

Wild Rice Watershed District

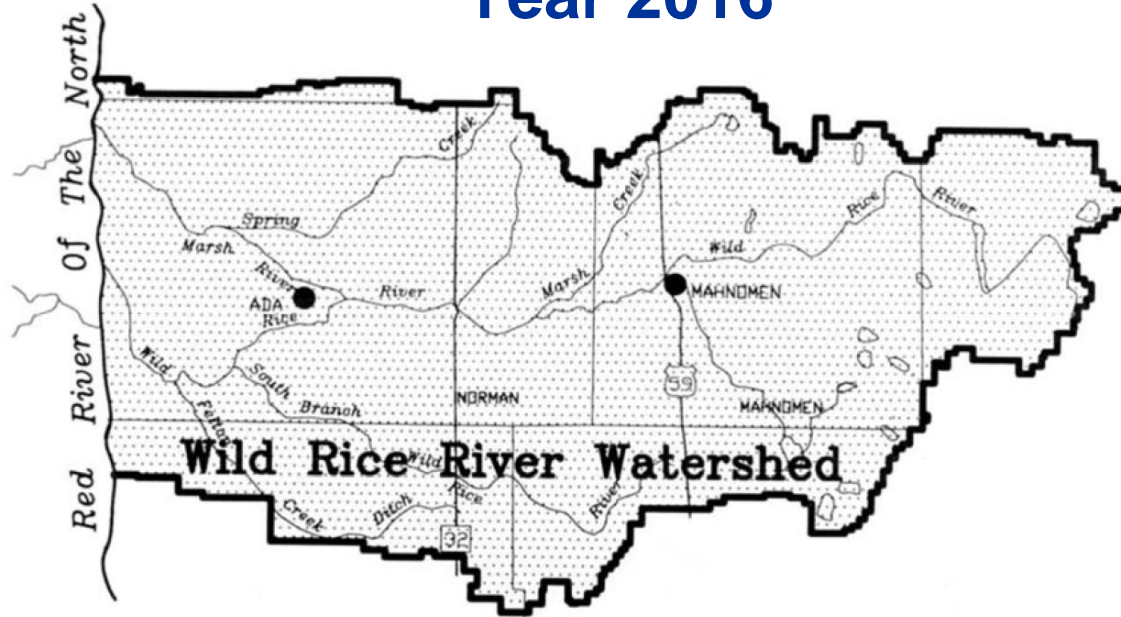


2016 Annual Report

Wild Rice Watershed District

47th Annual Report

Year 2016



The Wild Rice Watershed District is located in the central part of the Minnesota portion of the Red River of the North basin. The Watershed District is bordered by the Sand Hill River and the Red Lake River basins to the north and the Buffalo River basin to the south.

The Wild Rice Watershed District occupies a land area of approximately 2,085 square miles. The territory of the District is in parts of Norman, Clay, Mahnomen, Becker, Clearwater and Polk counties, which include the watershed of the Wild Rice River and the Marsh River.

The photos on the cover are from the Olson Agassiz Wildlife Management Area outlet structure, located in Section 21 of Spring Creek Township, Norman County, Minnesota.

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Wild Rice Watershed District

11 East 5th Avenue

Ada, MN 56510

Phone: (218) 784-5501

Fax: (218) 784-2459

Website: www.wildricewatershed.org

2016 WRWD Staff



Kevin Ruud
Administrator
kevin@wildricewatershed.org



Tara Jensen
Bookkeeper
tara@wildricewatershed.org



Nicole Swenson
Administrative Assistant
(Started 05-02-2016)
nikki@wildricewatershed.org

Courtney Habedank
Administrative Assistant
(Resigned 04-22-2016)

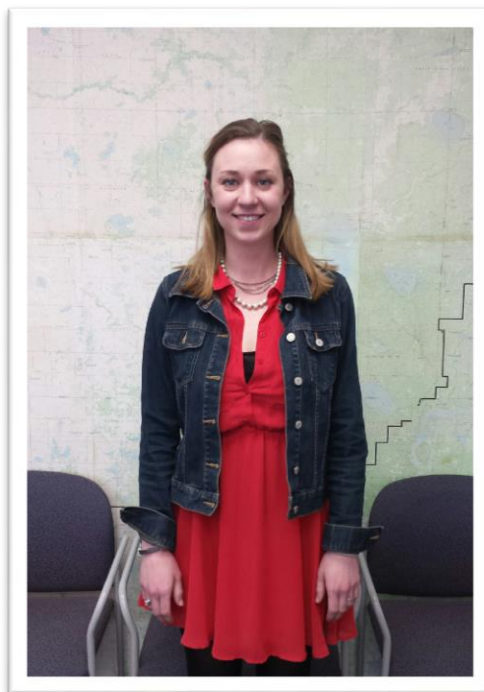


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I. Executive Summary

Pursuant to Minnesota Statutes Section Chapter 103D of the Minnesota Watershed Act, the Board of Managers hereby submits the 47th Annual Report of the Wild Rice Watershed District (WRWD), which covers the period of January 1 to December 31 of 2016. The report includes the District's members, technical and citizen advisors, summaries of the plans, goals, water management projects, and communication programs of the District as well as a summary of the District's financial condition.

The District distributes its Annual Activity Report to the Minnesota Department of Natural Resources and the Board of Soil and Water Resources as provided by law. Copies of the report or audit may be obtained from the District's Managers or through www.wildricewatershed.org.

The Annual Report reflects the Board of Managers' commitment toward serving the residents of the watershed in its mission to provide efficient management of our water resources for the future. The Wild Rice Watershed District is focused on providing the leadership and resources needed to fulfill its water management goals and objectives.

The Wild Rice Watershed District has developed a comprehensive implementation program to accomplish its goals and objectives. Authority for implementation is provided by the legislature under Section 103D of the Minnesota Statutes.

This legislation give the watershed districts the authority to establish rules, require permits, construct and finance improvement projects and perform other activities which contribute to the purpose for which the District is organized. The Watershed District will use this authority granted by the legislature to implement its long term goals and objectives.

Within the Annual Report you will find evidence of these commitments. The report also reflects the Board of Managers' recent accomplishments while mapping out plans for the upcoming year. The Managers invite comments and suggestions concerning this report.

**Respectfully submitted by
Wild Rice Watershed District
Board of Managers
Greg Holmvik
2016-2017 Chairman**

II. From the Desk of the Administrator

As the Administrator of the Wild Rice Watershed District for the last six years, I would like to add some of my thoughts as to how the 2016 year went.

For the second year in a row, we have had employee turnover. Courtney Habedank resigned to accept a job with the Norman County Soil and Water Conservation District. We wish her well. Taking her place in May was Nikki Swenson, I hope she stays a while.

We approved agreements with our consultants for three year terms. This matches up with our mowing and spraying contract along with the land lease agreements.

In our agreement with the City of Halstad to bring their Ring Dike to FEMA standards, we have completed acquiring the land needed to complete this portion of the work. This is being funded by the City of Halstad and the State of Minnesota. Hopefully we will receive funding for this in 2017 since there was not a bonding bill passed this year.

We have been working on pursuing additional funding for infrastructure improvements on the Hendrum and Perley ring dikes with the MNDOT and Norman County.

The Green Meadow Project Team received concerns from the Army Corps of Engineers about possible problems with one of the potential sites. This ended up switching the process to use the NRCS funding to do more watershed planning using the PL—566 process. The Red River Water Management allocated up to \$150,000.00 for using this process to set up a template for doing the Benefit Cost Analysis. This can be used towards the match we are required to have to see the full cost share of up to \$500,000.00 from the NRCS

The Lower Wild Rice Corridor applied for funding from the Lessards Sam Outdoor Heritage Council to acquire land along the Wild Rice River between County Road #2 and #4 focusing on the area above the Billy Lee Bridge. This was approved and we have an agreement to receive \$2.27 million dollars. We have tried using various methods to leverage this funding and are now working with the Board of Soil and Water Resources to use a RIM like process to acquire easements.

The DNR completed the process of doing an Environmental Assessment Worksheet (EAW) on the Goose Prairie project. The EAW came back with a favorable review. We have applied to the Lessards Sams Outdoor Heritage Council for funding. Our request was trimmed back to \$600,000.00 and we are waiting for the next legislative session for approval.

We have substantially completed improvement to two ring dikes along the Wild Rice River in cooperation with the State of Minnesota, Red River Water Management Board, Watershed, and the local landowners all contributing to it.

We have been working on updating our rules for the last two years and held two public input opportunities during the year.

A total of 136 permits were issued for various projects throughout the district.

Kevin Ruud, Administrator

III. Appointments

Board of Managers



Standing, L to R: Curt Johannsen, Gregory Holmvik, Sharon Askelson
Seated, L to R: Michael Christensen, Duane Erickson, Raymond Hanson, Dean Spaeth

The Wild Rice Watershed District is governed by a Board of Managers whose job is to preside over the business of the Watershed District as it pursues the conservation of natural resources and flood damage reduction through regulation and use of sound scientific principles.

The Board of Managers is composed of seven managers appointed by County Commissioners for a three-year term. Three managers are appointed by Norman County, two managers are appointed by Mahnomen County, and two managers are appointed by Clay County.

The Board of Managers meets regularly on the second Wednesday of each month at 8:30 a.m. at the District office in Ada, Minnesota.

Name and Office	Appointing County	Year Appointed	Contact Information for Current Managers	Date of Term Expiration
Raymond Hanson	Mahnomen	2010	4333 Co Hwy 29 Twin Valley, MN 56584 (218) 584-5545 raynmargo@gmail.com	04/25/19
Curt Johannsen	Norman	2011	PO Box 111 Hendrum, MN 56550 (701) 799-6732 chj74@outlook.com	04/25/19
Mike Christensen,	Norman	2006	4539 Co Hwy 29 Twin Valley, MN 56584 (218) 584-5510 sunnybrookfarms@gmail.com	04/25/19
Greg Holmvik,	Norman	2009	401 7th Ave W Ada, MN 56510 (218) 784-7399 gholmvik@loretel.net	04/25/17
Duane Erickson	Clay	2009	11849 390th St Ulen, MN 56585 (218) 567-8277 (218) 567-3935 mobile duaneerickson@arvig.net	04/25/18
Sharon Askelson	Clay	2015	PO Box 627 Felton, MN 56536 (218) 494-3439 saskelson@yahoo.com	04/25/18
Dean Spaeth	Mahnomen	2009	1526 210th St Mahnomen, MN 56557 (218) 935-2127 jspaeth@arvig.net	04/25/18

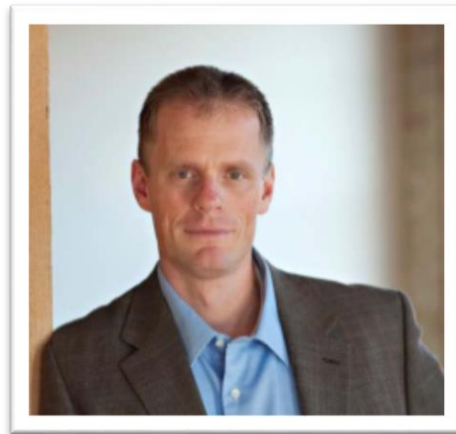
Consultants

The WRWD Board of Managers retains independent contractor consultants who provide all of the necessary engineering, auditing, legal and other services and serve at the pleasure of the Board. The District's independent consultants effectively fulfill its obligations, goals and objectives within the approved finances and budget. The following consultants served the District in 2016:

Name	Service Provided	Company Name	Contact Information
Elroy Hanson	Legal Services	Wambach and Hanson Law Office	P.O. Box 340 Mahnomen, MN 56557 Phone: (218) 935-2266
Jerry Bents	Engineer	Houston Engineering, Inc.	1401 21st Ave N Fargo, ND 58102 Phone: (701) 237-5065
Christopher Clasen	Auditor	Justin Clasen & Company, Ltd.	P.O. Box 90 Pequot Lakes, MN 56472 Phone: (218) 568-5242



Elroy Hanson,
Attorney,
Wambach & Hanson Law Office



Jerry Bents,
Civil Engineer
Vice President
Houston Engineering Inc.



Christopher Clasen
Certified Public Accountant
Justin Clasen & Company, Ltd.

Citizens Advisory Committee

To ensure public input, the managers have appointed a Citizens Advisory Committee to provide recommendations on matters affecting the Watershed District, including all contemplated projects and improvements. The Wild Rice Watershed District holds annual planning meetings with the Citizens Advisory Committee, as required under Minnesota Statute. Meetings are scheduled for the first Monday in April and the last Monday in November at 10:00 am at the District Office, unless otherwise noted.

Name of Committee Member	Contact Information
Steve Jacobson	1437 County Hwy 4 Hendrum, MN 56550 (218) 861-6155
Allen Boreen	4407 130th Ave Twin Valley, MN 56584 (218) 567-8268
Robert Braseth, Chairman	25415 190th Ave N Ulen, MN 56584 (218) 596-8754
Wesley Green	18494 210th St N Ulen, MN 56585 (218) 494-3739
Terry Guttormson	1141 175th Ave Hendrum, MN 56550 (218) 861-6800
Corey Hanson	2758 330th St Gary, MN 56545 (218) 356-8678
Cynthia Julin	318 E Main St Ada, MN 56510 (218) 784-2520
Steve Kahlbaugh	2450 160th Ave Mahnomen, MN 56557 (218) 261-0952
Jerome (Joe) Slette, Vice-Chairman	1141 237th St Mahnomen, MN 56557 (218) 936-7147
Matt Speer	2435 140th Ave Mahnomen, MN 56557 (218) 261-0645
Marijo Vik	2230 160th Ave Ada, MN 56510 (218) 784-3794

March 9, 2016 – Managers were informed that a meeting of the Citizen’s Advisory Committee has been scheduled for Monday, April 4, 10:00 am, at the District Office.

April 13, 2016 – Administrator Ruud presented the draft Citizen’s Advisory Committee minutes from the April 4, 2016, meeting. Highlights included Robert Braseth being elected chair, with Joe Slette as the vice-chair. The Committee passed a motion to encourage Managers to continue to pursue retention projects within the District.

December 14, 2016 – Administrator Ruud informed the Board that the Committee passed a motion to encourage the Board to continue to pursue retention. He also added that Marijo Vik has requested to be removed from the Advisory Committee due to scheduling conflicts, and he is requesting the Board remove Wesley Green due to lack of attendance. A motion was made by Manager Spaeth and seconded by Manager Hanson to remove Marijo Vik and Wesley Green from the Citizen’s Advisory Committee. Carried.

Flood Damage Reduction (FDR) Project Team

The FDR Project Team in the Wild Rice Watershed District was established in 1999, as a result of the mediation process which began in 1997, in an attempt to resolve issues surrounding the development of flood damage reduction projects between waters management agencies and stake-holder groups.

A framework was organized to seek solutions to flooding problems, review new flood protection projects, and coordinate efforts early on in the planning process. The mediation process allows federal, state, and local agencies, as well as the public and private sectors, to provide input regarding flood damage reduction and environmental impacts.

On January 27, 2010, consensus of the WRWD Board was to schedule Project Team Meetings the fourth Wednesday of every month.

The FDR Project Team in the Wild Rice Watershed District delegates includes:

Name	Organization Represented	Contact Information
Jerilyn Swenson	Counties	814 East Main Street Ada, MN 56510 218-784-7126 Jerliyn.swenson@co.norman.mn.us
Steve Bommersbach	Counties	PO Box 352 Twin Valley, MN 56584 218-584-5512 bommer@tvutel.com
Mark Harless	Landowner	1467 300th St Borup, MN 56519 218-582-3360
Paul Hougum	Landowner	1539 County Hwy 39 Perley, MN 56574 218-861-6464
Eric Zurn	Landowner	18629 County Hwy 14 Callaway, MN 56521 218-375-2368
Bruce Tufte	Landowner	1264 240th St Borup, MN 56519 218-784-7571
Joe Slette	Landowner	1141 237th Street Mahnomen, MN 56557 218-935-5918
Brett Arne	MN Board of Water and Soil Resources (BWSR)	26624 N Tower Rd Detroit Lakes, MN 56501 218-850-0934 brett.arne@state.mn.us
Pete Waller	MN Board of Water and Soil Resources (BWSR) MN BWSR	1004 Frontier Drive Fergus Falls, MN 56537 218-736-5445 pete.waller@state.mn.us

Name	Organization Represented	Contact Information
Nathan Olson	MN Department of Natural Resources (DNR) Fisheries	14583 County Hwy 19 Detroit Lakes, MN 56501 218-847-1579 nathan.olson@state.mn.us
Rodger Hemphill	MN DNR Hydrologist	14583 County Hwy 19 Detroit Lakes, MN 56501 218-846-8384 rodger.hemphill@state.mn.us
Rob Baden	MN DNR	14583 County Hwy 19 Detroit Lakes, MN 56501 218-846-8383 robert.baden@state.mn.us
Henry Van Offelen	MN DNR	14583 County Hwy 19 Detroit Lakes, MN 56501 218-847-1817 henry.van.offelen@state.mn.us
Danielle Kvasager	MN Pollution Control Agency (MPCA)	714 Lake Avenue, Suite 220 Detroit Lakes, MN 56501 218-847-1519 danielle.kvasager@state.mn.us
Jim Courneya	MPCA	714 Lake Avenue, Suite 220 Detroit Lakes, MN 56501 218-847-1519 jim.courneya@state.mn.us
Josh Bork	Natural Resources Conservation Services (NRCS)	10 E 2nd Ave S Ada, MN 56510 218-784-4000 josh.bork@mn.usda.gov
Edward Musielewicz	NRCS	809 8th St SE Detroit Lakes, MN 56501 218-847-9392 ed.musielewicz@mn.usda.gov
Randy Tufton	NRCS/FSA	10 E 2nd Ave S Ada, MN 56510 218-784-4000 randall.tufton@mn.usda.gov
Wayne Goeken	River Watch	440048 160th Ave SE Erskine, MN 56535 218-574-2622
Aaron Neubert	Soil and Water Conservation District (SWCD)	123 W Monroe Ave Mahanomen, MN 56557 218-935-2987 aaron.neubert@mn.nacdnet.net

Name	Organization Represented	Contact Information
Mark Christianson	SWCD	100 Main Ave E Twin Valley, MN 56557 218-584-5169 markc@arvig.net
Lori Thronson	SWCD	100 Main Ave E Twin Valley, MN 56557 218-584-5169 lorit@arvig.net
Peter Mead	SWCD	801 Jenny Avenue Perham, MN 56573 218-846-7360 pemead@co.becker.mn.us
Kevin Kassenborg	SWCD	1615 30th Ave S Moorhead, MN 56560 218-287-2255 kevinkassenborg@mn.nacdnet.net
Nan Bischoff	US Army Corps of Engineers	190 5th St E St Paul, MN 55101-1638 651-290-5426 nanette.m.bischoff@mvp02.usace.army.mil
Craig Jarnot	US Army Corps of Engineers	4111 Technology Dr Ste 295 Bemidji, MN 56601 651-290-5339 craig.l.jarnot@usace.army.mil
Ryan Frohling	US Fish & Wildlife Service (USFWS)	26624 N Tower Rd Detroit Lakes, MN 56501 218-847-3402 ryan.frohling@fws.gov
Mike Swan	White Earth Reservation	4044 South Ice Cracking Ponsford, MN 56575 218-573-3007
Curt Johannsen	Wild Rice Watershed District (WRWD)	11 East 5th Avenue Ada, MN 56510 218-784-5501
Duane Erickson	WRWD	11 East 5th Avenue Ada, MN 56510 218-784-5501
Mike Christensen	WRWD	11 East 5th Avenue Ada, MN 56510 218-784-5501
Jerry Bents	WRWD Engineer	11 East 5th Avenue Ada, MN 56510 218-784-5501

Red River Watershed Management Board (RRWMB)

The Wild Rice Watershed District is a member of the Red River Watershed Management Board (RRWMB).

The RRWMB's jurisdiction and authority encompasses the area managed by the individual watershed districts that have membership on the Board. Eight watershed districts within the Red River Valley from the RRWMB including the Bois de Sioux, Joe River, Middle-Snake-Tamarac Rivers, Red Lake, Roseau River, Sand Hill River, Two Rivers, and Wild Rice.

The RRWMB was created by an act of the Minnesota legislature in 1976 to provide an organization with a basin-wide perspective concerning flooding. Funding is by ad valorem tax levies, as provided by Chapter 163 of the Minnesota Session Laws.

Managers participate in the annual RRWMB conference each spring, which focuses on a basin-wide approach to water management and flood damage reduction.

Manager Greg Holmvik is the delegate to the board with Manager Curt Johannsen as the alternate.

Minnesota Association of Watershed Districts (MAWD)

The Minnesota Association of Watershed Districts (MAWD) provides educational opportunities, information and training for watershed districts, managers and staff through yearly tours, meetings and newsletters. MAWD also represents state-wide watershed district interests at the legislature, before the executive branch, agencies and other policy makers at the local government level.

IV. Plan Performance

Community Levee Improvements – City of Halstad

Proposers

Wild Rice Watershed District and City of Halstad

Description/Location:

A levee was constructed around the city of Halstad by the USACE in the early 1970s in response to flooding threats against the city. This levee currently removes the city from the designated 100-year floodplain.

However, Norman County has recently updated the Flood Insurance Study (FIS) to account for more recent hydrologic conditions. As part of this effort, the City of Halstad has been offered a Provisional Accredited Levee (PAL) letter. This designation requires the City to make necessary improvements to certify the levee meets at least the minimum requirements per CFR 65.10 or else all protected property will go into the floodplain.



Phase 1 Funding was previously provided by the MNDNR FDR Grant Assistance Program on a 50/50 cost- share to complete the initial survey, geotechnical analysis, and engineering for needed improvements. In addition, \$300K was also provided to expedite land acquisition efforts.

Phase 2 Funding will be used to finish the land acquisition, structural, embankment, and other improvements recommended from Phase 1 in order to meet the requirements of the Provisional Accredited Levee (PAL) letter and to undergo the necessary USACE review.

Phase 3 - Future Will be a cooperative project between the City of Halstad, Norman County, MNDOT and the Wild Rice Watershed District to provide grades raises and eliminate the emergency closure needs. When completed, this will eliminate the added costs for flood fighting, extended transportation closures, costly damage to the existing roadways, and public safety concerns for the traveling public. Current road resurfacing projects are scheduled by MNDOT in this area between 2017-2019.

