



LOWER MINNESOTA RIVER WATERSHED DISTRICT



2018 Annual Report December 2019

Lower Minnesota River Watershed District

2018 Annual Report

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LOWER MINNESOTA RIVER
WATERSHED DISTRICT



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary: 2018 Annual Report

2018 Activities & Achievements

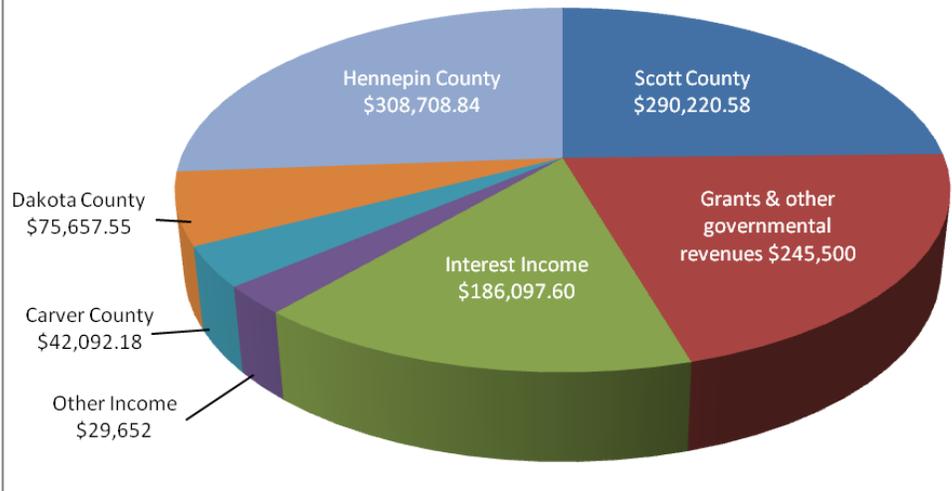
This Executive Summary highlights the Lower Minnesota River Watershed District’s (LMRWD) work and accomplishments during its fiscal year 2018 (January 1, 2018—December 31, 2018) in the following areas: Nine-foot Channel, Plan Implementation Activities, Water Quality Activities and Education Activities. The LMRWD activities and projects are guided by its *Watershed Management Plan* (Plan). In 2018, the LMRWD completed a plan amendment, which was unconditionally approved by the MN Board of Water & Soil Resource, September 25, 2018 and adopted by the LMRWD Board, October 24, 2018.

Nine-foot Channel Achievements

The LMRWD is unique among Watershed Management Organizations in the State of Minnesota. It is the only Watershed District charged with acting as a local sponsor, responsible for working with the US Army Corps of Engineers to maintain the navigation channel. In 2018, the District successfully:

- Received a report on special benefits derived by businesses and landowners with access to the 9’ Navigation channel;
- Held a public meeting to discuss special assessments and funding of dredge management activities;
- Held a public hearing granting the LMRWD authority to assess properties for special benefit;
- Succeeded in procuring state funding for management of dredge material;
- Developed a work plan for capital improvements to the dredge site and began work on design of capital improvements to bring the site up to industry standards;
- Began work to evaluate impact on the water elevations of the Minnesota River caused by storage of dredge material in the floodplain;
- Prepared a Threatened & Endangered Species evaluation for the dredge site; and
- Delineated wetlands located on the dredge site.

2018 LMRWD Revenue



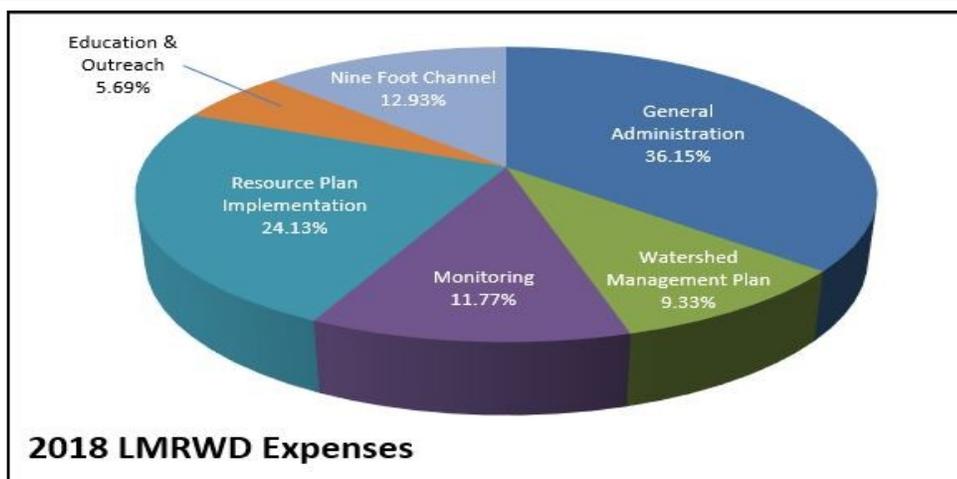
In FY 2018, levy revenues totaled \$716,679.15, divided among four counties as shown by the chart at left. Other Income was mainly from license fees from industry for storage of private dredge material on the Vernon Avenue dredge site. For more information on the LMRWD’s FY 2018 revenue, see the Financial Information in Appendix A of the Annual Report.

Watershed Plan Activities

The LMRWD continued to implement the goals of its plan. In addition to the Plan Amendment, in 2018 the LMRWD:

- Released a Statement of Need and Reasonableness (SONAR) for changes to standards in the LMRWD Plan;
- Continued public engagement related to Plan revisions, by holding public meetings in Bloomington, Eden Prairie, Chanhassen, Burnsville and Savage; and making a presentation to the City Council in the City of Carver;
- Held a second public hearing in April, before the Plan Amendment was sent for its final agency review;
- Completed a stream bank stabilization on Riley Creek below Flying Cloud Drive in Eden Prairie;
- Reviewed and approved the local water management plans and/or Comprehensive Plans from the Cities of Chanhassen, Chaska, Bloomington, Lilydale, Eagan, Eden Prairie and Mendota Heights;
- Worked with Freshwater Society and Lac Core to study sediment cores from floodplain lakes; and
- Received the final altered hydrology of the Minnesota River Basin report from Freshwater Society.

In FY 2018, the LMRWD spent a total of \$177,900.13 to implement the LMRWD's Resource Management Plan identified in the Watershed Management Plan and approximately \$559,400 on its other activities, including \$95,350 to maintain the 9' Navigation Channel. For an itemization or more information on the LMRWD's FY 2018 expenditures, see the Financial Information in Appendix A of the Annual Report



Water Quality Activities

In 2018, the LMRWD addressed water quality issues by:

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

Education Activities

In 2018, the LMRWD pursued its education goals as it:

- Sponsored six classrooms to attend the Metro Children's Water Festival in September;
- Continued to sponsor the Minnesota River Congress and participated in the it's networking fair;
- Redesigned the LMRWD website and brought it live in February;
- Funded five (5) Cost Share projects for a total of \$6,380.30;
- Funded participation for one Master Water Steward;
- Posted agendas and minutes of Board of Managers meetings on the LMRWD website;
- Partnered with watershed districts and the Freshwater Society to inventory historical landslides in Hennepin County; and
- Hosted a boat tour of the Minnesota River in partnership with the Minnesota Association of Watershed Districts, Riley Purgatory Bluff Creek Watershed District and Carver County Watershed Management Organization.



LOWER MINNESOTA RIVER WATERSHED DISTRICT

I. Annual Activity Report



LOWER MINNESOTA RIVER WATERSHED DISTRICT

I. Annual Activity Report

This report covers the Lower Minnesota River Watershed District's (LMRWD) activities for fiscal year 2018 (January 1, 2018—December 31, 2018). The LMRWD Annual Report was prepared to meet the Annual Reporting Requirements set forth in Minnesota Statutes Annotated 103B.231 Subd. 14, 103D.351 and Minnesota Rules Chapter 8410.0150 .

A. Board of Managers

The LMRWD is governed by a Board of Managers appointed by the County Commissioners of each respective County (Carver, Dakota, Hennepin and Scott), for a term of three years. Managers can be re-appointed. Each County is entitled to appoint one Manager. Hennepin County appoints two. It is the job of the Board of Managers to preside over the business of the LMRWD as it pursues the goals contained in the Watershed Management Plan. The following reflects the Managers appointed and officers elected at the meeting held on September 17, 2018:

Vacant since January 1, 2015
Carver County

Term Expires: 2-28-2020

YVONNE SHIRK (resigned July 1, 2018)
Dakota County

Term Expires: 2-28-2021
Phone: 612-860-6680
Email: yshirk@msn.com
Address: 11000 Territorial Dr.
Burnsville, MN 55337

ADAM FREY
Vice President
Hennepin County

Term Expires: 2-28-2021
Phone:
Email: adamfrey@comcast.net
Address: 5621 Auto Club Road
Bloomington, MN 55437

DAVID RABY
Secretary/Treasurer
Hennepin County

Term Expires: 2-28-2021
Phone: (m) 651-341-3507
Email: dave.raby@aol.com
Address: 10006 Indigo Dr.
Eden Prairie, MN 55347

JESSE HARTMANN
President
Scott County

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

B. LMRWD Staff and Consultants

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

Administrator

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

Engineer/Technical

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Young Environmental Consulting Group, LLC
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(651) 249-6974
della@youngecg.com

Accounting Services

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Mary Kaye Wahl
Brandon Zabel
Carver County Financial
Services Division
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Chaska, MN 55318
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dfrischmon@co.carver.mn.us
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Auditor

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Legal Counsel

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

C. LMRWD Technical Advisory Committee

Name	Representing
Leslie Stovring, Rod Rue.....	City of Eden Prairie
Bryan Gruidl, Steve Segar.....	City of Bloomington
Vanessa Strong, Renae Clark.....	City of Chanhassen
Matt Clark, Dan Edgerton.....	City of Chaska
Brian Skok, Bob Bean.....	City of Carver
Jesse Carlson, Seng Thongvanh.....	City of Savage
Steve Lillehaug, Kirby Templin,	City of Shakopee
Daryl Jacobson, Ryan Peterson, Deb Gaross.....	City of Burnsville
Eric MacBeth.....	City of Eagan
Sarah Inouye, Vicki Sherry, Gerry Shimek.....	U.S. Fish & Wildlife Service
Steve Christopher.....	Board of Water & Soil Resources
Paul Moline, Andrew Edgcumbe.....	Carver County Water Management Organization
Paul Nelson.....	Scott County Water Management Organization
Stacy Boone, Scott Walz.....	Shakopee Mdewakanton Sioux Community
Lindsey Albright, Brian Watson.....	Dakota County Soil & Water Conservation District
Melissa Jenny, Zach Kimmel, Marissa Merriman.....	U.S. Army Corp of Engineers
Troy Kuphal.....	Scott County Soil & Water Conservation District
Joe Mulcahy.....	Metropolitan Council Environmental Services
Mark Nemeth, Jennie Skancke.....	MN Department of Natural Resources
Beth Neuendorf.....	MN Department of Transportation
Mike Wanous.....	Carver County Soil & Water Conservation District
Timothy Schwartz.....	MN Pollution Control Agency
Al Dye, Jennifer Gora.....	Metropolitan Airport Commission
Karen Galles.....	Hennepin County
Ryan Ruzek.....	Mendota Heights
Greg Genz.....	Upper Mississippi Waterway Association
Mike Wanous.....	Carver County Soil & Water Conservation District

D. LMRWD Citizen Advisory Committee

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

E. LMRWD Goals

Description of Overall Goals

The LMRWD's general goals fall under the categories of organizational management, surface water and groundwater management, unique natural resource management, wetland management, flood and floodplain management, erosion and sediment control, and public education and outreach. The Plan adopted in 2018 incorporated new emphasis on protecting unique resources within the District, such as trout waters, calcareous fens and steep slopes.

Unlike other water management programs in the state subject to M.S. 103B, the LMRWD has an additional purpose which is to assist and facilitate the efforts of state and federal agencies to maintain the Minnesota River 9-foot channel for commercial and recreational navigation. The goals identified in the Watershed Management Plan (October 2018) are to:

- Manage the different roles of the District;
- Protect, improve and restore surface water quality;
- Protect and promote groundwater quality and quantity;
- Protect and manage unique natural resource;
- Protect and preserve wetlands;
- Manage floodplains and mitigate flooding;
- Manage erosion and control sediment discharge;
- Maintain and improve navigation and recreational use of the Lower Minnesota River;
- Increase public participation and awareness of the unique natural resources and the Minnesota River; and
- Encourage other LGUs to include information about the District in their water resource related documents.

F. 2018 LMRWD Work Activities

The LMRWD conducted the following activities in 2018. Work related to water quality monitoring is addressed in Section H.

Capital Improvements Program - The LMRWD continued to implement its Capital Improvement Program. In 2018 achievements included:

1. The following CIP projects were underway in 2018:
 - **Seminary Fen** - This project was completed in 2016. Staff worked with BWSR to get the reporting finalized and request disbursement of the final portion of the grant.
 - **East Chaska Creek** - The LMRWD worked jointly with the city of Chaska, to prepare a feasibility report to identify channel maintenance activities, prioritize channel stabilization projects and provide conceptual design and cost estimates. The report identified several areas where the city needed to perform channel maintenance and areas with active erosion that needed stabilization. Lastly, the report identified potential capital projects to address the various impairments on the creek and mitigate sediment transport to the Minnesota River. This project was included for funding under the Board of Water & Soil Resource's Metro-area Watershed Based Funding Pilot Program.

- **Riley Creek Restoration** - The LMRWD worked with Barr Engineering to design a project downstream of CSAH 61/Flying Cloud Drive, to stabilize banks and manage flow velocity. The project was constructed with Hennepin County's reconstruction of Flying Cloud Drive/CSAH 61.
- **Riley Purgatory Bluff Creek Watershed District's Lower Riley Creek Ecological Restoration** - The LMRWD continued its partnership with the Riley Purgatory Bluff Creek Watershed District to stabilize a segment of Lower Riley Creek and reconnect Riley Creek with its floodplain, in order to improve water quality and address the Creek's impairments.
- **Nine Foot Channel Permanent Disposal Sites Acquisition and Development Basic Water Management Project** - The LMRWD succeeded in securing state funding to assist the District in bringing the Vernon Avenue Dredge Management site up to industry standards. Once funding was secured the LMRWD began work that would be needed to secure necessary permits from the US Army Corps of Engineers, the MN Department of Natural Resources and the City of Savage. Additional information on this project can be found in Section F. 2. of this report.
- **Paleolimnology Study (Floodplain Lakes)** - The LMRWD completed a study of sedimentation of floodplain lakes with the Freshwater Society and Lac Core, at the University of Minnesota, to see if the rate of accumulation of sediment in the floodplain lakes could be tied to changes in land uses upstream. A report was prepared and in October 2018 was presented to the Board of Managers. This report can be viewed on the LMRWD website at https://lowermnriverwd.org/application/files/4015/5708/0823/Freshwater_Lake_Coring_Project_FINAL_082018.pdf.

The LMRWD Technical Advisory Committee recommended that the District update its plan to coincide with the cycle for updating municipal local surface water management plans. The District began this process and released a draft watershed management plan in 2017. The 2017 draft included a draft Capital Improvement Program (CIP) plan that was included in the 2017 LMRWD Annual Report. Additional projects were added to the CIP before adoption of the Plan, due to opportunities that were presented to the District through the plan amendment process and as part of BWSR's Metro-area Watershed Based Funding Pilot Program. The CIP adopted in the 2018 Plan can be found in Appendix C

The following projects were included in the in the 2017 draft (in addition to projects that remained from the 2011 revision of the Plan, as amended):

- **Minnesota River Corridor Management Project** in 2020-2021 - Using the Minnesota River as a focal point, this project will examine issues facing the river's complex natural system, a shared resource and a place where varied interests and other systems converge. We seek to (1) create greater understanding of the Lower Minnesota River Corridor and its landscape, (2) demonstrate a desired future for the river and how change in the surrounding landscape can help attain this future, (3) suggest a structure or framework by which the vision can be implemented, and (4) identify shared community and public values that form the basis of the project. (This design is modeled after the Vermillion River Corridor Plan.);
- **District Boundary Modification Project** in 2018 - District staff will work with BWSR and the neighboring watershed districts and water management organizations to review and possibly modify the district's jurisdictional boundary. In addition in 2018 the LMRWD was approached by the Metropolitan Airport Commission (MAC) about adjusting boundaries at the MSP airport to better align with hydrological boundaries. The Board of Manager, MAC and Minnehaha Creek Watershed District have agreed to this realignment in principal;
- **Eagle Creek Project (East Branch Project)** in 2018 - This project will restore approximately 2,400 feet of stream and repair erosion under the 128th Street Bridge. The goals of the project are to reduce erosion and improve fish habitat. Due to beaver dams, the stream cuts into three valley walls, contributing to significant deposits of sediment; and

- **Spring Creek Project** in 2019 - This project consists of retrofitting two catch basins into the structural treatment devices in the Lenzen First and Second Additions. In addition, the project will treat untreated discharge that comes from upstream into Spring Creek at 6th Street.

The following projects were added to the LMRWD CIP after the 2017 draft of the Plan was released for initial comment:

- **Assumption Creek Hydrology Restoration Project** in 2019 - Assumption Creek is a trout stream, so it is important to maintain the temperature of groundwater discharge. According to the City of Chaska, portions of the creek dry out periodically. It is unknown exactly what has reduced the hydrology of the creek. It may have been the U.S. Army Corps of Engineers' historic creek rerouting for the brick factory, road construction, or other development effects. The project described here will evaluate the opportunities available to resupply the groundwater hydrology to the creek;
- **Groundwater Screening Tool Model** in 2018-2020; The District will develop a district-specific groundwater model that can be used as a preliminary screening tool for the evaluation of groundwater appropriation requests related to four fens within the district (Black Dog, Fort Snelling, Nicols, and Quarry Island). The goal of the model is to define the approximate extent of the recharge zones for the fens and provide a method for evaluating whether the proposed groundwater withdrawals may cause significant decline in head at one or more of the referenced fens.
- **Minnesota River Assessment of Ecological and Economic Impacts of Sedimentation** in 2024 through 2027 - This project will examine sedimentation in the Lower Minnesota River Watershed including monitoring, modeling, and analyzing sediment sources, sinks, and pathways in the watershed; summarizing how sources, sinks, and pathways may have changed; and estimating the economic and ecological effects of sedimentation. The project team will look at how sedimentation (1) changes the stage-discharge relationships that may cause flooding, (2) generates costs to maintain a commercial navigation channel on the Minnesota River, and (3) affects the watershed with its ecological conditions. Through these analyses, a new baseline can be established, and an understanding created of how changes in land use will alter the watershed baseline and create a new condition. This project has been proposed to the US Army Corp of Engineers as a spin-off study of the Minnesota River Basin Integrated Watershed Study.
- **Minnesota River Assessment of Water Storage Benefits and Opportunities** in 2024 through 2027 - Using the Agricultural Conservation Planning Framework (ACPF) and the Prioritize, Target, and Measure Application (PTMApp), we will determine if a flow reduction would benefit from the placement of storage measures in key locations throughout the basin. This analysis will help us understand if the threshold for meaningful change can be realized to recommend specific levels of storage in the basin. The analysis is needed to accomplish the desired outcomes: (1) hydro-correct DEMs for the lower watershed where storage impacts are desired, (2) run ACPF on priority sub-basins to determine where storage opportunities exist, (3) develop a detailed hydrologic model if one does not exist, (4) run existing and storage scenarios to determine if the amount of the discharges could be lowered for hypothetical rainfall events ranging from 10-year to 100-year events, and (5) summarize the saturation of storage and the maximum change anticipated in the specific agro-eco-region. This project has been proposed to the US Army Corp of Engineers as a spin-off study of the Minnesota River Basin Integrated Watershed Study;
- **Minnesota River Floodplain Model Feasibility Study** in 2019 - We will review the existing Minnesota River floodplain model to determine if updates are required. The LMRWD will partner with the MN Department of Natural Resources and the US Army Corp of Engineers;
- **Seminary Fen Restoration Site A** in 2021 - At the intersection of Engler and Audubon in Chaska, Minnesota, 3.61 acres of wetland will be purchased and restored. This site is

dominated by reed canary grass and offers the greatest threat to the rare plants of the Seminary Fen Wetland Community. The site is next to a 6-acre wetland that was restored by the City of Chaska in partnership with the DNR;

- **Seminary Fen Restoration Site B** in 2024 through 2025 - A partially drained 17-acre wetland from Falls Curve Road to Old Highway 12, that is predominantly growing reed canary grass, will be restored. The restoration involves disabling the drainage system and restoring vegetation;
- **Seminary Fen Ravines Site C-2 and C-3 Studies** in 2024 through 2025 - Seminary Fen Ravine Sites C-2 and C-3 are actively discharging sediment into the Seminary Fen Wetland Complex. This project will conduct a ravine study to estimate sediment contribution to the Seminary Fen from sites C-2 and C-3 and provide approaches and cost estimates for correcting the erosion problems;
- **Seminary Fen Ravines Sites C-2 and C-3 Design and Construction** in 2025 through 2027 - The final design and construction will be done for the Ravine Sites C2 and C-3, which are discharging sediment into the Seminary Fen Wetland Complex; and
- **West Chaska Creek** in 2019 - This project will re-meander approximately 1,100 linear feet of a ditched segment of West Chaska Creek. Lengthening the channel will reduce water velocity, lower shear stress on the banks, reconnect the creek to its floodplain, and reduce the amount of sediment transported downstream to the Minnesota River. Based on upstream reference reaches and changes observed since the creek was straightened, the re-meander project will reduce total suspended solids by an estimated 4,400 pounds per year for 30 years. This project is being completed in partnership with Carver County WMO.

2. Nine foot Channel Dredge Management

The LMRWD is the local sponsor for the nine foot navigation channel (the Channel), which extends from the confluence of the Minnesota River with the Mississippi upstream to River Mile Post (RMP) 14.7. As the local sponsor the LMRWD must provide locations for the storage and disposal of material dredged from the River in order to maintain navigation. To this end the LMRWD owns and operates a dredge material placement site at RMP 14.2 (12020 Vernon Avenue South), in the city of Savage, MN.

In 2015 the LMRWD adopted Resolution 15-12 initiating proceedings to modify the Nine Foot Channel permanent disposal sites acquisition and development basic water management project. This Resolution made management of dredge material a permanent capital project of the LMRWD.

In 2017, the LMRWD was successful in obtaining state funding to assist with its role as local sponsor in managing dredge material. The LMRWD received an appropriation through BWSR of \$480,000 for the biennium. In 2018, a work plan was prepared for the 'Dredge Site Restoration Project' and a grant agreement, between the LMRWD and BWSR was executed. As a result, the Dredge Site Restoration Project was added to the CIP. The Work Plan can be found in Appendix D

- **Dredge Site Restoration Project** in 2018 and 2019 - In 2018, the LMRWD began work on the following items identified in the February 15, 2017, Estimate of Probable Cost, Cargill East River (MN-14.2 RMP) Dredge Material Site technical memorandum prepared by Burns & McDonnell, Young Environmental Consulting Group, LLC, and Berrini & Associates, LLC, for the Cargill East River (MN - 14.2 RMP) Dredge Material Site (12020 Vernon Avenue South, Savage, MN) located on the Minnesota River:
 - ◇ Wetland evaluation and delineation
 - ◇ Preliminary threatened and endangered species survey
 - ◇ Hydrologic and hydraulic modeling and no-rise certification
 - ◇ Geotechnical survey
 - ◇ 30, 60 and 90 percent engineering plans for Site and supporting probable cost estimates

- ◇ Amendment to City of Savage's Conditional Use Permit.

The Estimate of Probable Cost can be viewed on the District's web site at http://www.lowermnrivewd.org/application/files/9315/3624/4534/Final_Revised_Tech_Memo_for_Dredge_Site_Cost_Analysis_02152017.pdf:

3. BWSR Clean Water Fund Grant Administration:

- **Seminary Fen Ravine Stabilization Project** was completed in 2016. As noted previously, LMRWD staff worked with the BWSR Board Conservationist from BWSR to finalize the reporting and request final payment.

In 2018, the Board of Water and Soil Resource implemented the Metro-area Watershed Based Funding Pilot Program. This funding was provided throughout the Metro-area to implement Clean Water projects contained in local surface water management plans of counties, water management organizations and municipalities. The funds were distributed by county. The LMRWD worked with four counties; Carver, Dakota, Hennepin and Scott (LMRWD ceded its Ramsey County allocation) and three cities to submit six projects to be funded. The projects submitted follow:

- **Downtown Shakopee Targeted BMP Feasibility Study;** This project will be in partnership with the City of Shakopee. It will analyze current stormwater systems in Downtown Shakopee and identify opportunities to implement BMPs before stormwater is discharged into the Minnesota River.
- **Realignment of the Prior Lake Spring Lake Outlet Channel;** This project will be done in partnership with the City of Shakopee. It includes a feasibility study to determine potential water quality benefits to Dean Lake that would result from restoration of the Prior Lake Outlet Channel including altering the alignment (creating meanders) and constructing a flow-through wetland complex to slow the flow of water. The benefits of this project will improve water quality in Dean Lake and, subsequently, the Minnesota River downstream.
- **Schroeder's Acres Park/Savage Fen Stormwater Management Project;** This project will be done in partnership with the City of Savage. Schroeder's Acres Park contains a storm water treatment pond that receives stormwater from several industrial areas where stormwater would drain directly to Eagle Creek if not re-directed. Stormwater from Schroeder's Acres Park returns to Eagle Creek eventually. Eagle Creek is a designated Trout stream that supports a reproducing population of brown trout. The goal of this project is to improve the overall health of Eagle Creek, a designated trout stream, by reducing bacteria, and nutrients, managing temperature, reducing volume, evaluate impacts of chlorides.
- **Hennepin County Minnesota River Basin Chloride Project;** In Hennepin County, the watershed management organizations, Riley Purgatory Bluff Creek Watershed District, Nine Mile Creek Watershed District, Lower Minnesota River Watershed District and the Richfield Bloomington Watershed Management Organization agreed to pool the funds each of the organizations was allocated to collectively address Chloride pollution.
- **East Chaska Creek;** This project has been in the LMRWD CIP for several years. The LMRWD will use funding allocated under to Metro-area Watershed Based Funding Pilot Program to stabilize the section of East Chaska Creek between Crosstown Boulevard and CSAH 61/ Chaska Boulevard.
- **Dakota County Fen Study/Management Plan:** This project is being overseen by the Dakota County Soil & Water Conservation District. The LMRWD has been working with the DNR to assess and evaluate the fens within the LMRWD. In particular the fens located within Dakota County. This project will complete a gaps analysis in coordination with the Minnesota Department of Natural Resources (DNR) to assist in the protection of groundwater-dependent resources. The end goal is to develop (along with the DNR) a management plan for all fens in the LMRWD. This project would assist the development of rules and a permitting program for activity in High Value Resource Areas identified in the LMRWD Watershed Management Plan Amendment.

