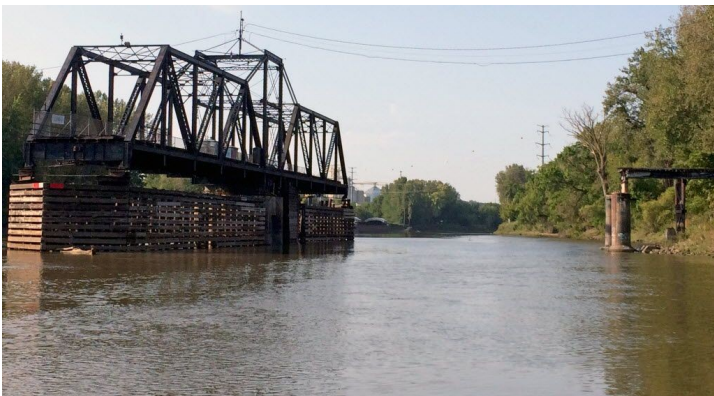




LOWER MINNESOTA RIVER WATERSHED DISTRICT



2017 Annual Report August 2018

Lower Minnesota River Watershed District

2017 Annual Report

TABLE OF CONTENTS

Executive Summary: 2017 Annual Report	1
I. Annual Activity Report	4
A. 2017 Board of Managers.....	5
B. LMRWD Staff and Consultants.....	6
C. LMRWD Technical Advisory Committee	6
D. LMRWD Citizens Advisory Committee	6
E. LMRWD Goals	7
F. 2017 Work Activity Completed	7
G. 2017 LMRWD Project Reviews.....	13
H. 2017 Water Quality Monitoring Data and Studies	15
I. Local Plan Adoption	16
J. Watershed Communication/Public Education	17
K. Professional Services Proposal.....	19
L. Assessment of Changes in Fund Balance	19
M. Wetland Conservation Act/Wetland Banking Program	19
II. 2018 Projected Work Activities	20
III. Annual Financial Report	25
A. 2017 Adopted Budget.....	26
B. Report of Revenues	26
C. Report of Expenditures	26
D. Financial Audit Report	26

List of Appendices

Appendix A - Financial Information

Appendix B - Resolutions

Appendix C - Capital Improvement Program

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

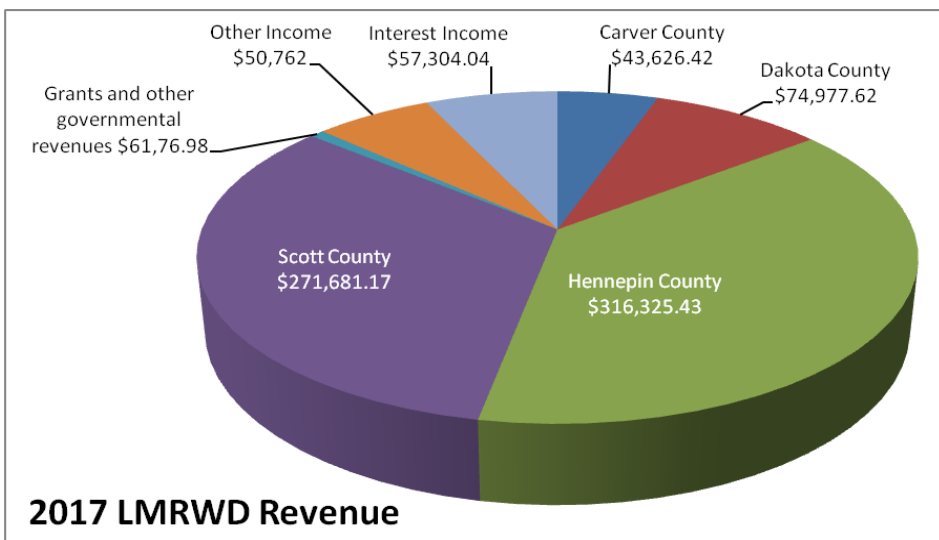
2017 Activities & Achievements

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.