Flood Control Benefits:

- Flood Protection for nearly 600 residents / 250± households
- Eliminate future roadway damages and public safety concerns
- Cooperative effort with multiple funding sources

Project Cost:

Phase 1 – Design/Permitting/Acquisition - State \$0.375M / Non-state \$153K (2% MHI)

Phase 2 – Levee Improvements: \$2.3M - State \$2.3M / Non-state \$0K

Phase 3 – Costs and Timing to be Determined – MNDOT Schedule for 2019

Status:

- **Phase 1 - Nearly Complete** – Previously funded
- **Phase 2 – Levee Improvements** – Current Request
- **Phase 3 – Roadway Improvements** – FY 2019-2020

	Prior Years	FY 2018 (7/17-6/18)	FY 2019 (7/18-6/19)	FY 2020 (7/19-6/20)	FY 2021 (7/20-6/21)
Funding	FDR \$0.375M WD/City \$0.153M	FDR \$2.300M WD/City \$0.0M	WD/City \$0.025M (Phase 3)	FDR \$ TBD WD/City \$ TBD DOT \$ TBD	
Project Status	Design/ Acquisition (Ph. 1 - Evaluation)	Design/ Acquisition/ Permitting/ Construction (Phase 2)	Phase 2 Completion Phase 3 Design	Ph. 3 Grade Raises Acquisition & Construction	

Key: PT=Project Team; WG=Flood Damage Reduction Work Group; RB=Red River Watershed Management Board; WD=Watershed District; DNR=Minnesota DNR; O=Other; DOT= MN Dept of Transportation.

Partners: Cooperative Project between City of Halstad, Norman County, WRWD, and State of Minnesota Flood Damage Reduction Program

July 13, 2016 – Engineer Bents summarized recent meetings with FEMA in Hendrum and Halstad. Updates were given on both projects. MNDOT was in attendance at both meetings and stated that they are planning on incorporating grade raises into their TH75 resurfacing projects in the upcoming years. FEMA will require a concrete barrier through the raise, which would not be covered by the DOT, rather a local cost requirement. Engineer Bents is working to update funding application information showing the DOT contribution to the road raise efforts in the communities.

August 10, 2016 – Engineer Bents stated that a meeting was recently held with FEMA regarding the flood map updating for Hendrum and Halstad, as well as the DOT regarding road raise efforts through the communities. Hopes are held that a special legislative session will be held towards the end of August, which could provide funding to complete the levee improvements in Halstad. Manager Johannsen suggested updating the funding requests for all three communities to reflect the additional funding partnership from the DOT in Hendrum and Halstad. Updated requests would detail the amount needed for each community to complete their road raises, and not lump communities together. Manager Erickson recommended holding a meeting with the communities to inform them of the updated funding requests.

September 14, 2016 – Administrator Ruud reported that a meeting was held with representatives from Perley and Hendrum regarding the updating funding requests. He added that Norman County is currently recalculating their cost contribution towards the road raises. The City of Perley did state that they currently have funds available for a local match towards road raise efforts. Engineer Bents added that work is being completed on the PAL submittal for the City of Hendrum and a meeting will be held with FEMA in early October regarding the project.

October 12, 2016 – Engineer Bents stated that we are working with FEMA regarding remapping on the Halstad levee. He also gave an update regarding the legislative submittals for Hendrum and Perley which were passed along to Ron Harnack.

November 16, 2016 – Engineer Bents reported that coordination meetings with FEMA in Hendrum and Halstad regarding the new flood plain mapping were held. He added once improvements are completed, a submittal to remove communities from the flood plain will be required.

December 14, 2016 – Engineer Bents stated that FEMA has the recommendations on how to change mapping in the future. We are currently waiting on approval.

Community Levee Improvements – Phase 2 – Perley and Hendrum Grade Raises

Proposers

Wild Rice Watershed District and Communities Perley and Hendrum
(in cooperation with Norman County and the Minnesota Department of transportation).

Description/Location:

Both the cities of Perley and Hendrum have been threatened by Red River flooding on numerous occasions over the years. To prevent these damages, the Cities, along with support from US Army Corps of Engineers, National Guard, and hundreds of volunteers, have previously raised the existing flood control levees using combinations of sandbags and clay.



Under Phase 1, the MNDNR FDR Grant Assistance Program provided funding to construct levees around the cities of Hendrum and Perley. However, Phase 1 did not include any adjustment to the roadway elevations that pass through the cities. As a result, the cities are still susceptible to flooding (for events less than the 100- year) through these openings thereby requiring emergency closures in these locations. The closures have been required five times since 1997. The installation of these emergency closures result in added costs for flood fighting, extended transportation closures, costly damage to the existing roadways, and public safety concern for the traveling public.

Phase 2 will be a cooperative project between the Cities of Hendrum and Perley, Norman County, MNDOT, and the Wild Rice Watershed District to provide grades raise and eliminate the emergency closure needs. Design and R/W acquisition will be completed in 2017-2018, and construction will begin in 2018 in Hendrum.

Flood Control Benefits (Phase 2)

- Complete Flood Protection Efforts for the two Communities
- Over 400 residents /175± households protected
- Eliminate future roadway damages and public safety concerns
- Cooperative effort with multiple funding sources - FDR Cost Share 50% or less

Project Cost (Combined for 2 communities): \$5M State \$1.25 / Non-state \$3.75M*

**Non- State based on 75% assumed MNDOT and County Cost-Share of Road Improvements*

Status: • **Phase 1 Levee Construction Completed - Previously funded**

- **Phase 2 - R/W Acquisition, Final Design, and Construction**

	Prior Years	FY 2018 7/17-6/18)	FY 2019 (7/18-6/19)	FY 2020 (7/19-6/20)	FY 2021 (7/20-6/21)
Funding	FDR \$4.800M WD \$ 0.140M	FDR \$0.0.625 WD \$1.875M (Including DOT and County/City/WD)	FDR \$0.625 WD \$1.875M (Including DOT and County/City/WD)		
Project Status	Design/ Acquisition/ Construction Phase 1 Completed	Design, Right-of-way and Construction (Ph. 2 Grade Raises)	Construction (Ph. 2 Grade Raises)	Construction Completion	

Key: DNR=Minnesota Department of Natural Resources; DOT= Minnesota Department of Transportation; FDR=Flood Damage Reduction Work Group; O=Other; RB=Red River Watershed Management Board; WD=Watershed District.

Partners: Cooperative Project between Cities of Hendrum and Perley, Norman County, WRWD, Minnesota Department of Transportation, and State of Minnesota Flood Damage Reduction Program

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Goose Prairie Wildlife Management Area Enhancements

Proposers:

Wild Rice Watershed District and MNDNR

Description/Location:

The Wild Rice Watershed District and Minnesota Department of Natural Resources have been cooperatively working to develop a plan to **provide improved wildlife management operational capabilities and enhanced flood damage reduction** benefits at the Goose Prairie Wildlife Management Area (WMA). The WMA (491 acres) has long provided hunting options for forest game birds and waterfowl as well as wildlife viewing options for wetland and prairie wildlife. However, the WMA currently has no operable outlet and has undergone significant degradation in recent years due to high water levels. The proposed plan would install an operable outlet structure to allow for enhanced wildlife management capabilities, while also providing additional runoff retention capacity.



Project Benefits:

Wildlife Management	The project will allow for improved wildlife pool management and improve habitat for spring and fall migrating waterfowl, shorebirds, and related species by enhancing the diversity and composition of wetland plant communities and aquatic invertebrate populations.
Habitat Restoration	The establishment of an additional 119 acres of permanent vegetation buffer areas to the WMA to improve upland wildlife habitat.
Water Quality	Improve water clarity by providing a seasonal variation of water levels which will restore wetland plant communities and control rough fish numbers.
Flood Control	The project will provide approximately 1,500 ac-ft of retention in the headwater area of the South Branch of the Wild Rice River drainage basin. This will provide both local (<i>approximately an 80% local peak flow reduction</i>) as well as Red River flood damage reduction.

Project Cost: \$1,907,000 State (95%±) \$1.82 / Non-state (5%±) \$0.087M

Status: EAW Review – Record of Decision Complete - \$600K LSOHC Approved for FY2018

	Prior Years	FY 2018 (7/17-6/18)	FY 2019 (7/18-6/19)	FY 2020 (7/19-6/20)	FY 2021 (7/20-6/21)
Approvals		WD/DNR/COE/O			
Funding	WD/DNR \$64K	LSOHC \$0.600M	LSOHC \$1.220M WD \$23K RRWMB \$TBD		
Project Status	Project Development; Assessment; Pre-design / EAW	Design/Permitting/ Acquisition	Design/Acquisition /Construction	Construction Completion	

Key: DNR=Minnesota DNR; FDR=Flood Damage Reduction Work Group; RB=Red River Watershed Management Board; WD=Wild Rice Watershed District.

Partners: Cooperative Project between MNDNR, Township, WRWD, and State of Minnesota Flood Damage Reduction Program

January 13, 2016 – Administrator Ruud stated that the comment period closed on December 23, 2014. Comments were received from MPCA, Kenneth and James Dahl, and Shelly Steichen. The majority of the comments received were in regards to Clay County Ditch 18 and how the District would work with the MNDNR in regards to the project. Henry VanOffelen is currently drafting a response to the comments returned, asking that questions not directly associated with the project be directed to the District office.

February 10, 2016 – Engineer Bents reported that a meeting was held a couple weeks ago with agencies reviewing the project. Chairman Holmvik asked if the operating plan had been developed. Administrator Ruud replied that the majority of it has been determined, with the opening date being discussed. Engineer Bents added that the preliminary operating plan was written into the EAW. It was noted that a project team meeting will be held in the future.

March 9, 2016 – Administrator Ruud reported that a draft Concurrence Point #1 was submitted to USACOE. Henry VanOffelen and Tammy Baden are working on finalizing Concurrence Point #2. Once both documents have been submitted we should be able to determine if the project falls under a general permit or if mitigation will be required.

April, 13, 2016 – Administrator Ruud informed the Board that a Project Team meeting will be held at the end of April. He added, answering a question by Manager Erickson, that currently it has not been determined if mitigation is necessary.

May 11, 2016 – Administrator Ruud reported that a Project Team meeting was held at the end of April. Currently wetland delineations are being completed. Easement and acquisition plans are also being drafted. Potential mitigation costs have not been determined. They wetland delineation will assist in determining the potential figures.

June 8, 2016 – Administrator Ruud informed the Board that an application has been submitted to LSOHC for \$1.82 million in funding assistance for land acquisition. Approximately 270 acres will need to be either acquired or have flowage easements obtained. Don Schultz, MNDNR is currently looking at areas where he would like to extend offers further than our initial plan. Manager Hanson asked for clarification regarding the type of easement. Engineer Bents stated that the flowage easement would allow us to store water on the land without landowner recourse, providing storage in times of high water. Landowners would still be able to farm the land and operate it as normal, and the water stored on the land would not be gated, rather as a result of high water bounce.

July 13, 2016 – Administrator Ruud informed the Board that the Wetland Committee recently met and reviewed the current information. Engineer Bents continued that the delineation report was completed and issues with WCA and USACOE will need to be addressed. We will start with the SWCD to determine the WCA concerns. It is the hopes that a possible exemption for wildlife purposes is applicable. Once the WCA concerns are addressed, we will move onto the USACOE. Administrator Ruud added that flowage easement values are currently being determined by an appraiser. Information should be returned by the September Meeting. A landowner meeting is hoped to be held this fall when more information is returned.

August 10, 2016 – Administrator Ruud updated the Board that initial discussions indicate that a no loss might be awarded through WCA. An application needs to be submitted prior to a definite answer being returned. A USACOE application also needs to be submitted to determine the need for potential mitigation.

September 14, 2016 – Administrator Ruud reported that he attended the LSOHC hearing and answered questions regarding the project. We are waiting to hear if our request for funding will be granted. We are also waiting to receive appraisal values on the flowage easements. More information is expected for the October meeting. Manager Erickson asked how work currently being completed is being funded. Engineer Bents responded that the work is being paid for with Red River Construction funding.

October 12, 2016 – Administrator Ruud informed the Board that Ron Harnack attended the LSOHC hearing in September. Currently the recommendations to legislature by LSOHC includes \$600,000 in funding for the Goose Prairie WMA. We are currently redeveloping our original plans to reflect what we will accomplish with the reduced funding amount. Final approval of funding comes through the legislative process. Appraisals for flowage easements were received recently. A meeting with landowners will be scheduled following harvest.

November 16, 2016 – Administrator Ruud reported that following the initial reports that we will receive funding from LSOHC, the MNDNR is exploring funding partnership opportunities. A landowner meeting will be held once more of a response is received from the DNR.

December 14, 2016 – Administrator Ruud stated that we are still working with the DNR regarding funding assistance for the project.

Lower Wild Rice Corridor Restoration and Setback Levees – Phase 1

Proposers

Wild Rice Watershed District

Description/Location:

The overall proposed corridor restoration project extends along the Wild Rice River from just SE of Hendrum, MN to about six miles east of Ada, MN. The overall restoration corridor length is approximately 23 miles long. Within this reach of river, the adjacent existing levees would be set back to encompass the river's historic meander belt (about ½ mile wide). Oxbows that were cut off by the 1950s Corps' channelization project would be reconnected to the river channel. Flows above an approximate Two-year event would exceed bank full capacity and inundate the leveed floodway/riparian corridor similar to natural riverine behavior. This feature would restore form and function to the floodplain, increase natural habitat, and restore connectivity to segmented floodplain forest. Due to the overall size of the initiative, the project will be conducted in multiple phases over the next 10 – 15 years. Phase 1 of this project will include an approximately 5-mile reach of this corridor.



Project Benefits:

Flood Control The setback levees will be constructed to provide a minimum 10-year level of protection for adjacent property.

Water Quality The Wild Rice River is currently listed as impaired water for turbidity. In addition, to reducing bank erosion, the proposed project will improve water quality by allowing suspended sediment to continue through the system and reduce turbidity in the river.

Wildlife and Habitat The establishment of the permanent vegetation corridor & restored river channel along 23 miles will improve wildlife habitat and provide enhanced connectivity along the river.

Steps: **Step 1 – Design Land Acquisition** – Locally Funded along with LSOHC and existing land programs

Step 2 – Corridor Vegetation and Setback Levee Construction – Future 2018-2023 Requests

Step 3 – Channel Rehabilitation – Future Funding from L-SOHC and Other Sources

Project Cost: \$8,000,000 State 75%± (\$6.0M) / Non-state 25%± (\$2.0M)

Status Phase 1: Acquisition is underway utilizing LSOHC funding and other applicable programs at an estimated \$10.7M in anticipated costs.

	Prior Years	FY 2017 (7/16-6/17)	FY 2018 (7/17-6/18)	FY 2019 (7/18-6/19)	FY 2020-2022 (7/19-6/21)
Funding	WD/RB & Mdtm Wk. Grp LSOHC \$2.270M		FDR \$0.150M WD/RB \$0.100M LSOHC \$2.270M O \$ 1.500M	FDR \$0.600M WD/RB \$0.100M LSOHC \$2.000M O \$1.200M	FDR \$5.25M WD/RB \$1.75M
Project Status	Project Development; Assessment & Pre-Design	Pre-Design /Acquisition (Appraisals)	Design/Permitting/ Acquisition	Acquisition/ Corridor Vegetation/ Construction	Acquisition/ Corridor Vegetation/ Construction

Key: DNR=Minnesota DNR; FDR=Flood Damage Reduction Work Group; LSOHC = Lessard Sams Outdoor Heritage Council;
O=Other; RB=Red River Watershed Management Board; WD=Wild Rice Watershed District.

Partners: Cooperative Project between MNDNR, WRWD, and State of Minnesota Flood Damage Reduction Program

January 13, 2016 – Administrator Ruud reported that we are still waiting to hear back from BWSR regarding possible funding opportunities. Engineer Bents added that if we do not have an answer by the February meeting the Board might need to discuss returning to LSOHC to change the grant funding details.

February 10, 2016 – Engineer Bents highlighted funding sources for the corridor restoration and benefits and concerns with each of the different areas. A motion was made by Manager Johannsen and seconded by Manager Hanson to approve staff returning to LSOHC to determine if the 30% leverage is required on the property acquisitions. Carried.

March 9, 2016 – Administrator Ruud commented that we are currently waiting for a response from BWSR regarding funding opportunities. Administrator Ruud and Engineer Bents will look at reformatting the accomplishment plan and resubmitting it to LSOHC.

April, 13, 2016 – Administrator Ruud reported that a teleconference was held the previous day with Engineer Bents, Henry Van Offelen, and Jameson Wendell to develop a plan to present to BWSR. Engineer Bents that he will coordinate with Attorney Hanson regarding specific verbiage in the easement allowing the District to do necessary work for corridor restoration in the future. Administrator Ruud added that once they have received a response from BWSR, the next step will be determined.

May 11, 2016 – Engineer Bents informed the Board that himself and Administrator Ruud are continuing to work through land acquisition requirements. They will be meeting with Attorney Hanson to look at needs of developing and easement contract.

June 8, 2016 – Administrator Ruud informed the Board that he is working with Engineer Bents and Attorney Hanson to develop a flowage easement. Once the verbiage is correct, it will be submitted to LSOHC for approval. Manager Johannsen asked what the expiration date on the current grant is. Administrator Ruud replied that it is set to expire in 2018. Marijo Vik cautioned the Board that any and all land purchased need to be approved during open meetings.

December 14, 2016 – Administrator Ruud stated that he was recently approached by a landowner along the corridor who is interested in selling property to the District and purchasing new property at the same time. The Board approved Administrator Ruud to seek appraisals to determine if the like-kind exchange is a possibility, as well as seek an updated appraisal for the Vik property, hoping to complete the two at the same time.

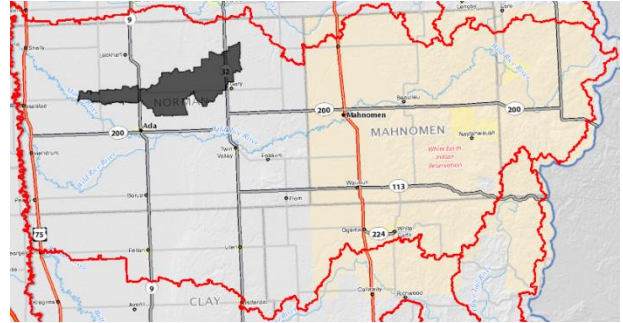
Green Meadow Water Management Project

Proposers

Wild Rice Watershed District

Description/Location:

The Wild Rice Watershed District and its project team are working to develop an overall water management plan for this approximately 69 Square Miles subwatershed. This area is located in the Marsh River basin of the Wild Rice Watershed District. This plan will identify both flood damage reduction and natural resource needs within the subwatershed. The Green Meadow Watershed Management Plan will provide an additional 7,500 ac-ft. of gated storage and approximately 11,000 ac-ft. of total storage.



Project Benefits:

Flood Control

The project will provide approximately 11,000 ac-ft. of retention within the Marsh River basin of the Wild Rice Watershed. This will provide both local (*40-45% reduction in flood volume*) and Red River flood damage reduction and is consistent with the Red River Basin Commission – Long-Term Flood Solutions Plan for reducing flows on the Red River (*providing approximately 5%± of LTFS storage goal*).

Water Quality

The Marsh River is currently listed as impaired water for turbidity. In addition, to reducing bank erosion, the retention site(s) will improve downstream water quality by allowing suspended sediment to settle out and reduce turbidity in the river.

Wildlife and Habitat

The establishment of the permanent vegetation within portions of the watershed will improve wildlife habitat. (*estimated 4-600 acres of permanent habitat establishment*)

Project Cost: \$19,600,000 State 67%± / Non-state 33%±

Status: Final Design/Land Acquisition 2016-18 / Construction 2019-20

	Prior Years	FY 2016-2017 (7/15-6/17)	FY 2018 (7/17-6/18)	FY 2019 (7/18-6/19)	FY 2020 (7/19-6/20)
Approvals		WD/DNR/COE/O	WD/DNR/COE/O		
Funding	WD/RB	WD \$.108M USDA \$.250M	WD \$.108M USDA \$.250M	FDR \$6.4M WD \$0.785M RB \$2.0M	FDR \$6.665M WD \$1.000M RB \$2.000M
Project Status	Project Development Preliminary Engineering	Final Design Permitting & Environmental Review	Final Design Permitting & Environmental Review	Acquisition and Construction	Construction

Key: DNR=Minnesota Department of Natural Resources; FDR=Flood Damage Reduction Work Group; RB=Red River Watershed Management Board; USDA = United States Department of Agriculture/NRCS; WD=Wild Rice Watershed District

Partners: Cooperative Project between MNDNR, Township, WRWD, and State of Minnesota Flood Damage Reduction Program

May 11, 2016 – Engineer Bents reported that a meeting was held with members who served on the former Green Meadow Project Team and discussion was held regarding switching to the NRCS RCPP process. A requirement of this process was the development of an Interdisciplinary Project Planning Team. Letters of invitation were distributed to necessary agencies and departments. All members of the former Project Team agreed to serve on the new Interdisciplinary Project Planning Team. A week later a Public Scoping Meeting was held as a requirement of the process. All landowners within the Green Meadow Sub-Watershed were invited to attend. Those in attendance were given an overview of the process and presented with the current areas of concern within the sub-watershed. All landowners were invited to complete a comment form ranking their priorities for the sub-watershed. Engineer Bents presented the Board with a summary of the presentation that was given to the attendees of the Public Scoping Meeting. Discussion was held regarding the process, timeline, and end result. Engineer Bents noted that the agreements can be cancelled at any time if it is determined that the process is not feasible going forward.

June 8, 2016 – Administrator Ruud summarized information discussed at a meeting the previous day regarding the RCPP process and NRCS rulings. Currently the process is a work in progress, laying the foundation to start the Moccasin and South Branch processes once we are further along with Green Meadow. Manager Erickson asked if the delay allows us to begin work on the BCA. Engineer Bents responded that the NRCS did not like that we were focusing on the BCA at this point in the process, as it is seen as skipping ahead, so we are focusing on the steps in the process to guide us. Manager Erickson discussed the cost of the projects and funding partners. The current grant agreement with the NRCS provides up to \$500,000 in funding with a 30% local match required.

July 13, 2016 – Engineer Bents highlighted the current RCPP process review points that are being conducted. Currently the initial feasibility report, maps, and hydraulic model are being developed.

August 10, 2016 – Chuck Fritz and Dr. Jay Leitch were in attendance and gave the Board an update regarding the Green Meadow BCA process. Currently the Green Meadow benefits are approximately \$7,000,000.00. Work is being completed to ensure that all benefits were considered prior to an economist meeting in October which will provide a more definite and defensible number. Engineer Bents informed the Board that work is still being done on developing a hydraulic model. A Project Team meeting is anticipated for September or October.

September 14, 2016 – Engineer Bents stated that two upcoming meetings will be held with the NRCS to discuss more regarding the purpose and need statements, hydraulics, and economics. He added that it would be advantageous to get through these meetings prior to holding a Project Team meeting.

