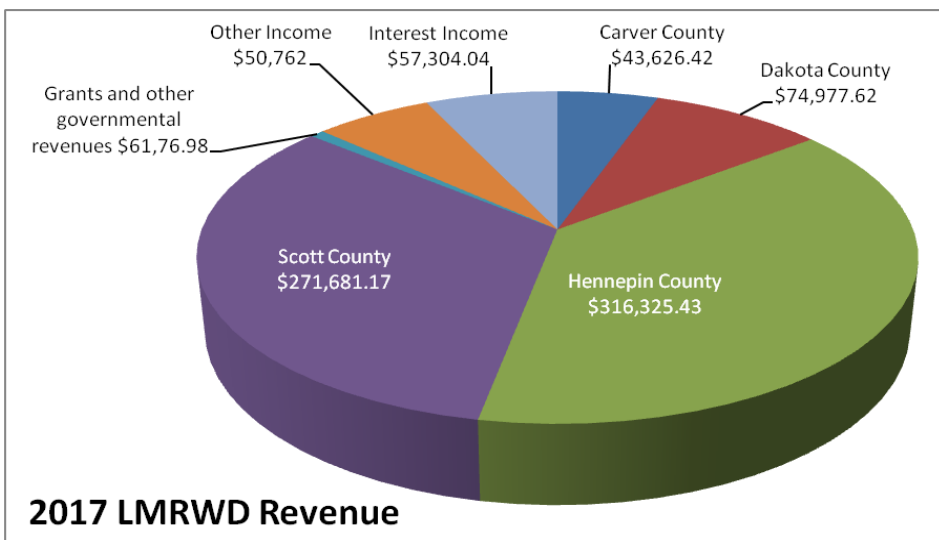
2017 Activities & Achievements

This Executive Summary highlights the Lower Minnesota River Watershed District's (LMRWD) work and accomplishments during its fiscal year 2017 (January 1, 2017—December 31, 2017) in the following areas: Nine-foot Channel, Plan Implementation Activities, water quality activities and education activities. The LMRWD activities and projects are guided by its *Watershed Management Plan* (Plan), which was approved by the Minnesota Board of Water and Soil Resources (BWSR) in December, 2011. The Plan was amended in July, 2015. In 2016, the LMRWD prepared a clarification to its plan, at the request of the Technical Advisory Committee (TAC).

Nine-foot Channel Achievements

The LMRWD continued its role as the local sponsor for maintenance of the Nine-foot Navigation Channel. In 2017, the District successfully:

- Removed 38,475 cubic yards (CY) of navigation channel dredge material from the dredge placement site;
- Licensed placement of 33,833 CY of material from terminal slips owned by local industry and removed 26,041 CY of material placed on the site in 2016;
- Unsuccessfully lobbied the Minnesota Legislature to designate the Board of Water and Soil Resource as the agency responsible for coordinating the development and implementation of Minnesota River basin goals and strategies for sediment reduction, flow reduction and nutrient reduction;
- Successfully lobbied the Minnesota Legislature for an appropriation of \$480,000 for the next biennium to assist with the management of dredge material;
- Prepared a work plan for improvements to the Vernon Avenue dredge site using state money and received approval of the work plan from BWSR;
- Renegotiated license agreements with private industry for the placement of material dredge from privately owned barge terminals; and
- Received report on special benefits derived by businesses and landowners from channel.



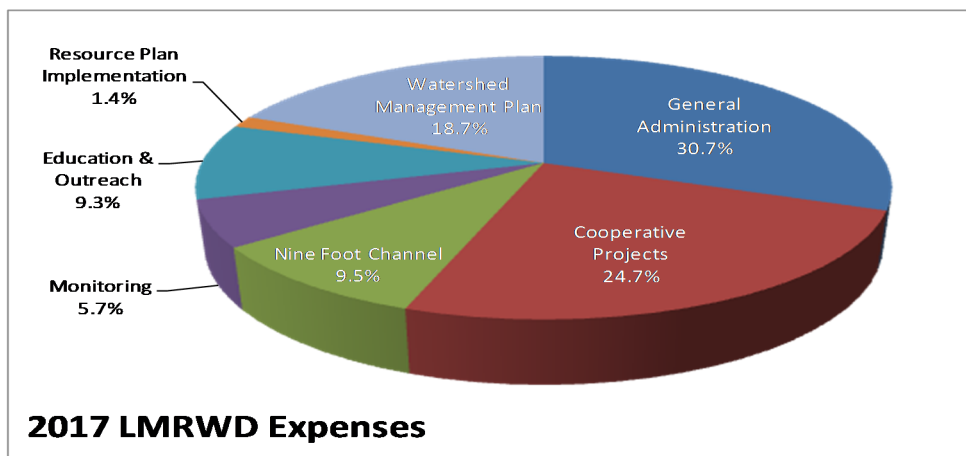
In FY 2017, levy revenues totaled \$820,856.66, divided among four counties as shown by the chart at left. Other Income included the sale of dredge material for reuse and license fees from industry for storage of private dredge material on the Vernon Avenue dredge site. For more information on the LMRWD's FY 2017 revenue, see the Financial Information in Appendix A of the Annual Report.

Watershed Plan Activities

The LMRWD continued to implement the goals of its plan. In addition to the Plan Amendment, the LMRWD:

- Worked on a major plan amendment to the Comprehensive Watershed Management Plan. Held a series of Technical Advisory Committee meetings and met with individual cities to take input on the Plan Amendment;
- Released the draft plan amendment for comment in July;
- Responded to comments and held a public hearing in October to take public input regarding the plan;
- Began preparation of a Statement of Need and Reasonableness for proposed changes the District’s standards;
- Reviewed and approved the local water management plans from the Cities of Burnsville and Mendota Heights; and
- Worked with Freshwater Society and Lac Core to study sediment cores from floodplain lakes;
- Received the final altered hydrology of the Minnesota River Basin report from Freshwater Society; and
- Commented on the Hawk Creek WRAPS/TMDL report.

In FY 2017, the LMRWD spent a total of \$192,150 on Cooperative Projects included in its Capital Improvement Program and approximately \$326,003 on its other activities, including \$40,129 to maintain the 9’ Navigation Channel. For an itemization or more information on the LMRWD’s FY 2016 expenditures, see the Financial Information in Appendix A of the Annual Report



Water Quality Activities

In 2017, the LMRWD addressed water quality issues by:

- Performing continuous stream monitoring for water quality on Eagle Creek (WOMP station), in cooperation with the Metropolitan Council Environmental Services and the Scott County SWCD;
- Monitoring water levels in observation wells in Savage, Seminary, Nichols, Fort Snelling and Quarry Island Fens;
- Conducting thermal monitoring of Eagle Creek, a designated trout stream, in Scott County;
- Monitoring East & West Chaska Creeks for occurrence and concentration of nutrients;
- Monitoring Dean Lake Inlet Channel for nutrients;
- Monitoring water quality of Courthouse, Fireman’s and Brickyard lakes;
- Continuing sampling of suspended sediment and bedloads on the Minnesota River through a partnership with the USGS and the US Army Corps of Engineers;
- Began monitoring Ike’s Creek in Bloomington for chlorides in cooperation with the US Fish & Wildlife Service and the University of Minnesota;
- Continuing to work with the MN Department of Natural Resources to develop a fen stewardship plan for all fens in the In the District; and
- Continuing work with the Seminary Fen work group.

Education Activities

In 2017, the LMRWD pursued its education goals as it:

- Sponsored attendance of six classrooms at the Metro Children’s Water Festival in September;
- Partnered with the Friends of the MN Valley to attend county fairs throughout the MN River Basin to hand out information regarding managing water flow;
- Continued to sponsor the Minnesota River Congress and participating in the Congress networking fair;
- Redesigned the website and updated the District logo;
- Posted agendas and minutes of Board of Managers meetings on the LMRWD website; and
- Provide funding to the city of Shakopee for its annual tree sale, developed a handout about the benefits trees provide to water quality and made a presentation to the Shakopee City Council.



LOWER MINNESOTA RIVER WATERSHED DISTRICT

I. Annual Activity Report



LOWER MINNESOTA RIVER WATERSHED DISTRICT

I. Annual Activity Report

This report covers the Lower Minnesota River Watershed District's (LMRWD) activities for fiscal year 2017 (January 1, 2017—December 31, 2017). The LMRWD Annual Report was prepared to meet the Annual Reporting Requirements set forth in Minnesota Statutes Annotated 103D.351 and Minnesota Rules Chapter 8410.0150 .

A. Board of Managers

The LMRWD is governed by a Board of Managers appointed by the County Commissioners of each respective County, for a term of three years. Managers can be re-appointed. Each County is entitled to appoint one Manager. Hennepin County appoints two. It is the job of the Board of Managers to preside over the business of the LMRWD as it pursues the goals of the Watershed Management Plan. The following reflects the Managers appointed and officers elected at the meeting held on September , 2017:

Vacant since January 1, 2015
Carver County

Term Expires: 2-28-2020
Phone:
Email:
Address:

YVONNE SHIRK
President
Dakota County

Term Expires: 2-28-2018
Phone: 612-860-6680
Email: yshirk@msn.com
Address: 11000 Territorial Dr.
Burnsville, MN 55337

Vacant since November 1, 2016
Hennepin County

Term Expires: 2-28-2018
Phone:
Email:
Address:

DAVID RABY
Secretary
Hennepin County

Term Expires: 2-28-2018
Phone: (m) 651-341-3507
Email: dave.raby@aol.com
Address: 10006 Indigo Dr.
Eden Prairie, MN 55347

JESSE HARTMANN
Vice President
Scott County

Term Expires: 2-28-2020
Phone: (612) 232-7820
Email: jessehartmann@hotmail.com
Address: 201 Appleblossom Lane W
Shakopee, MN 55379

B. LMRWD Staff and Consultants

All Lower Minnesota River Watershed District (LMRWD) staff is hired on a contract basis. The Administrator oversees the daily operations of the LMRWD and coordinates the activities of the engineering consultant, legal counsel, financial services and dredge site operations manager. The LMRWD contracts with an outside accounting firm to perform its annual financial audit, required under Minnesota Statutes 103D.355.

Administrator

Linda Loomis
 Naiad Consulting, LLC
 6677 Olson Highway
 Golden Valley, MN 55427
 763-545-4659
naiadconsulting@gmail.com

Engineer/Technical

Jeffrey Thuma, P.E.
 Burns & McDonnell
 8201 Norman Center Drive, Suite 300
 Bloomington, MN 55437
 952-656-6003
jeff.jthuma@burnsmcd.com

Legal Counsel

John C. Kolb
 Rinke Noonan
 Suite 300 US Bank Plaza
 1015 St. Germain Street
 St. Cloud, MN 56303
 320-251-6700
jkolb@rinkenoonan.com

Accounting Services

David Frischmon
 Mary Kaye Wahl
 Brandon Zabel
 Carver County Financial Services Division
 600 East 4th Street
 Chaska, MN 55318
 952-361-1506
dfrischmon@co.carver.mn.us
mwahl@co.carver.mn.us
bzabel@co.carver.mn.us

Della Schall Young, PMP, CPESC
 Young Environmental Consulting Group, LLC
 Minneapolis, MN
 (651) 249-6974
della@youngecg.com

Auditor

Peggy Moeller
 Redpath and Company
 4810 White Bear Parkway
 White Bear Lake, MN 55110
 651-426-7000
PMoeller@redpathcpas.com

C. LMRWD Technical Advisory Committee

Name	Representing
Leslie Stovring, Dave Modrow, Rod Rue.....	City of Eden Prairie
Bryan Gruidl, Steve Segar.....	City of Bloomington
Terry Jeffrey, Vanessa Strong.....	City of Chanhassen
Matt Clark, Dan Edgerton.....	City of Chaska
Dan Boyum, Andrew Budde, Brian Skok.....	City of Carver
Jesse Carlson, Seng Thongvanh.....	City of Savage
Steve Lillehaug, Kirby Templin, Micah Heckman.....	City of Shakopee
Daryl Jacobson, Ryan Peterson, Deb Gaross.....	City of Burnsville
Eric MacBeth.....	City of Eagan
Sarah Inouye, Vicki Sherry, Gerry Shimek.....	U.S. Fish & Wildlife Service
Steve Christopher.....	Board of Water & Soil Resources
Paul Moline, Charlie Sawdey.....	Carver County Water Management Organization
Paul Nelson.....	Scott County Water Management Organization
Stacy Sass, Scott Walz.....	Shakopee Mdewakanton Sioux Community
Lindsey Albright, Brian Watson.....	Dakota County Soil & Water Conservation District
Melissa Jenny, Zach Kimmel.....	U.S. Army Corp of Engineers
Troy Kuphal.....	Scott County Soil & Water Conservation District
Joe Mulcahy.....	Metropolitan Council Environmental Services
Mark Nemeth, Jennie Skancke.....	MN Department of Natural Resources
Beth Neuendorf.....	MN Department of Transportation
Mike Wanous.....	Carver County Soil & Water Conservation District
Chris Zadak.....	MN Pollution Control Agency
Al Dye.....	Metropolitan Airport Commission

D. LMRWD Citizen Advisory Committee

Currently, the Lower Minnesota River does not have a Citizen Advisory Committee

E. LMRWD Goals

Description of Overall Goals

The LMRWD's general goals fall under the categories of water quality, flood control, erosion and sediment control, stream restoration, wetland management, groundwater, public ditches and public involvement and information. Unlike other water management programs in the state subject to M.S. 103B, the LMRWD has an additional purpose which is to assist and facilitate the efforts of state and federal agencies to maintain the Minnesota River 9-foot navigation channel. The goals identified in the Watershed Management Plan (December 2011, as amended) are to:

- Manage the different roles of the District;
- Protect, improve and restore surface water quality;
- Protect and promote groundwater quality and quantity;
- Protect and manage unique natural resource;
- Protect and preserve wetlands;
- Manage floodplains and mitigate flooding;
- Manage erosion and control sediment discharge;
- Maintain and improve navigation and recreational use of the Lower Minnesota River; and
- Increase public participation and awareness of the unique natural resources and the Minnesota River

F. 2017 LMRWD Work Activities

The LMRWD conducted the following activities in 2017. Work related to water quality monitoring is addressed in Section H.

Capital Improvements Program (CIP) - The LMRWD continued to implement its Capital Improvement Program. In 2017 achievements included:

1. The following CIP projects were underway in 2017:

- Seminary Fen - This project was completed in 2016. Staff is completing elink to request final payment.
- East Chaska Creek - The District applied for a Clean Water Fund Grant for the East Chaska Creek Restoration Project, which would stabilize areas of East Chaska Creek that show sign of active erosion. The project would have also addressed various impairments on the creek and mitigated sediment transport to the Minnesota River. The District was not awarded a Grant.
- Riley Creek Restoration - The LMRWD worked with Barr Engineering to design a project downstream of CSAH 61/Flying Cloud Drive, to stabilize banks and manage flow velocity. The LMRWD asked the County to consider including the LMRWD project in conjunction with the County's Project. In April, the District agreed to participate with the Riley Purgatory Bluff Creek Watershed District on a project outside the boundaries of the LMRWD that proposes to reduce erosion and improve water quality, provide better floodplain connectivity and enhance surrounding riparian habitat in Lower Riley Creek.
- The District initiated a Paleolimnology study with the Freshwater Society and Lac Core, at the University of Minnesota, of floodplains lakes to see if sedimentation rates could be tied to changes in land uses upstream.

As part of the Watershed Management Plan Amendment the CIP will be updated. The updates were included in the draft Watershed Management Plan amendment that was released for comment July 2018.

Projects listed in the previous version of the CIP that have been completed have been removed. The proposed changes to the LMRWD CIP (Appendix C) include, but are not limited to, the following:

- Removal of several projects as follows:
 - ◇ Mound Springs Gull Erosion Project and Heritage Hills Park Gully Restoration Project - the city of Bloomington is no longer pursuing these projects;
 - ◇ Dean Lake Restoration Project; This project was originally planned to address impairment of Dean Lake. The District has requested the MPCA to reclassify Dean Lake as a wetland, which would remove it from the impaired waters list;
 - ◇ Long Meadow Outfall - this project was completed in 2013;
 - ◇ Overlook Outfall - The project proposed for this area received significant damage in 2014 due to heavy rainfall and was able to secure funding from FEMA to restore/repair the outfall;
 - ◇ Seminary Fen Drain Tile and Brickyard Clayhole Lake - Gully Stabilization - At this time, the city of Chaska is no longer interested in these projects; and
 - ◇ Bluff Creek Restoration - This was to be a joint project with Riley Purgatory Bluff Creek Watershed District. The project would have repaired under-cutting of the box culvert as the Creek emerges, stabilizing the channel banks and create a fish passage that would allow fish into the upper reaches of Bluff Creek. An easement from a private property owner was needed to construct the project. The property owner refused to give an easement. The District is still interested in this project, if Hennepin County should proceed with repairing the undercutting of the box culvert under the Regional Trail.
- Adding a Corridor Management Project in 2020-2021; This project seeks to; 1. Create greater understanding of the Lower Minnesota River Corridor and its landscape. 2. Demonstrate a desired future for the River and how changes in surrounding landscape can help attain this future. 3. Suggest a structure or framework by which the vision can be implemented, and 4. Identify shared community and public values that form the basis of the project. (This project is modeled after the Vermillion River Corridor Plan);
- Adding a District Boundary Modification Project in 2018; This project would look at boundaries of the LMRWD and determine if adjustments would benefit governance;
- Adding a Dredge Site Restoration Project in 2018 and 2019; This project consists of implementing the site restoration project identified in the February 15, 2017 *Estimate of Probable Cost, Cargill East River (MN - 14.2 RMP) Dredge Material Site* technical memorandum prepared by Burns & McDonnell, Young Environmental Consulting Group, LLC and Berrini & Associates, LLC for the Cargill East River (MN - 14.2 RMP) Dredge Material Site located on the Minnesota River in Savage, Minnesota. The Estimate can be viewed on the District's web site at http://www.lowermnriverwd.org/application/files/9315/3624/4534/Final_Revised_Tech_Memo_for_Dredge_Site_Cost_Analysis_02152017.pdf;
- Adding an Eagle Creek (East Branch Project) in 2018; This project would restore approximately 2,400 feet of stream and repair erosion under the 128th Street Bridge. The goals of the project are to reduce erosion and improve fish habitat. Due to beaver dams, the stream is cutting into three valley walls again contributing significant sediments; and
- Adding a Spring Creek Project in 2019; This project consists of retrofitting two catch basins into structural treatment devices to treat untreated discharge to Spring Creek from upstream.

2. BWSR Clean Water Fund Grant Administration:

- In 2016, the Seminary Fen Ravine Stabilization Project was completed. The District worked to complete the grant requirements in order to request payment of the second half of the grant funding.
- As previously mentioned, the District submitted a request, which was not chosen, for funding of a project to stabilize areas of East Chaska Creek that show active erosion.

Watershed Management Plan - The District began a major plan amendment in 2016, based upon a recommendation from the Technical Advisory Committee (TAC). A draft plan was prepared and presented to the Technical Advisory Committee at a series of four meetings during the months of February and March 2017. In addition to the four TAC meetings, individual meetings were held with the cities of Bloomington, Eden Prairie and Burnsville. The plan was released for the 60-day review July 1, 2017. The Board received a request to extend the comment period, so the comment period was extended from September 1, 2017 to September 20, 2017. District staff continued to meet with cities to discuss the proposed changes to the Plan.

Following the 60-day review period, comments were tabulated and responses were prepared. Response to comments were sent to all those who had commented and posted on the LMRWD website. A public hearing was noticed and held at the October 25th meeting of the LMRWD Board of Managers. The Board continued the public hearing and directed staff to hold public information meetings specifically in the cities of Bloomington and Eden Prairie.

Several cities requested the District prepare a Statement of Need and Reasonableness (SONAR) for the proposed changes to the District's standards, particularly the changes to the bluff and steep slope standard. The Board directed staff prepare a SONAR.

The District continued to accept comments until the public hearing is closed.

Additionally, the LMRWD implemented its Capital Improvements Program and its annual water quality program and channel maintenance program as described in the LMRWD's *Watershed Management Plan*.

Nine Foot Channel - The LMRWD is the local sponsor for the nine foot navigation channel (the Channel), which extends from the confluence of the Minnesota River with the Mississippi upstream to River Mile Post 14.7. As the local sponsor the LMRWD must provide locations for the storage and disposal of material dredged from the River in order to maintain navigation. To this end the LMRWD owns and operates a dredge material placement site at 12020 Vernon Avenue South, in the city of Savage, MN.

In 2017, the following activities occurred at the Vernon Avenue site:

- 38,745 cubic yards of stockpiled material from the navigation channel was removed for reuse at sites in Burnsville and Prior Lake. The LMRWD received payment for this material at the rate of \$.44/CY;
- The US Army Corps of Engineers placed 21,635 CY of new material dredged from the navigation channel on the site;
- 26,041 CY of private dredge material placed on the site in 2016 was removed by M & J Trucking and permanently placed at Allied Waste in Rosemount;
- 33,833 CY of new material dredged from private industry barge slips in 2017 was placed on the site;

In addition, the LMRWD conducted the following activities related to the 9-foot navigation channel:

- Discussed with the owners of private barge slips, options for potential re-use of private dredge material and other ways to reduce the cost of managing private dredge material;
- Finalized the Freshwater Society's Altered Hydrology Study commissioned by the LMRWD and held a meeting, in March 2017, in Mankato to share the report with the Collaborative for Sediment Source Reduction and other stakeholders. Dr. Carrie Jennings met with the Board in June to share the findings of the report;

- Received the *Estimate of Probable Cost, Cargill East River (MN - 14.2 RMP) Dredge Material Site* dated February 15, 2017 prepared by Burns & McDonnell, Young Environmental Consulting Group, LLC and Berrini & Associates, LLC. This report was shared with the City of Savage and used to obtain state funding to begin implementation of the tasks identified in the report;
- Introduced a bill in the MN Legislature providing for goals and strategies for the Minnesota River Basin. This bill would have, among other things, designated BWSR as the agency charged with development and implementation of goals and strategies for sediment reduction, flow reduction and nutrient reduction and allocating those reductions proportionally to the 13 major watershed in the Minnesota River Basin;
- Commented on the Chippewa River and the Hawk Creek WRAPS/TMDL. The LMRWD requested a contested case hearing in regards to the Chippewa River WRAPS/TMDL report. After meeting with the MPCA the District withdrew its request. At the meeting with the MPCA the District shared its concerns regarding the MPCA's approach to WRAPS/TMDL strategies throughout the MN River Basin and about the WRAPS/TMDL implementation plans.
- The LMRWD met with MPCA staff to discuss the MPCA's Sediment Reduction Strategy and the MN River TSS TMDL and offered to review the draft TMDL before it was released for public comment;
- Began a project with Freshwater Society and Lac Core, from the University of Minnesota, to study sedimentation rates in Minnesota River floodplain lakes and compare to rates in nearby upland lakes;
- Received the *Special Benefit Study Pertaining to the Maintenance of the 9-Foot River Channel in the Minnesota River* dated October 5, 2017 prepared by Clay Dodd of Patchin Messner Dodd & Brumm. Mr. Dodd presented the report to the Managers at its December board meeting;
- Renegotiated License Agreements, which ended in August 2016, for placement of private dredge material on the LMRWD's Dredge Material Placement site in Savage with private industry;
- The agreement between Rachel Contracting and the LMRWD to purchase dredge material from the LMRWD expires at the end of 2017. The Board discussed how to manage the future sale of dredge material; and
- Monitored MPCA rule making regarding changes to acceptable tolerance levels of pollutants, Soil Reference Values (SRVs), in dredge material.

Technical Advisory Committee - Technical Advisory Committee meetings are open to the public and announced on the LMRWD's website. The LMRWD held four meetings of the TAC in FY 2017 (February 8, February 22, March 8 and March 22) to review and discuss the proposed changes to the LMRWD Watershed Management Plan Amendment and the LMRWD standards.

Annual Report from the Metropolitan Airport Commission - In April, Mr. Al Dye, Airside Project Manager— Airport Development reported to the Board of Managers activities planned for 2017 and beyond at the MSP Airport. The most notable improvements planned in 2017 would be the new parking ramp, changes to the exit plaza and the internal roadway and the addition of the hotel.

In June, Mr. Dye escorted the Board and staff on a tour of the airport which focused on the Airport's management of storm water.

Review of Municipal Plans and Adjacent WD/WMO Plans/Plan Amendments - In 2017, the LMRWD reviewed and commented on an amendment to the city of Carver's Comprehensive Plan, Burnsville's Local Water Management Plan and Mendota Heights' local surface water management plan. The Board of Managers passed resolution 17-10 in September approving the Burnsville Plan and Resolution 17-11 in October approving the Mendota Heights Plan.

Resolutions - The LMRWD passed 13 resolutions in 2017. Copies of the resolutions are included are included in Appendix B.

Hennepin County Project No. 0904, Flying Cloud Drive - In 2017, the LMRWD continued to work with the Hennepin County on this project which is predominantly in the LMRWD. The LMRWD worked with project consultants on drainage and erosion control design. As previously mentioned, the LMRWD worked with Barr Engineering and Hennepin County to stabilize Riley Creek below CSAH 61/ Flying Cloud Drive and manage flow velocities.

Legislative Action - Legislative actions taken by the LMRWD have been discussed in previous sections.

In 2017, the LMRWD introduced two bills (HF821/SF701 and HF1498/SF1131). HF821/SF701 requested funding from the State to manage dredge material. HF821 was authored by Representatives Loonan, Christensen, Masin, Hoppe, Loon and others. SF701 was authored by Senators Hall, Carlson, Pratt, Wiklund and Jensen. President Shirk and Manager Hartmann were called upon to testify at committee hearings. The bill was passed and signed by the Governor. After passage, the LMRWD submitted the *Estimate of Probable Cost, Cargill East River (MN - 14.2 RMP) Dredge Material Site* to BWSR for approval as the work plan.

HF1498/SF1131 provided for goals and strategies for the Minnesota River Basin. It called for the Board of Water & Soil Resources to coordinate development and implementation of Minnesota River Basin goals and strategies for sediment reduction, flow reduction and nutrient reduction and allocation of those reduction proportionally to the 13 major watershed in the Minnesota River Basin. It called for a coordinated schedule for finalizing watershed restoration and protection strategies and the comprehensive watershed management plans required under Section 103B.801 for the 13 major watershed in the Minnesota River Basin, must be completed by December 31, 2019.

The lobbyist for the LMRWD announced his retirement after the 2017 legislative session. In December 2017 the District retained the services of Frenette Legislative Advisors.

Minnesota River Congress - The LMRWD has continued participation with the Minnesota River Congress (MRC) in 2017, by financially supporting the Congress and participating in its networking fairs. LMRWD staff attended several meetings of the Action Board and President Shirk participated as a member of the Action Board.

Hennepin County Historic Landslide Inventory - In June 2017, Dr. Carrie Jennings presented information to the Board of Managers regarding Hennepin County's Inventory of Historic Landslides. This was of particular interest to the Board as changes proposed to the District's standard are because of LMRWD concerns with slope failures.

Boundary Re-alignment between LMRWD and Riley Purgatory Bluff Creek Watershed District (RPBCWD) - RPBCWD researched sub-watersheds and drainage patterns and proposed changes to the boundaries between RPBCWD and LMRWD. LMRWD met with RPBCWD to review and discuss the proposed changes. Final boundaries were agreed upon and Resolution 17-05 was adopted in August supporting the boundary changes.

Dakota County Fen Hydrology Project - The LMRWD initiated a study of declining water levels in fens in Dakota County noted through the District's monitoring. An initial scope for the project was developed. The LMRWD approached the DNR as a partner and has been meeting with the DNR to develop a plan to better understand and manage all fens within the LMRWD. The LMRWD put together a Conceptual Site Model asked the DNR for input. The DNR was to complete some additional studies in 2017, then meet with the LMRWD to develop a gap analysis.

Manager Vacancies - The LMRWD worked to with cities and counties to fill vacancies on the Board of Managers. County Commissioners in Hennepin and Carver County were notified of vacancies and requirements for Managers. City officials in the cities of Carver, Chaska, Chanhassen, Eden Prairie and Bloomington were also asked to help recruit Managers.