Watershed Management Plan - In 2016, the LMRWD began the process to amend its Watershed Management Plan. Revisions to the Plan included increased protection for high value resources: calcareous fens and trout waters. In addition, increased protection of steep slopes within the LMRWD was a major goal of the Plan Amendment. The LMRWD initially proposed implementing the special land use regulations that guide development and activity in the Mississippi River Critical Corridor Area (MRCCA). Adoption of the rules for the MRCCA as standards within the LMRWD Plan was proposed in order to maintain consistent standards throughout the District, since the first four miles upstream of the confluence of the Minnesota River with the Mississippi are in the MRCCA.

A draft Plan was submitted for 60-day comment in June 2017. The LMRWD called for a public hearing to adopt the plan in October 2017. Many LMRWD partners and members of the public testified at the hearing that using the MRCCA rules would create many non-conforming properties within the LMRWD. The Board of Managers continued the Public hearing to a future date and requested the hearing be noticed at the time it would reconvene. The Board of Managers also directed LMRWD staff to take a second look at the new standards in the draft Plan to see if there was another way to accomplish the goals of the Board. In the time between the October 2017 hearing and the continued hearing, the Board directed that LMRWD staff hold informational meetings in each city within the LMRWD. Meetings were held in Bloomington, Burnsville, Eden Prairie, Chanhassen, and Savage. In the city of Carver, LMRWD staff met with the City Council.

Additional meetings of the Technical Advisory committee were held and comments were solicited and received from the DNR, USFWS, Metropolitan Council, and the cities of Savage, Chaska, Bloomington and Burnsville. LMRWD Staff met individually with the cities of Savage and Burnsville.

To address the objections to the new LMRWD standards, a mapped steep slope overlay zone was created and standard was revised to allow activity within the steep slope zone as long as the development proponent could provide certification by a qualified professional that the proposed activity would be safe and stable.

The October 2017 public hearing to adopt the Plan was continued to April 2018. In July, the Plan was submitted to state agencies for final review. The MN Board of Water & Soil Resources approved the Plan in September 2018 and the LMRWD Board of Managers adopted the Plan at its October 2018 Board meeting.

Nine Foot Channel - In 2016, the LMRWD began a process to enable the LMRWD to assess benefitted properties for costs incurred that are associated with the management of dredge material. The LMRWD commissioned Burns & McDonnell and Patchin, Messner Dodd and Brumm to prepare and estimate of projected costs and a determination of special benefits, respectively. At the September 2018 LMRWD Board of Managers meeting a public hearing was held to take public input on the District's ability to assess benefitted properties. The hearing was continued to November 2018, in order to allow LMRWD staff to meet with benefitting property owners and their representatives. In December 2018 the Board voted to adopt Resolution 18-21 *Adopting Findings and an Order Modifying the Nine Foot Channel Permanent Disposal Sites Acquisition and Development Basic Water Management Project and Determining Project Benefits*.

In addition, in 2018, the following activities occurred in regards to the LMRWD Dredge Site:

- License agreements with Cargill, CHS, Inc. and Savage Riverport were renewed and amended to reflect the name change of Riverland Ag Corp. to Savage Riverport, LLC;
- The US Army Corps of Engineers placed 29,573 cubic yards of new material dredged from the 9' navigation channel on the site;
- 33,833 cubic yards of private dredge material placed on the site in 2017 was removed from the site in June 2018. This material was placed permanently at Allied Waste in Rosemount;
- 29,652 cubic yards of new material dredged from private industry barge slips was placed on the site on August 30, 2018;

- The Board of Manager determined to sell material dredged from the main channel for beneficial re-use on a first come first serve basis, after the contract for sale of dredge material expired 3-year ;
- Transferred \$50,000 from the general fund to the 9' channel fund in order to address the deficit in the 9' channel fund; and
- Continued to monitor MPCA rule making regarding changes to acceptable tolerance levels of pollutants, Soil Reference Values (SRVs), in dredge material.

Technical Advisory Committee - The LMRWD held a series of TAC meetings in 2018 as part of the Plan Amendment process. Technical Advisory Committee meetings are open to the public and announced on the LMRWD's website.

Review of Municipal Plans and Adjacent WD/WMO Plans/Plan Amendments - In 2018, the LMRWD reviewed and commented on Local Surface Water Management Plans from the cities of Bloomington, Carver, Chanhassen, Chaska, Eagan and Lilydale. In addition, the LMRWD reviewed and commented on the Carver County and the Scott County Water plans.

The LMRWD participates as a member of the Technical Advisory Committee and in the plan development process for Riley, Purgatory, Bluff Creek Watershed District, Prior Lake, Spring Lake Watershed District, Carver County Watershed Management Organization and Scott County Watershed Management Organization. The District reviewed Comprehensive plans for Scott County, and Dakota County, and for the cities of Bloomington, Burnsville, Chanhassen, Eagan, Eden Prairie, Lilydale and Shakopee. The reviews of municipal comprehensive plans focused on the natural resource and water sections of the plans.

Resolutions - The LMRWD passed 22 resolutions in 2018. Copies of the resolutions are included are included in Appendix B.

Minnesota River TSS TMDL - The MPCA invited the LMRWD to discuss the MN River and Greater Blue River TSS TMDL, ahead of its release to the public for comment. The LMRWD reviewed the TMDL and met with MPCA staff in June 2018.

Hennepin County Project No. 0904, Flying Cloud Drive - In 2018, the LMRWD received notice that an NPDES inspection of this project was completed by the MPCA and a notice of corrective action was issued. In response to this the LMRWD began bi-weekly inspections of this project.

Minnesota River Congress - The LMRWD continued its participation with the Minnesota River Congress (MRC). The LMRWD sponsors the semi-annual Congress meetings and attends the Congress meetings and on occasion will attend meetings of the MRC Action Committee.

Legislative Action - In 2018, the LMRWD continued to maintain a presence at the Legislature. No specific bills were introduced. The LMRWD retained the services of Frenette Legislative Advisors after the retirement of Ron Harnack.

I-35W Bridge Replacement - In February 2018, the LMRWD Board of Managers heard a presentation from Scott Pederson, MNDOT, regarding plans for the Interstate 35W Bridge across the Minnesota River. The District also attended the municipal consent meetings for this project in Burnsville and Bloomington.

Bluff Erosion and Landslides in Hennepin County - The LMRWD agreed to participate in a the second phase of a project that Hennepin County Emergency Management has undertaken. The first phase of this project inventoried and mapped historical landslides in the County. The second phase of the project proposes to look at the historical data to determine if there are conditions or contributing factors that can be used to predict landslides. The ability predict landslide would minimize health and safety risks, reduce damage to infrastructure, and identify areas susceptible to landslides in light of changing precipitation events and human modifications to slopes.

Minnesota River Data Center - At the May 2018 LMRWD Board of Managers meeting, Kim Musser from the Minnesota River Data Center at Minnesota State University, Mankato made a presentation to the Board about the work the Center does.

Friends of the Minnesota Valley - In May 2018, Ted Suss, Executive Director of Friends of the Minnesota Valley (Friends), made a presentation to the LMRWD Board of Managers about the project the LMRWD and Friends conducted in 2017. Friends hired an intern to set up a booth at County Fairs in each county in the Minnesota River Basin to hand out information and inform the public of the problem with sedimentation in the Minnesota River Basin.

Ike's Creek - The amended LMRWD Plan adopted in October 2018 identified Ike's Creek as a High Value Resource. Ike's Creek is located on US Fish & Wildlife Service (USFWS) property in the Minnesota Valley National Wildlife Refuge in the City of Bloomington, Hennepin County. In December of 2018, the USFWS and the LMRWD began sampling and testing Ike's Creek for Chloride. The area near the headwaters of Ike's Creek is actively under development. The USFWS and the LMRWD feel it is important to establish a baseline for Chloride in the sub-watershed in order to determine the impact from future development.

US Geological Survey (USGS) - In July 2018, James Fallon and Joel Groten from the USGS made a presentation to the LMRWD Board of Managers regarding flow and sediment monitoring in the Minnesota River. The LMRWD has provided financial assistance to this monitoring since 2010. The Board agreed to continue to assist financially, however the Board directed that staff should look for partners to share in the cost of this sampling.

Impaired Waters and Total Daily Loads (TMDL) Studies - The following water bodies in the Lower Minnesota River Watershed District are listed in the MN Pollution Control Agency's (MPCA's) Draft 2018 *Impaired Waters List*. The inventory includes listings of (1) impaired waters that require the development of a TMDL study, (2) impaired waters that have an approved TMDL study, but are not yet meeting water quality standards, and (3) waters impaired from natural causes that do not require a TMDL study. The inventory is available at the MPCA's Impaired Waters website: <http://www.pca.state.mn.us/water/tmdls/impaired-waters-list.html>.

Water Body (Lake/River ID#)	Pollutant or Stressor (Year of Listing)/TMDL Status
Assumption Creek - Headwaters to MN River (07020012-582)	Aquatic macroinvertebrate bioassessments (2018)/Underway
Bluff Creek - Headwaters to Rive Lake (07020012-7190)	Fishes bioassessments (2004)/Approved 2013 Turbidity (2002)/Approved 2013
Carver Creek - MN Hwy 284 to MN River (07020012-806)	Aquatic macroinvertebrate bioassessments (2018)/Underway Fishes bioassessments (2018)/Underway Nutrient/eutrophication biological indicators (2016)/Underway Turbidity (2002)/Approved 2012 Fecal Coliform (2002)/Approved 2007
Chaska Creek - Creek Rd to MN River (07020012-804)	Fecal Coliform (2006)/Underway
Credit River - -93.3526, 44.7059 to MN River (07020012-811)	Aquatic macroinvertebrate bioassessments (2018)/Underway Chloride (2018)/Underway Fishes bioassessments (2018)/Underway Escherichia coli (2018)/Underway
Eagle Creek - Headwaters to MN River (07020012-519)	Escherichia coli (2018)/Underway
East Chaska Creek - Unnamed creek to MN River (07020012-581)	Aquatic macroinvertebrate bioassessments (2018)/Underway Fishes bioassessments (2014)/Underway Turbidity (2008)/Underway Fecal Coliform (2006)/Underway
Minnesota River: Segment 1; High Island Cr to Carver Cr (07020012-800) Segment 2; Carver Creek to RM 22 (07020012-506) Segment 3; RM 22 to Mississippi River (07020012-505)	Mercury in fish tissue (1998) ^{1,3} /Approved 2008 Mercury in water column (1998) ^{1,3} /Approved 2008 PCB in fish tissue (1998) ^{2,3} /Targeted completion 2020 Nutrient/Eutrophication biological indicators (2016) ³ /Targeted completion: Segments 1 & 2, 2018; Segment 3, 2022 Turbidity (1996) ³ /Targeted completion: Segment 1, 2019; Segments 2 & 3, 2019 Fecal Coliform (2002) ⁴ /Targeted completion 2019 Dissolved Oxygen (1998) ⁵ /Approved 2004
Nine Nile Creek - Unnamed wetland to MN River (07020012-809)	Aquatic macroinvertebrate bioassessments (2018)/Targeted completion 2029 Chloride (2004)/Approved 2010 Fishes Bioassessments (2018)/Targeted completion 2029 Escherichia coli (2018)/Underway
Purgatory Creek - Staring Lake to MN River (07020012-828)	Aquatic macroinvertebrate bioassessments (2018)/Underway Escherichia coli (2018)/Underway
Riley Creek - Riley Lake to MN River (07020012-511)	Aquatic macroinvertebrate bioassessments (2018)/Underway Fishes bioassessments (2018)/Underway Turbidity (2002)/Underway Escherichia coli (2018)/Underway
Prior Lake Outlet Channel - Dean Lake to Blue Lake (07020012-728)	Aquatic macroinvertebrate bioassessments (2018)/Underway Fishes bioassessments (2018)/Underway

Water Body (Lake/River ID#)	Pollutant or Stressor (Year of Listing)/TMDL Status
Snelling Lake (27-0001-00)	Mercury in fish tissue (1998)/Underway
Spring Creek - Headwaters to MN River (07020012-528)	Fecal Coliform (2006)/Underway

¹ The MPCA completed a state-wide Mercury TMDL that was approved in 2008. Permit limits and monitoring requirements are required to be in accordance with the Mercury Permit.

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

³ This impairment is found in all segments of the Minnesota River from High Island Creek to the Mississippi River.

⁴ Only Segment 1 (High Island Creek to Carver Creek) is impaired for Fecal Coliform.

⁵ Only Segment 3 (RM22 to Mississippi) is impaired for Dissolved Oxygen.

- **Bluff Creek, Carver Creek, Chaska Creek, Credit River, East Chaska Creek, Nine Mile Creek, Prior Lake Outlet Channel and Riley Creek** - The majority of the watersheds of each of these water bodies lie outside the boundaries of the LMRWD. Only the final reach, before it reaches the Minnesota River lies within the LMRWD.
- **Assumption Creek, Eagle Creek and Spring Creek**- Each of these waterbodies lie wholly within the boundaries of the LMRWD.
- **Dean Lake** - The MPCA reclassified Dean lake from a shallow lake to a wetland, based upon information provided by and a request from the LMRWD. In 2018, Dean Lake no longer appears on the Impaired Waters list.
- **Minnesota River** - The lower 22 miles of the Minnesota River is impaired for dissolved oxygen. The River is impaired for fecal Coliform bacteria from High Island Creek to Carver Creek. The entire reach from High Island Creek to the Mississippi River is impaired for turbidity, PCBs in fish tissue and Mercury in fish tissues and in the water column. In 2016, an impairment for nutrients/eutrophication biological indicators from High Island Creek to the Mississippi River was added.

The Minnesota River is a major source of phosphorus and sediment in the Mississippi River, which contributes to degrade water quality downstream, especially Pool 2 in St. Paul and Lake Pepin. A TMDL for Excess Nutrients in Lake Pepin is currently underway. The *South Metro Mississippi River Total Suspended Solids TMDL* was prepared and recently approved by the EPA. The draft *Minnesota River Turbidity TMDL Report* was prepared in February 2012. A new report is being prepared and will likely be released for public comment in 2019.

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

- **Snelling Lake** - Snelling Lake is a floodplain lake within Fort Snelling State Park.
- **Lower Minnesota River Watershed Restoration and Protection Strategy (WRAPS)** - In 2014, the MPCA began preparation of the WRAPS for Hydrologic Unit Code 8 (HUC 8) identified as the Lower Minnesota River Watershed. This WRAPS has been split into two unique tracks based on land use within the HUC 8; one for the urban/suburban Metropolitan Area and the other for the predominantly agricultural area of the HUC 8. Completion of this WRAPS report is expected in 2019.

G. 2015 LMRWD Project reviews

It is the policy of the LMRWD that project review and permitting by the District would be redundant and that regulation is more properly performed by local units of government with land use authority. The LMRWD has agreements in place with all local governmental units, with the exception of the City of Chanhassen. The cities perform reviews and permitting necessary to implement the goals and policies of the LMRWD. The LMRWD has historically reviewed projects and provided technical assistance if requested.

With the adoption of the updated Plan in October 2018, the LMRWD intends to develop and adopt rules, as required by MN Statutes 103D.341 Subd. 1.

In 2018, the LMRWD reviewed and commented, as LMRWD staff deemed appropriate, on following development/redevelopment projects within the LMRWD:

Project Name	Date Received	City/Agency	Project Type
Hyatt House Hotel 2343-2373 Old Shakopee Road	12/21/17	Bloomington	Commercial
10315 Riverview Road	11/27/17	Eden Prairie	Bank Stabilization Public Waters Work Permit
Bluff Creek Culvert Repair	9/28/17	Hennepin County Rail Authority/ Chanhassen	Public Agency Public Waters Work Permit
Xcel Energy Black Dog Plant	1/24/18	Burnsville	Public Utility/Gas Pipeline
1-35W Bridge Replacement	1/5/18	Bloomington/Burnsville	Public Agency/EAW Review
Bloomington Road	9/6/16	Hennepin County	Public Agency/Transportation
Metro Transit Orange Line	12/18/17	Bloomington/Metro Transit	Public Agency/Transportation
Valley Oil 7369 Highway 13	4/13/18	Savage	Commercial Water Appropriation
MCES L-71 lift station	4/3/18	Chaska/MCES	Public Agency Water Appropriation
Jefferson High School	4/13/18	Bloomington	Institutional
TH 169/41 Interchange	April	Scott County	Public Agency/Transportation
Dodge of Burnsville	5/23/18	Burnsville	Commercial
MN Valley State Trail	4/4/18	Bloomington/DNR	Public Agency
Abra Auto Body	5/30/18	Eden Prairie	Commercial
I-494 TH 169 to MN River	10/10/18	MNDOT	Public Agency
Richfield-Bloomington CU 4025 West Old Shakopee Road	7/3/18	Bloomington	Commercial
Formacoat	7/10/18	Chaska	Commercial
Notermann & Peterson Residential Development	9/28/18	Eden Prairie	Residential
11558 - SP 1985-148	8/9/18	MNDOT	Public Agency
Magellan Pipeline	5/15/18	Savage	Public Utility Water Appropriation
Amazon Fulfillment Center	9/18/19	Shakopee	Public Agency
Dominion Housing	10/18/18	Fort Snelling	Public Agency/Residential Housing
Bass Ponds, March & Wetland	9/10/18	Scott County/USACOE	Public Agency

Project Name	Date Received	City/Agency	Project Type
TH 101 Realignment	11/27/18	Chanhassen	Public Agency
12113 Lynn Avenue	11/5/18	Savage	Commercial/Industrial
TH 77 & 77th Street Underpass	10/26/18	Richfield	Public Agency
I-494 Brush removal	11/20/18	MNDOT	Public Agency
TH Signage Project	11/20/18	MNDOT	Public Agency
Xcel Energy Black Dog	11/19/18	Burnsville	Bank Stabilization

H. 2018 Water Quality Monitoring Data and Studies

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

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

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

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

- **Thermal monitoring of Eagle Creek** - Eagle Creek is a designated trout stream and the LMRWD contracts with the Scott Soil & Water Conservation District to conduct thermal monitoring of Eagle Creek to ensure the creek can continue to support a healthy trout population. In 2018, the LMRWD discussed additional thermal monitoring of Eagle Creek. The LMRWD also began to monitor Chloride levels in Eagle Creek
- **Water level monitoring in Savage Fen** - The LMRWD contracts with Scott Soil & Water Conservation District to monitor 15 wells in Savage. Nine wells are within Savage Fen, four wells across TH 13 from Savage Fen nearer to Eagle Creek and 2 deep wells in the bluff above Savage fen are monitored for water levels.
- **Water quality and flow monitoring at Dean Lake** - Dean Lake is connected to Prior Lake by way of the outlet channel that connects Prior Lake to the Minnesota River. The LMRWD contracts with Scott Soil & Water Conservation District to monitor the channel for flow and water quality. Dean Lake is no longer on the 303d list as it is now classified as a wetland, however the LMRWD has continued monitoring water quality because of the Prior Lake Outlet Channel.
- **Water quality monitoring of Courthouse, Brickyard and Fireman's Lakes** - All these lakes are quarry lakes left from the mining of clay for brick making. They have small watersheds and relatively good water quality. Monitoring in Fireman's Lake was inconsistent in 2015 due to the construction of the Chaska Curling Center, which made access to the lake difficult. The LMRWD contracts with Carver County WMO to monitor these lakes for water quality through the Citizen Assisted Monitoring Program (CAMP). Reports that include CAMP monitoring results can be found on the Met Council website at: http://es.metrocouncil.org/eims/related_documents/view_documents_by_topic.asp?optn=12
- **Water quality and flow monitoring of Assumption Creek, Chaska Creek and East Chaska Creek** - The LMRWD contracts with Carver County WMO to monitor these creek for water quality and flow. Assumption Creek runs through Seminary Fen and is monitored as part of the fen complex. Assumption Creek is designated as a trout stream and thermal monitoring is conducted downstream of the fen.
- **Water level monitoring in Seminary Fen** - Five nested shallow wells, four deep wells and three stream sites are monitored by the Carver County WMO on behalf of the LMRWD. Three additional wells were installed in 2015 within the Seminary Fen Scientific and Natural Area (SNA).
- **Water level monitoring Nichols, Black Dog, Fort Snelling and Quarry Island Fens** - These fens are all located in Dakota County and predominantly within Fort Snelling State Park. The LMRWD has contracted with the Dakota County Soil & Water Conservation District to monitor the water levels of the fens. Two wells are located in Quarry Island Fen, 13 in Fort Snelling Fen and 13 in Nichols Fen for a total of 28 wells.
- **Sediment monitoring of the Minnesota River** - Since 2011, the LMRWD along with the US Army Corps of Engineers has been working with the USGS to conduct suspended sediment concentrations and bedload monitoring of the Minnesota River. The LMRWD continued this monitoring in 2018.
- **Ike's Creek** - The LMRWD and US Fish & Wildlife Service began collecting Chloride data for Ike's Creek

- **Minnesota River Study Area #3** - In 2010, the LMRWD installed inclinometers at RMP 19.6, near the intersection of Riverview Road and Mooer Lane in Eden Prairie, to monitor the meander movement of the river channel. Prior to installation of the inclinometers, a study of the meander movement of the river channel and various factors influencing erosion of the bluff was prepared by Wenck for the city of Eden Prairie and the LMRWD. Inclinometers are checked annually and the readings are shared with the city of Eden Prairie.

I. Local Plan Adoption

All municipalities are required to update local plans before 12-31-2018 in response to changes to MN Rule 8410. The District reviews plans as they are received. The following table is completed as plans are adopted. The table will be updated as plan updates and revision are received, reviewed and approved by the LMRWD for each municipality.

Municipality	Date of current plan	Comments
Bloomington	June 25, 2018	On April 18, 2018, the LMRWD adopted Resolution 18-04 conditionally approving the Local Surface Water Management Plan for the City of Bloomington..
Burnsville	2017	On September 20, 2017, the LMRWD adopted Resolution 17-10 approving the Burnsville Local Surface Water Management Plan
Carver	December 2018	On November 19, 2018, the LMRWD conditionally approved the Local Surface Water Management Plan for the City of Carver..
Chanhassen	2018	On April 18, 2018, the LMRWD adopted Resolution 18-03 conditionally approving the Local Surface Water Management Plan for the City of Chanhassen.
Chaska	November 2018	On April 18, 2018, the LMRWD adopted Resolution 18-02 conditionally approving the Local Surface Water Management Plan for the City of Chaska,
Eagan	January 2019	On October 24, 2018, the LMRWD adopted Resolution 18-15 conditionally approving the Storm Water Management Plan for the City of Eagan.
Eden Prairie	August 2016	On September 21, 2016, the LMRWD adopted Resolution 16-07 approving the Local Surface Water Management Pkan for the City of Eden Prairie.
Lilydale	December 2013	On October 24, 2018, the LMRWD adopted Resolution18-17 conditionally approving the Local Surface Water Management Plan for the City of Lilydale.
Mendota		
Mendota Heights	2017	On September 17, 2018, the LMRWD adopted Resolution 18-12 approving the Mendota Heights Local Surface Water Management Plan.
Savage	2007	The city of Savage is in the process of updating its Local Surface Water Management Plan.
Shakopee	2007	The City of Shakopee is in the process of updating its Local Surface Water Management Plan.
MSP Airport Flying Cloud	SWPPP August 2010 Revised January 2014 SWPPP April 2015 Revised May 2015	The MSP Airport & Flying Cloud Airport are both within the boundaries of the LMRWD. They are a permitted MS4s and as such are required to have a storm water pollution prevention plan.

J. Watershed Communication/Public Education

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

- **Website** - In 2018, the LMRWD launched a new website and URL for the District's website. The new website allows the LMRWD to share all materials for the Board of Manager meetings on-line. It also allows the LMRWD to post news articles, meeting notices, and educational information about the LMRWD on-line. The address for the Lower Minnesota River Watershed District Website is <http://lowermnriverwd.org/>.
- **LMRWD Meeting Packet** - Each month in 2018, the LMRWD emailed a link to meeting agendas, minutes and packet materials for each meeting to approximately 75 individuals. During the Plan Amendment process approximately 100 additional people were provided with the LMRWD meeting packets.
- **Publications** - In 2018, the LMRWD published all public hearing notices in the Minneapolis Star Tribune.
- **Cost Share Incentive and Water Quality Restoration Grant Program** - The LMRWD provides a program for residents, businesses, neighborhoods and communities to apply for matching funds for projects intended to improve water quality and provide public education. This program requires a 50% match and will accept sweat equity and other in-kind costs as a match. The deadline for applications is May 15th and awards for funding are made at the June LMRWD Board of Managers meeting. The LMRWD will continue to accept applications for the Cost Share Grant Program throughout the year if funds are available. All projects approved under this program must be complete by November 1st. In 2018, \$20,000 was included in the LMRWD budget for this program. The LMRWD received 7 applications for a total of \$17,588.65. Five of the six applications were approved. The 2018 projects are listed below:

Applicant	Address	Amount (50% of total)	
Chimney Pines Homeowners Association	Spyglass Drive, Eden Prairie	\$2,769.48	See report in Appendix E
Bergo	727 7th Street, Chaska	\$2,281.73	See report in Appendix E
Larson	10831 Quebec Ave. Bloomington	\$1,374.00	Only part of the Application was approved - installation of rain barrels. Installation of shrubs was not approved
Schwartz	3113 Chelsea Court, Burnsville	\$250.00	See report in Appendix E
Zepeda	3100 Chelsea Court, Burnsville	\$250.00	See report in Appendix E
Glassen	1437 Valley Drive, Burnsville	\$250.00	See report in Appendix E
Carver County		\$1,200	To be Completed in 2019

- **Minnesota River Congress** - The LMRWD continued it's support of the Minnesota River Congress financially and by Manager Shirk's participation on the Action Board. The LMRWD also tabled at the MN River Congress Networking Fair.
- **Minnesota River Barge Tour** - In June 2018, the LMRWD partnered with Minnesota Association of Watershed Districts (MAWD) and the Riley/Purgatory/ Bluff Creek Watershed District, to host a river barge tour for, MAWS members, local elected officials, State Legislators, State Agencies and others. Approximately 265 people attended the tour.

- **Metro Children's Water Festival** - The LMRWD financially sponsored six classes of elementary school students from the watershed to attend the 2018 Metro Children's Water Festival on September 29th. Students spent the day at the MN State Fair grounds learning about water resources and ways to wisely manage and protect them.
- **Master Water Steward Program** - The LMRWD worked with Hennepin County Environment and Energy to sign up two residents from the LMRWD for the Freshwater Society's Master Water Steward Program in 2018. One resident lives in Hennepin County and one resident lives in Scott County.

K. Professional Services Proposal

The LMRWD last solicited proposals for legal and engineering/technical consultant services In March 2018. As per Minnesota Statutes the LMRWD will solicit proposals again in 2020.

The LMRWD also solicited proposal for a consultant to direct education and outreach activities for the LMRWD. No proposal were received.