October 12, 2016 – Administrator Ruud stated that Chuck Fritz and Dr. Jay Leitch are continuing to work on development of the BCA. A project team meeting will likely be held in November, following an economist meeting which will be held at the end of October.

November 16, 2016 – A project team meeting will be scheduled for January. Annual damages based on existing conditions and maps showing inundation levels with certain rainfall events at this meeting.

December 14, 2016 – Engineer Bents stated that a Project Team meeting will be held at the end of January. At that time, existing hydraulic modeling will be completed, and findings and results will be summarized to assist in looking at how different scenarios will affect the modeling. A motion was made by Manager Spaeth and seconded by Manager Christensen to set a Project Team meeting for the Green Meadow Project Team on Wednesday, January 25, 2017, at 10:00 am. Carried.

Judicial Ditch #51

January 13, 2016 – Engineer Bents reported that the 2 ¼ miles of the cleanout has been completed, with the first pay request being approved in the monthly billings. Spoil is scheduled to be leveled in the Spring or Fall of 2016.

February 10, 2016 – A motion was made by Manager Johannsen and seconded by Manager Hanson to approve payment of \$2,482.00 to Tim Crompton Excavating, releasing the retainer on the JD51 cleanout project. Carried.

August 10, 2016 – A motion was made by Manager Spaeth and seconded by Manager Erickson to approve awarding JD51 cleanout to the lowest quote, with the ability to award to the second lowest if necessary. Motion carried with Manager Hanson in opposition. Engineer Bents stated that they will be meeting with the contractor who submitted the lowest quote to verify the scope of the work required prior to awarding.

November 16, 2016 – A motion was made by Manager Hanson and seconded by Manager Spaeth to approve Pay Request 1 from Tim Crompton Excavating in the amount of \$10,710.00 for work completed on the JD51 cleanout. Carried.

December 14, 2016 – A motion was made by Manager Johannsen and seconded by Manager Hanson to approve a pay request from Tim Crompton Excavating for work completed on JD 51 cleanout. Carried.

Project #3, Mary Township Ditch #20

January 13, 2016 – A motion was made by Manager Johannsen and seconded by Manager Spaeth to table the Arends petition information until the February Board Meeting. Carried. The Board directed office staff to contact Mr. Arends again to attempt to get the request for dismissal of petition paperwork completed.

February 10, 2016 – A motion was made by Manager Erickson and seconded by Manager Spaeth to accept the written request to withdraw petition. Discussion was held regarding the fees associated with the petition. Attorney Hanson advised that the Board could send a letter to the petitioner that the withdrawal has been accepted with the contingency that the payment is received. The motion on the table is not dependent on said contingency. Managers Spaeth and Erickson voted for the motion. Managers Askelson, Christensen, Johannsen, Hanson, and Chairman Holmvik voted against the motion. Motion failed due to lack of majority.

A motion was made by Manager Johannsen and seconded by Manager Hanson to accept the withdrawal contingent on the payment being received. Managers Johannsen, Hanson, Askelson, Christensen, and Chairman Holmvik voted in favor of the motion. Managers Spaeth and Erickson voted against the motion. Motion carried. District Staff will notify the petitioner of Board action regarding the withdrawal request.

March 9, 2016 – It was noted that payment for the costs incurred due to the petition has been received.

Project #4 – Becker Dams

June 8, 2016 – Manager Erickson stated that we should fence District owned property adjacent to the Becker Dam and lease it to livestock farmers for grazing purposes. Administrator Ruud, Engineer Bents, and Bookkeeper Jensen were in agreement that they were unaware of any District owned property adjacent to the project, rather we have maintenance easements which would not allow the request to be fulfilled. Discussion regarding the topic was halted.

Project #9 – South Branch/Felton Ditch

September 14, 2016 – Engineer Bents informed the Board that he will be working with Administrator Ruud and Attorney Hanson to clarify information prior to going forward with the right of way reestablishment along the Felton Ditch.

Project #30, Green Meadow

September 14, 2016 – Horace Ooley spoke regarding increased flooding issues in the Green Meadow Subwatershed area. He questioned where the original project assessment area was and what land was assessed to drain into the Green Meadow Dam. Engineer Bents found the original project plans showing the area of drainage determined at the time the Dam was built. Lengthy discussion was held regarding increased flooding in the area and whether changes in road design during a paving project led to increased flooding in the area. Manager Erickson suggested informing Ooley of upcoming project team meetings to address his current concerns in the area. Chairman Holmvik asked if Ooley could submit a complaint regarding the culvert installation. Attorney Hanson responded that at this time the subject would be facing the statute of limitations.

November 16, 2016 – At the request of Leon Johnson, the area was reviewed. A temporary solution is being implemented and we will see how effective the plan is.

Project #40, Dalen Coulee

May 11, 2016 – Tony Nelson, Clay County Farm Biologist, presented information regarding the Minnesota Walk-In Access Program, allowing public hunting on private land during any open hunting season from September 1 to May 31. The proposed District owned property that Nelson felt would fit well into this program is located in Section 14 of Georgetown Township, which is land owned as a part of the Dalen Coulee Project. The District would receive payments for allowing the parcel to be opened for public hunting and being included on the DNR maps. Nelson noted that the landowner has the right to terminate the contract at any time, with no penalty, with a 5 day notice. A motion was made by Manager Johannsen and seconded by Manager Hanson to enter the District owned property, located in Section 14, Georgetown Township (Parcel #09-014-2500) into the Minnesota DNR Walk-In Access Program, having Administrator Ruud complete the application process prior to June 1, 2016. Carried.

Judicial Ditch #53, Main, Lockhart Flood Storage

September 14, 2016 – Jon Peterson, Lockhart township resident spoke regarding the recent heavy rain event and the efficiency of the Lockhart project. He stated that there is a long draw down time due to the design of the overflow structure. Discussion was held regarding solutions to this issue. A motion was made by Manager Johannsen and seconded by Manager Erickson to have staff develop a cost estimate regarding ditch improvements in the area, presenting information to landowners to determine if there is a desire to go forward with work to improve the outlet structure. Carried.

November 16, 2016 – A motion was made by Manager Hanson and seconded by Manager Erickson to approve communication with landowners to determine interest in pursuing a lateral to be constructed. Carried. It is noted that any improvements to current systems need to be petitioned for by adjacent landowners. The communication will present adjacent landowners with information regarding possible solutions to provide additional drainage for the area.

December 14, 2016 – Administrator Ruud provided a summary regarding staff and board action prior to this morning's meeting, noting that the flood storage project and drainage in the area was reviewed at the request of Jon Peterson. Engineer Bents added that currently possible solutions are being brought for landowner consideration, adding that any improvements to the area must be initiated through a petition brought forth by the landowners. Landowners in attendance were asked to review presented information and determine if there is a desire to implement any of the proposed laterals, noting that once a petition is brought forward, it can be withdrawn at any time if landowners determine that they do not want to continue with the process.

Clearwater County Ditch #3

January 13, 2016 – Engineer Bents led the Board through a power point presentation of the Clearwater Ditch No 3 drone flyover, identifying areas where cleanouts should occur. He added that the current plan is to remove dams with an excavator, pending landowner approval to cross adjacent property to get to the system.

February 10, 2016 – A motion was made by Manager Johannsen and seconded by Manager Hanson to allocate 50% of the cost of the drone to survey and data, with the remaining 50% being billed to the ditch system. Manager Hanson felt that the use of a drone was a new and innovative approach to gathering information for a maintenance request and felt that the District as a whole benefits from this experience. Carried.

Rural Ring Dike Program

February 10, 2016 – Administrator Ruud informed the Board that a landowner received notification from the NRCS that they were not accepted by the NRCS for ring dike maintenance and improvements. They have signed an application to continue the process with us. Discussion was held regarding the lack of a culvert in the applicant's driveway. A motion was made by Manager Spaeth and seconded by Manager Hanson to approve going forward with the improvement process, presenting the concerns regarding the lack of a culvert in the drive to the landowners. Carried.

March 9, 2016 – Administrator Ruud informed the Board that a landowner received notification from the NRCS that they did not qualify for NRCS assistance for improvements to an existing ring dike. They have submitted an application for assistance through the WRWD. Due to the close proximity to the prior application, we will notice both applications at the same time.

April 13, 2016 – 9:30 am – Ring Dike Improvement Information Session. Adjacent landowners Ken Visser and Jarod Visser were in attendance. Ken presented questions regarding potential adjacent landowner impacts. Engineer Bents stated that since the current dikes have not overtopped, there is no for seen impacts to adjacent landowners by raising the current dikes to meet the minimum required specifications.

May 10, 2016 – Engineer Bents stated that plans for both the Ramstad and Visser ring dike improvements have been developed. Currently they are working on permitting and coordinating with Mark Aanenson on wetland determinations in the area.

June 8, 2016 – Engineer Bents stated that both the Ramstad and Visser Ring Dikes are in the permitting phase. It has been determined that there will be approximately 0.2 acres of wetland impacts with the Ramstad dike. The Visser dike was reconfigured to avoid most of the wetland areas, however a DOT permit will be required for the work being completed.

July 13, 2016 – Engineer Bents stated that both the Visser and Ramstad ring dikes are currently going through the permitting phase. Once indications are returned on the applications, plans will be sent out and quotes sought.

August 10, 2016 – Engineer Bents stated that quotes to complete work are currently being sought with a deadline of August 22nd. A motion was made by Manager Hanson and seconded to Manager Spaeth to award the project to the lowest quote, so long as it is within 30% of engineers cost estimates. Carried. A motion was made by Manager Christensen and seconded by Manager Hanson to approve the purchase of Wetland Credits for the Ramstad Ring Dike Improvements. Motion carried with Manager Erickson in opposition.

September 14, 2016 – A motion was made by Manager Hanson and seconded by Manager Johannsen to award the Visser ring dike project to Northern States Excavating. Carried. It was noted that the Ramstad quotes came in within 30% of engineering estimates and construction began on September 13, 2016.

October 12, 2016 – Engineer Bents stated that the Ramstad project should be seeded in the upcoming week. Construction will start on the Visser ring dike immediately following the completion of the Ramstad seeding. A motion was made by Manager Hanson and seconded by Manager Christensen to approve Pay Request #1 from Northern States Excavating totaling \$38,666.25, for work completed on the Ramstad Ring Dike, less a 10% retainer. Carried.

November 16, 2016 – A motion was made by Manager Hanson and seconded by Manager Spaeth approving Pay Request 2 from Northern States Excavating in the amount of \$14,009.40 for work completed on the Ramstad Ring Dike Improvements. Carried. A motion was made by Manager Christensen and seconded by Manager Hanson approving Pay Request 1 from Northern States Excavating in the amount of \$28,984.50 for work completed on the Visser Ring Dike Improvements. Carried. It was noted that seeding of the site will occur in spring due to risks of dormant seeding if warm weather follows seeding.

December 14, 2016 – A motion was made by Manager Hanson and seconded by Manager Askelson to approve a pay request and change order from Northern States Excavating for work completed on the Visser Ring Dike. Carried. A motion was made by Manager Askelson and seconded by Manager Johannsen to approve a pay request and change order from Northern States Excavating for work completed on the Ramstad Ring Dike. Carried.

Unassessed Project #8 – Moccassin Creek

September 14, 2016 – Mark Seeger stated that he was seeking permission to remove beaver dams in Moccassin Creek and cleanout portions of the creek located on DNR property. Seeger was advised that Moccassin Creek is not an assessed project area, therefore the Board of Managers cannot authorize cleanout or maintenance of the channel. He was also advised that the landowners along the channel can file a petition to establish a ditch system, which would provide the District with maintenance authority over the assessed portion of an established project. He was also advised to contact the DNR regarding issues with beaver activity on their property.

NRCS RCPP

January 13, 2016 – Administrator Ruud informed the Board that an agreement was received for the South Branch project. Clerical issues that are currently being corrected and we are waiting for the document to be returned. Once we receive it back we will go forward with the process. It is hopeful that it will be ready for Board approval at the February meeting.

February 10, 2016 – Administrator Ruud commented that we are currently waiting for updated agreements before proceeding forward.

March 9, 2016 – A motion was made by Manager Johannsen and seconded by Manager Askelson to approve Chairman Holmvik signing the grant agreements for the NRCS RCPP. Carried. It is noted that either party can halt the process at any time, and if projects are withdrawn more funds may become available. It was noted that the Green Meadow Grant comes with \$150,000 in local cost share assistance from the RRWMB.

April, 13, 2016 – Chuck Fritz and Dr. Jay Lietch were in attendance and reviewed the PL566 and BCA process in detail. Following explanation of how the BCA would be determined, Chairman Holmvik asked if all Managers were in favor of the process. No objection was voiced.

May 11, 2016 – Chairman Holmvik added that the RRWMB was approached by the USACOE and asked to assist in funding a designated person to be looking at watershed permits for the Red River Valley. The request is for approximately \$17,000 per project area. The RRWMB decided to have representatives bring the request back to the Districts. Discussion was held and it was determined that the Board did not have interest being a funding partner for the designated USACOE employee. Manager Johannsen asked Chairman Holmvik to explain to the RRWMB that the District does not feel that it is their responsibility to fund USACOE administrative costs.

June 8, 2016 – Administrator Ruud summarized information discussed at a meeting the previous day regarding the RCPP process and NRCS rulings. Currently the process is a work in progress, laying the foundation to start the Moccasin and South Branch processes once we are further along with Green Meadow. Manager Erickson asked if the delay allows us to begin work on the BCA. Engineer Bents responded that the NRCS did not like that we were focusing on the BCA at this point in the process, as it is seen as skipping ahead, so we are focusing on the steps in the process to guide us. Manager Erickson discussed the cost of the projects and funding partners. The current grant agreement with the NRCS provides up to \$500,000 in funding with a 30% local match required.

Permit Applications

For all permit application for **subsurface drain tile installations**, the watershed adopted the following standard conditions and recommendations:

- 1) Recommendation that the applicant contact and coordinate with the NRCS/SWCD offices to ensure approval/clearance regarding any potential wetland issues (and with the USFWS for installation of tile on any parcel that is under easement from the USFWS).
- 2) Recommendation that the applicant obtain approval from the necessary road authorities (township, county, state...) for any work in the road R/W and the drainage authorities (county) for outlets to legal ditches not under WRWD Watershed jurisdiction.
- 3) Approved with the condition that the applicant is responsible for adequate erosion control measures at the outlet of the tile system. This should include the installation of riprap or other protection measures at pump outlets. It will remain the responsibility of the applicant to maintain this protection as long as the tile is in place and operating.
- 4) Approved with the condition that all gravity outlets be installed about (however not more than 2 feet above) the elevation of the original design gradeline of the receiving ditch or channel.
- 5) Pumped Outlets Only – Approved with the condition that the pump(s) not be operated during freezing conditions and during times of downstream flooding, and that pumps and associated pipes will not be installed about ground and will block vehicle traffic on the R/W of ditch systems. Also all disturbed areas in ditch R/W's will be restored and reseeded to preexisting conditions.
- 6) Pump stations or other tile control structures, shall not be placed within the R/W of existing legal ditch systems or within a distance determined as follows (6 times the depth of the ditch, measured from top of spoilbank elevation to bottom of ditch from the field side bottom of the ditch), whichever is greater, unless otherwise approved in writing by the WRWD. For example, if the vertical depth measured from top of spoilbank elevation to the bottom of the ditch is 8 ft., the pump station shall not be located within 48 ft. from the field side bottom of the ditch, or within the existing R/W, whichever is greater.

January 2016

Approved

- KL Farms, Section 31, Liberty Twp. Permit #1-13-16-2 to install subsurface drain tile with standard tile conditions.

Tabled

- Chuck Borgen, Section 22, Georgetown Twp. Permit #1-13-16-1 to install subsurface drain tile pending previously requested information from the applicant.

February 2016

Approved

- Mike Jirik, Section 32, Lake Grove Twp. Permit #9-10-16-2 to install subsurface drain tile with standard tile conditions and the condition that the applicant provide written approval from the landowners in the W1/2 SW1/4 and SE1/4 SW ¼ and SW1/4 SE1/4 of Section 32 of Lake Grove Township.

Tabled

- Chuck Borgen, Section 22, Georgetown Twp. Permit #2-10-16-1 to install subsurface drain tile, requesting that the applicant petition to bring land tiled to the north end of the section

into the benefitting area of Clay County Ditch 52; or change the project design to outlet to the south end of the section.

- MNDOT, Multiple Townships, Highway 59 corridor throughout district. Permit #2-10-16-3 and notice adjacent property owners and adjacent townships.
-

March 2016

Approved

- CMGB Farms, Section 22, Strand Twp. Permit #3-9-16-3 to install subsurface drain tile with standard tile conditions.
- Good Hope Township, Section 1, Good Hope Twp. Permit #3-9-16-5 to replace an 18" culvert with a longer 18" culvert with the condition that the culvert is installed at the same elevation as the existing culvert.
- Good Hope Township, Section 4-5, Good Hope Twp. Permit #3-9-16-6 to install a 36" culvert with a riser pipe with the condition that the riser elevation may not be more than 6" below the final rebuilt roadway elevation.
- Steve Kahlbaugh, Section 7-8, Rosedale Twp. Permit #3-9-16-7 to install subsurface drain tile with standard tile conditions and the condition that the applicant get written approval from the landowner in the W1/2 SE1/4 of Section 7, Rosedale Twp.
- David Lee, Section 27, Georgetown Twp. Permit #3-9-16-8 to install subsurface drain tile with standard tile conditions.
- MNDOT, Many Townships and Sections. Permit #3-9-16-9 to conduct roadway improvements with the condition that the culvert at station 94+80 is not increased and will remain a 60" diameter pipe. Carried. Lengthy discussion was held between adjacent landowners and MNDOT employees, Greg Mastellar and Paul Munsterteiger. Concerns presented were from Pete and Mary Domogalla who wanted a culvert lowered near their property, Bejou Township representatives requested that the culvert located at 94+80 was not increased in capacity as originally planned, and Joseph Miller had a request to install and additional field crossing near Waubun. It was determined that the request from Domogallas and Miller required permit applications from the parties requesting changes. The permit was approved with the condition requested by Bejou Township.
- Norman County Highway Department, Many Townships and Sections. Permit #3-9-16-12 to conduct roadway improvements, mill and overlay roadway surfaces, with the condition that the roadway section of Highway 39 in the W1/2 of Section 29 of Winchester Township have an overflow section that is the same as the current elevation.

Tabled

- Becker County Highway Department, Section 13 & 24, Atlanta Twp. Permit #3-9-16-1 to replace a timber bridge with a concrete box culvert, to notice Sections 13&24 of Atlanta Twp.
- Chuck Borgen, Section 22, Georgetown Twp. Permit #3-9-16-2 to install subsurface drain tile pending requested information from applicant.
- Peter Domogalla, Section 11, Marsh Creek Twp. Permit #3-9-16-4 to install flap gates on two 24" culverts to allow time for the application to evaluate and additional permit by the applicant regarding lowering a centerline culvert in Highway 59, and to further investigate opposition from an adjacent renter to the north.
- Alan Pinske, Section 20, Fossum Twp. Permit #3-9-16-10 to install subsurface drain tile, requesting the applicant submit a tile plan.

- Alan Pinske, Section 24, Wild Rice Twp. Permit #3-9-16-11 to install subsurface drain tile, requesting the applicant submit a tile plan.
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April 2016

Approved

- Nick Aldrich, Section 6, Green Meadow Twp. Permit #4-13-16-1 to install a field approach and 18' culvert.
- Nick Aldrich, Section 31, Spring Creek Twp. Permit #4-13-16-2 to install an 18" culvert in a driveway.
- Brandon Borgen, Section 9, Mary Twp. Permit #4-13-16-3 to remove and level a farmstead ring dike.
- Becker County Highway Department, Section 13 and 24, Atlanta Twp. Permit #4-13-16-4 to replace a timber bridge with a concrete box culvert.
- Peter Domogalla, Section 11, Marsh Creek Twp. Permit #4-13-16-6 to install flap gates on two 24" culverts.
- Peter Domogalla, Section 11, Marsh Creek Twp. Permit #4-13-16-7 to lower two centerline culverts by 2.0 feet with the condition that the north culvert will not be installed lower than the downstream pipe through the railroad and the south pipe elevation will not be changed.
- Flowing Township, Section 11 and 14, Flowing Twp. Permit #4-13-16-9 to replace a culvert with a longer one.
- Good Hope Township, Section 4 and 9, Good Hope Twp. Permit #4-13-16-10 to replace a damaged 24" culvert and trap with a longer 24" culvert and trap.
- Vernon Holland, Section 24, Lake Ida Twp. Permit #4-13-16-11 to construct a water and sediment control basin.
- Leiser Brothers, Section 6, Spring Creek Twp. Permit #4-13-16-12 to install subsurface drain tile with standard tile conditions.
- Steve Mattson, Section 27, Walworth Twp. Permit #4-13-16-13 to construct a new ditch.
- Steve Mattson, Section 27, Walworth Twp. Permit #4-13-16-14 to remove three field approaches.
- Dan McNamee, Section 3, LaGarde Twp. Permit #4-13-16-15 to construct a water and sediment control basin.
- Dan McNamee, Section 3, LaGarde Twp. Permit #4-13-16-16 to construct a water and sediment control basin.
- Dan McNamee, Section 3, LaGarde Twp. Permit #4-13-16-17 to construct a water and sediment basin.
- Dan McNamee, Section 4, LaGarde Twp. Permit #4-13-16-18 to construct a water and sediment control basin.
- Norman County Highway Department, Section 9 and 16, McDonaldsville Twp. Permit #4-13-16-19 to construct a mill and overlay project.
- Norman County Highway Department, Section 16, Good Hope Twp. Permit #4-13-16-20 to replace a concrete box culvert with a 48" CMP.
- Norman County Highway Department, Section 15, Lake Ida Twp. Permit #4-13-16-21 to replace a steel arch pipe with a concrete box culvert.
- Alan Pinske, Section 24, Fossum Twp. Permit #4-13-16-23 to install subsurface drain tile with standard tile conditions.
- Adam Stalboerger, Section 1, Popple Grove Twp, Section 6, Lake Grove Twp. Permit #4-13-16-24 to remove two centerline culverts through Highway 59 with the condition that the applicant provide written approval of the request from the MNDOT.

- Vig Farms, Section 33, Heier Twp. Permit #4-13-16-25 to construct a water and sediment control basin.

Tabled

- Peter Domogalla, Section 11, Marsh Creek Twp. Permit #4-13-16-8 to install subsurface drain tile and request that the applicant provide written approval from the NRCS and Mahanomen SWCD for the tile installation included an approved mitigation plan.
- Alan Pinske, Section 20, Fossum Twp. Permit #4-13-16-22 to install subsurface drain tile requesting that the applicant provide formal approval from the drainage authority for Norman County Ditch 7.