Impaired Waters and Total Daily Loads (TMDL) Studies - The following water bodies in the Lower Minnesota River Watershed District are listed in the MN Pollution Control Agency's (MPCA) Draft 2014 *Inventory of Impaired Waters*. The inventory includes listings of (1) impaired waters that require the development of a TMDL study, (2) impaired waters that have an approved TMDL study, but are not yet meeting water quality standards, and (3) impaired waters from natural causes that do not require a TMDL study. The Inventory is available at the MPCA's Impaired Waters website: <http://www.pca.state.mn.us/water/tmdls/impaired-waters-list.html>.

Water Body (Lake/River ID#)	Pollutant or Stressor (Year of Listing)
Bluff Creek from headwaters to Rice Lake (07020012-7190)	Turbidity (2002) Fishes Bioassessment (2004)
Carver Creek from headwaters to MN River (07020012-516)	Fecal Coliform (2002) Turbidity (2002)
Chaska Creek from headwaters to MN River (07020012-512)	Fecal Coliform (2006)
Dean Lake (07-0074-00)	Nutrient/Eutrophication/Biological Indicators (2006)
East Chaska Creek from headwaters to MN River (07020012-581)	Fishes Bioassessment (2004) Fecal Coliform (2004) Turbidity (2002)
Nine Mile Creek from headwaters to MN River (07020012-518)	Turbidity/TSS (2002) Fishes Bioassessment (2004) Chloride (2004) ¹
Riley Creek from headwaters to MN River (07020012-511)	Turbidity (2002)
Minnesota River from Bevens Creek to Mississippi River (07020012-501, 505, 506 & 532)	Turbidity (1996) Dissolved Oxygen (1998) Fecal Coliform (2002) PCB in fish tissue (1998) ² Mercury in fish tissue (1998) ³ Mercury in water column (1998) ³
Snelling Lake (27-0001-00)	Mercury in fish tissue (1998)
Spring Creek (07020012-528)	Fecal Coliform (2006)

¹MPCA proposed several new impairment listings for chloride in September 2013. Following responses to comments, these listings remained on the 2014 *Proposed Impaired Waters List* (updated 4/15/2014).

²Polychlorinated biphenyls (PCBs) are regulated by the *Toxic Substance Control Act* that includes among other things prohibitions on the manufacture, processing and distribution in commerce of PCBs, which led to "cradle to grave" management of PCBs.

³The MPCA completed a state-wide Mercury TMDL that was approved in 2007.

Bluff Creek, Carver Creek, Chaska Creek, East Chaska Creek, Riley Creek and Nine Mile Creek - The majority of the watersheds, as well as the main channel of these water bodies lie outside the boundaries of the LMRWD. Only the final reach, before it reaches the Minnesota River, of each creek lies within the LMRWD.

- **Spring Creek** - Lies wholly within the boundaries of the LMRWD and the city of Carver.
- **Dean Lake** - Dean Lake lies wholly within the boundaries of the LMRWD. Dean Lake is eligible for a TMDL to be completed. The LMRWD has requested the MPCA consider reclassifying Dean Lake from a shallow lake to a wetland. If the Lake is reclassified it would eliminate the need for a TMDL. The LMRWD would then create a management plan for Dean Lake.

- **Minnesota River** - The lower 22 miles of the Minnesota River is impaired for dissolved oxygen. The River is impaired for fecal Coliform bacteria from Bevens Creek to Sand Creek (outside the boundaries of the LMRWD). The entire reach from Bevens Creek to the Mississippi River is impaired for turbidity, PCBs in fish tissue and Mercury in fish tissues and in the water column.

The Minnesota River is a major source of phosphorus and sediment in the Mississippi River, which contributes to degradation of downstream water quality, especially Pool 2 and Lake Pepin. A TMDL for Excess Nutrients in Lake Pepin is currently underway. The *South Metro Mississippi River Total Suspended Solids TMDL* was prepared and recently approved by the EPA. The draft *Minnesota River Turbidity TMDL Report* was prepared in February 2012 and is currently being prepared for public comment.

The *Lower Minnesota River Dissolved Oxygen TMDL Report* was prepared and approved by the EPA in September 2004. The *Minnesota River Basin General Phosphorus Permit* was developed in response to address the reductions necessary from point sources identified in the TMDL.

- **Snelling Lake** - Snelling Lake is a floodplain lake within Fort Snelling State Park.
- **Lower Minnesota River Watershed Restoration and Protection Strategy (WRAPS)** - In 2014, the MPCA began preparation of the WRAPS for Hydrologic Unit Code (HUC) identified as the Lower Minnesota River Watershed. This WRAPS has been split into two unique tracks based on land use within the HUC 8; one for the urban/suburban Metropolitan Area and the other for the predominantly agricultural area of the HUC 8. Completion of this WRAPS is expected in 2018.

G. 2015 LMRWD Project reviews

It is the policy of the LMRWD that project review and permitting by the District would be redundant and that regulation is more properly performed by local units of government. The LMRWD has agreements in place with all local governmental units, with the exception of the city of Chanhassen. The cities perform reviews and permitting procedures necessary to implement the goals and policies of the LMRWD. The LMRWD will review files if requested to do so.

In 2017, the LMRWD began to review and comment on water appropriation permits.

At the July 15, 2015 TAC meeting, TAC members said the LMRWD standards are unclear and difficult to determine and that this creates confusion that results in unequal enforcement of LMRWD standards across the District. In response, the LMRWD began work on a clarification to the LMRWD Plan, which was completed in 2016. A new Appendix P, which lists the LMRWD standards, was added to the Plan as a result of the clarification.

The Plan clarification provided a model ordinance that cities can adopt to provide official controls to ensure compliance with the LMRWD standards. Protections for the unique natural resources within the District, such as fens, trout streams and bluffs are proposed in the draft Watershed Management Plan Amendment.

Once the draft Watershed Management Plan is approved the LMRWD will develop rules for projects that are proposed for unincorporated areas of the LMRWD, transportation projects and projects that will impact high value resource areas.

If the District finds that an LGU has failed to enforce LMRWD standards and policies, then the District will take appropriate steps to enforce its standards and policies.

In 2017, the LMRWD reviewed the following:

Project Name	Date Received	City	Project type
CSAH 61/Flying Cloud Drive	12/11/13	Eden Prairie	Street/Public Agency
Boy Scouts of America	1/12/16	Hennepin County Unincorporated	Commercial
77th Street Underpass	1/19/16	Richfield	Street/Public Agency

Project Name	Date Received	City	Project type
2014-03152 RMM Port Richards	9/7/16	Savage	Commercial/Navigation
Bloomington Road	9/6/16	Hennepin County Unincorporated	Street/Public Agency
Xcel Energy Black Dog Plant Unit 6 Generation	9/30/16	Burnsville	Public Utility
Eagle Creek Ridge	10/14/16	Shakopee	Single Family Residential
TH 169/41/78/14 Intersection Improvements	10/19/16	Shakopee/Scott County	Street/Public Agency
CSAH 61 & TH 41 Transportation Improvement Project	10/24/16	Chaska/Carver/Carver County	Street/Public Agency
MN Municipal Power Agency	11/4/16	Chaska	Commercial
Bloomington Health Partners	1/4/2017	Bloomington	Commercial Water Appropriation Permit
Metropolitan Airport Commission	1/11/2017	MSP Airport	Commercial/Water Appropriation Permit Amendment
12300 Riverview Road	1/23/17	Eden Prairie	Single Family Residential
CHS Barge Facility	2/9/17	Savage	Commercial/Industrial Public Waters Work Permit
Blue Lake Interceptor Rehab	2/16/17	Shakopee/Scott County/MCES	Public Agency Water Appropriation Permit
Valley Fair	4/6/17	Shakopee	Commercial
The Meadows at Spring Creek	4/12/17	Carver	Single Family Residential
Menards, Inc.	5/18/17	Burnsville	Commercial/Industrial
MCES L71 Chaska	5/31/17	Chaska/MCES	Public Agency Water Appropriation Permit
2435 Old Shakopee Road	6/1/17	Bloomington	Commercial/Industrial
Kraemer Quarry	6/1/17	Burnsville	Commercial/Industrial Water Appropriation
Cargill/Mosaic Levee Project	6/2/17	Savage/Burnsville	Commercial/Industrial
US Salt	6/19/17	Burnsville	Commercial/Industrial
Formanek Property	8/2/17	Savage	Commercial/Industrial
Prior Lake Outlet Channel Stabilization	8/16/17	Scott County	Public Agency Public Waters Work Permit
Xcel Energy Black Dog Plant Intake Maintenance	9/7/17	Burnsville	Public Utility Public Waters Work Permit
CenterPoint Energy CSAH 61	9/11/17	Chaska	Public Utility
HCRRA Bluff Creek	9/28/17	Hennepin County/Chanhassen	Trail/Public Agency
Riverland Ag	10/2/17	Savage	Public Waters Work Permit
South Bridge Apartments	10/31/17	Shakopee	Multi-family Residential Water Appropriation
Veterans Memorial Park	11/8/17	Shakopee	Institutional/Public Agency Public Waters Work Permit
Magellan CR-2	11/8/17	Savage	Public Utility Water Appropriation Permit
I35W Bridge Replacement	12/13/17	Bloomington/Burnsville	Street/Public Agency

H. 2015 Water Quality Monitoring Data and Studies

The LMRWD in conjunction with amending its Watershed Management Plan is evaluating its resource monitoring program. The District will also evaluate how it shares monitoring information with the public.

The following water quality monitoring and water quality studies were performed:

- **Stream monitoring at the Eagle Creek WOMP station** - Stream monitoring was performed in cooperation with the Metropolitan Council Environmental Services (MCES) as part of the stream monitoring and watershed outlet monitoring program (WOMP). The LMRWD contracts with Scott County Soil & Water Conservation District (SWCD) to perform monitoring activities at this station.

Reports that include WOMP monitoring results can be found on the Met Council website at:

<http://www.metrocouncil.org/Waste-Water/Services/Water-Quality-Management/Stream-Monitoring-Assessment/Minnesota-River-Tributary-Stream-Assessment.aspx?source=child>

- **Thermal monitoring of Eagle Creek** - Eagle Creek is a designated trout stream and the LMRWD contracts with the Scott Soil & Water Conservation District to conduct thermal monitoring of Eagle Creek to ensure the creek can continue to support a healthy trout population.
- **Water level monitoring in Savage Fen** - The LMRWD contracts with Scott County SWCD to monitor 15 wells in Savage. Nine wells are within Savage Fen, four wells across TH 13 from Savage Fen nearer to Eagle Creek and 2 deep wells in the bluff above Savage fen are monitored for water levels.
- **Water quality and flow monitoring at Dean Lake** - Dean Lake is connected to Prior Lake by way of the outlet channel that connects Prior Lake to the Minnesota River. The LMRWD contracts with Scott County SWCD to monitor the channel for flow and water quality. The LMRWD received the result of the paleolimnology study, prepared by the St. Croix Research Station, in May 2015 and held a public meeting in June of that year to share the result of the study with the public. At that time, based on water quality monitoring results and the paleolimnology study the LMRWD requested the MPCA consider reclassifying Dean Lake from a shallow lake to a wetland.
- **Water quality monitoring of Courthouse, Brickyard and Fireman's Lakes** - These lakes are all quarry lakes left from the mining of clay for brick making. They have small watersheds and relatively good water quality. The LMRWD contracts with Carver County Water Management Organization (WMO) to monitor these lakes for water quality.
- **Water quality and flow monitoring of Assumption Creek, Chaska Creek and East Chaska Creek** - The LMRWD contracts with Carver County WMO to monitor these creek for water quality and flow. Assumption Creek runs through Seminary Fen and is monitored as part of the fen complex. Assumption Creek is a designated trout stream and thermal monitoring is conducted downstream of the fen.
- **Water level monitoring in Seminary Fen** - Five nested shallow wells, four deep wells and three stream sites are monitored by the Carver County WMO on behalf of the LMRWD. Three additional wells were installed in 2015 within the Seminary Fen Scientific and Natural Area (SNA).
- **Water level monitoring Nichols, Black Dog, Fort Snelling and Quarry Island Fens** - These fens are all located in Dakota County and predominantly within Fort Snelling State Park. The LMRWD has contracted with the Dakota County SWCD to monitor the water levels of the fens. Two wells are located in Quarry Island Fen, 13 in Fort Snelling Fen and 13 in Nichols Fen for a total of 28 wells.
- **Sediment monitoring of the Minnesota River** - Since 2011, the LMRWD along with the US Army Corps of Engineers has been working with the US Geological Survey (USGS) to conduct suspended sediment concentrations and bedload monitoring of the Minnesota River. A report with the result of this monitoring has been prepared and is available on-line at <https://pubs.er.usgs.gov/publication/sir20165174>.
- **Chloride monitoring of Ike's Creek** - In December 2017, the LMRWD and US Fish & Wildlife Service began monitoring Ike's Creek in Bloomington for Chloride.

- **River Watch Program** - The LMRWD is working with Friends of the Minnesota Valley to establish a River Watch Program in the Minnesota River Basin. The River Watch Program that has been successfully established in the Red River Basin is the model that is being used.
- **Minnesota River Study Area #3** - In 2010, the LMRWD installed inclinometers at RMP 19.6, near the intersection of Riverview Road and Mooer Lane in Eden Prairie, to monitor the meander movement of the river channel. Prior to installation of the inclinometers, a study of the meander movement of the river channel and various factors influencing erosion of the bluff was prepared by Wenck for the city of Eden Prairie and the LMRWD. Inclinometers are checked annually and the readings are shared with the city of Eden Prairie.

Presentations are made annually by the Dakota County SWCD, Scott County SWCD and the Carver County WMO to the Board of Managers with the monitoring results. Results are reported to the Board and were posted to the LMRWD website.

I. Local Plan Adoption

LMRWD records are not up-to-date with local plans reviews and approvals. All municipalities are required to update local plans before 12-31-2018 in response to changes to MN Rule 8410. The District is reviewing plans as they are received. The following table is completed as plans are adopted. The table will be updated as plan updates and revision are received, reviewed and approved by the LMRWD for each municipality.

Municipality	Date of current plan	Comments
Bloomington	October 2007	The city of Bloomington is in the process of updating its Local Surface Water Management Plan.
Burnsville	2017	On September 20, 2017, the LMRWD adopted Resolution 17-10 approving the Burnsville Local Surface Water Management Plan.
Carver	December 2013	The City of Carver is in the process of updating its Local Water Management Plan.
Chanhassen	August 2006	The City of Chanhassen is in the process of updating its Local Surface Water Management Plan.
Chaska	August 2015	The City of Chaska is reviewing its Local Surface Water Management Plan in response to MN Rule 8410.
Eagan		The city of Eagan is in the process of updating its Water Quality & Wetland Management Plan.
Eden Prairie		Eden Prairie is in the process of updating its Plan.
Lilydale	December 2013	The city of Lilydale is in the process of updating its Local Surface Water Management Plan.
Mendota	2010	Water Management is contained in the city of Mendota's Comprehensive Plan under the chapter titled <i>Plan for Public Facilities</i> .
Mendota Heights	2017	On October 25, 2017, the LMRWD adopted Resolution 17-11 approving the Mendota Heights Local Surface Water Management Plan.
Savage	2007	The city of Savage is in the process of updating its Local Surface Water Management Plan.
Shakopee	2007	The City of Shakopee is in the process of updating its Local Surface Water Management Plan.
MSP Airport Flying Cloud	SWPPP August 2010 Revised January 2014 SWPPP April 2015 Revised May 2015	The MSP Airport & Flying Cloud Airport are both within the boundaries of the LMRWD. They are a permitted MS4s and as such are required to have a storm water pollution prevention plan.

The LMRWD received the Comprehensive Plan from the city of Chanhassen, however the Local Water Management portion of the Plan was not submitted to the District with the Comp Plan. The LMRWD is waiting for receipt of the Local Water Management Plan before reviewing the Chanhassen Plan.

J. Watershed Communication/Public Education

In accordance with Minnesota Rules, Chapter 8410.0100, Subpart 4, the Lower Minnesota River utilized the following information sources for providing information to the general public:

- **Website** - The LMRWD maintained information on its website during 2017. The LMRWD meeting agendas, meeting minutes, meeting notices and monitoring reports are among continually updated information on the website. Educational articles were posted on the home page, as were notices of educational meetings for residents of the LMRWD, such as rain garden workshops. There is also a whole skein of education pages, providing historical and environmental information about the Lower Minnesota River Watershed. In 2016, the LMRWD engaged HDR to redesign its website. The District had hoped to go live with the new website in 2017, but the debut of the site was delayed until 2018.

The District posted all materials presented at a series of meetings with the District's Technical Advisory Committee to the website, as well as the plan amendment. Comments received during the 60-day comment period were also posted to the website. The address for the Lower Minnesota River Watershed District Website is <http://lowermnriverwd.org/>.

- **LMRWD Meeting Packet** - Each month in 2017, the LMRWD emailed meeting agendas and minutes from each meeting to approximately 74 individuals. In addition, 90 people requested to be added to the notification list, because of the changes the LMRWD proposed to its standards .
- **Publications** - In 2017, the LMRWD published its public hearing notices in its official publication, the *Minneapolis Star Tribune*. In addition in 2017, notice of its public hearing was direct mailed to residents in the cities of Bloomington, Chanhassen and Eden Prairie using mailing lists provided by the cities.
- **Cost Share Incentive and Water Quality Restoration Grant Program** - The LMRWD provides a program for residents, businesses, neighborhoods and communities to apply for matching funds for projects intended to improve water quality and provide education. This program requires a 50% match and will accept sweat equity and other in-kind costs as a match. The deadline for applications is May 15 and awards for funding are made at the June Board of Managers meeting. Grant applications will be accepted after the May 15 deadline if funds remain. The expiration date for grants awarded is November 1st. In 2017, \$20,000 was included in the LMRWD budget for this program. Seven projects were completed in 2017 for a total of \$17,400.30. The 2017 grants are listed below:
 - In the city of Eden Prairie, the Chimney Pines Homeowners Association applied for and was awarded a grant of \$2,314.30 to plant a buffer around a stormwater pond that collects stormwater from the townhome development. This is a continuation of a project begun in 2016, divided into 4 phases and this project was phase 2.
 - In the city of Bloomington, \$2,500 was awarded for a residential project at 10217 Tenth Avenue Circle. This project created three rain gardens and installed a rock gabion to stabilize a slope in the backyard of the home.
 - In the city of Bloomington, \$2,500 was awarded for a residential project at 9912 2nd Avenue South. This project created two rain gardens, that accept all the run-off from the back, side and garage roofs of the home.
 - Carver County Watershed Management Organization applied for and was awarded a grant in the amount of \$8,336 to transition areas of sod that drain directly to East Chaska Creek and Courthouse Lake, a DNR designated trout lake. The project converted approximately 0.5 acres around the Carver County Government Center, located at 600 East 4th Street Chaska, from managed turf to pollinator-friendly, native and no-mow vegetation. The project is expected to reduce the amount of storm-water volume approximately 10,146 cu-ft/yr, TSS by 22.24 lbs/yr and TP by 0.46 lbs/yr.
 - The LMRWD contributed Cost Share funds to the City of Shakopee for its annual tree sale program.

- Three Cost Share Incentive projects were completed in partnership with the Scott County Soil & Water Conservation District. All projects were rain gardens; two residential projects and one at the Unity of the Valley Spiritual Center in Savage. The total cost to the LMRWD for these projects was \$1,750.
- **Metro Children's Water Festival** - The LMRWD financially sponsored six classes of elementary school students from the watershed to attend the 2017 Metro Children's Water Festival on September 27th. Students spent the day at the MN State Fair grounds learning about water resources and ways to manage and protect them wisely.
- **Participation in Community Meetings and Events** - In February, the LMRWD made a presentation to the Shakopee City Council updating the council about the role of the LMRWD managing dredge material and the management of water resources within Shakopee.

The District participated in Dakota County's MN Valley Greenway Cultural Resource Interpretation Plan development. In June, the Board heard a presentation from Dakota County about its plans for the MN River Greenway. Also in June, the LMRWD participated in the celebration of the opening to the Black Dog Trail in the city of Burnsville. The Trail was made possible when the LMRWD agreed to give the city access to construct the Trail across an easement the LMRWD retains for the placement of dredge material.

The LMRWD partnered with Friends of the Minnesota Valley to attend County Fairs throughout the Minnesota River Basin and distributed information found in the Freshwater Society's Altered Hydrology Study of the MN River Basin and *Fields to Streams: Managing Water in Rural Landscapes* by Les Everett, Ann Lewandowski, Chris Lenhart et al.

- **Great River Greening** - In May, the Board met with Great River Greening to discuss organizing an event in the LMRWD. The District approached the cities of Shakopee and Burnsville to hold an event. Shakopee agreed to participate, but an event did not occur because of staff changes at the City.
- **Rain Garden Workshop** - The LMRWD sponsored a rain garden workshop in the city of Shakopee, presented by the Scott Soil & Water Conservation District.
- **Minnesota Water Specialist Training** - Manager Hartmann completed the Minnesota Water Specialist Training.
- **Additional Educational Activities** - In addition to the above mentioned programs, the LMRWD participated in the stakeholder process in the development of the Dakota County Comprehensive Plan, Scott County's Clean Water Education Partnership, development of the Scott County WMO Watershed Management Plan, development of the Prior Lake/Spring Lake Watershed's District Watershed Management Plan and development of the Riley/ Purgatory/Bluff Creek Watershed District's Watershed Management Plan. The District participated in the Met Council's Orange Line Visioning Process and the Jonathan Parkway Study Group for the city of Carver. The District was invited to and attended the PLSLWD Carp Tour and visited Savage Fen with the DNR in July.
- **Upper Mississippi River Waterway Association** - The LMRWD attended monthly meeting of the Upper Mississippi River Waterway Association. This group is an association representing industry and businesses that rely on the navigation channel for transport of commodities. Other agencies that attend meetings are the Corp of Engineers, MNDOT, the US Coast Guard
- **Hennepin County Natural Resource Partnership** - Hennepin County Environmental Services hosts several meeting throughout the year to discuss environmental issues. The LMRWD participates in the Hennepin County Natural Resources Partnership along other Watershed Management Organizations throughout Hennepin County.
- **US Army Corp of Engineers River Resource Forum** - The Corp of Engineers holds River Resource Forums 3 times a year to discuss issues faced by the St. Paul District of the Corp of Engineers in managing the Mississippi. The Forums are scheduled in April, August and December and are a day and half conference. The LMRWD participates in these conference in person or by phone.

K. Professional Services Proposal

The LMRWD last solicited proposals for legal and engineering/technical consultant services In March 2016. As per Minnesota Statutes the LMRWD will solicit proposals again in 2018.

L. Assessment of Changes in Fund Balance

A discussion of the fund balance is included in the LMRWD's annual financial audit report. A copy of the annual audit report is included in Appendix A and is available in the Reports section of the Lower Minnesota River Watershed District's website at <http://lowermnriverwd.org/>.

M. Wetland Conservation Act/Wetland Banking Program

1991 Wetland Conservation Act - Wetlands are an abundant resource within the LMRWD. The interim program of the 1991 Wetland Conservation Act was effective through December 31, 1993. On January 1, 1994, the permanent program of the 1991 Wetland Conservation Act became effective. Each municipality was required to designate the local government unit (LGU) responsible for administering the interim program and the permanent program of the 1991 Wetland Conservation Act.

Municipality	Designated LGU/Permanent Program (Effective 1/1/94)
Bloomington	Bloomington
Burnsville	Burnsville
Carver	Carver
Chanhassen	Chanhassen
Chaska	Chaska
Eagan	Eagan
Eden Prairie	Eden Prairie
Jackson Township	Scott SWCD
Lilydale	Lilydale
Louisville Township	Scott SWCD
Mendota	Mendota
Mendota Heights	Mendota Heights
MAC	MAC
Savage	Savage
Shakopee	Shakopee

The LMRWD Plan strategy 5.1.2, requires each city within the LMRWD to "evaluate the function and value of wetlands either through development of a comprehensive wetland management plan or on a case by case basis.". Strategy 5.1.2 further state the LMRWD will audit LGUs and report in the Annual Report. The LMRWD is in the process of developing an audit program.

Wetland Banking Program - The LMRWD has not adopted a wetland banking program.

Wetland Delineations - The LMRWD participated in Technical Evaluation Panels/Field Evaluations for delineation of wetlands for the following projects:

- Minnesota Valley State Trail
- Union Pacific Rail Road Storm Water Improvements



LOWER MINNESOTA RIVER WATERSHED DISTRICT

II. 2018 Projected Work Activities



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Following is a list of task to be completed during 2018:

- **Capital Improvement Program (CIP)** - The Lower Minnesota River Watershed District (LMRWD) will continue to implement its capital improvements program. In 2018, this work will include:
 1. Capital Improvement Program and Prioritization - The LMRWD will review and update its Capital Improvement Program and its water resource prioritization. The CIP is included in Appendix C.
 2. Progress on CIP projects:
 - Seminary Fen/Chaska Ravine Project - This project is complete and payment of the second half of the grant has been requested.
 - Dean Lake - In 2015, the LMRWD requested the MPCA consider reclassifying Dean Lake to a wetland. Dean Lake has been removed from the 303d list. The LMRWD expects to develop a wetland management plan for Dean Lake.
 - Riley Creek Cooperative Project - Partner with Riley/Purgatory/Bluff Creek watershed District on a project to restore and stabilize eroded streambank on lower Riley Creek.
 - East Chaska Creek Restoration - Partner with the city of Chaska to restore and stabilize East Chaska Creek from Engler Boulevard to Courthouse Lake Trail. The LMRWD hopes to be able to construct the Tier 3 recommendations in the feasibility report prepared in 2015 in partnership with the CSAH 61/TH 41 transportation improvements. The estimated cost to implement the channel stabilization projects in the report is approximately \$168,500. If the opportunity presents itself to pursue the additional projects, the constructed wetland along Chaska Boulevard, a settling basin upstream of the levee crossing and sanitary/septic connection source identification, additional investigation will be needed to scope out the projects.
 - Nichols, Quarry Island and Fort Snelling fens - In 2015, the LMRWD requested its Engineer, Burns & McDonnell, prepare an evaluation of data collected. The next phase of study is to fill in data gaps. Since 2016, the LMRWD has been meeting with the DNR to develop a plan on how best to accomplish the next phase.

The LMRWD also will assess the overall health of the fens, by conducting among other things a vegetative analysis. The estimated cost to the LMRWD for assessing the health of the fen is \$45,000.
 3. Complete and submit to BWSR a Biennial Budget Request (BBR) detailing projects for which the LMRWD will likely request state funding in the next biennium.

- **Watershed Management Plan** - In 2018, the LMRWD will implement its Capital Improvement Program and its annual water quality and flood control programs as described in the LMRWD *Watershed Management Plan*, as amended. The LMRWD will continue work on the Plan Amendment. The District will hold a series of public meetings to inform residents about the proposed changes to the standards which may impact residential properties in the District that include or are adjacent to steep slopes. The LMRWD expects to submit the Plan Amendment to BWSR and state agencies for the 90-day review.
- **Municipal Plan Review** - The LMRWD expects to receive a number of municipal local water management plans from cities within its boundaries and review of adjacent WD/WMO plans and amendments. All cities will be required to update plans before the end of 2018 because of the changes to MN Rule 8410. The LMRWD will review these plans as updated. The LMRWD intends to identify and request adjacent WD/WMO to incorporate protections for areas that impact fens and trout streams.
- **Water Quantity** - The LMRWD will continue to perform water level monitoring in Seminary Fen, Savage Fen, Nichols Fen, Quarry Island Fen and Fort Snelling Fen and will continue to work with its partners; Carver County WMO, Scott SWCD and Dakota SWCD to collect this data. The District is evaluating its monitoring program and expects to have a draft program for the Board of Managers to review in fall of 2018.
- **Water Quality** - Proposed water quality tasks for 2018 include performance of the following:
 1. **Water Quality Monitoring:** The LMRWD will continue to monitor resources with the assistance of Scott SWCD, Dakota SWCD and Carver County WMO. Resources monitored by the District for water quality include: Dean Lake, Eagle Creek, East Chaska Creek, Courthouse, Fireman's and Brickyard Lake. Thermal monitoring of Eagle will continue and may be expanded. The District will continue to monitor Chloride level of Ike's Creek in partnership with the US Fish & Wildlife Service. The District is evaluating its monitoring program and expects to have a draft program for the Board of Managers to review in fall of 2018.
 2. **Watershed Outlet Monitoring Program (WOMP):** This program is managed by the LMRWD. The Metropolitan Council Environmental Services (MCES) will provide up to \$5,000 annually in financial support to monitor the WOMP station on Eagle Creek. The LMRWD will continue to use the services of the Scott County SWCD to monitor the WOMP station.
- **Nine Foot Channel** - The LMRWD will continue to explore opportunities for beneficial reuse of material dredged from the main channel of the Minnesota River in order to maintain navigation and to work with local industry to temporarily store material dredged from private barge slips. The District will continue the process of making the management of dredge material a permanent capital project of the District. The District will also work to reduce the negative fund balance in the Channel Fund.

