





**2016 Annual Report**  
Middle-Snake-Tamarac Rivers Watershed District

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## Mission Statement

The mission of the Middle-Snake-Tamarac Rivers Watershed District is to manage the District's resources for the efficient movement of water across the District for purposes of reducing flooding, providing agricultural drainage and to protect and improve water quality.

## Letter from the Chairman

*Pursuant to the Minnesota Watershed Act, Chapter 103D, we submit this 47th Annual Report for the Middle-Snake-Tamarac Rivers Watershed District (MTRWD) for the year 2016.*

Greetings and welcome to the Annual Report of the Middle Snake Tamarac Rivers Watershed District!

Every year the District prepares an annual report on what has been happening with the watershed over the past year. This report includes information on the ditch systems, projects new and old, as well as the annual financial report.

The District did receive funding for two Regional Conservation Partnership Program projects for planning and engineering purposes. The funding is part of a USDA program, and is administrated through the State NRCS. One project is located on the Judicial Ditch #14 ditch system near Viking, Minnesota, and the other project is located east of Strandquist, Minnesota, within the Judicial Ditch #19 ditch system. The goal of these two projects is to reduce flood damages while at the same time assisting with the conveyance of water in that area.

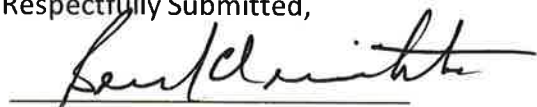
We are also working closely with the City of Newfolden as they look for ways to remove/protect a portion of the City from the 100 year flood plain. The Watershed has restarted the Project Team process in the Swift Coulee area as well, working with the local landowners and agencies to find ways to reduce flooding while maintaining drainage.

The Watershed District has also seen a turnover of staff over the past year, including a new Administrator, as well as some new faces on the Board of Managers. The following pages will introduce you to them.

This report also addresses the other activities the District is involved in, as well as the various agencies we work with. You will also find information on the ditch systems that the Watershed oversees along with the annual audit report in regards to the financial condition of the District.

I invite you to read through the report, and if you have any questions or comments do not hesitate to contact us.

Respectfully Submitted,



Ben Kleinwachter  
Chairman

### Board of Managers

The Middle-Snake-Tamarac Rivers Watershed District is governed by a seven-member Board of Managers, appointed by the County Commissioners for Marshall and Polk Counties. Marshall County appoints six managers and Polk County appoints one manager. The terms are set so two Manager positions are appointed each year.

The Marshall County Board of Commissioners, in September 2016, re-appointed John W. Nelson of Oslo, and appointed Mr. Brad Blawat of Viking to the MSTRWD Board of Managers. At year end, the Marshall County Commissioners were seeking one more appointment to serve on the Board.



*David Bakke, Ben Kleinwachter, Robert Kovar, Administrator Brent Silvis, Roger Mischel, Brad Blawat and John W. Nelson (L to R)*



*Tom Neibauer represented Marshall County and served one term on the Board from 2013-2016. He did not seek reappointment when his term expired in August 2016.*



*Jim Jubie represented Marshall County. His term began August 2014. He resigned from the Board in December 2016.*

The terms of the managers are for 3 years. The following table lists the position they hold, county represented and term.

#### **The Middle-Snake-Tamarac Rivers Watershed District Board of Managers**

NAME	OFFICE	HOMETOWN	COUNTY REPRESENTED	TERM ENDS
BEN KLEINWACHTER	President	Strandquist	Marshall	Aug 27, 2017
JOHN W NELSON	Vice President	Oslo	Marshall	Aug 27, 2019
DAVID BAKKE	Secretary	Newfolden	Marshall	Aug 26, 2018
ROBERT KOVAR	Ass't Sec/Treas	East Grand Forks	Polk	Feb 3, 2018
BRAD BLAWAT	Manager	Viking	Marshall	Aug 27, 2019
ROGER MISCHER	Manager	Warren	Marshall	Aug 27, 2018

#### **Board Meetings**

The Board of Managers held 24 regular scheduled meetings in 2016. These meetings are normally held on the first and third Monday of each month, at the District Office, at 4:00 p.m., (unless the date falls on a Federal holiday or postponement due to inclement weather). At the November 7, 2016 board meeting, the Board passed a motion to change the meeting time from 4:00 p.m. to 8:30 a.m., effective January 1, 2017.

The week prior to each meeting, the Watershed District posts a notice in the Watershed District office, publishes a notice in the Warren Sheaf and the Middle River Honker, posts a notice on the District website and on the District's Facebook page, and the notice is sent by mail to those who request it.



Agendas for the upcoming meeting can be viewed here: <http://mstrwd.org/about/agendas/>  
Meeting minutes can be viewed here: <http://mstrwd.org/about/minutes/>

The public is welcome at meetings. Anybody wishing to address the Board can do so, although it is appreciated if the office is notified prior to the meeting so guests can be placed on the agenda.

### Staff

This year the Board of Managers hired Brent Silvis as the Administrator of the District. He began employment in July 2016. Christina Slowinski was hired as an Engineering Technician in April 2016. They join staff employees, Danny Omdahl, Engineer Technician and Connie Kujawa, Administrative Assistant.



Brent Silvis  
Administrator  
[brent.silvis@mstrwd.org](mailto:brent.silvis@mstrwd.org)  
218-230-5703



Connie Kujawa  
Administrative Assistant  
[connie.kujawa@mstrwd.org](mailto:connie.kujawa@mstrwd.org)  
218-745-4741



Danny Omdahl  
Engineer Tech 3  
[danny.omdahl@mstrwd.org](mailto:danny.omdahl@mstrwd.org)  
218-201-0495



Christina Slowinski  
Engineer Tech 2  
[christina.slowinski@mstrwd.org](mailto:christina.slowinski@mstrwd.org)  
218-230-4007

## Office



*Middle-Snake-Tamarac Rivers Watershed District Office*

### Address

453 North McKinley Street  
Warren, MN 56762

### Mail

PO Box 154  
Warren, MN 56762

### Office Hours

8:00 am to 4:30 pm  
Weekdays

**Phone:** 218-745-4741

**Fax:** 218-745-5300

**Email:** [info@mstrwd.org](mailto:info@mstrwd.org)



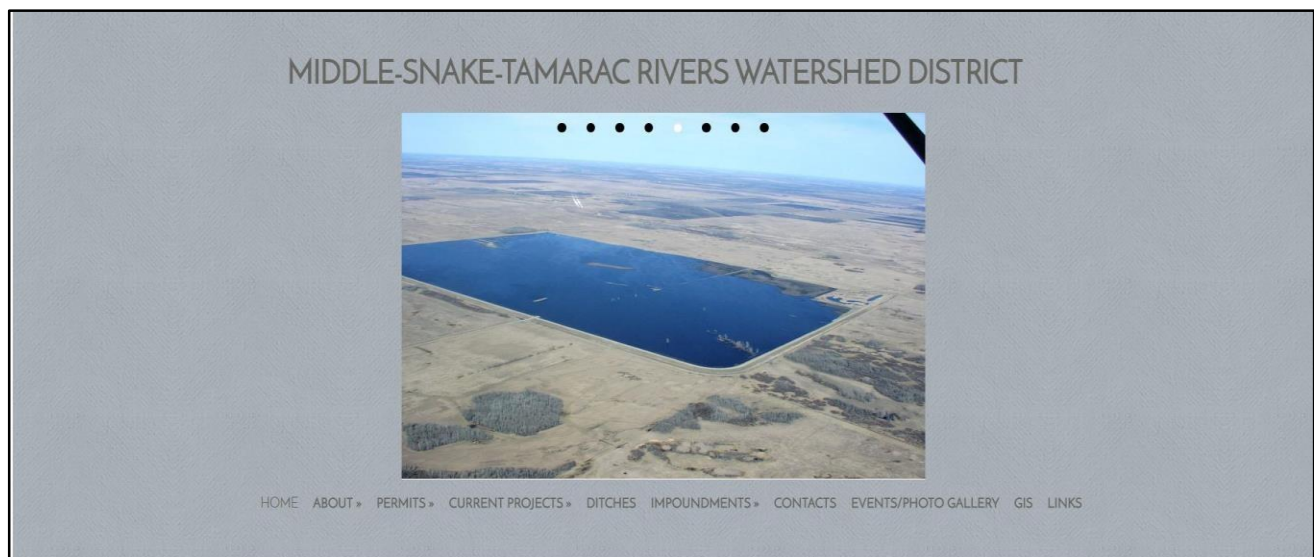
*KB Stump Removal & Complete Tree Service removing tree stumps  
around the District office*

At the end of the year, the District approved the removal of four cherry trees that surrounded the District Office. These trees were removed by Sentence to Serve due to disease. Once the trees were removed, KB Stump Removal & Complete Tree Service removed the tree stumps. The District hopes to plant new trees or bushes in the spring of 2017.

## Website

The District maintains a website ([www.mstrwd.org](http://www.mstrwd.org)) where staff posts Board meeting agendas and minutes, reports and updates on District Projects, maps, and information about legal drainage systems (ditches) under MSTRWD jurisdiction and their benefited areas. The website also provides links to other websites that provide information of interest to our constituents. The website received a major upgrade and facelift in 2016.

The website is very user friendly. Once the website loads, the viewer will see multiple pictures from around the District. To get to the most recent announcements, one can either scroll down the page, or they can click on the “Announcements” tab. The viewer is also able to see a calendar on the right-hand side with all our upcoming meetings and events. Also, included on the right-hand of the screen is the contact information for the office and the District’s staff, map of office location, and office hours.



*Screenshot of MSTRWD's website home page*

The “About” tab contains information regarding the District’s Board Meeting’s Agendas and Minutes. It also has a History tab and contains some important documents such as the Mission statement, the 10 Year Management Plan, Rules & Regulations, and the Annual Report.

The “Permit” tab contains Permit Rules & Regulations, a PDF of Permit Application, a PDF of the Hunting Permit Application, and maps of the locations which one can hunt during official Minnesota hunting seasons. All applications can be printed off and sent to the MSTRWD office by mail, fax, or e-mail.

The “Projects” tab contains a list of all the current projects and project teams in the District. Each project has links to notes from every meeting and report.

The “Ditches” tab contains a user-friendly map that depicts the locations of all the drainage systems that the MSTRWD has jurisdiction over. One can click on the ditch system (or on the files above) to gain access to the historical data of that ditch system.

The “Impoundments” tab contains a list of all the impoundments in the District. Each Impoundment link then gives a brief historical background.

The “Contacts” tab lists the contact information for the District office, Board Members, and District staff.

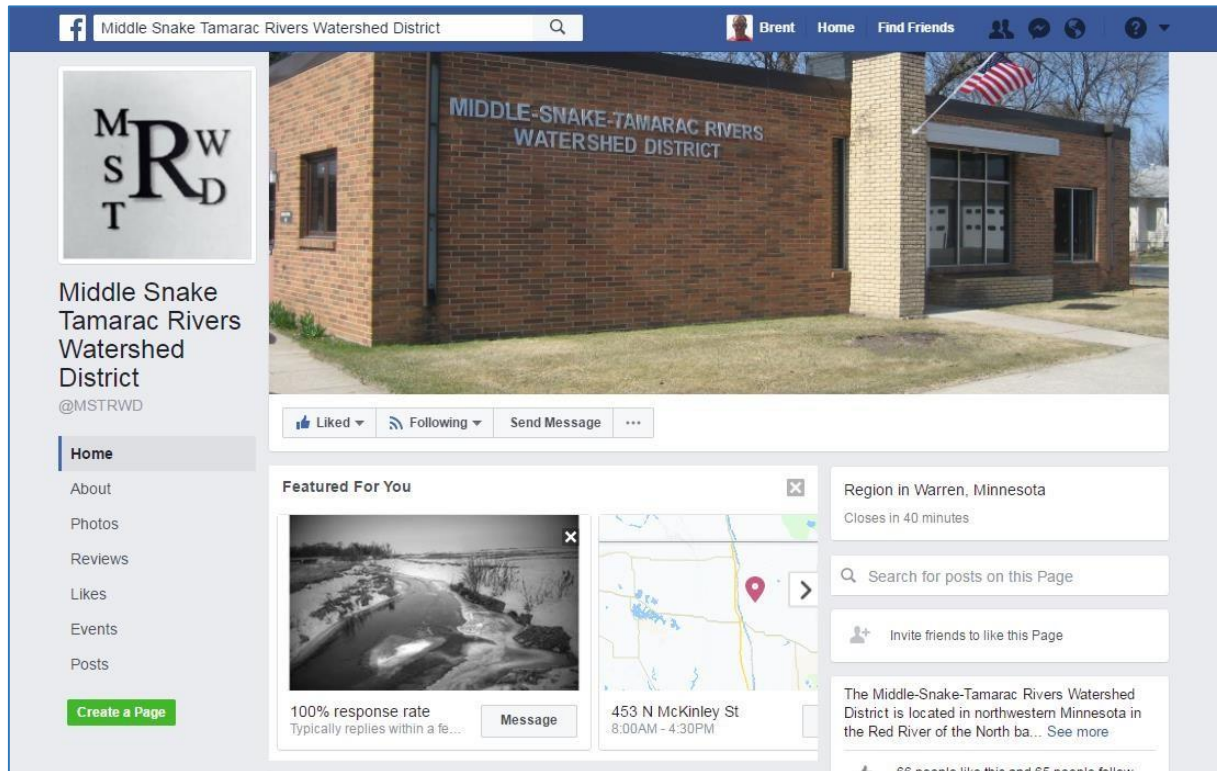
The “Events/Photos” tab is an ongoing blog of what public outreach the District has participated in.

The “GIS” tab is an interactive map called an online watershed viewer, in which the viewer has access to many different informational layers such as soil types, FEMA floodplains and land use. This viewer is so that the public may have quick access to information that may be helpful for personal projects.

The “Links” tab includes links to other websites that may be useful for the public such as Federal, State, or County Government Organizations, Soil and Waters Conservation Districts and many other organizations.



## Facebook



*Screenshot of the MSTRWD's Facebook page*

In 2016 the Watershed District started maintaining its Facebook page, which had been inactive. On the page, staff post images and messages about Watershed District projects, events and outreach activities. The District also shares information from other organization's pages such as Board of Water and Soil Resources (BWSR) or local Soil and Water Conservation Districts (SWCD). Visitors are encouraged to participate in posts and/or submit pictures of plants, animals, scenery and outdoor recreation activities from around the District. One can find our page by searching in Facebook for Middle Snake Tamarac Rivers Watershed District or MSTRWD or by following this link <https://www.facebook.com/MSTRWD/>

**Please like our page!**



## Partners

### Engineering Services



Houston Engineering Inc. provides engineering for the Watershed District. The District also utilizes HDR Engineering.

### Legal Services



Brink, Sobolik, Severson,  
Malm & Albrecht, P.A.

The District's general legal counsel is the law firm of Brink, Sobolik, Severson, Malm & Albrecht P.A.

### Accounting Services



The District uses the accounting services of Brady Martz & Associates, P.C.

## Watershed District Advisory Committee

The Watershed District, on behalf of the Committee, holds at least one Advisory Committee meeting every year. Statutorily, the Advisory committee has, if possible, a supervisor of a SWCD, a County Commissioner, a representative of a sporting group, and a representative of a farm organization that are selected by the Managers to provide recommendations on matters affecting the watershed district, including all contemplated projects and improvements. Along with landowners, this group can play an important role in ensuring that the watershed district is fulfilling the needs of the community and is aware of citizen concerns. The meeting is advertised in each county newspaper within the District, and the District sends invitations to previous attendees and township officials. The Advisory Committee meeting is open to the public and the public is encouraged to attend and participate.