Returned

- Chuck Borgen, Section 22, Georgetown Twp. Permit #4-13-16-5 to install subsurface drain tile. The applicant can apply in the future if requested information becomes available.

May 2016

Approved

- David Arends, Section 7, Georgetown Twp. Permit #5-11-16-1 to replace and extend a culvert in a field crossing with the condition that the new culvert is the same diameter pipe and that it is placed at the same location and elevation.
- David Arends, Section 29, Mary Twp. Permit #5-11-16-2 to install a culvert and field crossing with the condition that the culvert is a 24" diameter pipe.
- Doug Chandler, Section 31, Hubbard Twp. Permit #5-11-16-3 to lower an existing culvert 1.5 feet with the condition the outlet is installed above the elevation of the riser on the adjacent structure on Project No. 5 Norman-Polk Project and the condition that the ditchbanks and/or levees are restored to the preproject geometry and the condition that the applicant is responsible for adequate erosion control measures at the outlet. This could include the installation of riprap or other protection measures as necessary. Also approve with the recommendation that any ditchwork that is done as a result of this permit will also require permit approval from the Wild Rice Watershed District.
- Darrin Erickson, Section 7, Flom Twp. Permit #5-11-16-5 to install subsurface drain tile with standard tile conditions. Permit was approved for a requested term of two years.
- Darrin Erickson, Section 6, Walworth Twp. Permit #5-11-16-6 to install subsurface drain tile with standard tile conditions. Permit was approved for a requested term of two years.
- Steve Guenther, Section 36, Rosedale Twp. Permit #5-11-16-7 to install a water and sediment control basin project and conduct a wetland restoration.
- Gerald Johnson, Section 25 and 29, Heier Twp. Permit #5-11-16-8 to install water and sediment control basin projects.
- Jason Keller, Section 3, Marsh Creek Twp. Permit #5-11-16-9 to install water and sediment control basin projects.
- Doug Kettner, Section 19, Pembina Twp. Permit #5-11-16-10 to install water and sediment control basin projects.
- David Kitchell, Section 18, Wild Rice Twp. Permit #5-11-16-11 to install a field approach and culvert.
- Kevin Leiser, Section 6, Spring Creek Twp. Permit #5-11-16-12 to install a field approach with two 35" x 24" arch culverts.
- Norman County Highway Department, Various Sections, Bear Park and Sundal Twps. Permit #5-11-16-13 to construct a 2" overlay on Norman CSAH 34.

- Oberg Family Farms, Section 26, Good Hope Twp. Permit #5-11-16-14 to install subsurface drain tile with standard tile conditions.
- John Pazdernik, Section 7, Lake Grove Twp. Permit #5-11-16-15 to lower and existing 36" centerline culvert 18 inches with the condition that the applicant proved written approval from MNDOT.
- Peter Scheff, Section 26, Beaulieu Twp. Permit #5-11-16-20 to install a water and sediment control basin project.
- John Seeger, Section 24, Fossum Twp. Permit #5-11-16-21 to install a water and sediment control basin project.
- Skaurud Grain Farm, Section 30, Marsh Creek Twp. Permit #5-11-16-22 to install subsurface drain tile with standard tile conditions.
- Skaurud Grain Farm, Section 32, Marsh Creek Twp. Permit #5-11-16-23 to install subsurface drain tile with standard tile conditions.
- Skaurud Grain Farm, Section 30 and 32, Marsh Creek Twp. Permit #5-11-16-24 to install a water and sediment control basin project.
- Sletten Township, Section 34, Sletten Township. Permit #5-11-16-25 to replace a 24" centerline culvert with a 36" culvert, with the condition that the culvert remain a 24" diameter pipe.
- Mark Stock, Section 1, 11, and 12, Rosedale Twp. Permit #5-11-16-26 to install a water and sediment control basin project.
- Shaun Swiers, Section 22, Marsh Creek Twp. Permit #5-11-16-27 to install a grade stabilization structure.

Tabled

- Peter Domogalla, Section 11, Marsh Creek Twp. Permit #5-11-16-4 to install subsurface drain tile pending previously requested information from the applicant to provide written approval from the NRCS and Mahanomen SWCD for the tile installation including an approved mitigation plan.
- Alan Pinske, Section 20, Fossum Twp. Permit #5-11-16-19 to install subsurface drain tile pending previously requested information from the applicant to provide approval from the drainage authority for Norman County Ditch 7.

Denied

- John Pazdernik, Section 7, Lake Grove Twp. Permit #5-11-16-16 to replace a 36" centerline culvert with a 48" culvert and install the new culvert 18" lower due to adjacent landowner concern.
 - Duane Pazdernik, Section 36, Pembina Twp. Permit #5-11-16-17 to remove a 36" centerline culvert and replace it with a smaller culvert due to adjacent landowner concern.
 - Duane Pazdernik, Section 36, Pembina Twp. Permit #5-11-16-18 to replace a 36" centerline culvert with an 18" culvert, leave the berm along the highway 59 ROW line, install a 6" tile riser to rain the water to the property line, and install a field crossing with a 12" culvert downstream of the existing 36" culvert due to adjacent landowner concerns. It was recommended that in the future, the applicant apply for each item on separate applications.
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June 2016

Approved

- Andrew Borgen, Section 1, Lee Twp. Permit #6-8-16-1 to install subsurface drain tile with standard tile conditions.
- Anthony Township, Section 10, Anthony Twp. Permit #6-8-16-2 to extend a 36" culvert or replace it with a longer one, with the condition that if the culvert is extended it will be placed at the same elevation as the current pipe, and if the culvert is replaced then approve with the condition the outlet is installed above (however not more than 2-ft above) the elevation of the original design gradeline of the receiving ditch and the condition that the ditchbanks and/or levees are restored to the preproject geometry and the condition that the applicant is responsible for adequate erosion control measures at the outlet. This could include the installation of riprap or other protection measures as necessary.
- Wayne Brandt, Section 13, Pleasant View Twp. Permit #6-8-16-3 to install subsurface drain tile with standard tile conditions.
- Wayne Brandt, Section 11, Marsh Creek Twp. Permit #6-8-16-4 to install subsurface drain tile with standard tile conditions.
- Peter Domogalla, Section 11, Marsh Creek Twp. Permit #6-8-16-5 to install subsurface drain tile with standard tile conditions.
- Doug Kramer, Section 31, Gregory Twp. Permit #6-8-16-7 to install water and sediment control basins.
- Duane Pazdernik, Section 36, Pembina Twp. Permit #6-8-16-9 to install a 6" tile line from the Highway 59 ROW across his field with the condition that the applicant provide written approval from the MNDOT for any work done in the road ROW and with the condition that a berm or dike is not installed west of the 36" culvert.
- Wendell Sip, Section 30, Spring Creek Twp. Permit #6-8-16-12 to install a field approach with a 24" culvert, add a culvert to an existing field approach and widen a field approach with an 18" culvert with the condition that the culvert to be added on the west side of the section is an 18" or 24" culvert.
- Skaurud Grain Farms, Section 20, Lockhart Twp. Permit #6-8-16-13 to install subsurface drain tile with standard tile conditions.
- Ronnie Tang, Section 28, Felton Twp. Permit #6-8-16-15 to install subsurface drain tile with standard tile conditions.
- Dennis Wertz, Section 35, Rockwell Twp. Permit #6-8-16-16 to install a 24" culvert and crossing, clean out sediment and beaver dams from a ditch, advising the applicant that a permit is not required by the WRWD for cleaning silt out of an existing ditch provided the work will not result in the ditch becoming deeper or wider than the original ditch design.

Tabled

- Duane Pazdernik, Section 36, Pembina Twp. Permit #6-8-16-8 to install a field crossing with a 12" pipe requesting that the applicant provide the planned elevation of the top of the field crossing and the west invert of the 36" centerline culvert through Highway 59.
- Alan Pinske, Section 20, Fossum Twp. Permit #6-8-16-11 to install subsurface drain tile pending previously requested information from the applicant which includes a tile plan and approval from the drainage authority for Norman County.
- Skaurud Grain Farms, Sections 4 & 5, Marsh Creek Twp. Permit #6-8-16-14 to install subsurface drain tile, requesting that the applicant provide written approval from the MNDNR for potential wetland impacts to the MN Protected Waters, and the NRCS and Mahanomen SWCD for any impacts from the tile installation to wetlands.

Returned

- John Pazdernik, Section 7, Lake Grove Twp. Permit #6-8-16-10 to clean silt out of a ditch and indicate that a permit is not required by the WRWD for cleaning silt out of an existing ditch provided that the work will not result in the ditch becoming deeper or wider than the original ditch design, also attach a project map showing the Minnesota Protected Waters Inventory and recommend that a permit from the MN DNR may be required for the proposed project.
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July 2016

Approved

- Kevin Anderson, Section 3, Winchester Twp. Permit #7-13-16-1 to extend a culvert and widen a field approach.
- Kevin Anderson, Section 32, Rockwell Twp. Permit #7-13-16-2 to extend a culvert and widen a field approach.
- Kevin Anderson, Section 3, Winchester Twp. Permit #7-13-16-3 to install a field approach and 30" culvert.
- Ashley Griewe, Section 23, Spring Creek Twp. Permit #7-13-16-4 to install a field approach with the condition that the culvert is a 24" diameter pipe.
- Randy Hanson, Section 15, Anthony Twp. Permit #7-13-16-5 to extend a culvert and widen a field approach.
- Jeff Radke, Section 10, Home Lake Twp. Permit #7-13-16-8 to move a culvert and improve a ditch with the condition that the culvert to be installed at the new location is installed at the same elevation as the existing culvert.
- Gary Schlick, Section 4, Rosedale Twp. Permit #7-13-16-9 to construct a grade stabilization project.
- Skaurud Grain Farms, Section 4 & 5, Marsh Creek Twp. Permit #7-13-16-10 to install subsurface drain tile with the conditions that the project is constructed to be in compliance with the MNDNR protected water rules, the Wetland Conservation Act Rules, and the NRCS rules and setback recommendations as well as the WRWD standard tile conditions.
- David Vilmo, Section 3, Pleasant View Twp. Permit #7-13-16-11 to extend a culvert and widen a field approach.
- David Vilmo, Section 8 & 9, Green Meadow Twp. Permit #7-13-16-12 to extend a culvert and widen a field approach.
- David Vilmo, Section 16, Green Meadow Twp. Permit #7-13-16-13 to add a new driveway to a bin site.
- Randy Zimmerman, Section 22, Ulen Twp. Permit #7-13-16-14 to extend a culvert and widen a field approach.

Tabled

- Duane Pazdernik, Section 36, Pembina Twp. Permit #7-13-16-6 to install a field crossing with a 12" pipe requesting that the applicant provide the planned elevation of the top of the field crossing and the west invert of the 36" centerline culvert through highway 59.
 - Alan Pinske, Section 20, Fossum Twp. Permit #7-13-16-7 to install subsurface drain tile requesting a tile plan and approval from the drainage authority for Norman County.
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August 2016

Approved

- Blaine Erickson, Section 19, Lockhart Twp. Permit #8-10-16-1 to install a field approach with a 24" pipe.
- Duane Erickson, Section 12, Home Lake Twp. Permit #8-10-16-2 to install subsurface drain tile and remove a field approach with an 18" pipe and install a new field approach with an 18" pipe with standard tile conditions.
- Duane Erickson, Section 36, Home Lake Twp. Permit #8-10-16-3 to install subsurface drain tile with standard tile conditions and the condition that the applicant get written approval from the landowner in the N1/2SW1/4SW1/4 of section 36 of Home Lake Township.
- Duane Erickson, Section 6, Walworth Twp. Permit #8-10-16-4 to install subsurface drain tile and replace an 18" centerline pipe with a longer 18" pipe and install it 1.5 feet lower in elevation with standard tile conditions and the condition that the applicant gets written approval from the landowner in the S1/2 of Section 31 of Flom Lake Twp, the applicant gets written approval from the road authority for work in the roadway right-of-way, and that no perforated tile is to be installed within 200 feet of the property line with the US Fish and Wildlife Service.
- Duane Erickson, Section 5, Walworth Twp. Permit #8-10-16-5 to install subsurface drain tile with standard tile conditions.
- Mattson Farms, Sections 20&21, Walworth Twp. Permit #8-10-16-6 to reshape and clean ditches, repair two dikes, lower an existing 6.5 ft. diameter CMP with the condition that the applicant gets written approval from the road authorities for work in the road right-of-ways.
- Dean Spaeth, Section 23-24, Marsh Creek Twp. Permit #8-10-16-9 to construct wetland restorations with the condition that the applicant gets written approval from the landowner in the N1/2NW1/4 of Section 23 of Marsh Creek Township prior to constructing the restoration work on Basin #10 as shown in the project plans and that the applicant gets written approval from the landowner in the N1/2NW1/4 of Section 25 of Marsh Creek Township prior to constructing the restoration work on Basins #1S and #2S as shown in the project plan.

Tabled

- Duane Pazdernik, Section 36, Pembina Twp. Permit #8-10-16-7 to install a field crossing with a 12" pipe requesting that the applicant provide the planned elevation of the top of the field crossing and the west invert of the 36" centerline culvert through Highway 59.
 - Alan Pinske, Section 20, Fossum Twp. Permit #8-10-16-8 to install subsurface drain tile requesting a tile plan and approval from the drainage authority for Norman County.
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September 2016

Approved

- Glen Alexander, Section 32, McDonaldsville Twp. Permit #9-14-16-1 to install a field approach with an 18" culvert.
- Rick Borgen, Section 7, Mary Twp. Permit #9-14-16-2 to add three field approaches with culverts and remove one field approach and culvert with the condition that the new field approach on the west side of the section have a 24" culvert, the north approach has a 24" culvert, and the east field approach has an 18" culvert.
- John Brandt, Section 10, Lake Ida Twp. Permit #9-14-16-3 to regrade a ditch and lower a field approach culvert by 3 inches with the condition that the ditch grading is completed up

and downstream of the field approach culvert to be lowered to provide appropriate drainage.

- Wayne Brandt, Section 7, Lake Ida Twp. Permit #9-14-16-4 to remove two field crossings and culverts, install one field approach and a 36" culvert.
- Clearwater County Highway Department, Nora Township. Permit #9-14-16-5 to replace driveway and field approach culverts to a minimum size of 18" CMP.
- David Lee, Section 14, Lee Twp. Permit #9-14-16-6 to install subsurface drain tile with standard conditions.
- MNDOT, Various Sections, Southeast Mahnomen County. Permit #9-14-16-7 to replace one 24" RPC with another 24" RPC, put liners in a 36" CMP and in a 24" CMP.
- Chris Odden, Section 16, Fossum Twp. Permit #9-14-16-9 to install subsurface drain tile with standard conditions.
- Duane Pazdernik, Section 36, Pembina Twp. Permit #9-14-16-10 to install a field crossing with a 12" pipe.
- Stenerson Farms, Section 20, Hendrum Twp. Permit #9-14-16-14 to install subsurface drain tile with standard tile conditions.

Tabled

- Norman County Highway Department, Section 2 and 11, Hegne Twp. A motion was made by Manager Christensen and seconded by Manager Askelson to table Permit #9-14-16-8 to replace a concrete deck girder bridge with three concrete box culverts to notice adjacent landowners.
- Pederson Bros Farms, Sections 5, 6, 7, Gregory Twp. Permit #9-14-16-11 to install subsurface drain tile, requesting that the applicant provide approval from the drainage authority (Mahnomen County) for Mahnomen County Ditch 91.
- Pederson Bros Farms, Section 27, Bejou Twp Permit #9-14-16-12 to install subsurface drain tile, requesting that the applicant provide approval from the drainage authority (Mahnomen County) for Mahnomen County Ditch 91.

Returned

- Alan Pinske, Section 20, Fossum Twp. Permit #9-14-16-13 to install subsurface drain tile, informing the applicant that they can reapply for the permit if requested information becomes available in the future.

October 2016

Approved

- Clearwater County Highway Department, Many Sections, Nora Twp. Permit #10-12-16-2 to regrade CSAH from CSAH 31 to CSAH 13.
- Home Lake Twp, Section 5, Home Lake Twp. Permit #10-12-16-4 to replace two 36" centerline culverts with a longer culvert with the condition that the replaced pipes match the size of the existing 36" pipes or one pipe having a diameter of 54" or less.
- Richard Jasken, Sections 4 & 5, White Earth Twp. Permit #10-12-16-5 to construct wetlands
- Douglas Kramer, Section 31, Gregory Twp. Permit #10-12-16-6 to install subsurface drain tile with standard tile conditions and the condition that the applicant provide approval from the drainage authority (Mahnomen County) for County Ditch 91, and that the applicant get

- approval from the adjacent landowners (MN DNR) for any tiles placed within 200 feet of the state lands in Section 1 of Marsh Creek Township and Section 6 of Chief Township.
- Douglas Kramer, Section 10, Marsh Creek Twp. Permit #10-12-16-7 to install subsurface drain tile with standard tile conditions.
 - Douglas Kramer, Section 32, Chief Twp. Permit #10-12-16-8 to install subsurface drain tile with standard tile conditions.
 - Jerry Matter, Section 31, Spring Creek Twp. Permit #10-12-16-9 to install subsurface drain tile with standard tile conditions and the condition that the tile is installed with a setback distance of 200-ft minimum, or any tile installation closer to the property line must be approved by the adjacent property owner for the north side of the project (USFWS).
 - Pederson Bros Farm, Sections 5, 6, 7, Gregory Twp. Permit #10-12-16-11 to install subsurface drain tile with standard tile conditions.
 - Pederson Bros Farm, Section 27, Bejou Twp. Permit #10-12-16-12 to install subsurface drain tile with standard tile conditions.
 - Gary Schlick/Brad Arends, Section 32, Chief Twp. Permit #10-12-16-13 to install subsurface drain tile with standard tile conditions.
 - Gary Schlick/Brad Arends, Section 4, Rosedale Twp. Permit #10-12-16-14 to install subsurface drain tile with standard tile conditions.
 - David Arends, Section 21, Mary Twp. Permit #10-26-16-2 to install subsurface drain tile with standard tile conditions.
 - Christian Farms, Section 30, Liberty Twp. Permit #10-26-16-3 to install subsurface drain tile with standard tile conditions.
 - Darin Erickson, Section 11 & 12, Popple Grove Twp. Permit #10-26-16-4 to install subsurface drain tile with standard tile conditions and the condition that the tiles are not installed within 200 feet of the USFWS property line without the written approval from the USFWS.
 - Darin Erickson, Sections 13, 14, & 23, Popple Grove Twp. Permit #10-26-16-5 to install subsurface drain tile with standard tile conditions and the condition that the tiles are not installed within 200 feet of the USFWS property line without the written approval from the USFWS and the condition that the applicant get written approval from the MN DNR for work on their property in the NE1/4NE1/4 of Section 23.
 - Roger Foltz, Section 22, Spring Creek Twp. Permit #10-26-16-7 to install subsurface drain tile with standard tile conditions.
 - Duane Gunderson, Section 10, Marsh Creek Twp. Permit #10-26-16-8 to install subsurface drain tile with standard tile conditions and the condition that the applicant get written approval from the adjacent landowners for any work in the N1/2 of section 10 and the E1/2SW1/4 of Section 10 of Marsh Creek Twp.
 - Lynn Johnson, Section 20, Pleasant View Twp. Permit #10-26-16-9 to install subsurface drain tile with standard tile conditions.
 - Oberg Family Farms, Section 28, Lockhart Twp. Permit #10-26-16-10 to install subsurface drain tile with standard tile conditions.
 - Russel Olson, Section 6, Home Lake Twp. Permit #10-26-16-11 to install subsurface drain tile with standard tile conditions.
 - US Fish & Wildlife Service, Section 34, Lake Grove Twp. Permit #10-26-16-12 to scrape out a wetland area to build a crossing to access property.
 - US Fish & Wildlife Service, Section 34, Lake Grove Twp. Permit #10-26-16-13 to fill in drainage ditches to restore three wetland areas.
 - City of Gary. Permit #10-26-16-16 to install a 30" culvert for a fire break access.

Tabled

- David Arends, Section 10, Mary Twp. Permit #10-12-16-1 to install subsurface drain tile and request information showing approval from the Drainage Authority through the 103E proceeding to outlet the tile system into Project 9.
 - Roger Foltz, Section 22, Spring Creek Twp Permit #10-12-16-3 to install subsurface drain tile to notice section 22 and the north half of section 21 of Spring Creek Twp in Becker County.
 - Norman County Highway Department, Section 10, Sections 2 & 11, Hegne Twp. Permit #10-12-16-10 to replace a concrete deck girder bridge with three box culverts pending revised hydraulic data from the county.
 - David Arends, Section 10, Mary Twp. Permit #10-26-16-1 to install subsurface drain tile pending previously requested information from the applicant showing approved from the Drainage Authority through the 103E proceeding into the outlet to the tile system into Project 9.
 - Duane Erickson, Section 12, Home Lake Twp, Section 7, Flom Twp. Permit #10-26-16-6 to install subsurface drain tile to notice Section 1 of Home Lake Twp and Section 6 of Flom Twp or the application is approved with standard tile conditions if the applicant provides written approval from the landowners notices.
 - US Fish & Wildlife Service, Section 33, Lake Grove Twp. Permit #10-26-16-14 to fill in drainage ditches, tile removal or tree removal to restore nine wetland areas, requesting restoration methods and locations for each basin including the ditch block locations and depth of fill at each location and the locations and extent of any tile that will be removed or blocked.
 - Norman County Highway Department. Permit #10-26-16-15 to replace a concrete deck girder bridge with three concrete box culverts pending revised hydraulics from the county.
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November 2016

Approved

- Brad Arends, Sections 26 & 35, Chief Twp. Permit #11-16-16-1 to install subsurface drain tile with standard tile conditions.
- Daniel Brandt, Section 21, Green Meadow Twp. Permit #11-16-16-3 to install a driveway and clean and grade a road ditch with the condition that the field approach has a minimum of a 15" culvert or the applicant provide written approval from the road authority to install the crossing without a culvert.
- Lowell Ellefson, Section 12, Home Lake Twp. Permit #11-16-16-4 to install a centerline culvert with the condition that the applicant get approval from the road authority for any work in the road right-of-way and the existing 18" centerline pipe to the south be removed or permanently plugged.
- Duane Erickson, Section 12, Home Lake Twp, Section 7, Flom Twp. Permit #11-16-16-5 to install subsurface drain tile with standard tile conditions and the condition that the applicant get written consent for ditch cleaning work done in Section 1 of Home Lake Twp.
- John Jossund, Section 5, Georgetown Twp. Permit #11-16-16-6 to construct a new ditch and install a new culvert and field approach.
- Norman County Highway Department, Sections 2 & 11, Hegne Twp. Permit #11-16-16-8 to replace a concrete deck girder bridge with three concrete box culverts.
- US Fish & Wildlife Service. Permit #11-16-16-9 to fill in drainage ditches, tile removal or tree removal to restore nine wetland areas.