L. Assessment of Changes in Fund Balance

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

M. Wetland Conservation Act/Wetland Banking Program

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

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

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

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



LOWER MINNESOTA RIVER WATERSHED DISTRICT

II. 2019 Projected Work Activities



LOWER MINNESOTA RIVER WATERSHED DISTRICT

II. 2019 Projected Work Activities

Following is a list of task to be completed during 2019:

- **Capital Improvement Program (CIP)** - The Lower Minnesota River Watershed District (LMRWD) will continue to implement its capital improvements program. In 2019, this work will include:
 1. Capital Improvement Program and Prioritization - The LMRWD annually reviews and update its Capital Improvement Program as necessary. The LMRWD will also evaluate its water resource prioritization annually. The CIP is included in Appendix C.
 2. Begin or continue work on the following CIP projects:
 - **Seminary Fen/Chaska Ravine Project** - Finalize reporting on this project and request the second half of the grant.
 - **Riley Creek Cooperative Project** - Partner with Riley/Purgatory/Bluff Creek watershed District on a project to restore and stabilize eroded streambank on Riley Creek.
 - **East Chaska Creek Bank Stabilization** - This project was submitted and approved for funding under the Metro-area Watershed Based Funding Pilot Program. The LMRWD intends to begin work on this project in 2019.

Identified in the East Chaska Creek Restoration feasibility study, the scour hole downstream of Crosstown Boulevard Bridge will be repaired. Additionally, the project will extend downstream 1,500 feet and install bank armoring, toe protection and add grade control structures behind Cuzzy's Brickhouse Restaurant. Bank armoring and toe protection will be installed on the right bank East of Oak Street.

- **Groundwater Screening Tool Model** - In 2015, the LMRWD completed an analysis of the monitoring data collected since 2007 from fens located within the LMRWD in Dakota County. The next phase of study is to fill in data gaps and develop a groundwater model of the area surrounding the fens.

This project was submitted and approved for funding under the Metro-area Watershed Based Funding Pilot Program. The District will develop a district-specific groundwater model that can be used as a preliminary screening tool for the evaluation of groundwater appropriation requests related to four fens within the portion of Dakota that is in the district (Black Dog, Fort Snelling, Nicols, and Quarry Island). The goal of the model is to define the approximate extent of the recharge zones for the fens and provide a method for evaluating whether proposed groundwater withdrawals may cause significant decline in head at one or more of the referenced fens. The DNR and MCES are partnering on this project with the LMRWD.

- **Dredge Site Restoration Project** - The LMRWD received funding from the State of Minnesota for managing dredge material. This project consists of implementing the site restoration project identified in the February 15, 2017, *Estimate of Probable Cost, Cargill East River (MN-14.2 RMP) Dredge Material Site technical memorandum* prepared by Burns & McDonnell, Young Environmental Consulting Group, LLC, and Berrini & Associates, LLC, for the Cargill East River (MN – 14.2 RMP) Dredge Material Site located on the Minnesota River in Savage, Minnesota.

Hydrologic and hydraulic modeling will be done to assure that dredge material will not create a rise in the flood elevations. A Threatened and Endangered Species Assessment will be conducted, a Wetland Delineation will be prepared, a geotechnical survey will be prepared and design work will be done. The LMRWD is hoping to be ready for construction in the fall of 2019.

- **Minnesota River Floodplain Model Feasibility Study** - In 2004, the LMRWD in partnership with the US Army Corp of Engineers and the MN DNR prepared a Minnesota River Floodplain Model. This project will review the existing model to determine if updates are required.
- **Minnesota River Sediment Reduction Strategy** - This project team will collaborate with the MPCA in developing strategies for evaluating and mitigating sediment loads going into the Minnesota River.
- **Schroeder's Acres Park/Savage Fen Stormwater Management Project** - This project will evaluate options for incorporating storm-water wetland and irrigation reuse systems on the site and address phosphorous, temperature, metals, E. coli and runoff volume in Eagle Creek.
- **Spring Creek Project** - This project consists of retrofitting two catch basins into the structural treatment devices in the Lenzen first and second additions. In addition, the project will treat untreated discharge that comes from upstream into Spring Creek at 6th Street.
- **West Chaska Creek Project** - The LMRWD will partner with Carver County WMO on it's project to re-meander approximately 1,100 linear feet of a ditched segment of West Chaska Creek. Lengthening the channel will reduce water velocity, lower sheer stress on the banks, reconnect the creek to its floodplain, and reduce the amount of sediment transported downstream to the Minnesota River. Based on upstream reference reaches and changes observed since the creek was straightened, the re-meander project will reduce total suspended solids by an estimated 4,400 pounds per year for 30 years.
- **Carver Creek Restoration Project** - Carver County approached the LMRWD to participate in this project in order to protect Carver County Road 40. The project will include stabilizing the outer bends with toe protection, grading banks to a more stable slope, and stabilizing a gully near the mouth of Carver Creek.
- **Assumption Creek Hydrology Restoration Project** - Assumption Creek is a trout stream, so it is important to maintain the temperature of groundwater discharge. According to the City of Chaska, portions of the creek dry out periodically. It is unknown exactly what has reduced the hydrology of the creek. Hydrology may have been impacted by the U.S. Army Corps of Engineers' diversion channel, road construction, or other development effects. The project described here will evaluate the opportunities available to resupply the groundwater hydrology to the creek.

- **Eagle Creek (East Branch) Project** - This project will restore approximately 2,400 feet of stream and repair erosion under the 128th Street Bridge. The goals of the project are to reduce erosion and improve fish habitat. Due to beaver dams, the stream cuts into three valley walls, contributing to significant deposits of sediment
 - **East Chaska Creek Water Quality Treatment Project** - The feasibility study report prepared for the LMRWD by Burns & McDonnell in 2015 identified an ideal site to construct a treatment wetland south of the creek in two vacant lots along Chaska Boulevard. Creek flows could be diverted via a channel into a stormwater treatment system to provide for sediment removal, flood storage, and bacteria treatment.
3. Completion of a Biennial Budget Request (BBR) to submit to BWSR, detailing projects for which the LMRWD will likely request state funding in the next biennium.
 4. Submitting project updates, reports, etc. for the BWSR Clean Water Fund Grants for the following LMRWD CIP projects:
 - Seminary Fen/Chaska Ravine
 - East Chaska Creek Bank Stabilization
 - Groundwater Screening Tool Model
 - Dredge Site Restoration Project
 - Schroeder's Acres Park/Savage Fen Stormwater Management Project
 - Downtown Shakopee Targeted BMP Feasibility Study
 - Realignment of Prior Lake Outlet Channel
- **Complete studies and programs included in the LMRWD Plan**
 - Geomorphic Assessments (Trout Streams)
 - Sustainable Lake Management Plan (Trout Lakes)
 - Vegetation Management Plan
 - **Draft Watershed Rules** - The LMRWD began work to draft rules as required by MN Statutes 103D.341 Subd. 1. Work on the rules to implement the Standards contained in the LMRWD plan will continue in 2019. The LMRWD goal is to have rules adopted by December 2019.
 - **Municipal Plan Review** - The LMRWD will review local water management plans and plan amendments of cities within its boundaries and review of adjacent WD/WMO plans and amendments as they are received. The majority of cities within the LMRWD have updated their Local Surface Water Management Plans (LSWMP). The LMRWD will review future amendments to LSWMPs as they are made and ensure that cities' official controls are at least as strict as the LMRWD standards and rules. The LMRWD intends to identify and request adjacent WDs and WMOs to incorporate protections in areas that impact fens, trout streams and steep slopes. The District sent notification to all parties with land use planning and regulatory authority that official controls must be enacted within 18 months after plan adoption.
 - **Monitoring** - The LMRWD will continue to perform monitoring of resource within the boundaries of the LMRWD.

- **Water Quantity** - The LMRWD will continue to perform water level monitoring in Seminary Fen, Savage Fen, Nichols Fen, Quarry Island Fen and Fort Snelling Fen and will continue to work with Carver County WMO, Scott SWCD and Dakota SWCD to collect this data.

The LMRWD anticipate the one of the results of the Groundwater Screening Tool Model will help to determine if the monitoring regime conducted by the LMRWD is sufficient or whether or not changes to the program are warranted.

- **Water Quality** - Proposed water quality tasks for 2019 include performance of the following:

1. **Water Quality Monitoring:** The LMRWD will continue to monitor resources with the assistance of Scott SWCD, Dakota SWCD and Carver County WMO. Resources monitored for water quality include: Dean Lake, Eagle Creek, East Chaska Creek, Courthouse, Fireman's and Brickyard Lake. Additional monitoring may be determined as a response to the Groundwater Screening Tool Model, such as water chemistry of samples collected from the Fen Wells.
2. **Watershed Outlet Monitoring Program (WOMP):** This program is managed by the Metropolitan Council Environmental Services (MCES). The LMRWD contracts Scott SWCD to perform monitoring of the WOMP station on Eagle Creek. MCES provides up to \$5,000 in financial support to conduct the monitoring. In addition to the WOMP monitoring on Eagle Creek, the LMRWD will continue to monitor Eagle Creek for temperature and Chloride, which the LMRWD began in 2018.

- **Nine Foot Channel** - The LMRWD will continue to explore opportunities for beneficial reuse of material dredged from the main channel of the Minnesota River in order to maintain navigation and to work with local industry to temporarily store material dredged from private barge slips.

The District will continue to work with the US Army Corps of Engineers (COE) on maintenance of navigation channel by following the COE Dredged Material Management Plan (DMMP) for reaches of the Minnesota River upstream of the I-35W Bridge and will work cooperatively in developing a comprehensive plan for the dredged reaches in the Minnesota River downstream of the I-35W Bridge. In 2016, The COE agreed to transport dredge material from below the I-35W Bridge to the LMRWD dredge placement site in Savage in the event dredging is needed in that reach of the River.

The LMRWD will continue to address the negative balance in the Channel Maintenance Fund and has included a transfer of funds from the LMRWD General Fund to the Channel Maintenance Fund in it's 2019 Budget. The District expects to work with local industry to address funding of channel maintenance obligations moving forward.

- **Development Reviews** - The LMRWD does not wish to duplicate existing regulatory authority of other local authorities and agencies. The Managers believe that regulation is better performed at the local level (cities, townships, counties), rather than by the LMRWD. Once rules are adopted, the LMRWD plans to develop an audit process to ensure LGUs are enforcing LMRWD standards and policies.

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

Rules will address to enforcement and remedies, if the District finds that an LGU has failed to enforce LMRWD standards and policies

- **Citizen Involvement** - The LMRWD encourages citizen participation at the monthly meetings of its Board of Managers and has a long term goal to organize a Citizen Advisory Committee. The Board of Managers has not had a complete complement of Managers since 2011 and current recruitment efforts are targeted at filling out the Board of Managers.
- **Gully Erosion** - In 2006/2007, the LMRWD hired the Minnesota Civilian Conservation Corps (MCCC) to inventory gullies in the District. The inventory identified gullies with current and potential erosion issues. The LMRWD has set aside funds for a number of years that cities can apply for to stabilize and restore any of the ravines identified in the inventory. The LMRWD is considering an update to the gully inventory.
- **Education and Outreach** - The LMRWD will engage and educate residents through informational displays, through opportunities provided by community festivals and expositions. It will cooperate and provide financial assistance to various educational programs and organizations, including Scott County Water Education Partnership, Dakota County SWCD, Carver County WMO, Freshwater Society, Metro Children's Water Festival, Prior Lake/Spring Lake Watershed District, Riley/Purgatory/Bluff Creek Watershed District, Nine Mile Creek Watershed District and Scott WMO.

The LMRWD has a Cost Share Incentive and Water Quality Restoration Program that residents of the District can apply to use. This program provides a 50% cost share to qualifying projects or programs. The LMRWD included \$20,000 in its 2019 budget for the cost share program.

In 2018, the LMRWD hosted a tour of the Minnesota River by barge. The District plans to offer a similar tour again in 2019 on its own or with partners.

The LMRWD will continue to educate the public about the Minnesota River Valley, by working with other agencies and organizations and promoting activities on the River, like the DNR's Paddle the Minnesota River in a Day.

The LMRWD plans to prepare a comprehensive education and outreach plan in 2019.

- **Annual Report** - The LMRWD will prepare an annual report, submit the report to BWSR, cities and counties within the District and post it on the LMRWD's website.
- **LMRWD Policy Development** - The LMRWD will continue to develop and adopt policies for operation of the District. Policies expected in 2019 include:
 1. River Bank Restoration Policy
 2. Records Retention Policy and Schedule
 3. Surety Policy
- **TMDLS, WRAPS & One Watershed One Plan** - The LMRWD will continue to follow the development of TMDLs, WRAPS and One Watershed One Plans in the Minnesota River Basin..
- **2019 Legislative Agenda** - The LMRWD will approach the MN Legislature again in 2019 to bring attention to the increased sediment loads in the Minnesota River. It is a long term goal of the LMRWD to organize the Minnesota River basin in order to leverage local funds with state and federal dollars and to work together to implement water management practices that will reduce peak flows to reduce erosion of ravines, gullies and river, creek and stream channels that contribute sediment loads to the Minnesota River. The LMRWD also intends to continue the pursuit of state participation in the management of dredge materials.



LOWER MINNESOTA RIVER WATERSHED DISTRICT

III. Annual Financial Report



LOWER MINNESOTA RIVER WATERSHED DISTRICT

The 2018 fiscal year for the Lower Minnesota River Watershed District (LMRWD) commenced on January 1, 2018 and ended December 31, 2018.

A. Approved Budget

The approved operating budget for fiscal year 2018 was \$1,071,500. The annual budget is funded through an ad valorem tax across all properties within the boundaries of the LMRWD. In 2018, the total of this tax was \$725,000. The tax was apportioned to each county within the LMRWD based on the taxable value of property in each county. A copy of the 2018 Budget is located in Appendix A

B. Report of Revenues

See the Financial Audit Report in Appendix A

C. Report of Expenditures

See the Financial Audit Report in Appendix A

D. Financial Audit Report

The annual audit report for the year ended December 31, 2018, was performed by Redpath and Company, Ltd. The audit report has not yet been finalized. Before the 2018 Audit Report was finalized the LMRWD became aware that BWSR declined to disburse the final payment of the Seminary Fen grant. A copy of the annual audit report will be included in the Annual Report as soon as it becomes available. It will also be made available on the Lower Minnesota River Watershed District's website at <http://lowernriverwd.org/>



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Appendix A

Financial Information

**FY 2018 Communication with Those Charged with Governance
FY 2018 Financial Audit
FY 2018 Budget**



COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

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

We have audited the financial statements of the governmental activities and each major fund of Lower Minnesota River Watershed District (the District) for the year ended December 31, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 9, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements that have an effect on our opinion on the financial statements. The following material misstatement detected as a result of audit procedures was corrected by management: grant revenue was overstated and unearned revenue was understated initially by \$385,812 related to the dredge management grant.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 10, 2019.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

We were not engaged to report on the introductory and other information sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reports

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

Restriction on Use

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

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

October 10, 2019

**LOWER MINNESOTA RIVER
WATERSHED DISTRICT**

ANNUAL FINANCIAL REPORT

December 31, 2018

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LOWER MINNESOTA RIVER WATERSHED DISTRICT
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LOWER MINNESOTA RIVER WATERSHED DISTRICT
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INTRODUCTORY SECTION

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LOWER MINNESOTA RIVER WATERSHED DISTRICT

ORGANIZATION

December 31, 2018

	<u>Term Expires</u>
Board of Managers:	
Jesse Hartman, President	March 2020
Adam Frey, Vice-President	March 2021
David Raby, Treasurer/Secretary	March 2021
Secretary - Vacant	
Manager - Vacant	
Attorney - John C. Kolb	
Administrator - Linda Loomis	

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Lower Minnesota River Watershed District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Lower Minnesota River Watershed District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Lower Minnesota River Watershed District, as of December 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Lower Minnesota River Watershed District's 2017 financial statements, and we expressed an unmodified audit opinion on the respective financial statements of the governmental activities and each major fund in our report dated May 3, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

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

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

Other Information

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

The individual fund financial statements and supplementary financial information section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and supplementary financial information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and other information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

October 10, 2019

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BASIC FINANCIAL STATEMENTS

LOWER MINNESOTA RIVER WATERSHED DISTRICT

STATEMENT OF NET POSITION

Statement 1

December 31, 2018

With Comparative Totals For December 31, 2017

	Primary Government	
	Governmental Activities	
	2018	2017
Assets:		
Cash and investments	\$2,017,329	\$1,320,519
Property taxes receivable:		
Delinquent	40,019	37,424
Due from county	9,243	4,365
Accounts receivable	20,787	16,929
Due from other governments	-	110,400
Prepaid items	6,082	6,525
Capital assets - nondepreciable	256,167	256,167
Total assets	<u>2,349,627</u>	<u>1,752,329</u>
Liabilities:		
Accounts payable	77,847	85,971
Due to other governments	142,378	137,045
Unearned revenue	405,390	20,325
Total liabilities	<u>625,615</u>	<u>243,341</u>
Net position:		
Net investment in capital assets	256,167	256,167
Unrestricted	1,467,845	1,252,821
Total net position	<u>\$1,724,012</u>	<u>\$1,508,988</u>

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

LOWER MINNESOTA RIVER WATERSHED DISTRICT
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2018
With Comparative Totals For The Year Ended December 31, 2017

Statement 2

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Totals	
					2018	2017
Primary government:						
Governmental activities:						
General government	\$396,825	\$ -	\$ -	\$ -	(\$396,825)	(\$302,407)
Projects	318,010	30,444	(10,712)	-	(298,278)	(200,902)
Total governmental activities	<u>\$714,835</u>	<u>\$30,444</u>	<u>(\$10,712)</u>	<u>\$0</u>	<u>(695,103)</u>	<u>(503,309)</u>
General revenues:						
Property taxes					719,185	712,189
Unrestricted investment earnings					186,098	57,304
Miscellaneous					4,844	1,250
Total general revenues					<u>910,127</u>	<u>770,743</u>
Change in net position					215,024	267,434
Net position - January 1					<u>1,508,988</u>	<u>1,241,554</u>
Net position - December 31					<u>\$1,724,012</u>	<u>\$1,508,988</u>

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

LOWER MINNESOTA RIVER WATERSHED DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018
With Comparative Totals For December 31, 2017

Statement 3

	General Fund	Capital Project	Total Governmental Funds	
		Fund Nine Foot Channel Fund	2018	2017
Assets				
Cash and investments	\$1,652,476	\$364,853	\$2,017,329	\$1,481,963
Taxes receivable:				
Delinquent	40,019	-	40,019	37,424
Due from county	9,243	-	9,243	4,365
Accounts receivable	-	20,787	20,787	16,929
Due from other governments	-	-	-	110,400
Prepaid items	6,082	-	6,082	6,525
Total assets	\$1,707,820	\$385,640	\$2,093,460	\$1,657,606
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Cash overdraft	\$ -	\$ -	\$ -	\$161,444
Accounts payable	37,609	40,238	77,847	85,971
Due to other governments	142,378	-	142,378	137,045
Unearned revenue	-	405,390	405,390	20,325
Total liabilities	179,987	445,628	625,615	404,785
Deferred inflows of resources:				
Unavailable revenue	40,019	-	40,019	37,424
Total deferred inflows of resources	40,019	0	40,019	37,424
Fund balance:				
Nonspendable	6,082	-	6,082	6,525
Assigned	877,880	-	877,880	452,572
Unassigned	603,852	(59,988)	543,864	756,300
Total fund balance	1,487,814	(59,988)	1,427,826	1,215,397
Total liabilities, deferred inflows of resources and fund balance	\$1,707,820	\$385,640	\$2,093,460	\$1,657,606
Fund balance reported above			\$1,427,826	\$1,215,397
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable in the funds.			40,019	37,424
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			256,167	256,167
Net position of governmental activities			\$1,724,012	\$1,508,988

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

LOWER MINNESOTA RIVER WATERSHED DISTRICT

STATEMENT OF REVENUE, EXPENDITURES AND

CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

For The Year Ended December 31, 2018

With Comparative Totals For The Year Ended December 31, 2017

Statement 4

	General Fund	Capital Project Fund	Total Governmental Funds	
		Nine Foot Channel Fund	2018	2017
Revenues:				
Property taxes - current and delinquent	\$667,155	\$49,435	\$716,590	\$706,310
Intergovernmental:				
Grants	(104,900)	94,188	(10,712)	4,500
Investment income	152,701	33,397	186,098	57,304
Dredge site income	-	30,444	30,444	35,051
Miscellaneous	4,844	-	4,844	1,250
Total revenues	<u>719,800</u>	<u>207,464</u>	<u>927,264</u>	<u>804,415</u>
Expenditures:				
Engineering services	37,403	81,975	119,378	37,465
Professional services	158,788	48,605	207,393	206,827
Insurance	7,106	1,776	8,882	8,825
Mileage and travel expenses	2,891	723	3,614	4,984
Office expense	28,025	6,011	34,036	26,968
Managers meeting expenses	2,818	704	3,522	5,410
509 planning/projects	298,610	-	298,610	216,669
Cooperative projects	19,400	-	19,400	20,002
Lobbying	16,000	4,000	20,000	11,925
Total expenditures	<u>571,041</u>	<u>143,794</u>	<u>714,835</u>	<u>539,075</u>
Revenues over expenditures	<u>148,759</u>	<u>63,670</u>	<u>212,429</u>	<u>265,337</u>
Other financing sources (uses):				
Transfers in	-	50,000	50,000	50,000
Transfers out	(50,000)	-	(50,000)	(50,000)
Total other financing sources (uses)	<u>(50,000)</u>	<u>50,000</u>	<u>0</u>	<u>0</u>
Net change in fund balance	98,759	113,670	212,429	265,337
Fund balance (deficit) - January 1	<u>1,389,055</u>	<u>(173,658)</u>	<u>1,215,397</u>	<u>950,060</u>
Fund balance (deficit) - December 31	<u>\$1,487,814</u>	<u>(\$59,988)</u>	<u>\$1,427,826</u>	<u>\$1,215,397</u>

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

LOWER MINNESOTA RIVER WATERSHED DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2018
With Comparative Totals For The Year Ended December 31, 2017

Statement 5

	<u>2018</u>	<u>2017</u>
Amounts reported for governmental activities in the Statement of Activities (Statement 2) are different because:		
Net changes in fund balance - total governmental funds (Statement 4)	\$212,429	\$265,337
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	<u>2,595</u>	<u>2,097</u>
Change in net position of governmental activities (Statement 2)	<u><u>\$215,024</u></u>	<u><u>\$267,434</u></u>

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

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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

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

The District reports the following major governmental funds:

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

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

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

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

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

D. BUDGETARY DATA

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

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

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

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

E. CASH AND INVESTMENTS

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

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

F. INVENTORIES

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

G. PROPERTY TAX REVENUE RECOGNITION

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

H. CAPITAL ASSETS

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

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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

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

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

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

I. FUND BALANCE CLASSIFICATIONS

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

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

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

Committed - consists of internally imposed constraints. These constraints are established by Resolution of the Board.

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

Unassigned - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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

When committed, assigned or unassigned resources are available for use, it is the Board's policy to use resources in the following order: 1) committed 2) assigned and 3) unassigned.

J. INTERFUND TRANSACTIONS

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

K. USE OF ESTIMATES

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

L. PREPAID ITEMS

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

M. COMPARATIVE TOTALS

The basic financial statements, required supplementary information, individual fund financial statements and supplementary financial information include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

N. RECLASSIFICATIONS

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

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will *not* be recognized as an inflow of resources (revenue) until that time. The District has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item,

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

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

P. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental fund statement of revenue, expenditures and changes in fund balance includes a reconciliation between *net changes in fund balance – total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds”. The details of this \$2,595 difference are as follows:

Unavailable revenue - general property taxes:	
At December 31, 2017	(\$37,424)
At December 31, 2018	<u>40,019</u>
Net adjustments to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$2,595</u></u>

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

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

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

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

- a) United States government treasury bills, treasury notes and treasury bonds;
- b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- c) General obligation securities of any state or local government with taxing powers which is rated “A” or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service;
- d) Unrated general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- e) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank’s public debt is rated “AA” or better by Moody’s

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

- Investors Service, Inc. or Standard & Poor's Corporation; and
- f) Time deposits that are fully insured by any federal agency.

The District does not have deposits at December 31, 2018.

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

B. INVESTMENTS

Minnesota Statutes authorize the District to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements.
- c) Obligations of the State of Minnesota or any of its municipalities as follows:
 - 1) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
 - 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service; and
 - 3) a general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency.
- d) Bankers acceptances of United States banks eligible for purchase by the Federal Reserve system.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, and maturing in 270 days or less.
- f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; certain Minnesota securities broker-dealers; or, a bank qualified as a depositor.
- g) General obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7; 469.178, subdivision 5; or 475.61, subdivision 6.

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

As of December 31, 2018, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Pooled with Carver County	N/A	\$2,017,329

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

C. INVESTMENT RISK

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

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

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

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

Custodial Credit Risk. For investments in securities, custodial credit risk is the risk that in the event of a failure of the counterparty, the District will not be able to recover the value of its investment securities that are in the possession of an outside party. As of December 31, 2018, all of the District’s investments were pooled with Carver County.

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Note 3 RECEIVABLES

Significant receivables balances not expected to be collected within one year of December 31, 2018 are as follows:

	<u>General Fund</u>
Delinquent property taxes	<u>\$39,000</u>
Total	<u><u>\$39,000</u></u>

Note 4 UNAVAILABLE REVENUE

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

	<u>Property Taxes</u>
General Fund	<u><u>\$40,019</u></u>

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Balance 12/31/2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/2018</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	<u>\$256,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$256,167</u>

Note 6 OPERATING LEASES

During 2018, the District was obligated under two long-term office equipment operating leases and a building lease. The building lease continues month to month until cancelled by the District, and requires minimum monthly payments of \$650. The original office equipment operating lease was month to month requiring minimum monthly payments of \$216 through October 2018, when the lease was cancelled by the District. The new office equipment operating lease began November 2018 and requires minimum monthly payments of \$168 through October 2023. In 2018, \$10,296 was paid under these lease agreements.

Note 7 CONTINGENCIES

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

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Note 8 INTERFUND TRANSFERS

Individual fund transfers for fiscal year 2018 are as follows:

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

During 2018, a transfer was made from the General Fund to reduce the deficit fund balance in the Nine Foot Channel Fund.

Note 9 FUND BALANCE - CLASSIFICATIONS

At December 31, 2018, a summary of the governmental fund balance classifications are as follows:

	<u>General Fund</u>	<u>Nine Foot Channel Fund</u>	<u>Total</u>
Nonspendable:			
Prepaid items	\$6,082	\$ -	\$6,082
Assigned:			
Area #3 Eden Prairie Stabilization	59,050	-	59,050
Gully Erosion Contingency Fund	118,100	-	118,100
Sustainable Lakes Management Plan (Trout Lakes)	39,367	-	39,367
Geomorphic Assessments (Trout Streams)	39,367	-	39,367
Fen Stewardship Program	118,100	-	118,100
District Boundary Modification	7,873	-	7,873
East Chaska Creek Bank Stabilization Project	157,467	-	157,467
Minnesota River Sediment Reduction Strategy	19,683	-	19,683
Data Assessments and Program Review	94,480	-	94,480
Dakota County Groundwater Modeling	27,557	-	27,557
Riley Creek Cooperative Project	153,531	-	153,531
Vegetation Management Standard/Plan	43,303	-	43,303
Unassigned	<u>603,852</u>	<u>(59,988)</u>	<u>543,864</u>
Total	<u>\$1,487,814</u>	<u>(\$59,988)</u>	<u>\$1,427,826</u>

LOWER MINNESOTA RIVER WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

Note 10 RISK MANAGEMENT

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

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

Note 11 CLEAN WATER ASSISTANCE GRANT

In 2013, the District entered into a grant agreement through June 30, 2016 for \$220,800 for clean water assistance. The District recorded the first \$110,400 as revenue when received in March 2013, and the second \$110,400 was recorded in May 2016 when the project was complete. As of 12/31/18, the District was notified that the grant was revoked and the second \$110,400 would not be received, resulting in a negative revenue balance in the general fund as follows:

Womp grant revenue	\$5,500
Revoked grant	<u>(110,400)</u>
Net grant revenue	<u><u>(\$104,900)</u></u>

Note 12 RECENTLY ISSUED ACCOUNTING STANDARDS

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

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

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

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

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

Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period.* The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.