On November 21, 2016, the Advisory Committee meeting was held at the Bremer Bank in Warren, Minnesota. Watershed District Administrator, Brent Silvis opened the meeting and election of officers presided. Robin Johnson was nominated to serve as Chairman and Sharon Bring was nominated as the Secretary.

### **2016 ADVISORY COMMITTEE ATTENDEES**

Committee Members	Affiliation
John W Nelson	Vice President, Middle-Snake-Tamarac Rivers WD
David Bakke	Secretary, Middle-Snake-Tamarac Rivers WD
Brent Silvis	Administrator, Middle-Snake-Tamarac Rivers WD
Danny Omdahl	Technician, Middle-Snake-Tamarac Rivers WD
Christina Slowinski	Technician, Middle-Snake-Tamarac Rivers WD
Dean Danielski	Farley Township
Virgil Wagner	Cedar Township
Ken Johnson	Bigwoods Township
Mark Weber	Wright Township
Stuart Nordling	Vega Township
David Nelson	Warrenton Township
Robin Johnson	Warrenton Township
Jim Johnson	Warrenton Township
Jared Sands	Oak Park Township
Norman Lindemoen	Landowner
Eugene Mattson	Landowner
Tony Nordby	Houston Engineering, Thief River Falls
Don Diedrich	Polk County Commissioner
LeRoy Vonasek	Marshall County Commissioner
Sharon Bring	Marshall County Commissioner
Rolland Miller	Marshall County Commissioner
Gary Mattson	City of Oslo
Gary Toren	City of Alvarado

Administrator Silvis gave a presentation which reviewed the history of the District, new staff members, current/completed projects and future works. Administrator Silvis stated the District received less permit applications than the preceding year, 27 miles of ditches under the jurisdiction of the District were cleaned, 88 miles of ditches were sprayed by helicopter for cattails and brush. Fifty-five beaver were harvested throughout the District.

The attendees were briefed on the sloughing issues on Judicial Ditch #75 and the drainage issues of County Ditch #175. Administrator Silvis informed the attendees that the District is attempting to address both matters.

Other items that were discussed and reviewed included:

- The establishment of grass strips and buffer legislation;
- The Middle River Subwatershed/Newfolden Project Team meeting and completion of the feasibility study;
- Judicial Ditch #14 and Judicial Ditch #19 Regional Conservation Partnership Program thru the NRCS;
- Oslo Access Phase 2 project which is being funded by the State of Minnesota and the State of North Dakota;
- The Board meetings of the Board of Managers, will be changed from 4:00 p.m., to 8:30 a.m., beginning January 1, 2017.

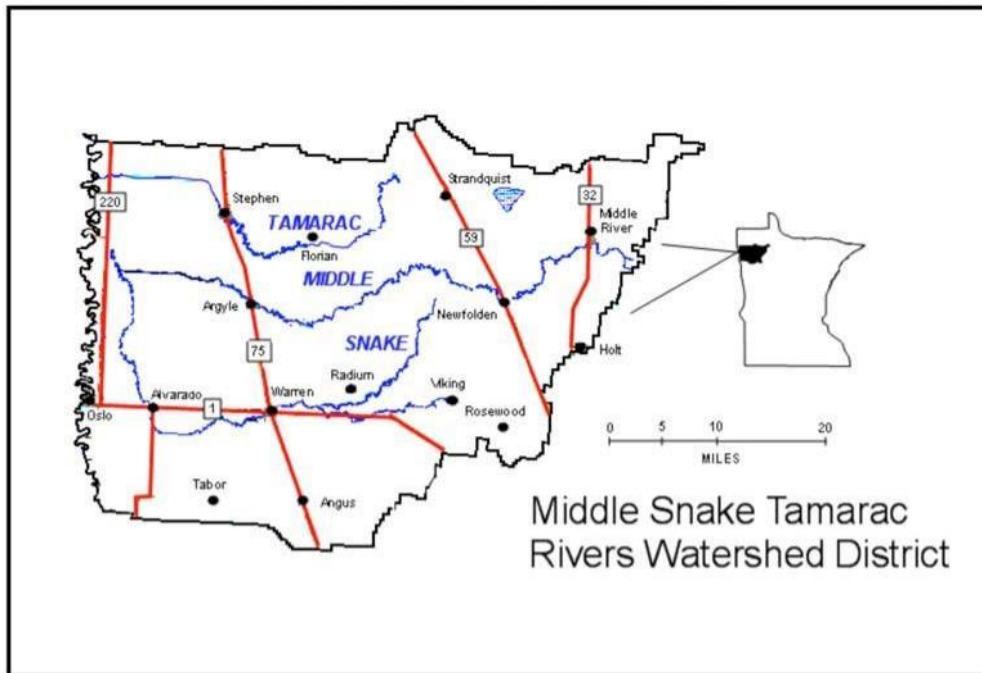
Some questions posed by the Advisory Board members included:

- If there would be tree removal performed during the winter months;
- Could the Florian Swamp be drained to the bottom of the culverts;
- If the District is going to address the concerns and issues of drain tile;
- When permits are requested from the District, when do individuals need to get permits from other agencies;

The Advisory Committee set the 2017 meeting for November 20, 2017, at 1:30 p.m.



## History of the Middle-Snake-Tamarac Rivers Watershed District



*Map of the Middle-Snake-Tamarac Rivers Watershed District*

The Middle-Snake-Tamarac Rivers Watershed District was established by an order of the Minnesota Board of Water and Soil Resources (BWSR) on August 28, 1970 to address water resource management issues and to alleviate flooding in the Red River Valley. Since its establishment the District has worked primarily to develop projects that manage surface water.

The District consists of approximately 1,476 square miles in Marshall, Polk, Pennington, Kittson and Roseau Counties. The boundary of the District has been modified five times by boundary change proceedings. The District includes the drainage basin of the Snake River (approximately 750 square miles), the Middle River, a tributary of the Snake River, (approximately 295 square miles), the Tamarac Watershed Area (approximately 431 square miles), and the drainage basin of several Legal Drainage Systems draining directly into the Red River of the North.

In 1973, jurisdiction over the judicial drainage systems within the District - Marshall County Ditch #1, Marshall County Ditch #4, Marshall County Ditch #39, Lateral #7 of Marshall County Ditch #44 and Polk County Ditch #175 - was transferred to the Watershed District Board of Managers by the District Court. At that time, approximately 310 miles of legal drainage systems were under the jurisdiction of the Board of Managers. In 1974, the District adopted rules that regulate certain works in the District. These rules were modified in 1978, 1999 and 2004.

In 1977, the Board entered a Joint Powers Agreement with the other Watershed Districts in the Red River Basin to form the Lower Red River Watershed Management Board whose name was changed

(in 1991) to the Red River Watershed Management Board. This organization provides funding to member districts, primarily for floodwater detention structures that benefit more than one member District. The Red River Watershed Management Board currently consists of eight watershed districts.

In April 2002, at the request of residents, the Marshall County Board of Commissioners successfully petitioned BWSR to add the Tamarac Watershed area to the Middle River Snake River Watershed District. The petition also requested two changes: increasing the number of District Managers from 5 to 7 members, and a new name: the Middle-Snake-Tamarac Rivers Watershed District. In September 2002, BWSR granted the petition, which increased the area of the Watershed District by about 44% (440 square miles). Jurisdiction of the legal drainage systems in the Tamarac Watershed area did not change.

In 2003, both the Middle-Snake-Tamarac Rivers Watershed District and the Two Rivers Watershed District petitioned BWSR to change the District boundaries to follow, as possible, the hydrologic boundary. This petition was granted. The net effect of this petition was to move approximately 14 square miles into the Two Rivers Watershed District and to move about 2 square miles into the Middle-Snake-Tamarac Rivers Watershed District.

In 2004, the District petitioned BWSR to amend the *1994 Watershed Management Plan* to include the Tamarac Watershed area in the District. A hearing on the proposed Amended Plan was held in December 2004. In January 2005, the Board approved the Amended Plan. The Amended Plan was published in May of 2005.

In 2009, the District began the process to update their *10 Year Management Plan*. The process continued thru 2010 and was approved at a hearing before BWSR in June 2011.

In 2010, the Polk County Commissioners gave jurisdiction of Polk County Ditches #43 and #44 (approximately 16 square miles in Angus Township) to the District. This increased the total miles of legal drainage system in the District to 336.

### **Annual Reports**

Under MN Statute 103D.351 the District Board of Managers are required to prepare a yearly report of the financial conditions of the watershed district, the status of all projects, the business transacted by the watershed district, other matters affecting the interest of the watershed district, and a discussion of the managers' plans for the succeeding year. Copies of the report must be transmitted to the Board of Water and Soil Resources, the commissioner, and the director within a reasonable time.

Copies of past annual reports are available online at <http://mstrwd.org/about/annual-report/> or a hard copy can be made available from the District's office, per request.

## 10-Year Plan

Under MN Statute 103D.401 the managers must adopt a watershed management plan for any or all of the purposes for which a watershed district may be established. The watershed management plan (WMP) must give a narrative description of existing water and water-related problems within the watershed district, possible solutions to the problems, and the general objectives of the watershed district. The Board of Managers are also required under MN Statute 103D.405 to revise or update a watershed management plan for the District every ten years.

The WMP is an important tool for identifying problems and issues, goals, and long and short term strategies to address these issues and attain the goals. The WMP also inventories resources, assesses resource quality, and establishes regulatory controls, programs, or infrastructure improvements needed to manage the resources within the watershed.

The original “Ten Year Updated Watershed Management Plan” was prepared with the assistance of the Soil and Water Conservation Districts (SWCDs) for Marshall, West Polk, and Pennington Counties; the Board of Commissioners for Marshall, Polk, and Pennington counties; the Minnesota Board of Water and Soil Resources (BWSR); the Department of Natural Resources (DNR), Division of Waters, Division of Wildlife, and Division of Fisheries; and the Minnesota Pollution Control Agency (MPCA). The latest plan revision was completed in 2011.

A copy of the latest 10 -Year Plan is available online at <http://mstrwd.org/about/10-year-plan/> or a hard copy can be made available from the District office, by request.

## Ongoing Projects

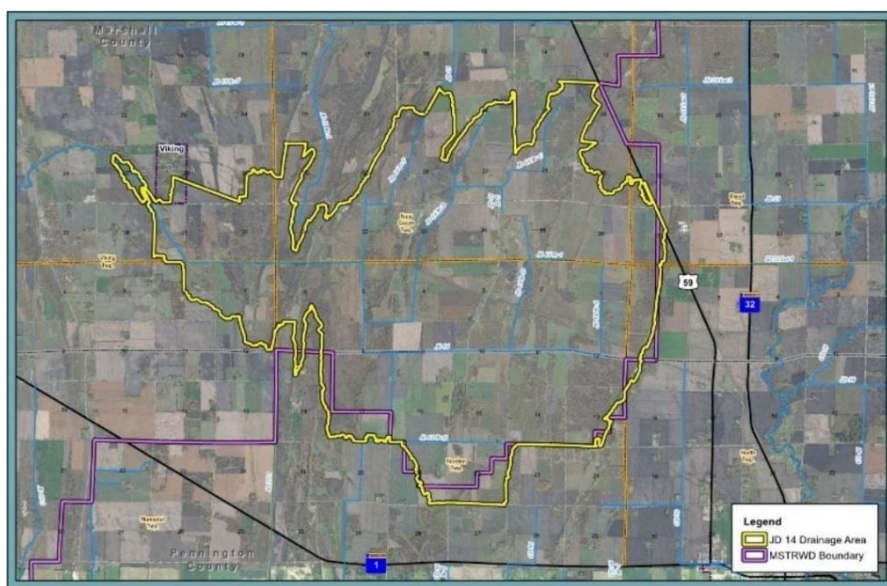
### NRCS RCPP Projects

In the spring of 2015, the MSTRWD secured funding provided by the NRCS through the Regional Conservation Partnership Program (RCPP). This funding allocated \$12 million dollars to eligible applicants as determined by the Red River Retention Authority (RRRA). The RCPP funding was made available to the MSTRWD for watershed planning in the Judicial Ditch #14 and Judicial Ditch #19 subwatersheds. Because these funds are provided by the NRCS, watershed planning must follow NRCS agency guidelines for compliance with the National Environmental Protection Act (NEPA) requirements. Tasks required for the NRCS Watershed Plan are available in the *Feasibility Study and Plan of Work* document.

## Judicial Ditch #14 RCPP Project Team

A Project Team was developed for the Judicial Ditch #14 RCPP Project. Both spring and summer flooding has resulted in many problems with the Judicial Ditch #14 watershed. The watershed is drained primarily by artificial channels which do not provide the capacity sufficient for most agricultural production nor does the channel systems have an adequate outlet. Large areas are becoming inundated from excessive runoff impacting agricultural production. Roads and culverts in the area are also impacted.

A grant agreement was entered with the NRCS on February 16, 2016, in the amount of \$500,000.00. The funding cost share is 70% NRCS and 30% Middle-Snake-Tamarac Rivers Watershed District. This work includes developing a Purpose and Projected Outcomes document, evaluating various flood damage reduction strategies, and working with impacted landowners in areas with potential to store runoff.



*Drainage area of Judicial Ditch #14*

A Feasibility Report and Plan of Work Review Point 1, prepared by Houston Engineering, has been submitted to the NRCS. A public scoping meeting, for landowners and stakeholders, was held April 21, 2016, at the Newfolden Community Center. The purpose of the public scoping meeting was to provide background of the Watershed Planning effort and to provide an opportunity for public and agency input about resource concerns as required by the National Environmental Policy Act (NEPA). Hydrology and Hydraulic models have also been developed to estimate flooding impacts for defining the Affected Environment in the watershed plan.

Up-to-date information about the project and project team can be found at <http://mstrwd.org/current-projects/id-14-rcpp/>.

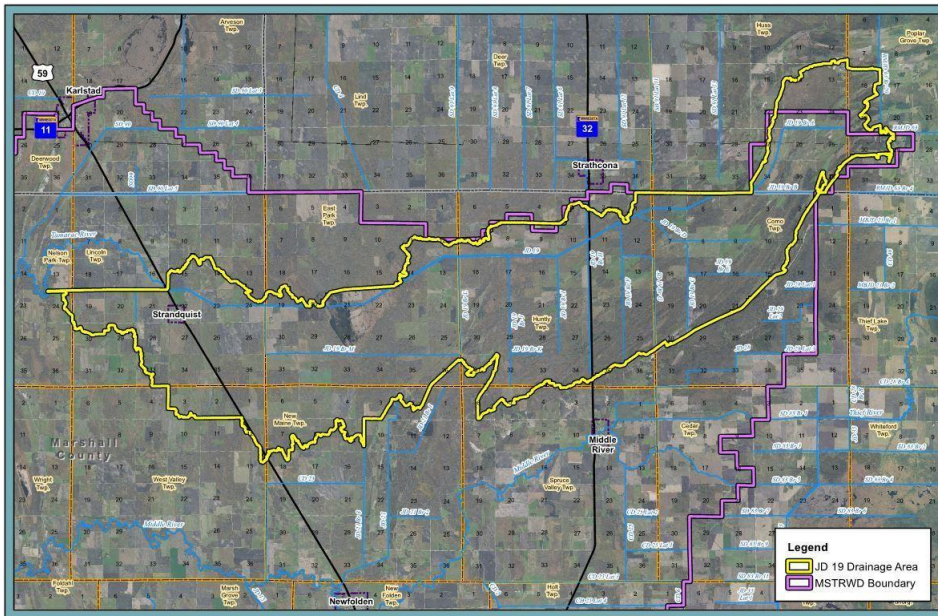


## Judicial Ditch #19 RCPP Project Team

In 2016 the Tamarac Subwatershed Project Team was changed to the Judicial Ditch #19 RCPP Project Team. Both spring snowmelt and summer rainfalls have historically resulted in flooding problem throughout the agriculturally dominated landscape. Water resource problems in the Judicial Ditch #19 Watershed include recurrent flood damages to roads, culverts, agricultural fields, and artificial and natural waterways. Floodwaters from the Judicial Ditch #19 Watershed also contribute to a larger scale flooding and flood damages downstream of the Watershed outlet along the Tamarac River and the Red River of the North.