Tabled

- David Arends, Section 10, Mary Twp. Permit #11-16-16-2 to install subsurface drain tile pending information showing approval from the Drainage Authority through the 103E proceeding to outlet the tile system into Project 9.
 - Darrell Neisen, Section 15, Rosedale Twp. Permit #11-16-16-7 to install subsurface drain tile and request that the applicant provide approval from the NRCS and Mahnomon SWCD for any impacts from the tile installation to wetlands, or provide additional project information addressing potential wetland impacts, such as drainage setbacks, non perforated sections of tile or mitigation plans OR the permit is approved if the applicant can provide written documentation of approval from NRCS and SWCD for the items previously listed in the table condition.
-

December 2016

Approved

- City of Ada, Section 8, McDonaldsville Twp. Permit #12-14-16-1 to install a driveway with a 24" culvert.
- Black Bell Farms, Section 10, Mary Twp. Permit #12-14-16-3 to install subsurface drain tile, with standard tile conditions.
- Robert Pinske, Section 2, Wild Rice Twp. Permit #12-14-16-7 to install subsurface drain tile with standard tile conditions

Tabled

- David Arends, Section 10, Mary Twp. Permit #12-14-16-2 to install subsurface drain tile, requesting that the applicant show approval from the Drainage Authority through the 103E proceeding to outlet the tile system into Project 9.
- Andrew Borgen, Section 6, Mary Twp. Permit #12-14-16-4 to install subsurface drain tile to notice the NW1/4 of Section 6 of Mary Township and the N1/2 of Section 1 of Lee Township or the permit is approved with standard tile condition is the applicant provides written approval from the landowners to be noticed.
- Clay County Highway Department, Section 23 & 24, Hagen Twp Permit #12-14-16-5 to remove and old bridge and install a new bridge, to notice Section 9, 16, 15, 14, 23 and 24 of Hagen Township.
- Darrel Neisen, Section 15, Rosedale Twp. Permit #12-14-16-6 to install subsurface drain tile, pending approval from the Mahnomon County SWCD for any impacts from the tile installation to wetlands, or provide additional project information addressing potential wetland impacts, such as drainage setbacks, non perforated sections of tile or mitigation plans. Or the permit is approved is the applicant can provide written documentation of approval from NRCS and SWCD for the items listed in the conditions.

V. 2016 Meeting Minutes in Review

All meeting minutes from 2016 have been reviewed and approved by the Watershed Managers. Within this report, the items pertaining to certain projects or programs have been moved to the section titled **IV. Plan Performance** of this report. All other items have been included and somewhat abbreviated under the monthly headings shown below. Approved, unedited monthly meeting minutes are available in their entirety on the district website www.wildricewatershreddistrict.org or at the District office.

January 2016

A **REGULAR MEETING** of the Wild Rice Watershed District Board of Managers was held on **WEDNESDAY JANUARY 13, 2016**. Managers in attendance included: Greg Holmvik, Duane Erickson, Sharon Askelson, Mike Christensen, Dean Spaeth, Curt Johannsen and Raymond Hanson. In addition, the following persons were in attendance: Administrator Kevin Ruud, Engineer Jerry Bents, Attorney Hanson, Tara Jensen, and various other interested taxpayers and landowners.

Chairman Holmvik called the meeting to order 8:30 a.m. The agenda was approved as presented. Payment of billings was approved with additional bills from Renae Kappes and Kathy Docken. December 9, 2015, Regular Meeting Minutes were approved as presented.

The December 31, 2015, year ending 2015 financial reports, and year-end transfers from unassessed projects and ditches, permits and violations to the Red River Construction Account were also approved as presented.

A lease request from Susan Dyrendahl was approved of the Newgard Acquisition (Parcel 12-5411000), in Section 25 of Lee Township with a five-year term and annual lease payment of \$100 plus applicable property taxes. The lease approval also grants the tenant the right to remove the current driveway to the property with the condition that the district reserves the right of ingress and egress into the property and the District will not be held liable for future damages to crops in the area of the current driveway, if it is removed by the tenant. Under the advisement of Attorney Hanson, district staff will notify Terry Hoff and Mark Hoff of the District's intent to lease the property to Dyrendahl as the sole tenant, unless objection is received from either party in a timely manner. It is noted that the three parties had previously requested to lease the property together, and the lease agreement was never executed by the parties.

Administrator Ruud distributed information regarding the rules update and permit application update, asking the Managers to review the information and prepare to discuss it at the February board meeting.

The Board was informed that the 2016 IRS Mileage rate is \$0.54, down from \$0.575 in 2015. Changes have been made to district software to reflect this update.

Manager and staff attendance at the Red River Watershed Management Board and Red River Basin Commission Flood Damage Reduction Work Group Joint Annual Conference, March 23-24, 2015, at the Marriott in Moorhead, MN, was approved.

Discussion was held regarding 2016 goals, leading to discussion regarding Green Meadow Dam grazing, which Engineer Bents replied should be taken care of by fencing on the embankment.

The Managers approved district staff to internally transfer funds between unassessed projects and ditches to the Red River Construction Account, bringing transfers for Board notification and approval at regular Board Meetings. Administrator Ruud was given authority to transfer funds between bank accounts, requiring him to notify finance committee members of account transfers. Approval of 2016 auto pay vendors was also approved. A complete list of vendors is available at the District Office, or by viewing the original meeting minutes.

Payment of Managers per diems and expenses were approved as distributed.

There being no further business to come before the Board of Managers, Chairman Holmvik adjourned the meeting at 9:44 a.m.

February 2016

A **REGULAR MEETING** of the Wild Rice Watershed District Board of Managers was held on **WEDNESDAY FEBRUARY 10, 2016**. Managers in attendance included: Greg Holmvik, Duane Erickson, Sharon Askelson, Mike Christensen, Curt Johannsen, Dean Spaeth and Raymond Hanson. In addition, the following persons were in attendance: Administrator Kevin Ruud, Engineer Jerry Bents, Attorney Elroy Hanson, Tara Jensen, and various other interested taxpayers and landowners.

Chairman Holmvik called the meeting to order 8:30 a.m. The agenda was approved with the addition of the following items: Buffers, 2016 Goals and Objectives. Billings were approved as presented. The Managers approved the January 13, 2016, meeting minutes and the January 31, 2016 financial report as presented.

Discussion was held about a mapping update regarding the buffer initiative. Administrator Ruud clarified that in most scenarios, we do not own the land adjacent to the ditch systems, it is the landowner's responsibility to comply with the initiative. It was determined that legal ditch system levy funds may be able to assist landowners with the installation costs related to the buffer initiative compliance.

Discussion was held regarding the Proposed Model Rules update and the proposed new permit application process. Board approved changes will be made to the documents and discussion will continue at the March Regular Board Meeting.

Manager Erickson presented suggestions for 2016 goals and objective for the Board to consider and asked the other Managers to determine goals and objectives they would recommend.

Verizon Wireless was added to the list of Auto Pay Vendors for 2016. It was noted that Engineer Bents will be absent from the March meeting, sending Mark Aanenson in his place. Managers and Staff attendance at the Legislative Session in St Paul was approved, along with Manager and Staff attendance at the RRWMB March Conference.

Hydraulic Engineer, John Wingard, MNDOT was present to answer several questions from Board Members and adjacent landowners regarding the permit application to replace the Highway 9 bridge of the Wild Rice River, raise the bridge elevation 2.5 feet, and reconstruct the adjacent highway to grade.

It was noted that Manager Erickson and Mark Aanenson visited the site of the Atlanta Township, Section 1, complaint and verified that culverts had been blocked with plywood as requested.

Payment of Managers per diems and expenses were approved as distributed.

There being no further business to come before the Board of Managers, Chairman Holmvik adjourned the meeting at 11:12 am.

March 2016

A **REGULAR MEETING** of the Wild Rice Watershed District Board of Managers was held on **WEDNESDAY MARCH 9, 2016**. Managers in attendance included: Greg Holmvik, Duane Erickson, Dean Spaeth, Mike Christensen, Sharon Askelson, Curt Johannsen and Raymond Hanson. In addition the following persons were in attendance: Administrator Kevin Ruud, Engineer Mark Aanenson, Attorney Elroy Hanson, Tara Jensen, and various other interested taxpayers and landowners including: Chad Aldrich, Diane Ista, Walter Geray, John Pazdernik, Duane Pazdernik, Joe Sweirs, Duane Gunderson, Frank Gross, Greg Mastellar, Paul Munsterteiger, Garrett Chisholm,

Daryl Chisholm, Joseph Miller, Adam Stalboerger, Jerilyn Swenson, Marijo Vik, Mary Domogalla, Pete Domogalla, Don Kvamme, Ileana Rodriguez, and Shawnn Balstad.

Chairman Holmvik called the meeting to order 8:30 a.m. The agenda was approved with the addition of the following items: Balke Lake, RRWMB Questions. Payment of billings was approved as presented. The February 10, 2016, meeting minutes, the monthly financial report dated February 28, 2016 were approved as presented.

A Public Information Hearing regarding the proposed bylaw and permit application changes was scheduled for Wednesday, April 13, at 10:00 am. Carried. The purpose of this meeting is to seek comments from the public regarding the proposed changes prior to submitting to BWSR.

Manager Erickson stated that he would like to receive the year end financials from the RRWMB. Chairman Holmvik stated that Naomi Goral, RRWMB Administrator was asked to send them. He will remind her that this needs to be done.

Managers and staff were reminded of the dates and times of the March Conference and upcoming Legislative Days.

Administrator Ruud informed the Board that he will be attending a Senate Hearing for Halstad funding on Tuesday, March 15.

Manager Johannsen provided a report from the Governor's Water Summit, which he attended on Friday, February 26.

Manager Erickson wanted to bring awareness to Balke Lake as a potential retention site that the Board could look at in the future. Administrator Ruud commented that this location will likely be looked at as a part of the RCPP process.

Payment of Managers per diems and expenses were approved as distributed.

There being no further business to come before the Board of Managers, Chairman Holmvik adjourned the meeting at 10:12 am.

April 2016

A **REGULAR MEETING** of the Wild Rice Watershed District Board of Managers was held on **WEDNESDAY, APRIL 13, 2016**. Managers in attendance included: Greg Holmvik, Duane Erickson, Dean Spaeth, Mike Christensen, Sharon Askelson, and Raymond Hanson. Manager Curt Johannsen was absent. In addition, the following persons were in attendance: Administrator Kevin Ruud, Engineer Jerry Bents, Attorney Elroy Hanson, Tara Jensen, and various other interested taxpayers and landowners.

Chairman Holmvik called the meeting to order 8:30 a.m. The meeting agenda was approved with the following additions: DNR Grant, Sidewalk Repair. The monthly billings were approved as presented. The March 9, 2016, meeting minutes, monthly and quarterly financial report dated March 31, 2016, and quarterly transfers from unassessed projects and ditches to Red River Construction were approved as presented.

The Board asked Administrator Ruud to gather quotes for replacing or repairing the sidewalk outside of the office.

A Non-Regulatory Grant with the DNR providing \$15,000 in funding, with no local match necessary, to produce information which will be useful in updating Percent Annual Chance Maps, Depth Grids, Changes since the Last FIRM, and Ice Jam Depth Derivatives was approved.

Johns Pazdernik was ordered to remove a berm installed along Highway 59 in reference to a complaint filed in Section 36 of Pembina Township by MNDOT.

Mark Harless was in attendance and presented a list of suggestions and concerns regarding the Rules Update. Lengthy discussion was held regarding the ability to hold water over at least 80% of the tiled area, operation of pumps, and the time frame in which tile systems will be allowed to drain following a flooding event. He did comment that the District's projects should be held to the same

restrictions regarding releasing water during flooding events. The Board thanked Harless for attending and will take the comments and suggestions into consideration. Board discussion of the Rules Update will continue at the May Regular Board Meeting.

Payment of Managers per diems and expenses were approved as distributed.

There being no further business to come before the Board of Managers, Chairman Holmvik adjourned the meeting at 11:05 am.

May 2016

A **REGULAR MEETING** of the Wild Rice Watershed District Board of Managers was held on **WEDNESDAY, MAY 11, 2016**. Managers in attendance included: Greg Holmvik, Duane Erickson, Dean Spaeth, Sharon Askelson, Curt Johannsen, Mike Christensen and Raymond Hanson. In addition, the following persons were in attendance: Administrator Kevin Ruud, Engineer Jerry Bents, Attorney Elroy Hanson, Tara Jensen, and various other interested taxpayers and landowners.

Chairman Holmvik called the meeting to order 8:30 a.m.

Managers Hanson, Christensen, and Johannsen read the oath of office in unison and signed their respective forms. The original documents were filed at the District Office.

The meeting agenda was approved with the following additions: JD 51 Final Payment, Pheasants Forever – Dalen Coulee at 8:36 am, Sidewalk Repair Quotes. The payment of billings was approved as presented. The April 13, 2016, meeting minutes and monthly financial report dated April 30, 2016, were approved as presented.

Administrator Ruud reported that two quotes were received for repairing the sidewalk from the alley to where the DOT repairs were completed previously. Manager Hanson recommended asking the City if they have grants available for such repairs. Administrator Ruud asked for direction if no funding assistance is available. Managers elected to not remove and replace the sidewalk at the current time.

The written portion of the 2015 Annual Report was distributed for Manager review. Brief Discussion was held regarding the rules update.

The complaint filed by Peter Domogalla dated March 29, 2016, was closed with the finding that upon field review it was determined that work had not been completed in the past year as indicated in the complaint.

Chairman Holmvik passed the lead to Attorney Hanson to begin the reorganization of officers.

- Greg Holmvik was unanimously elected Chairman
- Mike Christensen was unanimously elected Vice-Chairman
- Dean Spaeth was unanimously elected Treasurer
- Sharon Askelson was unanimously elected Secretary

Managers approved various committee and representative assignments. A full list of assignments is available at the district office.

The RRBC progress report was distributed for informational purposes. Managers were asked to direct all questions to Manager Johannsen who serves on the executive committee of the RRBC.

Approval of Enviro-thon donation requests up to \$100.00 per SWCD office was granted. The Board approved updating the safe deposit box signature card adding Nicole Swenson to the list of authorized personnel, and removing Courtney Habedank.

Manager and Staff attendance at the MAWD Summer Tour in Winona, MN, June 22-24, 2016, and the RRV Drainage Water Management Project Field Day in rural Rothsay, June 23, 2016, was approved.

Payment of Managers per diems and expenses were approved as distributed.

There being no further business to come before the Board of Managers, Chairman Holmvik adjourned the meeting at 10:34 am.

June 2016

A **REGULAR MEETING** of the Wild Rice Watershed District Board of Managers was held on **WEDNESDAY, JUNE 10, 2015**. Managers in attendance included: Greg Holmvik, Duane Erickson, Dean Spaeth, Mike Christensen, Curt Johannsen, Sharon Askelson, and Raymond Hanson. In addition, the following persons were in attendance: Administrator Kevin Ruud, Engineer Jerry Bents, Attorney Elroy Hanson, Tara Jensen, and various other interested taxpayers and landowners.

Chairman Holmvik called the meeting to order at 8:34 a.m. The meeting agenda was approved with the addition of insurance for manager's liability, Beaulieu Lake, and Becker/Clay SWCD meetings.

The payment of billings was approved with the addition of two late bills from Renae Kappes and Waypoint Insurance Advisors. The monthly meeting minutes dated May 13, 2015, were approved with clarification to verbiage related to the Beaulieu Lake discussion and one permit application. The monthly financial report dated May 31, 2015, and transfers from unassessed projects to the Red River Construction and Survey and Data accounts were approved as presented.

Brent Kappes from Borup was in attendance and asked for more information regarding the recent Project 42 discussions, in specific the Borup Site. Administrator Ruud noted that the board is looking at obtaining funding to assist with technical expenses to evaluate locations throughout the District. Currently the Green Meadow Subwatershed, Project 42 (South Branch) and either Moccassin Creek or Marsh Creek are being considered for further review. As part of this process the entire channel of the South Branch would be reevaluated to determine where the best locations for projects are. Manager Johannsen noted that at the current time it is brainstorming. No work is being planned; rather the Board is interested in seeing what is out there. Kappes noted that he would think that local support would be considered before the Board looks at developing projects. Manager Johannsen added that if the Board does decide to go forward with a project; that is the time when landowners would be informed. Right now there is no plans of project sites or locations, rather a reevaluation of the channel to determine if there are solutions out there.

Wayne Tenneson was granted a five-year lease agreement for the Gilbertson Acquisition Property (Parcel 07-3254000) with the terms of \$100 per year plus applicable property taxes.

Discussion was held regarding Board support of project implementation and funding assistance through the SWCD office. It was determined that as SWCD representatives come forward, each project funding assistance request would be handled on its own.

Managers discussed implementing a Permit Review schedule. It was determined that the current system is working fine and scheduling far out in advance might create issues.

Discussion was held regarding sending a District newsletter to residents to inform them about what is happening with the Watershed. It was decided that if individuals are interested in finding out what is happening, the website holds the most current information.

Officers were informed that bank signature cards were ready to be signed following the meeting. Payment of Managers per diems and expenses were approved as distributed.

There being no further business to come before the Board of Managers, Chairman Holmvik adjourned the meeting at 10:34 am.

July 2016

A **REGULAR MEETING** of the Wild Rice Watershed District Board of Managers was held on **WEDNESDAY, JULY 8, 2015**. Managers in attendance included: Greg Holmvik, Duane Erickson, Dean Spaeth, Mike Christensen, Curt Johannsen, Sharon Askelson and Raymond Hanson. In addition, the following persons were in attendance: Administrator Kevin Ruud, Engineer Jerry Bents, Attorney Elroy Hanson, Tara Jensen, and various other interested taxpayers and landowners.

Chairman Holmvik called the meeting to order at 8:30 a.m. The meeting agenda was approved with the addition of Red River Valley Ag Water Issues Forum. The payment of billings was approved with the addition of a late bill from Wesley Carlsrud for district spraying. The monthly meeting minutes dated June 10, 2015, the monthly and quarterly financial report dated June 30, 2015, and transfers from Red River Construction account to unassessed projects and ditches were all approved as presented.

Managers approved staff to resubmit the engineer findings regarding retention at Bealieu Lake to higher ups at MN DNR. A response was received from Rob Baden stating that they currently do not want to look at retention options at the site. Chairman Holmvik added that the forwarded information should include information regarding the previous staff's willingness to view options. Administrator Ruud stated that he would include information stating that Klemek and VanDuyn were willing to work together in restoring the lake. Engineer Bents also stated that discussions could continue to find out why current staff is unwilling to redesign the restoration.

Administrator Ruud recently attended a RRRRA subcommittee meeting in Hillsboro where priorities were developed for the RCPP process. Currently the budget is unfunded, which is why projects are being prioritized.

Don Johnson requested more information regarding Permit #5-13-15-9 which was returned to the applicant on 5-13-2015. Engineer Bents informed Johnson that more information was needed regarding project specifics.

The Board learned that legislature recently approved \$400,000 in ring dike funding for the State. The system will be approached similar to how it was previously. Applicants will meet with NRCS staff to determine eligibility prior to submitting an application through the WRWD.

Payment of Managers per diems and expenses were approved as distributed.

Managers approved the Audit Proposal from Mathias C. Justin, Ltd.

Manager and Staff attendance at the Red River Valley Ag Water Forum at the Lynn Johnson Farm was approved.

Manager Erickson asked NRCS representatives present to give an update regarding the Ulen Wetland Restoration Project.

There being no further business to come before the Board of Managers, Chairman Holmvik adjourned the meeting at 10:40 am.

August 2016

A **REGULAR MEETING** of the Wild Rice Watershed District Board of Managers was held on **WEDNESDAY, AUGUST 12, 2015**. Managers in attendance included: Greg Holmvik, Duane Erickson, Dean Spaeth, Mike Christensen, Curt Johannsen, and Sharon Askelson. Manager Raymond Hanson was absent. In addition, the following persons were in attendance: Administrator Kevin Ruud, Engineer Jerry Bents, Attorney Elroy Hanson, Tara Jensen, and various other interested taxpayers and landowners.

Chairman Holmvik called the meeting to order at 8:32 a.m. The agenda was approved with the addition of Rockwell Dam final pay request. The payment of billings was approved as presented, with the addition of a bill from Wes Carlsrud for spraying.

The monthly meeting minutes dated July 8, 2015, was approved with the correction to item 11. The monthly financial report dated July 31, 2015, was also approved.

The Board approved Staff to develop the following resolutions prior to the September Board Meeting: Resolution to allow districts to raise manager per diems if they choose to do so, allowing them to leave it the same if they choose; Resolution contesting the Buffer Law; Resolution requesting the ability to store water on government owned property; Resolution asking State Legislators for assistance in funding road raises in communities.

It was heard that the MN DNR is currently not interested in looking at redesigning restoration plans for Beaulieu Lake to incorporate retention.

The Farm Ring Dike Policy was accepted as presented and is available at the district office upon request.

A Public Hearing for the Project Levy and General Budget Levy was set for Wednesday, September 9, 2015 at 10:00 am.

A motion was made and seconded asking the USACOE to de-obligate the lower portion of the Wild Rice River from near the Mike Myers residence to Hendrum.

Payment of Managers per diems and expenses were approved as distributed.

Engineer Bents presented the proposed assessment and general budget levies as reviewed and approved by the Finance Committee.

There being no further business to come before the Board of Managers, Chairman Holmvik adjourned the meeting at 10:43 am.

September 2016

A **REGULAR MEETING** of the Wild Rice Watershed District Board of Managers was held on **WEDNESDAY, SEPTEMBER 9, 2014**. Managers in attendance included: Greg Holmvik, Duane Erickson, Dean Spaeth, Mike Christensen, Curt Johannsen, and Sharon Askelson. Manager Raymond Hanson was absent. In addition, the following persons were in attendance: Administrator Kevin Ruud, Engineer Jerry Bents, Attorney Elroy Hanson, Tara Jensen, and various other interested taxpayers and landowners.

Chairman Holmvik called the meeting to order at 8:30 a.m. The agenda was approved with the following additions: acquisition lease request and staff. Billings were approved as presented, with the addition of bills from Wesley Carlsrud and Tammy Erickson.

The August 12, 2015, Regular Meeting Minutes, and the monthly financial report dated August, 31, 2015, were approved as presented.