The District will continue to work with the US Army Corps of Engineers (COE) on navigation channel maintenance by following the COE Dredged Material Management Plan (DMMP) for reaches of the Minnesota River upstream of the I-35W bridge. The US Army Corp of Engineers will transport dredge material that is removed from the river downstream of I35W to the LMRWD dredge site in Savage per the agreement signed with the Corp in 2016. The LMRWD will be responsible for the cost to transport the material upriver and has set aside restricted funds for that purpose.

The LMRWD will continue to ask the State of Minnesota to share in the cost of managing dredge material. The economic benefit of the navigation channel extends beyond the boundaries of the LMRWD. The LMRWD will also continue to work with upstream water management organization to better manage flow of water that is the documented cause of the increasing level of sediment observed in the Minnesota River.

The LMRWD will continue to assist local industry manage sediment that accumulates in the private barge slips, by allowing material to be placed on the District's placement site to dewater.

- **Development Reviews** - The LMRWD does not wish to duplicate existing regulatory authority of other local authorities and agencies. The Managers believe that regulation is better performed at the local level (cities, townships, counties), rather than by the LMRWD. The District will review projects and provide comments to cities. This review will also help the LMRWD with its audit process, which it will develop once the Plan Amendment is approved.

The LMRWD will begin to review plans for transportation improvement projects that are beyond the ability of the local authorities to review or projects that have a potential for conflict of interest, such as local street improvement projects.

Once an audit process is established, the LMRWD will consider adopting rules and regulations to enforce its policies and standards, if it finds that an LGU has failed to enforce its standards and policies. Rules will also be developed to use in the unincorporated areas of the District.

- **Citizen Involvement** - The LMRWD encourages citizen participation at the monthly meetings of its Board of Managers and intends to organize a Citizen Advisory Committee. The Board of Managers has not had a complete complement of Managers since 2011 and current efforts are targeted at recruitment of Managers. It is difficult to recruit Managers as residential areas in the District are limited. As the District becomes more active in outreach programs it anticipates being able to recruit both Managers and Citizens.
- **Gully Erosion** - In 2006/2007, the LMRWD hired the Minnesota Civilian Conservation Corps (MCCC) to inventory gullies in the District. The inventory identified gullies with current and potential erosion issues. Cities then reviewed the information and chose the top 3-4 public sites that needed immediate attention. Feasibility analyses were completed by the cities. As a result, four cooperative projects with the cities of Eden Prairie and Bloomington were completed.

Other areas demonstrating gully erosion will be reviewed annually with the cities. The LMRWD has set aside funding in its Gully Erosion Projects fund annually to implement stabilization/repair projects. If a city plans to stabilize or repair a gully identified in the Inventory, the LMRWD will participate financially using money from the Fund.

- **Education and Outreach** - The LMRWD will engage and educate residents through informational displays, through opportunities provided by community festivals and expositions. It will cooperate and provide financial assistance to various educational programs and organizations, including Scott County Water Education Partnership, Carver County WMO, Freshwater Society, Metro Children's Water Festival, Prior Lake/Spring Lake Watershed District, Riley/Purgatory/Bluff Creek Watershed District, Nine Mile Creek Watershed District and Scott WMO.

Seasonally appropriate articles on actions individuals can take to help improve water quality and educational opportunities offered by the other agencies, watershed districts and WMO are posted on the LMRWD website.

The LMRWD has a Cost Share Incentive and Water Quality Restoration Program available to residents and within the District. The Cost Share Program is an educational tool to help citizens recognize action that can be taken at a small scale to improve water quality. Assistance is provided to landowners to implement projects that have water quality, water quantity channel maintenance, trout stream, fen or wetland restoration, aquatic habitat benefit or carry out studies which will aid in protecting and improving water resources within the District to help achieve the goals of the Plan. In 2017, the LMRWD budget had \$20,000 set aside for this program. The Managers review this program annually and adopt guidelines for the coming year in October.

In 2015 the LMRWD partnered with Scott SWCD to offer a raingarden workshop to residents of the LMRWD that live in Scott County. The LMRWD will again offer a raingarden workshop for Scott County residents in 2016. The LMRWD will work to find partners to offer workshops in other counties.

The LMRWD will assist residents who wish to participate in the Master Water Steward Program.

In 2017, the Board authorized hiring of an additional consultant to manage Education and Outreach. It is the intent of the LMRWD to have Education and Outreach Coordinator develop a comprehensive education and outreach and organize a Citizen Advisory Committee.

- **Lower Minnesota River WRAPS** - The MPCA expects to finalize the Watershed Restoration and Protection Strategy for the Hydrological Unit Code (HUC) within which the LMRWD is located. The LMRWD will work with the MPCA to complete the WRAPS and begin to implement the Strategy.
- **Annual Report** - The LMRWD will prepare an annual report, submit the report to BWSR, cities and counties within the District and post it on the LMRWD's website.

- **LMRWD Policy Development** - The LMRWD will continue to develop and adopt policies for operation of the District. Policies expected in 2018 include:
 1. River Bank Restoration Policy
 2. Records Retention Policy and Schedule
 3. Surety Policy

- **2018 Legislative Agenda** - 2018 is a bonding year at the legislature. The Board would like to maintain a presence at the Capitol, to keep issues of the Minnesota River in front of Legislators. The LMRWD will continue work in 2018 to bring attention to the increased sediment loads in the Minnesota River. The goal of the LMRWD is to organize the Minnesota River basin in order to leverage local funds with state and federal dollars and to work together to implement water management practices that will reduce peak flows to reduce erosion of ravines, gullies and river, creek and stream channels that contribute sediment loads to the Minnesota River. The LMRWD will work with its lobbyist to develop a legislative agenda.

- **Freshwater Society** - The LMRWD supports the work of the Freshwater Society and will continue to do so by using their expertise to prepare studies such as the Altered Hydrology Study, the paleolimnology study of the floodplain lakes within the LMRWD and the landslide inventory.

- **Minnesota River Basin** - The LMRWD will continue to support organizing the Minnesota River, using the Red River Basin Commission as a model. The District will continue to work by offering comments and support for the Sediment Reduction Strategy, the development of WRAPS & TMDLs, One Watershed, One Plans within the Minnesota River Basin and the TSS TMDL for the Minnesota River. The District supports the development of statewide goals for the Minnesota River and designation of the Board of Water & Soil Resource as the agency with lead responsibility for reaching goals.



LOWER MINNESOTA RIVER WATERSHED DISTRICT

III. Annual Financial Report



LOWER MINNESOTA RIVER WATERSHED DISTRICT

The 2017 fiscal year for the Lower Minnesota River Watershed District (LMRWD) commenced on January 1, 2017 and ended December 31, 2017.

A. Approved Budget

The approved operating budget for fiscal year 2017 was \$889,400. The annual budget is funded through an ad valorem tax across all properties within the boundaries of the LMRWD. In 2017, the total of this tax was 725,000. The tax was apportioned to each county within the LMRWD based on the taxable value of property in each county. A copy of the 2017 budget is located in Appendix A

B. Report of Revenues

See the Financial Audit Report in Appendix A

C. Report of Expenditures

See the Financial Audit Report in Appendix A

D. Financial Audit Report

The annual audit report for the year ended December 31, 2017, was performed by Redpath and Company, Ltd. A copy of the annual audit report is included in Appendix A and is also available on the Lower Minnesota River Watershed District's website at <http://lowermnriverwd.org/>

The Auditor has commented on the deficit balance in District's the 9-foot Channel Fund. The Board is addressing the deficit by transferring fund balance from the General Fund to the 9-foot Channel Fund. \$50,000 was transferred in 2017. The District expects to transfer another \$50,000 from the General Fund to the 9-foot Channel fund in 2018.



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Appendix A

Financial Information

**FY 2017 Communication with Those Charged with Governance
FY 2017 Financial Audit
FY 2017 Budget**



COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Honorable Managers of the
Lower Minnesota River Watershed District
Chaska, Minnesota

We have audited the financial statements of the governmental activities and each major fund of Lower Minnesota River Watershed District (the District) for the year ended December 31, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 18, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The District does not have any significant sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements that have an effect on our opinion on the financial statements. There were no corrected misstatements identified during the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 3, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

The fund balance in the Nine Foot Channel Fund was (\$173,658) at December 31, 2017. We recommend that the District continue to determine a funding source to eliminate the deficit fund balance in this fund.

We applied certain limited procedures to the budgetary comparison schedule, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the individual fund financial statements and supplementary financial information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and other information sections, which accompany the financial statements but are not RSI. Such information has 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 it.

Other Reports

Various reports on compliance and internal controls are contained in the other reports section of the audited financial statements document.

Closing

This information is intended solely for the information and use of management and Lower Minnesota River Watershed District's Board of Managers and is not intended to be, and should not be, used by anyone other than these specified parties.

Redpath and Company, Ltd.
REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 3, 2018

**LOWER MINNESOTA RIVER
WATERSHED DISTRICT**

ANNUAL FINANCIAL REPORT

December 31, 2017

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LOWER MINNESOTA RIVER WATERSHED DISTRICT
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INTRODUCTORY SECTION

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LOWER MINNESOTA RIVER WATERSHED DISTRICT

ORGANIZATION

December 31, 2017

	<u>Term Expires</u>
Board of Managers:	
Yvonne Shirk, President	March 2018
Jesse Hartman, Vice-President	March 2020
David Raby, Treasurer	March 2018
Secretary - Vacant	
Manager - Vacant	
Attorney - John C. Kolb	
Administrator - Linda Loomis	

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Managers of the
Lower Minnesota River Watershed District
Chaska, Minnesota

We have audited the accompanying financial statements of the governmental activities and each major fund of Lower Minnesota River Watershed District, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Lower Minnesota River Watershed 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 accounting principles generally accepted in the United States of America; this includes 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. 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 financial position of the governmental activities and each major fund of Lower Minnesota River Watershed District, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Lower Minnesota River Watershed District's 2016 financial statements, and we expressed an unmodified audit opinion on the respective financial statements of the governmental activities and each major fund in our report dated March 14, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 30 and 31, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lower Minnesota River Watershed District's basic financial statements. The introductory section, individual fund financial statements, supplementary financial information, and other information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and supplementary financial information 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 individual fund financial statements and supplementary financial information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and other information sections 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.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 3, 2018

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BASIC FINANCIAL STATEMENTS

LOWER MINNESOTA RIVER WATERSHED DISTRICT

STATEMENT OF NET POSITION

Statement 1

December 31, 2017

With Comparative Totals For December 31, 2016

	Primary Government	
	Governmental Activities	
	2017	2016
Assets:		
Cash and investments	\$1,320,519	\$1,212,660
Property taxes receivable:		
Delinquent	37,424	31,545
Due from county	4,365	5,196
Accounts receivable	16,929	6,341
Due from other governments	110,400	110,400
Prepaid items	6,525	5,636
Capital assets - nondepreciable	256,167	256,167
Total assets	<u>1,752,329</u>	<u>1,627,945</u>
Liabilities:		
Accounts payable	85,971	86,724
Due to other governments	137,045	289,993
Unearned revenue	20,325	9,674
Total liabilities	<u>243,341</u>	<u>386,391</u>
Net position:		
Net investment in capital assets	256,167	256,167
Unrestricted	1,252,821	985,387
Total net position	<u>\$1,508,988</u>	<u>\$1,241,554</u>

The accompanying notes are an integral part of these financial statements.

LOWER MINNESOTA RIVER WATERSHED DISTRICT

STATEMENT OF ACTIVITIES

Statement 2

For The Year Ended December 31, 2017

With Comparative Totals For The Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Totals	
					2017	2016
Primary government:						
Governmental activities:						
General government	\$302,407	\$ -	\$ -	\$ -	(\$302,407)	(\$296,864)
Projects	236,671	31,269	4,500	-	(200,902)	(310,728)
Total governmental activities	<u>\$539,078</u>	<u>\$31,269</u>	<u>\$4,500</u>	<u>\$0</u>	<u>(503,309)</u>	<u>(607,592)</u>
General revenues:						
Property taxes					712,189	616,681
Unrestricted investment earnings					57,304	26,684
Miscellaneous					1,250	1,210
Total general revenues					<u>770,743</u>	<u>644,575</u>
Change in net position					267,434	36,983
Net position - January 1					<u>1,241,554</u>	<u>1,204,571</u>
Net position - December 31					<u>\$1,508,988</u>	<u>\$1,241,554</u>

The accompanying notes are an integral part of these financial statements.

LOWER MINNESOTA RIVER WATERSHED DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

Statement 3

December 31, 2017
With Comparative Totals For December 31, 2016

	General Fund	Capital Project Fund	Total Governmental Funds	
		Nine Foot Channel Fund	2017	2016
Assets				
Cash and investments	\$1,481,963	\$ -	\$1,481,963	\$1,385,790
Taxes receivable:				
Delinquent	37,424	-	37,424	31,545
Due from county	4,365	-	4,365	5,196
Accounts receivable	-	16,929	16,929	6,341
Due from other governments	110,400	-	110,400	110,400
Prepaid items	6,525	-	6,525	5,636
Total assets	\$1,640,677	\$16,929	\$1,657,606	\$1,544,908
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Cash overdraft	\$ -	\$161,444	\$161,444	\$173,130
Accounts payable	77,153	8,818	85,971	86,724
Due to other governments	137,045	-	137,045	289,993
Unearned revenue	-	20,325	20,325	9,674
Total liabilities	214,198	190,587	404,785	559,521
Deferred inflows of resources:				
Unavailable revenue	37,424	-	37,424	35,327
Total deferred inflows of resources	37,424	0	37,424	35,327
Fund balance:				
Nonspendable	6,525	-	6,525	5,636
Assigned	452,572	-	452,572	130,938
Unassigned	929,958	(173,658)	756,300	813,486
Total fund balance	1,389,055	(173,658)	1,215,397	950,060
Total liabilities, deferred inflows of resources and fund balance	\$1,640,677	\$16,929	\$1,657,606	\$1,544,908
Fund balance reported above			\$1,215,397	\$950,060
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in the funds.			37,424	35,327
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			256,167	256,167
Net position of governmental activities			\$1,508,988	\$1,241,554

The accompanying notes are an integral part of these financial statements.

LOWER MINNESOTA RIVER WATERSHED DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

Statement 4

For The Year Ended December 31, 2017

With Comparative Totals For The Year Ended December 31, 2016

	Capital Project Fund		Total Governmental Funds	
	General Fund	Nine Foot Channel Fund	2017	2016
Revenues:				
Property taxes - current and delinquent	\$657,950	\$48,360	\$706,310	\$613,940
Intergovernmental:				
Grants	4,500	-	4,500	222,672
Investment income	57,304	-	57,304	26,684
Dredge site income	-	35,051	35,051	32,128
Miscellaneous	1,250	-	1,250	1,210
Total revenues	<u>721,004</u>	<u>83,411</u>	<u>804,415</u>	<u>896,634</u>
Expenditures:				
Engineering services	23,229	14,239	37,468	68,609
Professional services	128,981	77,846	206,827	165,073
Insurance	7,060	1,765	8,825	9,031
Mileage and travel expenses	3,987	997	4,984	4,709
Office expense	22,474	4,494	26,968	30,916
Managers meeting expenses	4,328	1,082	5,410	6,838
509 planning/projects	216,669	-	216,669	178,433
Cooperative projects	20,002	-	20,002	387,095
Lobbying	9,540	2,385	11,925	11,688
Total expenditures	<u>436,270</u>	<u>102,808</u>	<u>539,078</u>	<u>862,392</u>
Revenues over (under) expenditures	<u>284,734</u>	<u>(19,397)</u>	<u>265,337</u>	<u>34,242</u>
Other financing sources (uses):				
Transfers in	-	50,000	50,000	-
Transfers out	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>50,000</u>	<u>0</u>	<u>0</u>
Net change in fund balance	234,734	30,603	265,337	34,242
Fund balance (deficit) - January 1	<u>1,154,321</u>	<u>(204,261)</u>	<u>950,060</u>	<u>915,818</u>
Fund balance (deficit) - December 31	<u>\$1,389,055</u>	<u>(\$173,658)</u>	<u>\$1,215,397</u>	<u>\$950,060</u>

The accompanying notes are an integral part of these financial statements.

LOWER MINNESOTA RIVER WATERSHED DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS

Statement 5

For The Year Ended December 31, 2017

With Comparative Totals For The Year Ended December 31, 2016

	<u>2017</u>	<u>2016</u>
Amounts reported for governmental activities in the Statement of Activities (Statement 2) are different because:		
Net changes in fund balance - total governmental funds (Statement 4)	\$265,337	\$34,242
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	<u>2,097</u>	<u>2,741</u>
Change in net position of governmental activities (Statement 2)	<u><u>\$267,434</u></u>	<u><u>\$36,983</u></u>

The accompanying notes are an integral part of these financial statements.

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Lower Minnesota River Watershed District (the District) conform to generally accepted accounting principles applicable to governmental units. The following is a summary of significant accounting policies:

A. REPORTING ENTITY

The District was established in 1960 under the Minnesota Watershed Act as amended by the Minnesota Water Resources Board. The District covers areas within the following four counties: Carver, Dakota, Hennepin and Scott. The District is operated by a five-member Board of Managers appointed by the respective County boards for staggered three year terms. In accordance with Governmental Accounting Standards Board (GASB) pronouncements and generally accepted accounting principles, the financial statements of the reporting entity should include the primary government and its component units. The District does not have any component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

District considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund - is the general operating fund of the District. It is used to account for all financial resources of the District not directly relating to the Nine Foot Channel Fund. Pursuant to Minnesota Statutes 103D, the District may levy up to \$250,000 for General Fund operations. In addition, this fund is used to account for the addition levy, not related to the Nine Foot Channel Fund. These levy funds are used for the purpose discussed in the Watershed Management Plan.

Nine Foot Channel Fund (Capital Project Fund) - is used to account for financial resources to be used for the maintenance of a nine foot channel depth. A designated distance of the Minnesota River within the District's boundaries has been established.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for an allowable use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. BUDGETARY DATA

The Board of Managers adopts an annual budget for the General Fund of the District. During the budget year, supplemental appropriations and deletions are or may be authorized by the Board. The modified accrual basis of accounting is used by the District for budgeting data. All appropriations end with the fiscal year for which they were made.

The District monitors budget performances on the fund basis. All amounts over budget have been approved by the Board through the disbursement approval process.

The District prepares revenue and expenditure budgets for the District's General Fund. Encumbrance accounting, under which purchase orders, contracts and other commitments of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

E. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

Investments are stated at fair value, except for investments in external investment pools that meet GASB Statement No. 79 requirements, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

F. INVENTORIES

The original cost of materials and supplies has been recorded as expenditures at the time of purchase. The District does not maintain material amounts of inventories of goods and supplies.

G. PROPERTY TAX REVENUE RECOGNITION

The Board of Managers annually adopts a tax levy and certifies it to the County in October (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the District at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the District on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The District has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The District recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the District in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the District the following January) and taxes and credits not received at year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the District in January is fully offset by deferred inflows of resources because they are not available to finance current expenditures.

H. CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., storm sewers, manholes, control structures, and similar items), and intangible assets such as easements and computer software, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

GASB Statement No. 34 required the District to report and depreciate new infrastructure assets effective with the beginning of the 2004 calendar year. Infrastructure assets include lake improvements, dams and drainage systems. Neither their historical cost nor related depreciation had historically been reported in the financial statements. For governmental entities with total annual revenues of less than \$10 million for the fiscal year ended December 31, 1999 the retroactive reporting of infrastructure is not required under the provisions of GASB Statement No. 34. The District elected to implement the general provisions of GASB Statement No. 34 in 2004 and elected not to report infrastructure assets acquired in years prior to 2003. Land is the only capital asset and is not being depreciated.

The District implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010 which required the District to capitalize and amortize intangible assets. For governmental entities with total annual revenues of less than \$10 million for the fiscal year ended December 31, 1999, the retroactive reporting of intangible assets is not required under the provision of GASB Statement No. 51. The District did not acquire any intangible assets since implementing GASB Statement No. 51.

I. 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 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 Resolution of the Board.

Assigned - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the Board's intended use. These constraints are established by the District's Board.

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 Board'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 Board's policy to use resources in the following order; 1) committed 2) assigned and 3) unassigned.

J. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

K. USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

L. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

M. COMPARATIVE TOTALS

The basic financial statements, required supplementary information, individual fund financial statements and supplementary financial information include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

N. RECLASSIFICATIONS

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial 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 will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial 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 will *not* be recognized as an inflow of resources (revenue) until that time. The District has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item,

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from property taxes and from the sale of dredging materials.

P. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund statement of revenue, expenditures and changes in fund balance includes a reconciliation between *net changes in fund balance – total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds”. The details of this \$2,741 difference are as follows:

Unavailable revenue - general property taxes:	
At December 31, 2016	(\$31,545)
At December 31, 2017	37,424
 Unavailable revenue - dredging material:	
At December 31, 2016	(3,782)
At December 31, 2017	<u>-</u>
 Net adjustments to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	 <u><u>\$2,097</u></u>

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the District 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.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the District Board or in a financial institution other than that furnishing the collateral. Authorized collateral includes the following:

- a) United States government treasury bills, treasury notes and treasury bonds;
- b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- c) General obligation securities of any state or local government with taxing powers which is rated “A” or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service;

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

- d) Unrated general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- e) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation; and
- f) Time deposits that are fully insured by any federal agency.

The District does not have deposits at December 31, 2017.

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require that insurance, surety bonds or collateral protect all District deposits. The market value of collateral pledged must equal 110% of deposits not covered by insurance or bonds. The District has no additional policies addressing custodial credit risk.

B. INVESTMENTS

Minnesota Statutes authorize the District to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- 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, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements.
- c) Obligations of the State of Minnesota or any of its municipalities as follows:
 - 1) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
 - 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and
 - 3) a general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency.
- d) Bankers acceptances of United States banks eligible for purchase 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; certain Minnesota securities broker-dealers; or, a bank qualified as a depositor.
- g) General obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7; 469.178, subdivision 5; or 475.61, subdivision 6.

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

As of December 31, 2017, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Pooled with Carver County	N/A	\$1,320,519

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Pooled investments are not required to be categorized.

C. INVESTMENT RISK

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. State law limits investments to commercial paper to those rated in the highest quality category by at least two nationally recognized rating agencies; in any security of the State of Minnesota or any of its municipalities which is rated “A” or better by a national bond rating service for general obligation and rated “AA” or better for a revenue obligation; a general obligation of the Minnesota Housing Finance Agency to those rated “A” or better by a national bond rating agency; mutual funds or money market funds whose investments are restricted to securities described in MS 118A.04. The District does not have an investment policy which further limits its investment choices.

<u>Investment Type</u>	<u>Rating</u>	<u>Rating Organization</u>
Pooled with Carver County	N/A	Not rated

Interest Rate Risk. Interest rate risk is the risk that changes in the interest rates of debt investments could adversely affect the fair value of an investment. The District does not have an investment policy which limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the District’s investment in a single issuer. The District does not have an investment policy which addresses the amount the District may invest in any one issuer.

Custodial Credit Risk. For investments in securities, custodial credit risk is the risk that in the event of a failure of the counterparty, the District will not be able to recover the value of its investment securities that are in the possession of an outside party. As of December 31, 2017, all of the District’s investments were pooled with Carver County.

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Note 3 RECEIVABLES

Significant receivables balances not expected to be collected within one year of December 31, 2017 are as follows:

	<u>General Fund</u>
Delinquent property taxes	<u>\$33,700</u>
Total	<u><u>\$33,700</u></u>

Note 4 UNAVAILABLE REVENUE

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	<u>Property Taxes</u>
General Fund	<u><u>\$37,424</u></u>

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	<u>Balance 12/31/2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/2017</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	<u>\$256,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$256,167</u>

Note 6 OPERATING LEASES

The District is obligated under a long-term office equipment operating lease and building lease, both continuing month to month until cancelled by the District. The operating lease requires minimum monthly payments of \$216, while the building lease requires minimum monthly payments of \$650. In 2017, \$10,392 was paid under these lease agreements.

Note 7 CONTINGENCIES

The District's management has indicated that there are no existing or pending lawsuits, claims or actions in which the District is a defendant.

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Note 8 INTERFUND TRANSFERS

Individual fund transfers for fiscal year 2017 are as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ -	\$50,000
Nine Foot Channel Fund	50,000	-
	<u>\$50,000</u>	<u>\$50,000</u>

During 2017, a transfer was made from the General Fund to reduce the deficit fund balance in the Nine Foot Fund.

Note 9 FUND BALANCE - CLASSIFICATIONS

At December 31, 2017, a summary of the governmental fund balance classifications are as follows:

	<u>General Fund</u>	<u>Nine Foot Channel Fund</u>	<u>Total</u>
Nonspendable:			
Prepaid items	\$6,525	\$ -	\$6,525
Assigned:			
Area #3 Eden Prairie Stabilization	54,572	-	54,572
Riley Creek	108,000	-	108,000
Vegetation Management	40,000	-	40,000
Gully Stabilization	150,000	-	150,000
Fen Assessment and Management	100,000	-	100,000
Unassigned	<u>929,958</u>	<u>(173,658)</u>	<u>756,300</u>
Total	<u>\$1,389,055</u>	<u>(\$173,658)</u>	<u>\$1,215,397</u>

Note 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, errors and omissions and natural disasters for which the District carries insurance policies. The District retains risk for the deductible portions of the insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance coverage from the previous year or settlements in excess of insurance coverage for any of the previous three fiscal years.

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2017

Note 11 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Boards (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017.

Statement No. 83 *Certain Asset Retirement Obligations*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2018.

Statement No. 84 *Fiduciary Activities*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2018.

Statement No. 85 *Omnibus 2017*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2017.

Statement No. 86 *Certain Debt Extinguishment Issues*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2017.

Statement No. 87 *Leases*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2018.

The effect these standards may have on future financial statements is not determinable at this time.

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REQUIRED SUPPLEMENTARY INFORMATION

LOWER MINNESOTA RIVER WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

Statement 6

For The Year Ended December 31, 2017

With Comparative Actual Amounts For The Year Ended December 31, 2016

	2017		Actual Amounts	Variance with Final Budget - Positive (Negative)	2016 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Property taxes - current and delinquent	\$595,000	\$595,000	\$657,950	\$62,950	\$564,825
Intergovernmental:					
Grants	-	-	4,500	4,500	222,672
Investment income	-	-	57,304	57,304	26,684
Miscellaneous	-	-	1,250	1,250	1,210
Total revenues	<u>595,000</u>	<u>595,000</u>	<u>721,004</u>	<u>126,004</u>	<u>815,391</u>
Expenditures:					
Engineering services	16,000	16,000	23,229	(7,229)	21,425
Professional services	128,880	128,880	128,981	(101)	137,689
Insurance	7,200	7,200	7,060	140	7,225
Mileage and travel expenses	6,400	6,400	3,987	2,413	3,767
Office expense	18,720	18,720	22,474	(3,754)	25,138
Managers meeting expenses	10,000	10,000	4,328	5,672	5,470
509 planning/projects	228,900	228,900	216,669	12,231	178,433
Newsletter	800	800	-	800	-
Cooperative projects	240,500	240,500	20,002	220,498	387,095
Lobbying	12,000	12,000	9,540	2,460	9,350
Total expenditures	<u>669,400</u>	<u>669,400</u>	<u>436,270</u>	<u>233,130</u>	<u>775,592</u>
Revenue over (under) expenditures	<u>(\$74,400)</u>	<u>(\$74,400)</u>	<u>284,734</u>	<u>\$359,134</u>	<u>39,799</u>
Other financing sources (uses):					
Transfers out	-	-	(50,000)	(50,000)	-
Net change in fund balance	<u>(\$74,400)</u>	<u>(\$74,400)</u>	<u>234,734</u>	<u>\$309,134</u>	<u>39,799</u>
Fund balance - January 1			<u>1,154,321</u>		<u>1,114,522</u>
Fund balance - December 31			<u>\$1,389,055</u>		<u>\$1,154,321</u>

LOWER MINNESOTA RIVER WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
December 31, 2017

Note A **BUDGETS**

The General Fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level for the General Fund.