The District signed a grant agreement with the NRCS, in the amount of \$500,000.00, February 18, 2016 to perform technical studying and hydraulic analysis for a future flood damage reduction project within the Judicial Ditch #19 sub-watershed. The funding cost share is 70% NRCS and 30% Middle-Snake-Tamarac Rivers Watershed District.

A Feasibility Report and Plan of Work Review Point 1, prepared by Houston Engineering, has been submitted to the NRCS. A public scoping meeting, for landowners and stakeholders, was held September 26<sup>th</sup> at the Strandquist Community Center. The purpose of the public scoping meeting was to provide background of the Watershed Planning effort and to provide an opportunity for public and agency input about resource concerns as required by the National Environmental Policy Act (NEPA).



*Drainage area of Judicial Ditch #19*

A survey and map was distributed and posted on the District's website for individuals and stakeholders to rate the required NEPA Concerns for Scoping.

Up-to-date information about the project and project team can be found at <http://mstrwd.org/current-projects/id-19-rcpp/>.

A Project Team was developed for the Newfolden / Middle River Subwatershed Flood Damage Reduction project. The City of Newfolden had been mapped for the 100-year Flood Plain Zoning (FPZ) for the first time, in 2015. The Federal Emergency Management Agency (FEMA) and the MNDNR produce Digital Flood Insurance Rate Maps (DFIRM) for selected counties in the state. These maps are often referred to as FEMA Floodplain maps.

[illegible]

David Bakke and Ben Kleinwachter, with Robert Kovar as the alternate, serve as the MSTRWD Team representatives, with landowner representatives to be chosen later. The kick-off meeting was held on May 16, 2016. The City agreed to proceed with the City of Newfolden Feasibility Study. In September, the Red River Watershed Management Board provided \$15,000 in Accelerated Grant Funds. The District expended just over \$62,000 in Project funds for the Feasibility Study and other engineering.

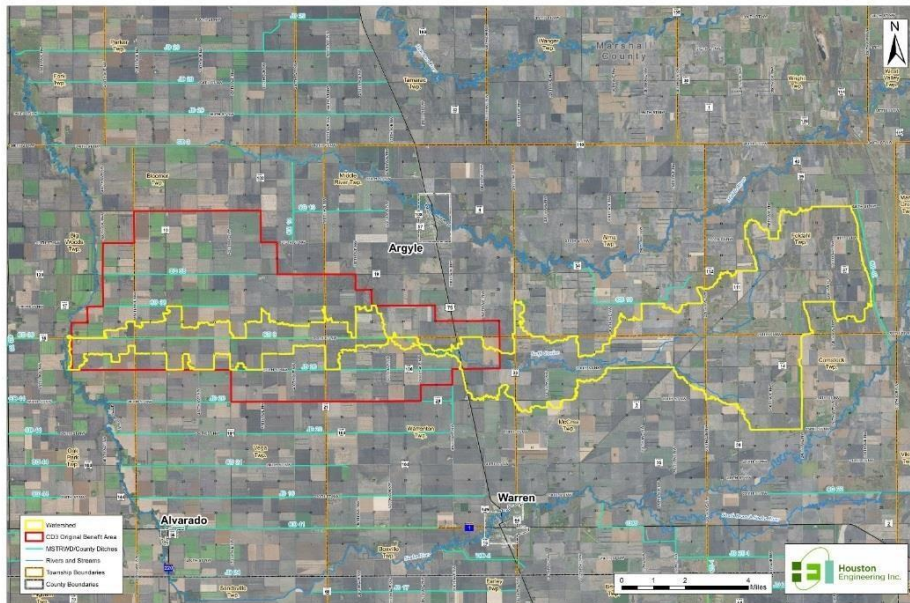
Up-to-date information about the project and project team can be found at <http://mstrwd.org/current-projects/middle-river-sub-watershed-feasibility-study/>



### Swift Coulee / Marshall County Ditch 3 Project Team

At the beginning of the year there was renewed interest in resuming the Swift Coulee/Marshall County Ditch 3 Project Team, started years earlier. In February, a letter from landowners along the Swift was received explaining the need for maintenance cleaning of the Swift Coulee. A kick-off meeting was held February 18<sup>th</sup>, 2016. The Project Team's District representatives are David Bakke and Ben Kleinwachter, with Roger Mischel serving as the alternate. Landowner representatives are Ken L Johnson, Stuart Nordling, Jim Vansickle and Mark Yutrzecka.

The Swift Coulee's drainage area starts approximately ½ mile southeast of the Old Mill State Park. It empties into Marshall County Ditch #3, which drains into the Snake River. Flooding issues along CD #3 see water leaving the ditch both on the north and south sides, as there is no set spoil or road height to control outbreaks. Much of the drainage area of the Swift is not in the Benefited Area of the Marshall County Ditch #3. There is also a sediment issue in the Swift Coulee causing a bottleneck to flows on the west side of US Highway 75.



*Comparison of Swift Coulee drainage area (yellow) and Marshall County Ditch 3 benefited area (red)*

There is some local interest in cleaning out portions of the protected Swift Coulee that is within the benefited area of Marshall County Ditch #3. At the August 10<sup>th</sup>, 2016 meeting, the PWT requested the District to work with Stephanie Klamm (DNR) to formulate a surveying plan. A survey was completed starting at the east end of County Ditch #3 working east of Highway 75. In December, plans were drawn by Houston Engineering showing the sediment profile and cross sections of the surveyed area.

Up-to-date information about the project and project team can be found at <http://mstrwd.org/current-projects/swift-coulee-pt/>

## Oslo Access Study

### Oslo Access Phase 1

In December of 2014, the Middle-Snake-Tamarac Rivers Watershed entered into a grant agreement with the Minnesota Department of Transportation to conduct a hydraulic analysis of Minnesota Trunk Highway #1, in the vicinity of Oslo, Minnesota to analyze various options to address flooding. This original agreement was set to expire December 30, 2015; however, an extension was granted extending the expiration date to April 30, 2016. On April 30, 2016, the expiration date was once again extended to September 30, 2016 to allow more time to schedule the final public meeting where the summary of the analysis would be presented to the local governments and interested parties, in the Oslo area. The final hearing was held June 30, 2016.

### Oslo Access Phase 2



*Aerial photo of the City of Oslo*

The Board of Managers executed a Client Services Agreement for Phase 2 of the Oslo Minnesota Area Hydraulic Analysis with Houston Engineering, and executed a grant agreement with the State of Minnesota, to conduct hydraulic modeling of alternative floodway options for the reach including upstream and downstream of the Minnesota and North Dakota agricultural levees near Oslo, Minnesota. This modeling must include evaluating removal of floodway flow obstructions, channel obstructions, transportation access and equalization of agricultural levee protection. This project

must be conducted in partnership with the Border Township Association Group (BTAG) representing four Minnesota townships and the City of Oslo and the three adjacent townships in North Dakota. The grant agreement with the State of Minnesota provides for 100% reimbursable expenses, not to exceed \$187,000.00, and expires June 30, 2018. The North Dakota State Water Commission is providing matching funds for the hydraulic analysis.

A public meeting was held September 6, 2016, in Oslo, Minnesota, regarding the summary of the analysis presented by Houston Engineering. At the meeting, the attendees decided a steering committee should be formed with representatives from North Dakota, Minnesota, BTAG, the Minnesota DNR and Watershed Board Managers. The Board appointed Manager John W. Nelson as the District's representative to the steering committee and Manager Jim Jubie as the alternate.

Up-to-date information about the project and project team can be found at <http://mstrwd.org/current-projects/oslo-access-study/>



## Watershed Restoration and Protection Strategies (WRAPS)

The Federal Clean Water Act was established in 1972, requiring states to set water quality standards for all surface waters and to develop a list containing all waterbodies that do not meet their water quality standards. These waters that do not meet their water quality standards are then required by the U.S. Environmental Protection Agency (USEPA) to have a Total Maximum Daily Load (TMDL) developed for that waterbody. A TMDL is designed to reduce the amount of pollutants in a waterbody and allow it to meet standards. A formula is used to calculate the maximum amount of a pollutant, like sediment or phosphorus, a waterbody can receive and still meet the state's water quality standards.

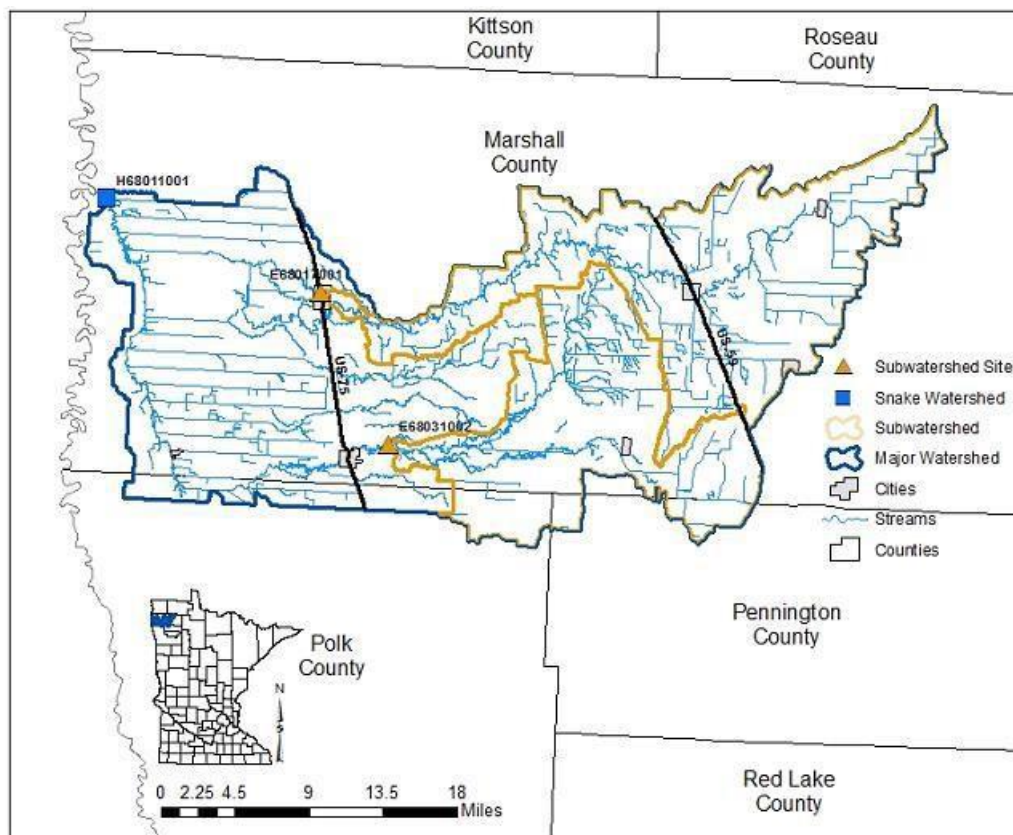
In 2013 the State of Minnesota established the Clean Water Accountability Act which ensures that pollution sources are properly identified and that state funding is targeted to areas that provide the max water quality benefit. It also defined and set WRAPS reports into law and made them the responsibility of the Minnesota Pollution Control Agency (MPCA). A WRAPS document is intended to establish the strategies used to restore impaired waters and protect waters that are not impaired. It creates a path for implementing the TMDLs and guides local implementation of management practices aimed at improving water quality, ensuring compliance with the Federal Clean Water Act.

The State of Minnesota adopted the "watershed approach" which sets a 10-year cycle for each major watershed to first monitor and assess impairment status for its surface waters, then establish work plans to improve/protect water bodies. When the 10-year cycle ends, it starts over again. The major benefit of this approach is the integration of monitoring resources to provide a more complete and systematic assessment of water quality at a geographic scale useful for the development and implementation of effective TMDLs, project planning, effectiveness monitoring and protection strategies.

Along with the Watershed approach, the MPCA developed a 4-step process to identify and address threats to water quality in each of the major watersheds.

- Step 1 begins with a two-year intensive monitoring program of lakes and streams which the MPCA determines their overall health and identifies impaired waters. The Monitoring and Assessment Report and a Stressor Identification Report are the outcomes of the first step.
- Step 2 is to assess the data based on the results. The MPCA determines whether a water resource meets water quality standards, list needed waters as impaired, identify waters to be protected and identify stressors affecting aquatic life in streams.
- Step 3 is to develop strategies to restore and protect the watershed's water bodies creating a WRAPS report and a TMDL. The two provide details on water quality issues and identifies what needs to be done to clean the stream and lakes that are impaired and to protect those that are at risk of becoming impaired.
- Step 4 is when restoration and protection projects are conducted in the watershed. Local units of government including watershed districts, municipalities and SWCDs take the lead in developing and carrying out plans.

## Snake & Middle Rivers WRAPS



*Watershed of Snake and Middle Rivers*

At the end of 2016, Phase 1 of the Snake River WRAPS was near completion. Phase 1 included data collection, modeling of sediment sources and delivery, the identification of impairments within the rivers, the creation of a Watershed Conditions Report and community outreach.

Phase 2 is expected to begin in 2017. This will involve the development of Total Maximum Daily Loads for the various impaired reaches, the development of strategies to restore and protect water quality within the rivers, the development of a WRAPS report and community outreach.

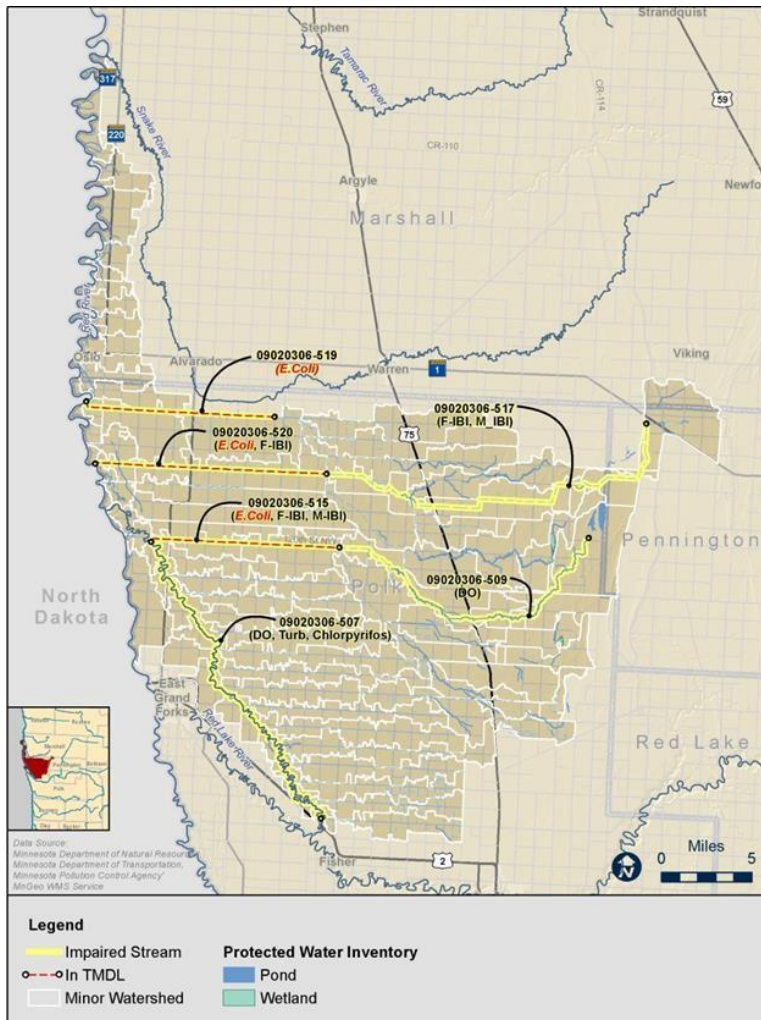
Up-to-date information regarding the Snake & Middle Rivers WRAPS can be found at <http://mstrwd.org/current-projects/snake-middle-rivers-watershed-restoration-and-protection-strategy-wraps/>.