An acquisition lease request was received from Terry Guttormson for the Jacobs acquisition property. The request was approved with the condition that the property not be tilled due to its proximity to the Dalen Coulee. Guttormson will be informed of the condition prior to lease documents being drafted.

Nathan Gannon, Clay County Highway Department Assistant Engineer, presented the Board with information regarding a cost share proposal for the installation of the crossing to the Paul Borgen property, stating that the current access enters property owned by Andrew Borgen. Paul Borgen stated that the current access is insufficient for farm equipment to access the farm yard without creating safety issues. The proposal requested that the Wild Rice Watershed District pay and estimated \$16,403.00 for the installation of the new crossing, with the Clay County Highway Department paying \$16,403.00, and Borgen being responsible for approximately \$16,960.50.

Borgen's cost would largely be costs associated with installing the crossing under the supervision of the Clay County Highway Department. More information regarding the right of way of ingress and egress which was established when Andrew Borgen purchased a portion of the property from Paul Borgen was requested prior to the October Board Meeting.

Rob Baden gave an update on the status of the Beaulieu Lake Wildlife Management Project. Tammy Baden added that the DNR does not have the authority to raise the level of the lake beyond what they are proposing without facing the potential of legal challenges. A motion was made by Manager Spaeth and seconded by Manager Christensen to support the DNR's Beaulieu Lake Wildlife Management Project as presented. Carried. Manager Johannsen asked for additional comments from Administrator Ruud. Administrator Ruud added that he would like the DNR and USFWS officials to know for future projects that we are willing to assist with the project from the beginning to see if there is any potential for retention.

Chairman Holmvik called the Budget Hearing to order at 10:00 am. The Board approved to adopt the 2016 levys as presented.

Discussion was held surrounding the process by which violations come forward. Manager Erickson recommended that an individual be able to submit a *Request for Information* rather than use the terminology violation or complaint. If the process goes to the next step, violation or complaint would be used, but not for an initial request for information. No decision was made regarding the recommendation.

Payment of Managers per diems and expenses were approved as distributed.

Board approved submitting the following resolutions to MAWD: *Resolution of the Wild Rice Watershed District Board of Managers to Encourage DNR to Permit Storing Water on DNR Lands*, *Resolution of the Wild Rice Watershed District Board of Managers to Increase the Manager's Per Diem*, and *Resolution of the Wild Rice Watershed District Board of Managers Seeking Funding re Road Raises for Cities with Levees*. All resolutions are on file at the district office and available upon request.

The following resolution was discussed but did not pass board approval: *Resolution of the Wild Rice Watershed District Board of Managers Seeking the Minnesota Legislature Repeal of the Buffer Law*. The resolution is on file at the district office and available upon request.

The Board accepted a letter of resignation from Kari Kujava, authorizing district staff to advertise for hiring the vacant position. Manager Johannsen added that the letter was accepted with deep regret.

There being no further business to come before the Board of Managers, Chairman Holmvik adjourned the meeting at 10:57 am.

October 2016

A **REGULAR MEETING** of the Wild Rice Watershed District Board of Managers was held on **WEDNESDAY, OCTOBER 14, 2015**. Managers in attendance included: Greg Holmvik, Duane Erickson, Dean Spaeth, Mike Christensen, Curt Johannsen, and Raymond Hanson. Manager John Austinson was absent. In addition, the following persons were in attendance: Administrator Kevin Ruud, Engineer Jerry Bents, Attorney Elroy Hanson, Tara Jensen, and various other interested taxpayers and landowners.

Chairman Holmvik called the meeting to order at 8:30 a.m.

The agenda was approved with the following additions: USACOE Resolution. The monthly billings were approved as presented with the addition of bills from Renae Kappes and Wesley Carlsrud. The monthly and quarterly financial reports dated September 30, 2015, and the September 9, 2015. Regular Meeting Minutes were approved as presented.

A cost share request was received from David Schneiderman for the installation of a side-water inlet structure. Board approved paying 25% up to a maximum of \$2,000.

Discussion was held regarding the Clay County Highway Department/Paul Borgen Cost Share Request. A motion to approve the cost share request failed due to lack of majority. Managers Spaeth, Askelson, Christensen, Johannsen, Hanson, and Chairman Holmvik voting against the motion and Manager Erickson voting for the motion.

Board approved the *Resolution Requesting Deauthorization of Existing Clearing and Snagging Project* as presented. A copy of the resolution is available at the District Office upon request.

Manager per diems and expenses were paid as distributed.

Courtney Habedank was authorized to access the safety deposit box at Frandsen Bank, removing Kari Kujava from the list of those authorized to access.

Staff was approved to research a business credit card rather than carry two separate credit card accounts for the District.

The date for the November Regular Board meeting was changed to Thursday, November 19, 2015, due to Veterans Day falling on the regular meeting date.

Manager and staff attendance at the MAWD Annual Meeting in December was approved.

There being no further business to come before the Board of Managers, Chairman Holmvik adjourned the meeting at 10:35 am.

November 2016

A **REGULAR MEETING** of the Wild Rice Watershed District Board of Managers was held on **THURSDAY, NOVEMBER 19, 2015**. Managers in attendance included: Greg Holmvik, Duane Erickson, Mike Christensen, Curt Johannsen, Sharon Askelson and Raymond Hanson. Manager Dean Spaeth was absent. In addition, the following persons were in attendance: Administrator Kevin Ruud, Engineer Jerry Bents, Attorney Elroy Hanson, Tara Jensen, and various other interested taxpayers and landowners.

Vice-chairman Christensen called the meeting to order at 8:33 a.m.

Manager Johannsen excused himself at 8:34 am to participate in a conference call of the RRBC executive committee. Manager Erickson arrived at 8:55 am, Manager Johannsen returned to the meeting at 8:54 am.

The agenda was approved with the following additions: Buffer Law, Beaulieu Lake, Rail Trail Project. The October 14, 2015, Regular Meeting Minutes, financial report dated October 31, 2015, and monthly billings were approved as presented.

Chairman Holmvik arrived at 9:20 am.

Paul Borgen, Andrew Borgen, and Blaine Borgen were in attendance asking for clarification regarding the Board decision at the October 12, 2015, Regular Board meeting regarding the cost-share request for the installation of a new access crossing. Discussion was held regarding the decision. A motion was made by Manager Erickson to have the Clay County Engineer revisit the situation and try to determine a solution. Motion died due to a lack of second to the motion. A motion was made by Manager Erickson to reverse the October 12, 2015, Board decision denying the cost-share request, and entering into a 1/3 cost-share with Clay County and Paul Borgen. Motion died to a lack of second to the motion.

Managers were informed that there were no clear answers available regarding the implementation of new buffer strip legislation.

A request from Jim Baltes to lease the Jacobs Acquisition Property (Parcel 12-5382000) was granted for a term of five years at the cost of \$100 annually plus applicable property taxes.

Manager Per Diems and expenses were paid as distributed.

Managers heard information regarding the Rail Trail Project and directed staff to ask representatives to come to the December Regular Board Meeting with more detailed information.

Information was distributed regarding the Beaulieu Lake project. Manager and staff attendance at a project team meeting focused on the Beaulieu Lake project was approved.

There being no further business to come before the Board of Managers, Chairman Holmvik adjourned the meeting at 10:57 am.

December 2016

The regular meeting of the Wild Rice Watershed District Board of Managers was held on Wednesday, December 9, 2015. Managers in attendance included: Greg Holmvik, Duane Erickson, Dean Spaeth, Mike Christensen, Curt Johannsen, Sharon Askelson and Raymond Hanson. In addition, the following persons were in attendance: Administrator Kevin Ruud, Engineer Jerry Bents, Attorney Elroy Hanson, Tara Jensen, and various other interested taxpayers and landowners.

Chairman Holmvik called the meeting to order at 8:30 a.m.

The agenda was approved with the following items being added to the Agenda: Halstad Amendment, Debit Card, Beaulieu Lake, Ulen Project. The billings were approved with the addition of bills from David Schneiderman, Sky Skopes, and Morris Electronics. The monthly financial report dated November 30, 2015, and the Regular Meeting Minutes dated November 19, 2015, were approved as presented.

Discussion was held regarding a business debit card account. Managers approved staff contacting Frandsen Bank to open a secondary checking account for the purposes of utilizing it for company debit cards, replacing the existing credit cards that are being used. Managers Erickson and Hanson were in opposition of the motion.

Jessica Spaeth stated that a group of individuals is working to get public support of a proposed rail trail project that would be located between the cities of Shelly and Perley. Jerry Bitker was in attendance and presented concern regarding the proposed trail. Managers approved offering support of leaving the rail bed in place as the effort to convert the area into a permanent recreation trail is consistent with the goals and objectives of the District's Overall Watershed Management Plan. Motion carried with Manager Erickson in opposition.

A complaint was received from Wayne Thom, Wild Rice Township Chairman regarding some ditching completed by Eric Bakke in Section 30 of Wild Rice Township. Managers dismissed the complaint as engineering review determined that the work completed was ditch cleaning, which would not constitute a violation of watershed rules. Derek Hendricks was in attendance and stated that he feels that the current outlet is insufficient which causes the water to overtop the adjacent township road in heavy rain events or spring flooding. Hendricks was advised that the ditch authority in that area is Norman County, so he should continue to work with the county engineer to try to determine a solution.

Bob Ramstad, Norman County Highway Department Foreman, contacted the district office to inquire about extensive work being done along section 18 of Good Hope Township. Houston Engineering completed a site review and found that there were concerns regarding the safety of the slope, the lack of erosion control features, excess of spoil, and the extent of the work completed. It was noted that a sizeable amount of clay was removed during the process, however the ditch was placed to grade from one culvert to the other. Discussion was held regarding the scope of the work completed and what constitutes modifications to a ditch system. Managers approved staff sending a letter to the landowners/occupants along the north side of Sections 17-18 of Good Hope Township, along with the road authority, outlining recommended corrections regarding work that was performed in the ditch. Concerns include installation of erosion control measures (rip rap) near the outlet,

slope/grade of the roadway ditch, and reseeding of spoil piles. Motion carried with Manager Johannsen opposed.

Manager Erickson noted that he recently attended a meeting regarding the Ulen Project. The operation plan has not been finalized.

Chairman Holmvik and Manager Spaeth recently attended the Beaulieu Lake Project Team Meeting. Managers approved district staff to send a letter and submit a comment asking for a minimum of one foot of storage, or more if available.

The Board approved staff to send a notice to Brad Arends via certified mail requesting a response regarding the open petition and informing Arends that he is responsible for engineering costs associated with the petition. It was suggested that in the future the District require deposits from individuals when a petition is returned to cover costs associated with said petition.

Approval was granted to Chairman Holmvik signing *Amendment #2 for Grant Agreement #62721/3000038193* for the City of Halstad, extending the expiration date to 12/31/2017 and granting an additional \$125,000 in funding for the project.

A 2.5% increase to the current staff benefits package was approved, with Courtney Habedank's salary being exempt due to being within the 6-month probationary period of hiring.

The engineering consultant proposal for 2016, submitted by Houston Engineering, Fargo, was accepted as presented. The legal consultant proposal for 2016, submitted by Wambach & Hanson Law PC, Mahanomen, was accepted as presented. It was noted that the District may look at a three-year term for proposal contracts in the future, similar to current mowing, spraying, and farm rental contracts.

Manager Per Diems and expenses were paid as distributed.

Manager and Staff attendance at the 33rd Annual Red River Basin Commission Land & Water International Summit Conference in Grand Forks, ND was approved.

Discussion was held regarding the MAWD annual meeting, resolutions submitted, and Buffer Law.

There being no further business to come before the Board of Managers, Chairman Holmvik adjourned the meeting at 10:15 am.

VI. Financial and Audit Reports

This section summarizes the District's financial activity for the period from January 1 through December 31, 2016.

By law, the Wild Rice Watershed District is allowed to establish a number of funds for the purpose of carrying out their duties. To finance these funds, the District levies an "ad valorem" tax, meaning in "proportion to the value," over the entire District and is based on the property value, rather than benefits. The following is a brief summary of types of funds established and the ways they assist in carrying out the goals of the District. A detailed report of all activity within the respective fund accounts is available for review at the District office.

The **Administrative Fund** is the general operating fund of the District. The fund is set up for the purpose of providing for the general administrative expenses and for the construction and maintenance of projects of common benefit to the District. The levy to fund the Administrative Fund may not exceed 0.02418 percent of the tax capacity or \$250,000, whichever is less.

The **Survey and Data Acquisition Fund** is established and used only if other funds are not available to the District to pay for surveying and/or obtaining additional data. The levy against the taxable market value of property in the District may not exceed 0.02418 percent. The balance of the fund is not to exceed \$50,000. When a project is proposed and there is surveying done prior to establishing the project, the newly established project shall repay the survey and data acquisition fund for such costs.

The **Works of Common Benefit Fund** is established to cover costs attributable to the basic management features of projects initiated by the District. This Works of Common Benefit Fund receives its support from the Administrative Fund.

The **Red River Watershed Management Board Construction Fund** is established and used for the development of programs and projects of benefit to the District. The levy to fund the Red River Watershed Management Construction Fund may not exceed 0.0486 percent of the taxable market value of the property in the District. One-half of the levied funds received are sent to the Red River Watershed Management Board for programs and projects that have common benefit in the Red River Basin.

Special Levies are collected on certain flood control and drainage projects that have an established benefiting area under Minnesota law. Each project is its own entity unto itself, managed by the District. Special levies are used to fund repair and maintenance of the individual projects. Each project maintains its own account, with surplus fund invested in interest bearing deposits. An annual review is conducted in August to determine annual levies for the upcoming year based on projected maintenance and maintenance history.

Other income sources that are received by the District include funds from grants and aids, as well as reimbursement from other government agencies.

**WILD RICE WATERSHED DISTRICT
FINANCIAL STATEMENTS AND
AND INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2016**

WILD RICE WATERSHED DISTRICT

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INTRODUCTORY SECTION

**WILD RICE WATERSHED DISTRICT
PRINCIPAL OFFICIALS
DECEMBER 31, 2016**

POSITION	TERMS EXPIRE	NAME
<u>BOARD OF MANAGERS</u>		
Chairman	April 25, 2017	Greg Holmvik
Vice Chairman	April 25, 2019	Mike Christensen
Treasurer	April 25, 2018	Dean Spaeth
Secretary	April 25, 2018	Sharon Askelson
Manager	April 25, 2018	Duane Erickson
Manager	April 25, 2019	Raymond Hanson
Manager	April 25, 2019	Curt H. Johannsen
<u>STAFF</u>		
Administrator		Kevin Ruud
Assistant Administrator		Tara Jensen
Attorney		Wambach & Hanson Law Office, PC
Auditor		Justin, Clasen & Company, Ltd.

FINANCIAL SECTION



JUSTIN CLASEN & COMPANY, LTD.

Certified Public Accountants & Consultants

Mick Justin, CPA
Christopher Clasen, CPA
Stephanie Murray, CPA
Susan Schiessl, CPA
Jane Erickson, CPA

P.O. Box 90
Pequot Lakes, Minnesota 56472
(218) 568-5242 Fax: 568-8680
office@lakesareacpas.com
lakesareacpas.com

Member:

American Institute of
Certified Public Accountants

Minnesota Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Managers
Wild Rice Watershed District
Ada, Minnesota

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Wild Rice Watershed District (the District), Ada, Minnesota, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of reporting. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the District on the cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the cash basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended.

Unmodified Opinion on Cash Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the District as of December 31, 2016, and changes in financial position and, where applicable, cash flows thereof for the year ended in accordance with the cash basis of accounting as described in Note 1.

Other Matters

Required Supplementary Information

Management has omitted the management 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory and supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory and supplementary 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minnesota Statutes, we have also issued our report dated May 4, 2017, on our consideration on the District's compliance with provisions of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65. The purpose of the report is to determine if the District has complied with Minnesota laws and regulations. That report is an integral part of an audit performed in the State of Minnesota.



Justin, Clasen & Company, Ltd.
Certified Public Accountants

Pequot Lakes, Minnesota
May 4, 2017

**WILD RICE WATERSHED DISTRICT
STATEMENT OF NET CASH POSITION
DECEMBER 31, 2016**

	<u>GOVERNMENTAL</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 4,169,066</u>
Total Assets	<u>4,169,066</u>
LIABILITIES	<u>-</u>
NET CASH POSITION	
Restricted for	
Capital Projects	3,785,424
Special Revenue	10,591
Unrestricted	<u>373,051</u>
Total Net Cash Position	<u><u>\$ 4,169,066</u></u>

**WILD RICE WATERSHED DISTRICT
STATEMENT OF ACTIVITIES ARISING FROM CASH TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

FUNCTIONS/PROGRAMS	DISBURSE- MENTS	PROGRAM RECEIPTS AND SOURCES			NET CASH SOURCES (USES) AND CHANGES IN NET CASH POSITION
		FEES, FINES AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT
					GOVERNMENTAL ACTIVITIES
Primary Government					
Governmental Activities					
General Government	\$ 257,301	\$ 2,216	\$ -	\$ -	\$ (255,085)
Red River Watershed Management Board	814,275	-	-	-	(814,275)
Projects and Programs	895,758	228,846	231,055	-	(435,857)
Total Primary/Governmental Activities	<u>\$ 1,967,334</u>	<u>\$ 231,062</u>	<u>\$ 231,055</u>	<u>\$ -</u>	<u>\$ (1,505,217)</u>
General Receipts					
Investment Earnings					\$ 396
Property Taxes/Special Assessments					2,300,824
State Aid					48,885
Total General Receipts					<u>2,350,105</u>
Change in Cash Net Position					844,888
Net Cash Position - Beginning					<u>3,324,178</u>
Net Cash Position - Ending					<u>\$ 4,169,066</u>

**WILD RICE WATERSHED DISTRICT
STATEMENT OF BALANCES ARISING FROM CASH TRANSACTIONS
GOVERNMENTAL FUNDS
DECEMBER 31, 2016**

	GENERAL	SPECIAL REVENUE	RED RIVER CONST. GENERAL-OTHER	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash and Cash Equivalents	<u>\$ 373,051</u>	<u>\$ 10,591</u>	<u>\$ 2,415,393</u>	<u>\$ 1,370,031</u>	<u>\$ 4,169,066</u>
Total Assets	<u><u>\$ 373,051</u></u>	<u><u>\$ 10,591</u></u>	<u><u>\$ 2,415,393</u></u>	<u><u>\$ 1,370,031</u></u>	<u><u>\$ 4,169,066</u></u>
LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
CASH FUND BALANCES					
Restricted	-	10,591	2,415,393	1,370,031	3,796,015
Unassigned	<u>373,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,051</u>
Total Cash Fund Balances	<u>373,051</u>	<u>10,591</u>	<u>2,415,393</u>	<u>1,370,031</u>	<u>4,169,066</u>
Total Liabilities and Cash Fund Balances	<u><u>\$ 373,051</u></u>	<u><u>\$ 10,591</u></u>	<u><u>\$ 2,415,393</u></u>	<u><u>\$ 1,370,031</u></u>	<u><u>\$ 4,169,066</u></u>

WILD RICE WATERSHED DISTRICT
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN
CASH FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2016

	GENERAL	SPECIAL REVENUE	RED RIVER CONST. GENERAL-OTHER	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
RECEIPTS					
Property Taxes and Special Assessments	\$ 240,951	\$ 693,740	\$ 693,740	\$ 672,393	\$ 2,300,824
Intergovernmental					
State	-	-	-	185,395	185,395
Market Value	7,241	20,822	20,822	-	48,885
Other	-	-	-	45,660	45,660
Rent Income	900	-	-	119,155	120,055
Investment Earnings	396	-	-	-	396
Miscellaneous	1,316	-	-	109,691	111,007
Total Receipts	<u>250,804</u>	<u>714,562</u>	<u>714,562</u>	<u>1,132,294</u>	<u>2,812,222</u>
DISBURSEMENTS					
General Administration	210,742	-	-	46,559	257,301
RRWMB-1/2 Cost Reimbursement	-	814,275	-	-	814,275
Projects and Programs	-	-	13,975	881,783	895,758
Total Disbursements	<u>210,742</u>	<u>814,275</u>	<u>13,975</u>	<u>928,342</u>	<u>1,967,334</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>40,062</u>	<u>(99,713)</u>	<u>700,587</u>	<u>203,952</u>	<u>844,888</u>
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	-	-	(37,570)	37,570	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(37,570)</u>	<u>37,570</u>	<u>-</u>
NET CHANGE IN CASH FUND BALANCES	<u>40,062</u>	<u>(99,713)</u>	<u>663,017</u>	<u>241,522</u>	<u>844,888</u>
Cash Fund Balances - Beginning	<u>332,989</u>	<u>110,304</u>	<u>1,752,376</u>	<u>1,128,509</u>	<u>3,324,178</u>
CASH FUND BALANCES - ENDING	<u>\$ 373,051</u>	<u>\$ 10,591</u>	<u>\$ 2,415,393</u>	<u>\$ 1,370,031</u>	<u>\$ 4,169,066</u>

**WILD RICE WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

The financial statements of the reporting entity include those of the District (the primary government) and the component units for which the primary government is financially accountable. The criteria used to determine if the primary government is financially accountable for a component unit include whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit or the potential component unit is fiscally dependent upon the District. Based on these criteria, there are no organizations considered to be component units of the District.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the District or the component unit provides services entirely to the District. These component unit's funds are blended into those of the District by appropriate activity type to compose the primary government presentation. Currently, the District has no blended component units.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending. Currently, the District has no discretely presented component units.

B. Basis of Presentation

1. Government-Wide Statements

The government-wide financial statements (the statement of net cash position and the statement of activities arising from cash transactions) display information about the District taken as a whole. The District shows all operations as governmental activities, because generally, governmental activities are financed through taxes, intergovernmental revenues, and nonexchange revenues.

In the government-wide statement of net cash position, the governmental activities: (a) are presented on a consolidated basis, and (b) are reported on the cash basis of accounting. The District's net position is reported in two parts: (1) restricted net position, and (2) unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

**WILD RICE WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

1. Government-Wide Statements (Continued)

The statement of activities arising from cash transactions demonstrates the degree to which the direct expenses of each function of the District's governmental activities are offset by program revenues. Direct expenses are those clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, charges paid by the recipients of goods, services, or privileges provided by a given function or activity, and (2) grants and contributions restricted to meeting the operational or capital requirements of a particular function or activity. Revenues not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

Governmental fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund balance, revenues, and expenditures/expenses. Funds are organized into one major category: governmental. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- § Total assets, liabilities, revenues or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

Governmental Funds

General Fund – To account for all financial resources not accounted for and reported in another fund.

Special Revenue Fund - To account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are restricted or committed to expenditures for specified purposes.

Capital Projects Fund - To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments).