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INDIVIDUAL FUND FINANCIAL STATEMENTS

LOWER MINNESOTA RIVER WATERSHED DISTRICT
COMPARATIVE BALANCE SHEET
GENERAL FUND
December 31, 2017
With Comparative Totals For December 31, 2016

Statement 7

	<u>2017</u>	<u>2016</u>
Assets		
Current assets:		
Cash and investments	\$1,481,963	\$1,385,790
Taxes receivable:		
Delinquent	37,424	31,545
Due from county	4,365	5,196
Accounts receivable	-	2,559
Due from other governments	110,400	110,400
Prepaid items	6,525	5,636
Total assets	<u>\$1,640,677</u>	<u>\$1,541,126</u>
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities:		
Accounts payable	\$77,153	\$65,267
Due to other governments	137,045	289,993
Total liabilities	<u>214,198</u>	<u>355,260</u>
Deferred inflows of resources:		
Unavailable revenue	37,424	31,545
Total deferred inflows of resources	<u>37,424</u>	<u>31,545</u>
Fund balance:		
Nonspendable	6,525	5,636
Assigned	452,572	130,938
Unassigned	929,958	1,017,747
Total fund balance	<u>1,389,055</u>	<u>1,154,321</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$1,640,677</u>	<u>\$1,541,126</u>

LOWER MINNESOTA RIVER WATERSHED DISTRICT
COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
For The Year Ended December 31, 2017
With Comparative Totals For The Year Ended December 31, 2016

Statement 8

	<u>2017</u>	<u>2016</u>
Revenues:		
Property taxes - current and delinquent	\$657,950	\$564,825
Intergovernmental:		
Grants	4,500	222,672
Investment income	57,304	26,684
Miscellaneous	1,250	1,210
Total revenues	<u>721,004</u>	<u>815,391</u>
Expenditures:		
Engineering services	23,229	21,425
Professional services	128,981	137,689
Insurance	7,060	7,225
Mileage and travel expenses	3,987	3,767
Office expense	22,474	25,138
Managers meeting expenses	4,328	5,470
509 planning/projects	216,669	178,433
Cooperative projects	20,002	387,095
Lobbying	9,540	9,350
Total expenditures	<u>436,270</u>	<u>775,592</u>
Revenue over expenditures	284,734	39,799
Other financing sources (uses):		
Transfers out	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	234,734	39,799
Fund balance - January 1	<u>1,154,321</u>	<u>1,114,522</u>
Fund balance - December 31	<u><u>\$1,389,055</u></u>	<u><u>\$1,154,321</u></u>

LOWER MINNESOTA RIVER WATERSHED DISTRICT
COMPARATIVE BALANCE SHEET
CAPITAL PROJECT FUND - NINE FOOT CHANNEL FUND
December 31, 2017
With Comparative Totals For December 31, 2016

Statement 9

	<u>2017</u>	<u>2016</u>
Assets		
Current assets:		
Accounts receivable	<u>\$16,929</u>	<u>\$3,782</u>
Total assets	<u><u>\$16,929</u></u>	<u><u>\$3,782</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities:		
Cash overdraft	\$161,444	\$173,130
Accounts payable	8,818	21,457
Unearned revenue	<u>20,325</u>	<u>9,674</u>
Total liabilities	<u>190,587</u>	<u>204,261</u>
Deferred inflows of resources:		
Unavailable revenue	<u>-</u>	<u>3,782</u>
Total deferred inflows of resources	<u>0</u>	<u>3,782</u>
Fund balance:		
Unassigned	<u>(173,658)</u>	<u>(204,261)</u>
Total fund balance	<u>(173,658)</u>	<u>(204,261)</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$16,929</u></u>	<u><u>\$3,782</u></u>

LOWER MINNESOTA RIVER WATERSHED DISTRICT
COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
CAPITAL PROJECT FUND - NINE FOOT CHANNEL FUND
For The Year Ended December 31, 2017
With Comparative Totals For The Year Ended December 31, 2016

Statement 10

	<u>2017</u>	<u>2016</u>
Revenues:		
Property taxes current	\$48,360	\$49,115
Dredge site income	35,051	32,128
Total revenues	<u>83,411</u>	<u>81,243</u>
Expenditures:		
Engineering services	14,239	47,184
Professional services	77,846	27,384
Insurance	1,765	1,806
Mileage and travel expenses	997	942
Office expense	4,494	5,778
Managers meeting expenses	1,082	1,368
Lobbying	2,385	2,338
Total expenditures	<u>102,808</u>	<u>86,800</u>
Revenue over (under) expenditures	(19,397)	(5,557)
Other financing sources (uses):		
Transfers in	<u>50,000</u>	<u>-</u>
Net change in fund balance	30,603	(5,557)
Fund balance (deficit) - January 1	<u>(204,261)</u>	<u>(198,704)</u>
Fund balance (deficit) - December 31	<u><u>(\$173,658)</u></u>	<u><u>(\$204,261)</u></u>

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SUPPLEMENTARY FINANCIAL INFORMATION

LOWER MINNESOTA RIVER WATERSHED DISTRICT
SCHEDULE OF 509 PLANNING/PROJECT EXPENDITURES
December 31, 2017
With Comparative Totals For December 31, 2016

Exhibit 1

	<u>2017</u>	<u>2016</u>
Expenditures:		
Riley creek cooperative project	\$2,646	\$41,852
Eagle creek	-	2,064
Monitoring	50,291	39,040
Watershed management plan	99,895	34,017
Public education	42,602	40,458
Cost share program	14,819	3,844
East Chaska creek	-	1,872
Municipal project reviews	<u>6,416</u>	<u>15,286</u>
Total expenditures	<u><u>\$216,669</u></u>	<u><u>\$178,433</u></u>

OTHER INFORMATION - UNAUDITED

LOWER MINNESOTA RIVER WATERSHED DISTRICT

SCHEDULE OF CUMULATIVE EXPENDITURES

December 31, 2017

Table 1

Page 1 of 2

	Cumulative Total Through 2016	2017 Activity	Cumulative Total Through 2017
Expenditures:			
General and administrative expenses	\$7,684,336	\$194,252	\$7,878,588
Special projects:			
Assumption Creek	8,642	-	8,642
Nichols Fen / Harnack / Kennealy Creeks	3,330	-	3,330
City of Burnsville	305	-	305
Chaska	1,231	-	1,231
Seminary Fen	409,760	-	409,760
Met Council	771	-	771
Chaska Creek	56,093	-	56,093
Chaska Lanes	5,219	-	5,219
Willow Creek	37,716	-	37,716
Groundwater monitoring	204,672	50,516	255,188
LMR model	51,105	-	51,105
Savage Fen	21,449	-	21,449
Fort Snelling State Park roadway relocation	60,023	-	60,023
Office of water resource and research	36,200	-	36,200
Mohr Park - Bloomington well project	11,956	-	11,956
Aerial photos	6,100	-	6,100
East Chaska Creek diversion	42,517	-	42,517
Special study	4,968	-	4,968
Legislative committee hearing	7,056	-	7,056
Flood plain - regulations and litigation	15,064	-	15,064
Cooperative projects with municipalities	1,339,258	-	1,339,258
Contingency reserve	10,884	-	10,884
State flood plain analysis	5,150	-	5,150
Savage - Credit River	24,465	-	24,465
Department of Natural Resources - Rice Lake	140	-	140
Off Channel fleeing	9,849	-	9,849
Deans Lake	25,797	-	25,797
Environmental assessment for McGowan Barge	1,357	-	1,357
Scott County - Historical Park	5,000	-	5,000
Scott County - Murphy's Landing	60,430	-	60,430
Prior Lake - Spring Lake	21,167	-	21,167
Casperson landing cooperative project	44,874	-	44,874
River bank stabilization	71,659	4,399	76,058
General benefit projects	773	-	773
Metro Council gauging station	46,802	-	46,802
55/62 intersection	6,538	-	6,538
Eagle Creek	110,202	-	110,202
Data collection	33,700	-	33,700
Resource plan implementation	91,222	-	91,222
Eden Prairie SWMP	1,554	-	1,554
Nichols Fen	4,949	-	4,949
Courthouse - firearms - clayhole	32,649	-	32,649
Cooperative project contingency reserve	33,210	-	33,210
Trout stream	904	-	904

LOWER MINNESOTA RIVER WATERSHED DISTRICT**SCHEDULE OF CUMULATIVE EXPENDITURES**

December 31, 2017

Table 1**Page 2 of 2**

	Cumulative Total Through 2016	2017 Activity	Cumulative Total Through 2017
Expenditures (con't):			
BWSR Challenge Grant engineer	\$6,106	\$ -	\$6,106
Rainwater garden	35,000	-	35,000
Gully erosion inventory	7,000	-	7,000
Dakota County Fen	2,778	-	2,778
Miscellaneous	30,061	6,416	36,477
509 Plan general	27,641	-	27,641
Local management plans	8,676	2,541	11,217
Management plan	326,190	137,780	463,970
Chaska Lakes	12,171	-	12,171
Watershed assistance	7,881	-	7,881
Natural resources map	276	-	276
Public education	61,075	45,950	107,025
Strategic Resource evaluation	79,771	-	79,771
Cost share program	30,613	14,819	45,432
USGS	65,768	18,631	84,399
Long Meadow Outfall	100,000	-	100,000
Gully stabilization	875	-	875
Dred Scott Water Reuse Project	21,053	-	21,053
Nine Foot Channel	77,655	60,257	137,912
Riley Creek	88,109	3,517	91,626
	<u>\$11,639,745</u>	<u>\$539,078</u>	<u>\$12,178,823</u>

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OTHER REPORTS

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REPORT ON INTERNAL CONTROL

To the Board of Managers and Management
Lower Minnesota River Watershed District
Chaska, Minnesota

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Lower Minnesota River Watershed District, as of and for the year ended December 31, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered Lower Minnesota River Watershed District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lower Minnesota River Watershed District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lower Minnesota River 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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Lower Minnesota River Watershed District's Board of Managers, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 3, 2018

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MINNESOTA LEGAL COMPLIANCE REPORT

To the Honorable Managers of the
Lower Minnesota River Watershed District
Chaska, Minnesota

We have audited in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and each major fund of Lower Minnesota River Watershed District, as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Lower Minnesota River Watershed District's basic financial statements, and have issued our report thereon dated May 3, 2018.

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 audit considered all of the above listed categories, except we did not test for compliance with the provisions for contract and bidding and tax increment financing because Lower Minnesota River Watershed District has no applicable contracts or tax increment financing.

In connection with our audit, nothing came to our attention that caused us to believe that Lower Minnesota River 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 Lower Minnesota River Watershed District's noncompliance with the above referenced provisions.

This report is intended solely for the information and use of those charged with governance and management of the Lower Minnesota River Watershed District and the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

May 3, 2018

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Final Levy 2017

General Fund	250,000.00
Planning and Implementation Fund	475,000.00
One time levy to balance channel fund	<u> </u>

Apportioned Payable 2017 Levy 725,000.00

<u>County</u>	Net Tax Capacity % Distribution	Apportioned Payable 2017 Levy
Carver	5.9529%	43,158.53
Dakota	10.9753%	79,570.93
Hennepin	44.8643%	325,266.18
Scott	38.2075%	277,004.38
Watershed Total	100.0000%	725,000.00

2016 Budget Summary			
	Revenue	Expenditure	Positive/(Negative) residual balance
Admin	72,500	21,025	51,475
Coop	170,500	170,500	-
509	407,000	416,400	(9,400)
9 Foot	83,000	80,000	3,000
	733,000	687,925	45,075

2017 proposed LMRWD Budget for Administration Operations

Account	Actual 2015	Adopted 2016	YTD 2016	Projected 2016	Proposed 2017
Revenues:					
General Property Tax		\$ 625,000.00	\$ 339,756.04	\$ 625,000.00	\$ 725,000.00
Interest Revenue		\$ -	\$ -	\$ -	\$ -
Grants		\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00
Revenue from private dredge placement		\$ -	\$ 2,794.00	\$ 26,041.00	\$ 25,000.00
Revenue from sale of dredge material		\$ -	\$ -	\$ 768.00	\$ 5,000.00
Total Revenues		\$ 630,500.00	\$ 348,050.04	\$ 978,550.04	\$ 760,500.00
Expenses:					
10 Wages-General	\$ 2,265.95	\$ -	\$ -	\$ -	\$ -
11 Severance Allowance					
12 Benefits	\$ 1,921.41	\$ -	\$ -	\$ -	\$ -
13 PERA Expense	\$ 1,210.70	\$ -			
14 Payroll Tax (FICA/Medicare)	\$ 2,695.58	\$ -	\$ -	\$ -	\$ -
15 Unemployment compensation		\$ -			
16 Manager Per Diem	\$ 6,375.00	\$ 9,000.00	\$ 1,950.00	\$ 9,000.00	\$ 9,000.00
17 Manager Expense (mileage/food/registrations)	\$ 2,462.00	\$ 3,500.00	\$ 519.33	\$ 3,500.00	\$ 3,500.00
18 Telecommunications-Cell-Internet/Phone	\$ -	\$ -	\$ -	\$ -	
19 Postage	\$ 82.00	\$ 500.00	\$ 13.72	\$ 500.00	\$ 500.00
20 Photocopying	\$ 1,390.00	\$ 500.00	\$ 652.20	\$ 600.00	\$ 1,000.00
21 Newsletter Expense(Web Articles)	\$ -	\$ 1,100.00		\$ -	\$ 1,000.00
22 Legal Notices-General	\$ 1,378.00	\$ 1,000.00	\$ 620.00	\$ 1,000.00	\$ 1,500.00
23 Dues	\$ 3,500.00	\$ 3,500.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
24 Publications	\$ -	\$ -	\$ -	\$ -	
25 Professional Services-General	\$ 110,196.00	\$ 130,000.00	\$ 63,585.00	\$ 97,858.75	\$ 131,900.00
26 Legal Fees-General	\$ 9,567.00	\$ 11,000.00	\$ 1,104.30	\$ 11,000.00	\$ 11,000.00
27 Accounting/Payroll Fees	\$ 4,391.00	\$ 4,700.00	\$ 3,478.87	\$ 4,578.00	\$ 4,700.00
28 Engineering-General	\$ 16,346.00	\$ 11,000.00	\$ 26,699.75	\$ 11,000.00	\$ 20,000.00
29 Audit Fees	\$ 12,550.00	\$ 13,000.00	\$ 13,212.00	\$ 13,212.00	\$ 13,500.00
30 Equipment-Maintenance	\$ (472.00)		\$ 266.27		\$ 500.00
31 Taxable meal reimbursement	\$ 278.00	\$ 500.00	\$ 212.19	\$ 300.00	\$ 500.00
32 Mileage	\$ 5,642.00	\$ 4,000.00	\$ 2,894.24	\$ 5,000.00	\$ 6,000.00
33 Training & Education	\$ 1,180.00	\$ 1,500.00	\$ 447.92	\$ 1,500.00	\$ 1,500.00
34 Lodging/ Staff Travel	\$ 715.00	\$ 1,500.00	\$ -	\$ -	\$ 1,500.00
35 Rent	\$ 8,668.00	\$ 7,800.00	\$ 7,150.00	\$ 7,800.00	\$ 8,000.00
36 Web Expense-Design & Hosting (Moved to E & O)	\$ 3,765.00	\$ 18,650.00	\$ 2,720.00	\$ 3,600.00	
37 Equipment-Lease	\$ 2,770.00	\$ 3,000.00	\$ 2,308.30	\$ 2,769.96	\$ 3,000.00
38 Insurance & Bonds	\$ 8,816.00	\$ 9,000.00	\$ 7,879.00	\$ 8,833.00	\$ 9,000.00
39 Bank Charges		\$ -		\$ -	\$ -
40 Cleaning Service	\$ -	\$ -	\$ -	\$ -	\$ -
41 Meeting Supplies/Expense	\$ -	\$ 100.00	\$ 28.00	\$ -	\$ 100.00
42 Office Supplies	\$ 339.00	\$ 150.00	\$ 294.89	\$ 250.00	\$ 300.00
43 Equipment-General	\$ -			\$ -	
44 Miscellaneous-General	\$ 2,557.00		\$ 1,724.50	\$ 2,600.00	\$ 3,000.00
45 Lobbying	\$ 14,200.00	\$ 15,000.00	\$ 10,300.00	\$ 15,000.00	\$ 15,000.00
Total Expense for Administration:	\$ 224,788.64	\$ 250,000.00	\$ 152,060.48	\$ 203,901.71	\$ 250,000.00

Non-Administrative Levy
2016 Adopted Budget - 2016 Actuals/Projected - 2017 Proposed

Account	2016 Adopted	YTD 2016	Projected 2016	Proposed 2017
Revenues:				
5 General Property Tax				
6 Carver County	\$ 37,520.63	\$36,915.38	\$ 37,520.63	\$ 43,158.53
7 Dakota County	\$ 76,003.75	\$38,837.54	\$ 76,003.75	\$ 79,570.91
8 Hennepin County	\$ 269,638.75	\$134,416.05	\$ 269,638.75	\$ 325,266.18
9 Scott County	\$ 241,836.87	\$129,587.07	\$ 241,836.87	\$ 277,004.38
10 Total Levy:	\$ 625,000.00	\$339,756.04	\$ 625,000.00	\$ 725,000.00
11 Interest Revenue				
12 Met Council Grant-(WOMP Station Monitoring)	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00
13 Revenue for use of Vernon Avenue dredge for dewatering private material	\$ -	\$ 2,794.00	\$ 26,041.00	\$ 25,000.00
14 Revenues from sale of dredge material	\$ -	\$ -	\$ 768.00	\$ 5,000.00
16 Total Revenues:	\$ 630,500.00	\$348,050.04	\$ 657,309.00	\$ 760,500.00
Expenses:				
17 Cooperative Projects				
18 Eden Prairie Bank Stabilization -#3			\$ 1,810.00	\$ 75,000.00
19 Eagle Creek				\$ 12,000.00
20 Gully Erosion Contingency	\$ 40,000.00			\$ 40,000.00
21 USGS	\$ 10,000.00	\$ 13,641.00	\$ 18,188.00	\$ 18,500.00
22 Ravine Stabilization at Seminary Fen in Chaska			\$ 100,000.00	
23 Bluff Creek Cooperative Project with RPBCWD			\$ 50,000.00	
509 Plan Budget				
24 Resource Plan Implementation				
25 Fen assessment, analysis and management				\$ 75,000.00
26 Dean Lake Feasibility Study/Restoration				
27 Data Assessments and Program Reviews	\$ 20,000.00		\$ 21,000.00	
28 Dakota County groundwater modeling				\$ 35,000.00
29 East Chaska Creek	\$ 200,000.00			\$ -
30 Dred Scott Storm Water Reuse Feasibility Study	\$ -		\$ -	\$ -
31 Bloomington non-degradation volume reduction project	\$ 125,000.00		\$ -	\$ -
32 Riley Creek Cooperative Project with RPBCWD	\$ 45,000.00	\$ 22,362.00	\$ 62,900.00	\$ 100,000.00
33 Local Water Management Plan reviews	\$ 20,000.00			\$ 16,800.00
34 Project Reviews		\$ 200.00		\$ 20,000.00
35 Monitoring	\$ 50,000.00		\$ 78,600.00	\$ 65,000.00
36 Monitoring Data Analysis	\$ -		\$ 5,000.00	
37 Technical Assistance	\$ -		\$ 19,350.00	
38 Watershed Management Plan				
39 Next Generation Watershed Management Plan				\$ -
40 Plan Clarification and proposed rules	\$ 25,000.00	\$ 24,990.00	\$ 25,000.00	\$ -
41 Plan Amendment	\$ 10,000.00	\$ 2,754.00	\$ 2,754.00	\$ 50,000.00
42 Vegetation Management Standard/Plan	\$ 15,000.00			
43 Public Education/Citizen Advisory Committee/Outreach Program	\$ 65,000.00	\$ 4,860.00	\$ 31,333.00	\$ 32,100.00
44 Cost Share Program	\$ 20,000.00			\$ 20,000.00
45 Savage Fen/Dakota Avenue Ravine Stabilization Project			\$ -	
46 Nine Foot Channel		\$ 16,767.07		\$ 80,000.00
91 Total Non-administrative Expenses:	\$ 645,000.00	\$ 103,347.82	\$ 563,406.00	\$ 639,400.00
92 Administration	\$ 250,000.00	\$ 107,821.48	\$ 207,802.94	\$ 250,000.00
93 Total 2017 Expenses	\$ 895,000.00	\$ 211,169.30	\$ 771,208.94	\$ 889,400.00
95 Revenue less Expenses	\$ 630,500.00	\$348,050.04	\$ 657,309.00	\$ 760,500.00

2017 Budget Narrative

Administrative Budget Line Items

All items under this heading are spread across the other Departments of the District according to the following percentages: Administration: 29%; Cooperative Projects: 10%; 509 Plan: 41%; and Nine Foot Channel: 20%.

Line 16 - Manager Per Diem: Assumes 5 Managers at \$75 per meeting. Assumes 12 regular Board meeting per month, and allows for one additional meeting per month.

Line 17 - Manager Expense (mileage/food/registrations): This amount was increased in 2016 to account for new managers that would likely attend training sessions, such as MAWD Annual Conference.

Line 18 - Telecommunication - Cell phone/Internet: There has been no charge to the District for this expense. Currently there are no plans to change.

Line 21 - Newsletter Expense (web articles): This item has been moved to Public Education under the 509/Watershed Management Plan.

Line 22 - Legal Notices: This line item reflects the cost to the District of publishing legal notices for the budget hearings, as required by state law. Legal notices for Watershed Management Plan changes and capital projects can be charged to public education under the Watershed Management Plan.

Line 23 - Dues: Minnesota Association of Watershed Districts (MAWD) annual dues are charged to this line.

Line 25 - Professional Services-General: This line item is where Administrative Services appear. Services provided by Norm Senjem are charged to this line item.

Line 26 - Legal Fees: This line is for general legal fees that cannot be assigned to a particular projects and include charges for attendance at Manager meetings.

Line 27 - Accounting/Payroll Fees: This line is for accounting/bookkeeping services provided to the District by Carver County.

Line 28 - Engineering-General: This line represents general engineering services provided to the District for attendance at Board meetings, preparing materials for the Board meeting and consulting with the District Administrator.

Line 29 Audit Fees: This line shows the cost to the LMRWD for the annual financial audit required by state law.

Line 30 - Equipment - Maintenance: This line represents the fee charged to the LMRWD for maintenance of the leased copier.

Line 31 - Taxable Meal Reimbursement: This line represents charges to the LMRWD for meals in the course of the business of the District, such and monthly meetings of the Upper Mississippi Waterway

2017 Budget Narrative

Association (UMWA), all day sessions at the MPCA or meetings of the MAWD Association of District Administrators.

Line 32 - Mileage: This line represents mileage (not Manager's) incurred in operation of the District.

Line 33 - Training & Education: This line represents costs incurred by the District for the Administrators to attend educational conferences.

Line 34 - Lodging/Staff Travel: - This line item represents costs incurred by the LMRWD for staff travel. Example would be lodging to attend MAWD conferences.

Line 35 - Rent: This line is for the rent charged to the LMRWD for the office space in Chaska. The office space is on a month to month rental basis and is \$650 per month. This assumes a small increase.

Line 36 - Web Expense: - Design & Hosting: This item has been moved to Education and Outreach under the Watershed Management Plan.

Line 37 - Equipment Lease: This line represents the cost of the copier lease. This lease will expire in 2018.

Line 38 - Insurance & Bonds: This line represents the cost of insurance to the District. The LMRWD currently carries Error & Omissions Insurance, Directors and Officers Insurance, and general Liability Insurance. The Board of Managers opted to drop automobile coverage from the insurance policy.

Line 39 - Bank Charges: The LMRWD funds are pooled with funds from Carver County, so the District will not incur any bank charges.

Line 40 - Cleaning Service: The LMRWD does not use a cleaning service for the office.

Line 41 - Meeting Supplies/Expenses: - This line is for meeting expenses that do not fall under another category, like the cost of name plates for Managers.

Line 42 - Office Supplies: This line represents office supplies like paper, file folders, labels, etc.

Line 43 - Equipment: - General: This line is not used

Line 44 - Miscellaneous - General: - This line item has been used for the cost of meeting minute preparation.

Line 45 - Lobbying: This line represents the cost to retain a lobbyist to work at the State Legislature. This item was previously listed under Nine Foot Channel expenses, but the Managers decided lobbying expenses should be spread across all the departments.

2017 Budget Narrative

Other Department

Department 701 - Cooperative Projects

Items listed under this department are projects where the LMRWD is not leading the projects, but only participating financially with cities and other watershed districts.

Line 18 - Eden Prairie Bank Stabilization Area #3: The amount for this line is based on the discussion the Board held with Leslie Stovring of the city of Eden Prairie. It is estimated that \$75,000 would be the cost to update the study and begin the process to find additional funding for the project.

Line 19 - Eagle Creek: Mark Nemeth of DNR Fisheries inquired about the LMRWD's interest in a project to repair active erosion of the Eagle Creek stream bank in Savage, where 128th Street crosses the creek. Mr. Nemeth said MN Trout Unlimited is interested in participation also. I have not received anymore detail from Mr. Nemeth.

Line 20 - Gully Erosion Contingency: This line item comes from the LMRWD Watershed Management Plan. Amounts levied for this line will be accrued every year and is available to cities to help with the cost to repair/stabilize gullies and ravines that were identified through the District's gully inventory prepared by the MN Conservation Corps.

Line 21 - USGS: This amount represents contractual agreements the LMRWD has with the USGS.

Department 702 - 509 Plan Budget

Items under this Department are costs incurred to update, clarify, amend and implement the Watershed Management Plan of the District.

Line 25 - Fen assessment, analysis and management: Larissa Mottl, DNR, indicated she would like certain information about Seminary Fen. The LMRWD suggested that perhaps an analysis of information already available be assembled and evaluated to see what information data may be missing. The District hopes to discuss this with the DNR to see if they will fund the gap analysis.

Line 28 - Dakota County Groundwater modeling: This line item represents the next phase of the data assessment project for the fens in Dakota County. Staff will discuss the possibility of DNR funding for this project. If funding is available from the DNR it will enable the LMRWD to move ahead with more of the proposal. \$35,900 is the estimated cost of the next phase of the Burns & McDonnell proposal to develop a groundwater model.

Line 32 - Riley Creek Cooperative Project with RPBCWD: The LMRWD has reviewed the feasibility report for this project. Managers suggested funding the reaches of Riley Creek within the Riley/Purgatory/Bluff Creek Watershed District (RPBCWD). Managers also requested LMRWD staff to get further detail from Hennepin County to see if work done in the reconstruction of Flying Cloud Drive could reduce the cost of the project on the reach of Riley Creek within the LMRWD. RPBCWD ordered

2017 Budget Narrative

Other Department

the project at its December 7th meeting. RPBCWD expects this project to be funded over the course of 3 years. The LMRWD budget includes \$100,000 for Riley Creek in 2017.

Line 33 - Local Water Management Plan reviews: This line represents costs to the LMRWD to review local water management plans (LWMPs). The LMRWD anticipates most cities within the LMRWD will update their LWMPs, because of the changes made to MN Rule 8410. LWMP plans must be reviewed and approved by the Watershed District.

Line 34 - Project Reviews: This line represents the cost the LMRWD anticipates it will incur to review projects within the District. A review has been developed and will be distributed to the cities to take effect in early 2017.

Line 35 - Monitoring: This line item represents all the cost incurred by the LMRWD to monitor water resource within the District. Monitoring is currently being performed by the Scott County SWCD, Carver County WMO and the Dakota County SWCD. This line also includes the cost of providing technical assistance to residents under and agreement with Carver and Scott Counties. Staff is assessing the need for additional monitoring of resource as part of the Major Plan amendment.