Intensive water monitoring started in 2008, before the WRAPS officially began. In 2016 the WRAPS entered its fifth year. The WRAPS is a joint effort between the Two Rivers Watershed District (TRWD), the Joe River Watershed District (JRWD) and the MSTRWD. The Joe River, an unnamed coulee in the TRWD and the Tamarac River were coopted together according to a hydrologic unit code (HUC). The TRWD manages the grant funding from the MPCA. The WRAPS gathers research from all the water quality data available for a given watercourse. If the data is not sufficient, then additional water quality and stream flow data is collected to produce a “conditions report” to get a full picture of the quality of the resource. The data is then analyzed to determine if any portions of the sub-watershed are impaired or polluted in any way. If are impairments are found, the project will do further investigation and research to determine the source of impairment and how best to address the problems, if possible.



Please refer to Two Rivers Watershed District's website at <http://www.tworiverswd.com> or view their 2016 Annual Report for more information.

## Grand Marais Creek WRAPS



*Watershed of the Grand Marais Creek*

Through a grant from the MPCA, the Red Lake Watershed District hired Emmons & Olivier Resources, Inc. (EOR) to assist in documenting the current health of Grand Marais Creek Watershed and to develop management strategies for its protection and restoration. This project was initiated in 2012 and was funded by the MN Pollution Control Agency. The project covers lands in the Red Lake Watershed District and the Angus Oslo Planning region of the MSTRWD.

Emmons and Olivier Resources, Inc (EOR) staff and the Red Lake Watershed District staff worked to create a draft Grand Marais Creek Watershed TMDL report and a draft Grand Marais Creek WRAPS report in 2016. The TMDL study addresses *Escherichia (E. coli)* impairments in three streams located in the Grand Marais Creek Watershed, Hydrologic Unit Code (HUC) 09020306. These waterways are tributaries to the Red River of the North, in northwestern Minnesota.

For more information please refer to Red Lake Watershed District's website:

<http://www.redlakewatershed.org>

or Red Lake's 2016 Annual Report at:

[www.redlakewatershed.org/Annual%20Reports/2016%20Annual%20Report.pdf](http://www.redlakewatershed.org/Annual%20Reports/2016%20Annual%20Report.pdf)

### Judicial Drainage Systems

Since 1973, when the jurisdiction of the judicial drainage systems within the District was transferred by the District Court to the Board of Managers, the Board has been responsible for the maintenance and repair of legal drainage systems. Since that time, additional drainage systems have been transferred to the District and proceedings have been held concerning the establishment of legal drainage systems.

The following table lists the Legal Drainage systems under the jurisdiction of the Board of Managers of the Middle-Snake-Tamarac Rivers Watershed District.

Drainage System	Date Established	Approximate Length (Miles)
JD 1	1903	16
JD 14	1912, benefits redetermined 2014	30
JD 15	1911	39
JD 16	1910	11
JD 17	1910	6.5
JD 20	1910	36
JD 21	1910	13.5
JD 24	1911	3.5
JD 25-1	1912, benefits redetermined 2014	12.5
JD 25-2	1912	17
JD 28	1913	16
JD 29	1917	40
JD 68	1919	1.5
JD 75	1928	21
MCD 1	1902, became part of JD 29 in 1917	18.5
MCD 4	1902	2.5
MCD 4	Re-named to WD #4 in 1987	2.5
MCD 39	1948	2.5
MCD 39 Improvement	1996	.04
MCD 44 L7	1967, re-named to WD 7 in 1999	3.25
PCD 175	1969	12
SD 3	1903	6
SD 5	1896	3
WD 1	Not constructed	-
WD 2	1992	1
WD 3	Project dismissed	-
WD 4	1990, benefits re-determined	2.5
WD 5	1999	14
WD 6	1999	12.8
WD 7 Improvement	2000	.12
PCD 43	1903	10
PCD 44	1904	5



### Ditch Maintenance

The District maintains the legal drainage systems under its jurisdiction, and follows a maintenance schedule for individual ditch systems. Sediment removal, mowing, spraying and dam removal make up most maintenance works. There are designated ditches which culvert replacement is performed, as needed.

To control cattails, bulrushes and brush in 2016, the District hired an aerial applicator to spray legal drainage ditches under its jurisdiction and impoundment areas. The contractor sprayed 79 miles of ditch and 6 miles of ditches related to the impoundments.

Beavers and beaver dams continue to be a problem in drainage systems and in project areas. In 2016, contractors removed 61 beavers and their dams and debris from ditches, culverts and impoundment areas.

Mowing the legal ditch grass strips and ditch backslopes in 2016, was problematic in areas that had several rainfalls during the growing months. The District had approximately 165 miles mowed this year. The mowers also work at the District's impoundment properties. Typically, the related ditches and areas of the impounds are mowed. Brushing and aerial spraying are also utilized as needed at the impounds.

### Judicial Ditch 1

A request to inspect the south to north 3 mile Branch resulted in the Branch having sediment removed. The Branch is located 1 mile west of MN Trunk Highway #220.



*Judicial Ditch 1 Branch photos of the sediment being removed by Gowan Construction*

#### Judicial Ditch 14

Branch B, which flows north to south had an approximate 2,000' area that saw sediment removed. Numerous beaver dams were removed from the various branches of this ditch system.

#### Judicial Ditch 15

Branch G saw 6,000' of sediment removed from two separate areas. Branch A, a 3.7 mile long ditch, had approximately 1.5 miles of sediment removed in the fall. Work ceased due to water conditions. It will continue in 2017 as circumstances allow.



*The headwater of Branch G of Judicial Ditch 15*



*Branch A sediment removal in December*

#### Judicial Ditch 17

A landowner request to check for sediment resulted in the District removing sediment from 6.5-mile of the ditch.



*Judicial Ditch 17, looking east, NW4 section 13 Farley Township*

#### Judicial Ditch 20

Properties in need of grass strips, which had been seeded in 2012, suffered from dry conditions that year and needed reseeding. They were reseeded in the fall of 2016. Branch A was surveyed and it was determined to have the sediment removed in 2017. Branch B will be surveyed for sediment in 2017 also.

#### Judicial Ditch 24

This ditch is believed to be constructed to collect water from the Snake River when it would leave its banks. The natural flat slope in this area is conducive for sediment buildup. A survey in late 2015 showed that sediment needed to be removed, which was done this year.



JD 24 looking W at NE SE 8  
Sandsville Twp. This is the  
last mile before the Snake  
River.



*Judicial Ditch 24 looking west at  
the NE4 NE4 section 8 of  
Sandsville Township. This is the  
last mile before the Snake River*

JD 24 looking W. Darrell Laudal with Art Laudal &  
Son removing sediment from the NE SE 10  
Sandsville Twp.



*Judicial Ditch 24, Darrell Laudal with Art Laudal & Son,  
removing sediment from the NE4 SE4 section 10  
Sandsville Township*

### Judicial Ditch 25-2

Upon multiple beaver dam culvert removal activities, it was discovered that a portion of a 190' ridge culvert was failing and it was replaced. The culvert is downstream of Angus Oslo #4 therefore; its replacement will aid in AO #4's storage release. The District shared the expense of repairing the road slope, in the same area, with Brandt Township. The road slope concern was a Citizen Advisory Committee identified item from our Management Plan.



*Repair of the road slope and ridge culvert replacement was performed by Steve Olson*

### Judicial Ditch 28

A failing bridge that was unused for decades, was removed from the system to prevent blockage of flows in the ditch. Other repairs were identified for future 2017 works.

### Judicial Ditch 29

The outlets of the Main, Lateral 1 & 2 were surveyed to determine the amount of erosion to the ditches. The District is in communication with Fork Township concerning repair of ½ mile of the road slope on the Main. Lateral 2 had sediment removed on the entire ditch.

### Judicial Ditch 75

Numerous rain events throughout the summer contributed to some road inslope failure. Two miles in Farley and one mile in Sandsville Township were affected. Farley Township closed their 2 miles. The District will work with the Townships in repairing the slope failures in 2017.



*Aerial photo showing affected areas of Judicial Ditch 75*

### County Ditch 175

Several culverts are being monitored for replacement. It is thought they are original pipes from ditch construction in 1969. This area received a large amount of rainfall over the growing season. Landowners discussed the possibility of presenting a Petition to the District Board in 2017 to alleviate the drainage problem at MN Trunk Highway #220.

### Beavers

Several other ditches had numerous beaver dams removed.

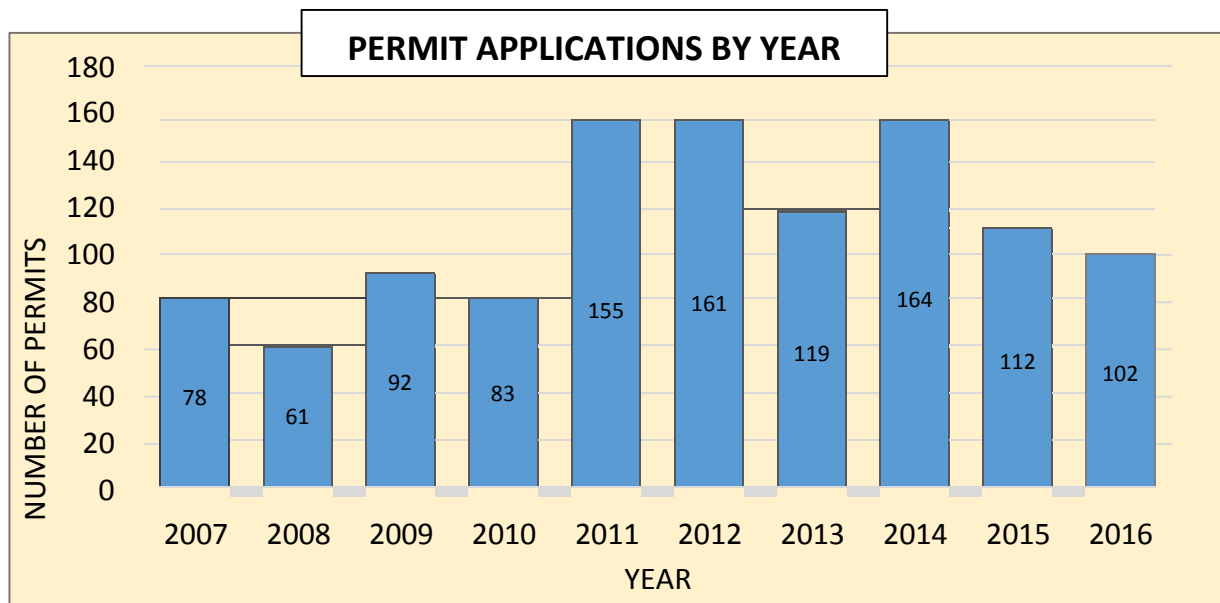
### Stream Maintenance

In the winter of 2016, the Sentence to Serve program removed deadfall & debris from the Tamarac River on the south edge of Stephen. They also worked on the Snake River south of Alvarado. The District does not participate in the trapping of beavers in rivers, unless they immediately affect a Legal Ditch or impoundment under the District's authority.

### Permits

The District Board requests that all permit applications be submitted by Wednesday, at noon, prior to the next Board Meeting to allow for staff to gather information for the Managers in a timely manner.

In 2016, the Board reviewed 102 permit applications, of which eight were denied and one was withdrawn. Some approved permits had conditions, such as District staff setting the grade of culverts. The following table reflects the number of permit applications per year:



*Graph of each year's total number of applications*

The categorization of the 2016 permits are as follows:

- 34 install field drain tile
- 11 install new crossings
- 4 clean ditch/remove sediment
- 46 replace, lower or lengthen existing culvert
- 3 bridges
- 1 levee
- 1 surface water pump
- 2 other works



### Watershed District Rules and Regulations

It is the intention of the Managers to promote the use of the waters and related resources within the District in a provident and orderly manner to improve the general welfare and public health for the benefit of its present and future residents.

The requirement for a permit from the Managers for certain uses of water or for certain works within the District are not intended to delay or inhibit development, rather the permits are needed so that the Managers are kept informed of planned projects. The Managers can advise, in some cases provide assistance and insure that development of the resources of the District is orderly and in accordance with the overall plan of the District.

The following activities require a permit from the Board of Managers:

1. Construction of an artificial drainage way across a subwatershed into another watershed.
2. Diverting water to, or to cast water by artificial means into a legal drainage system.
3. Any alteration or repair of any legal drainage system.
4. Construction of a dike or levee.
5. Construction, removal or abandonment of a reservoir having surface area of five acres or more.
6. Construction of a bridge or placement of a culvert on a drainage way.
7. Change in the bed, banks or shores of natural drainage ways, lakes or marshes.
8. Placement of obstructions or disposal of wastes directly or indirectly into a natural or legal drainage system.
9. Any wetland reclamation which includes attempts to modify the hydrology for the purposes of restoring or increasing wetland areas including but not limited to, plugging culverts, constructing dams or dikes, or any other procedure which would modify the hydrology of a watershed which would restore or increase wetland areas.
10. All municipal sewer systems.
11. Construction or operation of a sanitary landfill.
12. Construction or operation of Waste Disposal Systems.
13. All water uses other than domestic use.
14. Placement of utilities across any drainage way or marsh.
15. Placement of underground utilities.
16. Installation of drain tile.
17. Any other act which, in the opinion of the District, will alter the quantity of runoff, affect the public health, or have any impact on the surface or groundwater of the District.



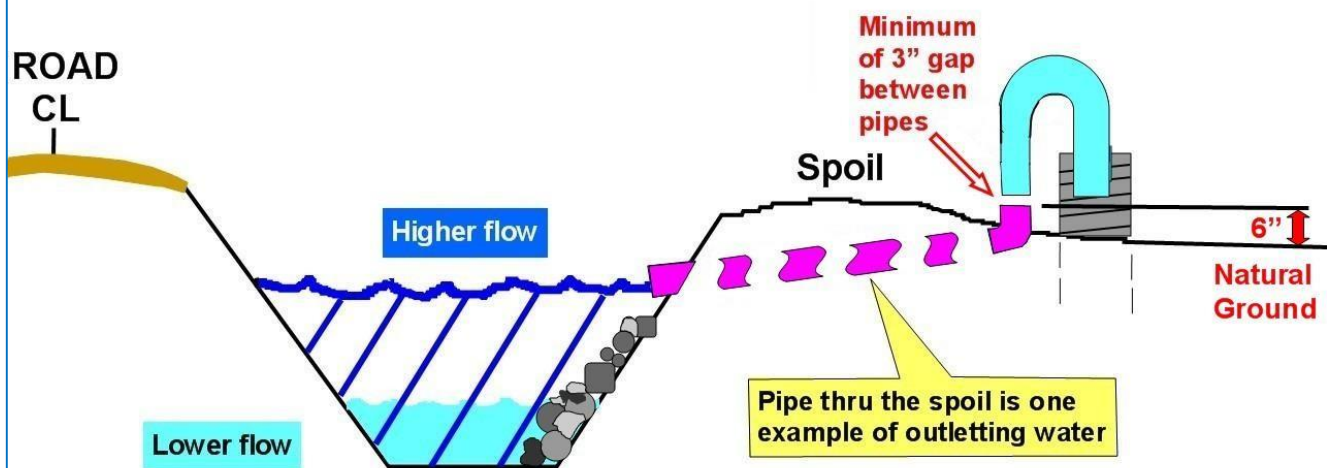
*Example of a well-designed tile sump pump and pipe infrastructure emptying into Judicial Ditch 20 Branch A SW4 section 19 Vega Township*

Permits need to be submitted by Wednesday at noon prior to the Board Meeting. The Board reviews permit applications at each regular meeting. Anyone contemplating any work described above is urged to contact the Watershed District office for additional information. To get a copy of the current Rules & Regulations an individual may stop by the office or view and print them from the website: <http://mstrwd.org/about/rules-and-regulations/>.