Statement No. 90 *Majority Equity Interests.* The provisions of this Statement are effective for reporting periods beginning after December 15, 2018.

Statement No. 91 *Conduit Debt Obligations.* The provisions of this Statement are effective for reporting periods beginning after December 15, 2020.

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

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REQUIRED SUPPLEMENTARY INFORMATION

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

Statement 6

For The Year Ended December 31, 2018

With Comparative Actual Amounts For The Year Ended December 31, 2017

	2018		Actual Amounts	Variance with Final Budget - Positive (Negative)	2017 Actual Amounts
	Budgeted Amounts				
	Original	Final			
Revenues:					
Property taxes - current and delinquent	\$657,600	\$657,600	\$667,155	\$9,555	\$657,950
Intergovernmental:					
Grants	5,500	5,500	(104,900)	(110,400)	4,500
Investment income	26,000	26,000	152,701	126,701	57,304
Miscellaneous	-	-	4,844	4,844	1,250
Total revenues	<u>689,100</u>	<u>689,100</u>	<u>719,800</u>	<u>30,700</u>	<u>721,004</u>
Expenditures:					
Engineering services	16,000	16,000	37,403	(21,403)	23,229
Professional services	124,880	124,880	158,788	(33,908)	128,981
Insurance	8,000	8,000	7,106	894	7,060
Mileage and travel expenses	6,400	6,400	2,891	3,509	3,987
Office expense	22,320	22,320	28,025	(5,705)	22,474
Managers meeting expenses	10,400	10,400	2,818	7,582	4,328
509 planning/projects	513,000	513,000	298,610	214,390	216,669
Cooperative projects	18,500	18,500	19,400	(900)	20,002
Lobbying	12,000	12,000	16,000	(4,000)	9,540
Total expenditures	<u>731,500</u>	<u>731,500</u>	<u>571,041</u>	<u>160,459</u>	<u>436,270</u>
Revenue over (under) expenditures	<u>(\$42,400)</u>	<u>(\$42,400)</u>	<u>148,759</u>	<u>\$191,159</u>	<u>284,734</u>
Other financing sources (uses):					
Transfers out	-	-	(50,000)	(50,000)	(50,000)
Net change in fund balance	<u>(\$42,400)</u>	<u>(\$42,400)</u>	<u>98,759</u>	<u>\$141,159</u>	<u>234,734</u>
Fund balance - January 1			<u>1,389,055</u>		<u>1,154,321</u>
Fund balance - December 31			<u>\$1,487,814</u>		<u>\$1,389,055</u>

See accompanying notes to the required supplementary information

LOWER MINNESOTA RIVER WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
December 31, 2018

Note A BUDGETS

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

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INDIVIDUAL FUND FINANCIAL STATEMENTS

LOWER MINNESOTA RIVER WATERSHED DISTRICT
COMPARATIVE BALANCE SHEET
GENERAL FUND
December 31, 2018
With Comparative Totals For December 31, 2017

Statement 7

	<u>2018</u>	<u>2017</u>
Assets		
Current assets:		
Cash and investments	\$1,652,476	\$1,481,963
Taxes receivable:		
Delinquent	40,019	37,424
Due from county	9,243	4,365
Due from other governments	-	110,400
Prepaid items	<u>6,082</u>	<u>6,525</u>
Total assets	<u><u>\$1,707,820</u></u>	<u><u>\$1,640,677</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities:		
Accounts payable	\$37,609	\$77,153
Due to other governments	<u>142,378</u>	<u>137,045</u>
Total liabilities	<u>179,987</u>	<u>214,198</u>
Deferred inflows of resources:		
Unavailable revenue	<u>40,019</u>	<u>37,424</u>
Total deferred inflows of resources	<u>40,019</u>	<u>37,424</u>
Fund balance:		
Nonspendable	6,082	6,525
Assigned	877,880	452,572
Unassigned	<u>603,852</u>	<u>929,958</u>
Total fund balance	<u>1,487,814</u>	<u>1,389,055</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$1,707,820</u></u>	<u><u>\$1,640,677</u></u>

LOWER MINNESOTA RIVER WATERSHED DISTRICT
COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
For The Year Ended December 31, 2018
With Comparative Totals For The Year Ended December 31, 2017

Statement 8

	<u>2018</u>	<u>2017</u>
Revenues:		
Property taxes - current and delinquent	\$667,155	\$657,950
Intergovernmental:		
Grants	(104,900)	4,500
Investment income	152,701	57,304
Miscellaneous	4,844	1,250
Total revenues	<u>719,800</u>	<u>721,004</u>
Expenditures:		
Engineering services	37,403	23,229
Professional services	158,788	128,981
Insurance	7,106	7,060
Mileage and travel expenses	2,891	3,987
Office expense	28,025	22,474
Managers meeting expenses	2,818	4,328
509 planning/projects	298,610	216,669
Cooperative projects	19,400	20,002
Lobbying	16,000	9,540
Total expenditures	<u>571,041</u>	<u>436,270</u>
Revenue over expenditures	148,759	284,734
Other financing sources (uses):		
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>
Net change in fund balance	98,759	234,734
Fund balance - January 1	<u>1,389,055</u>	<u>1,154,321</u>
Fund balance - December 31	<u><u>\$1,487,814</u></u>	<u><u>\$1,389,055</u></u>

LOWER MINNESOTA RIVER WATERSHED DISTRICT
COMPARATIVE BALANCE SHEET
CAPITAL PROJECT FUND - NINE FOOT CHANNEL FUND
December 31, 2018
With Comparative Totals For December 31, 2017

Statement 9

	<u>2018</u>	<u>2017</u>
Assets		
Current assets:		
Cash and investments	\$364,853	\$ -
Accounts receivable	<u>20,787</u>	<u>16,929</u>
Total assets	<u><u>\$385,640</u></u>	<u><u>\$16,929</u></u>
Liabilities and Fund Balance		
Liabilities:		
Cash overdraft	\$ -	\$161,444
Accounts payable	40,238	8,818
Unearned revenue	<u>405,390</u>	<u>20,325</u>
Total liabilities	<u><u>445,628</u></u>	<u><u>190,587</u></u>
Fund balance:		
Unassigned	<u>(59,988)</u>	<u>(173,658)</u>
Total fund balance	<u><u>(59,988)</u></u>	<u><u>(173,658)</u></u>
Total liabilities and fund balance	<u><u>\$385,640</u></u>	<u><u>\$16,929</u></u>

LOWER MINNESOTA RIVER WATERSHED DISTRICT
COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
CAPITAL PROJECT FUND - NINE FOOT CHANNEL FUND
For The Year Ended December 31, 2018
With Comparative Totals For The Year Ended December 31, 2017

Statement 10

	<u>2018</u>	<u>2017</u>
Revenues:		
Property taxes current	\$49,435	\$48,360
Intergovernmental:		
Grants	94,188	-
Investment income	33,397	-
Dredge site income	30,444	35,051
Total revenues	<u>207,464</u>	<u>83,411</u>
Expenditures:		
Engineering services	81,975	14,239
Professional services	48,605	77,846
Insurance	1,776	1,765
Mileage and travel expenses	723	997
Office expense	6,011	4,494
Managers meeting expenses	704	1,082
Lobbying	4,000	2,385
Total expenditures	<u>143,794</u>	<u>102,808</u>
Revenue over (under) expenditures	63,670	(19,397)
Other financing sources (uses):		
Transfers in	<u>50,000</u>	<u>50,000</u>
Net change in fund balance	113,670	30,603
Fund balance (deficit) - January 1	<u>(173,658)</u>	<u>(204,261)</u>
Fund balance (deficit) - December 31	<u><u>(\$59,988)</u></u>	<u><u>(\$173,658)</u></u>

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SUPPLEMENTARY FINANCIAL INFORMATION

LOWER MINNESOTA RIVER WATERSHED DISTRICT
SCHEDULE OF 509 PLANNING/PROJECT EXPENDITURES
 December 31, 2018
 With Comparative Totals For December 31, 2017

Exhibit 1

	2018	2017
Expenditures:		
Riley Creek cooperative project	\$75,075	\$2,646
Resource plan implementation	6,690	-
Monitoring	59,730	50,291
Watershed management plan	66,988	99,895
Public education	20,064	42,602
Cost share program	16,630	14,819
East Chaska creek	6,448	-
Municipal project reviews	46,985	6,416
	\$298,610	\$216,669
Total expenditures	\$298,610	\$216,669

OTHER INFORMATION - UNAUDITED

LOWER MINNESOTA RIVER WATERSHED DISTRICT
SCHEDULE OF CUMULATIVE EXPENDITURES
 December 31, 2018

Table 1
Page 1 of 2

	Cumulative Total Through 2017	2018 Activity	Cumulative Total Through 2018
Expenditures:			
General and administrative expenses	\$7,878,588	\$247,673	\$8,126,261
Special projects:			
Assumption Creek	8,642	-	8,642
Nichols Fen / Harnack / Kennealy Creeks	3,330	-	3,330
City of Burnsville	305	-	305
Chaska	1,231	-	1,231
Seminary Fen	409,760	37,200	446,960
Met Council	771	-	771
Chaska Creek	56,093	-	56,093
Chaska Lanes	5,219	-	5,219
Willow Creek	37,716	-	37,716
Groundwater monitoring	255,188	59,730	314,918
LMR model	51,105	-	51,105
Savage Fen	21,449	-	21,449
Fort Snelling State Park roadway relocation	60,023	-	60,023
Office of water resource and research	36,200	-	36,200
Mohr Park - Bloomington well project	11,956	-	11,956
Aerial photos	6,100	-	6,100
East Chaska Creek diversion	42,517	6,448	48,965
Special study	4,968	-	4,968
Legislative committee hearing	7,056	-	7,056
Flood plain - regulations and litigation	15,064	-	15,064
Cooperative projects with municipalities	1,339,258	-	1,339,258
Contingency reserve	10,884	-	10,884
State flood plain analysis	5,150	-	5,150
Savage - Credit River	24,465	-	24,465
Department of Natural Resources - Rice Lake	140	-	140
Off Channel fleeting	9,849	-	9,849
Deans Lake	25,797	-	25,797
Environmental assessment for McGowan Barge	1,357	-	1,357
Scott County - Historical Park	5,000	-	5,000
Scott County - Murphy's Landing	60,430	-	60,430
Prior Lake - Spring Lake	21,167	-	21,167
Casperson landing cooperative project	44,874	-	44,874
River bank stabilization	76,058	-	76,058
General benefit projects	773	-	773
Metro Council gauging station	46,802	-	46,802
55/62 intersection	6,538	-	6,538
Eagle Creek	110,202	-	110,202
Data collection	33,700	-	33,700
Resource plan implementation	91,222	6,690	97,912
Eden Prairie SWMP	1,554	-	1,554
Nichols Fen	4,949	-	4,949
Courthouse - firearms - clayhole	32,649	-	32,649
Cooperative project contingency reserve	33,210	-	33,210
Trout stream	904	-	904

LOWER MINNESOTA RIVER WATERSHED DISTRICT
SCHEDULE OF CUMULATIVE EXPENDITURES
 December 31, 2018

Table 1
Page 2 of 2

	Cumulative Total Through 2017	2018 Activity	Cumulative Total Through 2018
Expenditures (con't):			
BWSR Challenge Grant engineer	\$6,106	\$ -	\$6,106
Rainwater garden	35,000	-	35,000
Gully erosion inventory	7,000	-	7,000
Dakota County Fen	2,778	-	2,778
Miscellaneous	36,477	46,985	83,462
509 Plan general	27,641	-	27,641
Local management plans	11,217	16,601	27,818
Management plan	463,970	64,687	528,657
Chaska Lakes	12,171	-	12,171
Watershed assistance	7,881	-	7,881
Natural resources map	276	-	276
Public education	107,025	23,528	130,553
Strategic Resource evaluation	79,771	-	79,771
Cost share program	45,432	16,630	62,062
USGS	84,399	19,400	103,799
Long Meadow Outfall	100,000	-	100,000
Gully stabilization	875	-	875
Dred Scott Water Reuse Project	21,053	-	21,053
Nine Foot Channel	137,912	94,188	232,100
Riley Creek	91,626	75,075	166,701
	<u>\$12,178,823</u>	<u>\$714,835</u>	<u>\$12,893,658</u>
Total expenditures			

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OTHER REPORTS

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REPORT ON INTERNAL CONTROL

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

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Lower Minnesota River Watershed District, as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered Lower Minnesota River Watershed District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lower Minnesota River Watershed District's internal control. Accordingly, we do not express an opinion on the effectiveness of Lower Minnesota River Watershed District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a material weakness.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control presented in the Schedule of Findings and Responses as 2018-001 to be a material weakness.

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

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

October 10, 2019

Lower Minnesota River Watershed District
Report on Internal Control
Schedule of Findings and Responses

2018-001 Audit Adjustments / Year-end Closing Process

Criteria: Material audit adjustments are considered to be a deficiency in internal control.

Condition: During the course of our audit, we identified an adjustment to the financial statements related to the recording of dredge management revenue. The District had recorded a \$480,000 grant as revenue in 2018; however, only \$94,188 of the total grant was earned as of December 31, 2018, and the remaining balance was unearned revenue as of December 31, 2018.

Cause: Lower Minnesota River Watershed District's (the District) year-end closing process did not identify this correction prior to the audit.

Effect: By not having effective closing and review controls, there is an increased risk that financial statement misstatements could occur and not be detected in a timely basis.

Recommendation: We recommend the District continue efforts to assure that all adjustments are identified during the year-end closing process.

Management Response: The District will continue to monitor and develop processes to ensure the financial statements are reviewed and any misstatements are detected and prevented on a timely basis.



MINNESOTA LEGAL COMPLIANCE REPORT

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

We have audited in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and each major fund of Lower Minnesota River Watershed District, as of and for the year ended December 31, 2018 and the related notes to the financial statements, which collectively comprise the Lower Minnesota River Watershed District's basic financial statements, and have issued our report thereon dated October 10, 2019.

The *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains six categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the above listed categories, except we did not test for compliance with the provisions for contract and bidding and tax increment financing because Lower Minnesota River Watershed District has no applicable contracts or tax increment financing.

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

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

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

October 10, 2019

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Proposed Levy 2018

General Fund	250,000.00
Planning and Implementation Fund	475,000.00
	<hr/>
Apportioned Payable 2018 Levy	725,000.00

<u>County</u>	<u>Net Tax Capacity % Distribution</u>	<u>Apportioned Payable 2018 Levy</u>
Carver	5.8087%	42,113.08
Dakota	10.1205%	73,373.63
Hennepin	43.6524%	316,479.90
Scott	40.4184%	293,033.40
Watershed Total	100.0000%	725,000.00

2018 proposed LMRWD Budget for Administration Operations
2017 Adopted Budget - 2017 Actuals/Projected - 2018 Proposed

Account	Actual 2016	Adopted 2017	YTD 2017	Projected 2017	Proposed 2018
Revenues:					
General Property Tax	\$ 614,755.78	\$ 725,000.00	\$ 704,463.54	\$ 725,000.00	\$ 725,000.00
Interest Revenue	\$ 26,684.00		\$ 26,627.43	\$ 26,627.43	\$ 26,000.00
License Revenue from placement of dredge			\$ 33,834.00		\$ 25,000.00
Revenue from sale of dredge material	\$ 32,128.00	\$ 30,000.00		\$ -	\$ 5,000.00
Grant income		\$ 5,500.00	\$ 4,500.00	\$ 5,500.00	\$ 5,500.00
State of MN Grant for Dredge Material Mgmt.				\$ -	\$ 240,000.00
Miscellaneous Income	\$ 1,210.00				
Total Revenues	\$ 674,777.78	\$ 760,500.00	\$ 769,424.97	\$ 757,127.43	\$ 1,026,500.00
Expenses:					
10 Wages-General	\$ 2,265.95	\$ -	\$ -	\$ -	\$ -
11 Severance Allowance					
12 Benefits	\$ 1,921.41	\$ -	\$ -	\$ -	\$ -
13 PERA Expense	\$ 1,210.70	\$ -			
14 Payroll Tax (FICA/Medicare)	\$ 2,695.58	\$ -	\$ -	\$ -	\$ -
15 Unemployment compensation		\$ -			
16 Manager Per Diem	\$ 6,375.00	\$ 9,000.00	\$ 2,325.00	\$ 6,000.00	\$ 9,000.00
17 Manager Expense (mileage/food/registrations)	\$ 2,462.00	\$ 3,500.00	\$ 700.00	\$ 3,500.00	\$ 4,000.00
18 Telecommunications-Cell-Internet/Phone	\$ -	\$ -	\$ -	\$ -	\$ -
19 Postage	\$ 82.00	\$ 1,000.00	\$ 4.70	\$ 1,000.00	\$ 500.00
20 Photocopying	\$ 1,390.00	\$ 1,000.00	\$ 3,014.00	\$ 600.00	\$ 2,000.00
21 Newsletter Expense(Web Articles)	\$ -	\$ -		\$ -	\$ -
22 Legal Notices-General	\$ 1,378.00	\$ 1,500.00	\$ 1,379.00	\$ 1,000.00	\$ 1,500.00
23 Dues	\$ 3,500.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 7,500.00
24 Publications	\$ -	\$ -	\$ -	\$ -	
25 Professional Services-General	\$ 110,196.00	\$ 132,400.00	\$ 76,681.00	\$ 130,000.00	\$ 126,100.00
26 Legal Fees-General	\$ 9,567.00	\$ 11,000.00	\$ 1,618.00	\$ 11,000.00	\$ 11,000.00
27 Accounting/Payroll Fees	\$ 4,391.00	\$ 4,700.00	\$ 3,520.00	\$ 4,578.00	\$ 5,000.00
28 Engineering-General	\$ 16,346.00	\$ 20,000.00	\$ 23,351.00	\$ 11,000.00	\$ 20,000.00
29 Audit Fees	\$ 12,550.00	\$ 13,500.00	\$ 13,880.00	\$ 13,212.00	\$ 14,000.00
30 Equipment-Maintenance	\$ (472.00)	\$ 500.00	\$ 197.00	\$ 500.00	\$ 500.00
31 Taxable meal reimbursement	\$ 278.00	\$ 500.00	\$ 311.00	\$ 300.00	\$ 500.00
32 Mileage	\$ 5,642.00	\$ 6,000.00	\$ 3,285.00	\$ 5,000.00	\$ 6,000.00
33 Training & Education	\$ 1,180.00	\$ 1,500.00	\$ 299.00	\$ 1,500.00	\$ 1,500.00
34 Lodging/ Staff Travel	\$ 715.00	\$ 1,500.00	\$ 213.00	\$ -	\$ 1,500.00
35 Rent	\$ 8,668.00	\$ 8,000.00	\$ 7,800.00	\$ 7,800.00	\$ 8,000.00
36 Web Expense-Design & Hosting (Moved to E & O)	\$ 3,765.00		\$ -	\$ -	
37 Equipment-Lease	\$ 2,770.00	\$ 3,000.00	\$ 2,308.00	\$ 2,769.96	\$ 3,000.00
38 Insurance & Bonds	\$ 8,816.00	\$ 9,000.00	\$ 10,257.00	\$ 8,833.00	\$ 10,000.00
39 Bank Charges		\$ -		\$ -	\$ -
40 Cleaning Service	\$ -	\$ -	\$ -	\$ -	\$ -
41 Meeting Supplies/Expense	\$ -	\$ 100.00	\$ 114.00	\$ -	\$ 100.00
42 Office Supplies	\$ 339.00	\$ 300.00	\$ 164.00	\$ 250.00	\$ 300.00
43 Equipment-General	\$ -			\$ -	
44 Miscellaneous-General	\$ 2,557.00	\$ 3,000.00	\$ 1,590.00	\$ 2,600.00	\$ 3,000.00
45 Lobbying	\$ 14,200.00	\$ 15,000.00	\$ 11,925.00	\$ 15,000.00	\$ 15,000.00
Total Expense for Administration:	\$ 224,788.64	\$ 250,000.00	\$ 168,935.70	\$ 230,442.96	\$ 250,000.00

2018 Proposed Budget
2017 Adopted Budget - 2017 Actuals/Projected - 2018 Proposed

Account	2017 Adopted	YTD 2017	Projected 2017	Proposed 2018
Revenues:				
1 General Property Tax				
2 Carver County	\$ 43,158.53	\$43,273.37	\$ 43,158.53	\$ 42,113.08
3 Dakota County	\$ 79,570.91	\$73,689.20	\$ 79,570.91	\$ 73,373.63
4 Hennepin County	\$ 325,266.18	\$314,446.54	\$ 325,266.18	\$ 316,479.90
5 Scott County	\$ 277,004.38	\$273,054.43	\$ 277,004.38	\$ 293,033.40
6 Total Levy:	\$ 725,000.00	\$704,463.54	\$ 725,000.00	\$ 725,000.00
7 Interest Revenue		\$ 26,627.43	\$ 26,627.43	\$ 26,000.00
8 Met Council Grant-(WOMP Station Monitoring)	\$ 5,500.00	\$ 4,500.00	\$ 5,500.00	\$ 5,500.00
9 State of MN Grant for Dredge Material Management				\$ 240,000.00
10 Revenue for use of Vernon Avenue dredge for dewatering private material	\$ 25,000.00	\$ 33,834.00	\$ 25,000.00	\$ 25,000.00
11 Revenues from sale of dredge material	\$ 5,000.00	\$ 844.80	\$ 5,000.00	\$ 5,000.00
12 Total Revenues:	\$ 730,500.00	\$770,269.77	\$ 787,127.43	\$ 1,026,500.00
Expenses:				
13 Administration	\$ 250,000.00	\$ 107,821.48	\$ 207,802.94	\$ 250,000.00
14 Cooperative Projects				
15 Eden Prairie Bank Stabilization -#3	\$ 75,000.00	\$ 3,027.97	\$ 75,000.00	
16 Eagle Creek	\$ 12,000.00		\$ 12,000.00	
17 Gully Erosion Contingency	\$ 40,000.00		\$ 40,000.00	
18 USGS	\$ 18,500.00	\$ 18,631.00	\$ 18,500.00	\$ 18,500.00
19 Ravine Stabilization at Seminary Fen in Chaska		\$ 148,083.50	\$ 258,256.39	
20 Bluff Creek Cooperative Project with RPBCWD			\$ -	
21 509 Plan Budget				
22 Resource Plan Implementation				
23 Sustainable Lakes Management Plan (Trout Lakes)				\$ 50,000.00
24 Geomorphc Assessments (Trout Streams)				\$ 50,000.00
25 Paleolimnology Study (Floodplain Lakes)				\$ 50,000.00
26 Fen Stewardship Program				\$ 75,000.00
27 District Boundary Modification Project				\$ 10,000.00
28 East Chaska Creek Treatment Wetland Project				\$ 10,000.00
29 Minnesota River Sediment Reduction Strategy				\$ 25,000.00
30 Seminary Fen - gap analysis	\$ 75,000.00			
31 Data Assessments and Program Reviews				
32 Dakota County groundwater modeling	\$ 35,000.00	\$ 3,585.96		
33 Riley Creek Cooperative Project	\$ 100,000.00	\$ 4,998.00	\$ 100,000.00	\$ 50,000.00
34 Local Water Management Plan reviews	\$ 16,800.00	\$ 2,678.24		\$ 12,000.00
35 Project Reviews	\$ 20,000.00	\$ 5,088.50		\$ 16,000.00
36 Monitoring	\$ 65,000.00	\$ 16,022.87	\$ 65,000.00	\$ 65,000.00
37 Monitoring Data Analysis	\$ -	\$ 7,955.55		
38 Technical Assistance	\$ -		\$ 19,350.00	
39 Watershed Management Plan				
40 Next Generation Watershed Management Plan		\$ -		
41 Plan Clarification and proposed rules		\$ -	\$ -	
42 Plan Amendment	\$ 50,000.00	\$ 98,976.40	\$ 100,000.00	\$ 50,000.00
43 Vegetation Management Standard/Plan				
44 Public Education/Citizen Advisory Committee/Outreach Program	\$ 32,100.00	\$ 47,184.41	\$ 78,822.00	\$ 30,000.00
45 Cost Share Program	\$ 20,000.00	\$ 11,508.30	\$ 20,000.00	\$ 20,000.00
46 Nine Foot Channel	\$ 80,000.00	\$ 56,634.22	\$ 80,000.00	\$ 50,000.00
47 Dredge Site Improvements				\$ 240,000.00
48 Total Non-administrative Expenses:	\$ 639,400.00	\$ 314,764.73	\$ 885,319.39	\$ 821,500.00
49 Revenue less Expenses	\$ (158,900.00)	\$ 347,683.56	\$ (305,994.90)	\$ (45,000.00)
50 Beginning Fund Balance - January 1	\$ 1,212,659.83			\$ 1,053,759.83
51 Total Revenue	\$ 730,500.00			\$ 1,026,500.00
52 Total Expenses	\$ (889,400.00)			\$ (1,071,500.00)
53 Ending Fund Balance - December 31 (projected)	\$ 1,053,759.83			\$ 1,008,759.83



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Appendix B

2018 Resolutions

President Shirk introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-01

RESOLUTION APPROVING RE-ALLOCATION OF LMRWD PORTION OF METRO-AREA WATERSHED BASED FUNDING PILOT PROGRAM WITHIN RAMSEY COUNTY, MN

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

WHEREAS, the Minnesota Board of Water and Soil Resources initiated the Metro-area Watershed Based Funding Pilot Program (WBFPP); and

WHEREAS, the WBFPP intends to allocate Clean Water Funds by County throughout the Seven County Twin Cities Metropolitan Area and distribute the funds based on agreement by eligible Local Governmental Units (LGUs) within each county; and

WHEREAS, the LMRWD is eligible to share funds allocated to Carver, Dakota, Hennepin, Ramsey and Scott Counties; and

WHEREAS, the portion of the LMRWD within Ramsey County is owned by the State of Minnesota and lies within Fort Snelling State Park and as such is non-taxable. It is unlikely the LMRWD would be able to implement a project within the Ramsey County portion of the Watershed under the policies and guidelines of the WBFPP.

NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the LMRWD that it has determined not to participate in the Metro-area Watershed Based Funding Pilot Program in Ramsey County and that funds that would have been allocated to the LMRWD be re-distributed amongst other eligible LGUs within Ramsey County.

The Motion was seconded by Manager Hartmann and adopted by a unanimous vote by the Board of Managers of the LMRWD this 21st day of March, 2018.



Yvonne Shirk, President

ATTEST:



David Raby, Secretary/Treasurer

Manager Raby

introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-02

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

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

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

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

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

WHEREAS, the City amended its Local Surface Water Management Plan (LSWMP) in 2015, which was approved by LMRWD Resolution 15-04, and has now submitted an amended plan to the LMRWD for review on February 15, 2018. It appears the LSWMP has not changed since the 2015 update. The LMRWD considered the Metropolitan Council's March 15, 2018 comments in completing its review; and

WHEREAS, the LMRWD has reviewed the plan and hereby determines that the plan has been prepared in accordance with the requirements of Minnesota Statutes, Section 103B.235 and Minnesota Rules 840.0160 and 8410.0170, and contains the requirements for local plans; and

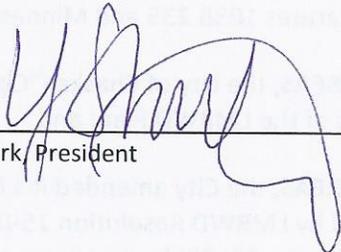
WHEREAS, Minnesota Statutes, Section 103B.235, Subdivision 3 authorizes the watershed district to review and approve local water management plans and to take other actions necessary to assure that the local plan is in conformance with the LMRWD's plan and standards set forth therein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the Lower Minnesota River Watershed District that the Chaska Local Surface Water Management Plan dated November 20, 2015 is hereby approved subject to the following:

- 1) This approval is conditional upon the following:
 - a. The City's LSWMP does not acknowledge the Lower Minnesota River WRAPS and the TMDLS underway as part of the WRAPS. The LMRWD recommends the LSWMP be updated to reflect the finding of the WRAPS once it is finalized.

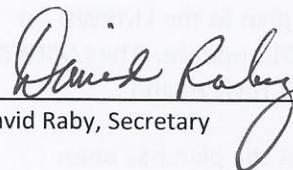
- b. The City's LSWMP does not acknowledge the LMRWD or other water management organization's watershed management plan amendment currently underway, nor does it provide a strategy for addressing changes in the future. The LMRWD requires the City update its plan and official controls to conform to the LMRWD plan within the time frame specified in the LMRWD plan.
- 2) In accordance with Minnesota Statute 103B.235, Subdivision 4, the City shall adopt and implement its LSWMP within 120 of approval and shall amend its official controls in accordance with the LSWMP within 180 days.
 - 3) Pursuant to Minnesota Statutes, Section 103B.235, Subdivision 5 and consistent with the Lower Minnesota River Watershed Management Plan, the City shall submit amendments to the local water management plan to the LMRWD for review and approval in accordance with State Statutes and Minnesota Rules.
 - 4) The LMRWD Managers believe that regulation is most properly performed by the local governmental unit (LGU), provided that regulation by the LGU is consistent with the goals and policies of the LMRWD Plan. The city of Chaska shall implement water management policies, standards and criteria as least as strict as those in the LMRWD Plan, as amended, on all projects within the boundaries of the LMRWD in the City of Chaska.
 - 5) For properties that are split between the LMRWD and any other watershed management organization, the most restrictive water management policies, standards and criteria will be implemented.

The Motion was seconded by President Shirk and adopted by the Board of Managers of the Lower Minnesota River Watershed District this 18th day of April, 2018.



Yvonne Shirk, President

ATTEST:



David Raby, Secretary

Manager Raby introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-03

RESOLUTION APPROVING THE LOCAL WATER MANAGEMENT PLAN FOR THE CITY OF CHANHASSEN

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

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

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

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

WHEREAS, the City prepared and submitted a draft LWMP to the LMRWD on February 1, 2018; and

WHEREAS, the LMRWD has reviewed the plan and hereby determines that the plan has been prepared in accordance with the requirements of Minnesota Statutes, Section 103B.235 and Minnesota Rules 840.0160 and 8410.0170, and contains the requirements for local plans; and

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

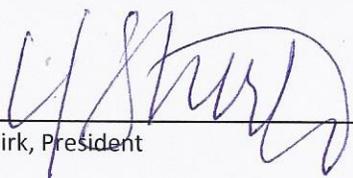
NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the Lower Minnesota River Watershed District that the Chanhassen draft Local Water Management Plan dated January 2018 is hereby approved subject to the following:

- A. This approval is conditional upon the following:
 1. Flooding Problem Areas (District Plan Table 2-1), Old 212 near Moon Valley Gravel Pit. This issue is not identified or addressed in the LWMP. If this location is not in the City of Chanhassen (City), include a statement in the LWMP saying the City does not have any flooding problem areas that were addressed in the District Plan
 2. Plan Goal 2, Surface Water Management. These criteria should be included in the LWMP or specifically referenced:

- a. Strategy 2.2.2: Promote disconnected stormwater management. Include information about how the City will incorporate disconnected stormwater management practices into its future stormwater-management plans.
 - b. Strategies 2.2.3 and 2.2.4: Cost Share Incentive Program and Water Quality Restoration Program. Implementation of these programs is the District's responsibility. However, the City should reference them in its LWMP.
 - c. Strategy 2.3.3: Complete detailed assessments of data. Include information in the LWMP about how the City assesses data and uses it to develop goals, policies, or strategies.
3. Plan Goal 4, Unique Natural Resources Management. These criteria should be included in the LWMP or specifically referenced:
- a. Strategy 4.2.1: Data acquisition and management. Include information about the City's strategy for acquiring and managing data related to the protection, education, and monitoring of unique natural resources.
 - b. Strategy 4.2.2: Provide technical assistance. Provide information about how the City assists nongovernment organizations and landowners interested in preserving unique natural resources.
 - c. Strategy 4.4.1: Encourage wildlife connectivity projects. Provide information about how the City will encourage wildlife connectivity projects that will achieve multiple goals, such as water quality improvements and fen and bluff protection.
4. Plan Goal 7, Erosion and Sediment Control. These criteria should be included in the LWMP or specifically referenced:
- a. Strategy 7.2.1: Develop a vegetation management standard/plan. The City will be developing a Vegetation Management Plan as part of its Stormwater Inventory Inspection and Maintenance Plan. Development of the vegetation management plan should be included in the LWMP as a policy.
 - b. Strategy 7.3.1: Continue work of addressing gully erosion. The LWMP should be modified to include language referring to gully restoration in the City. Two projects are mentioned in Table 5.2 of the LWMP.
 - c. Strategy 7.4.1: Promote and encourage shoreland protection. The LWMP states that City Code includes shoreland management district ordinances. This information should be included in the LWMP as policies or goals
5. Plan Goal 8, Strategy 8.1.1: Promote safety education. Include information in the LWMP about how the City promotes safety education in its effort to promote the co-existence of commercial and recreational navigation on the Lower Minnesota River.
6. Plan Goal 9, Strategy 9.1.2: Develop an outreach program. The LWMP states that an education and outreach plan will be developed to achieve the City's long-term public education goals. This should be included as a goal or policy in the LWMP.
7. Policy 2.2, Strategy 2.2.1:
- a. Shoreline and Streambank Alteration Standard. The District's Shoreline and Streambank Alteration Standard is not addressed in the LWMP. The LWMP should include or reference this standard.
 - b. Stream and Lake Crossing Standard. The District's Stream and Lake Crossing Standard is not addressed in the LWMP. The LWMP should include or reference this standard.
 - c. Floodplain and Drainage Alteration Standard. The District's Floodplain Alteration Standard is not addressed in the LWMP. The LWMP should include or reference this standard.

- d. Water Appropriations Standard. The District's Water Appropriations Standard is not addressed in the LWMP. The LWMP should include or reference this standard.
 - e. The District's Bluff Standard is not fully addressed in the LWMP. The Bluff Standard Regulation and Criteria A, A-a, A-c, A-d, B, B-a.i.1, B-a.i.2, and C of the District standard should be discussed in relation to the City's bluff protection efforts.
8. Cost Share Incentive Program (District Plan Table 4-3), Bluff Creek Erosion Repair. The Lower Bluff Creek TMDL (total maximum daily load) Implementation Project is listed in the City's Capital Improvement Project (CIP) table. Does it encompass the District's Bluff Creek Erosion Repair Project? If not, the project should be identified and addressed in the LWMP
 9. Capital Improvement Projects (District Plan Table 4-4), Bluff Creek Restoration. The Lower Bluff Creek TMDL Implementation Project is listed in the City's CIP table. Does it encompass the District's Bluff Creek Restoration Project? If not, the project should be identified and addressed in the LWMP.
- B. The City's LWMP does not acknowledge the LMRWD or other water management organization's water management plan amendments underway, nor does it provide a strategy for addressing changes in the future. After the LMRWD plan amendment is approved and adopted or otherwise amended pursuant to Minnesota Statute 103B.231 the City shall bring its' LWMP into conformance with the LMRWD Plan within the time period prescribed in the implementation program of the LMRWD Plan.
 - C. The City's LWMP does not acknowledge the Lower Minnesota River WRAPS and the TMDLS underway as part of the WRAPS. The LMRWD recommends the LWMP be updated to reflect the finding of the WRAPS once it is finalized.
 - D. In accordance with Minnesota Statutes, Section 103B.235, Subdivision 4, the Chanhassen plan shall be adopted and implemented by the City within 120 days of this action, and the City shall amend its official controls in accordingly within 180 days.
 - E. Pursuant to Minnesota Statutes, Section 103B.235, Subdivision 5 and consistent with the Lower Minnesota River Watershed Management Plan, the City shall submit amendments to the local water management plan to the LMRWD for review and approval in accordance with State Statutes and Minnesota Rules.
 - F. The LMRWD Managers believe that regulation is most properly performed by the local governmental unit (LGU), provided that regulation by the LGU is consistent with the goals and policies of the LMRWD Plan. The city of Chanhassen shall implement water management policies, standards and criteria, as stated in the LWMP, as least as strict as those in the LMRWD Plan, as amended, on all projects within the boundaries of the LMRWD in the City of Chanhassen.
 - G. For properties within the City that are split between the LMRWD and any other watershed management organization, the most restrictive water management policies, standards and criteria will be implemented.

The Motion was seconded by President Shirk and adopted by the Board of Managers of the Lower Minnesota River Watershed District this 18th day of April, 2018.



 Yvonne Shirk, President

ATTEST:



 David Raby, Secretary

Manager Raby introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-04

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

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

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

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

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

WHEREAS, the City prepared and submitted a draft Local Surface Water Management Plan (LSWMP) to the LMRWD on February 13, 2018; and

WHEREAS, the LMRWD has reviewed the LSWMP and hereby determines that the plan has been prepared in accordance with the requirements of Minnesota Statutes, Section 103B.235 and Minnesota Rules 840.0160 and 8410.0170, and contains the requirements for local plans; and

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

NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the LMRWD hereby approves the Local Water Management Plan for the City of Bloomington, dated February 2018 with the conditional understanding that:

- A. This approval is conditional upon the following:
 1. Updates Section 2.3 Cooperative Partners. The web address for the Lower Minnesota River Watershed District (District) has changed to www.lowermnrivewd.org.
 2. Plan Goal 1, Strategies 1.3.3 and 1.3.4. The LSWMP should include information about the City's policy for regular assessment and review of its programs and progress. As part of the

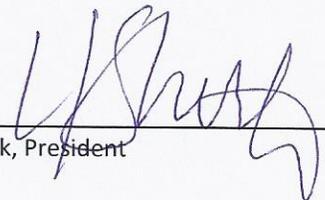
effort to regularly assess and review the City's programs, the LSWMP should also provide some metrics to help evaluate the City's short- and long-term progress.

3. Plan Goal 2, Surface Water Management. These criteria should be included in the LSWMP or specifically referenced:
 - a. Strategy 2.2.2: Promote Disconnected Stormwater Management. Include information regarding the City's incorporation of disconnected stormwater management practices into its future stormwater management plans.
 - b. Strategies 2.2.3 and 2.2.4: Cost Share Incentive Program and Water Quality Restoration Program. Implementation of these programs is the District's responsibility. However, the City should reference them in its LSWMP.
 - c. Strategy 2.3.3: Complete Detailed Assessments of Data. Include information in the LSWMP about how the City assesses data and uses it to develop goals, policies, or strategies.
 4. Plan Goal 4, Unique Natural Resources Management. These criteria should be included in the LSWMP or specifically referenced:
 - a. Strategy 4.2.1: Data Acquisition and Management. Include information about the City's strategy for acquiring and managing data related to the protection, education, and monitoring of unique natural resources (like Ike's Creek).
 - b. Strategy 4.2.2: Provide Technical Assistance. Provide information about how the City assists non-government organizations and landowners interested in preserving unique natural resources.
 5. Plan Goal 7, Strategy 7.2.1: Develop Vegetation Management Standard/Plan. Over the past few months, the District has had the opportunity to hear from Bloomington residents about the invasion of buckthorn in steep-slope areas. Although removal of these invasive species is necessary, improper removal leaves steep slopes vulnerable to erosion and other instabilities. As a result, collaboration with the District on the development of a vegetation management plan for unique natural resources in the City should be included in the LSWMP as a policy.
 6. Plan Goal 8, Strategy 8.1.1: Promote Safety Education. Implementation of this effort is the District's responsibility. However, the City should reference them in its LSWMP.
 7. Policy 2.2 – Strategy 2.2.1:
 - a. Shoreline and Streambank Alteration Standard. The District's Shoreline and Streambank Alteration Standard is not addressed in the LSWMP. The LSWMP should include or reference this standard.
 - b. Stream and Lake Crossing Standard. The District's Stream and Lake Crossing Standard is not addressed in the LSWMP. The LSWMP should include or reference this standard.
 - c. Floodplain and Drainage Alteration Standard. The District's Floodplain and Drainage Alteration Standard is not fully addressed in the LSWMP. Regulations A and C and Criterion B of the District standard should be discussed in relation to the City's floodplain management efforts.
 - d. Water Appropriations Standard. The District's Water Appropriations Standard is not addressed in the LSWMP. The LSWMP should include or reference this standard.
 - e. Bluff Standard. The District's Bluff Standard is not fully addressed in the LSWMP, nor is the City's Bluff Protection Standard. There are areas outside of the City's Bluff Protection Overlay District that require protection under the District's Bluff Standard.
- B. The City's LSWMP does not acknowledge The LMRWD or other water management organization's water management plan amendments underway, nor does it provide a strategy for addressing changes in the future. After the LMRWD plan amendment is approved and adopted or otherwise

amended pursuant to Minnesota Statute 103B.231 the City shall bring its' LSWMP into conformance with the LMRWD Plan within the time period prescribed in the implementation program of the LMRWD Plan.

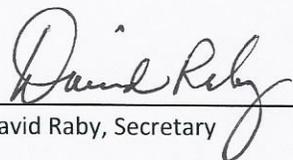
- C. The City's LSWMP does not acknowledge the Lower Minnesota River WRAPS and the TMDLS underway as part of the WRAPS. The LMRWD recommends the LSWMP be updated to reflect the finding of the WRAPS once it is finalized.
- D. In accordance with Minnesota Statutes, Section 103B.235, Subdivision 4, the Bloomington plan shall be adopted and implemented by the City within 120 days of this action, and the City shall amend its official controls in accordingly within 180 days.
- E. Pursuant to Minnesota Statutes, Section 103B.235, Subdivision 5 and consistent with the Lower Minnesota River Watershed Management Plan, the City shall submit amendments to the local water management plan to the LMRWD for review and approval in accordance with State Statutes and Minnesota Rules.
- F. The LMRWD Managers believe that regulation is most properly performed by the local governmental unit (LGU), provided that regulation by the LGU is consistent with the goals and policies of the LMRWD Plan. The city of Bloomington shall implement water management policies, standards and criteria as least as strict as those in the LMRWD Plan, as amended, on all projects within the boundaries of the LMRWD in the City of Bloomington.
- G. For properties that are split between the LMRWD and any other watershed management organization, the most restrictive water management policies, standards and criteria will be implemented.

The Motion was seconded by President Shirk and adopted by the Board of Managers of the Lower Minnesota River Watershed District this 18th day of April, 2018.



Yvonne Shirk, President

ATTEST:



David Raby, Secretary

Manager Raby introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-05

RESOLUTION APPROVING THE SURFACE WATER MANAGEMENT PLAN FOR THE CITY OF LILYDALE

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

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

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

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

WHEREAS, the City prepared and submitted a draft Surface Water Management Plan (SWMP) to the LMRWD on February 5, 2018; and

WHEREAS, the LMRWD has reviewed the SWMP and hereby determines that the plan has been prepared in accordance with the requirements of Minnesota Statutes, Section 103B.235 and Minnesota Rules 840.0160 and 8410.0170, and contains the requirements for local plans; and

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

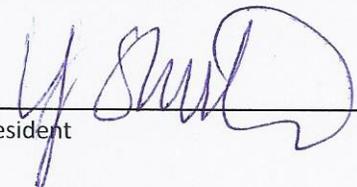
NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the LMRWD hereby approves the Surface Water Management Plan for the City of Lilydale, dated February 2018 with the conditional understanding that:

- A. This approval is conditional upon the following:
 1. Plan Goal 1, Strategies 1.3.3 and 1.3.4. The SWMP should include information about the City's policy for regular assessment and review of its programs and progress. As part of the effort to regularly assess and review the City's programs, the SWMP should also provide metrics to help evaluate the City's short- and long-term progress.
 2. 2. Plan Goal 2, Surface Water Management. These criteria should be included in the SWMP or specifically referenced:

- a. Strategy 2.2.2: Promote Disconnected Stormwater Management. Include information about how the City will incorporate disconnected stormwater management practices into its future stormwater management plans.
 - b. Strategies 2.2.3 and 2.2.4: Cost Share Incentive Program and Water Quality Restoration Program. Implementation of these programs is the District's responsibility; however, the City should reference these programs in its SWMP.
 - c. Strategy 2.3.1: Modify and Continue the Monitoring Program. Include information about any monitoring programs the City has been a part of or potential monitoring programs that could occur in the future.
 - d. Strategy 2.3.3: Complete Detailed Assessments of Data. Include information in the SWMP about how the City assesses data and uses it to develop goals, policies, or strategies
3. Plan Goal 3, Groundwater Management. It is assumed that Lilydale does not have any public drinking water supply wells that require wellhead protection. If this is true, this should be included in the SWMP. Similarly, if there is no groundwater modeling taking place in the City, provide reasons groundwater monitoring is not necessary.
 4. Plan Goal 4, Unique Natural Resources Management. These criteria should be included in the SWMP or specifically referenced:
 - a. Strategy for acquiring and managing data related to the protection, education, and monitoring of unique natural resources (such as the bluffs and steep slopes).
 - b. Strategy 4.2.2: Provide Technical Assistance. Provide information about how the City assists nongovernment organizations and landowners interested in preserving unique natural resources.
 - c. Strategy 4.2.3: Provide Educational Opportunities. Provide information about any educational opportunities the City has related to unique natural resources management.
 5. Plan Goal 7, Erosion and Sediment Control. These criteria should be included in the SWMP or specifically referenced:
 - a. Strategy 7.2.1: Develop Vegetation Management Standard/Plan. Development of (or partnership with the District to develop) a vegetation management plan should be included in the SWMP as a policy.
 - b. Strategy 7.3.1: Continue Work of Addressing Gully Erosion. The SWMP should include language referring to gully restoration in the City. If there are no gully restoration projects in the City, include that information in the SWMP.
 6. Plan Goal 8 – Strategy 8.1.1: Promote Safety Education. Include information in the SWMP about how the City promotes safety education in its effort to promote the coexistence of commercial and recreational navigation on the Minnesota and the Mississippi Rivers.
 7. Plan Goal 9 – Public Education and Outreach Program:
 - a. Strategy 9.1.3: Engage and Utilize Volunteers. The SWMP should include information about ways the City engages with and utilizes volunteers to help with water quality monitoring.
 - b. Strategy 9.2.1: Produce Scientific Studies and Work Products. The SWMP should address ways the City can encourage and collaborate on scientific studies and produce outreach materials written specifically for the public.
 8. Policy 2.2 – Strategy 2.2.1:
 - a. Shoreline and Streambank Alteration Standard. Criterion 2 of the District's Shoreline and Streambank Alteration Standard is not addressed in the SWMP. The SWMP should include or reference this standard.

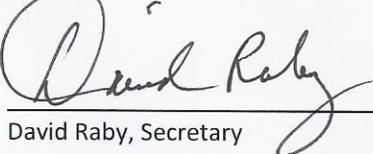
- b. Stream and Lake Crossing Standard. The District's Stream and Lake Crossing Standard is not addressed in the SWMP. The SWMP should include or reference this standard.
 - c. Floodplain and Drainage Alteration Standard. The District's Floodplain and Drainage Alteration Standard is not addressed in the SWMP. The SWMP should include or reference this standard.
 - d. Water Appropriations Standard. The District's Water Appropriations Standard is not addressed in the SWMP. The SWMP should include or reference this standard.
 - e. Bluff Standard. Neither the district's Bluff Standard nor the city's implementation of the Mississippi River Critical Corridor Area Rule is fully addressed in the SWMP. The SWMP should include or reference this standard.
- B. The City's SWMP does not acknowledge The LMRWD or other water management organization's water management plan amendments underway, nor does it provide a strategy for addressing changes in the future. After the LMRWD plan amendment is approved and adopted or otherwise amended pursuant to Minnesota Statute 103B.231 the City shall bring its' SWMP into conformance with the LMRWD Plan within the time period prescribed in the implementation program of the LMRWD Plan.
- C. The City's SWMP does not acknowledge the Lower Minnesota River WRAPS and the TMDLS underway as part of the WRAPS. The LMRWD recommends the SWMP be updated to reflect the finding of the WRAPS once it is finalized.
- D. In accordance with Minnesota Statutes, Section 103B.235, Subdivision 4, the Lilydale plan shall be adopted and implemented by the City within 120 days of this action, and the City shall amend its official controls in accordingly within 180 days.
- E. After the LMRWD plan amendment is approved and adopted or otherwise amended pursuant to Minnesota Statute 103B.231 the City shall bring it's LWMP into conformance with the LMRWD Plan within the time period prescribed in the implementation program of the LMRWD Plan.
- F. Pursuant to Minnesota Statutes, Section 103B.235, Subdivision 5 and consistent with the Lower Minnesota River Watershed Management Plan, the City shall submit amendments to the local water management plan to the LMRWD for review and approval in accordance with State Statutes and Minnesota Rules.
- G. The LMRWD Managers believe that regulation is most properly performed by the local governmental unit (LGU), provided that regulation by the LGU is consistent with the goals and policies of the LMRWD Plan. The city of Lilydale shall implement water management policies, standards and criteria as least as strict as those in the LMRWD Plan, as amended, on all projects within the boundaries of the LMRWD in the City of Lilydale.
- H. For properties that are split between the LMRWD and any other watershed management organization, the most restrictive water management policies, standards and criteria will be implemented.

The Motion was seconded by President Shirk and adopted by the Board of Managers of the Lower Minnesota River Watershed District this 18th day of April, 2018.



 Yvonne Shirk, President

ATTEST:



 David Raby, Secretary

Rahy introduced the following resolution and moved its adoption,

RESOLUTION 18-06

LOWER MINNESOTA RIVER WATERSHED DISTRICT
BOARD OF MANAGERS

A RESOLUTION OF APPRECIATION FOR SERVICE AND CONTRIBUTION OF YVONNE SHIRK
TO THE LOWER MINNESOTA RIVER WATERSHED DISTRICT

WHEREAS, the Lower Minnesota River Watershed District (the "District") is a special purpose unit of government established in accordance with Minnesota State Statute 103D; and

WHEREAS, under said Statute, the District is charged with the responsibility for the management of storm water, to protect persons and property from flooding, to protect and preserve the water quality of lakes, streams, rivers and wetlands within the boundaries of the District and downstream receiving waters. In addition to the duties, for which the District was created, of Local Sponsor for the US Army Corps of Engineers maintenance of the Nine Foot Navigation Channel; and

WHEREAS, Yvonne Shirk has served as a Manager, representing Dakota County, on the Board of Managers for the District from 2011 to the present, as Vice President from 2014 to 2015 and as President of the Board from 2015 to her resignation from the Board in 2018; and

WHEREAS, Yvonne has freely and generously given her time and knowledge, expertise and talent, without compensation, to serve the public and protect the environment; and

WHEREAS, Yvonne has provided her professional expertise, leadership and guidance to the District with vision, integrity, an open mind and a conscientious dedication to the mission of the District; and

WHEREAS, Yvonne provided leadership to the District, during the development of the District's Dredge Management Plan and operations; the 2012 Governance Study; the 2013 Strategic Resource Evaluation, the 2015 Plan Amendment; the Plan clarification in 2016 and the most recent Plan Amendment/Update and development of many other activities and projects, as well as an overarching concern for the Minnesota River; and

WHEREAS, Yvonne has always treated the public, staff and fellow commissioners with respect and courtesy, and presided over meetings of the District with fairness and common sense.

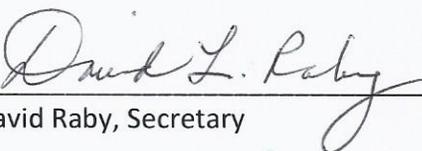
NOW THEREFORE BE IT RESOLVED that the Lower Minnesota River Watershed District Board of Managers hereby expresses its sincere and grateful appreciation to Yvonne Shirk for her many years of distinguished service to the Lower Minnesota River Watershed District and the public.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 15th day of August, 2018.



Jesse Hartmann, President

Attested:



David Raby, Secretary

Manager Hartmann introduced the following resolution and moved its adoption:

RESOLUTION 18-07

LOWER MINNESOTA RIVER WATERSHED DISTRICT

PRELIMINARY CERTIFICATION OF PROPERTY TAX LEVIES FOR CARVER COUNTY

FOR TAXES PAYABLE 2019

AND ADOPTING 2019 BUDGET

WHEREAS, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") has proposed a total budget of One Million Two Hundred Sixty Seven Thousand Two Hundred Fifty Five Dollars (\$1,267,255) for the fiscal year commencing January 1, 2019; and

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

NOW, THEREFORE, BE IT RESOLVED, that the Secretary, in accordance with Minnesota Statutes, shall certify to the Auditors of Carver County, the following sum to be raised by levy on all taxable property in the Lower Minnesota River Watershed District payable in the year 2019 for the purposes noted above: Forty Eight Thousand Four Hundred Forty Two and 33/100 Dollars (\$48,442.33), as provided in Minnesota Statutes, Sections 103D.911 and 103D.915; and

BE IT FURTHER RESOLVED by the Board of Managers of the LMRWD that the 2019 Preliminary Budget as proposed is hereby approved and adopted.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 15th day of August, 2018.