Line 41 - Plan Amendment: The Managers decided that rather than prepare a complete update of the LMRWD Watershed Management Plan, the District should prepare a Major Plan Amendment. The amount of this line is the anticipated cost to prepare the Major Plan Amendment.

Line 43 - Public Education/Citizens Advisory Committee/Outreach Program: This line item includes the following costs:

• Master Water Steward	\$2500
• Minnesota River Congress	\$300
• Freshwater Society Ice Out/Loon In	\$800
• Metro Children's Water Festival	\$1500
• Scott County Outdoor Education Days	\$1500
• LMRWD website maintenance & updates	\$8,000
• Minnesota River Tour	\$7,500
• Friends of the MN River Valley	<u>\$10,000</u>
TOTAL	\$32,100

The Friends of the MN River Valley has requested the LMRWD participate in a River Watch Program that would work with high school aged students to collect samples for monitoring the MN River. Additionally LMRWD staff has spoken to the Friends and the Isaac Walton League to develop an education program for the LMRWD.

Since the preliminary budget was put together, the city of Shakopee inquired about the LMRWD participating in a tree sales program for the city. Staff would recommend participating in the Shakopee program in 2017 and then evaluating the program to see if it would be worthwhile for the District to research if other cities have similar programs and offer to participate in their programs.

2017 Budget Narrative

Other Department

Line 44 - Cost Share Program: This line represents funding to support efforts in the communities within the LMRWD to help improve water quality and educate the public. The LMRWD had one application in 2016 and hopes to have another project in 2017. The district is working to promote this program to the public by working with the cities.

Department 703 - Nine Foot Channel

All costs incurred by the District for maintaining the Nine Foot Channel are assigned to this fund.

Line 46 - Nine Foot Channel: This amount in this line will be used to pay for the determination of benefits the channel provides to businesses located along the channel and others.



LOWER MINNESOTA RIVER
WATERSHED DISTRICT

Appendix B

2017 Resolutions

Manager Raby introduced the following resolution and moved its adoption:

RESOLUTION 17-01

ADOPTING 2018

LOWER MINNESOTA RIVER WATERSHED DISTRICT BUDGET
AND CERTIFYING PROPERTY TAX LEVIES FOR CARVER COUNTY
FOR TAXES PAYABLE 2018

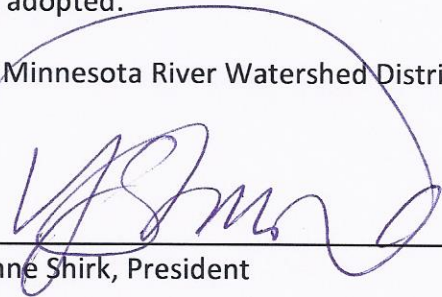
WHEREAS, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") has proposed a total budget of One Million Twenty One Thousand Five Hundred Dollars (\$1,021,500) for the fiscal year commencing January 1, 2018; and

WHEREAS, the proposed budget requires Seven Hundred Twenty Five Thousand Dollars (\$725,000) to be raised from an ad valorem tax levy on taxable property in the LMRWD, apportioned according to the attached Schedule A, for the purpose of paying administrative expenses (Minnesota Statutes § 103D.905 Subd. 3) of Two Hundred Fifty Thousand Dollars (\$250,000) and providing for a planning and implementation fund (Minnesota Statutes § 103B.241) of Four Hundred Seventy Five Thousand Dollars (\$475,000).

NOW, THEREFORE, BE IT RESOLVED, that the Secretary, in accordance with Minnesota Statutes, shall certify to the Auditors of Carver County, the following sum to be raised by levy on all taxable property in the Lower Minnesota River Watershed District for the year 2018 and the purposes noted above: Forty Two Thousand One Hundred Thirteen and 08/100 Dollars (\$42,113.08), as provided in Minnesota Statutes, Sections 103D.911 and 103D.915;


BE IT FURTHER RESOLVED by the Board of Managers of the LMRWD that the 2018 Preliminary Budget as proposed is hereby approved and adopted.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 16th day of August, 2017



Yvonne Shirk, President

ATTEST:



Jesse Hartmann, Vice President

SCHEDULE A

District 060 - Lower MN River Watershed

The following table was presented for the Managers' consideration with regard to the proposed amounts to be levied in each separate county, based upon the net tax capacities available:

Preliminary Certification of Apportioned Levies

Payable 2018

1)	General Fund (M.S. 103D.905, Subd.3)		\$250,000.00
2)	Planning and Implementation Fund (M.S. 103B.241)		\$475,000.00
3)	Payable 2018 Property Tax Levy		\$725,000.00
		(4)	(6)
	<u>County</u>	Payable 2018 Taxable Net Tax Capacity	Apportioned Payable 2018 Levy \$725,000 x column (5)
	Carver	\$5,757,498	\$42,113.08
	Dakota	\$10,031,290	\$73,373.63
	Hennepin	\$43,267,773	\$316,479.90
	Scott	\$40,062,268	\$293,033.40
	TOTAL	\$99,118,829	\$725,000.00
		(5)	
		Net Tax Capacity Percent Distribution	
		5.8087%	
		10.1205%	
		43.6524%	
		40.4184%	
		100.00%	

Manager Raby introduced the following resolution and moved its adoption:

RESOLUTION 17-02

ADOPTING 2018

LOWER MINNESOTA RIVER WATERSHED DISTRICT BUDGET
AND CERTIFYING PROPERTY TAX LEVIES FOR DAKOTA COUNTY
FOR TAXES PAYABLE 2018

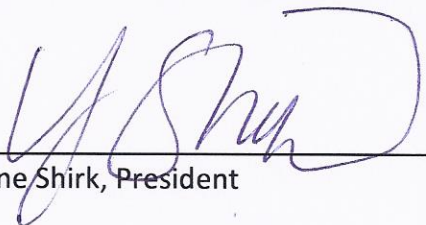
WHEREAS, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") has proposed a total budget of One Million Twenty One Thousand Five Hundred Dollars (\$1,021,500) for the fiscal year commencing January 1, 2018; and

WHEREAS, the proposed budget requires Seven Hundred Twenty Five Thousand Dollars (\$725,000) to be raised from an ad valorem tax levy on taxable property in the LMRWD, apportioned according to the attached Schedule A, for the purpose of paying administrative expenses (Minnesota Statutes § 103D.905 Subd. 3) of Two Hundred Fifty Thousand Dollars (\$250,000) and providing for a planning and implementation fund (Minnesota Statutes § 103B.241) of Four Hundred Seventy Five Thousand Dollars (\$475,000).

NOW, THEREFORE, BE IT RESOLVED, that the Secretary, in accordance with Minnesota Statutes, shall certify to the Auditors of Dakota County, the following sum to be raised by levy on all taxable property in the Lower Minnesota River Watershed District for the year 2018 and the purposes noted above: Seven Three Thousand Three Hundred Seventy Three and 63/100 Dollars (\$73,373.63), as provided in Minnesota Statutes, Sections 103D.911 and 103D.915;

BE IT FURTHER RESOLVED by the Board of Managers of the LMRWD that the 2018 Preliminary Budget as proposed is hereby approved and adopted.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 16th day of August, 2017



Yvonne Shirk, President

ATTEST:



Jesse Hartmann, Vice President

SCHEDULE A

District 060 - Lower MN River Watershed

The following table was presented for the Managers' consideration with regard to the proposed amounts to be levied in each separate county, based upon the net tax capacities available:

Preliminary Certification of Apportioned Levies

Payable 2018

1)	General Fund (M.S. 103D.905, Subd.3)		\$250,000.00	
2)	Planning and Implementation Fund (M.S. 103B.241)		\$475,000.00	
3)	Payable 2018 Property Tax Levy		\$725,000.00	
		(4)	(5)	(6)
	<u>County</u>	Payable 2018 Taxable Net Tax Capacity	Net Tax Capacity Percent Distribution	Apportioned Payable 2018 Levy \$725,000 x column (5)
	Carver	\$5,757,498	5.8087%	\$42,113.08
	Dakota	\$10,031,290	10.1205%	\$73,373.63
	Hennepin	\$43,267,773	43.6524%	\$316,479.90
	Scott	\$40,062,268	40.4184%	\$293,033.40
	TOTAL	\$99,118,829	100.00%	\$725,000.00

Manager Raby introduced the following resolution and moved its adoption:

RESOLUTION 17-03

ADOPTING 2018

LOWER MINNESOTA RIVER WATERSHED DISTRICT BUDGET

AND CERTIFYING PROPERTY TAX LEVIES FOR HENNEPIN COUNTY

FOR TAXES PAYABLE 2018

WHEREAS, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") has proposed a total budget of One Million Twenty One Thousand Five Hundred Dollars (\$1,021,500) for the fiscal year commencing January 1, 2018; and

WHEREAS, the proposed budget requires Seven Hundred Twenty Five Thousand Dollars (\$725,000) to be raised from an ad valorem tax levy on taxable property in the LMRWD, apportioned according to the attached Schedule A, for the purpose of paying administrative expenses (Minnesota Statutes § 103D.905 Subd. 3) of Two Hundred Fifty Thousand Dollars (\$250,000) and providing for a planning and implementation fund (Minnesota Statutes § 103B.241) of Four Hundred Seventy Five Thousand Dollars (\$475,000).

NOW, THEREFORE, BE IT RESOLVED, that the Secretary, in accordance with Minnesota Statutes, shall certify to the Auditors of Hennepin County, the following sum to be raised by levy on all taxable property in the Lower Minnesota River Watershed District for the year 2018 and the purposes noted above: Three Hundred Sixteen Thousand Four Hundred Seventy Nine and 63/100 Dollars (\$316,479.90), as provided in Minnesota Statutes, Sections 103D.911 and 103D.915;

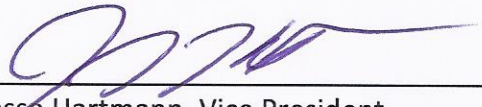
BE IT FURTHER RESOLVED by the Board of Managers of the LMRWD that the 2018 Preliminary Budget as proposed is hereby approved and adopted.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 16th day of August, 2017



Yvonne Shirk, President

ATTEST:



Jesse Hartmann, Vice President

SCHEDULE A

District 060 - Lower MN River Watershed

The following table was presented for the Managers' consideration with regard to the proposed amounts to be levied in each separate county, based upon the net tax capacities available:

Preliminary Certification of Apportioned Levies

Payable 2018

1)	General Fund (M.S. 103D.905, Subd.3)		\$250,000.00	
2)	Planning and Implementation Fund (M.S. 103B.241)		\$475,000.00	
3)	Payable 2018 Property Tax Levy		\$725,000.00	
		(4)	(5)	(6)
	<u>County</u>	Payable 2018 Taxable Net Tax Capacity	Net Tax Capacity Percent Distribution	Apportioned Payable 2018 Levy \$725,000 x column (5)
	Carver	\$5,757,498	5.8087%	\$42,113.08
	Dakota	\$10,031,290	10.1205%	\$73,373.63
	Hennepin	\$43,267,773	43.6524%	\$316,479.90
	Scott	\$40,062,268	40.4184%	\$293,033.40
	TOTAL	\$99,118,829	100.00%	\$725,000.00

Manager Raby introduced the following resolution and moved its adoption:

RESOLUTION 17-04

ADOPTING 2018

LOWER MINNESOTA RIVER WATERSHED DISTRICT BUDGET

AND CERTIFYING PROPERTY TAX LEVIES FOR SCOTT COUNTY

FOR TAXES PAYABLE 2018

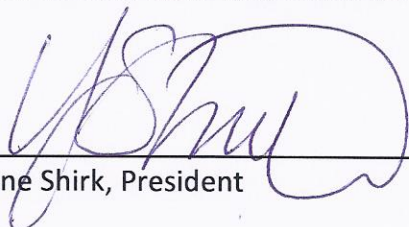
WHEREAS, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") has proposed a total budget of One Million Twenty One Thousand Five Hundred Dollars (\$1,021,500) for the fiscal year commencing January 1, 2018; and

WHEREAS, the proposed budget requires Seven Hundred Twenty Five Thousand Dollars (\$725,000) to be raised from an ad valorem tax levy on taxable property in the LMRWD, apportioned according to the attached Schedule A, for the purpose of paying administrative expenses (Minnesota Statutes § 103D.905 Subd. 3) of Two Hundred Fifty Thousand Dollars (\$250,000) and providing for a planning and implementation fund (Minnesota Statutes § 103B.241) of Four Hundred Seventy Five Thousand Dollars (\$475,000).

NOW, THEREFORE, BE IT RESOLVED, that the Secretary, in accordance with Minnesota Statutes, shall certify to the Auditors of Scott County, the following sum to be raised by levy on all taxable property in the Lower Minnesota River Watershed District for the year 2018 and the purposes noted above: Two Hundred Ninety Three Thousand Thirty Three and 40/100 Dollars (\$293,033.40), as provided in Minnesota Statutes, Sections 103D.911 and 103D.915;


BE IT FURTHER RESOLVED by the Board of Managers of the LMRWD that the 2018 Preliminary Budget as proposed is hereby approved and adopted.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 16th day of August, 2017



Yvonne Shirk, President

ATTEST:



Jesse Hartmann, Vice President

SCHEDULE A

District 060 - Lower MN River Watershed

The following table was presented for the Managers' consideration with regard to the proposed amounts to be levied in each separate county, based upon the net tax capacities available:

Preliminary Certification of Apportioned Levies

Payable 2018

1)	General Fund (M.S. 103D.905, Subd.3)		\$250,000.00
2)	Planning and Implementation Fund (M.S. 103B.241)		\$475,000.00
3)	Payable 2018 Property Tax Levy		\$725,000.00
		(4)	(6)
	<u>County</u>	Payable 2018 Taxable Net Tax Capacity	Apportioned Payable 2018 Levy \$725,000 x column (5)
	Carver	\$5,757,498	\$42,113.08
	Dakota	\$10,031,290	\$73,373.63
	Hennepin	\$43,267,773	\$316,479.90
	Scott	\$40,062,268	\$293,033.40
	TOTAL	\$99,118,829	\$725,000.00
		(5)	
		Net Tax Capacity Percent Distribution	
	Carver	5.8087%	
	Dakota	10.1205%	
	Hennepin	43.6524%	
	Scott	40.4184%	
	TOTAL	100.00%	

Manager Raby introduced the following resolution and moved its adoption:

RESOLUTION 17-05

RESOLUTION SUPPORTING CHANGE OF BOUNDARY BETWEEN
RILEY PURGATORY BLUFF CREEK WATERSHED DISTRICT
MINNEHAHA CREEK WATERSHED DISTRICT, NINE MILE CREEK WATERSHED DISTRICT
AND
LOWER MINNESOTA RIVER WATERSHED DISTRICT

WHEREAS, as a result of the recent generation of more precise topographic data, the hydrologic boundaries of the Riley Purgatory Bluff Creek Watershed District (RPBCWD) the Minnehaha Creek Watershed District (MCWD), and the Lower Minnesota River Watershed District (LMRWD) can be more precisely ascertained; and

WHEREAS, these improved data and the ongoing subdivision and development of land allow for the legal boundary of these watersheds to more closely follow the hydrologic boundary; and


WHEREAS, the purpose of Minnesota Statutes Chapters 103B and 103D is to facilitate water resource management on a watershed basis, and that the legal boundaries of watershed management organizations should conform as closely as is practicable to hydrologic boundaries; and

WHEREAS, the parcels changing watersheds are listed on Exhibit A are proposed in each exhibit to be allocated to RPBCWD, MCWD, NMCWD, or LMRWD; and

WHEREAS, the parcels to be allocated to each district are contiguous to each, and the alteration of the legal boundary of each watershed to include the identified parcels will advance the purposes of Minnesota Statutes Chapters 103B and 103D; and

NOW, THEREFORE BE IT RESOLVED, the Lower Minnesota River Watershed District supports the submission of a petition to the Minnesota Board of Water and Soil Resources pursuant to Minnesota Statutes 103D to alter the boundaries of the RPBCWD, MCWD, NMCWD, and RPBCWD.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 16th day of August, 2017



Yvonne Shirk, President

ATTEST:



Jesse Hartmann, Vice President

Manager Shirk introduced the following resolution and moved its adoption:

RESOLUTION 17-06

RESOLUTION SUPPORTING MINNESOTA ASSOCIATION OF WATERSHED DISTRICTS
(MAWD) BOARD COMPOSITION BASED UPON DUES

WHEREAS, the Lower Minnesota River Watershed District (LMRWD) is a special purpose unit of government, established in accordance with Minnesota Statute 1013D; and

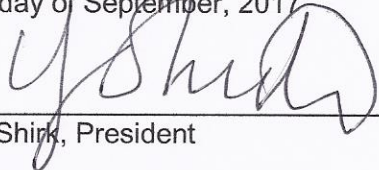
WHEREAS, the LMRWD is a member of MAWD; and

WHEREAS, the current MAWD bylaws indicate that the Board should be comprised of up to three (3) directors from each of the three (3) regions; and

WHEREAS, according to MAWD's 2018 spreadsheet, the Metro Region (Region 3) will pay nearly Fifty Percent (50%) of the MAWD dues.

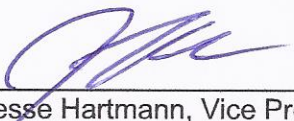
NOW, THEREFORE BE IT RESOLVED, that the LMRWD Board of Managers supports a change in the MAWD Board for representation based upon the percentage of dues calculates annually: Region I (23%) would have 2 representatives; Region II (31%) would have 2-3 representatives and Region III (46%) would have 4-5 representatives..

Adopted by the Board of Managers of the LMRWD this 20th day of September, 2017



Yvonne Shirk, President

ATTEST:



Jesse Hartmann, Vice President

Manager Shirk introduced the following resolution and moved its adoption:

RESOLUTION 17-07

RESOLUTION SUPPORTING MINNESOTA ASSOCIATION
OF WATERSHED DISTRICTS (MAWD) BOARD TERM LIMITS

WHEREAS, the Lower Minnesota River Watershed District (LMRWD) is a special purpose unit of government, established in accordance with Minnesota Statute 1013D; and

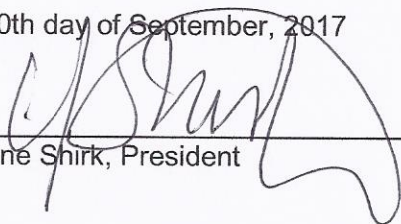
WHEREAS, the LMRWD is a member of MAWD; and

WHEREAS, the current MAWD bylaws indicate that the Board should be comprised of up to three (3) directors from each of the three (3) regions; and

WHEREAS, according to MAWD's bylaws, members of the Board of Directors do not have terms limits.

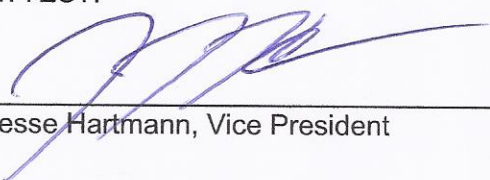
NOW, THEREFORE BE IT RESOLVED, that the LMRWD Board of Managers supports a change in the MAWD bylaws that establishes a limit of three consecutive terms for members on the MAWD Board of Directors to ensure there will be a new perspectives and fresh ideas to move the organization forward.

Adopted by the Board of Managers of the LMRWD this 20th day of September, 2017



Yvonne Shirk, President

ATTEST:



Jesse Hartmann, Vice President

Manager SHIRK introduced the following resolution and moved its adoption:

RESOLUTION 17-08

RESOLUTION SUPPORTING CHANGE TO MINNESOTA ASSOCIATION OF WATERSHED DISTRICT'S (MAWD) MANUAL OF POLICY AND PROCEDURES (MOPP) REGARDING DUES STRUCTURE

WHEREAS, the Lower Minnesota River Watershed District (LMRWD) is a special purpose unit of government, established in accordance with Minnesota Statute 1013D; and

WHEREAS, the LMRWD is a member of MAWD; and

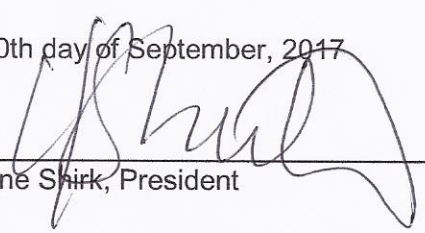
WHEREAS, the current MAWD MOPP states that "the fee portion of the dues may be based upon a differential structure which will be calculated on a yearly basis to meet the requirements of the budget for that year"; and

WHEREAS, the current dues structure is based upon the total market value of real estate within the boundaries of individual watershed districts; and

WHEREAS, a Watershed District's Board of Managers is in-tune with its taxpayers and makes decisions on budgets based upon priorities and ability to raise revenues, not the total market value of real estate.

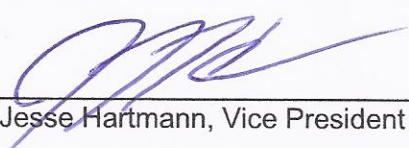
NOW, THEREFORE BE IT RESOLVED, that the LMRWD Board of Managers supports a thorough review of the MAWD dues structure and creation of one that more equitably reflects a District's ability to pay based upon its budget and levy..

Adopted by the Board of Managers of the LMRWD this 20th day of September, 2017



Yvonne Shirk, President

ATTEST:



Jesse Hartmann, Vice President

Manager Shirk introduced the following resolution and moved its adoption:

RESOLUTION 17-09

RESOLUTION SUPPORTING MAWD BYLAWS CHANGES TO INCLUDE WATERSHED DISTRICT ADMINISTRATORS ON THE MINNESOTA ASSOCIATION OF WATERSHED DISTRICTS (MAWD) BOARD OF DIRECTORS

WHEREAS, the Lower Minnesota River Watershed District (LMRWD) is a special purpose unit of government, established in accordance with Minnesota Statute 1013D; and

WHEREAS, the LMRWD is a member of MAWD; and

WHEREAS, the current MAWD bylaws only allows managers to be on the MAWD Board of Directors; and

WHEREAS, Watershed District Administrators are experienced in all aspects of watershed administration and can provide valuable knowledge and a different perspective to the MAWD Board of Directors; and

WHEREAS, having watershed district administrators on the MAWD Board of Directors would more accurately reflect the joint decision making that occurs in the daily operation of a watershed district.


NOW, THEREFORE BE IT RESOLVED, that the LMRWD Board of Managers supports a change in the MAWD bylaws that allows up to 1 watershed district administrator elected from each region to the MAWD Board of Directors.

Adopted by the Board of Managers of the LMRWD this 20th day of September, 2017



Yvonne Shirk, President

ATTEST:



Jesse Hartmann, Vice President

President Shirk introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 17-10

RESOLUTION APPROVING THE LOCAL SURFACE WATER MANAGEMENT PLAN FOR THE CITY OF BURNSVILLE

WHEREAS, the Lower Minnesota River Watershed District ("LMRWD") is a special purpose unit of government, established in accordance with Minnesota Statute 1013D; and

WHEREAS, On December 14, 2011, the LMRWD adopted a Watershed Management Plan (LMRWD Plan) under Minnesota Statutes 103B.231 subdivision 10, which as amended, details the existing physical environment, land use and development in the watershed and establishes a plan to manage water resources and regulate water resource use to improve water quality, prevent flooding and otherwise achieve goals of Minnesota Statutes Chapters 103B and 103D; and

WHEREAS, Minnesota Statute 103B.235 Local Water Management Plans (LWMPs) require that local government units having land use planning and regulatory responsibility for territory within the watershed shall prepare or cause to be prepared a local water management plan, capital improvement program and official controls as necessary to bring local water management into conformance with the LMRWD Plan. Local Plans must meet the requirements of the LMRWD Plan as well as the general requirement of Minnesota Statutes 103B.235 and Minnesota Rules Chapter 8410; and

WHEREAS, the city of Burnsville ("City") lies partially within the LMRWD and therefore must meet the requirements of the LMRWD Plan; and

WHEREAS, after submission of an initial draft plan May 4, 2017 and a process of LMRWD review and comment, on September 8, 2017 the City submitted a final plan for review and approval; and

WHEREAS, Minnesota Statutes, Section 103B.235, Subd. 3 authorizes the watershed district to review and approve local water management plans and to take other actions necessary to assure that the local plan is in conformance with the LMRWD's plan and standards set forth therein.

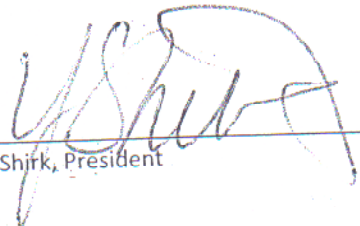
NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the LMRWD hereby approved the Local Water Management Plan for the City of Burnsville, dated September 8, 2017 with the conditional understanding that:

- 1) In accordance with Minnesota Statutes, Section 103B.235, Subd. 4, the Burnsville plan shall be adopted and implemented by the City within 120 days of this action, and the City shall amend its official controls accordingly within 180 days.
- 2) After the LMRWD plan amendment is approved and adopted or otherwise amended pursuant to Minnesota Statute 103B.231 the City shall bring its LWMP into conformance with the LMRWD Plan within the time period prescribed in the implementation program of the LMRWD Plan.
- 3) Pursuant to Minnesota Statutes, Section 103B.235, Subd. 5 and consistent with the Lower Minnesota River Watershed Management Plan, the City shall submit amendments to the local water management plan to the LMRWD for review and approval in accordance with State Statutes and Minnesota Rules.
- 4) The LMRWD Managers believe that regulation is most properly performed by the local governmental unit (LGU), provided that regulation by the LGU is consistent with the goals and

policies of the LMRWD Plan. The city of Burnsville shall implement water management policies, standards and criteria as least as strict as those in the LMRWD Plan, as amended, on all projects within the boundaries of the LMRWD in the City of Burnsville.

- 5) For properties that are split between the LMRWD and any other watershed management organization, the most restrictive water management policies, standards and criteria will be implemented.

The Motion was seconded by Manager Raby and adopted by a unanimous vote by the Board of Managers of the LMRWD this 20th day of September, 2017.



Yvonne Shirk, President

ATTEST:



Jesse Hartmann, Vice President

There is no
Resolution 17-11

Manager Raby introduced the following resolution and moved its adoption:

RESOLUTION 17-12

RESOLUTION AFFIRMING ADOPTION OF 2018

LOWER MINNESOTA RIVER WATERSHED DISTRICT BUDGET

AND CERTIFICATION OF PROPERTY TAX LEVIES PREVIOUSLY SUBMITTED

FOR TAXES PAYABLE 2018

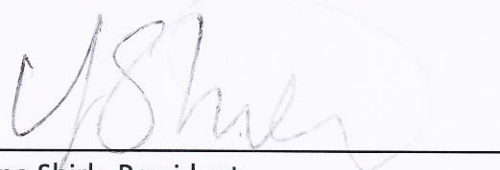
WHEREAS, in August 2018, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") adopted a proposed preliminary total budget of One Million Twenty One Thousand Five Hundred Dollars (\$1,021,500) for the fiscal year commencing January 1, 2018; and

WHEREAS, the proposed budget requires Seven Hundred Twenty Five Thousand Dollars (\$725,000) to be raised from an ad valorem tax levy on taxable property in the LMRWD, for the purpose of paying administrative expenses (Minnesota Statutes § 103D.905 Subd. 3) of Two Hundred Fifty Thousand Dollars (\$250,000) and providing for a planning and implementation fund (Minnesota Statutes § 103B.241) of Four Hundred Seventy Five Thousand Dollars (\$475,000).