The Watershed District has been working on updating their rules and regulations starting in December of 2016. The new document focuses mostly on new rules and guidance on permits.

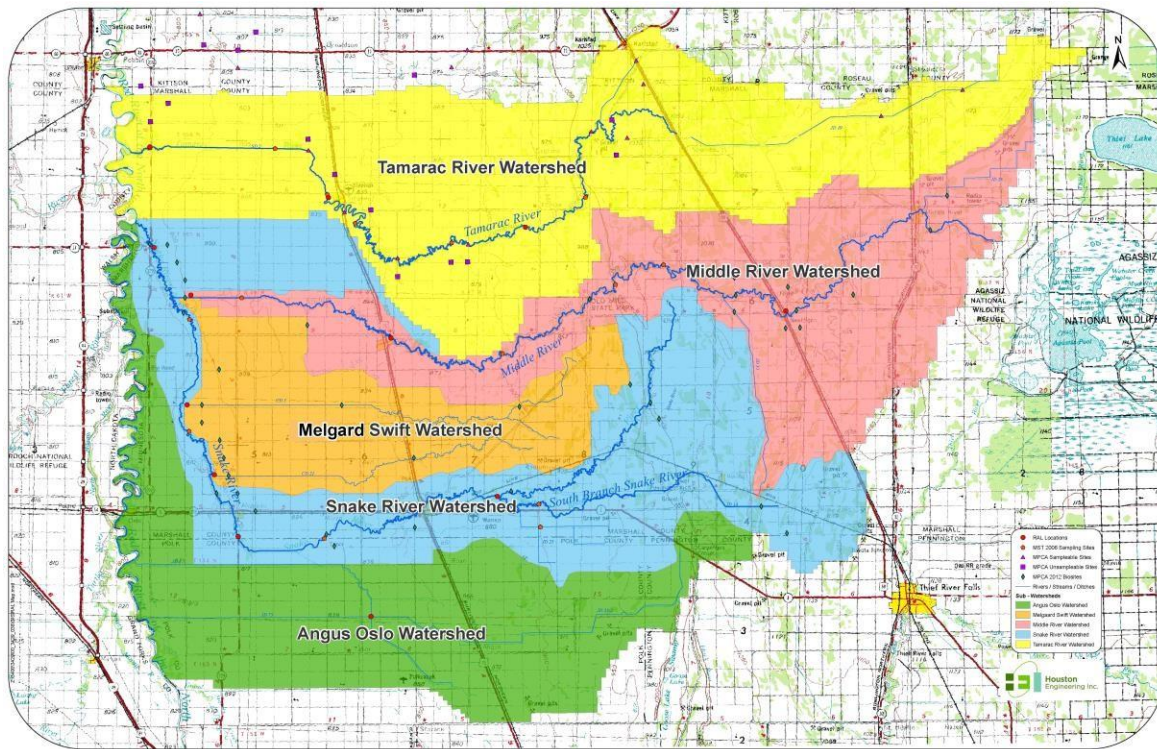
- When implementing a tile outlet pipe thru a road or spoilbank into a ditch there must be a gap of 3" between the pipe that comes from the sump hole (BLUE) and the pipe that goes thru the road or spoil (PINK).
- The inlet end of the pipe that goes thru the road or spoil cannot project higher than 6" from the natural ground in the vicinity.
- The diameter of the pipe that goes thru the road or spoil (PINK) must be larger than the diameter of the pipe that comes from the sump hole (BLUE)

Doing so will prevent water from entering the ditch during higher flows when the ditch has reached its capacity.



*A diagram that demonstrates how the Board of Managers would like to see drain tile pumps and outlet pipes installed*

## Five Planning Regions of the MSTRWD



*Each of the five planning regions of the MSTRWD are highlighted in different colors*

### 1. Tamarac River Planning Region

In general, issues within this planning region are associated with flooding/runoff reduction, erosion and sediment control, channel maintenance, water quality, wildlife and land use management.

Flooding is common throughout the District during spring melt and heavy rains. Floodwaters from both the Tamarac and Middle Rivers frequently break out of the banks near Stephen and east of Argyle, which cause overland flooding. Additionally, runoff initially designated for the Roseau River is being diverted into this planning region and continues to aggravate flood conditions. The region also struggles with providing adequate drainage, while minimizing erosion and maintaining channel stability. Throughout the region, channels appear to be undersized. This is evident by the widespread instability of the channels as they down cut and widen to handle flows. In addition to water erosion, soils within the region are highly susceptible to wind erosion. Wildlife and water quality issues include fish passage concerns, low base flow conditions and the impaired status of the river.

For more information on current projects within this planning region please see Judicial Ditch #19 RCPP Project Team and Tamarac River WRAPS under the Ongoing Projects section of this document.

## 2. Middle River Planning Region

As with the Tamarac River, the Middle River planning region exhibits a number of problem areas associated with flooding, erosion, channel stability, loss of habitat, and water quality. Accelerated runoff from the eastern portion of the region contributes to higher flows and flooding in the middle and western portions of the region. Despite the accelerated runoff, drainage systems in the eastern portion are undersized for the flow they receive. This contributes to the bank instability and erosion observed across the region. The accelerated runoff also created low flow conditions in the region that do not adequately support aquatic life, as is evident by the impaired status of the river.

Issues unique to this region include the need to establish or update floodplain maps near Newfolden, certify the municipal levees in place, and improve ditch maintenance to keep up with the ongoing sedimentation. The town of Newfolden received notice in the fall that mapping of the 100 Year Flood Plain was underway. It appears most homes east of the Canadian Pacific Rail Road may be affected along with some homes west of US Highway 59. District staff assisted Newfolden with obtaining elevation data at the affected properties.

For more information on current projects within this planning region please see Middle River and Newfolden Flood Plain Zoning Project Team and the Snake & Middle River WRAPS under the Ongoing Projects section of this document.

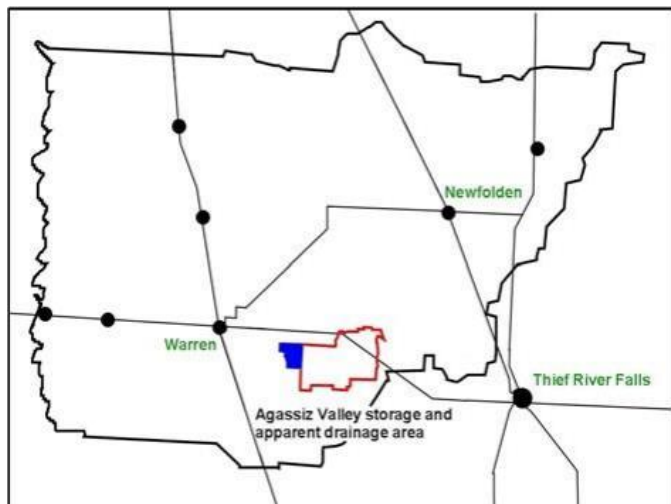
## 3. Snake River Planning Region

Overland flooding, channel instability and insufficient channel size are persistent problems through this planning region. Channel improvements and restoration projects are needed along the Snake River, contributing ditches and coulees, to remove sediment and debris, to stabilize stream banks. The intent of these efforts is to prepare the stream to handle the flows without floodwaters spilling over the banks. As in other regions, soil erosion caused by wind, conversion of CPR land and the farming of riparian buffer strips are prevalent concerns. Wildlife management issues in the region include a need for clarification of DNR permits/requirements when cleaning Protected Waters, ditches and streams, a request to shift emphasis from managing public land from waterfowl to all wildlife species, and concerns about effect low base-flow conditions in the streams affecting fish habitat.

For more information on current projects within this planning region please see Judicial Ditch #14 RCPP Project Team and the Snake & Middle River WRAPS under the Ongoing Projects section of this document.



## Agassiz Valley Water Resources Management Project



*Agassiz Valley Water Resource Management  
Location and Drainage Area*

The Agassiz Valley Water Resource Management Project (Agassiz) was developed from the outcome of the Mediation Agreement between the State of Minnesota and the Red River Watershed Management Board. The project was one of four funded by the State Legislature at a cost share of 75% State and 25% local. A multi-purpose project, it combines flood control and environmental enhancement features. Groundbreaking for the project was held June 24, 2008 and the entire flood control project was operational in the spring of 2010.

### Project Statistics

Drainage Area (square miles)	~31.6 square miles
Total Floodwater Storage (acre-feet)	10,670 acre-feet = 6.4 inches of runoff
Gated Flood Storage (acre-feet)	6,840 acre-feet = 4.1 inches of runoff
Temporary Flood Storage (acre-feet)	3,830 acre-feet = 2.3 inches of runoff
Approximate Land Requirements	2,600 acres
Prairie and Emergent Wetland Areas	~ 480 acres
Estimated Total Cost	\$10,700,000





*Figure 1 Agassiz Valley aerial photo looking southeast, the outlet structure is located at the bottom of the photo. JD #25-1 is the ditch that Agassiz outlets into, which flows to the Snake River.*

Agassiz occupies four sections of land and includes inlet ditches to total approximately 2,600 acres in the vicinity of Comstock Strip Township & McCrea Strip Township in Marshall County and Helgeland Township & Brislet Township in Polk County. The impoundment temporarily stores floodwater originating in the drainage area of Judicial Ditch #25-1. The project includes the construction of approximately 5.25 miles of embankment; associated inlet and outlet work; approximately 5.5 miles of inlet channels and approximately 2 miles of bypass channel.



*Figure 2 October of 2016, Minnesota State Representative Dan Fabian visited the Agassiz Valley Water Resource Management Project.*

Agassiz has a significant impact in reducing flood damages in the Snake River Basin and also reduces flood damages in the Red River Basin. In addition to providing significant flood control and water quality benefits, the project provides grassland and woodland habitat, increased species diversity, educational and recreational opportunities, interpretive trails and overlooks, and a summer base flow augmentation for the Snake River.

## *Agassiz Mitigated Wetlands Site*



*Aerial view of mitigated wetland site in the NW4 section 7 of  
Comstock Strip Township*

On-site mitigation was proposed in the north half of section 7 Comstock Strip in Marshall County. The hydrology of the mitigation site was established by diverting runoff from the project inlet channel. A weir was constructed in the ditch and runoff is diverted during high flows into the mitigation site. Excess water exits the site to the west through two corrugated metal pipes. The drainage surrounding the mitigation site was also modified to bring runoff to the site. The site was designed to be a 36.1-acre Circular 39 Type 1 and 3 wetland complex with seasonally flooded and shallow marsh plant communities. Four monitoring wells, placed at two sites, were used for groundwater level monitoring. These five-foot deep wells were maintained and data collected by MSTRWD staff. The well and staff gauge monitoring data were collected between May 2 and September 22, 2016.

Monitoring of the wetland consisted of repeated inventory of the vegetation communities within the mitigation site at designated sites, photographic documentation of the community development over time at these sites, and observations of the hydrologic conditions both at each site and using monitoring wells. The end of this year was year 5 of a 5-year monitoring period and a wetland delineation was performed to assess the boundaries of the wetlands in the mitigation site. Staff from Houston Engineering, Mark D. Aanenson and Donna Jacob performed this fieldwork on September 14, 2016.

The following procedures were used to determine wetland habitats:

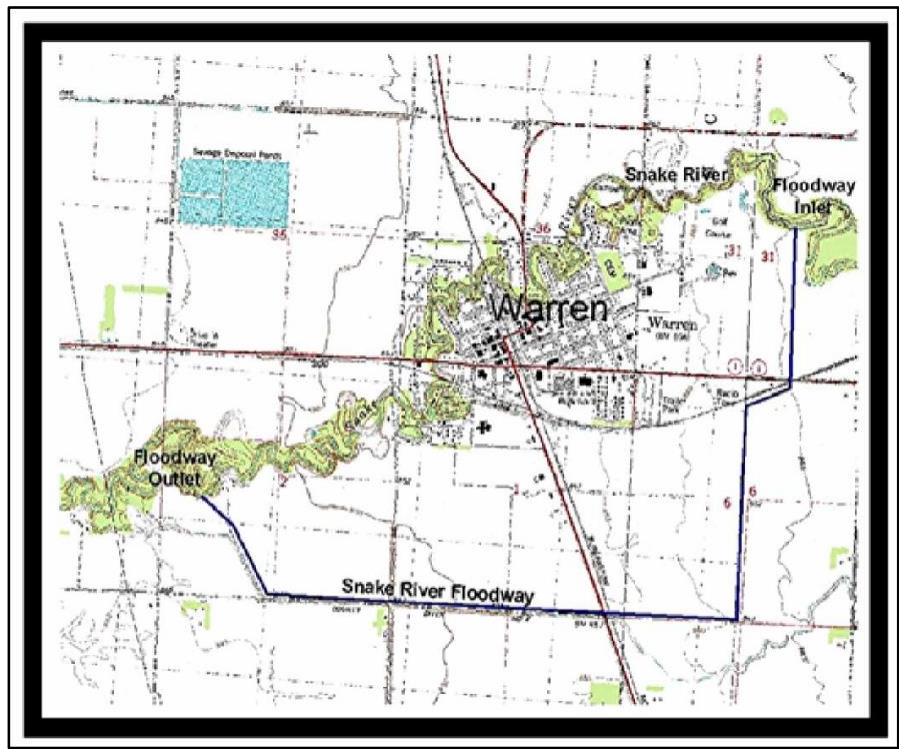
- Vegetation was sampled to determine whether greater than 50% of the dominant plant species were classified as either obligated wetland, facultative wetland, or facultative.
- Soil was sampled using a soil probe and examined for soil morphology, redoximorphic features and soil textures.
- Wetland hydrology indicators were evaluated using open soil pits, shallow water table observations, soil morphology, and vegetative adaptations.

All sites are meeting the success criteria as outlined in the USACE project permit conditions. The hydrology criteria were met at all sites according to the well monitoring. The vegetation cover criteria were also met for Type 1 and Type 3 wetlands. For the upland buffers, the vegetation diversity and cover meet the USACE criteria. There are currently no concerns with the wetland mitigation activities, the site has been completed in accordance with the mitigation plan. Some areas within the upland buffers have patches of sweet clover and Canadian thistle. These areas should be monitored to see if additional weed control measures are necessary.

To see the 2016 Wetland Mitigation Site Report: Monitoring and Wetland Delineation Results prepared by Houston Engineering please visit our website at <http://mstrwd.org/impoundments/agassiz-valley/>.

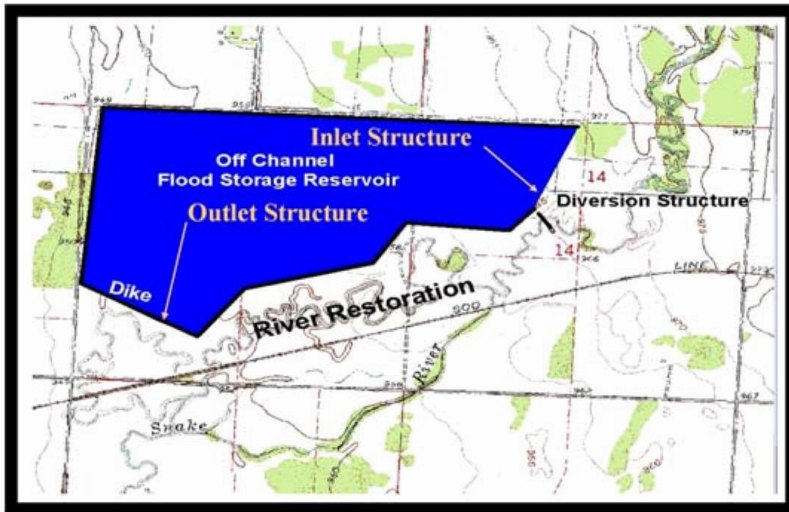
### **Snake River PL-566 Project**

Throughout its history, the City of Warren has endured numerous floods. In 1996 and 1997, the city suffered 3 major floods that caused an estimated \$12.7 million dollars in damages. The late Mayor of the City of Warren, Richard P Nelson had a dream to spare his City from more years of ravaging floods from the Snake River. Mr. Nelson recognized the opportunity provided by the USDA/NRCS Small Watershed Program, and set out to make his dream become a reality.