Jesse Hartmann, Vice President

ATTEST:



David L. Raby, Secretary/Treasurer

SCHEDULE A

District 060 - Lower MN River Watershed

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

Preliminary Certification of Apportioned Levies

Payable 2019

1)	General Fund (M.S. 103D.905, Subd.3)		\$250,000.00	
2)	Planning and Implementation Fund (M.S. 103B.241)		\$475,000.00	
3)	Payable 2017 Property Tax Levy		\$725,000.00	
		(4)	(5)	(6)
		Payable 2018 Taxable Net Tax Capacity	Net Tax Capacity Percent Distribution	Apportioned Payable 2017 Levy Column(4) x (5)
	<u>County</u>			
	Carver	\$6,240,151	6.6817%	\$48,442.33
	Dakota	\$9,790,297	10.4830%	\$76,001.75
	Hennepin	\$35,626,906	38.1476%	\$276,570.10
	Scott	\$41,734,806	44.6877%	\$323,985.83
	TOTAL	\$93,392,160	100.00%	\$725,000.00

Manager Hartmann introduced the following resolution and moved its adoption:

RESOLUTION 18-08

ADOPTING 2019

LOWER MINNESOTA RIVER WATERSHED DISTRICT BUDGET

AND PRELIMINARY CERTIFICATION OF PROPERTY TAX LEVIES FOR DAKOTA COUNTY

FOR TAXES PAYABLE 2019

WHEREAS, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") has proposed a total budget of One Million Two Hundred Sixty Seven Thousand Two Hundred Fifty Five Dollars (\$1,267,255) for the fiscal year commencing January 1, 2019; and

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

NOW, THEREFORE, BE IT RESOLVED, that the Secretary, in accordance with Minnesota Statutes, shall certify to the Auditors of Dakota County, the following sum to be raised by levy on all taxable property in the Lower Minnesota River Watershed District payable in the year 2019 for the purposes noted above: Seven Six One and 75/100 Dollars (\$76,001.75), as provided in Minnesota Statutes, Sections 103D.911 and 103D.915;

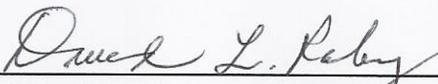
BE IT FURTHER RESOLVED by the Board of Managers of the LMRWD that the 2019 Preliminary Budget as proposed is hereby approved and adopted.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 15th day of August, 2018



Jesse Hartmann, Vice President

ATTEST:



David L. Raby, Secretary/Treasurer

SCHEDULE A

District 060 - Lower MN River Watershed

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

Preliminary Certification of Apportioned Levies

Payable 2019

1)	General Fund (M.S. 103D.905, Subd.3)		\$250,000.00	
2)	Planning and Implementation Fund (M.S. 103B.241)		\$475,000.00	
3)	Payable 2017 Property Tax Levy		\$725,000.00	
		(4)	(5)	(6)
		Payable 2018 Taxable Net Tax Capacity	Net Tax Capacity Percent Distribution	Apportioned Payable 2017 Levy Column(4) x (5)
<u>County</u>				
Carver		\$6,240,151	6.6817%	\$48,442.33
Dakota		\$9,790,297	10.4830%	\$76,001.75
Hennepin		\$35,626,906	38.1476%	\$276,570.10
Scott		\$41,734,806	44.6877%	\$323,985.83
TOTAL		\$93,392,160	100.00%	\$725,000.00

Manager Hartmann introduced the following resolution and moved its adoption:

RESOLUTION 18-09

ADOPTING 2019

LOWER MINNESOTA RIVER WATERSHED DISTRICT BUDGET

AND PRELIMINARY CERTIFICATION OF PROPERTY TAX LEVIES FOR HENNEPIN COUNTY

FOR TAXES PAYABLE 2019

WHEREAS, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") has proposed a total budget of One Million Two Hundred Sixty Seven Thousand Two Hundred Fifty Five Dollars (\$1,267,255) for the fiscal year commencing January 1, 2019; and

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

NOW, THEREFORE, BE IT RESOLVED, that the Secretary, in accordance with Minnesota Statutes, shall certify to the Auditors of Hennepin County, the following sum to be raised by levy on all taxable property in the Lower Minnesota River Watershed District payable in the year 2019 for the purposes noted above: Two Hundred Seventy Six Thousand Five Hundred Seventy and 10/100 Dollars (\$276,570.10), as provided in Minnesota Statutes, Sections 103D.911 and 103D.915;

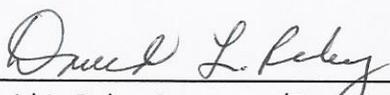
BE IT FURTHER RESOLVED by the Board of Managers of the LMRWD that the 2019 Preliminary Budget as proposed is hereby approved and adopted.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 15th day of August, 2018.



Jesse Hartmann, Vice President

ATTEST:



David L. Raby, Secretary/Treasurer

SCHEDULE A

District 060 - Lower MN River Watershed

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

Preliminary Certification of Apportioned Levies

Payable 2019

1)	General Fund (M.S. 103D.905, Subd.3)		\$250,000.00	
2)	Planning and Implementation Fund (M.S. 103B.241)		\$475,000.00	
3)	Payable 2017 Property Tax Levy		\$725,000.00	
		(4)	(5)	(6)
		Payable 2018 Taxable Net Tax Capacity	Net Tax Capacity Percent Distribution	Apportioned Payable 2017 Levy Column(4) x (5)
<u>County</u>				
Carver		\$6,240,151	6.6817%	\$48,442.33
Dakota		\$9,790,297	10.4830%	\$76,001.75
Hennepin		\$35,626,906	38.1476%	\$276,570.10
Scott		\$41,734,806	44.6877%	\$323,985.83
TOTAL		\$93,392,160	100.00%	\$725,000.00

Manager Hartmann introduced the following resolution and moved its adoption:

RESOLUTION 18-10

ADOPTING 2019

LOWER MINNESOTA RIVER WATERSHED DISTRICT BUDGET

AND PRELIMINARY CERTIFICATION OF PROPERTY TAX LEVIES FOR SCOTT COUNTY

FOR TAXES PAYABLE 2019

WHEREAS, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") has proposed a total budget of One Million Two Hundred Sixty Seven Thousand Two Hundred Fifty Five Dollars (\$1,267,255) for the fiscal year commencing January 1, 2019; and

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

NOW, THEREFORE, BE IT RESOLVED, that the Secretary, in accordance with Minnesota Statutes, shall certify to the Auditors of Scott County, the following sum to be raised by levy on all taxable property in the Lower Minnesota River Watershed District payable in the year 2019 for the purposes noted above: Three Hundred Twenty Three Thousand Nine Hundred Eighty Five and 83/100 Dollars (\$323,985.83), as provided in Minnesota Statutes, Sections 103D.911 and 103D.915;

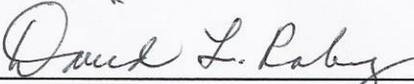
BE IT FURTHER RESOLVED by the Board of Managers of the LMRWD that the 2019 Preliminary Budget as proposed is hereby approved and adopted.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 15th day of August, 2018.



Jesse Hartmann, Vice President

ATTEST:



David L. Raby, Secretary/Treasurer

SCHEDULE A

District 060 - Lower MN River Watershed

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

Preliminary Certification of Apportioned Levies

Payable 2019

1)	General Fund (M.S. 103D.905, Subd.3)		\$250,000.00	
2)	Planning and Implementation Fund (M.S. 103B.241)		\$475,000.00	
3)	Payable 2017 Property Tax Levy		\$725,000.00	
		(4)	(5)	(6)
		Payable 2018 Taxable Net Tax Capacity	Net Tax Capacity Percent Distribution	Apportioned Payable 2017 Levy Column(4) x (5)
	<u>County</u>			
	Carver	\$6,240,151	6.6817%	\$48,442.33
	Dakota	\$9,790,297	10.4830%	\$76,001.75
	Hennepin	\$35,626,906	38.1476%	\$276,570.10
	Scott	\$41,734,806	44.6877%	\$323,985.83
	TOTAL	\$93,392,160	100.00%	\$725,000.00

Manager Raby introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-11

RESOLUTION DIRECTING THE FINAL HEARING IN PROCEEDINGS TO MODIFY THE NINE FOOT CHANNEL PERMANENT DISPOSAL SITES ACQUISITION AND DEVELOPMENT BASIC WATER MANAGEMENT PROJECT

WHEREAS, by resolution 15-12, the Board of Managers of the Lower Minnesota River Watershed District initiated proceedings under Statutes section 103D.605 to modify the previously established Nine Foot Channel Permanent Disposal Sites Acquisition and Development Basic Water Management Project; and

WHEREAS, the Board has complied with the requirements of statutes chapters 103B and 103D related to development of the project; and

WHEREAS, the Board has delivered the project plan to the Board of Water and Soil Resources and Department of Natural Resources and has received advisory comments as required by statutes; and

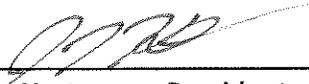
WHEREAS, the Board has completed a benefits analysis related to the proposed project and is otherwise prepared to hold a final hearing on the proposed project.

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

1. The Board shall hold its final hearing on the establishment of the project and adoption of project benefits at 7:00 a.m./p.m. on Monday, September 17, 2018, at the Scott County Law Enforcement Center, 301 Fuller Street, Shakopee, MN.
2. The Administrator shall provide notice as follows:
 - a. by publication before the date of the hearing in a legal newspaper, published in the counties where property is to be improved by the proposed project. The last publication must occur between 30 days and ten days before the project hearing.
 - b. by mail, at least ten days before the project hearing, to the Department of Natural Resources, Board of Water and Soil Resources, municipalities entirely or partly within the project area and owners of property recommended as directly benefitted by the project.

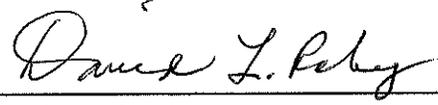
3. Notice shall be in the form as attached hereto in exhibit A.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District
this 15th day of August, 2018



Jesse Hartmann, President
Vice

ATTEST:



David L. Raby, Secretary

The motion for the adoption of the foregoing resolution was seconded by Manager Hartmann and upon a vote being taken thereon, the following voted in favor thereof: Frey, Hartmann, Raby; and the following voted against the same: None. Whereupon said resolution was declared passed and adopted, this 15th day of August, 2018 signed by the Vice President and his signature attested by the Secretary.

STATE OF MINNESOTA
LOWER MINNESOTA RIVER WATERSHED DISTRICT BOARD OF MANAGERS

The matter of the Nine Foot Channel
Permanent Disposal Sites Acquisition and
Development Basic Water Management
Project

Notice of Hearing

PLEASE TAKE NOTICE, the Board of Managers of the Lower Minnesota River Watershed District pursuant to statutes chapter 103D, shall hold a public hearing on the establishment of modifications to the Nine Foot Channel Permanent Disposal Sites Acquisition and Development Basic Water Management Project. The hearing shall be held at 7:00 p.m. on Monday, September 17, 2018, at the Scott County Law Enforcement Center, 301 Fuller Street South, Shakopee, MN.

The project continues a previously established Capital Improvement of the District, in cooperation with the United States Government, to acquire sites for the disposal of dredge material related to the maintenance of a nine-foot navigational channel on the lower portion of the Minnesota River and to manage the disposal of the dredge material.

Anticipated annual cost of the project is \$80,000 to be paid by a combination of one or more of the following: property tax to all properties within the District; assessment to properties benefitted directly by the project.

Owners of properties and properties identified as potentially benefitted in the appraiser's recommendation are:

Description	Owner	Address	County	PID
Cargill West Elevator	Cargill, Inc.	12100 Dakota Avenue Savage, MN	Scott	26-908018-0; 26-908020-0
Cenex Harvest States Elevator	CHS, Inc.	6200 W. Highway 13 Savage, MN	Scott	26-909025-0
Riverland Ag Elevator	River Land Ag Corp.	12100 Yosemite Avenue Savage, MN	Scott	26-050002-1; 26-050003-1
Superior Minerals	Superior Minerals Co.	12051 Yosemite Ave S Savage, MN	Scott	26-067003-1; 26-067004-1

Description	Owner	Address	County	PID
Acell	Acell, LLC	12051 Yosemite Ave S Savage, MN	Scott	26-067003-0; 26-067002-0; 26-067001-0
Mosaic Crop Nutrition	GNS III (US), LLC	12120 Lynn Avenue South Savage, MN	Scott	26-375002-0
Cargill East Elevator Scott County Site	Cargill, Inc.	12115 Lynn Ave S Savage, MN	Scott	26-375001-0; 26-283001-0
Cargill East Elevator Dakota County Site	Cargill, Inc.	12115 Lynn Ave S Savage, MN	Dakota	02-03210-30-020; 02-02910-50-030; 02-03210-45-020; 02-03210-63-020
U.S. Salt, Inc.	Port Marilyn, LLC	1020 Black Dog Road Burnsville, MN	Dakota	02-02800-01-013; 02-02800-01-012
BLSI Fleeting Site	Burnsville Sanitary Landfill, Inc.			02-15275-00-010
Kraemer Fleeting Sites	Kraemer Mining & Minerals, Inc.			02-02910-86-010; 02-02910-76-010; 02-02800-51-011
McGown Site 1	Freeway Transfer, Inc.			02-156000-00-030
McGown Site 2	Quarry Property, LLC			02-156000-02-020
Upper River Services Fleeting Sites	City of Bloomington		Hennepin	31-027-24-21-0001; 31-027-24-12-0003; 31-027-24-12-0002; 31-027-24-11-0001; 30-027-24-44-0001; 29-027-24-33-0001

Copies of the Dredge Material Disposal and Management Plan and the appraiser's benefits recommendation are available for inspection by contacting the Watershed District Administrator, Linda Loomis, at (612) 306-5802, or by email to lccconsulting@gmail.com.

All parties interested in the proposed project may appear at the final hearing to present objections, and to show why an order should not be made by the managers confirming the reports of the engineer, adopting the appraiser's recommendation of benefits, and ordering the establishment and construction or implementation of the project

A handwritten signature in black ink, appearing to be 'J. M.', written over a horizontal line.

Board Vice President

Dated: August 15, 2018

Manager Raby introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-12

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

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

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

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

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

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

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

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

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

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

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

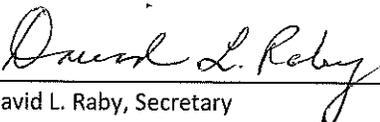
BE IT FURTHER RESOLVED that the city has complied with the above conditions, revised the plan accordingly and has approved and adopted the SWMP dated July 2018.

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



Jesse Hartmann, Vice President

ATTEST:



David L. Raby, Secretary

Manager Hartman introduced the following resolution and moved its adoption;

RESOLUTION 18-13

LOWER MINNESOTA RIVER WATERSHED DISTRICT
BOARD OF MANAGERS

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

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

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

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

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

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

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

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

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

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

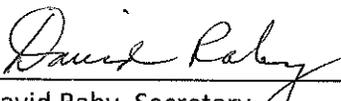
BE IT FURTHER RESOLVED, that the Board directs LMRWD staff share this resolution with Stop Over Salting and the Coalition for Applicator Liability Reform, join the Coalition for Applicator Liability Reform and add logo to its statement, write a letter to the MAWD Board, urging MAWD to focus on passage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

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



Jesse Hartmann, President

Attested:



David Raby, Secretary

Manager Hartmann introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-14

RESOLUTION ADOPTING UPDATED WATERSHED MANAGEMENT PLAN

WHEREAS, pursuant to Minnesota Statutes Chapters 103B and 103D, and Minnesota Rules §8410, the Lower Minnesota River Watershed District (LMRWD) has approved and adopted a comprehensive Watershed Management Plan ("Plan") dated 2011, amended 2015 and 2016; and

WHEREAS, Minnesota Statutes §103B.231 requires the Plan to be updated every 10 years; and

WHEREAS, the LMRWD identified a need to update its Plan ahead of the 10-year statutory requirement in order to align timing of the plan update with the timing of local plan updates by municipalities within the LMRWD and the timing of watershed management plan updates by adjacent watershed management organizations; and

WHEREAS, the LMRWD designed and facilitated a robust stakeholder engagement process to solicit and incorporate comments from the public, the LMRWD's technical advisory committee (TAC), and state agencies, to ensure the District met the engagement requirement for its plan update; and

WHEREAS, the LMRWD prepared a draft Plan update and submitted the draft Plan for 60-day review and comment according to Minnesota Statutes §103B.231, subd. 7; and

WHEREAS, the LMRWD responded to all received comments, and;

WHEREAS, the LMRWD held a public hearing on the Plan to discuss the Plan and receive additional comment, pursuant to Minnesota Statutes §103B.231, subd. 7(c); and

WHEREAS, the LMRWD has completed the Plan update and prepared a 90-day review and approval copy, dated June 2018, according to Minnesota Statutes §103B.231, subd. 9; and

WHEREAS, the Minnesota Board of Water and Soil Resources completed its review of the Lower Minnesota River Watershed District's Comprehensive Watershed Management Plan and all relevant substantive and procedural requirements of law and rule have been fulfilled; and

WHEREAS, the Minnesota Board of Water and Soil Resources approved the Lower Minnesota River Watershed District's Watershed Management Plan on September 26, 2018 pursuant to Minnesota Statutes §§103B.201 to 103B.251; and

WHEREAS, the LMRWD finds that the adoption of the Plan is in accordance with the requirement of law and in the best interests of the public.

NOW, THEREFORE, BE IT RESOLVED that the Lower Minnesota River Watershed District Board of Managers adopts the Watershed Management Plan in accordance with MN Statutes §103B.231, subd. 10, and directs the Secretary to transmit a copy of the Plan to the county board of each county affected by the watershed district, the commissioner of natural resources, the director of the division of ecological services and waters (DNR), the Metropolitan Council, the governing body of each municipality affected by the watershed district, and soil and water conservation districts affected by the watershed district; and

FURTHER, the Lower Minnesota River Watershed District Board of Managers authorizes implementation of the Capital Improvement Program contained in the plan and the development of rules, as necessary, to accomplish the purposes of the Watershed Management Plan, Statutes Chapters 103B and 103D and to implement the powers of the managers.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 24th day of October, 2018



Jesse Hartmann, President

ATTEST:



David Raby, Secretary/Treasurer

President Hartmann introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-15

RESOLUTION APPROVING THE COMPREHENSIVE GUIDE PLAN UPDATE FOR THE CITY OF EAGAN

WHEREAS, Minnesota Statute Chapter 473.858 requires the Local government units to prepare a Comprehensive Plan and submit their proposed plans to adjacent governmental units, affected special districts lying in whole or in part within the metropolitan area, and affected school districts for review; and

WHEREAS, the Lower Minnesota River Watershed District ("LMRWD") is a special purpose unit of government, established in accordance with Minnesota Statutes Chapter 103D; and

WHEREAS, the City of Eagan (City) lies partially within the LMRWD and therefore must meet the requirements of the LMRWD Plan for those portions of the City lying within the LMRWD; and

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

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

WHEREAS, on June 7, 2018, the City prepared and submitted a draft Comprehensive Guide Plan Update (CGPU) which contains the city's Stormwater Management Plan (SWMP) and Water Quality & Wetland Management Plan (WQWMP) dated March 20, 2018; and

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

WHEREAS, the LMRWD has reviewed Chapters 6 and 10 of the CGPU, the SWMP, and the WQWMP and hereby determines that the plans have been prepared in accordance with the requirements of Minnesota Statutes Section 103B.235 and Minnesota Rules Parts 840.0160 and 8410.0170, and contains the requirements for local plans.

NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the LMRWD that the Eagan draft CPGU, the SWMO and the WQWMP are hereby approved as consistent with the LMRWD Plan, subject to the following:

- A. This approval is conditional upon the following:

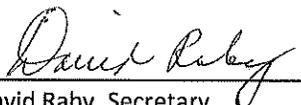
1. High Value Resource Area (HVRA) Overlay District, Activity thresholds within the HVRA Overlay District are not addressed. Requirements specific to the HVRA must be incorporated into the city's official controls.
 2. Floodplain and Drainage Alteration. Requirements prohibiting the alteration to or filling of land below the 100-year flood elevation of any wetland, public water or landlocked sub-watershed should be incorporated into the city's plans.
- B. The Lower Minnesota River Watershed Restoration and Protection Strategies (WRAPS) and Total Maximum Daily Load (TMDL) studies are underway. The LMRWD recommends the CGPU, SWMP and WQWMP be updated to reflect the findings and recommendations of the WRAPS and TMDL studies once finalized.
- C. In accordance with Minnesota Statutes Section 103B.235, Subdivision 4, the Eagan plan shall be adopted and implemented by the City within 120 days of this action, and the City shall amend its official controls accordingly within 180 days.
- D. Pursuant to Minnesota Statutes Section 103B.235, Subdivision 5, and consistent with the LMRWD Plan, the City shall submit amendments to the local water management plan to the LMRWD for review and approval in accordance with State Statutes and Rules.
- E. The LMRWD Board of Managers believes that regulation is most properly performed by the local governmental unit (LGU), provided that regulation by the LGU is consistent with the standards, goals and policies of the LMRWD Plan. The City of Eagan shall adopt official controls, to implement water management policies, standards and criteria, as stated in the CGPU, SWMP and WQWMP, at least as strict as those in the LMRWD Plan, as amended, on all projects within the boundaries of the LMRWD in the City of Eagan.
- F. For properties within the City that are split between the LMRWD and any other watershed management organization, the most restrictive water management policies, standards and criteria will be implemented.

The Motion was seconded by Manager Frey and adopted by the Board of Managers of the Lower Minnesota River Watershed District this 24th day of October, 2018.



Jesse Hartmann, President

ATTEST:



David Raby, Secretary

President Hartman introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-17

RESOLUTION APPROVING CITY OF LILYDALE 2040 COMPREHENSIVE PLAN UPDATE

WHEREAS, Minnesota Statute Chapter 473.858 requires the Local government units to prepare a Comprehensive Plan and submit their proposed plans to adjacent governmental units, affected special districts lying in whole or in part within the metropolitan area, and affected school districts for review; and

WHEREAS, the Lower Minnesota River Watershed District ("LMRWD") is a special purpose unit of government, established in accordance with Minnesota Statute Chapter 103D; and

WHEREAS, the City of Lilydale (City) lies partially within the LMRWD and therefore must meet the requirements of the LMRWD Plan for those portions of the City lying within the LMRWD; and

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

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

WHEREAS, on June 22, 2018, the City prepared and submitted the Lilydale 2040 Draft Comprehensive Plan (LD2040); and

WHEREAS, Minnesota Statutes Section 103B.235, Subdivision 3, authorizes the LMRWD to review and approve local water management plans and to take other actions necessary to assure that the local plan is in conformance with the LMRWD's plan and standards set forth therein. The sections of the LD2040 relevant to the LMRWD are in Chapter 4, Water Resources, Chapter 7, Goals and Policies and Chapter 8, Implementation. The goals and objectives in Chapter 7 are those of the City's Local Water Management Plan (LWMP) and Chapter 8 is intended to describe the corresponding strategies to implement those goals and objectives related to surface water and groundwater within the City; and

WHEREAS, the LMRWD has reviewed LD2040 and hereby determines that the plan has been prepared in accordance with the requirements of Minnesota Statutes Section 103B.235 and Minnesota Rules Parts 840.0160 and 8410.0170, and contains the requirements for local plans.

NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the LMRWD that LD2040 is hereby approved as consistent with the LMRWD Plan, subject to the following:

- A. In Section 5.4.2 of City's SWMP, include peak flow discharge rates from 24-hour events using Atlas 14 nested distribution.
- B. In Section 905.4 of the Lilydale City Ordinance, include the lowest ground level of proposed structures at a minimum of 2 feet above the 100-year high water level of nearby surface waters or 1 foot above the emergency overflow elevation, whichever is greater.
- C. The Lower Minnesota River Watershed Restoration and Protection Strategies (WRAPS) and Total Maximum Daily Load (TMDL) studies are underway. The LMRWD recommends the LWMP be updated to reflect the findings and recommendations of the WRAPS and TMDL studies once finalized.
- D. Pursuant to Minnesota Statutes Section 103B.235, Subdivision 5, and consistent with the LMRWD Plan, the City shall submit amendments to its LWMP to the LMRWD for review and approval in accordance with State Statutes and Rules.
- E. The LMRWD Board of Managers believes that regulation is most properly performed by the local governmental unit (LGU), provided that regulation by the LGU is consistent with the goals and policies of the LMRWD Plan. The City of Lilydale shall adopt official controls, to implement water management policies, standards and criteria, as stated in the LWMP, at least as strict as those in the LMRWD Plan, as amended, on all projects within the boundaries of the LMRWD in the City of Lilydale.
- F. For properties within the City that are split between the LMRWD and any other watershed management organization, the most restrictive water management policies, standards and criteria will be implemented.

The Motion was seconded by Manager Frey and adopted by the Board of Managers of the Lower Minnesota River Watershed District this 24th day of October, 2018.



 Jesse Hartmann, President

ATTEST:



 David Raby, Secretary

Manager Raby introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-18

RESOLUTION APPROVING THE SCOTT COUNTY 2040 COMPREHENSIVE PLAN

WHEREAS, Minnesota Statute Chapter 473.858 requires the Local government units (county, city, town, school district, special district or other political subdivisions or public corporation) to prepare a Comprehensive Plan and submit their proposed plans to adjacent governmental units, affected special districts lying in whole or in part within the metropolitan area, and affected school districts for review and comment; and

WHEREAS, the Lower Minnesota River Watershed District ("LMRWD") is a special purpose unit of government, established in accordance with Minnesota Statutes Chapter 103D; and

WHEREAS, the Scott County (County) lies partially within the LMRWD; and

WHEREAS, On October 24, 2018, the LMRWD adopted a Watershed Management Plan (LMRWD Plan) under Minnesota Statutes Section 103B.231, subdivision 10, which details the existing physical environment, land use and development in the watershed and establishes as plan to manage water resources and regulate water resource use to improve water quality, prevent flooding and otherwise achieve goals of Minnesota Statutes Chapters 103B and 103D; and

WHEREAS, Minnesota Statutes Section 473.859 Subdivision 2, Comprehensive Plan Content requires that a land use plan shall include the water management plan required by section, 103B.235, Local Water Management Plans; and

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

WHEREAS, on May 1, 2018, the County prepared and submitted a draft 2040 Comprehensive Plan Update (Scott 2040) for review. Sections relevant to the LMRWD are Chapter 8: Water, Natural and Agricultural Resources and Chapter 13: Implementation and Metrics; and

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

WHEREAS, the LMRWD has reviewed Chapters 8 and 13 of Scott 2040 and hereby determines that said Chapters have been prepared in accordance with the requirements of Minnesota Statutes Sections 473 and 103B.235 and Minnesota Rules Parts 840.0160 and 8410.0170, and contains the requirements for local plans.

NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the LMRWD that Chapters 8 and 13 of Scott 2040 are hereby approved as consistent with the LMRWD Plan, subject to the following:

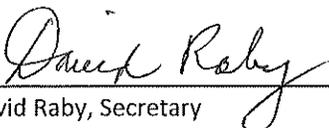
- A. Include a standard in Section 6-B2 of Scott County Zoning Ordinance No. 3, that restricts infiltration practices within 50 feet of a septic tank or drain field.
- B. Include a duration of 24 hours with the 2-, 20-, and 100-year storm recurrence interval in Section 6-B2,1,b of Scott County Zoning Ordinance No. 3.
- C. The Lower Minnesota River Watershed Restoration and Protection Strategies (WRAPS) and Total Maximum Daily Load (TMDL) studies are underway. The LMRWD recommends the Scott County Water Resources Plan be updated to reflect the findings and recommendations of the WRAPS and TMDL studies once finalized.
- D. In accordance with Minnesota Statutes Section 473.864, Subdivision 1, the County shall adopt its comprehensive plan with required modifications within nine months following a final decision, order, or judgment made pursuant to section 473.866.
- E. Pursuant to Minnesota Statutes Section 473.858, Subdivision 2, and consistent with the LMRWD Plan, the County shall submit amendments to Scott 2040 to the LMRWD for review and approval in accordance with State Statutes and Rules.
- F. The LMRWD Board of Managers believes that regulation is most properly performed by the local governmental unit (LGU), provided that regulation by the LGU is consistent with the standards, goals and policies of the LMRWD Plan. The County shall adopt official controls, to implement water management policies, standards and criteria, as stated in Scott 2040, at least as strict as those in the LMRWD Plan, on all projects where Scott County acts as the land use authority, within the boundaries of the LMRWD in Scott County.

The Motion was seconded by Manager Hartmann and adopted by the Board of Managers of the Lower Minnesota River Watershed District this 19th day of November, 2018.



Jesse Hartmann, President

ATTEST:



David Raby, Secretary

Manager Hartmann introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-19

RESOLUTION APPROVING THE CARVER COUNTY 2040 COMPREHENSIVE PLAN

WHEREAS, Minnesota Statute Chapter 473.858 requires the Local government units (county, city, town, school district, special district or other political subdivisions or public corporation) to prepare a Comprehensive Plan and submit their proposed plans to adjacent governmental units, affected special districts lying in whole or in part within the metropolitan area, and affected school districts for review and comment; and

WHEREAS, the Lower Minnesota River Watershed District ("LMRWD") is a special purpose unit of government, established in accordance with Minnesota Statutes Chapter 103D; and

WHEREAS, the Carver County (County) lies partially within the LMRWD; and

WHEREAS, On October 24, 2018, the LMRWD adopted a Watershed Management Plan (LMRWD Plan) under Minnesota Statutes Section 103B.231, subdivision 10, which details the existing physical environment, land use and development in the watershed and establishes as plan to manage water resources and regulate water resource use to improve water quality, prevent flooding and otherwise achieve goals of Minnesota Statutes Chapters 103B and 103D; and

WHEREAS, Minnesota Statutes Section 473.859 Subdivision 2, Comprehensive Plan Content requires that a land use plan shall include the water management plan required by section, 103B.235, Local Water Management Plans: and

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

WHEREAS, on May 2, 2018, the County prepared and submitted a draft 2040 Comprehensive Plan Update (Carver 2040) for review. Sections relevant to the LMRWD are Chapter 5, Water Resources and Chapter 7, Implementation; and

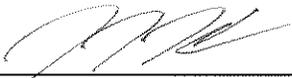
WHEREAS, Minnesota Statutes Section 103B.235, Subdivision 3 authorizes the LMRWD to review and approve local water management plans and to take other actions necessary to assure that the local plan is in conformance with the LMRWD's plan and standards set forth therein; and

WHEREAS, the LMRWD has reviewed Chapters 5 and 7 of Carver 2040 and hereby determines that said Chapters have been prepared in accordance with the requirements of Minnesota Statutes Sections 473.864, and 103B.235 and Minnesota Rules Parts 840.0160 and 8410.0170, and contains the requirements for local plans.

NOW, THEREFORE, BE IT RESOLVED by the Board of Managers of the LMRWD that Chapters 7 and 7 of Carver 2040 are hereby approved as consistent with the LMRWD Plan, subject to the following:

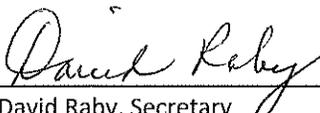
- A. Include a standard in Chapter 153 of Carver County Ordinance XV, Land Usage that restricts infiltration practices within 50 feet of a septic tank or drain field.
- B. Require the lowest level of proposed structures to be a minimum of 2 feet above the 100-year flood elevation in Chapter 153 of Carver County Ordinance XV.
- C. In addition to the requirement in Section 153.59 of Carver County Ordinance XV, that placement of fill will not cause a net decrease in storage, require that placement of fill will not decrease the conveyance capacity below the 100-year flood elevation.
- D. Include a definition of "steep Slopes" to Carver County Ordinance XV.
- E. Update the CCWMO WMP to include information from the Carver County Geological Atlas.
- F. The Lower Minnesota River Watershed Restoration and Protection Strategies (WRAPS) and Total Maximum Daily Load (TMDL) studies are underway. The LMRWD recommends the Comprehensive Water Resources Management Plan be updated to reflect the findings and recommendations of the WRAPS and TMDL studies once finalized.
- G. In accordance with Minnesota Statutes Section 473.864, Subdivision 1, the County shall adopt its comprehensive plan with required modifications within nine months following a final decision, order, or judgment made pursuant to section 473.866.
- H. Pursuant to Minnesota Statutes Section 473.858, Subdivision 2, and consistent with the LMRWD Plan, the County shall submit amendments to Carver 2040 to the LMRWD for review and approval in accordance with State Statutes and Rules.
- I. The LMRWD Board of Managers believes that regulation is most properly performed by the local governmental unit (LGU), provided that regulation by the LGU is consistent with the standards, goals and policies of the LMRWD Plan. The County shall adopt official controls, to implement water management policies, standards and criteria, as stated in Carver 2040, at least as strict as those in the LMRWD Plan, on all projects where Carver County acts as the land use authority, within the boundaries of the LMRWD in Carver County.

The Motion was seconded by Manager Frey and adopted by the Board of Managers of the Lower Minnesota River Watershed District this 19th day of November, 2018.



Jesse Hartmann, President

ATTEST:



David Raby, Secretary

Manager Raby introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-20

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

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

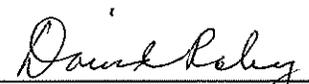
\$50,000 will be transferred from the Lower Minnesota River Watershed District's General Fund to the Nine (9) Foot Channel Fund.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 19th day of December, 2018.



Jesse Hartmann, President

ATTEST:



David Raby, Secretary/Treasurer

The motion for the adoption of the foregoing resolution was seconded by Manager Hartmann and upon a vote being taken thereon, the following voted in favor thereof: Frey, Raby and Hartmann; and the following voted against the same: None, whereupon said resolution was declared passed and adopted, this 19th day of December, 2018 signed by the President and his signature attested by the Secretary/Treasurer.

Manager Raby introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-21

RESOLUTION ADOPTING FINDINGS AND AN ORDER MODIFYING THE NINE FOOT CHANNEL PERMANENT DISPOSAL SITES ACQUISITION AND DEVELOPMENT BASIC WATER MANAGEMENT PROJECT AND DETERMINING PROJECT BENEFITS

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, by Resolution dated September 16, 2015, the Board initiated proceedings under statutes section 103D.605 to modify the previously established dredge project. The Board directed proceedings to follow the requirements of statutes sections 103D.605 and 103D.715 – .731 as appropriate; and

WHEREAS, concurrent with the statutes section 103D.605 proceedings, the District undertook proceedings under statutes section 103B.251 to include the dredge project as a capital improvement project of the District; and

WHEREAS, the Board finds that certain modifications and improvements to the dredge project, specifically the dredge material management facility, are required to fulfill local, state and federal regulatory requirements and to enable the District to more effectively meet its obligations as the local project sponsor. The proposed modifications and improvements to the dredge project are contained in engineering reports and technical memoranda (the project plan) filed with the District. The anticipated cost of the proposed modifications and improvements is \$1,814,000.00; and

WHEREAS, the Board has provided the project plan to the Department of Natural Resources and to the Board of Water and Soil Resources, both of which have returned favorable review and advisory reports on the project; and

WHEREAS, in the current proceedings, the Board has investigated benefits to properties resulting from the dredge project, maintenance thereof and improvements thereto. The Board has enlisted the assistance of a licensed appraiser to assist it with the benefits determination. The consultant's report is hereby adopted by the Board, attached to these findings as **Attachment A**, and incorporated herein by reference; and

WHEREAS, following the continued final hearing, the Board's consultant reviewed parcel changes and filed a revised recommendation in order to reflect current ownership and value; and

WHEREAS, the Board finds total, gross benefits to properties resulting from the dredge project are \$18,735,745.00. Benefits are based on the Board's determination that the dredge project enables improved economic use of the benefitted properties that would not otherwise be possible without the presence and maintenance of a navigable channel. Direct benefits of the project include commercial navigation and fleeting; and

WHEREAS, at the final hearing, various owners and representatives of owners of properties considered benefitted by the Dredge Project, appeared and expressed their concerns regarding the adoption of the benefits determination and the possibility of assessments, based on benefits, to pay for a portion of the costs of the Dredge Project. Specifically, Cargill's representative presented the Board with a sub-allocation of assessed values within its parcels in order to demonstrate that some uses within its parcels are not dependent on the navigable channel. This sub-allocation was developed by Cargill and the county assessor as a means of allocating property taxes on the whole parcel to various Cargill business units and tenants on the Cargill property. The representative's argument is that these uses, and, therefore, the portions of the property they occupy, are not benefitted by the Dredge Project. The use of the property is a management decision by Cargill and is largely independent of value the Dredge Project creates for the Cargill property. It could be argued that Cargill would not be present at the property but for its terminal operations that are dependent on barge traffic within the navigable channel; and

WHEREAS, notwithstanding the Board's comment above, the Board does agree that Cargill's comments to justify a downward adjustment of gross benefit; and

WHEREAS, the Board finds that a portion of the gross benefits resulting from the dredge project result from private investment in benefitted properties. The Board also finds that several parcels contain a mix of uses that are river and non-river dependent. Therefore, the Board sees fit to reduce the gross benefit value by 50% to arrive at net benefits resulting from the dredge project of \$9,367,872.50. The per parcel distribution of benefits, as determined by the Board, is contained in **Attachment B** and incorporated into these findings by reference; and

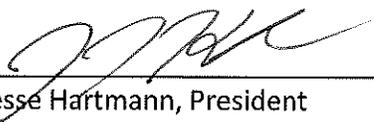
WHEREAS, the District has secured state bonding funds to defray a portion of the expenses related to the dredge project. The Board intends to continue to pursue state funding for the dredge project and will use assessment to benefitted property, if any, in combination with available state funding and general revenues from ad valorem taxes to fund the dredge project, maintenance thereof, and improvements thereto; and

WHEREAS, the Board finds the dredge project and current, proposed modifications and improvements to the dredge material management facility are conducive to public health and promote the general welfare, are in compliance with the provisions of statutes chapter 103D, and result in benefits that are greater than the cost of the construction or implementation of the project.

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

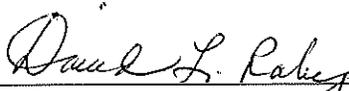
1. The Board establishes a modification to the previously established Nine Foot Channel Permanent Disposal Sites Acquisition and Development Basic Water Management Project.
2. The Board confirms the project plan.
3. The Board confirms its benefits determination as set forth in **Attachment B**.
4. The Board authorizes the construction and implementation of the project and directs its engineer to proceed with making the necessary surveys and preparing plans and specifications for the solicitation of bids and construction of the project.
5. The Secretary is authorized to coordinate with staff and to take all actions necessary to implement this resolution, except those actions reserved by statute to the Board of Managers.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 19th day of December, 2018.



Jesse Hartmann, President

ATTEST:



David Raby, Secretary/Treasurer

The motion for the adoption of the foregoing resolution was seconded by Manager Hartmann and upon a vote being taken thereon, the following voted in favor thereof: ; and the Frey, Hart- following voted against the same: None Whereupon said resolution was declared passed and mann, Raby adopted, this 19th day of December, 2018, signed by the President and his signature attested by the Secretary/Treasurer.

Manager Raby introduced the following resolution and moved its adoption:

LOWER MINNESOTA RIVER WATERSHED DISTRICT

RESOLUTION 18-22

ADOPTING 2019 BUDGET AND CERTIFICATION OF
PROPERTY TAX LEVY FOR TAXES PAYABLE 2019

WHEREAS, in August 2018, the Board of Managers of the Lower Minnesota River Watershed District ("LMRWD") adopted a proposed preliminary total budget of One Million Two Hundred Sixty Seven Thousand Two Hundred Fifty Five Dollars (\$1,267,255) for the fiscal year commencing January 1, 2019; and

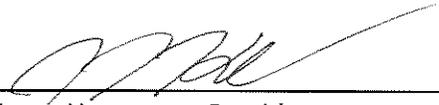
WHEREAS, the budget has been revised for a new total of One Million Three Hundred Sixty Seven Thousand Nine Hundred Eighty Two Dollars (\$1,367,982); and

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

NOW, THEREFORE, BE IT RESOLVED, that the Secretary, in accordance with Minnesota Statutes, shall certify an ad valorem tax of Seven Hundred Twenty Five Thousand Dollars (\$725,000) to the Auditors of the following Counties: Carver, Dakota, Hennepin and Scott apportioned according to the attached Schedule A, which sum to be raised by a levy on all taxable property in the Lower Minnesota River Watershed District payable in the year 2019 and for the purposes noted above as provided in Minnesota Statutes, Sections 103D.911 and 103D.915;

BE IT FURTHER RESOLVED by the Board of Managers of the LMRWD that the revised Budget is hereby approved and adopted as the final budget for 2019.

Adopted by the Board of Managers of the Lower Minnesota River Watershed District this 19th day of December, 2018.



Jesse Hartmann, President

ATTEST:



David Raby, Secretary/Treasurer

The motion for the adoption of the foregoing resolution was seconded by Manager Hartmann and upon a vote being taken thereon, the following voted in favor thereof: Hartmann, Raby and Frey; and the following voted against the same: None. Whereupon said resolution was declared passed and adopted, this 19th day of December, 2018, signed by the President and his signature attested by the Secretary/Treasurer.

SCHEDULE A

District 060 - Lower MN River Watershed

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

Preliminary Certification of Apportioned Levies

Payable 2019

1)	General Fund (M.S. 103D.905, Subd.3)		\$250,000.00
2)	Planning and Implementation Fund (M.S. 103B.241)		\$475,000.00
3)	Payable 2017 Property Tax Levy		\$725,000.00
<u>County</u>	(4) Payable 2018 Taxable Net Tax Capacity	(5) Net Tax Capacity Percent Distribution	(6) Apportioned Payable 2017 Levy Column(4) x (5)
Carver	\$6,240,151	6.6817%	\$48,442.33
Dakota	\$9,790,297	10.4830%	\$76,001.75
Hennepin	\$35,626,906	38.1476%	\$276,570.10
Scott	\$41,734,806	44.6877%	\$323,985.83
TOTAL	\$93,392,160	100.00%	\$725,000.00



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Appendix C

Capital Improvement Program

Table 4-1: Lower Minnesota River Watershed District - Implementation Program Budget for 2018 -2027

ACTION	Year										
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
EXPENDITURE											
Administrative/Managerial											
General Administrative Services, Conferences, Coordination with LGUs, Stakeholders and other Project Partners, LGU Program Reviews, 9-Foot Channel, and Advisory Committees (Technical and Citizen)	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Administrative/Managerial Budget Total	\$250,000										
Studies and Programs											
Cost Share Incentive and Water Quality Restoration Program	\$20,000	\$20,000	\$20,000	\$50,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Education and Outreach Program	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$40,000	\$40,000
Fen Stewardship Program	\$75,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Geomorphic Assessments (Trout Streams)	\$50,000		\$50,000				\$50,000	\$50,000			
Monitoring Program	\$65,000	\$65,000	\$65,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$100,000	\$100,000
Paleo-limnology Study (Floodplain Lakes)	\$50,000						\$50,000				
Sustainable Lake Management Plans (Trout Lakes)	\$50,000		\$50,000		\$50,000		\$50,000	\$50,000			\$50,000
Vegetation Management Plan		\$50,000							\$65,000		
Water Resources Restoration Fund			\$100,000	\$100,000	\$120,000	\$125,000	\$100,000	\$100,000	\$160,000	\$150,000	
Studies and Programs Budget Total	\$340,000	\$190,000	\$340,000	\$280,000	\$320,000	\$275,000	\$400,000	\$350,000	\$410,000	\$385,000	
Capital Improvements											
Assumption Creek Hydrology Restoration Project		\$30,000									
Carver Creek Restoration Project		\$80,000	\$15,000								
Minnesota River Corridor Management Project			\$25,000	\$75,000							
Groundwater Screening Tool Model	\$50,000	\$50,000	\$50,000								
District Boundary Modification Project	\$10,000										
Downtown Shakopee Targeted BMP Feasibility Study					\$50,000						
Dredge Site Restoration Project	\$240,000	\$240,000									
Eagle Creek (East Branch) Project	\$10,000	\$10,000									
East Creek Bank Stabilization Project		\$50,000									
East Creek Water Quality Treatment Project		\$50,000	\$25,000								
Minnesota River Assessment of Ecological and Economic Impacts of Sedimentation							\$25,000	\$30,000	\$45,000	\$50,000	
Minnesota River Assessment of Water Storage Benefits and Opportunities.							\$30,000	\$25,000	\$45,000	\$50,000	
Minnesota River Floodplain Model Feasibility Study		\$30,000									
Minnesota River Sediment Reduction Strategy	\$15,000	\$25,000									
Minnesota River Study Area 3 – Bluff Stabilization Project					\$100,000	\$250,000					
Realignment of the Prior Lake Spring Lake Outlet Channel				\$70,000	\$30,000						
Riley Creek Project – Downstream of Flying Cloud Drive	\$50,000	\$75,000									
Schroeder's Acres Park/Savage Fen Stormwater Management Project		\$39,555	\$181,055								
Seminary Fen Restoration Site A				\$75,000							
Seminary Fen Restoration Site B							\$50,000	\$25,000			
Seminary Fen Ravines Site C-2 and C-3 Studies							\$20,000	\$40,000			
Seminary Fen Ravines Site C-2 and C-3 Design and Construction								\$55,000	\$50,000	\$65,000	
Spring Creek Project		\$45,000									
West Chaska Creek Project		\$50,000									

ACTION	Year									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Capital Improvements Budget	\$375,000	\$774,555	\$296,055	\$220,000	\$180,000	\$250,000	\$125,000	\$175,000	\$140,000	\$165,000
TOTAL EXPENDITURES	\$965,000	\$1,214,555	\$886,055	\$750,000	\$750,000	\$775,000	\$775,000	\$775,000	\$800,000	\$800,000
REVENUE										
General Levy	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Planning and Implementation Levy	\$475,000	\$588,500	\$500,000	\$500,000	\$500,000	\$525,000	\$525,000	\$525,000	\$550,000	\$550,000
WBF - Pilot Funding (Scott)		\$73,275	\$73,275							
WBF - Pilot Funding (Carver)		\$12,736	\$12,736							
WBF - Pilot Funding (Dakota)		\$32,725	\$32,725							
WBF - Pilot Funding (Hennepin)		\$17,319	\$17,319							
Special Channel Maintenance Funding										
Grants	\$240,000	\$240,000								
TOTAL REVENUE	\$965,000	\$1,214,555	\$886,055	\$750,000	\$750,000	\$775,000	\$775,000	\$775,000	\$800,000	\$800,000

Table 4-3: Lower Minnesota River Watershed District – Capital Improvement Projects

Project Name	Project Descriptions	Project Partner	Estimated Cost	Estimated Timeline
<i>Capital Improvement Projects</i>				
Assumption Creek Hydrology Restoration Project	Assumption Creek is a trout stream, so it is important to maintain the temperature of groundwater discharge. According to the City of Chaska, portions of the creek dry out periodically. It is unknown exactly what has reduced the hydrology of the creek. It may have been the U.S. Army Corps of Engineers' historic creek rerouting for the brick factory, road construction, or other development effects. The project described here will evaluate the opportunities available to resupply the groundwater hydrology to the creek.	City of Chaska and DNR	\$30,000	2019
Carver Creek Restoration Project	This will include stabilizing the outer bends with toe protection, grading banks to a more stable slope, and stabilizing the gully.	City of Carver, Carver WMO, Carver County SWCD and USFWS	\$95,000	2019 - 2020
Minnesota River Corridor Management Project	Using the Minnesota River as a focal point, this project will examine issues facing the river's complex natural system, a shared resource and a place where varied interests and other systems converge. We seek to (1) create greater understanding of the Lower Minnesota River Corridor and its landscape, (2) demonstrate a desired future for the river and how change in the surrounding landscape can help attain this future, (3) suggest a structure or framework by which the vision can be implemented, and (4) identify shared community and public values that form the basis of the project. (This design is modeled after the Vermillion River Corridor Plan.)	All District LGUs	\$100,000	2020 - 2021
Groundwater Screening Tool Model	The District will develop a district-specific groundwater model that can be used as a preliminary screening tool for the evaluation of groundwater appropriation requests related to four fens within the district (Black Dog, Fort Snelling, Nicols, and Quarry Island). The goal of the model is to define the approximate extent of the recharge zones for the fens and provide a method for evaluating whether the proposed groundwater withdrawals may cause significant decline in head at one or more of the referenced fens.	DNR	\$150,000	2018 - 2020
District Boundary Modification Project	District staff will work with BWSR and the neighboring watershed districts and water management organizations to review and possibly modify the district's jurisdictional boundary.	BWSR, Carver County WMO, and Riley – Purgatory Bluff Creek WD	\$10,000	2018
Downtown Shakopee Targeted BMP Feasibility Study	A feasibility study will be done in downtown Shakopee to identify opportunities for implementing the targeted best management practices.	City of Shakopee	\$50,000	2022

Project Name	Project Descriptions	Project Partner	Estimated Cost	Estimated Timeline
Dredge Site Restoration Project	This project consists of implementing the site restoration project identified in the February 15, 2017, <i>Estimate of Probable Cost, Cargill East River (MN-14.2 RMP) Dredge Material Site</i> technical memorandum prepared by Burns & McDonnell, Young Environmental Consulting Group, LLC, and Berrini & Associates, LLC, for the Cargill East River (MN – 14.2 RMP) Dredge Material Site located on the Minnesota River in Savage, Minnesota.	BWSR	\$480,000	2018 - 2019
Eagle Creek (East Branch) Project	This project will restore approximately 2,400 feet of stream and repair erosion under the 128th Street Bridge. The goals of the project are to reduce erosion and improve fish habitat. Due to beaver dams, the stream cuts into three valley walls, contributing to significant deposits of sediment.	DNR, MN Trout Unlimited and City of Savage.	\$20,000	2018 - 2019
East Creek Bank Stabilization Project	Identified in the East Chaska Creek Restoration feasibility study, the scour hole downstream of Crosstown Boulevard Bridge will be repaired, bank armoring installed, toe protection and grade control structures added behind Cuzzy’s Brickhouse Restaurant, and bank armoring and toe protection installed on the right bank of East Oak Street.	City of Chaska, MPCA and BWSR	\$50,000	2019
East Creek Water Quality Treatment Project	This feasibility study reports that the ideal site to construct a treatment wetland was south of the creek in two vacant lots along Chaska Boulevard. Most lots there are paved right up to the edge of the creek bank. The flow could be diverted from the creek channel into a stormwater treatment system to provide for sediment removal, flood storage, and bacteria treatment.	City of Chaska and MPCA	\$75,000	2019 - 2020
Minnesota River Assessment of Ecological and Economic Impacts of Sedimentation	This project will examine sedimentation in the Lower Minnesota River Watershed including monitoring, modeling, and analyzing sediment sources, sinks, and pathways in the watershed; summarizing how sources, sinks, and pathways may have changed; and estimating the economic and ecological effects of sedimentation. The project team will look at how sedimentation (1) changes the stage-discharge relationships that may cause flooding, (2) generates costs to maintain a commercial navigation channel on the Minnesota River, and (3) affects the watershed with its ecological conditions. Through these analyses, a new baseline can be established, and an understanding created of how changes in land use will alter the watershed baseline and create a new condition.	BWSR and Army Corps of Engineers	\$150,000	2024 - 2027

Project Name	Project Descriptions	Project Partner	Estimated Cost	Estimated Timeline
Minnesota River Assessment of Water Storage Benefits and Opportunities.	Using the Agricultural Conservation Planning Framework (ACPF) and the Prioritize, Target, and Measure Application (PTMApp), we will determine if a flow reduction would benefit from the placement of storage measures in key locations throughout the basin. This analysis will help us understand if the threshold for meaningful change can be realized to recommend specific levels of storage in the basin. The analysis is needed to accomplish the desired outcomes: (1) hydro-correct DEMs for the lower watershed where storage impacts are desired, (2) run ACPF on priority sub-basins to determine where storage opportunities exist, (3) develop a detailed hydrologic model if one does not exist, (4) run existing and storage scenarios to determine if the amount of the discharges could be lowered for hypothetical rainfall events ranging from 10-year to 100-year events, and (5) summarize the saturation of storage and the maximum change anticipated in the specific agro-ecoregion.	MPCA and BWSR	\$150,000	2025 - 2027
Minnesota River Floodplain Model Feasibility Study	We will review the existing Minnesota River floodplain model to determine if updates are required.	DNR, Army Corps of Engineers, and all LGUs within the District	\$30,000	2019
Minnesota River Sediment Reduction Strategy	This project team will collaborate with the MPCA in developing strategies for evaluating and mitigating sediment loads going into the Minnesota River.	MPCA and BWSR	\$40,000	2018 - 2019
Minnesota River Study Area 3 – Bluff Stabilization Project	To address river bank erosion, we will analyze the design and construction of the Minnesota River at Study Area 3 project in Eden Prairie. A study was completed in October 2008 for the City of Eden Prairie in cooperation with the district. Our project will expand the 2008 study by collecting and analyzing additional data that will extend to the final design, permitting, and construction.	City of Eden Prairie	\$350,000	2022 - 2023
Realignment of the Prior Lake Spring Lake Outlet Channel	This project will place additional capacity and control structures in the channel to handle increased runoff that is draining into the channel because of developments.	City of Shakopee	\$100,000	2021 - 2022
Riley Creek Project – Downstream of Flying Cloud Drive	The project will provide an energy dissipation below the County Road 61/ Flying Cloud Drive bridge and redirect flows away from outside the creek meanders.	Hennepin County	\$75,000	2018 - 2019
Schroeder's Acres Park/Savage Fen Stormwater Management Project	This project will evaluate options for incorporating storm-water wetland and irrigation reuse systems on the site and address phosphorous, temperature, metals, E. coli and runoff volume in Eagle Creek.	City of Savage and DNR	\$220,000	2019 - 2020
Seminary Fen Restoration Site A	At the intersection of Engler and Audubon in Chaska, Minnesota, 3.61 acres of wetland will be purchased and restored. This site is dominated by reed canary grass and offers the greatest threat to the rare plants of the Seminary Fen Wetland Community. The site is next to a 6-acre wetland that was restored by the City of Chaska in partnership with the DNR.	City of Chaska and DNR	\$75,000	2021