Major and Nonmajor Funds

Fund	Purpose
Major:	
Governmental:	
General	As described above.
Special Revenue - RRWMB Management	As described above.
Capital Projects - Red River Construction General - Other	As described above.
Nonmajor:	
Capital Projects	As described above.

**WILD RICE WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The District's financial statements are prepared on the cash basis of accounting. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The government-wide financial statements are reported using the current resources measurement focus, within the limitations of the cash basis of accounting. This basis recognizes assets, liabilities, net position, revenues, and expenditures when they result from cash transactions.

Governmental fund financial statements are reported using the current financial resources measurement focus as applied to the cash basis of accounting. This basis recognizes assets, liabilities, cash fund balances, revenues, and expenditures when they result from cash transactions. As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or unbilled services provided in current year) and certain liabilities and their related expense (such as accounts payables, unpaid goods and services received in the current year, and accrued expenses) are not recorded in these financial statements.

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

D. Assets, Liabilities, and Cash Fund Balance

1. Cash and Cash Equivalents

The District pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balances in the pooled cash accounts are available to meet current operating requirements.

2. Cash Fund Balance

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources reported in Governmental Funds.

a. Governmental Cash Fund Balances:

In the governmental fund financial statements, cash fund balances are classified as follows:

§ **Nonspendable** – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact. There is no nonspendable cash fund balance at December 31, 2016.

§ **Restricted** – Amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.

**WILD RICE WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Cash Fund Balance (Continued)

2. Cash Fund Balance (Continued)

a. Governmental Cash Fund Balances: (Continued)

§ **Committed** – Amounts that can be used only for specific purposes determined by a formal action by the Board of Managers ordinance or resolution. There is no committed cash fund balance at December 31, 2016.

§ **Assigned** – Amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. There is no assigned cash fund balance at December 31, 2016.

§ **Unassigned** – All amounts not included in other spendable classifications.

b. Use of Restricted Resources:

In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

3. Capital Assets

In the Fund Financial Statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental funds upon acquisition.

E. Receipts and Disbursements

1. Receipts

Property Tax Revenue

The District levies its property taxes within the District for the subsequent year during the month of December. The District receives its taxes in two installments in July and December.

The District also levies special assessments through the counties against property owners who obtain direct benefits from projects or property owners who request, through the petition process, to have a project undertaken. The special assessment collections are recorded in a manner similar to that for property taxes.

The property tax levy in 2016 includes certain state credits that are distributed to the District directly by the state. These credits are classified as intergovernmental revenue.

2. Disbursements

The District disburses funds as approved by the District's Board of Managers.

**WILD RICE WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receipts and Disbursements (Continued)

2. Disbursements (Continued)

After expenditures are approved by the District's Board of Managers, the funds are then disbursed and recoded into the appropriate governmental fund. During the current year the District's Managers approved \$1,967,334 in disbursements.

F. Budgetary Information

Annual budgets for the General Fund are adopted on the cash basis, which is a special purpose framework other than accounting principles generally accepted in the United States of America. Budgeted amounts are as originally adopted, or as amended by the Board of Managers. The original and final budget for the General Fund is presented in the supplementary information. The annual adopted budget for the General Fund is legally binding on the District. It is limited by state statute at \$250,000 and set by the Board for 2016 at \$250,000. The District has not prepared a budget for its major special revenue fund. All annual appropriations lapse at year-end.

G. Use of Estimates

The preparation of financial statements in accordance with the cash basis requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Disclosure of certain information concerning individual funds include:

Ø The following funds had a deficit cash fund balance as of December 31, 2016:

#351 Ada Petition (Upper Reaches)	\$ 573
#44 Hendrum (Assessed Projects)	133
Clay Co. #4 # 269 (Ditches)	40,722
J.D. 53 - Lat #1 (Ditches)	15,995
J.D. 53 - Lat #2 (Ditches)	94,526
#13 Halstad (#336 #II Com Dikes)	17,979
#362 Wild Rice River MPCA WRAP (Project Dev-Other)	1,321
#363 Marsh River MPCA WRAP (Project Dev-Other)	1,321
2016 Rural Ring Dike - #002 Visser (Project Dev-RRC)	47,820
2016 Rural Ring Dike - #001 Ramstad (Project Dev-RRC)	19,460
#367 Green Meadow - NRCS WP (Project Dev-RRC)	12,375
PH 1, JD#53 L.#1 FEMA PW11 (FEMA 2011 1982)	118
PH 11, Clay Co. #4 FEMA PW20 (FEMA 2011 1982)	32,529
PH 12, Upper Reaches, PW 021 (FEMA 2011 1982)	22
PH 15, South Br Bridge FEMA PW24 (FEMA 2011 1982)	3,196
PH 16, Proj #1, CD#1, FEMA PW25 (FEMA 2011 1982)	65,987
PH 2, 2 & 2a, JD53 #2, PW11 (FEMA 2011 1982)	119
PH 3, JD53, #2 FEMA PW13 (FEMA 2011 1982)	832
PH 8, JD#56 FEMA PW18 (FEMA 2011 1982)	55
PH 9, Proj 20, CD#45 L.#2 PW18 (FEMA 2011 1982)	21
FEMA 2011, 1982 - Other (FEMA 2011 1982)	4,934

**WILD RICE WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS

A. Deposits and Investments

The District maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as Cash and Cash Equivalents. Interest is allocated based on management's estimate of interest earned by fund. In accordance with *Minnesota Statutes* the District maintains deposits at financial institutions which are authorized by the Board of Managers.

1. Deposits

The District is authorized by Minn. Stat. §§ 118A.02 and 118A.04 to designate a depository for public funds and to invest in certificates of deposit. The District is required by Minn. Stat. § 118A.03 to protect deposits with insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount of deposit at the close of the financial institution's banking day, not covered by insurance or bonds.

Custodial Credit Risk

The risk that in the event of a financial institution failure, the District's deposits may not be returned. It is the District's policy that collateral or bonds will be required for all uninsured amounts on deposit, and the additional insurance will be documented to show compliance with state law and a perfected security interest under federal law. As of December 31, 2016, the District's deposits were not exposed to custodial credit risk. The District's deposits were covered by federal depository insurance or collateral held by the District's agent in the District's name.

Accounts held by an official custodian of a government unit will be insured as follows:

The Federal Deposit Insurance Corporation (FDIC) deposit coverage limit for bank depositors is \$250,000. If the depository bank is located in the State of Minnesota, government depositors are eligible for two separate \$250,000 coverages: one for all time/savings accounts and one for all demand accounts. For deposits in banks outside the State of Minnesota, government depositors have total coverage of \$250,000 for all demand and time/savings deposit accounts combined.

Authorized collateral includes:

- § U.S. government treasury bills, notes, or bonds;
- § issues of a U.S. government agency or instruments that are quoted by a recognized industry quotation service available to the government entity;
- § general obligation securities of a state or local government, with taxing powers, rated "A" or better;
- § revenue obligation of a state or local government with taxing powers, rated "AA" or better;
- § unrated general obligation securities of a local government with taxing powers pledged as collateral against funds deposited by that same local government entity;
- § an irrevocable standby letter of credit issued by Federal Home Loan Banks accompanied by written evidence that the Federal Home Loan Bank's public debt is rated "AA" or better by Moody's or Standard and Poor's; or
- § time deposits fully insured by any federal agency.

**WILD RICE WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS (CONTINUED)

A. Deposits and Investments (Continued)

1. Deposits (Continued)

Cash balances consist of the following at December 31, 2016:

Carrying Balance	Bank Balance
<u>\$ 4,169,066</u>	<u>\$ 4,201,044</u>

2. Investments

The District has an investment policy and is permitted to invest its idle funds as authorized by Minnesota Statutes 118A.04 and 118A.05 as follows:

- § Governmental bonds, notes, bills, mortgages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, excluding mortgage-backed securities defined as “high risk”;
- § General obligations of a state or local government with taxing powers rated “A” or better by a national bond rating service;
- § Revenue obligations of a state or local government with taxing powers rated “AA” or better by a national bond rating service;
- § General obligations of the Minnesota Housing Finance Agency which was a moral obligation of the State of Minnesota and is rated “A” or better by a national bond rating service;
- § An obligation of a school district with an original maturity not exceeding 13 months and rated in the highest category by a national bond rating service or enrolled in the credit enhancement program;
- § Commercial paper issued by a United States corporation or its Canadian subsidiary that is rated in the highest quality category by at least two nationally recognized rating agencies, and matures in 270 days or less;
- § Time deposits fully insured by the Federal Deposit Insurance Corporation;
- § Bankers Acceptances issued by United States banks;
- § High risk mortgage-backed securities that are interest only or principal only or a mortgage derivative security that has an average life greater than 10 years or securities that will have a price change of more than 17%;
- § Its own temporary obligations issued under Minn. Stat. §§ 429.091, subd. 7 (special assessments), 469.178 subd. 5 (tax increment bonds), or 475.61, subd. 6;
- § Bonds issued by Minnesota State Colleges or Universities under Minn. Stat. 136F.90 and 136F.98;
- § Funds held in a debt service fund may be used to purchase an obligation of an issue which is payable from the fund.

Interest Rate Risk

The risk that changes in interest rates could adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities to meet cash requirements for ongoing operations.

**WILD RICE WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS (CONTINUED)

A. Deposits and Investments (Continued)

2. Investments (Continued)

Credit Risk

The risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the District's policy to invest only in securities that meet the ratings requirements set by statute.

Custodial Credit Risk

The risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that is in the possession of an outside party. The District is not exposed to custodial credit risk.

Concentration of Credit Risk

The risk of loss that may be caused by the District's investment in a single issuer. The District places no limit on the amount that it may invest in any one issuer.

There were no investments at December 31, 2016.

B. Interfund Transfers

Transfers Out:			Transfers In:		
Fund Description	Amount		Fund Description	Amount	Reason
1 #356 Green Meadow Project Team	\$ 1,756		#8 Moccasin Creek	\$ 921	For unassessed project costs and income
#357 WildRice Vik/Tufte/Heitma	2,801		#35 Sande Detention	249	
Red River Construction General - Other	11,000		#38 Rockwell Dam	175	
			#173 Anderson Wetland #5	186	
			#354 Goose Prairie WMA Storage	3,297	
			#79 Wayne Thom Complaint	209	
			#18 Violations - Other	765	
			#12 Permits - Other	9,755	
2 Red River Construction General - Other	1,079		#366 Moccasin Creek - NRCS WP	215	For unassessed project costs
			#365 S Branch WRR NRCS WP	144	
			#367 Green Meadow - NRCS WP	720	
3 Red River Construction General - Other	30,815		#80 Domogalla Complaint	493	For unassessed project costs
			#8 Moccasin Creek	786	
			#35 Sande Detention	533	
			#36 Marsh Creek 3	1,351	
			#36 Northern Improvement Dam	209	
			#38 Rockwell Dam	227	
			#39 Mashaug Dam	271	
			Levy Admin Work	108	
			#81 MNDOT - Pazdernik Farms	385	
			#18 Violations - Other	1,276	
			#12 Permits - Other	25,176	
4 Survey and Data	345		#11 Perley Road Raise	54	For unassessed project costs
			#12 Hendrum Road Raise	291	
5 Red River Construction General - Other	19,399		#354 Goose Prairie WMA Storage	8,806	For unassessed project costs
			#356 Green Meadow Project Team	7,074	
			#357 WildRice Vik/Tufte/Heitma	3,519	
6 Red River Construction General - Other	369		#212 - FDR 7/14 - 6/15	369	For unassessed project costs
7 Survey and Data	1,522		#362 WildRice River MPCA WRAP	986	Survey completed outside of grant agreement
			#363 Marsh River MPCA WRAP	536	
8 Survey and Data	9,650		#367 Green Meadow - NRCS WP	9,650	Local share of survey completed
9 Red River Construction General - Other	1,052		2016 Rural Ring Dike #002 Visser	1,052	Local cost share per agreement
10 Red River Construction General - Other	2,558		2016 Rural Ring Dike #001 Ramstad	2,558	Local cost share per agreement
11 Red River Construction General - Other	7,101		#367 Green Meadow - NRCS WP	7,101	Local cost share per agreement

**WILD RICE WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS (CONTINUED)

B. Interfund Transfers (Continued)

Transfers Out:		Transfers In:		
Fund Description	Amount	Fund Description	Amount	Reason
12 Survey and Data	4,627	#8 Moccasin Creek	305	For unassessed project costs and income
#356 Green Meadow Project Team	437	#39 Mashaug Dam	95	
#357 WildRice Vik/Tufte/Heitma	5,085	#173 Anderson Wetland #5	124	
Red River Construction General - Other	18,629	#82 John Pazdernik Complaint	144	
		#12 Permits - Other	16,401	
		#18 Violations - Other	880	
		#12 Hendrum Road Raise	3,212	
		#11 Perley Road Raise	1,244	
		#354 Goose Prairie WMA Storage	6,203	
		#362 Wild Rice River MPCA WRAP	85	
		#363 Marsh River MPCA WRAP	85	
13 Works of Common Benefit	18,871	Red River Construction General - Other	18,871	To close out unused account
14 Red River Construction General - Other	7,341	2016 Rural Ring Dike #001 Ramstad	6,960	Local cost share per agreement
		2016 Rural Ring Dike #002 Visser	381	
15 Red River Construction General - Other	11,756	2016 Rural Ring Dike #001 Ramstad	3,337	Local cost share per agreement
		2016 Rural Ring Dike #002 Visser	8,419	
16 Leased Ag Property	98,725	Red River Construction General - Other	98,725	For unassessed project income
17 Red River Construction General - Other	44,067	#35 Sande Detention	135	For unassessed project costs
Survey and Data	3,978	#356 Green Meadow Project Team	1,775	
		#173 Anderson Wetland #5	229	
		#354 Goose Prairie WMA Storage	2,029	
		#357 WildRice Vik/Tufte/Heitma	3,378	
		#83 Kim Syverson Complaint	1,393	
		#82 John Pazdernik Complaint	1,086	
		#18 Violations - Other	2,677	
		#12 Permits - Other	29,130	
		#12 Hendrum Road Raise	3,149	
		#11 Perley Road Raise	762	
		JD 53 - Main - Lockhart Flood	68	
		District Owned Acquisitions	2,153	
		Levy Admin Work	81	

The Statement of Cash Receipts, Disbursements, and Changes in Cash Fund Balances reports net transfers by fund.

C. Long-term Liabilities

Compensated Absences

The change in accrued compensated absences for the year ended December 31, 2016, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due in More Than One Year
<u>Governmental Activities</u>					
Other Liabilities:					
Accrued Compensated Absences	<u>\$ 18,383</u>	<u>\$ 824</u>	<u>\$ -</u>	<u>\$ 19,207</u>	<u>\$ 19,207</u>

Accrued compensated absences are payable from the General Fund.

**WILD RICE WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 3 DETAILED NOTES – TRANSACTION CLASSES/ACCOUNTS (CONTINUED)

D. Cash Fund Balances

At December 31, 2016, Governmental Cash Fund Balances consist of the following:

	General	Special Revenue	Red River Const. General-Other	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for:					
Capital Projects	\$ -	\$ -	\$ 2,415,393	\$ 1,370,031	\$ 3,785,424
Special Revenue	-	10,591	-	-	10,591
Total Restricted	-	10,591	2,415,393	1,370,031	3,796,015
Unassigned	373,051	-	-	-	373,051
Total Fund Balances	<u>\$ 373,051</u>	<u>\$ 10,591</u>	<u>\$ 2,415,393</u>	<u>\$ 1,370,031</u>	<u>\$ 4,169,066</u>

NOTE 4 OTHER NOTES

A. Defined Benefit Pension Plan - Statewide

Plan Description

All full-time and certain part-time employees of the District are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF). This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

**WILD RICE WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 OTHER NOTES (CONTINUED)

A. Defined Benefit Pension Plan – Statewide (Continued)

Plan Description (Continued)

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For all GERP members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree--no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERP. That report may be obtained on the PERA's website at www.mnpera.org.

**WILD RICE WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016**

NOTE 4 OTHER NOTES (CONTINUED)

A. Defined Benefit Pension Plan – Statewide (Continued)

Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.5%, respectively, of their annual covered salary in 2016. In 2016, the District was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members, 7.5% for Coordinated Plan members. The District's contributions to the Public Employees Retirement Fund for the years ending December 31, 2016, 2015, and 2014, were \$12,086, \$12,233, and \$11,423, respectively. The District's contributions were equal to the contractually required contributions for each year as set by state statute.

B. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. In order to protect against these risks of loss, the District purchases commercial insurance. During the year ended December 31, 2016, there were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded the District's commercial coverage in any of the past three years.

C. Joint Powers Agreement

The District is one of eight members who established a joint powers agreement creating the Red River Watershed Management Board to collectively allow for more orderly and efficient water management and flood control policies.

D. Contingencies

The District participates in state and federal grant programs that are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of grant funds received may be required. The District is not aware of any significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants. An estimate of possible loss or range of loss cannot be made.

SUPPLEMENTARY INFORMATION SECTION

**WILD RICE WATERSHED DISTRICT
BUDGETARY COMPARISON SCHEDULE - CASH BASIS
GENERAL FUND
YEAR ENDED DECEMBER 31, 2016**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	AMOUNTS	
Beginning Cash Fund Balance - January 1	\$ 332,989	\$ 332,989	\$ 332,989	\$ -
RECEIPTS				
Property Taxes and Special Assessments	250,000	250,000	240,951	(9,049)
Intergovernmental	-	-	7,241	7,241
Rent Income	-	-	900	900
Investment Earnings	-	-	396	396
Miscellaneous	-	-	1,316	1,316
Total Receipts	250,000	250,000	250,804	804
Amounts Available for Appropriation	582,989	582,989	583,793	804
DISBURSEMENTS				
General Government				
Utilities	5,000	5,000	3,669	1,331
Advisory Board	4,000	4,000	2,175	1,825
Supplies, Publications, and Postage/ Education Programs	11,000	11,000	3,434	7,566
Insurance and Bonds	20,000	20,000	12,024	7,976
Engineering	14,000	14,000	9,907	4,093
Administrative	90,000	90,000	90,459	(459)
Legal Fees	15,000	15,000	7,173	7,827
Managers Expenses	27,000	27,000	58,150	(31,150)
Annual Report/Audit	12,000	12,000	6,077	5,923
Organization Dues	3,000	3,000	1,903	1,097
Overall Plan	1,500	1,500	-	1,500
Capital Improvements	12,500	12,500	-	12,500
Mediation Project Team	5,000	5,000	-	5,000
Technical Equipment and Support	10,000	10,000	10,096	(96)
Office Equipment and Maintenance	20,000	20,000	5,107	14,893
Reimbursements and Other	-	-	568	(568)
Total Disbursements (Charges to Appropriations)	250,000	250,000	210,742	39,258
CASH FUND BALANCE - DECEMBER 31	\$ 332,989	\$ 332,989	\$ 373,051	\$ 40,062