*Map demonstrating how the Snake River interacts with the City of Warren*





*Map showing the location of the Off-Channel Flood Storage Reservoir located in Comstock Township*



*Aerial photo of the Off-Channel Storage Reservoir located in Comstock Township*

In 1997, the City of Warren and the Middle-Snake-Tamarac Rivers Watershed District, the local sponsors of the project, asked the Natural Resources Conservation Service (NRCS) for assistance on planning and construction on the Snake River Watershed Project.

In November 1999, project plan consisted of 4 phases of construction: the lower mile of the floodway and outlet chute, the off-channel floodwater storage site, the Snake River diversion structure and upper 3 miles of floodway, and the establishment of the mitigation features. In 2000, the Middle-Snake-Tamarac Rivers Watershed District held two public hearings and unanimously passed the Order for the Establishment of the PL-566 Project. The Snake River PL-566 Project groundbreaking ceremony “Soaring to a Bright Future” was held on October 26, 2001.

Although the project was not totally complete, it was operational in the spring of 2006 and it saved the City of Warren from flooding. The NRCS’s estimation was approximately \$8.7 million of flood damages that could have occurred. The PL-566 Project was officially dedicated in the summer of 2010. The Natural Resources Conservation Service and the Middle-Snake-Tamarac Rivers Watershed District provided funding for the landscaping of the Richard P. Nelson monument.



The Off-Channel Flood Storage Reservoir and Diversion ditch were funded by PL-566 which requires that the NRCS do yearly inspections of the project. On May 6, 2016, Dave Jones from the NRCS completed an inspection of the Snake River Off Channel Storage. Cracking and deterioration along the inlet channel to the outlet drop structure has not changed from the 2015 inspection. Varmint digging continues to be an issue on the outside face of the embankment. This will require ongoing maintenance by the watershed district. Also on May 6, 2016 Dave Jones inspected the Snake River Diversion Ditch. Everything is in good working condition except for the concrete of the trash rack mounting block which was mentioned in the 2015 report.

#### 4. Melgard-Swift Coulee Planning Region

Overland flooding is the major concern in this region, particularly in the vicinity of CSAH 3 and TH 75. In addition, there is a general concern about channel instability and capacity in the areas of CD3 and along both the Melgard and Swift coulee channels. Soil erosion caused by water and wind has been deposited in the channel beds. The process is thought to be exacerbated by the conversion of CRP land being and the farming of coulee edges, resulting in the need for more frequent channel maintenance. As with other regions, additional storage is likely needed to correct accelerated runoff timing and mitigate both minimum and peak flows. For more information on current projects within this planning region please see the Swift Coulee/ Marshall County Ditch 3 Project under the Ongoing Projects section of this document.

#### 5. Angus-Oslo Planning Region



*Map of Angus Oslo #4 Impoundment*

Overland flooding, channel stability, soil erosion and ditch maintenance are issues in this planning region. During flood events access to the city of Oslo is limited. Restricted access to Oslo can be as long as five weeks. Portions of townships roads are under water with the worst problems being near the Red River. The channelization of streams in this region has reduced aquatic habitat diversity. Three of the District's five projects are in this Planning Region.

For more information on current projects within this planning region please see the Oslo Access Study and the Grand Marais Creek WRAPS under the Ongoing Projects section of this document.

## Angus Oslo #4 Impoundment



*Angus Oslo #4 Outlet Structure*

### **PROJECT STATISTICS**

<b>Top of Dam</b>		
Elevation	(ft-msl)	958.0
Storage	(ac-ft)	8068
<b>Emergency Spillway</b>		
Elevation	(ft-msl)	956.2
Storage	(ac-ft)	6431
<b>Primary Spillway</b>		
Elevation	(ft-msl)	954.0
Storage	(ac-ft)	4505
<b>Gated Flood Control</b>		
Storage	(ac-ft)	4505
Runoff	(inches)	3.62
<b>Weir Flood Control</b>		
Storage	(ac-ft)	1926
Runoff	(inches)	1.55
Drainage Area	(sq mi)	23.35

In December 1994, the Board of Managers initiated by resolution for a new project to establish an off-channel impoundment in the vicinity of Sections 3 and 10 of Brandt Township, Polk County, Minnesota. Construction of the impoundment started in 1999 and has been operational since 2001. The total estimated cost of the project is \$3.3 million. The Red River Watershed Management Board funded approximately 85% of the construction cost. The Watershed paid approximately 15%, with additional funding from a State of Minnesota Flood Damage Reduction Program Grant.

The drainage area above the project is approximately 23.4 square miles. The project can store 4,500 acre-feet of water (5.2 inches of runoff) - up to the emergency spillway.

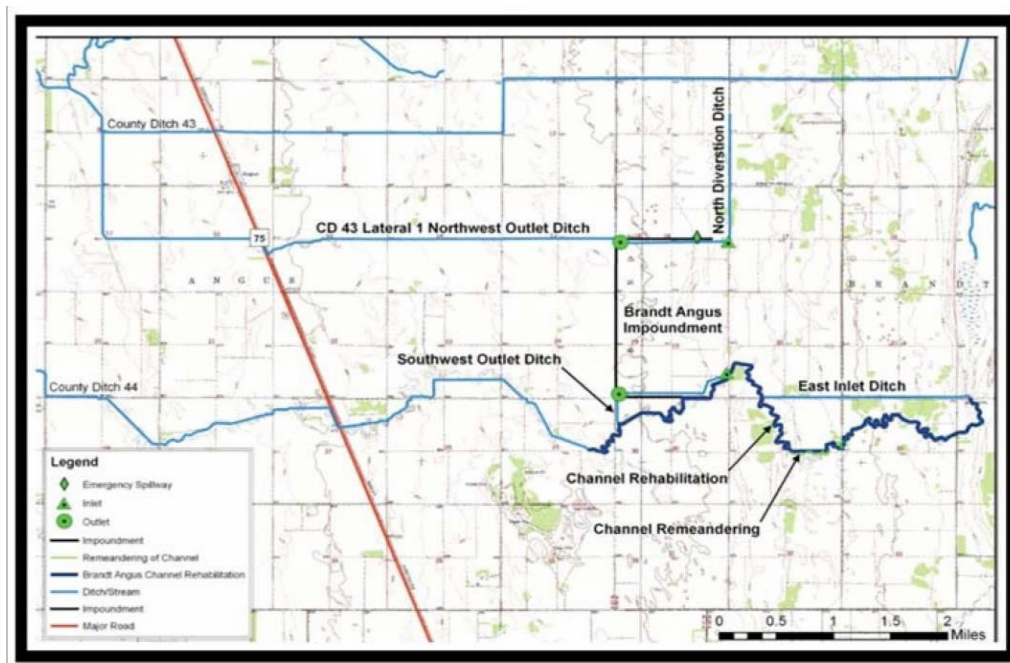
*Angus Oslo #4 Project Statistics*

### Brandt/Angus Coulee Project

The Brandt/Angus impoundment is a multi-purpose off channel flood control project combining both flood control and environmental enhancement features through Wetland Reserve Program (WRP). It became operational in 2012 and it occupies approximately 1.5 sections of land (960 acres) 3.5 miles southeast of Angus in Polk County. The impoundment can hold 5,213 acre-feet of water (3,968 acre feet of gated and 1,245 of un-gated to the emergency spillway) from a calculated 7.26" of runoff.

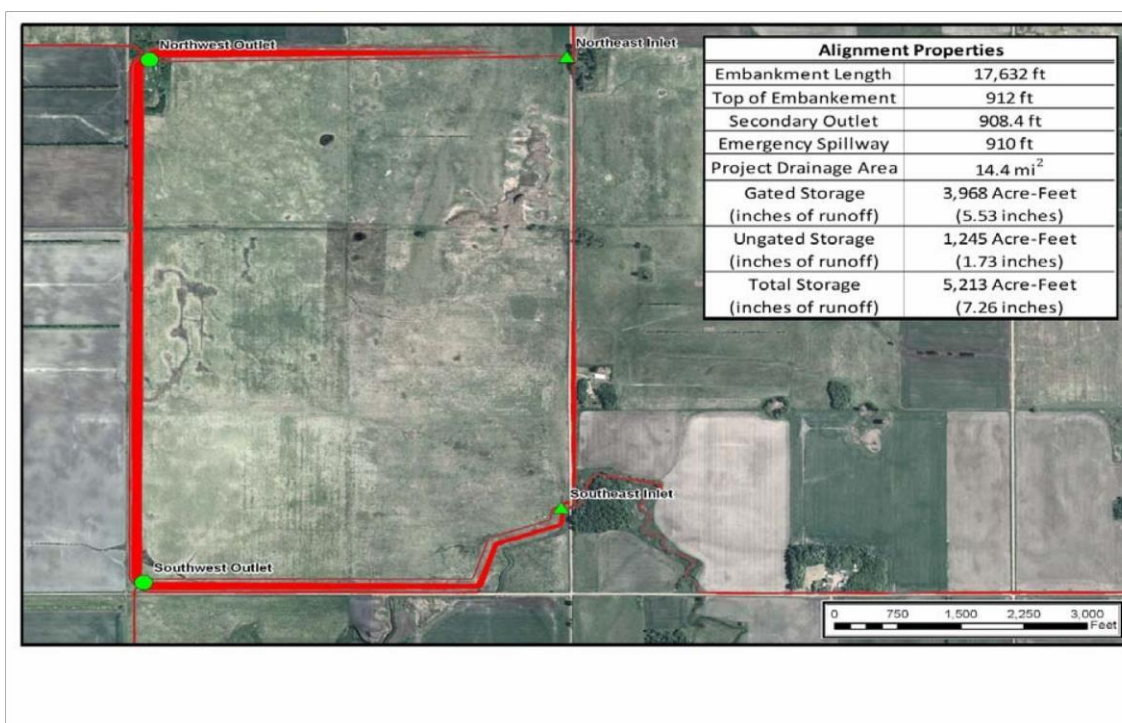
The primary purpose of the Brandt-Angus project is to reduce flood damages downstream, reduce the frequency of summer storm flooding of agricultural land and to restore/maintain/enhance the natural stream habitat in the Brandt Angus Coulee. Secondary features are to provide for environment enhancement features such as wet prairies, stream restoration and water quality benefits.

The Red River Watershed Management Board and the MN Department of Natural Resources partnered with the Brandt/Angus Project through the Flood Damage Reduction Program and the MSTRWD.



*Map of Brandt-Angus Impoundment*





In 2010, the Project received Step II approval from the RRWMB and entered into a Flood Damage Reduction grant agreement with the MN DNR. With the natural resource enhancements that have been incorporated into the project, a 65% State 35% local cost share was obtained.

In addition, the District was able to utilize the Natural Resource Conservation Service Wetland Restoration Program (WRP) to offset land acquisition costs. Over 575 acres were enrolled into a conservation easement at a savings of over \$450,000 to the Project. Restoration of wetlands relates to the District's management plan by increasing quality wetlands.



*Wetland Reserve Programs signs are posted around the property mapping the boundaries of the wetland restoration*



### *Brandt/Angus Wetland Monitoring*

Wetland mitigation monitoring completed its fourth year. HDR Engineering and District staff partake in shallow well-monitoring. Inspection and assessment of plant species and their communities also takes place to determine patterns of success. Tracking of the species growth will determine the success of the wetland mitigation.

On-site mitigation was proposed in sections 15 and 22 of Brandt Township in Polk County. Three monitoring wells, placed at three sites, were used for groundwater level monitoring. These five-foot deep wells were maintained and data collected by MSTRWD staff. The well and staff gauge monitoring data were collected between May 2 and September 22, 2016.

Monitoring of the wetland consisted of repeated inventory of the vegetation communities within the mitigation site at designated sites, photographic documentation of the community development over time at each site, and observations of the hydrologic conditions at each site. The end of this year was year 4 of a 5-year monitoring period.

The following success criteria shall be met by the completion of the monitoring period:

- Hydrology must meet the standards of a Wet Prairie and/or Shallow marsh as outlined by USACE.
- Herbaceous communities shall consist of 10 or more species of native and non-invasive grasses, sedges, rushes, forb and/or ferns by year 5.
- Herbaceous communities shall achieve 70% or greater areal coverage by the end of 3<sup>rd</sup> growing season and 80% by the end of the 5<sup>th</sup> growing season.
- More than 50% of all plant species within the wetland mitigation site shall be facultative (FAC) or wetter (FACW or OBL), excluding FAC-.
- Control of invasive and/or non-native plant species shall be carried out for five full growing seasons.
- At the end of the 5<sup>th</sup> growing season, the vegetative community shall not contain greater than 20 percent areal cover of invasive and/or non-native species.
- Upland buffer shall be dominated (75%) by native, non-invasive vegetation that is un-manicured.

Plot #1 is indicative of a Type 3 Wetland. Vegetative maintenance through hand pulling or spot application of herbicide may be necessary to control invasive Thistle species. Control should be considered for Hybrid Cattail in this area such as prescribed burning. Plot #2 represents a degraded Type 2 Fresh Wet Meadow Wetland. Measures for invasive control should start if their percentage surpasses 25% cover by the fifth growing season. Spot spraying of invasive species may be needed. Plot #3 is identified as a degraded grassland community. Vegetation maintenance is suggested to control invasive thistle species and other grasses by hand pulling or spot chemical application. To see the Brandt Angus Impoundment 2016 Vegetation Monitoring Report from HDR please visit our website at <http://mstrwd.org/impoundments/brandtangus-coulee/>.

### Angus Oslo Site #1 Impoundment

SELECTED STATISTICS		
100 yr		
Storage	(ft.-msl)	941.8
Volume	(ac-ft)	570
10 yr		
Storage	(ft.-msl)	940.8
Volume	(ac-ft)	340
Gated Storage		
Storage	(ft.-msl)	940.5
Volume	(ac-ft)	295
Drainage area	(sq mi)	3.1

*Angus Oslo 1 statistics*

The Board of Managers of the Middle River Snake River Watershed District (now the Middle-Snake-Tamarac Rivers Watershed District) established the Angus Oslo Site #1 Impoundment in 1982. Primarily a flood control project, Angus-Oslo #1 also provides incidental wildlife benefits. The affected area includes a wetland area totaling approximately 125 acres and approximately 145 acres of cropland. Completed in 1983, the \$152,000 project was funded by the Legislative Commission on Minnesota Resources (LCMR), the Red River Watershed Management Board and the Middle River Snake River Watershed District project fund.



*Map of Angus Oslo #1 Impoundment*

### **The Red River Watershed Management Board**

The Middle-Snake-Tamarac Rivers Watershed District is a member of the Red River Watershed Management Board. Mr. Ben Kleinwachter remains the MSTRWD representative on the Board. In 2016, he was nominated to serve as the Vice Chairman on the RRWMB Board of Managers.