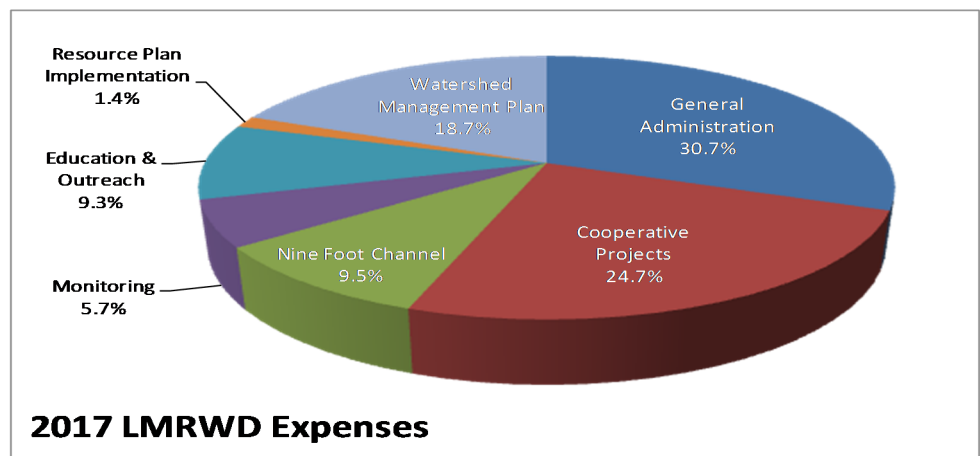
In FY 2017, levy revenues totaled \$820,856.66, divided among four counties as shown by the chart at left. Other Income included the sale of dredge material for reuse and license fees from industry for storage of private dredge material on the Vernon Avenue dredge site. For more information on the LMRWD's 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, 2019. 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.
 - Minnesota River Area #3 - This 250 foot stretch of the north bank of the Minnesota River is located in Eden Prairie at approximately River Mile 19.6. In 2010, Wenck Associates, Inc. developed a study of the area, for the LMRWD, which studied the meander movement of the river, threatening a steep bluff forming the north bank of the River. The LMRWD installed inclinometers at the top of the bluff to monitor movement. The LMRWD will work with the city to conduct additional monitoring of the bank, with the expectation of stabilizing the bank, at some future time, to protect private property and public infrastructure that is threatened by the bank movement.
 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

- This page intentionally left blank -

LOWER MINNESOTA RIVER WATERSHED DISTRICT
TABLE OF CONTENTS

	<u>Reference</u>	<u>Page</u> <u>No.</u>
INTRODUCTORY SECTION		
Organization		3
FINANCIAL SECTION		
Independent Auditor's Report		7
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Statement 1	12
Statement of Activities	Statement 2	13
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Statement 3	14
Statement of Revenue, Expenditures and Changes in Fund Balance - Governmental Funds	Statement 4	15
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds	Statement 5	16
Notes to Financial Statements		17
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	Statement 6	30
Budgetary Comparison Schedule - Note to RSI		31
Individual Fund Financial Statements:		
General Fund:		
Comparative Balance Sheet	Statement 7	34
Comparative Statement of Revenue, Expenditures and Changes in Fund Balance	Statement 8	35

- This page intentionally left blank -

LOWER MINNESOTA RIVER WATERSHED DISTRICT
TABLE OF CONTENTS

	<u>Reference</u>	<u>Page No.</u>
Capital Project Fund:		
Nine Foot Channel Fund:		
Comparative Balance Sheet	Statement 9	36
Comparative Statement of Revenue, Expenditures and Changes in Fund Balance	Statement 10	37
SUPPLEMENTARY FINANCIAL INFORMATION		
Schedule of 509 Planning/Project Expenditures	Exhibit 1	40
OTHER INFORMATION - UNAUDITED		
Schedule of Cumulative Expenditures	Table 1	42
OTHER REPORTS		
Report on Internal Control		47
Minnesota Legal Compliance Report		49

- This page intentionally left blank -

INTRODUCTORY SECTION

- This page intentionally left blank -

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	

- This page intentionally left blank -

FINANCIAL SECTION

- This page intentionally left blank -



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

- This page intentionally left blank -

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	\$33,700
Total	<u>\$33,700</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>\$37,424</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	\$256,167	\$ -	\$ -	\$256,167

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.

- This page intentionally left blank -

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.

- This page intentionally left blank -

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>

- This page intentionally left blank -

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 fleeting	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>

- This page intentionally left blank -

OTHER REPORTS

- This page intentionally left blank -



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

- This page intentionally left blank -



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

- This page intentionally left blank -

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

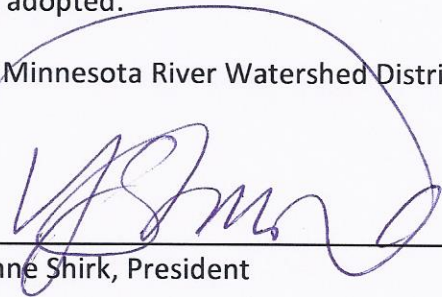
WHEREAS, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") has proposed a total budget of One Million Twenty One Thousand Five Hundred Dollars (\$1,021,500) for the fiscal year commencing January 1, 2018; and

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)	(5)
	<u>County</u>	Payable 2018 Taxable Net Tax Capacity	Net Tax Capacity Percent Distribution
			(6) Apportioned Payable 2018 Levy \$725,000 x column (5)
	Carver	\$5,757,498	5.8087%
	Dakota	\$10,031,290	10.1205%
	Hennepin	\$43,267,773	43.6524%
	Scott	\$40,062,268	40.4184%
	TOTAL	\$99,118,829	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

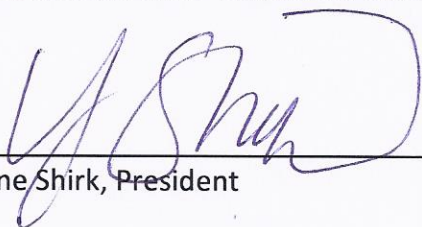
WHEREAS, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") has proposed a total budget of One Million Twenty One Thousand Five Hundred Dollars (\$1,021,500) for the fiscal year commencing January 1, 2018; and

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;

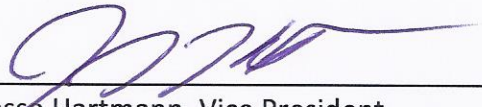
BE IT FURTHER RESOLVED by the Board of Managers of the LMRWD that the 2018 Preliminary Budget as proposed is hereby approved and adopted.