Project Name	Project Descriptions	Project Partner	Estimated Cost	Estimated Timeline
Seminary Fen Restoration Site B	A partially drained 17-acre wetland from Falls Curve Road to Old Highway 12, that is predominantly growing reed canary grass, will be restored. The restoration involves disabling the drainage system and restoring vegetation.	City of Chaska and DNR	\$75,000	2024 - 2025
Seminary Fen Ravines Site C-2 and C-3 Studies	Seminary Fen Ravine Sites C-2 and C-3 are actively discharging sediment into the Seminary Fen Wetland Complex. This project will conduct a ravine study to estimate sediment contribution to the Seminary Fen from sites C-2 and C-3 and provide approaches and cost estimates for correcting the erosion problems.	City of Chaska and DNR	\$60,000	2024 - 2025
Seminary Fen Ravines Site C-2 and C-3 Design and Construction	The final design and construction will be done for the Ravine Sites C-2 and C-3, which are discharging sediment into the Seminary Fen Wetland Complex.	City of Chaska and DNR	\$170,000	2025 - 2027
Spring Creek Project	This project consists of retrofitting two catch basins into the structural treatment devices in the Lenzen first and second additions. In addition, the project will treat untreated discharge that comes from upstream into Spring Creek at 6th Street.	City of Carver	\$45,000	2019
West Chaska Creek Project	The project will re-meander approximately 1,100 linear feet of a ditched segment of West Chaska Creek. Lengthening the channel will reduce water velocity, lower sheer stress on the banks, reconnect the creek to its floodplain, and reduce the amount of sediment transported downstream to the Minnesota River. Based on upstream reference reaches and changes observed since the creek was straightened, the re-meander project will reduce total suspended solids by an estimated 4,400 pounds per year for 30 years.	Carver County, City of Chaska and Carver County WMO	\$50,000	2019
Potential Projects - Unfunded				
Trout Stream #4 Restoration	The DNR and MN Trout Unlimited are considering rehabilitating a trout stream near the Cedar Bridge area. These efforts are to keep the stream listed as a trout stream by the DNR. The City of Burnsville may need to make storm sewer and drainage improvements in the existing system to help the stream become a viable trout habitat.	DNR, MN Trout Unlimited, City of Burnsville	\$10,000	2018
Resiliency Assessment of Major Drainage Systems and Improvements	This assessment includes a review of the City of Burnsville's major drainage systems to identify areas where failure of major drainage systems would necessitate expensive repairs in a short time and/or cause significant damage to private buildings. These high-risk areas will be identified to aid staff in planning future improvements.	City of Burnsville	\$390,000	2018 - 19
Keller Lake to Minnesota River Hydrologic and Hydraulic Analysis and Report	This analysis of the chain of water bodies that starts at Keller Lake and ends at the Minnesota River will identify adjustments that could be made to optimize water levels in the system. Changing rainfall frequencies and amounts are the reasons for this reevaluation.	City of Burnsville	\$75,000	2019
Minnesota River Quadrant (MRQ) Stormwater and Floodplain Study and Report	This analysis of the MRQ's overall stormwater management system needs will accommodate future development. The report will guide the review of future developments in the MRQ to optimize the location of future stormwater management facilities.	City of Burnsville	\$50,000	2022

Project Name	Project Descriptions	Project Partner	Estimated Cost	Estimated Timeline
Bluff Area Risk Analysis	This analysis of the bluffs within the city will identify areas where the risk of failure is high or where failure would lead to a public safety risk or create a significant expense in a short time. This study will aid in the planning of related improvements in future capital improvement plans and future maintenance operations to proactively prevent slope failure.	City of Burnsville	\$50,000	2018
Ravine Restoration	This analysis of ravines will target those most in need of maintenance and then fund their repair to prevent loss of soils, retaining property values and reducing off-site deposit of these soils.	City of Burnsville	\$1,000,000	2019-2021
Transportation Capital Improvement Plan	This plan includes storm sewer system repair in Dakota County and the cities within it. Transportation infrastructure should be more environmentally sensitive.	Dakota County, Applicable LGUs	\$2,500,000	2018-2022
Parks and Greenways Capital Improvement Plan	This plan advances natural resource protection and restoration of the park and greenway system. In addition to managing 2,280 acres of land that have been restored or are undergoing restoration, the 2018–2022 CIP will restore an additional 956 acres. No specific projects are named, but \$1.023 million dollars is set aside annually for “Natural Resources Management: Base Program Funding.”	Dakota County	\$1,023,000	2018-2022
Land Conservation Capital Improvement Plan	This program works with willing landowners and partners to permanently protect and manage shoreland along rivers, streams, and undeveloped lakeshore; high-quality natural areas; wetlands; and associated agricultural land throughout Dakota County. Easements are a main component of this plan, mainly on agricultural lands, but on other private lands as well. Monitoring of the easements will also take place to ensure compliance with legal and stewardship plans and NRMP (natural resources management systems plan) requirements.	Dakota County, State of MN, Environmental Legacy Fund	\$11,335,000	2018-2022
Salisbury Hill (CR 51) Ravines	This is a high-priority project for the WMO. It’s willing to lead, finance, or provide incentives for this project. Unstable ravines are contributing large amounts of sediment to the Minnesota River and affecting county road maintenance. This project was included as a CIP in the previous plan but has been delayed because of changing priorities from the 2014 disaster and the need to wait for decisions about the future of roads in the area. The schedule is currently unknown because we are waiting for decisions about roads in the area.	Scott County WMO	\$750,000-\$1,500,000	2019-2026
Blaha Ravine	These ravine stabilization projects have been discussed with the City of Belle Plaine in the past; they have now included it as an official request in the letter of issues submitted to the Scott WMO at the start of the plan update process. The Scott WMO acknowledges that this will have some pollutant-loading reduction to the Minnesota River, but the reduction is small compared to the whole basin; thus, it is listed as a Tier 2 project. The City of Belle Plaine will lead the project.	Scott County, Belle Plaine, Scott WMO	\$234,000	2019-2026
Chestnut Ravine		Scott County, Belle Plaine, Scott WMO	\$102,000	2019-2026
SSTS Direct Discharge Incentives	In 2007, the county board established a cost-share program to accelerate the elimination of direct discharge SSTS. The approved TMDLs for Carver and Bevens Creeks identified that some of the	Carver County, CCWMO	\$150,000	

Project Name	Project Descriptions	Project Partner	Estimated Cost	Estimated Timeline
Blakeley Bluffs Ravine Stabilization, Phase 1	<p>fecal coliform entering those water bodies was from direct discharge and (failing) septic systems. The program offers direct incentives and low-interest loans to landowners to fix these systems, which are mainly concentrated in rural and agricultural areas in the county. The program is responsible for the entire county, except the City of Chanhasen, which has its own program.</p> <p>Phase 1 calls for assessment of ravine erosion on three county parcels within the future Blakeley Bluffs Park Reserve. Active erosion is occurring in several ravines. It appears the current rate of erosion is causing sedimentation and pollution of the dry creek bed leading to the Minnesota River. Further erosion has the potential to cut further into the bluff top areas, potentially encroaching on areas designated for future park use. Further understanding of the issue is needed to determine an appropriate response. Stabilization measures are likely needed to slow down the erosion currently taking place.</p>	Scott County, Clean Water	\$100,000	2019-2020
Wetland Mitigation Bank	<p>Wetland credits are needed for projects that are not eligible for the BWSR Local Road Wetland Replacement Program. The program does not provide mitigation for impacts due to trails or capacity-only construction projects. These types of improvements require the purchase of wetland banking credits on the open market or on-site mitigation. This project will work with several sites and potential property owners where wetland restoration is feasible and cost-effective to develop a wetland restoration project. If easements on suitable sites can be secured, construction could occur in the same year, and some credits could be released for use by the county as soon as as-built plans are prepared and certified.</p>	Scott County, State of MN	\$795,000	2019-2023
CH 51 & CH 53 Culvert Replacement	<p>Culverts will be replaced to address continuing erosion stabilization problems along the right-of-way. These culverts are larger in size and cannot be replaced by county maintenance forces. CH 51: between CH 1 and gravel portion. CH 53: ~ 1/2 mile south of TH 169</p>	Scott County	\$668,000	2018



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Appendix D

Dredge Site Work Plan, July 26 2017

Date: July 26, 2017

Organization: Lower Minnesota River Watershed District

Contact: Linda Loomis, Administrator
6677 Olson Memorial Highway
Golden Valley, MN 55427
612-306-5802 (Cell)
763-545-4659 (Home/Office)
naiadconsulting@gmail.com

This Work Plan has been prepared by a team consisting of Burns & McDonnell Engineering Company, Inc. (Burns & McDonnell) and Young Environmental Consulting Group, LLC (Young Environmental) for the Lower Minnesota River Watershed District (District) to implement capital improvement projects and to continue the operation and management (O&M) of the Cargill East River (MN – 14.2 RMP) Dredge Material Site (Site) located on the Minnesota River in Savage, Minnesota. This Work Plan identifies the capital improvement projects and O&M tasks to be completed at the Site in 2017 and 2018.

Background

The Site is located between Port Richards to the west, the Minnesota River to the north and east, and natural area to the south. The District serves as the local sponsor, responsible for providing placement site(s) for the U.S. Army Corps of Engineers (COE) to place dredge material from the Minnesota River to maintain a 9-foot-deep river channel. The District owns and operates the Site where the COE temporarily stores dredge material from the river where the material dries out prior to being taken offsite. The COE material is mainly sand and is currently sold by the District to Rachel Contracting, Inc. to be beneficially reused for various construction projects.

In 2014, the District entered into agreements with Cargill, Inc., CHS, Inc., and Riverland Ag Corp. to provide an area at the Site for temporary storage of dredge material from their private slips located on the Minnesota River. Currently, LS Marine, Inc. provides the dredging services for the private slips and each private slip owner pays the District a fee for temporary storage of the dredge material at the Site. The dredge material from the private slips consists of mainly fine-grained material (silt and clay) and is temporarily stored at the Site where it dewatered and consolidates prior to being taken offsite. Also in 2014, the District entered into an agreement with LS Marine to operate the Site and once the agreement with Rachel Contracting expires, to find end users for the COE material. Currently, the private dredge material is disposed of at a local landfill.

The COE and private slip owners maintain dredge and water works permits with the Minnesota Pollution Control Agency (MPCA) and Minnesota Department of Natural Resources (DNR), respectively.

Funding Request

The State of Minnesota appropriated \$240,000 the first year and \$240,000 the second year to the Board of Water and Soil Resources (BWSR) for a grant to the District to defray the annual cost of operating and maintaining dredge material at the Site to sustain the state, national, and international commercial and recreational navigation on the lower Minnesota River. Using State appropriated funding, the District plans to implement the capital improvement projects at the Site and continue the Site's O&M as described in a Technical Memorandum (Tech Memo) titled, "*Estimate of Probable Cost, Cargill East River (MN – 14.2 RMP) Dredge Material Site,*" prepared by Burns & McDonnell, Young Environmental, and Berrini & Associates, LLC, dated February 15, 2017. The District is requesting \$240,000 for 2017 and \$240,000

for 2018 to perform the capital improvement projects and on-going O&M items as summarized in Table 1 below.

**Table 1
Summary of Estimated Costs**

Item	Description	2017 Estimated Costs	2018 Estimated Costs
Capital Improvement Items			
1	<p>Wetlands Evaluation: There is a wetland in the northwestern corner of the Site, between Port Richards and Vernon Avenue. The reconfigured Site, as described in the February 2017 Tech Memo, may impact the wetland. To assess whether the wetland will be impacted by the modification project, a wetland delineation is required. The wetland delineation will be completed by a State of Minnesota certified wetland delineator and submitted to the City of Savage, as requested.</p>	\$10,000	\$0
2	<p>Threatened and Endangered Species Survey: During the study of the Site completed as part of the COE-sponsored Dredge Material Management Plan in March 2007, the United States Fish and Wildlife Service concurred with the findings that the Site and proposed operations would not adversely affect federally listed Threatened and Endangered (T&E) species. Given the ongoing listing and delisting of T&E species on a federal and state level, an updated T&E survey is required prior to implementing the reconfigured Site design. The T&E survey will be completed by an environmental specialist in accordance with applicable state and federal requirements.</p>	\$10,000	\$0
3	<p>Hydrologic and Hydraulic Modeling: Per the Federal Emergency Management Agency (FEMA), the Site is located within the Minnesota River floodway portion of the floodplain. The floodway is the channel of a river or other watercourse and the adjacent land areas that must be reserved to discharge the base flood without cumulatively increasing the water surface elevation by more than a designated height. The FEMA delegated administration of floodplain regulation to the states. In Minnesota, that authority is facilitated by the DNR and administered by the local government units. Permits associated with work on the Site, which is in the floodway, are administered locally by the City of Savage.</p> <p>The District was issued a Conditional Use Permit (CUP) by the City of Savage in 2006. The CUP was amended in 2014 and is up for review in 2017. As confirmed by City of Savage, they will require hydrologic and hydraulic modeling (H&H) of the reconfigured Site design to demonstrate that the dredge material will not raise the flood stage. The H&H modeling will be completed by a licensed professional engineer registered in the State of Minnesota. Following the completion of the H&H analysis, the District will complete the necessary work to obtain a no-rise certification for the Site.</p>	\$25,000	\$0

4	<p>Geotechnical Evaluation: A geotechnical evaluation of the Site is needed to aid in the detailed engineering design of the reconfigured Site. The geotechnical evaluation will evaluate the suitability of the onsite material for use in construction and evaluate the stability of the berms during various conditions (e.g., during a flood event). The geotechnical evaluation will be completed by a licensed professional engineer registered in the State of Minnesota.</p>	\$25,000	\$0
5	<p>Topographic Survey: A topographic survey of the Site is needed to aid in the detailed engineering design of the reconfigured Site. The topographic survey will be completed by a licensed professional surveyor registered in the State of Minnesota.</p>	\$12,000	\$0
6	<p>Detailed Engineering Design and Permitting: Detailed engineering design and permitting of the reconfigured conceptual Site design needs to be completed in accordance with MPCA requirements and to incorporate the information determined from the wetlands evaluation, the T&E survey, the H&H modeling, the geotechnical evaluation, and the topographic survey. The detailed design documents (i.e., plans and specifications) can then be used by a contractor to construct the reconfigured Site design. The detailed engineering design and permitting will be completed by a licensed professional engineer registered in the State of Minnesota.</p>	\$55,000	\$55,000
7	<p>Implementation of Conceptual Site Design: In 2018, the District plans to start construction of the reconfigured conceptual Site design. Construction components may include earthwork and moving the Minnesota River Site access points from their current locations to allow for more efficient Site operations.</p>	\$0	\$63,000
Site O&M Items			
8	<p>LS Marine Operating Costs: The District has an agreement with LS Marine to operate the Site. Annual LS Marine Site operating costs are estimated based on the agreement.</p>	\$13,000	\$13,000
9	<p>Erosion Control and General Site Maintenance: The District is responsible for maintaining the existing erosion control features and completing general Site maintenance, as required.</p>	\$31,000	\$32,000
10	<p>Updated Topographic Survey: A topographic survey of the Site is needed annually to accurately determine the amount of material at the Site and to estimate the remaining storage capacity of the Site.</p>	\$0	\$8,000
11	<p>Culvert Cleanout: The culvert at the Site entrance needs annual cleaning to remove debris.</p>	\$3,000	\$3,000
12	<p>Vernon Avenue Maintenance: Vernon Avenue needs annual maintenance to allow for construction vehicle access to the Site.</p>	\$5,000	\$5,000
13	<p>Engineering Design/Permitting Support: On an annual basis, the District requires engineering design/permitting support for on-going O&M of the Site.</p>	\$26,000	\$26,000
Administrative Items			

14	Program Management: The District will manage the implementation of the grant funding and also complete the reporting and documentation tasks as required by BWSR.	\$25,000	\$25,000
15	Program Close Out: The District will submit the documentation, as required by BWSR, to close out the grant.	\$0	\$10,000
Totals		\$240,000	\$240,000

Summary

In summary, the District is requesting \$240,000 for 2017 and \$240,000 for 2018 to implement certain capital improvement projects at the Site and for the continued O&M of the Site as described above.



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Appendix E

2018 Cost Share Projects

Bergo - 727 7th Street, Chaska, MN

2018 Cost Share

Chaska

Cost Share number 2018-CS-2



Project Status | Complete

The Board of Managers approved this project at the March 2018 meeting. pollinators.

The project was completed in June.

Project Description

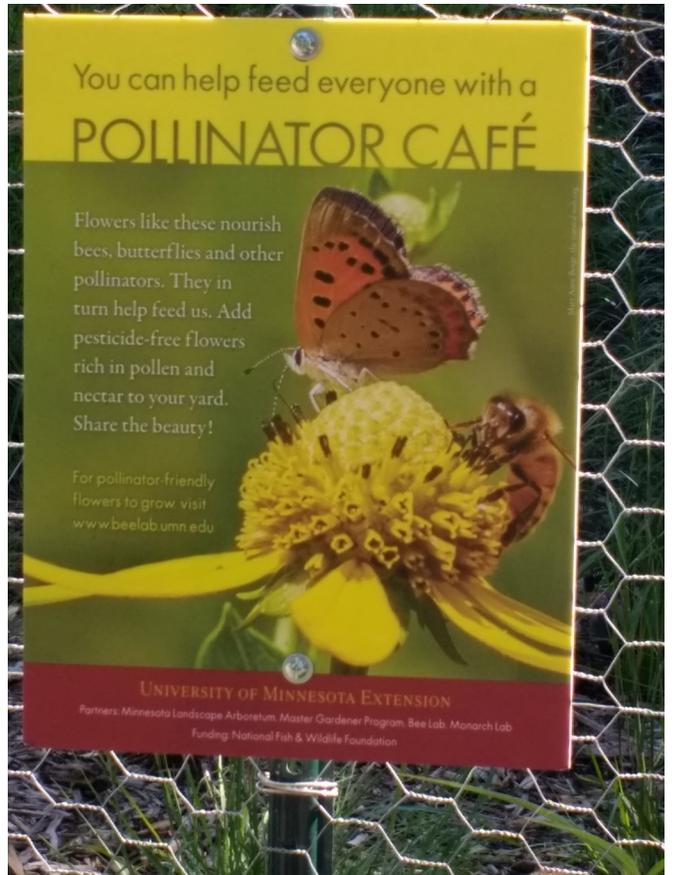
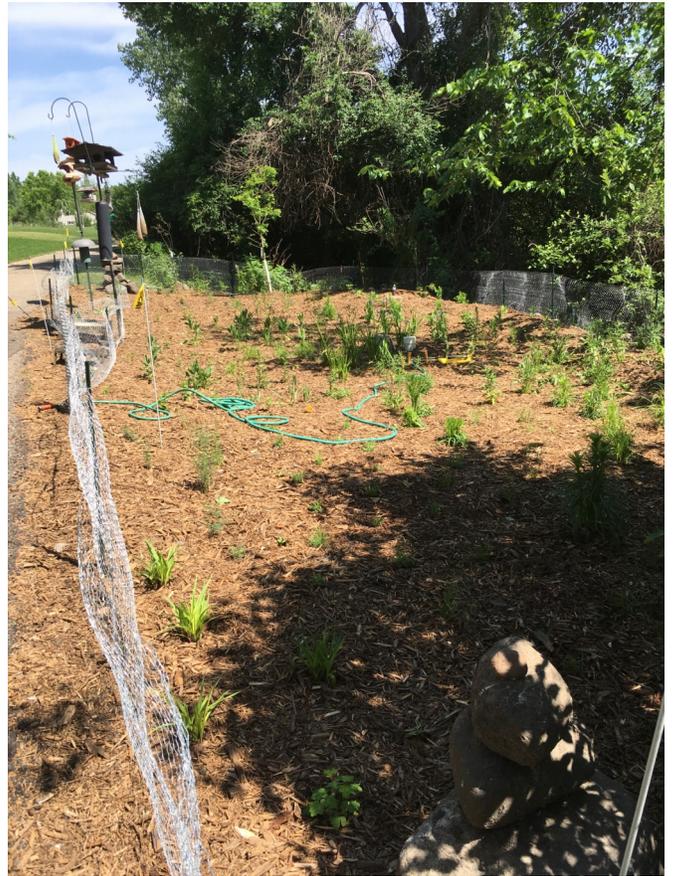
This project was to install a rain garden at a single family residential home in Chaska. The rain garden collects rain water from the home and a public trail that runs between the home and a pond. The home owner planted the rain garden with native plants that provide habitat and food for.

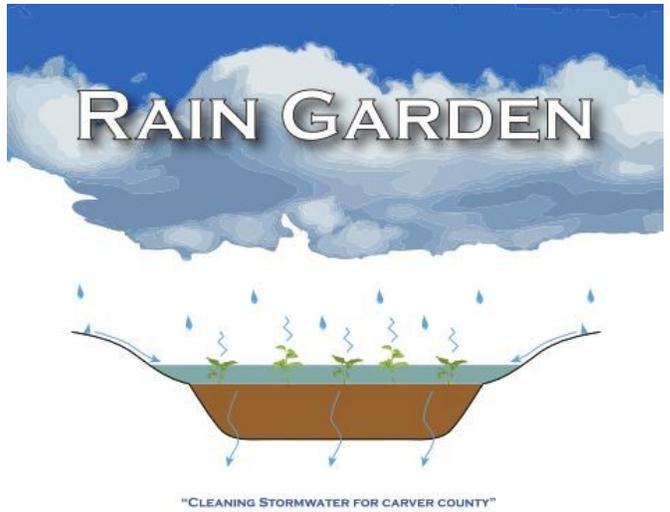
The homeowners retained the services of a landscape contractor to install the garden and used the services of the Carver County Soil & Water Conservation District to assist with the design. Fencing was included in the project because the homeowners have experienced problem with rabbits. The cost of the fencing was not included in the original application. The LMRWD authorized the installation of the fence. The fence was dug in so that the rabbits could not dig underneath.

I visited the site on August 30th and took some pictures which are attached. Carver SWCD took pictures in June after the project was completed. Those pictures are also attached.

The homeowner has said that many people stop and ask about the garden since it is on a public trail and asked if we would install a sign. The Carver SWCD designed a sign, a picture of which is included with the photos of the project.

The total cost of the project was \$4,676.96. The original estimate of the cost of the project was \$4,563.46. The grant request was for 50% of the cost or \$2,281.73. The reimbursement made to the homeowner was \$2,338.48.





A rain garden is a shallow flat depression in the ground that allows stormwater to slowly infiltrate into the soil. Native plants, mulch, and soil in the rain garden naturally remove pollutants contained in the stormwater. Rain gardens receive stormwater from impervious (hard) surfaces such as rooftops, sidewalks, driveways and patios, reducing the amount of stormwater (and pollutants they carry with) from entering our lakes, creeks and the Minnesota River.



LOWER MINNESOTA RIVER
WATERSHED DISTRICT
lowermriverwd.org



Chimney Pines Homeowners Association

2018 Cost Share

Eden Prairie

Cost Share number 2018-CS-1



Project Status | Complete

The Board of Managers approved this project at the March 2018 meeting. This is the third year of a four year project planned by the Chimney Pines Homeowners. Chimney Pines is a development that includes about 50 homes that surround a stormwater pond. The shore of the pond has become overgrown with invasive and other undesirable plant species.

The 2018 project was completed in September.

Project Description

The first project was funded by the LMRWD in 2016 and the second in 2017. The homeowners hope to remove the invasive and other undesirable species and replant the entire shoreland around a regional storm water pond with native species that will filter storm water flowing overland to the pond and attract pollinators. A steep slope is located on the south end of the pond and is planted in mostly grass and crown vetch. The homeowners plan to replace this with native prairie that will improve water quality in the pond and reduce maintenance needs.

This phase of the project cleared invasive species from the north and east side of the pond.

I visited the site September 27th. While on site, I observed the previous two projects. The Homeowners have been maintaining the previous plantings, which are doing very well. The homeowners say the water quality in the pond continues to improve, both in clarity and noticeably less algae growth. They have begun to have some problems with raccoons and are looking at ways to discourage them from digging in the newly planted areas.

They are planning to prepare for the final phase of the project by preparing the area this fall. They are planning to put down craft paper and cover the paper with leaves from the fall yard clean up.



Before



After



After





GALLIGHER GLASSEN RESIDENTIAL RAINGARDEN



BEFORE

A raingarden is a shallow depression that captures rainwater, removes pollutants, and helps water to soak into the ground.



AFTER

PRACTICE:

- Raingarden

BENEFITS:

- Runoff volume reduction
- Improved water quality
- Improved wildlife habitat
- Opportunity for public outreach and education
- Improved aesthetics

PARTNERS:

- Lower Minnesota River Watershed District

WATERSHED:

- Minnesota

RECEIVING WATERS:

- Lower Minnesota

INSTALLATION:

- Summer 2018

PROJECT: Installation of a 250 square foot residential raingarden

COST: Project materials cost estimated at \$1,100

FUNDING: Landowners receive a \$250 Landscaping for Clean Water grant as well as technical assistance provided by the Dakota County Soil and Water Conservation District

LOCATION:

Burnsville, MN
Valley Drive



LOWER MINNESOTA RIVER
WATERSHED DISTRICT



SCHWARTZ

RESIDENTIAL NATIVE GARDEN



A native garden, also called natural landscaping, uses plants, trees and grasses that are suitable for growth in a particular geographical area



PRACTICE:

- Native Garden

BENEFITS:

- Runoff volume reduction
- Slope stabilization
- Improved wildlife habitat
- Opportunity for public education and outreach
- Improved aesthetics

PARTNERS:

- Lower Minnesota River Watershed District

WATERSHED:

- Minnesota

RECEIVING WATERS:

- Lower Minnesota

INSTALLATION:

- Spring 2018

PROJECT: Installation of a 120 square foot garden

COST: Project materials cost estimated at \$530

FUNDING: Landowners receive a \$250 Landscaping for Clean Water grant as well as technical assistance provided by the Dakota County Soil and Water Conservation District

LOCATION:

Burnsville, MN
Chelsea Court



LOWER MINNESOTA RIVER
WATERSHED DISTRICT



ZEPEDA

RESIDENTIAL RAINGARDEN



BEFORE

A raingarden is a shallow depression that captures rainwater, removes pollutants, and soaks the water into the ground



AFTER

PRACTICE:

- Raingarden

BENEFITS:

- Runoff volume reduction
- Improved water quality
- Improved wildlife habitat
- Opportunity for public education and outreach
- Improved aesthetics

PARTNERS:

- Lower Minnesota River Watershed District

WATERSHED:

- Minnesota

RECEIVING WATERS:

- Lower Minnesota River

INSTALLATION:

- Summer 2018

PROJECT: Installation of a 120 square foot residential raingarden

COST: Project materials cost estimated at \$530

FUNDING: Landowners receive a \$250 Landscaping for Clean Water grant as well as technical assistance provided by the Dakota County Soil and Water Conservation District

LOCATION:

Burnsville, MN
Chelsea Court



LOWER MINNESOTA RIVER
WATERSHED DISTRICT