As a member, the District coordinates with the RRWMB on the following projects:

- The District cost-shares with the RRWMB on Flood Damage Reduction Projects.
- The District supports the RRWMB River Watch program with high schools in the Red River Basin. Students from Warren-Alvarado-Oslo, Marshall County Central and Stephen-Argyle Central collect water samples in the District. The resulting data is forwarded to the International Water Institute
- The District partners with the RRWMB on cost sharing with the US Geological Survey in the maintenance and operation of stream gauges.
- In 2010, the RRWMB entered into an agreement with the Red River Joint water resources Board in North Dakota to form the Red River Retention authority (RRR) whose purpose is to seek funds to construct flood retention projects on both sides of the Red River of the North.

The RRWMB website [www.rrwmb.org](http://www.rrwmb.org) features RRWMB news, current projects, meeting documents, governing documents, policies, maps, contact information of RRWMB members and more!

### **Marshall County Water Resources Advisory Committee**

The District is a member of the Marshall County Water Resources Advisory Committee (WRAC). District staff attends quarterly WRAC meetings along with landowner and Marshall County Township Association representatives and staff from the Minnesota Pollution Control Agency, Red Lake Watershed District, the Soil & Water Conservation District, the Natural Resources Conservation Services, US Fish & Wildlife Service, Board of Water and Soil Resources, Agassiz National Wildlife Refuge, MN DNR and the Marshall County Commissioners.

### **Polk County Water Resources Advisory Committee**

The District is a member of the Polk County Water Resources Advisory Committee (WRAC). District staff attend quarterly WRAC meetings along with Polk County Commissioners, East Polk Soil & Water Conservation District, West Polk Soil and Water Conservation District, Board of Water and Soil Resources, Polk County Environmental Services, MN Department of Natural Resources, Sand Hill River Watershed District, Red Lake Watershed District, MN Pollution Control Agency, The Nature Conservancy, River Watch, and International Water Institute.

## Education and Outreach

In the fall, District staff and University of Minnesota Crookston students toured the Richard Nelson Floodway, Angus Oslo #4 Flood Control Project, and the Agassiz Valley Water Resource Management Project.



*District Staff, Danny Omdahl, giving a tour of the district to students from University of Minnesota Crookston*

Kayaking, birdwatching, wading and hiking trails were just some of the Snake River recreation opportunities featured by the Warren-Oslo-Alvarado River Watch Team. Students from around the Red River Basin have been kayaking their local rivers through the International Water Institute's (IWI) River Explorers program. The students document watershed conditions to share with resource managers.



*Prepping for River Watch students to take a kayak trip on the Snake River*





*District staff member Christina Slowinski helping at the Northwest Minnesota Water Festival held at the Marshall County Fairgrounds*

In September 2016, District staff, Christina Slowinski, participated in the Northwest Minnesota Water Festival held at the Marshall County Fairgrounds, in Warren, Minnesota. Area fourth grade students took part in interactive learning stations. The stations include water quality, ground water and spring water, flooding, wetlands and watersheds. Students also participated in casting and a fish painting station.



*Award ceremony for Envirothon*

In April of 2016, Marshall County Central School's gathered at Agassiz National Wildlife Area to participate in Envirothon. Envirothon is North America's largest high school environmental education competition where students learn about natural resources emphasizing in teamwork for success. Marshall County Central School competed against each other in teams of four to five students. Each team answers 20 questions from each of the five stations, which include Soils, Wildlife, Forestry, Aquatics, and Current Events.

The teams also give an oral presentation on the current events problem. Our District staff, Christina Slowinski, was a judge for the oral presentations. The winning team advanced to the State Envirothon.

## Birding



*All photos were taken by Heidi Hughes. **Top left:** American Goldfinch **Top right:** Baltimore Oriole  
**Bottom left:** Eared Grebe **Bottom right:** Wilson's Snipe*

The ditch systems and impoundments in the MSTRWD bring lots of wildlife and birds to the area. Impoundments such as Agassiz Valley and Brandt Angus Coulee, have great viewing areas that are open to the public. There are a spectacular variety of water fowl especially during the migration seasons. The photos above, take by Heidi Hughes who works for the Agassiz Audubon Society, are just a few birds that one can see. The Agassiz Audubon Society does bird conservation, habitat restoration, nature field trips, public programs, and more. They provide lots of opportunities to go birding and experience nature throughout the Red River Valley and the 480-acre property formerly known as the Agassiz Audubon Center at Wetlands Pines and Prairie Audubon Sanctuary. The property is owned and operated by the Middle-Snake-Tamarac Rivers Watershed District. If you would like more information about this organization, check out their Facebook page or e-mail at [aggassizaudubon@gmail.com](mailto:aggassizaudubon@gmail.com). You can even call to report bird sightings at 218-745-5663.



## Hunting

The District has a public access permit procedure whereby an applicant reads and understands the District's access rules. The rules were developed from citizens within the District, which were edited and approved of by the District Board. 169 people obtained permits to hunt, trap and fish on the District's properties.

## In the News

ensheaf.com    www.warrensheaf.com    WEDNESDAY, OCTOBER 5, 2016    12 PAGES

# Scout Volunteers Pitch In At NW MN Pollinator Garden

Boys can find a lot of things to do on the first Saturday morning in October, especially if the weather's good. Boys Scout Troop 50 of Warren went on a field trip to the beach ridge 8 miles east of Warren. Armed with pitchforks and wheelbarrows, they spent the morning spreading a small mountain of mulch at the Northwest Minnesota Pollinator Garden.

This wasn't their first visit. Known for their commitment to community service, these young men and their leaders contributed to the garden last year too. They built bee houses and installed signs and pavers.

"We value community service because Warren has given us so much – we need to give back," said Scoutmaster Brian Wurtzel, who has been with the troop for the past 4 years.

"We appreciate the investment that Troop 50 has made," said Sheila Hoerner, president of Agassiz Audubon, the organization that started the native plant garden in 2013.

Warren-Alvarado-Oslo students have volunteered too. Led by industrial technology teacher Nathan Wozniak, WAO students built the chimney swift tower/information kiosks slated to be installed at the garden, in downtown Warren and at Watershed District flood control projects.

Initial funding for the NW Pollinator Garden came from a grant from the Northwest Minnesota Foundation, and donations in memory of Sarah F. Gunderson of Thompson, ND, Tom Valega of Linden, NJ, and Christine Boman of Warren.

Garden project partners include the Middle-Snake-Tamarac Rivers Watershed District, Pheasants Forever and the Minnesota Department of Agriculture – Pesticides Branch, through a grant to the University of Minnesota Crookston's Agriculture and Natural Resources Department. Many of the native plants were grown from seed in the University's greenhouses.

The NW Minnesota Pollinator Garden, designed by Carmen Simonet, ASLA, PLA, is part of the Minnesota Department of Agriculture (MDA) campaign to "Protect Minnesota Pollinators" in yards and gardens, along roadsides and on farms. The goal is increase public awareness of the importance of insect pollinators, not only to our food chain, but also to a healthy environment overall. The campaign provides Minnesotans with easy guidelines on how they can help Minnesota pollinators, and asks each of us to take one small step to help them.

There are many more opportunities for volunteers (weeding, planting, earthmoving, mulching and construction) and for donors to sponsor additional plantings, interpretive signs, a boardwalk, trails and benches.

For more information on how you can get involved, please contact Agassiz Audubon at 218-745-5663.





## Pollinator Garden Gets Edging & Sign

By Heidi Hughes

Tim, Laurie and Miles Martine of the "Garden Corner" in Warren spent last week installing cement block edging along the paths around the native plant beds at the Northwest Minnesota Pollinator Garden.

"With all the rain we had earlier this year," said Sheila Hoerner, President of Agassiz Audubon Society, "we needed to define our garden beds and keep the mulch and soil from floating away."

Agassiz Audubon was also looking for subtle way to let visitors - and invasive plants - know where the boundaries are. Hoerner went to the experts at Garden Corner for advice.

"We recommended Crestone Beveled Sienna cement blocks," said Laurie Martine. She and her husband Tim, delivered and installed 500 blocks. "Blocks get the job done for reasonable price. They look great. And they don't require much, if any, maintenance," she said.

"We still have blooming flowers," said Hoerner. "Come on out and see them before the frost gets them. There's still a rainbow of colors. The asters, blanket flower, yarrow and goldenrods haven't gone to seed yet."

All the plants are native to the Tallgrass Prairie and Aspen Parkland - so once they get "started," they won't require much care - just weeding. And they attract pollinators - bees, butterflies and birds.

The Northwest Minnesota Pollinator Garden is open to the public every day from 8am to 6pm. Admission is free. The Garden is 5 miles east of downtown Warren off State Hwy 1, south at 280th Ave NW 3 miles, then ½ mile east on 190th Street NW.

Look for the new "POLLINATOR GARDEN" sign at the entrance - 27569 190th Street NW. Designed and fabricated by Angie Johnson of Mentor, MN, the sign was installed last weekend. You can't miss it.

Agassiz Audubon Society started working on the pollinator garden at the Beach Ridge back in the spring of 2013. The Middle Snake Tamarac Rivers Watershed District joined the project a year later.

The project has received funding from the Northwest Minnesota Foundation and Pheasants Forever, and donations in memory of Sarah F. Gunderson of Thompson, ND, Tom Valega of Linden, NJ, and Christine Boman of Warren, MN.

Students at the Warren-Alvarado-Oslo Schools led by industrial technology teacher Nathan Wozniak built chimney swift tower and information kiosks in 2014.

The project has also received support from the Minnesota Department of Agriculture - Pesticides Branch through a grant to the University of Minnesota Crookston's Agriculture and Natural Resources Department. Many of the native plants were grown from seed in the University's greenhouses.

The NW Minnesota Pollinator Garden is part of the Minnesota Department of Agriculture (MDA) campaign to "Protect Minnesota Pollinators" in yards and gardens, along roadsides and on farms. The goal is increase public awareness of the importance of insect pollinators, not only to our food chain, but also to a healthy environment overall. The campaign provides Minnesotans with easy guidelines on how they can help Minnesota pollinators, and asks each of us to take one small step to help them.



Miles Martine rakes in the pollinator garden.

Agassiz Audubon is looking for volunteers to help construct the garden elements, to plant and to weed. There are many opportunities to sponsor additional plantings, interpretive signs, a website and webcam, a boardwalk, trails and benches. Contact Agassiz Audubon at 218.745.5663.



## 'W' Birders Visit Agassiz Valley

Seven local birdwatchers got up early Saturday morning to go on their very first bird-watching adventure at the Agassiz Valley Project at 280th Avenue NW in rural Warren. After a quick tutorial on how to adjust binoculars, the kids bird-watching team sponsored by "The W" coffee shop in Warren, headed west with Agassiz Audubon's Heidi Hughes.

What did they see at their first stop along the "Wildlife Drive" at the top of the impoundment? River Otters.

They also got good looks at Bald Eagles, Black-billed Magpies, Northern Harriers (hunting right in front of them), Great Blue Herons, Northern Flickers and Western Meadowlarks.

If you go out to the impoundment this week, be on the lookout for Sandhill Cranes, Harris's Sparrows and White-throated Sparrows. And please, slow down for Northern Flickers on the roadides hunting insects. The young flickers don't seem to "get it" about cars yet.

Thanks to Bethany Wright, owner of "The W," for sponsoring the new kids birding team.

For more information about how you can get started watching birds, or help kids get involved in this "healthy" (and fun) hobby, call Agassiz Audubon at 218-745-5663.

**W** SHEAF

Warren Sheaf

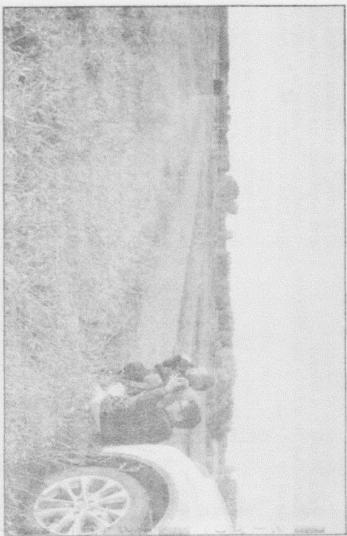
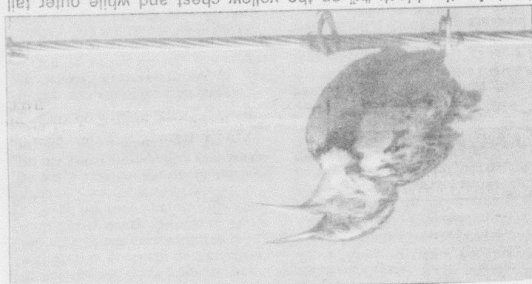
Wednesday, September 21, 2016

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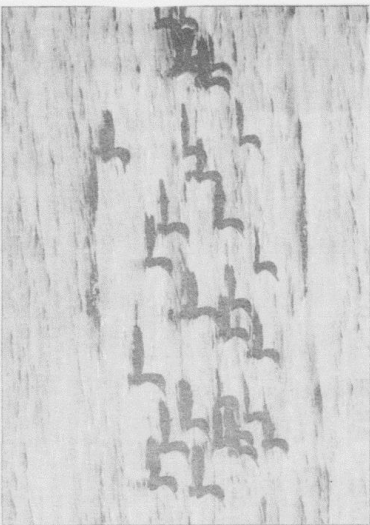


Calibrating binoculars before taking off to the impoundment. Left to right, are: Quincy Wright, Lucas Otero, Beth Wright, Diandra Lopez.

Look for the black "V" on the yellow chest and white outer tail feathers of this member of the blackbird family. Its flute-like song is unforgettable. "It's the state bird of North Dakota, Montana, Wyoming, Nebraska and Kansas."



Checking for American Coots at Agassiz Valley. Left to right are Quincy Wright and Colton Otero.



From a distance cormorants resemble loons, as they both sit low in the water. But only cormorants swim around with their "noses" up in the air.

## Projections for 2017

### The Impoundments

The District will continue to maintain the impoundments. Inspections will continue by staff and engineers. Staff and consultants will again monitor vegetation on mitigated wetlands at Agassiz Valley and Brandt Angus Coulee. The MSTRWD staff continues to work on proposals to fund habitat restoration projects, developing the birding trail sites and developing a field station and an outdoor classroom at Agassiz.

### Ditch Maintenance

The MSTRWD will continue to respond to landowner requests for ditch maintenance on the legal drainage systems under the jurisdiction of the District, as well as continue its ditch maintenance program throughout the Watershed District; including, inspection for sediment, weeds, brush, beaver dams and other obstructions to flow. Included in ditch maintenance will be a major repair of Judicial Ditch 75, hoped to be completed in 2017.

### Water Quality

Phase 2 of the Middle and Snake Rivers WRAPS project will move ahead, with District staff focused on community outreach. Staff will also assist with the Lower Red River and Grand Maris Creek WRAPS projects, as needed. The District continues to support the River Watch Program and utilize them in the water monitoring of its flood control projects.

### The Red River Watershed Management Board

The District will continue to work with the Red Board in constructing flood control projects through the Mediation Agreement of 1998. The Middle-Snake-Tamarac Rivers WD is committed to the RRWMB goal of 20% reduction of peak flows on its tributaries into the Red River.

### Stream Maintenance

The rivers and streams in the MSTRWD are important to the managing of surface water in the Middle-Snake-Tamarac Rivers WD. Therefore, we will continue to assist landowners and agencies in the maintenance of these waters, using programs such as "Sentence to Serve."

### Outreach and Education

Tours of the PL-566 Richard P Nelson Floodway and Off Channel Storage Site, the Agassiz Valley Water Resources Management Project can be arranged. We will continue to "grow" the birding trail collaboration and expand programs and facilities at the Agassiz Valley project. We expect that trail kiosks will be installed at various locations. The walking trails created and maintained by the Agassiz Audubon Society are open for exploration during the growing season and cross country skiing in the winter months.

### [Drainage Management](#)

With the increasing demand for tile drainage in the District, wetter conditions and continuously improving technology, the Watershed District will be updating its drainage policy to better manage water in the District.