NOW, THEREFORE, BE IT RESOLVED, that the Secretary, in accordance with Minnesota Statutes, shall certify an ad valorem tax levy of Seven Hundred Twenty Five Thousand Dollars (\$725,000) to the Auditors of the following Counties: Carver, Dakota, Hennepin and Scott the apportioned according to the attached Schedule A, which sum to be raised by levy on all taxable property in the Lower Minnesota River Watershed District for the year 2018 and the purposes noted above as provided in Minnesota Statutes, Sections 103D.911 and 103D.915;

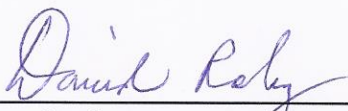
BE IT FURTHER RESOLVED by the Board of Managers of the LMRWD that the Preliminary Budget approved in August 2017 is hereby approved and adopted as the final budget for 2018.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 20th day of December, 2017



Yvonne Shirk, President

ATTEST:



David Raby, Secretary/Treasurer

Manager Raby introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

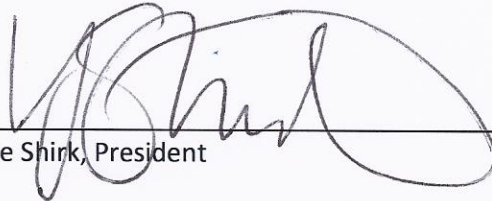
RESOLUTION 17-13

A RESOLUTION APPROVING THE TRANSFER OF LOWER MINNESOTA RIVER WATERSHED DISTRICT FUNDS FROM THE GENERAL FUND TO THE NINE (9) FOOT CHANNEL FUND

BE IT RESOLVED by the Board of Managers of the Lower Minnesota River Watershed District as follows:

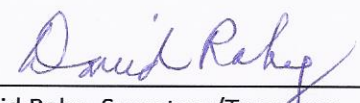
\$50,000 will be transferred from the Lower Minnesota River Watershed District's General Fund to the Nine (9) Foot Channel Fund.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 20th day of December, 2017.



Yvonne Shirk, President

ATTEST:



David Raby, Secretary/Treasurer

The motion for the adoption of the foregoing resolution was seconded by Manager Shirk and upon a vote being taken thereon, the following voted in favor thereof: Shirk. Raby and the following voted against the same: None, whereupon said resolution was declared passed and adopted, this 20th day of December, 2017 signed by the President and his signature attested by the Secretary.



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Appendix C

Capital Improvement Program

Implementation Program Budget for 2012- 2020 (November 2011)
Capital Improvement Projects 2012-2020 (November 2011)
Implementation Program Budget for 2018- 2027 (June 2017)
Capital Improvement Projects 2018-2027 (June 2017)

Table 4-1: Lower Minnesota River Watershed District - Implementation Program Budget for 2012 – 2020

ACTION	Strategy Addressed	Potential Funding Sources	Duration	Year									
				2012	2013	2014	2015	2016	2017	2018	2019	2020	
EXPENDITURES													
Administrative/Managerial*													
General Administrative Services	All	GL	Annual	\$184,644	\$189,260	Administrative Costs Consolidated							
Training and Conferences	All	GL	Annual	\$1,025	\$1,051								
Coordination	1.1.1,1.2.1,1.3.1-3, 2.3.1,2.3.4, 3.1.3,3.2.1, 3.3.2, 4.2.1-3, 4.3.1, 7.1.1, 7.4.1, 8.1.1, 8.2.2, 8.3.1, 9.1.1-4 and 9.2.1-3	GL	Annual	\$2,050	\$2,101								
LGU Program Review	1.2.1, 2.1.1, 2.2.1, ,2.2.2,3.2.1, 5.1.1, 5.1.2, 5.1.4, 6.1.1-6.1.3, 7.1.1, 7.1.2, 7.4.2	GL	Annual	\$2,050	\$2,101								
Advisory Committees (Technical and Citizen's)	1.3.2, 9.1.1, 9.1.2	GL	Annual	\$2,050	\$2,101								
Administrative/Managerial Budget Total	All			\$191,819	\$196,614	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Studies and Programs													
Education and Outreach Program	1.2.1, 2.2.2, 3.2.2,4.2.3, 8.1.1, 9.1.1 -4, and 9.2.1 - 3	PI	Annual	\$30,000	\$30,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Strategic Resource Evaluation and Management	1.3.1	PI	2 years	\$100,000	\$100,000								
Governance Study*	1.3.2	PI	1 year										
Periodic Assessments and Program Reviews	1.3.3, 1.3.4	PI	Annual	\$40,000	\$40,000	\$40,000		\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Dean Lake Feasibility/Diagnostic Study	2.2.5	PI	1 year		\$50,000								
Cost Share Incentive and Water Quality Restoration Program	2.2.3 and 2.2.4	PI	Annual	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Monitoring Program	2.3.1, 2.3.2, 2.3.3, 3.3.1, and 4.2.1	PI	Annual	\$95,000	\$95,000	\$50,000	\$50,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000	\$95,000
Monitoring Data Analysis	2.3.1, 2.3.2, 2.3.3, 3.3.1, and 4.2.1					\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
USGS	2.3.1					\$8,000	\$18,000						
Plan Amendment	1.3.3, 1.3.4							\$30,000				\$15,000	
Technical Assistance	4.2.2	PI	Annual	\$16,000	\$16,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Wetlands and Fens Assessments	1.3.1, 4.2.1, 4.3.1, 7.2.1							\$45,000					
Conservation Easement Acquisition	4.3.1	PI	1 year	\$15,000	\$30,000								
Vegetation Management Standard/Plan	7.2.1	PI	1 year			\$15,000	\$15,000						
Dredge Material Management Plan	8.2.1	PI	1 year	\$10,000									
Dredge Material Beneficial Use Plan	8.2.2	PI	1 year	\$25,000									
9-Foot Channel Strategic Funding Plan	8.3.1	PI	1 year		\$25,000			\$15,000					
9-Foot Channel	8.3.1					\$15,000	Costs moved the administration						
Studies and Programs Budget Total				\$351,000	\$416,000	\$183,000	\$168,000	\$250,000	\$190,000	\$190,000	\$205,000	\$190,000	
Capital Improvements													
Contingency - Gully Erosion Projects	7.3.1 and 7.3.2	PI	Annual	\$25,000	\$25,000		\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
Mound Springs Gully Erosion Project	7.3.1 and 7.3.2	PI	2 years		\$100,000			\$45,000	\$100,000	\$75,000			
Seminary Fen Restoration Project	2.2.4, 3.2.1, and 7.3.1	PI	1 year	\$36,000									
Ravine Stabilization at Seminary Fen	7.3.1 and 7.3.2	PI	2 years			\$100,000	\$100,000						

ACTION	Strategy Addressed	Potential Funding Sources	Duration	Year									
				2012	2013	2014	2015	2016	2017	2018	2019	2020	
Heritage Hills Park Gully Restoration Project	7.3.1 and 7.3.2	PI	1 Year					\$45,000	\$100,000	\$75,000			
Dean Lake Restoration Project	2.2.5 and 2.3.1	PI	2 Years			\$100,000	\$30,000						
Minnesota River Study Area 3 Bluff Stabilization	4.4.1	PI	1 Years					\$250,000					
Long Meadow Outfall Project	7.3.1 and 7.3.2					\$100,000	\$100,000						
Overlook Outfall (Bloomington)	7.3.1 and 7.3.2						\$100,000						
Seminary Fen Drain Tile	2.2.4, 3.2.1, and 7.3.1						\$25,000						
Brickyard Clayhole Lake - Gully Stabilization	2.2.4 and 7.3.1							\$100,000					
East Chaska Creek Restoration	2.2.4, 7.3.1, and 7.4.1							\$100,000	\$201,000				
Bluff Creek Restoration	2.2.4 and 7.4.1								\$50,000				
Carver Creek Restoration	2.2.4, 7.3.1, and 7.4.1									\$75,000	\$18,500		
Riley Creek Restoration	2.2.4 and 7.4.1									\$75,000	\$93,500		
Water Management Plan	All										\$75,000	\$75,000	
Capital Improvements Budget				\$127,650	\$546,250	\$516,250	\$395,000	\$580,000	\$491,000	\$340,000	\$227,000	\$115,000	
TOTAL EXPENDITURES				\$670,469	\$1,158,864	\$733,000	\$813,000	1,080,000	\$931,000	\$780,000	\$682,000	\$555,000	
REVENUE													
General Fund Balance from previous year				\$512,650	\$592,182	\$516,661	\$413,161	\$255,161	\$250,161	\$254,161	\$250,161	\$250,000	
General Levy				\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	
Planning and Implementation Levy				\$400,000	\$700,000	\$375,000	\$400,000	\$825,000	\$685,000	\$526,000	\$431,839	\$305,000	
Special Channel Maintenance Funding													
Grants						\$4,500	\$5,000						
TOTAL REVENUE				\$650,000	\$950,000	\$629,500	\$655,000	\$1,075,000	\$935,000	\$776,000	\$681,839	\$555,000	
GENERAL FUND RESERVE				\$492,181	\$383,318	\$413,161	\$255,161	\$250,161	\$254,161	\$250,161	\$250,000	\$250,000	

* This study will be funded in 2011

** Costs presented in this table represent the District's portion pending a match of up to 50 percent from project partners.



Please note the meeting date has changed from Wednesday to Monday and the meeting will be held at the Scott County Law Enforcement Center, 301 Fuller Street South, Shakopee

LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting

Monday, September 17, 2018

Agenda Item

Item 6. C. - Election of Officers

Prepared By

Linda Loomis, Administrator

Summary

According to the bylaws for the Lower Minnesota River Watershed District election of officers is to be held in September. Currently Yvonne Shirk is President (since 2015 election), Jesse Hartmann is Vice President (and has been since joining the Board in 2016, (filling in for Mike Murphy) and Dave Raby is Secretary/Treasurer (Secretary since 2017 and Treasurer since 2015).

Bylaws call for the election of a President, Vice President, Secretary, Treasurer and Assistant Treasurer.

Attachments

LMRWD Bylaws

Recommended Action

Hold election of officers for the Board of Managers, in accordance with the Bylaws

**BY-LAWS OF
LOWER MINNESOTA RIVER WATERSHED DISTRICT**

(By-Laws adopted by Lower Minnesota River Watershed District under Minn. Stat. § 103D.315:
Subd. 11. "Administration By-Laws: *"The managers shall adopt bylaws for the administration
of the business and affairs of the watershed district."*)

ARTICLE I.

NAME

Section 1. NAME: Lower Minnesota River Watershed District.

Section 2. ABBREVIATIONS: Throughout these By-Laws whenever it is desirable to abbreviate the name of the Lower Minnesota River Watershed District, the initials "LMRWD" or the word "District" shall be used.

ARTICLE II.

PURPOSE

Pursuant to Minn. Stat. § 103D.201, the District's General Purpose is as follows:

1. Protect, preserve, and use natural surface and groundwater storage and retention systems.
2. Minimize public capital expenditures needed to correct flooding and water quality problems.
3. Identify and plan for means to effectively protect and improve surface and groundwater quality.
4. Establish more uniform local policies and official controls for surface and groundwater management.
5. Prevent erosion of soil into surface water systems.
6. Promote groundwater recharge.
7. Protect and enhance fish and wildlife habitat and water recreational facilities.
8. Secure the other benefits associated with the proper management of surface and groundwater.
9. Cooperate with, aid and assist the state and/or federal government to provide for commercial river transportation.

ARTICLE III

LMRWD OFFICE and WATERSHED DISTRICT'S BOUNDARIES

Section 1. DISTRICT OFFICE: LMRWD office is located at 112 East 5th Street, Suite 102, Chaska, MN 55318.

Section 2. BOUNDARIES of LMRWD: The LMRWD covers an area of 64 square miles of Carver, Hennepin, Dakota, Scott and Ramsey counties. It also includes the Minnesota River Valley from Fort Snelling at the confluence of the Minnesota and Mississippi rivers, upstream to Carver Minnesota. The width of the District includes the bluffs on both sides of the Minnesota River within this reach of the river. In addition, included in its boundaries are fourteen (14) cities or townships, partially or in their entirety.

ARTICLE IV

BOARD OF MANAGERS

Section 1. DISTRIBUTION of MANAGERS and APPOINTMENT THEREOF: Pursuant to Minn. Stat. § 103D.301, Distribution of Manager Positions, Subd. 1: More than one affected county. *"If more than one county is affected by a watershed district, the board must provide that managers are distributed by residence among the counties affected by the watershed district."* Minn. Stat. § 103D.301 Subd. 3: *"...The county board of commissioners of a county affected by the watershed district..."* appoints the manager.

Section 2. COMPOSITION OF LMRWD BOARD OF MANAGERS: The LMRWD is composed of five managers appointed by the four counties in the District: Hennepin County, two (2) managers; Dakota County, one (1) manager; Carver County, one (1) manager; and Scott County, one (1) manager. Ramsey County is no longer represented because there is no population from Ramsey County in the District.

Section 3. TERMS OF OFFICE: Appointments made by the respective counties' Board of Commissioners to the LMRWD Board of Managers are for three-year terms. Terms of office begin in March of the year they are appointed unless a county delays in the appointment of a manager. Per Minn. Stat. § 103D.315, Subd. 6., a manager's term continues until a successor is appointed and qualified.

Section 4. BONDING: Before assuming the duties of the Board, each Board member, at District expense, will obtain and file a bond in accordance with Minn. Stat. §103D.315, Subd. 2. The Board, at District expense, will provide for insurance for its members to provide liability protection on such terms and in such amounts as the Board decides.

Section 5. VACANCIES: Any manager who is unable to fulfill his/her three-year term of office on LMRWD Board of Managers shall notify his/her respective county commissioner of the fact he/she will leaving his/her position as manager on the LMRWD so the county he/she

represents can appoint another manager as soon as possible to complete the departing manager's term in office.

Section 6. COMPENSATION: Minn. Stat. § 103D.315 Subd. 8: *“The compensation of managers for meetings and for performance of other necessary duties may not exceed the amount specified by law. Managers are entitled to reimbursement for traveling and other necessary expenses incurred in the performance of official duties.”*

Managers shall be compensated the statutory maximum per diem for meetings and the performance of other necessary duties authorized by the Board. Managers are entitled to reimbursement for mileage, travel expenses, and lodging in accordance with the LMRWD travel policy. Managers cannot be reimbursed for alcoholic beverages.

Section 7. SUBMISSION OF MANAGER'S EXPENSES: A claim form shall be filled out by each Manager and submitted to the LMRWD office to be processed and approved in the same manner as other claims in June and December.

Section 8. DUTIES OF MANAGERS IN STATUTE: Minn. Stat. § 103D.315 “Managers” defines additional duties of the District’s Managers.

In addition to statutory duties, Managers shall abide by the following principles:

- (a) The Board of Managers acts as the unified voice of LMRWD and the president serves as the spokesperson for the Board of Managers.
- (b) No individual Manager may provide direction, instructions or authorization to the Administrator or a District consultant unless specifically authorized to do so by the Board of Managers.
- (c) A Manager’s request for information that would require a significant amount of the Administrator’s time must be approved by the Board of Managers.
- (d) A Manager must notify the Administrator when a request for information is made from consultants to the District.
- (e) A Manager may not request or authorize on behalf of the District performance of services by the Administrator or consultant unless authorized by action of the Board of Managers.
- (f) Individual managers cannot bind the District to agreements or expenditures.

ARTICLE V OFFICERS

Section 1. ELECTION OF OFFICERS: The following officers shall be elected each calendar year on or before the first regularly scheduled meeting in September: President, Vice-

President, Secretary and Treasurer and Assistant Treasurer. Terms are for one-year unless re-elected.

Section 2. OFFICER VACANCIES: Minn. Stat. § 103D.315 Subd. 3: *“The managers must fill vacancies occurring in the officers’ positions.”*

Section 3. TEMPORARY APPOINTMENTS OF OFFICERS: The Board may appoint a Board member as officer pro tem if an officer is absent or disabled and action by that officer is required.

Section 4. DUTIES OF OFFICERS:

- (a) President: The President shall preside at all meetings of the Board of Managers. The President shall serve under the supervision and direction of the Board and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute all contracts or instruments requiring an officer’s signature, unless otherwise directed by the Board, and shall have the general powers and duties usually vested in the office of President of the Board and shall have such other powers and perform such other duties as the Board may from time to time prescribe.
- (b) Vice-President: In the absence of the President at a regularly held LMRWD meeting, the Vice-President shall preside at the meeting. The Vice-President shall exercise and perform the authorities and duties of the President in the event of the latter’s absence, death, disqualification, or incapacity until the LMRWD Board of Managers elects a new President. The Vice-President shall exercise and perform such other authorities and duties as may be prescribed or limited from time to time by the Board of Managers.
- (c) Secretary: The Secretary shall cause to be recorded all votes and the minutes of all proceedings of the Board of Managers in a book to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the Board, and shall perform such other duties as may from time to time be prescribed by the Board or by the President. These duties may be delegated to the Administrator as directed by the Board of Managers.
- (d) Treasurer: The Treasurer shall have the care and custody of the funds and securities and shall disburse the funds of the LMRWD as may be ordered from time to time by the Board. The Treasurer shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the LMRWD, and shall deposit all monies, securities and other valuable effects of the LMRWD in the name and to the credit of the LMRWD in such depositories as may be designated from time to time by the Board. Except to the extent that some other person or persons may be specifically authorized by the Board to do so, the Treasurer shall make, execute, and endorse all checks and other commercial paper on behalf of the LMRWD when requested by the Board and shall perform such other duties as may be prescribed by the Board.

- (e) Assistant Treasurer: In the absence of the Treasurer, the Assistant Treasurer shall perform the duties of the Treasurer. The Assistant Treasurer shall exercise and perform the authorities and duties of the Treasurer in the event of the latter's absence, death, disqualification, or incapacity until the LMRWD Board of Managers elects a new Treasurer. The Assistant Treasurer shall exercise and perform such other authorities and duties as may be prescribed or limited from time to time by the Board of Managers.

Section 5. AUTHORIZED SIGNATORIES BY MANAGERS: LMRWD has a fiscal agency agreement with Carver County. Payments made by Carver County on behalf of LMRWD must comply with the processes and internal controls contained in the fiscal agency agreement. All other checks, drafts, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the LMRWD shall be signed by two members of the LMRWD Board of Managers. Checks may be endorsed through electronic signature.

Section 6. COMMUNICATIONS: Unless it is a personnel issue, when communicating with the LMRWD consultants Board members should inform the Administrator about the communication to keep her/ him updated about ongoing issues and business of the LMRWD.

Section 7. HARRASSMENT AND DISCRIMINATION: Board members and those with whom they work have the right and responsibility to work in an environment free from harassing or discriminating behavior. It is the responsibility of each Board member to refrain from creating a discriminatory or harassing environment. Each Board member is also responsible for treating others with dignity and respect and to report all incidents of harassment immediately so that they can be quickly and fairly resolved.

Section 7. REMOVAL FROM OFFICE: Any officer may be removed at any time, with or without cause, upon the affirmative vote of two-thirds (2/3) of the Board of Managers.

ARTICLE VI. MEETINGS OF LMRWD BOARD OF MANAGERS

Section 1. REGULAR SET MEETINGS: The Managers shall have regular meetings to conduct the business of the LMRWD on the third Wednesday of each month and if such day shall fall on a holiday, an alternative date shall be set and noticed. The meetings may be cancelled and rescheduled at any time that the Managers deem necessary.

Section 2. SPECIAL MEETINGS: Special meetings to conduct the business of the LMRWD may be held and shall be legally noticed at any other time that the Managers may deem necessary.

Section 3. PUBLIC HEARINGS: Public hearings shall be conducted as required by law or, in addition, as directed by the Board of Managers.

Section 4. MEETING CALLED BY MANAGER: Minn. Stat. § 103D.315 Subd. 10, states: "*A meeting may be called at any time at the request of any manger. When a manager*

requests a meeting, the secretary of the watershed district must mail a notice of the meeting to each member at least eight (8) days before the meeting.” The District’s administrator shall notify the Managers as soon as possible of the time and place of the pending meeting and shall provide other notice as required by law.

Section 5. QUORUM and ADJOURNED MEETING: At all meetings of the Managers, a majority of the Managers appointed shall constitute a quorum to do business but a smaller number may adjourn from time to time. Unless otherwise required by law, all decisions must be approved by the affirmative vote of a majority of the Managers present at a meeting where there is a quorum.

Section 6. CHAIR of MEETINGS: The President shall preside as chairperson at all meetings of the Managers. In the absence of the President, the Vice-President shall preside. In the absence of both, the Secretary shall serve as temporary President. The President and temporary President shall have the same privileges.

Section 7. MEETING FORMAT:

- (a) At the hour appointed for a meeting of the Board of Managers of the LMRWD, upon reaching a quorum, the Managers shall be called to order by the President or in his/her absence, by the acting President. The Managers shall proceed to do business following a set agenda.
- (b) The President shall preserve order. The President may make motions, second motions or speak on any question, provided, however, that in order to do any of these things, upon demand of any Manager, the President shall vacate the chair and designate a temporary President. The President, or acting President, shall be entitled to vote like other Managers.
- (c) Every Manager, prior to his/her speaking, shall address the President and shall not proceed until he/she has been recognized by the Chair.
- (d) If a Manager has a personal interest in a matter that comes before the LMRWD Board of Managers, to the extent that it creates a conflict of interest as a matter of law, the Manager shall not vote on said issue.
- (e) No person other than a Manager shall address the Board except with the consent of the President or by a vote of the majority of the Managers present.
- (f) The President has the authority to set a time limit that a Manager or a person addressing the Board may speak, except upon vote of the majority of the Board of Managers present.
- (g) All committees shall be appointed by the President unless expressly ordered by the Board. It shall be the duty of committees to act promptly and faithfully in all matters referred to them, to comply with the Open Meeting Law, if applicable, and to make reports at a future set time/date established by the Board.

- (h) Minutes of all meetings of the LMRWD Board of Managers shall be recorded, reviewed by the Board, adopted and kept at the District's office. They shall be signed by the Secretary and shall constitute an official record of the procedure.
- (i) Any Manager may request that the yeas and nays be recorded on any motion voted on by the Board and such request will be granted by the President.

Section 8. CONFLICTS OF INTEREST: LMRWD seeks to assure public confidence in the integrity of its proceedings by holding itself to high ethical standards. Ensuring that conflicts of interest do not affect the efforts of LMRWD is an essential element of maintaining high ethical standards. If a Manager has a conflict of interest in a matter, he or she shall state that such an interest exists, which will be noted in the minutes. The Manager must abstain from participating in any discussion, offering any motion, or voting on any matter in which the conflict of interest exists. "Conflict of interest" means a material financial interest of the Board Manager, a family member or a close associate; a relationship that limits the Manager's ability to be objective; or that creates the appearance of impropriety. At the request of the President or by any Board Manager, in a matter in which a Manager has a conflict of interest a roll call vote shall be taken and recorded in the minutes, as well as the abstention of the Manager with the conflict of interest.

Section 9. APPEAL OF A CHAIR RULING: A Board Manager may appeal to the Board from a ruling of the President. If the appeal is seconded, the Board Manager may speak once solely on the question involved and the President may explain his or her ruling, but no other Board Manager will participate in the discussion. The appeal will be sustained if it is approved by a majority of the Board Managers present exclusive of the President.

ARTICLE VII. PARLIMENTARY AUTHORITY

Section 1. PARLIMENTARY AUTHORITY: The most current version of Robert's Rules of Order Newly Revised shall govern the LMRWD's meetings in all cases to which they are applicable and in which they are not inconsistent with state law, these By-Laws and, or any special rules of order the LMRWD may adopt.

Section 2. SUSPENSION: Robert's Rules of Order may be temporally suspended by consent of the majority of the Board Managers present.

ARTICLE VIII. ANNUAL REPORT

Section 1. ANNUAL REPORT: Minn. Stat. § 103D.351: "(a) *The managers must prepare a yearly report of the financial conditions of the watershed district, the status of all projects, the business transacted by the watershed district, other matters affecting the interests of the watershed district, and a discussion of the managers plans for the succeeding year.*"

Section 2. COPIES DISTRIBUTED: Minn. Stat. § 103D.351: “(b) *Copies of the report must be transmitted to the Board of Water and Soil Resources, the commissioner, and the director within a reasonable time.*”

**ARTICLE IX.
ANNUAL AUDIT**

ANNUAL AUDIT: Minn. Stat. § 103D.355, Subd 1. Requirement: “*The managers must have an annual audit completed of the books and accounts of the watershed district. The annual audit may be made by a public accountant or by the state auditor.*”

**ARTICLE X.
WATERSHED MANAGEMENT PLAN**

WATERSHED MANAGEMENT PLAN. Minn. Stat. § 103D.401, Subd. 1. Contents:

- (a) “*The managers must adopt a watershed management plan for any and all of the purposes for which a watershed district may be established. The watershed management plan must give a narrative description of existing water and water-related problems within the watershed district, possible solutions to the problems, and the general objectives of the watershed district. The watershed management plan must also conform closely with watershed management plan guidelines as adopted and amended from time to time by the Board of Water and Soil Resources.*”
- (b) “*The watershed management plan may include a separate section on proposed projects. If the watershed district is within the metropolitan area, the separate section of proposed projects or petitions for projects to be undertaken according to the watershed management plan is a comprehensive plan of the watershed district for purposes of review by the Metropolitan Council under section 473.165.*”

**ARTICLE XI.
AMENDMENT TO BY-LAWS**

Section 1. AMENDMENT TO BY-LAWS. LMRWD BY-LAWS MAY BE AMENDED, repealed, or adopted by a majority of the LMRWD Board of Managers upon thirty (30) days written notice of the proposed change in its entirety during a meeting of the LMRWD Board of Managers unless said notice is waived by all of the Managers. Notice of such alteration or amendment is to be contained in the notice of such meeting. The alteration/s or amendment/s must pass by a majority vote of the LMRWD Board of Managers.

Section 2. INTERPRETATION of the By-Laws and any amendment or additions thereto shall rest with the LMRWD Board of Managers.

Section 3. TEMPORARY SUSPENSION OF BYLAWS: These rules may be temporarily suspended by consent of a majority of the Managers present.

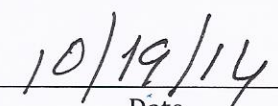
**ARTICLE XII.
REVIEW OF BY-LAWS**

THESE BY-LAWS shall be reviewed at least every five years and revised if needed. These bylaws govern internal LMRWD matters and do not create rights in any third parties.

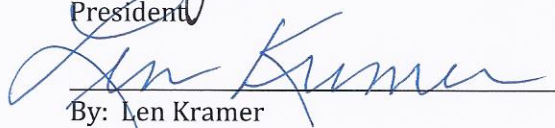
Duly adopted on the 21st day of October, 2015 by the Lower Minnesota River Watershed District Board of Managers and signed by the President and Secretary of the organization.



By: Yvonne Shirk
President



Date



By: Len Kramer
Secretary



Date



Please note the meeting date has changed from Wednesday to Monday and the meeting will be held at the Scott County Law Enforcement Center, 301 Fuller Street South, Shakopee

LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting

Monday, September 17, 2018

Agenda Item

Item 6. D. - Support for commercial salt applicator liability legislation

Prepared By

Linda Loomis, Administrator

Summary

In 2017, a resolution was adopted by the MAWD Board to support legislation providing limited liability for commercial salt applicators. The resolution adopted by MAWD was introduced by the Nine Mile Creek Watershed District. However it was not one of the resolutions that MAWD chose to emphasize.

This issue came up recently at a meeting of Watershed Management Organizations in Hennepin County to discuss the county-wide chloride project. At the meeting, those in attendance felt limited liability legislation was important to the outcome of the project and that the message this project promoted would be different depending on the whether or not commercial salt applicators were provided limited liability by the State.

I have spoken with Emily Javens about what it would take for MAWD to place more emphasis on this topic at the legislature and she offered several suggestions.

1. Pass a LMRWD resolution in support of the legislation and forward to Sue Nissen (n.sue4408@gmail.com). She has posted them on the *Stop Over Salting* [website](#). She said it is incredibly helpful every time an organization officially shows support for the legislation. Other WDs and cities have done the same.

Note: Ramsey Washington Watershed District did not adopt a formal resolution, however they did vote to join the coalition.

2. Communicate with MAWD leadership on your views. Send a letter to the MAWD board, network with your area reps (Mary Texer, Sherry Davis White, Craig Leiser), contact the MAWD legislative committee when they get rolling (Gene Tiedemann will likely be the chair), etc.
3. Consider asking other organizations and cities to take official actions to show similar support.
4. The only reason you would submit a resolution to MAWD is if you want a revision to the existing resolution.

MAWDS position statement is attached, along with a list of supporters of the coalition supporting limited liability legislation. I have also attached Background and Summary information along with the Resolution, submitted by NMCWD, which went before the MAWD membership in 2017. An MPCA fact sheet is also attached.

While the Minnesota River is not impaired for Chloride, several creeks that are tributary to the River are impaired or are at high risk of impairment. And while there is no current impairment the level of Chloride in the Mississippi River at Hastings is rising.