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016**

	<u>SURVEY AND DATA</u>	<u>#351 Ada Petition (UPPER REACHES)</u>	<u>Upper Reaches - Other (UPPER REACHES)</u>	<u>#1 Norman Co. D. #1 (ASSESSED PROJECTS)</u>
RECEIPTS	\$ 41	\$ 2,751	\$ 40,287	\$ 55,512
DISBURSEMENTS	<u>1,950</u>	<u>3,250</u>	<u>84,438</u>	<u>6,726</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(1,909)</u>	<u>(499)</u>	<u>(44,151)</u>	<u>48,786</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>(20,122)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(20,122)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FUND BALANCES	(22,031)	(499)	(44,151)	48,786
Fund Balances (Deficit) - Beginning	<u>22,031</u>	<u>(74)</u>	<u>108,084</u>	<u>(5,286)</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ (573)</u>	<u>\$ 63,933</u>	<u>\$ 43,500</u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#2 Heiberg Dam (ASSESSED PROJECTS)	#3 Ditch #20, Mary Twp (ASSESSED PROJECTS)	#4 Becker Dams (ASSESSED PROJECTS)	#5 Norman Polk (ASSESSED PROJECTS)
RECEIPTS	\$ 2,342	\$ 647	\$ 16,044	\$ 32,937
DISBURSEMENTS	<u>666</u>	<u>527</u>	<u>1,102</u>	<u>9,758</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,676</u>	<u>120</u>	<u>14,942</u>	<u>23,179</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FUND BALANCES	1,676	120	14,942	23,179
Fund Balances (Deficit) - Beginning	<u>56,965</u>	<u>10,838</u>	<u>128,464</u>	<u>53,143</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ 58,641</u></u>	<u><u>\$ 10,958</u></u>	<u><u>\$ 143,406</u></u>	<u><u>\$ 76,322</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#6 Lake Ida (ASSESSED PROJECTS)	#9 South Branch (ASSESSED PROJECTS)	#12 WR Twp. Ditch (ASSESSED PROJECTS)	#13 Olson Agassiz (ASSESSED PROJECTS)
RECEIPTS	\$ 7,080	\$ 30,088	\$ 8,603	\$ 15,038
DISBURSEMENTS	<u>1,098</u>	<u>63,308</u>	<u>1,345</u>	<u>1,244</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>5,982</u>	<u>(33,220)</u>	<u>7,258</u>	<u>13,794</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FUND BALANCES	5,982	(33,220)	7,258	13,794
Fund Balances (Deficit) - Beginning	<u>22,869</u>	<u>89,781</u>	<u>2,761</u>	<u>(1,285)</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ 28,851</u></u>	<u><u>\$ 56,561</u></u>	<u><u>\$ 10,019</u></u>	<u><u>\$ 12,509</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#14 N.C. Ditch #45 (ASSESSED PROJECTS)	#16 Anthony Twp. (ASSESSED PROJECTS)	#17 Lockhart Twp. (ASSESSED PROJECTS)	#18 N.C. Ditch #64 (ASSESSED PROJECTS)
RECEIPTS	\$ 20,423	\$ 3,414	\$ 1,225	\$ 8,283
DISBURSEMENTS	<u>25,101</u>	<u>3,337</u>	<u>1,631</u>	<u>2,449</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(4,678)</u>	<u>77</u>	<u>(406)</u>	<u>5,834</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FUND BALANCES	(4,678)	77	(406)	5,834
Fund Balances (Deficit) - Beginning	<u>19,236</u>	<u>4,725</u>	<u>10,088</u>	<u>85,015</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ 14,558</u></u>	<u><u>\$ 4,802</u></u>	<u><u>\$ 9,682</u></u>	<u><u>\$ 90,849</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#19 Ditches 35, 10 & 16 (ASSESSED PROJECTS)	#20 Clay J.D. #45, Lat. 1&2 (ASSESSED PROJECTS)	#23 NC D#34, Lat #1 (ASSESSED PROJECTS)	#25 NC Ditch #38 (ASSESSED PROJECTS)
RECEIPTS	\$ 22,845	\$ 46,851	\$ -	\$ 5,493
DISBURSEMENTS	<u>13,535</u>	<u>7,806</u>	<u>1,356</u>	<u>3,981</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>9,310</u>	<u>39,045</u>	<u>(1,356)</u>	<u>1,512</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FUND BALANCES	9,310	39,045	(1,356)	1,512
Fund Balances (Deficit) - Beginning	<u>21,844</u>	<u>93,636</u>	<u>36,894</u>	<u>32,637</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ 31,154</u></u>	<u><u>\$ 132,681</u></u>	<u><u>\$ 35,538</u></u>	<u><u>\$ 34,149</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#27, Lat. A Mahn Co. #3 (ASSESSED PROJECTS)	#29 Atlanta Twp. (ASSESSED PROJECTS)	#30 Anth. Pl. V, Gr. Medo (ASSESSED PROJECTS)	#31 Hegne Twp. Ditch (ASSESSED PROJECTS)
RECEIPTS	\$ 825	\$ 4,436	\$ 96,052	\$ 9,572
DISBURSEMENTS	<u>780</u>	<u>2,792</u>	<u>52,777</u>	<u>218</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>45</u>	<u>1,644</u>	<u>43,275</u>	<u>9,354</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FUND BALANCES	45	1,644	43,275	9,354
Fund Balances (Deficit) - Beginning	<u>10,748</u>	<u>20,409</u>	<u>33,865</u>	<u>43,213</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 10,793</u>	<u>\$ 22,053</u>	<u>\$ 77,140</u>	<u>\$ 52,567</u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#32 Hegn Anthony Cutoff (ASSESSED PROJECTS)	#34 Lat. B Mahn #3 (ASSESSED PROJECTS)	#40 Dalen Coulee (ASSESSED PROJECTS)	#43 Perley (ASSESSED PROJECTS)
RECEIPTS	\$ 2,645	\$ 719	\$ 34,813	\$ 6,027
DISBURSEMENTS	<u>1,896</u>	<u>658</u>	<u>6,288</u>	<u>3,682</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>749</u>	<u>61</u>	<u>28,525</u>	<u>2,345</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FUND BALANCES	749	61	28,525	2,345
Fund Balances (Deficit) - Beginning	<u>17,109</u>	<u>18,568</u>	<u>23,180</u>	<u>758</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ 17,858</u></u>	<u><u>\$ 18,629</u></u>	<u><u>\$ 51,705</u></u>	<u><u>\$ 3,103</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#44 Hendrum (ASSESSED PROJECTS)	N.C. #11 (DITCHES)	N.C. #12- Proj #24 (DITCHES)	N.C. #15 (DITCHES)
RECEIPTS	\$ 8,994	\$ -	\$ 5,259	\$ 2,510
DISBURSEMENTS	<u>6,051</u>	<u>1,086</u>	<u>643</u>	<u>766</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>2,943</u>	<u>(1,086)</u>	<u>4,616</u>	<u>1,744</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FUND BALANCES	2,943	(1,086)	4,616	1,744
Fund Balances (Deficit) - Beginning	<u>(3,076)</u>	<u>3,194</u>	<u>45,799</u>	<u>16,898</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ (133)</u></u>	<u><u>\$ 2,108</u></u>	<u><u>\$ 50,415</u></u>	<u><u>\$ 18,642</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	N.C. #18	N.C. #18, Lat. #1	N.C. #21	N.C. #22
	(DITCHES)	(DITCHES)	(DITCHES)	(DITCHES)
RECEIPTS	\$ 13,878	\$ 832	\$ 1,620	\$ -
DISBURSEMENTS	5,020	902	1,450	81
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	8,858	(70)	170	(81)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN CASH FUND BALANCES	8,858	(70)	170	(81)
Fund Balances (Deficit) - Beginning	42,600	2,095	10,656	1,823
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 51,458</u>	<u>\$ 2,025</u>	<u>\$ 10,826</u>	<u>\$ 1,742</u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	N.C. #37	Clay Co. #4 #269	Clay Co. #6	Clay Co. #7
	(DITCHES)	(DITCHES)	(DITCHES)	(DITCHES)
RECEIPTS	\$ 4,660	\$ -	\$ 6,118	\$ -
DISBURSEMENTS	1,027	292	1,504	54
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	3,633	(292)	4,614	(54)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN CASH FUND BALANCES	3,633	(292)	4,614	(54)
Fund Balances (Deficit) - Beginning	21,966	(40,430)	15,286	1,823
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 25,599</u>	<u>\$ (40,722)</u>	<u>\$ 19,900</u>	<u>\$ 1,769</u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	Clay Co. #8	Clay Co. #14	Clay Co. #18	Clay Co. #42
	(DITCHES)	(DITCHES)	(DITCHES)	(DITCHES)
RECEIPTS	\$ 19,430	\$ 16,525	\$ 16,974	\$ 4,006
DISBURSEMENTS	409	1,275	5,324	274
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	19,021	15,250	11,650	3,732
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN CASH FUND BALANCES	19,021	15,250	11,650	3,732
Fund Balances (Deficit) - Beginning	27,218	41,513	31,804	13,678
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 46,239</u>	<u>\$ 56,763</u>	<u>\$ 43,454</u>	<u>\$ 17,410</u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
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YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	Clay Co. #44	Clay Co. #52	J.D. 53 - Main - Lockhart Flood	J.D. 53 Lat #1
	<u>(DITCHES)</u>	<u>(DITCHES)</u>	<u>(J.D. 53 - Main)</u>	<u>(DITCHES)</u>
RECEIPTS	\$ 2,260	\$ 1,336	\$ 19,357	\$ 31,940
DISBURSEMENTS	<u>593</u>	<u>270</u>	<u>12,124</u>	<u>1,802</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>1,667</u>	<u>1,066</u>	<u>7,233</u>	<u>30,138</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>68</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>68</u>	<u>-</u>
NET CHANGE IN CASH FUND BALANCES	1,667	1,066	7,301	30,138
Fund Balances (Deficit) - Beginning	<u>11,982</u>	<u>11,516</u>	<u>73,539</u>	<u>(46,133)</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ 13,649</u></u>	<u><u>\$ 12,582</u></u>	<u><u>\$ 80,840</u></u>	<u><u>\$ (15,995)</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
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YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	J.D. 53 Lat #2	J.D. 56	J.D. 56, Lat #1	#358 Clearwater Co. #3
	(DITCHES)	(DITCHES)	(DITCHES)	(DITCHES)
RECEIPTS	\$ 20,109	\$ 8,859	\$ 7,821	\$ 12,744
DISBURSEMENTS	<u>10,778</u>	<u>11,954</u>	<u>1,263</u>	<u>22,586</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>9,331</u>	<u>(3,095)</u>	<u>6,558</u>	<u>(9,842)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FUND BALANCES	9,331	(3,095)	6,558	(9,842)
Fund Balances (Deficit) - Beginning	<u>(103,857)</u>	<u>113,347</u>	<u>40,498</u>	<u>9,867</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ (94,526)</u></u>	<u><u>\$ 110,252</u></u>	<u><u>\$ 47,056</u></u>	<u><u>\$ 25</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
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CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#8 Moccasin Creek	#35 Sande Detention	#36 Marsh Creek 3	#36 Northern Improvement Dam
	<u>(UNASSESSED)</u>	<u>(UNASSESSED)</u>	<u>(UNASSESSED)</u>	<u>(UNASSESSED)</u>
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	<u>2,012</u>	<u>917</u>	<u>1,351</u>	<u>209</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(2,012)</u>	<u>(917)</u>	<u>(1,351)</u>	<u>(209)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>2,012</u>	<u>917</u>	<u>1,351</u>	<u>209</u>
Total Other Financing Sources (Uses)	<u>2,012</u>	<u>917</u>	<u>1,351</u>	<u>209</u>
NET CHANGE IN CASH FUND BALANCES	-	-	-	-
Fund Balances (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#38 Rockwell Dam (UNASSESSED)	#39 Mashaug Dam (UNASSESSED)	Levy Admin Work (RED RIVER CONSTRUCTION)	#212 - FDR 7/14 - 6/15 (RED RIVER CONSTRUCTION)
RECEIPTS	\$ -	\$ -	\$ -	\$ -
DISBURSEMENTS	<u>402</u>	<u>366</u>	<u>189</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(402)</u>	<u>(366)</u>	<u>(189)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>402</u>	<u>366</u>	<u>189</u>	<u>369</u>
Total Other Financing Sources (Uses)	<u>402</u>	<u>366</u>	<u>189</u>	<u>369</u>
NET CHANGE IN CASH FUND BALANCES	-	-	-	369
Fund Balances (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>(369)</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
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NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	District Owned Acquisitions (RED RIVER CONST GENERAL)	Leased Ag Property (RED RIVER CONST GENERAL)	#12 Hendrum Road Raise (#336 #III COM DIKES)	#11 Perley Road Raise (#336 #III COM DIKES)
RECEIPTS	\$ 2,178	\$ 118,100	\$ -	\$ -
DISBURSEMENTS	<u>4,331</u>	<u>19,375</u>	<u>6,652</u>	<u>2,060</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(2,153)</u>	<u>98,725</u>	<u>(6,652)</u>	<u>(2,060)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>2,153</u>	<u>(98,725)</u>	<u>6,652</u>	<u>2,060</u>
Total Other Financing Sources (Uses)	<u>2,153</u>	<u>(98,725)</u>	<u>6,652</u>	<u>2,060</u>
NET CHANGE IN CASH FUND BALANCES	-	-	-	-
Fund Balances (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#13 Halstad (#336 #II COM DIKES)	#339 DFIRM Norman Co. (PROJECT DEV - OTHER)	#362 Wild Rice River MPCA WRAP (PROJECT DEV - OTHER)	#363 Marsh River MPCA WRAP (PROJECT DEV - OTHER)
RECEIPTS	\$ 169,205	\$ 322	\$ 9,897	\$ 4,105
DISBURSEMENTS	<u>113,512</u>	<u>322</u>	<u>1,676</u>	<u>1,676</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>55,693</u>	<u>-</u>	<u>8,221</u>	<u>2,429</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>1,071</u>	<u>621</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,071</u>	<u>621</u>
NET CHANGE IN CASH FUND BALANCES	55,693	-	9,292	3,050
Fund Balances (Deficit) - Beginning	<u>(73,672)</u>	<u>-</u>	<u>(10,613)</u>	<u>(4,371)</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ (17,979)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (1,321)</u></u>	<u><u>\$ (1,321)</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	2016 Rural Ring Dike-#002 Visser (PROJECT DEV -RRC)	2016 Rural Ring Dike-#001 Ramstad (PROJECT DEV -RRC)	#366 Moccasin Creek-NRSC WP (PROJECT DEV -RRC)	#365 S Branch WRR-NRCS WP (PROJECT DEV -RRC)
RECEIPTS	\$ 20,958	\$ 60,035	\$ -	\$ -
DISBURSEMENTS	<u>78,630</u>	<u>92,350</u>	<u>71</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(57,672)</u>	<u>(32,315)</u>	<u>(71)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>9,852</u>	<u>12,855</u>	<u>215</u>	<u>144</u>
Total Other Financing Sources (Uses)	<u>9,852</u>	<u>12,855</u>	<u>215</u>	<u>144</u>
NET CHANGE IN CASH FUND BALANCES	(47,820)	(19,460)	144	144
Fund Balances (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>(144)</u>	<u>(144)</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ (47,820)</u></u>	<u><u>\$ (19,460)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
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YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#367 Green Meadow-NRCS WP (PROJECT DEV -RRC)	#173 Anderson Wetland #5 (PROJECT DEV -RRC)	#354 Goose Prairie WMA Storage (PROJECT DEV -RRC)	#356 Green Meadow Project Team (PROJECT DEV -RRC)
RECEIPTS	\$ 39,042	\$ -	\$ 6,853	\$ 7,594
DISBURSEMENTS	<u>68,168</u>	<u>539</u>	<u>27,188</u>	<u>14,250</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(29,126)</u>	<u>(539)</u>	<u>(20,335)</u>	<u>(6,656)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>17,471</u>	<u>539</u>	<u>20,335</u>	<u>6,656</u>
Total Other Financing Sources (Uses)	<u>17,471</u>	<u>539</u>	<u>20,335</u>	<u>6,656</u>
NET CHANGE IN CASH FUND BALANCES	(11,655)	-	-	-
Fund Balances (Deficit) - Beginning	<u>(720)</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ (12,375)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#357 WildRice Vik /Tuft/heitma (PROJECT DEV -RRC)	#83 Kim Syverson Complaint (#18 VIOLATIONS)	#82 John Pazdernik Compl. (#18 VIOLATIONS)	#80 Domogalla Complaint (#18 VIOLATIONS)
RECEIPTS	\$ 11,313	\$ -	\$ -	\$ -
DISBURSEMENTS	<u>10,324</u>	<u>1,393</u>	<u>1,230</u>	<u>493</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>989</u>	<u>(1,393)</u>	<u>(1,230)</u>	<u>(493)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>(989)</u>	<u>1,393</u>	<u>1,230</u>	<u>493</u>
Total Other Financing Sources (Uses)	<u>(989)</u>	<u>1,393</u>	<u>1,230</u>	<u>493</u>
NET CHANGE IN CASH FUND BALANCES	-	-	-	-
Fund Balances (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#81 MNDOT Pazdernik Family (#18 VIOLATIONS)	#79 Wayne Thom Complaint (#18 VIOLATIONS)	#50 Brian Borgen Complaint U R (#18 VIOLATIONS)	#18 Violations - Other (#18 VIOLATIONS)
RECEIPTS	\$ -	\$ -	\$ 600	\$ -
DISBURSEMENTS	<u>385</u>	<u>209</u>	<u>500</u>	<u>5,598</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(385)</u>	<u>(209)</u>	<u>100</u>	<u>(5,598)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>385</u>	<u>209</u>	<u>-</u>	<u>5,598</u>
Total Other Financing Sources (Uses)	<u>385</u>	<u>209</u>	<u>-</u>	<u>5,598</u>
NET CHANGE IN CASH FUND BALANCES	-	-	100	-
Fund Balances (Deficit) - Beginning	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 600</u></u>	<u><u>\$ -</u></u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	#12 Permits - Other (#12 PERMITS)	Ph 1, JD#53 L. #1 FEMA PW11 (FEMA 2011 1982)	Ph 11, Clay Co. #4 FEMA PW20 (FEMA 2011 1982)	Ph 12, Upper Reaches, PW 021 (FEMA 2011 1982)
RECEIPTS	\$ -	\$ 196	\$ 724	\$ 57
DISBURSEMENTS	<u>80,462</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>(80,462)</u>	<u>196</u>	<u>724</u>	<u>57</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>80,462</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>80,462</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN CASH FUND BALANCES	-	196	724	57
Fund Balances (Deficit) - Beginning	<u>-</u>	<u>(314)</u>	<u>(33,253)</u>	<u>(79)</u>
FUND BALANCES (DEFICIT) - ENDING	<u>\$ -</u>	<u>\$ (118)</u>	<u>\$ (32,529)</u>	<u>\$ (22)</u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	Ph 15, South Br Bridge FEMA PW24 (FEMA 2011 1982)	Ph 16, Proj #1 CD #1 FEMA PW 25 (FEMA 2011 1982)	PH 2, 2 & 2a, J.D. 53 #2, PW11 (FEMA 2011 1982)	PH 3, JD53, #2 FEMA PW 13 (FEMA 2011 1982)
RECEIPTS	\$ 186	\$ -	\$ 123	\$ 72
DISBURSEMENTS	-	-	-	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	186	-	123	72
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN CASH FUND BALANCES	186	-	123	72
Fund Balances (Deficit) - Beginning	(3,382)	(65,987)	(242)	(904)
FUND BALANCES (DEFICIT) - ENDING	<u>\$ (3,196)</u>	<u>\$ (65,987)</u>	<u>\$ (119)</u>	<u>\$ (832)</u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	PH 4, Proj #18 CD #64 FEMA PW14 (FEMA 2011 1982)	PH 5, Proj #1 CD#1 FEMA PW#1 (FEMA 2011 1982)	PH 6, Proj #1 CD1 FEMA PW#16 (FEMA 2011 1982)	PH 7, South Br & CD FEMA PW17 (FEMA 2011 1982)
RECEIPTS	\$ 32	\$ 47	\$ 48	\$ 42
DISBURSEMENTS	-	-	-	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	32	47	48	42
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN CASH FUND BALANCES	32	47	48	42
Fund Balances (Deficit) - Beginning	838	1,460	1,634	653
FUND BALANCES (DEFICIT) - ENDING	<u>\$ 870</u>	<u>\$ 1,507</u>	<u>\$ 1,682</u>	<u>\$ 695</u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	PH 8, JD#56 FEMA PW 18 (FEMA 2011 1982)	Ph 9 Proj 20, CD#45 L #2, PW18 (FEMA 2011 1982)	FEMA 2011 1982 - Other (FEMA 2011 1982)	Works of Common Benefit
RECEIPTS	\$ 63	\$ 31	\$ 246	\$ -
DISBURSEMENTS	-	-	275	-
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	63	31	(29)	-
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	-	(18,871)
Total Other Financing Sources (Uses)	-	-	-	(18,871)
NET CHANGE IN CASH FUND BALANCES	63	31	(29)	(18,871)
Fund Balances (Deficit) - Beginning	(118)	(52)	(4,905)	18,871
FUND BALANCES (DEFICIT) - ENDING	<u>\$ (55)</u>	<u>\$ (21)</u>	<u>\$ (4,934)</u>	<u>\$ -</u>

**WILD RICE WATERSHED DISTRICT
COMBINING STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2016
(CONTINUED)**

	<u>TOTAL</u>
RECEIPTS	\$ 1,132,294
DISBURSEMENTS	<u>928,342</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER DISBURSEMENTS	<u>203,952</u>
OTHER FINANCING SOURCES (USES)	
Transfers In (Out)	<u>37,570</u>
Total Other Financing Sources (Uses)	<u>37,570</u>
NET CHANGE IN CASH FUND BALANCES	241,522
Fund Balances (Deficit) - Beginning	<u>1,128,509</u>
FUND BALANCES (DEFICIT) - ENDING	<u><u>\$ 1,370,031</u></u>

**WILD RICE WATERSHED DISTRICT
SCHEDULE OF ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016**

<u>FUND</u>	<u>SOURCE OF REVENUE AND PURPOSE</u>		<u>AMOUNT</u>
Capital Projects	Becker County	Property Taxes and Special Assessments	\$ 4,093
Capital Projects	Clay County	Property Taxes and Special Assessments	10,535
Capital Projects	Clearwater County	Property Taxes and Special Assessments	282
Capital Projects	Mahnomen County	Property Taxes and Special Assessments	2,347
Capital Projects	Norman County	Property Taxes and Special Assessments	113,057
Capital Projects	NRCS	Grants Income	11,183
Capital Projects	Polk County	Property Taxes and Special Assessments	80
Capital Projects	Red River Management Board	Reimbursements	70,542
Capital Projects	State of Minnesota	Grants Income	24,541
General	Becker County	Property Taxes and Special Assessments	1,152
General	Clay County	Property Taxes and Special Assessments	1,441
General	Clearwater County	Property Taxes and Special Assessments	74
General	Mahnomen County	Property Taxes and Special Assessments	819
General	Norman County	Property Taxes and Special Assessments	3,194
General	Polk County	Property Taxes and Special Assessments	10
General	US Treasury	Payroll Liabilities Refund	92
Special Revenue	Becker County	Property Taxes and Special Assessments	2,914
Special Revenue	Clay County	Property Taxes and Special Assessments	4,429
Special Revenue	Clearwater County	Property Taxes and Special Assessments	210
Special Revenue	Mahnomen County	Property Taxes and Special Assessments	2,347
Special Revenue	Norman County	Property Taxes and Special Assessments	8,532
Special Revenue	Polk County	Property Taxes and Special Assessments	28
			<u>\$ 261,902</u>

**SCHEDULE OF ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2016**

<u>FUND</u>	<u>VENDOR NAME</u>	<u>ITEM AND PURPOSE</u>	<u>CLAIM NUMBER</u>	<u>AMOUNT</u>
Capital Projects	Clay County Union	Advertising	16230	\$ 270
Capital Projects	Cougar Tree Care, Inc.	Tree Removal	16231	32,775
Capital Projects	Fertile Journal	Advertising	16232	307
Capital Projects	Houston Engineering, Inc.	Engineering	16234	19,120
Capital Projects	Norman County SWCD	WRAPS Surveying	16239	1,679
Capital Projects	Norman County Treasurer/Auditor	Beaver Control Cost Share	16240	25
Capital Projects	Red River Watershed Mgmt.	Stream Gauge Cost Share	16244	12,091
Capital Projects	Tony Sip	Tree/Debris Cleanup	16246	6,418
Capital Projects	Twin Valley Times	Advertising	16247	191
Capital Projects	Wambach & Hanson	Legal	16248	135
General	Aflac	Payroll Liability	ACH	212
General	Clay County Union	Advertising	16230	414
General	Fertile Journal	Advertising	16232	478
General	FP Mailing Solutions	Postage Meter	16233	119
General	Houston Engineering, Inc.	Engineering	16234	622
General	Kenneth Aaron Kesselberg	Snow Removal	16235	250
General	Mahnomen Pioneer	Advertising	16236	259
General	Ralph's Food Pride	Supplies	16243	39
General	Renae Kappes	Cleaning	16249	180
General	Twin Valley Times	Advertising	16247	311
General	Wambach & Hanson	Legal	16248	965
				<u>\$ 76,860</u>

OTHER REPORT SECTION



JUSTIN CLASEN & COMPANY, LTD.

Certified Public Accountants & Consultants

Mick Justin, CPA
Christopher Clasen, CPA
Stephanie Murray, CPA
Susan Schiessl, CPA
Jane Erickson, CPA

P.O. Box 90
Pequot Lakes, Minnesota 56472
(218) 568-5242 Fax: 568-8680
office@lakesareacpas.com
lakesareacpas.com

Member:

American Institute of
Certified Public Accountants

Minnesota Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

To the Board of Managers
Wild Rice Watershed District
Ada, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Wild Rice Watershed District, Ada, Minnesota, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 4, 2017.

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 listed categories, except that we did not test for compliance with the provisions for tax increment financing because it is not applicable to the District. Additionally, we tested for compliance with the authority to issue public debt.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, except that the District did not comply with the public purpose policy. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions.

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

Justin, Clasen & Company, Ltd.
Certified Public Accountants

Pequot Lakes, Minnesota
May 4, 2017