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

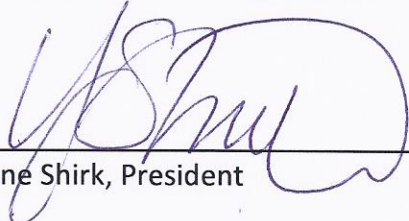
WHEREAS, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") has proposed a total budget of One Million Twenty One Thousand Five Hundred Dollars (\$1,021,500) for the fiscal year commencing January 1, 2018; and

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)	(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 17-05

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

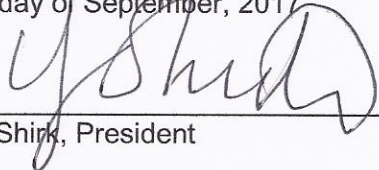
WHEREAS, the LMRWD is a member of MAWD; and

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

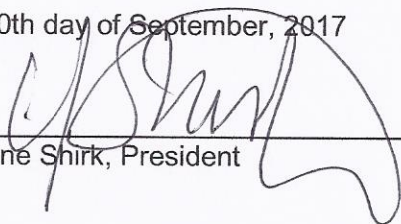
WHEREAS, the LMRWD is a member of MAWD; and

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.

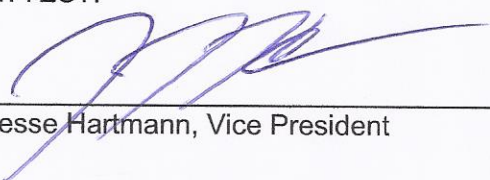
NOW, THEREFORE BE IT RESOLVED, that the LMRWD Board of Managers supports a change in the MAWD bylaws that establishes a limit of three consecutive terms for members on the MAWD Board of Directors to ensure there will be a new perspectives and fresh ideas to move the organization forward.

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

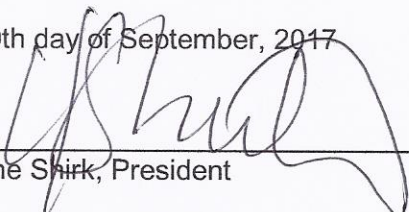
WHEREAS, the current MAWD MOPP states that "the fee portion of the dues may be based upon a differential structure which will be calculated on a yearly basis to meet the requirements of the budget for that year"; and

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.

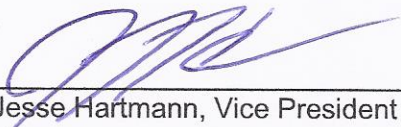
NOW, THEREFORE BE IT RESOLVED, that the LMRWD Board of Managers supports a thorough review of the MAWD dues structure and creation of one that more equitably reflects a District's ability to pay based upon its budget and levy..

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.

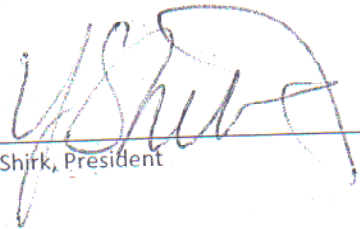
NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the LMRWD hereby approved the Local Water Management Plan for the City of Burnsville, dated September 8, 2017 with the conditional understanding that:

- 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 in 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 it's 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

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

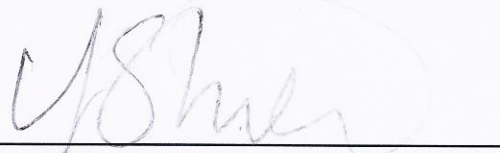
WHEREAS, in August 2018, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") adopted a proposed preliminary total budget of One Million Twenty One Thousand Five Hundred Dollars (\$1,021,500) for the fiscal year commencing January 1, 2018; and

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;

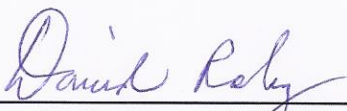
BE IT FURTHER RESOLVED by the Board of Managers of the LMRWD that the Preliminary Budget approved in August 2017 is hereby approved and adopted as the final budget for 2018.

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

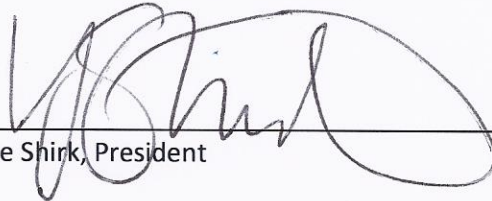
RESOLUTION 17-13

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:

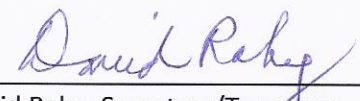
\$50,000 will be transferred from the Lower Minnesota River Watershed District's General Fund to the Nine (9) Foot Channel Fund.

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.