Item 6.D. - Support for commercial salt applicator liability legislation

Executive Summary

September 17, 2018

Page 2

Attachments

MAWD Chloride legislation position

Coalition for Applicator Liability Reform statement

Background and Summary

MPCA Fact Sheet

Resolution 18-13 - Support for Legislation that Provides Limited Liability to Commercial Salt Applicators and Property Owners

Recommended Action

Support the commercial salt applicator liability legislation by adopting Resolution 18-13, join the Coalition for Applicator Liability Reform and add LMRWD logo to its statement, writing a letter of support and engaging in other strategic support as needed

APPROVED MAWD RESOLUTION 2017-04

Limited Liability for Certified Commercial Salt Applicators

WHEREAS chloride contamination of water resources has been found in urban areas around the state;

WHEREAS the Minnesota Pollution Control Agency has listed 39 waterbodies in the Twin Cities metro area as impaired for chloride and has completed Total Maximum Daily Load studies on Nine Mile Creek and Shingle Creek and is currently developing TMDLs for the remaining impaired waterbodies through a metro-wide TMDL study; and

WHEREAS the TMDL studies have indicated that the largest chloride source to our lakes and streams is through the application of chloride compounds on roads, parking lots, sidewalks and other hard surfaces for winter maintenance practices; and

WHEREAS liability for property damage or personal injury as a result of snow or ice is one of the main reasons over-salting occurs and many private commercial contractors and property owners are reluctant to implement salt-reduction practices for fear of increased liability; and

WHEREAS the MPCA currently oversees a voluntary Smart Salting Certification Program that provides training to public and commercial salt applicators, private property owners and managers and others on how to maintain safe surfaces using salt efficiently;

THEREFORE, BE IT RESOLVED the Minnesota Association of Watershed Districts supports passage and enactment of state law that provides a limited liability exemption to commercial salt applicators and property owners using salt applicators who are certified through the established salt applicator certification program who follow best management practices.

Support Liability Relief for Certified Salt Applicators & Small Businesses while protecting Minnesota's water resources

Currently landscape professionals and others perform snow and ice removal during winter months using anti-slip/ de-icing products to protect the public from injury.

Over-application of chloride-based products is detrimental to our waterways, but applicators are often pressured to apply more product than necessary or ideal to meet demands from their clients to minimize slips & falls on the owners' property. These demands and concerns about potential litigation lead to applicators having few options other than over-application of product which results in water pollution. Even when these applicators follow best practices, they may still face litigation threats.

The Minnesota Pollution Control Agency currently provides training for salt applicators to learn best practices to significantly reduce the use of chlorides while maintaining safety. This proposed legislation connects anti-slip/anti-ice application best management practices to liability protections for salt professionals and their clients—the small business owners across the State of Minnesota—to avoid uncontrollable circumstances and unexpected litigation costs while protecting the public's safety and the health of Minnesota's waterways.

This common-sense legislation provides liability exemption for salt applicators who have completed certified training available through the PCA as well as to their clients, the property owner, occupant or lessee of the land maintained by these salt applicators.

The organizations, businesses and associations shown below join together to urge the Minnesota Legislature to take quick action in 2018 to pass this common-sense legislation which benefits not only struggling small business owners, but our 10,000 lakes, rivers and streams by preventing unnecessary chloride runoff and further irreparable damage to our vital Minnesota waterways.



For more information, please contact Larry Johnson at (651) 633-4987 or larry@mnla.biz

**Support Liability Relief for Certified Salt Applicators & Small
Businesses while protecting Minnesota's water resources**



BACKGROUND AND SUMMARY

Proposed Legislation

To address the growing levels of chloride pollution in our water resources, legislation was proposed at the 2018 Minnesota Legislature to encourage commercial salt applicators to adopt winter maintenance best management practices. The House bill (HF3577) authored by Representative Dario Anselmo (R) of Edina and the Senate bill (SF 3199) authored by Senator Carrie Ruud of Breezy Point, provides limited liability for commercial applicators who complete the Minnesota Pollution Control Agency's Smart Salting Certification Program. The measure has received support from the Minnesota Association of Watershed Districts, the Minnesota Pollution Control Agency, the Clean Water Council, the City of Edina and several other organizations.

It is likely that legislation will be introduced again in 2019. MAWD should be a key player to ensure that legislation is introduced. The LMRWD should urge the MAWD Board to make this a priority.] of its 2019 legislative agenda.

Policy Support:

A citizen organization, Stop-Over-Salting (SOS), has actively supported commercial salt applicator liability legislation. The Coalition of Applicator Liability Reform has issued a statement of support. Watershed districts and other organizations have joined the Coalition to add their support for reform. At the grassroots level, SOS has been very active with raising awareness of the proposed legislation as well as general chloride education. SOS is primarily made up of Master Water Stewards from MCWD.

Regional Technical Issue Overview:

Water pollution from chloride is widespread in the Twin Cities metro area. According to the Minnesota Pollution Control Agency (MPCA) the primary source of chloride pollution, particularly in urban areas, is salt applied in the winter months to roads, parking lots and sidewalks. Commercial sources of chloride are estimated to contribute 10-20% of the total salt applied in the Twin Cities metro area according to a 2009 Wenck study. A secondary source of chloride, particularly in more rural areas, is water softeners. Chloride does not break down over time and, according to the MPCA, the majority of applied chloride (70-78%) remains in metro area waters.

MPCA data shows chloride levels are continuing to increase in both surface and groundwater across the state. There is no economically feasible method for removing chloride once it is in water. This means chloride will continue to accumulate in the environment over time. Chloride impacts on surface water include toxicity to aquatic life and interruption of the turnover process.

Regional Policy- Programming Approach to Chloride Impairments:

Metro Area Chloride Management Plan:

The MPCA metro area chloride management plan is the guiding plan for agencies, local government, watershed districts and other stakeholders on chloride reduction strategies in the region. The Chloride

Management Plan (CMP) incorporates water quality assessment, source identification, implementation strategies, monitoring recommendations and measurement and tracking of results.

As part of the CMP, waters not meeting state standards for chloride are listed as impaired and Total Maximum Daily Loads (TMDLs) are developed, which allocates a chloride waste load. This regulation creates load reduction goals for municipal separate storm sewer systems (MS4's) to reduce chloride pollution.

The CMP outlines the region's six prong strategic approach to achieving chloride reductions. One of these approaches is a reduction in the amount of chloride entering areas waters as a result of winter maintenance activities. A key challenge to reducing salt usage is balancing the need for public safety with high public expectations for clear roads, sidewalks and other surfaces during winter.

An important strategy identified by the CMP to address this challenge is the adoption of winter maintenance best management practices (BMPs). MPCA has funded BMP trainings and outreach efforts for winter maintenance professionals as part of this strategy.

Road Salt Symposium:

The symposium, hosted by the Freshwater Society and Fortin Consulting, brings together government agencies, academic experts, water resource professionals and others to learn about state-of-the art winter maintenance practices that protect water. This year's event had a record attendance of over 300 participants who learned about innovations in road salt application and technology and emerging challenges.

Smart Salting Trainings:

The MPCA has launched a series of smart salting certification trainings for staff from local units of government, property managers, and private contractors. The trainings educate the attendees on the environmental impacts of salt, application rates, equipment calibration and best practices for reducing chloride application. Individuals who complete the training and pass the exam administered after the training receive a certification. Due to the trainings' success in the pilot communities, the MPCA is looking to expand this pilot program statewide and is creating a Smart Salting Advisory Committee.

A two-season study by the MPCA and the University of Minnesota's Water Resources Center on the effectiveness of the smart salting certification trainings determined there were measurable changes in winter maintenance professionals' behavior and knowledge. While these efforts are beginning to produce results among public sector winter maintenance professionals, the private sector remains a challenge due to commercial applicator liability concerns. To address this barrier, another of the CMP's strategic approaches is the limitation of liability for commercial applicators.

The Twin Cities Metro Area is also currently working toward regionally coordinated programming with BWSR funding to better integrate chloride pollution prevention efforts.

LMRWD Approach to Chloride Impairments:

Monitoring Program - Collects data to diagnose issues and inform targeted programming. The LMRWD began monitoring Ike's Creek in Bloomington in 2017 to establish a base line for Chloride in the Creek. Ike's Creek is located in the Minnesota Valley National Wildlife Refuge and the US Fish & Wildlife Service was a partner, collecting the samples. USFWS will collect samples again this winter.

The LMRWD will begin to monitor chloride levels in Eagle Creek

Policy-Planning Program – Uses data to engage in regional planning.

While current law largely protects public operations from liability, in order to receive this protection, cities and counties must have a policy and best management practices in place. As a result of the committee's work, Smith Partners drafted a model policy which was disseminated for use statewide. The LMRWD participated financially in this effort.

More recently there have been discussions on the proposed changes to BWSR funding distribution in the Twin Cities metro area, including the potential of funding a regional approach to reducing chloride pollution. The LMRWD is participating in county-wide projects in Hennepin and Scoot County and Minnesota River Basin project in Hennepin County with Riley Purgatory Bluff Creek Watershed District , Nine Mile Creek Watershed District, and Richfield/Bloomington Water Management Organization.

Education Program- The LMRWD has promoted MPCA level I & II Smart Salting Trailing. Recently the District has partnered with other LGUs to host trainings. IN 2018 we co-hosted two level II trainings.

In 2018, the LMRWD promoted and sponsored the annual Road Salt Symposium.

Commercial Applicator Liability Bill

Commercial applicators' concern about increased liability has been identified as a barrier to their adoption of salt reduction practices. To address those concerns, a bill was introduced in the 2018 Minnesota Legislature that would have provided liability protections for commercial applicators who complete the Minnesota Pollution Control Agency's Smart Salting Certification Program.

This legislation is also one of the policy recommendations outlined in the Metro Area Chloride Management Plan and addresses a key driver of salt overuse by private applicators identified in the plan. Limited liability policy protects applicators from being sued if they are certified in smart salting BMPs and keep records of their application practices.

The Commercial Salt Applicator Liability Bill is supported by the MPCA, MAWD, the Clean Water Council, City of Edina, Minnesota Nursery & Landscape Association, and seventeen other watershed districts, non-profit organizations, businesses and civic/professional associations.

Momentum is building to again introduce legislation in 2019

LMRWD staff is recommending the Board of Managers support this legislation for the following reasons:

- It targets commercial salt use, which is estimated to contribute 10-20% of the total salt applied in the Twin Cities metro area.
- It removes the primary barrier to commercial applicators' adoption of salt application best management practices (concern about increased liability) and has checks in place to ensure best management practices are followed in order to receive liability protections and applicators are periodically re-certified.
- It complements the policy and programming work the LMRWD and other watershed district is doing to address the chloride pollution issue.
- Chloride pollution is a significant water quality threat in the Twin Cities and the state.



Twin Cities Metropolitan Area Chloride Management Plan

What is the Twin Cities Metropolitan Area Chloride Management Plan?

The Minnesota Pollution Control Agency (MPCA) has partnered with local and state experts in the 7-County Twin Cities Metropolitan Area (TCMA) to create a plan for effectively managing salt use to protect our water resources in a responsible and strategic approach. Solutions were developed collaboratively to find a balance between clean water and safe winter travel conditions. As part of this effort the MPCA and partners collaborated to monitor, evaluate and better understand the level of chloride in lakes, streams, wetlands and groundwater. The Chloride Management Plan incorporates water quality conditions, sources of chloride, salt reduction strategies, protection strategies, monitoring recommendations as well as measurement and tracking of results. The goal of this plan is to provide strategies to assist local partners in reducing salt use while providing safe and desirable conditions for the public.

How does salt get into the water?

The primary source of chloride, particularly in urban areas, is salt applied in the winter months to roads, parking lots and sidewalks. A secondary source of chloride, particularly in more rural areas, is water softeners.

The Twin Cities has thousands of miles of roads to maintain and managing ice and snow is necessary to the safety of residents. The use of salt, primarily sodium chloride, is currently the common method for ice control during the winter. However, when snow and ice melt, the salt goes with it, washing into our lakes, streams, wetlands and groundwater.

Salt from local water softeners used to remove hardness (minerals) from water supplies travels to municipal wastewater treatment facility or septic systems where it is discharged to shallow groundwater or local streams.

Why does it matter?

High levels of salt can be harmful to fish and other freshwater aquatic life and can also negatively affect infrastructure, vehicles, plants, soil, pets, wildlife as well as groundwater and drinking water supplies.

Roughly 75% of Minnesotans rely on groundwater for their drinking water. MPCA has found 30% of the shallow monitoring wells, often in urban areas, have exceeded the state standard for salt levels. As water moves from shallow to deeper aquifers, the salt contamination could penetrate our sources of drinking water.

Once in the water, chloride becomes a permanent pollutant and continues to accumulate in the environment over time. It is estimated that roughly 78 percent of the salt applied in the TCMA stays within the region's watershed. The only known method of removing chloride in groundwater and wastewater is through reverse osmosis, which can be a costly and challenging large scale treatment process.

What is happening with salt in the water?

There are currently 39 waterbodies that tested above the water quality standard for chloride in the TCMA. An additional 38 surface waters are near the chloride standard and many others are unknown. The data show that salt concentrations are continuing to increase in both surface waters and groundwater across the state.

How can you make a difference?

How can we protect our waters, maintain safe roads in the winter and have desirable water in our homes? Currently, there are not environmentally safe, effective and inexpensive alternatives to salt. However, we can reduce salt at the source through application strategies. Smarter application of salt will also save money on labor and products as well as reduce damage to infrastructure, vehicles, plants and water supplies.

Each person contributes to the attitudes and practices that have created a high and steadily growing volume of salt to be used each year. Shifting public attitude toward more sustainable salt application is required to meet demands. Citizens form public policy, set the expectations that winter maintenance crews must meet and use salt on personal property such as water softening and sidewalks in the winter. Below are a few simple steps the public can take to protect water resources.

Winter Safety – a few ideas to reduce salt use

- Support local and state winter maintenance crews in their efforts to reduce their salt use.
- Work together with local government, businesses, schools, churches and non-profits to find ways to reduce salt use in your community.
- Shovel. The more snow and ice you remove manually, the less salt you will have to use and the more effective it can be.
- Slow down. Drive for the conditions and make sure to give plow drivers plenty of space to do their work. Consider purchasing winter (snow) tires.
- More salt does not mean more melting. Use less than 4 pounds of salt per 1,000 square feet. One pound of salt is approximately a heaping 12-ounce coffee mug. Consider purchasing a hand-held spreader to help you apply a consistent amount.
- Watch a video. This video, produced by the Mississippi Watershed Management Organization, provides tips to homeowners about more environmentally friendly snow and ice removal: [Improved Winter Maintenance: Good Choices for Clean Water](#)

Water Softeners – a few ideas to reduce salt use

- Consider whether a water softener is even needed. Get a water test for hardness as typically only water with hardness greater than 120 mg/L CaCO₃ needs to be softened. See the University of Kentucky's Guidance: [Hard Water- To Soften or Not to Soften](#) for more information.
- Change from a timer-based to a demand-based softener that recharges only when needed, based on how much water is used.
- Install a bypass so landscape irrigation water is not softened.

Your actions matter

Get involved. The public has a critical role in helping solve this challenge of providing safe winter travel conditions and protecting our valuable water resources.

_____ introduced the following resolution and moved its adoption;

RESOLUTION 18-13

LOWER MINNESOTA RIVER WATERSHED DISTRICT
BOARD OF MANAGERS

SUPPORT FOR LEGISLATION THAT PROVIDES LIMITED LIABILITY TO
COMMERCIAL SALT APPLICATORS AND PROPERTY OWNERS

WHEREAS, chloride contamination of water resources has been found in urban areas around the state of Minnesota; and

WHEREAS, the Minnesota Pollution Control Agency (MPCA) has listed 50 waterbodies in the State as impaired for chloride and has completed a metro-wide Total Maximum Daily Load (TMDL) study and individual TMDLs on Nine Mile Creek and Shingle Creek; and

WHEREAS, the TMDL studies have indicated that the primary source of Chloride pollution to our lakes and streams, particularly in urban areas, is through the application of salt in the winter months to roads, parking lots, sidewalks and other hard surfaces; and

WHEREAS, the MPCA metro area chloride management plan is the guiding plan for agencies, local government, watershed district and other stakeholders on chloride reduction strategies; and

WHEREAS, a key strategy identified within the Chloride management plan is to encourage the adoption of winter maintenance best management practices through training and outreach; and

WHEREAS, commercial salt applicators' concerns about increase liability has been identified as a barrier to their adoption of winter maintenance best practices; and

WHEREAS, the MPCA currently oversees a voluntary Smart Salting Certification Program that provides training to public and commercial salt applicators, private property owners and managers and others on how to maintain safe surfaces using salt efficiently; and

WHEREAS, the Commercial Salt Applicator Liability Bill would provide liability protections for commercial applicators who complete the Smart Salting Certification Program.

NOW, THEREFORE BE IT RESOLVED, the Lower Minnesota River Watershed District Board of Managers supports commercial salt applicator liability legislation that provides a limited liability exemption to commercial salt applicators and property owners using salt applicators who are certified through the established salt applicator certification program who follow best management practices.

BE IT FURTHER RESOLVED, that the Board directs LMRWD staff share this resolution with Stop Over Salting and the Coalition for Applicator Liability Reform, join the Coalition for Applicator Liability Reform and add logo to its statement, write a letter to the MAWD Board, urging MAWD to focus on passage of legislation in 2019 and engage in other strategic support as needed.

The Motion was seconded by Manager _____ and adopted by a unanimous vote by the Board of Managers of the LMRWD this 17th day of September, 2018.

Jesse Hartmann, President

Attested:

David Raby, Secretary



Please note the meeting date has changed from Wednesday to Monday and the meeting will be held at the Scott County Law Enforcement Center, 301 Fuller Street South, Shakopee

LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting
Monday, September 17, 2018

Agenda Item

Item 7. A. - 2018 Financial Audit

Prepared By

Linda Loomis, Administrator

Summary

Redpath and Company has furnished a letter of engagement for conducting the 2018 financial audit of the LMRWD as required by state statute. The Board has discussed options for

Attachments

Cover Letter

Engagement Letter for 2018 through 2020

Recommended Action

Motion to authorize Administrator to execute engagement letter



July 16, 2018

Linda Loomis
District Administrator
Lower Minnesota River Watershed District
6677 Olson Memorial Hwy
Golden Valley, MN 55427

Dear Linda:

Enclosed are two copies of our engagement letter for auditing services for the years ended December 31, 2018, 2019 and 2020 for the Lower Minnesota River Watershed District.

Services

The scope of services are summarized as follows:

- Audit the basic financial statements of the Lower Minnesota River Watershed District as of and for the years ended December 31, 2018, 2019 and 2020. An “in-relation-to” opinion on the supplementary information.
- Preparation, copying and binding of the Annual Financial Report.
- Preparation of Special District Reporting Form.
- State Legal Compliance Audit.
- Assistance with preparation of property tax workpapers

Fees

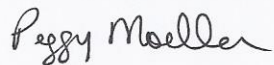
We are proposing to complete the audit services described above for an estimated basic audit fee of \$11,720 for 2018, \$12,080 for 2019 and \$12,450 for 2020. This fee is based on anticipated cooperation from District personnel, their completion of the workpapers per the client to prepare list and the assumption that unexpected circumstances will not be encountered. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate. Assistance with preparation of property tax workpapers is optional. The fee for property tax workpaper assistance is estimated to be \$2,200 for 2018, \$2,255 for 2019 and \$2,315 for 2020.

Brown's Creek Watershed District
September 3, 2008
Page 2

Upon the approval of this agreement by your Board and execution, please return one copy to our office and retain the other copy for your files. If you have any questions, please don't hesitate to call.

Sincerely,

REDPATH AND COMPANY, LTD.

A handwritten signature in cursive script that reads "Peggy Moeller".

Peggy Moeller, CPA



July 16, 2018

Linda Loomis
District Administrator
Lower Minnesota River Watershed District
6677 Olson Memorial Hwy
Golden Valley, MN 55427

We are pleased to confirm our understanding of the services we are to provide the Lower Minnesota River Watershed District for the years ended December 31, 2018, 2019 and 2020. The scope of services includes the following:

- We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Lower Minnesota River Watershed District as of and for the years ended December 31, 2018, 2019 and 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as budgetary comparison schedules, to supplement the Lower Minnesota River Watershed District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Lower Minnesota River Watershed District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:
 - Budgetary Comparison Schedule

We have also been engaged to report on supplementary information other than RSI that accompanies Lower Minnesota River Watershed District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- Individual fund financial statements
- Supplementary financial information section

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

- Introductory section
- Other information section

- Preparation, copying and binding of the Annual Financial Report.
- State of Minnesota Legal Compliance Audit
- Preparation of Special District Reporting Form
- Optional assistance with preparation of property tax workpapers

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the minimum procedures for auditors as prescribed by MS 6.65, and will include tests of the accounting records and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Lower Minnesota River Watershed District's financial statements. Our report will be addressed to the Honorable Managers of the Lower Minnesota River Watershed District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If,

for any reason, we are unable to complete the audit, or are unable to form or have not formed opinions, we may decline to express opinions or may withdraw from this engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures – Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control.

Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Lower Minnesota River Watershed District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

The Minnesota Legal Compliance Audit Guide for Local Government requires that we test whether the auditee has complied with certain provisions of Minnesota Statutes. Our audit will include such test of the accounting records and other procedures as we consider necessary in the circumstances.

Other Services

We will also assist in preparing the financial statements of Lower Minnesota River Watershed District in conformity with U.S. generally accepted accounting principles and prepare the Special District Reporting Form and property tax workpapers based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services, Special District Reporting Form and property tax workpaper preparation services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that would be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing and maintaining effective internal controls, relevant to the preparation and fair presentation of financial statement that are free from material misstatements, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reason for the changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Engagement Administration, Fees and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

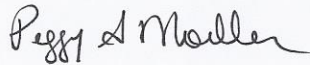
We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

Unless additional work is requested, or circumstances require additional work, we agree that our estimated basic audit fee for these services, including expenses (such as report reproduction, postage, etc.), will be \$11,720 for 2018, \$12,080 for 2019 and \$12,450 for 2020. Courier and confirmation fees are not included in the basic audit fee. The fee for assistance with preparation of property tax workpapers is estimated to be \$2,200 for 2018, \$2,255 for 2019 and \$2,315 for 2020. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 120 days or more overdue and may not resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel, accurate and timely completion of workpapers per the client to prepare list by your personnel, and the assumption that unexpected circumstances will not be encountered during the audit. Additional audit procedures may be required for certain accounting issues or events, new contractual agreements, new accounting and auditing standards, such as legal requirements for new bond issues, new funds, new capital projects, if there is an indication of misappropriation or misuse of public funds, or difficulties encountered due to lack of accounting records, incomplete records, inaccurate records or turnover in the District's staff. If significant additional time is necessary due to a change in scopes of services or delays in receiving audit information requests, we will discuss it with you and arrive at a new fee estimate.

We appreciate the opportunity to be of service to the Lower Minnesota River Watershed District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

REDPATH AND COMPANY, LTD.



Peggy A. Moeller, CPA

PAM:ajf

Response

This letter correctly sets forth the understanding of the Lower Minnesota River Watershed District:

Management signature:

Governance (Board) signature:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Nonaudit Services

The employee(s) assigned to oversee the nonaudit services is the District Administrator unless indicated below:

Employee (name and title): _____



Please note the meeting date has changed from Wednesday to Monday and the meeting will be held at the Scott County Law Enforcement Center, 301 Fuller Street South, Shakopee

LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting
Monday, September 17, 2018

Agenda Item

Item 7. B. Dredge Management

Prepared By

Linda Loomis, Administrator

Summary

i. Funding for dredge material management

A public hearing is being held this evening to give the LMRWD the flexibility to special access, in addition to ad valorem levy across the District, benefitting properties for costs incurred by the LMRWD as it performs its role as local sponsor for the USACE (US Army Corp of Engineers) maintenance of the 9-foot navigation channel.

ii. Vernon Avenue Dredge Material Management site

Dredging of the 9-foot channel was begun and ended September 11 because of high water. The Corp had planned to remove 40,000CY from the channel, but was only able to dredge 29,573CY before high water forced cessation of the dredging. They are not planning to go back to remove the additional material unless channel conditions warrant that.

There have been several inquiries in to purchase of stockpiled material and the latest offer would remove 30,000CY of material at \$2/CY. We should know later this month whether or not this sale will actually occur.

iii. Private Dredge Material Placement

Private terminals were dredged and material placed on the LMRWD site. Dredging was complete on September 5th. The estimated amount of material follows:

4,697CY	Savage Riverport
4,400	CHS
5,860	Cargill East
<u>16,695</u>	<u>Cargill West</u>
29,652	TOTAL

Industries will be invoiced for the placement of the material, once final verification is received from LS Marine.

Attachments

No attachments

Recommended Action

No action recommended



Please note the meeting date has changed from Wednesday to Monday and the meeting will be held at the Scott County Law Enforcement Center, 301 Fuller Street South, Shakopee

LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting
Monday, September 17, 2018

Agenda Item

Item 7. C. _ Watershed Management Plan

Prepared By

Linda Loomis, Administrator

Summary

BWSR staff recommended approval of the LMRWD Watershed Management Plan. LMRWD staff attended the September 6th meeting of BWSR's Central Region Committee to present the highlights of the LMRWD Watershed Management Plan and explain the public participation process used to get input into the development of the Plan. The Committee voted to recommend approval of the LMRWD Plan to the entire Board, which will meet September 26th.

Attachments

BWSR Staff recommendation

Recommended Action

No action recommended

Date: August 27, 2018

To: BWSR Central Region Committee

From: Steve Christopher, Board Conservationist

RE: Lower Minnesota River Watershed District Watershed Management Plan 2018-2027

Background:

The Lower Minnesota River Watershed District (District) was originally petitioned for establishment in 1957 but was challenged and defeated in the courts. The District was later re-petitioned by the five counties of Carver, Dakota, Hennepin, Ramsey, and Scott and was established on March 23, 1960, by order of the Minnesota Water Resources Board under the authority of the Minnesota Watershed Act. The District's original charter specified that it serve as the local sponsor to the U.S. Army Corps of Engineers for assisting in the maintenance of the Minnesota River nine-foot navigation channel. The first water resources management plan for the District was prepared and adopted in 1961. The second plan was then revised in accordance with the Metropolitan Surface Water Management Act of 1982, and approved by the Board of Water and Soil Resources in September 1999. The most recent plan was approved in 2011 and amended in 2015.

The District is approximately 80 square miles in size and located in the five counties of Carver, Dakota, Hennepin, Ramsey, and Scott, which includes the bluffs on either side of the Minnesota River from Ft. Snelling at the confluence of the Minnesota and Mississippi Rivers, 32 miles upstream to the city of Carver. The land use in the watershed consists of a mix of single family residential, commercial, industrial, and agriculture. A large component in the central portion of this linear watershed is within the 100-year floodplain and the Minnesota Valley National Wildlife Refuge. Much of the MSP airport property is also located in the District. Development pressure within the watershed is projected to slightly increase in the municipalities south of the river through the life of this Plan. Water resources in the District include floodplain lakes, quarry lakes, creeks and streams including trout streams, springs, calcareous fens, and other wetlands. However, the headwaters to most of those resources originate outside of the District boundary. The following municipalities lie partially within the District: Bloomington, Burnsville, Carver, Chanhassen, Chaska, Chaska Township, Eagan, Eden Prairie, Lilydale, Jackson Township, Louisville Township, Mendota, Mendota Heights, Savage, and Shakopee. The District is bound by four watersheds to the south: Prior Lake Spring Lake WD, Scott WMO, Black Dog WMO, and Gun Club WMO, and six watersheds to the north: Carver County WMO, Riley Purgatory Bluff Creek WD, Nine Mile Creek WD, Minnehaha Creek WD, Richfield Bloomington WMO, and Capitol Region WD.

Plan Process and Highlights:

The District initiated the planning process for the 2018-2027 Plan in January of 2017. As required by MR 8410, a specific process was followed to identify and assess priority issues. Stakeholders were identified, notices were sent to municipal, regional, and state agencies to solicit input for the upcoming Plan. The District held four workshops in early 2017 covering the areas of major revision for the new Plan. Following the workshops, District staff met with each municipality for additional specific input on the proposed standards and to identify projects that they could co-sponsor.

The Plan was submitted for formal 60-day review on July 10, 2017. The District received comments on the draft Plan and responded to Plan reviewers' comments in writing. A public hearing was held on October 25, 2017. Due to the volume and content of the comments, the District decided to delay moving forward with the 90-day draft and provide additional time to meet with stakeholders. The District held four additional stakeholders meetings jointly with member cities and concluded the public hearing on April 18, 2018. Modifications to the draft Plan

were made and the final draft Plan with all required materials were submitted and officially received by the Board on July 2, 2018.

The Plan update focuses on several sections of the 2011 Plan rather than a full re-write. The sections amended are as follows:

- Section 3, Goals, Policies and Management Strategies
- Section 4, Implementation Program, which includes the District's Capital Improvement Program
- Adding a new Appendix K, LMRWD Draft Standards
- Other Sections of the plan have been revised to bring the Plan up to date

The new Draft standards is the most significant revision to the Plan specifically the Steep Slopes Standard and Water Appropriations Standard. Both of these will address the High Value Resource Areas (HRVA). The HRVA has been identified by the District as portions of land or a watershed that contribute runoff to a trout water and/or fen.

The Plan maintains the following nine goals:

1. Organizational Management – To manage the different and changing roles of the District
2. Surface Water Management – To protect, preserve, and restore surface water quality
3. Groundwater Management – To protect and promote groundwater quantity and quality
4. Unique Natural Resources Management – To protect and manage unique resources
5. Wetland Management – To protect and preserve wetlands
6. Floodplain and Flood Management - To manage floodplains and mitigate flooding
7. Erosion and Sediment Control – To manage erosion and control sediment discharge
8. Commercial and Recreational Navigation – To maintain and improve the Lower Minnesota River's navigation and recreational use
9. Public Education and Outreach - To increase public participation and awareness of the Minnesota River and its unique natural resources

Attachments:

1. Draft order for approval of the Lower Minnesota River Watershed (LMRWD) District Watershed Management Plan.
2. LMRWD Plan Executive Summary.
3. LMRWD CIP 2018-2027

Recommendation:

LMRWD Board and staff should be commended for utilizing a strong public process for gaining input and support for their programs included in this Plan update. Staff recommends approval of the Lower Minnesota River Watershed District Watershed Management Plan – 2018-2027.

Minnesota Board of Water and Soil Resources

520 Lafayette Road North
Saint Paul, Minnesota 55155

**ORDER
APPROVING
A WATERSHED
MANAGEMENT PLAN**

In the Matter of the review of the Watershed Management Plan for the Lower Minnesota River Watershed District, pursuant to Minnesota Statutes Section 103B.231, Subdivision 9.

Whereas, the Board of Managers of the Lower Minnesota River Watershed District (LMRWD) submitted a Watershed Management Plan (Plan) dated June 2018 to the Minnesota Board of Water and Soil Resources (Board) pursuant to Minnesota Statutes Section 103B.231, Subd. 9, and;

Whereas, the Board has completed its review of the Plan;

Now Therefore, the Board hereby makes the following Findings of Fact, Conclusions and Order:

FINDINGS OF FACT

1. **LMRWD Establishment.** The Lower Minnesota River Watershed District (District) was originally petitioned for establishment in 1957 but was challenged and defeated in the courts. The District was later re-petitioned by the five counties of Carver, Dakota, Hennepin, Ramsey, and Scott and was established on March 23, 1960, by order of the Minnesota Water Resources Board under the authority of the Minnesota Watershed Act (Minnesota Statutes, Chapter 112). The District's original charter specified that it serve as the local sponsor to the U.S. Army Corps of Engineers for assisting in the maintenance of the Minnesota River nine-foot navigation channel. The first water resources management plan for the District was prepared and adopted in 1961. The second plan was then revised in accordance with the Metropolitan Surface Water Management Act of 1982 (Minnesota Statutes, Chapter 103B), and approved by the Board of Water and Soil Resources in September 1999. The most recent plan was approved in 2011 and amended in 2015.
2. **Authority of Plan.** The Metropolitan Surface Water Management Act requires the preparation of a watershed management plan for the subject watershed area which meets the requirements of Minnesota Statutes Sections 103B.201 to 103B.251.
3. **Nature of the Watershed.** The District is approximately 80 square miles in size and located in the five counties of Carver, Dakota, Hennepin, Ramsey, and Scott, which includes the bluffs on either side of the Minnesota River from Ft. Snelling at the confluence of the Minnesota and Mississippi Rivers, 32 miles upstream to the city of Carver. The land use in the watershed consists of a mix of single family residential, commercial, industrial, and agriculture. A large component in the central portion of this linear watershed is within the 100-year floodplain and the Minnesota Valley National Wildlife Refuge. Much of the MSP airport property is also located in the District. Development pressure within the watershed is projected to slightly increase in the municipalities south of the river through the life of this Plan. Water resources in the District include floodplain lakes, quarry lakes, creeks and streams including trout streams, springs, calcareous fens, and other wetlands. However, the headwaters to most of those resources originate outside of the District boundary. The following municipalities lie partially within the District: Bloomington, Burnsville, Carver, Chanhassen, Chaska, Chaska Township, Eagan, Eden Prairie, Lilydale, Jackson Township, Louisville Township, Mendota, Mendota Heights, Savage, and Shakopee. The District is bound

by four watersheds to the south: Prior Lake Spring Lake WD, Scott WMO, Black Dog WMO, and Gun Club WMO, and six watersheds to the north: Carver County WMO, Riley Purgatory Bluff Creek WD, Nine Mile Creek WD, Minnehaha Creek WD, Richfield Bloomington WMO, and Capitol Region WD.

4. **Plan Development and Review.** The District initiated the planning process for the 2018-2027 Plan in January of 2017. As required by MR 8410, a specific process was followed to identify and assess priority issues. Stakeholders were identified, notices were sent to municipal, regional, and state agencies to solicit input for the upcoming Plan. The District held four workshops in early 2017 covering the areas of major revision for the new Plan. Following the workshops, District staff met with each municipality for additional specific input on the proposed standards and to identify projects that they could co-sponsor.

The Plan was submitted for formal 60-day review on July 10, 2017. The District received comments on the draft Plan and responded to Plan reviewers' comments in writing. A public hearing was held on October 25, 2017. Due to the volume and content of the comments, the District decided to delay moving forward with the 90-day draft and provide additional time to meet with stakeholders. The District held four additional stakeholders meetings jointly with member cities and concluded the public hearing on April 18, 2018. Modifications to the draft Plan were made and the final draft Plan with all required materials were submitted and officially received by the Board on July 2, 2018.

5. **Local Review.** The District distributed copies of the draft Plan to local units of government for their review pursuant to Minnesota Statutes Section 103B132, Subd. 7. Local written comments and edits were received from City of Bloomington, Bloomington Sustainability Commission, City of Burnsville, City of Carver, City of Chaska, City of Eden Prairie, City of Savage, City of Shakopee, Scott County, Upper Mississippi Waterway Association, Lotus Lake Conservation Alliance, Mitchell Lake Association, the United States Fish and Wildlife Service, and several citizens. The District responded to all comments.
6. **Metropolitan Council Review.** During the 60-day review, the Council noted concerns about the proposed standards, specifically on the Bluff and Steep Slope standards and suggested consistency of language with DNR. The District thanked the Council for its comments and made changes to the final draft.
7. **Department of Agriculture (MDA) Review.** MDA stated that they had no comments during the 60-day or 90-day final review periods.
8. **Department of Health (MDH) Review.** No comments were received during the 60-day or 90-day final review period.
9. **Department of Natural Resources (DNR) Review.** The DNR had numerous comments regarding the proposed standards including groundwater regulation and the new Bluff and Steep Slopes standard. The DNR also offered assistance on a number of initiatives included in the Plan. The District adequately responded to the comments and thanked the DNR for its cooperation.
10. **Pollution Control Agency (PCA) Review.** PCA participated in TAC meetings and provided feedback throughout the plan development process. During the 60-day review, PCA stated it had no additional comments.
11. **Department of Transportation (DOT) Review.** The DOT commented regarding the proposed standards. The District adequately addressed the comments.
12. **Board Review.** Board staff commended the District on a Plan and its increased role in water management since the most recent Plan adoption. Board staff also requested clarification/improved reporting for outcomes. District staff adequately responded to all comments.

13. **Plan Summary.** The Plan update focuses on several sections of the 2011 Plan rather than a full re-write. The sections amended are as follows:

- Section 3, Goals, Policies and Management Strategies
- Section 4, Implementation Program, which includes the District's Capital Improvement Program
- Adding a new Appendix K, LMRWD Draft Standards
- Other Sections of the plan have been revised to bring the Plan up to date

The new Draft standards is the most significant revision to the Plan specifically the Steep Slopes Standard and Water Appropriations Standard. Both of these will address the High Value Resource Areas (HRVA). The HRVA has been identified by the District as portions of land or a watershed that contribute runoff to a trout water and/or fen.

The Plan maintains the following nine goals:

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5. Wetland Management – To protect and preserve wetlands
6. Floodplain and Flood Management - To manage floodplains and mitigate flooding
7. Erosion and Sediment Control – To manage erosion and control sediment discharge
8. Commercial and Recreational Navigation – To maintain and improve the Lower Minnesota River's navigation and recreational use
9. Public Education and Outreach - To increase public participation and awareness of the Minnesota River and its unique natural resources

14. **Central Region Committee Meeting.** On September 6, 2018, the Board's Central Region Committee and staff met in St. Paul to review and discuss the final Plan. Those in attendance from the Board's committee were **Jill Crafton, Jack Ditmore, Terry McDill, Duane Willenbring, Paige Winebarger, and Joe Collins, chair.** Board staff in attendance were Central Region Manager Kevin Bigalke and Board Conservationist Steve Christopher. Lower Minnesota River Watershed District Administrator Linda Loomis and District Consultant Della Young provided highlights of the Plan and process. Board staff recommended approval of the Plan. After presentation and discussion, the committee unanimously voted to recommend the approval of the Plan to the full board.

CONCLUSIONS

1. All relevant substantive and procedural requirements of law and rule have been fulfilled.
2. The Board has proper jurisdiction in the matter of approving the Watershed Management Plan for the Lower Minnesota River Watershed District (District) pursuant to Minnesota Statutes Section 103B.231, Subd. 9.
3. The District's Watershed Management Plan, attached to this Order, defines the water and water-related problems within the District's boundaries, possible solutions thereto, and an implementation program through 2027.
4. The District's Watershed Management Plan will be effective September 26, 2018 through September 30, 2027.
5. The attached Plan is in conformance with the requirements of Minnesota Statutes Sections 103B.201 to 103B.251.

ORDER

The Board hereby approves the attached Lower Minnesota River Watershed District Watershed Management Plan dated June 2018.

Dated at Saint Paul, Minnesota this 26th day of September 2018.

MINNESOTA BOARD OF WATER AND SOIL RESOURCES

BY: Gerald Van Amburg, Chair



Please note the meeting date has changed from Wednesday to Monday and the meeting will be held at the Scott County Law Enforcement Center, 301 Fuller Street South, Shakopee

LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting

Monday, September 17, 2018

Agenda Item

Item 7. G. - Project Reviews

Prepared By

Linda Loomis, Administrator

Summary

i. Hennepin County - CSAH 61 - Flying Cloud Drive

In July, the MPCA conducted an NPDES (National Pollution Discharge Elimination System) inspection of the reconstruction of Flying Cloud Drive. Several corrective actions were required and an inspection was set up of the area. For some reason, the LMRWD was notified of the notice of corrective actions, but not invited to participate in the follow up inspection. I copied Managers on an email that was sent to the County and its contractor about this oversight. I was provided with a map of the areas where corrective actions were required and the majority of the areas are within the LMRWD. The MPCA Notice of Corrective Actions and pictures of the cited areas is attached.

Actions have been taken to prevent further damage. I have been told that there restoration will wait until the project is complete, incase that is another large rain event that washed everything out or causes the river to flood again. The extent and depth of displaced soil will have to be measured before restoration can take be planned. Some areas may be difficult to reach.

ii. MNDOT - I-494/TH 5/TH 55 Mill and Overlay Project

MNDOT is planning a project in 2019 to mill and overlay portions of I-494 near Fort Snelling. A portion of the project includes the Mendota Bridge. Repair and replacing stormwater pipes are part of the project. Stormwater pipes for the Mendota Bridge are Corrugated Metal Pipe (CMP). MNDOT originally thought they could just replace the pipes with like, however when they were working on the design they found that the current system caused problems with velocities and erosion. Engineers for the project have proposed a new configuration for stormwater conveyance and staff has been working with project Engineers to make sure the new design meets LMRWD standards.

In other areas of this project the current stormwater pipes will be lined, as they are concrete pipes.

iii. MNDOT 0 I-35W Bridge Replacement

The LMRWD was requested to provide comments on an application the DNR received for water appropriation to dewater coffer dams used to construct piers for the I-35W Bridge replacement. LMRWD staff reviewed the proposal and discharge plan and had no comments to offer.

iv. City of Shakopee - Amazon Fulfillment Center

The LMRWD received a phone call from Three Rivers Park District about a stormwater problem they are having in one of their parks in the LMRWD. Murphy's Landing is experiencing high volumes of stormwater flowing from the

Amazon Fulfillment Center in Shakopee, across TH 101 and into the park. There are many Indian burial mounds in the area that are being impacted by the stormwater flow.

I have spoken with Kirby Templin from the city of Shakopee about the issue. When the Fulfillment Center was built, they were not able to infiltrate stormwater because of bedrock close to the surface. The stormwater plan was to use filtration. The stormwater flows to a culvert under TH 101 and into the park and burial mounds. The city has tried some temporary measures to diffuse and spread the flow of water from the culvert and is looking for a more permanent solution. A long term solutions that the City has looked at are expensive, because it will require completely re-routing the flow of stormwater from the site, under the Highway and around the burial mounds. The City has applied for a grant from the MN Historical Society as assist with paying for a long term solution. They are hoping to be able to correct the situation in 2019.

v. City of Eagan - Comprehensive Plan & Local Water Management Plan

The LMRWD received the Comprehensive Plan from the city of Eagan in June and has now received the Local Surface Water Management Plan on September 7th. Staff is reviewing both plans for conformance with the LMRWD standards.

vi. City of Savage - Magellan Pipeline Project

The LMRWD received an application for a water appropriation permit for a project that would impact Savage fen. The project was to inspect, maintain and repair a gas pipeline that runs through the fen. LMRWD staff reviewed the application and provided comments. The DNR issued a permit and the LMRWD was invited to attend an inspection of the project by the DNR. LMRWD attended and a report of what was found during the inspection is attached. LMRWD staff also inspected the site after all work was complete and the contractor left the area. A report of that visit is attached as well, along with pictures.

Attachments

MPCA Notice of Corrective Action
Pictures of areas that need corrective action
LMRWD report from Magellan pipeline visit
LMRWD report from post inspection
pictures of restorative measure

Recommended Action

Staff is recommending that the LMRWD inspect the CSAH 61/Flying Cloud Drive construction site to make our own assessment

Leslie Stovring

From: Kepler, Rachel (MPCA) <rachel.kepler@state.mn.us>
Sent: Monday, July 30, 2018 9:52 AM
To: james.grube@hennepin.us; alexcarlin@amesco.com
Cc: Skancke, Jennie (DNR); Leslie Stovring; john.smyth@stantec.com; Chip Hentges; vstrong@ci.chanhassen.mn.us; nathanbren@amesco.com; elliotthyren@amesco.com; zachschrupp@amesco.com; Delbecq, Amy (MPCA)
Subject: NPDES Construction Stormwater Inspection - CSAH 61 Flying Cloud Drive
Attachments: WetlandsLocation.pdf



Minnesota Pollution Control Agency Construction Stormwater Inspection Report

Construction Stormwater Permit – C00044045

Site Name – CSAH 61- Flying Cloud Drive

Dear Messer Grude and Carlin,

On July 19, 2018, the Minnesota Pollution Control Agency (MPCA) completed a construction stormwater inspection of the CSAH 61 Flying Cloud Drive (Site) located in Eden Prairie, Minnesota. The purpose of the inspection was to determine compliance with federal regulations, state statutes, rules, and permit conditions. Based on the inspection, the following corrective actions and document submittals must be completed within the specific timeframes noted.

Corrective Actions Required:

Take photos of all corrective actions once they have been implemented, and submit the photos no later than August 3, 2018. Please send all photo documentation to Rachel Kepler at rachel.kepler@state.mn.us.

1. Stabilize the normal wetted perimeter of any temporary or permanent drainage ditch within 200 lineal feet from the property edge in the following location: the western end of the Site on the northern side of the Site.
2. Install additional upgradient sediment control practices or redundant BMPs at locations where the down gradient sediment controls are overloaded (based on frequent failure or excessive maintenance requirement), to eliminate overloading at numerous locations mainly on the south west side of the Site.
3. Maintain and clean the inlet protection in the following location: The intersection of Dell Rd and Flying Cloud Rd, one on the northern side of Dell Rd and two on the southern side of Dell Rd and the manhole on the north side of Flying cloud Drive, east of Riley Creek, on the west side of the first driveway east of the bridge.
4. Stabilize the normal wetted perimeter of any temporary or permanent drainage ditch that drains water from any portion of the construction site from the point of discharge into any surface water in the following location: the north east side of the bridge being built on Flying Cloud Drive.
5. Remove sediment from the impacted wetland and the area stabilized within 7 days, unless precluded by legal, regulatory, or physical access constraints. The Permittees are responsible for contacting all local, regional, state and federal authorities and receiving any applicable permits prior to conducting any work. Contact the local [Wetland Conservation Act](#) (WCA) authority and report the impacts to the wetlands, and provide documentation of this to the MPCA. If the local WCA authority determines removal is not recommended, provide documentation to the

MPCA. If removal results in exposed soils, those soils must be stabilized using appropriate BMPs and an appropriate native wetland seed mix. The Permittee(s) shall use all reasonable efforts to obtain access. Care should be taken so that sediment removal does not result in more damage to the wetland. There are numerous locations along the south side of the Site that need attention. In addition, several areas within Rice Lake may have been impacted by sediment discharges from the Site, but due to the high water level at the Site, the extent of impacts was unclear.

6. Repair and maintain all BMP's that are ineffective due to high water levels or are overloaded with sediment (more than half the height of the silt fence).
7. Install redundant sediment controls at the bridge at Riley Creek and at numerous locations along wetlands where surface waters are located within 50 feet of the project's earth disturbances.
8. Stabilize exposed soils at the Site that will not be worked in the next 7 days, including at the northwest corner of the Site and at the sand pit on the north side of Flying Cloud Dr. about half a mile east of Lions Tap.
9. Install perimeter control downgradient of exposed soils at the soil borrow pits west of the Lions Tap.
10. Ensure that all deficient BMPs are recorded in every inspection report, and ensure that the date the item is corrected is included in the inspection report.
11. Ensure that the trained individual is performing and recording the findings of all stormwater inspection reports.

Request for Information:

Submit the requested documentation no later than August 3, 2018. Please send all document requests to Rachel Kepler at rachel.kepler@state.mn.us.

1. Submit training documentation for Nathan Goulet and Elliott Young.
2. Submit the SWPPP for the Site.
3. Submit all inspection reports completed since June 1, 2018.

I also attached a PDF of wetland locations with GPS coordinates that need attention.

If you have any questions or concerns about the inspection please contact me at 507-344-5266 or rachel.kepler@state.mn.us.

Thank you,

Rachel Kepler

Environmental Specialist | Municipal Division
Minnesota Pollution Control Agency
12 Civic Center Plaza #2165 | Mankato | 56001
507-344-5266 | www.pca.state.mn.us



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Sheet 265

Sheet 266

Sheet 267

Sheet 271

Sheet 269

Sheet 262

Wetlands requiring attention

44°48'49.77, - 93°31'53.80



44°48'59.71, - 93°31'22.00



07/19/2018



07/19/2018

44°49'10.63, - 93°30'29.53



44°49'8.25, - 93°30'36.85



44°49'9.74, - 93°30'3.05



44°49'9.79, -93°30'2.25



44°49'9.89, - 93°29'58.70



07/19/2018

44°49'4.77, - 93°28'27.10



44°49'4.67, - 93°28'19.63



Memorandum



DATE: August 28, 2018 *(Email transmittal)*

TO: Linda Loomis, Administrator

FROM: Gary Gilbert, PE

SUBJECT: August 27, 2018—Field Notes—Magellan R-2 Dig Site Project
Scott County—Savage Fen
Weather—low 80s and overcast

ON-SITE

Gary Gilbert—Young Environmental (0830–1200)
Ferguson Brothers Excavating, Inc.—Alexandria, Minnesota: Crew Chief Mike and crew of five laborers
Equipment—CAT Excavator 315C and CAT Skid Loader 289D
Welcome Resources, Inc.—Pipeline Examiners: Rory and Brandon
Frontier Integrity—Pipeline inspectors: Luke and Phil
Dan Scollan—MN DNR (0900–1030)
Karen Wold—Barr (0900–1030)

PURPOSE

- To meet Magellan’s engineer and contractors and the Minnesota DNR’s representatives
- To discuss construction activities and project schedule and to make certain the work will be completed in accordance with the DNR-approved plan with minimal disturbance to Savage Fen

ACTIVITIES

- I discussed the project with Mike (Ferguson crew chief), Karen (Barr), and Dan (DNR).
- Wetland mats were installed last week, and excavation of the piping started at approximately 0900.
- A slight variance to the plan was noted that Ferguson moved the dewatering structure closer to the excavation area and only installed one row of mats that combined the piping access route and the access to the dewatering structure. I discussed the variance with Dan and Karen and thought it was an acceptable plan modification because it reduced the footprint of the matted area, which subsequently minimized the impact to Savage Fen.

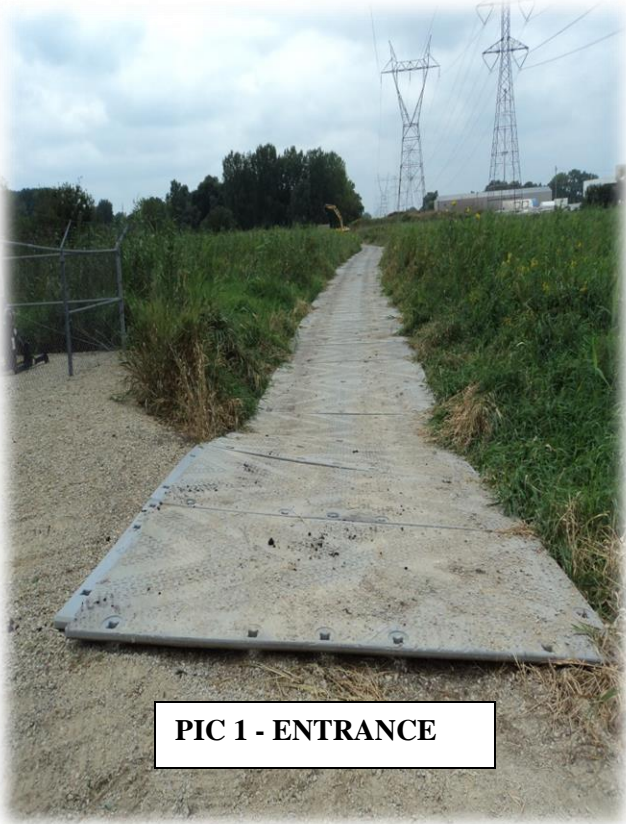
Memorandum *(cont'd)*

Page 2

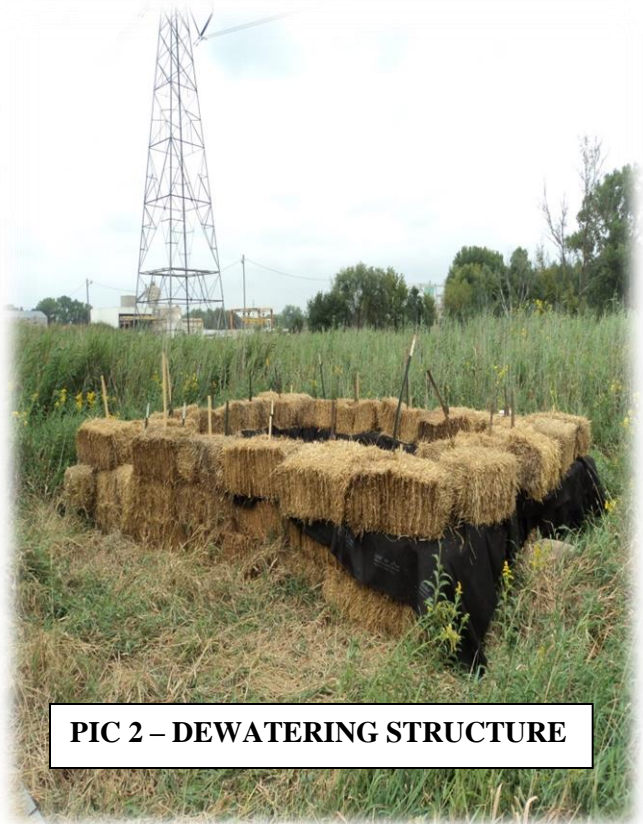
NEXT STEPS

Construction activities are slated to end the afternoon of Thursday, August 30, or the morning of Friday, August 31. I plan to visit the site to inspect it and ensure all the construction material is removed, and the site is effectively buttoned up.

MAGELLAN DIG SITE R-2 / SCOTT COUNTY / AUGUST 27, 2018



PIC 1 - ENTRANCE



PIC 2 - DEWATERING STRUCTURE



PIC 3 - EXCAVATION/SOIL PILE AREA



PIC 4 - INSTALLING TRENCH BOX OVER PIPELINE

Memorandum



DATE: August 31, 2018 *(Email transmittal)*

TO: Linda Loomis, Administrator

FROM: Gary Gilbert, PE

SUBJECT: August 30, 2018—Field Notes—Magellan R-2 Dig Site Project
Scott County—Savage Fen
Weather—low 70s and partly cloudy

ON-SITE

Gary Gilbert: Young Environmental (1330–1430)
Ferguson Brothers Excavating, Inc.: Alexandria, Minnesota

PURPOSE

- To inspect project completion and removal of all construction materials from the Savage Fen area.

ACTIVITIES/OBSERVATIONS

- Contractor has removed construction material from the fen area and is loading material from project area in preparation for departure from the site.
- Project has been completed and contractor plans to be off-site this afternoon.
- Walked and photographed the construction area and did not observe any remaining construction material within the fen area.

SUMMARY

Contractor did an excellent job in minimizing the overall impact to the fen during project activities.

Attachments: August 30, 2018 - R-2 Dig Site Photos

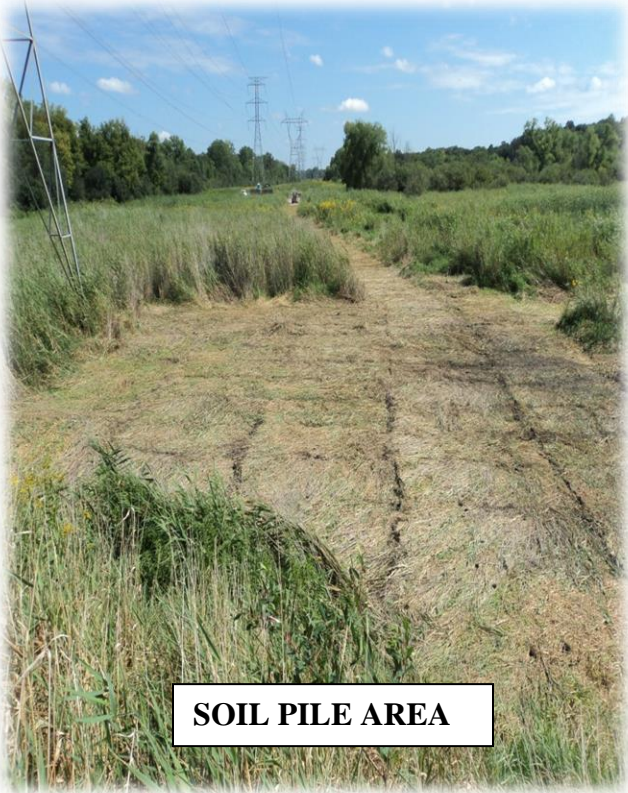
MAGELLAN DIG SITE R-2 / SCOTT COUNTY / AUGUST 30, 2018



LOCATION



PIEZOMETERS



SOIL PILE AREA



EXCAVATION AREA