### [Performance Review and Assistance Program](#)

The District expects to fulfill the last recommendations of the Performance Review and Assistance Program initiated by the Board of Water and Soil Resources.

### [Ditch Levies](#)

On the following page is a listing of the 2016 ditch levies for drainage systems under the jurisdiction of the Board of Managers and “Independent Auditors Report” for the year ending December 31, 2016. Once the levies are set, they are given to the Marshall, Pennington and Polk County Auditors.

## 2016 Ditch Levies for Drainage Systems under the Jurisdiction of the MSTRWD

System	County	Portion	Redetermination of Benefits		2016 Levy	
			Year	Benefits	%	(\$)
JD #1	Marshall	13.56%	1992	\$497,195	4.00%	\$19,880
	Polk	86.44%	1992	\$3,168,795	2.00%	\$63,370
WD #2	Marshall	100.00%	1991	\$40,513	1.00%	\$400
SD #3	Marshall	100.00%	1958	\$98,435	10.00%	\$9,840
WD #4	Marshall	73.33%	1991	\$97,791	2.25%	\$2,200
	Polk	26.67%	1991	\$35,575	4.50%	\$1,600
WD #5	Polk	100.00%	1998	\$2,568,049	0.75%	\$19,260
WD #5 bond retirement fund	Polk	100.00%	1998	\$2,568,049	5.519%	\$141,740
WD #6	Polk	100.00%	1998	\$1,940,736	1.00%	\$19,400
WD #6 bond retirement fund	Polk	100.00%	1998	\$1,940,736	4.69%	\$90,990
WD #7	Marshall	58.40%	2000	\$304,504	0.50%	\$1,520
	Polk	41.60%	2000	\$34,063	0.50%	\$170
WD #7 Imp	Marshall	58.40%	2000	\$76,133	0.00%	-
	Polk	41.60%	2000	\$54,237	0.00%	-
JD #14	Marshall	74.92%	2014	\$983,879	3.00%	\$29,510
	Pennington	25.08%	2014	\$329,416	5.00%	\$16,470
JD #15	Marshall	100.00%	1980	\$1,535,665	2.50%	\$38,390
JD #16	Marshall	100.00%	1987	\$929,352	1.00%	\$9,290
JD #17	Marshall	6.48%	1982	\$43,470	0.00%	-
	Polk	93.52%	1982	\$627,149	0.75%	\$4,700
JD #20	Marshall	100.00%	1985	\$2,354,906	1.00%	\$23,540
JD #21	Marshall	100.00%	1985	\$279,838	0.50%	\$1,390
JD #24	Marshall	72.78%	1990	\$247,353	0.10%	\$240
	Polk	27.22%	1990	\$92,494	0.10%	\$90
JD #25-1	Marshall	38.34%	2014	\$388,653	4.00%	\$15,546
	Polk	56.33%	2014	\$571,047	4.00%	\$22,840
	Pennington	5.33%	2014	\$54,032	4.00%	\$2,160
JD #25-2	Marshall	9.21%	1989	\$70,810	2.00%	\$1,410
	Polk	55.66%	1989	\$427,954	0.90%	\$3,850
	Pennington	35.13%	1989	\$270,062	1.60%	\$4,320
JD #28	Marshall	100.00%	1913	\$55,990	10.00%	\$5,590
JD #29	Marshall	100.00%	1981	\$2,237,910	2.00%	\$44,750
CD #39	Marshall	100.00%	1990	\$125,681	2.00%	\$2,510
CD #39i	Marshall	100.00%	1996	\$108,466	1.00%	\$1,080
CD #43	Polk	100.00%	1989	\$1,176,137	3.00%	\$35,280
CD #44	Polk	100.00%	1989	\$1,001,112	2.00%	\$20,020
JD #68	Polk	100.00%	1995	\$248,110	0.10%	\$240
JD #75	Polk	100.00%	1990	\$3,653,439	2.00%	\$73,060
CD #175	Polk	100.00%	1997	\$1,180,524	0.50%	\$5,900



## Conclusion

Spring melt flows to the District's impoundments varied this year. It appeared that flows through natural waterways and overland had much of the earliest flow. The legal ditches took some time to open up as they were full of snow from winter storms blowing north and south. The Brandt Angus Coulee Project saw water enter it perhaps a week sooner than Angus Oslo #4, which is 2 miles to the northeast.

Mid and late summer rains, particularly a large rain over Labor Day Weekend, caused problems for farmers. These types of events often bring to light drainage issues which are not obvious under normal circumstances.

MSTRWD received requests for sediment inspections on a few ditches later in the year. The surveys and potential sediment removal will take place in 2017. On one system, sediment was removed from half of the system with the intent to finish the cleaning in 2017.

Communication from the public has always been encouraged and useful when identifying problems with drainage. The need for sediment removal, beaver, brush and weed maintenance is often more obvious to landowners and farmers than to District staff.

The permitting of field drain tile was up by more than twofold in 2016 than 2015. An unusual amount of rain during the growing season may have contributed to the permits. The total number of the all permits was close to the 2015 level.

Project Teams and projects that are already developed will continue to move forward. Currently, four project teams are in operation, along with the steering committee of the Oslo Access Study and the WRAPS team.

If you have any questions concerning this or any other aspects of the District, please contact any of the Board of Managers or the District office.

## **INDEPENDENT AUDITOR'S REPORT**

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Middle-Snake-Tamarac Rivers Watershed District  
Warren, Minnesota

### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Middle-Snake-Tamarac Rivers Watershed District as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1, this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall financial statement presentation.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Middle-Snake-Tamarac Rivers Watershed District, as of December 31, 2016, and the respective changes in modified cash basis financial position thereof for the year then ended in conformity with the modified cash basis of accounting described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Middle-Snake-Tamarac Rivers Watershed District's basic financial statements. The management's discussion and analysis and budgetary comparison information, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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.

The accompanying Letter of Introduction and supplementary statements as shown in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.



The Letter of Introduction has not been subjected to the auditor procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any

A handwritten signature in black ink, reading "Brady Martz". The signature is written in a cursive, flowing style with a large initial 'B' and 'M'.

**BRADY, MARTZ & ASSOCIATES, P.C.**  
**GRAND FORKS, NORTH DAKOTA**

May 26, 2017

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

Our discussion and analysis of the Middle-Snake-Tamarac Rivers Watershed District's final performance provides an overview of the District's financial activities for the fiscal period December 31, 2016, within the limitations of the District's modified cash basis of accounting. Please read it in conjunction with the District's financial statements that begin on page 70.

**FINANCIAL HIGHLIGHTS**

- The District's total revenues exceeded total expenditures, on the modified cash basis of accounting, by \$413,741 for the year ended December 31, 2016.
- The general fund showed an increase in fund balance in the amount of \$52,366
- The District's general fund ended the year with a fund balance of \$648,347
- The District's combined fund balance at the close of the current year was \$3,490,880

**Using this Annual Report**

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

**Report Components**

This annual report consists of five parts as follows:

**Government-Wide Financial Statements:** The Statement of Net Position and the Statement of Activities on pages 70 & 71 provide information about the activities of the District government-wide (or "as a whole") and present a longer-term view of the District's finances.

**Fund Financial Statements:** The Fund financial statements (starting on page 72) focus on the individual parts of the District's government. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant ("major") funds. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending.

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

**Supplementary Information:** This Management's Discussion and Analysis and the General Fund Budgetary Comparison Schedule (starting on page 84) represent financial information supplementary to the financial statements. Such information provides users of this report with additional data that supplements the government-wide statements, fund financial statements, and notes (referred to as "the basic financial statements").

**Supplementary Statements:** This part of the annual report (starting on page 87) includes other supplemental financial information which is provided to address certain specific needs of various users of the District's annual report. These statements include Individual Fund Statements for Governmental Units.

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**Basis of Accounting**

The District has elected to present its financial statements on a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses and their related assets and liabilities. Under the District's modified cash basis of accounting, revenues and expenses and related assets and liabilities are recorded when they result from cash transactions, except from unexpended grant funds.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in the basic financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

**Reporting the District as a Whole**

**The District's Reporting Entity Presentation**

This annual report includes all activities for which the Middle-Snake-Tamarac Rivers Watershed District Board of Directors is fiscally responsible. These activities, defined as the District's reporting entity, are operated within separate legal entities that make up the primary government. The District has no reportable component units.

**The Government-Wide Statement of Net Position and the Statement of Activities**

Our financial analysis of the District as a whole begins on page 67. The government-wide financial statements are presented on pages 70 & 71. One of the most important questions about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all of the District's assets and liabilities resulting from the use of the modified cash basis of accounting.

These two statements report the District's Net Position and changes in them. Keeping in mind the limitations of the modified cash basis of accounting, you can think of the District's Net Position as the difference between assets and liabilities-as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's Net Position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the District's property tax base and the condition of the District's infrastructure, to assess the overall health of the District.

In the Statement of Net Position and the Statement of Activities, the District has one type of activity:

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

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**The Fund Financial Statements**

The fund financial statements begin on page 72 and provide detailed information about the most significant funds. Some funds are required to be established by state law and by bond covenants. However, the Board of Directors establishes certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for causing certain taxes, grants and other money. The District's two kinds of funds - governmental and fiduciary - use different accounting approaches.

**Governmental Funds** – Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at period-end that are available for spending. These funds report the acquisition of capital assets and payments for debt principal as expenditures and not as changes to assets and debt balances. The governmental funds statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you to determine (through a review of changes to fund balance) whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The District considers the General Fund, and the various Capital Project Funds as significant or major governmental funds. All other governmental funds are aggregated in a single column entitled other governmental funds.

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

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

**Net Position – Modified Cash Basis**

The District's combined Net Position, resulting from modified cash basis transactions, increased \$413,741 between the years ended December 31, 2016 and 2015.

	Governmental Activities		Change
	2016	2015	15-16
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 3,490,880	\$ 3,077,139	\$ 413,741
Total Assets	<u>3,490,880</u>	<u>3,077,139</u>	<u>413,741</u>
<u>NET POSITION</u>			
Restricted for:			
Capital Projects	3,082,416	3,195,841	(113,425)
Debt Service	891,385	892,194	(809)
Unrestricted	<u>(482,921)</u>	<u>(1,010,896)</u>	<u>527,975</u>
Total Net Position	<u>\$ 3,490,880</u>	<u>\$ 3,077,139</u>	<u>\$ 413,741</u>



**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**Changes in Net Position – Modified Cash Basis**

For the years ended December 31, 2016 and 2015, Net Position of Middle-Snake-Tamarac Rivers Watershed District changed as follows:

	Governmental Activities		Change
	2016	2015	15-16
<b>Revenues</b>			
Program Revenues			
Charges for Services			
& Special Assessments	\$ 889,442	\$ 905,106	\$ (15,664)
Operating Grants and			
Contributions	10,138	10,864	(726)
Capital Grants & Contributions	433,073	348,766	84,307
General Revenues			
Property Taxes	770,182	678,345	91,837
Intergovernmental	19,925	17,639	2,286
Investment Income	<u>7,027</u>	<u>3,966</u>	<u>3,061</u>
<b>Total Revenues</b>	<u>2,129,787</u>	<u>1,964,686</u>	<u>165,101</u>
<b>Expenditures</b>			
General Government	412,631	500,629	(87,998)
Capital Projects	1,140,428	1,757,072	(616,644)
Debt Service	<u>162,987</u>	<u>172,070</u>	<u>(9,083)</u>
<b>Total Expenditures</b>	<u>1,716,046</u>	<u>2,429,771</u>	<u>(713,725)</u>
<b>Increase (Decrease) in Net Position</b>	<u>\$ 413,741</u>	<u>\$ (465,085)</u>	<u>\$ 878,826</u>

**Governmental Activities**

To aid in the understanding of the Statement of Activities on page 71, some additional explanation is given. Of particular interest is the format that is significantly different from a typical Statement of Revenues, Expenditures and Changes in Fund Balance. You will notice that expenses are listed in the first column, with revenues for that particular program reported to the right. The result is a Net (Expense)/Revenue. This type of format highlights the relative financial burden of each of the functions on the District's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue, even if restricted for a specific purpose.

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**A FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

Certain funds experienced noteworthy changes from the prior year and are highlighted as follows:

- Judicial Ditch #29 was the most active project expending \$107,339 for the year ended December 31, 2016.
- The General fund had total receipts of \$373,653 and disbursements of \$321,287 for the year ended December 31, 2016.
- The Capital Project Administrative fund had total receipts of \$881,820 and disbursements of \$872,145 for the year ended December 31, 2016.
- The Capital Project Brandt/Angus fund had total receipts of \$569,862 and disbursements of \$65,555 for the year ended December 31, 2016.
- The Capital Project PL-566 fund had total receipts of \$68,435 and disbursements of \$79,275 for the year ended December 31, 2016.
- The JD #14 fund had total receipts of \$43,161 and disbursements of \$18,849 for the year ended December 31, 2016.
- The JD #25-1 fund had total receipts of \$41,358 and disbursements of \$21,713 for the year ended December 31, 2016.
- The WD #5 BRF fund had total receipts of \$96,940 and disbursements of \$99,095 for the year ended December 31, 2016.

**CAPITAL ASSET AND DEBT INFORMATION**

**Capital Assets – Modified Cash Basis**

At December 31, 2016, the District had an estimated \$2,657,841 invested in capital assets. There were no additions for the year ended December 31, 2016.

**Long Term Debt**

See Note 7 to the financial statements on page 82 of the report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

See letter of Introduction.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This report is designed to provide our taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's office at PO Box 154, Warren, Minnesota or by telephone at (218) 745-4741.

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**STATEMENT OF NET POSITION - MODIFIED CASH BASIS**  
**AS OF DECEMBER 31, 2016**

<u>ASSETS</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 3,490,880
Total Assets	<u>3,490,880</u>
 <u>NET POSITION</u>	
Restricted for:	
Capital Projects	3,082,416
Debt Service	891,385
Unrestricted	<u>(482,921)</u>
Total Net Position	<u>\$ 3,490,880</u>

See Notes to the Basic Financial Statements

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Allocated Expenses</u>	<u>Program Receipts and Sources</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
			<u>Special Assessments and Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:						
General Government	\$ 412,631	\$ (91,344)	\$ 132,763	\$ 10,138	\$ -	\$ (178,386)
Capital Projects:						
Administrative	190,579	-	-	-	-	(190,579)
Maintenance	-	-	502,587	-	-	502,587
Construction	949,849	91,344	92,744	-	433,073	(515,376)
Debt Service	<u>162,987</u>	<u>-</u>	<u>161,348</u>	<u>-</u>	<u>-</u>	<u>(1,639)</u>
Total Governmental Activities	<u>\$ 1,716,046</u>	<u>\$ -</u>	<u>\$ 889,442</u>	<u>\$ 10,138</u>	<u>\$ 433,073</u>	<u>\$ (383,393)</u>

General Receipts:

Property Taxes	\$ 770,182
Intergovernmental (not restricted to specific programs)	19,925
Investment Earnings	<u>7,027</u>
Total General Receipts	797,134
Change in Net Position	413,741
Net Position - Beginning	<u>3,077,139</u>
Net Position - Ending	<u>\$ 3,490,880</u>

See Notes to the Basic Financial Statements



**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**BALANCE SHEET - MODIFIED CASH BASIS – GOVERNMENTAL FUNDS**  
**AS OF DECEMBER 31, 2016**

<u>ASSETS</u>	General Fund	Capital Project Administrative	Capital Project Brandt/Angus	Capital Project PL-566	Capital Project JD #25-1	JD #14	WD #5 BRF	Other Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	\$ 648,347	\$ 785,669	\$ -	\$ -	\$ -	\$ -	\$ 518,389	\$ 1,538,475	\$ 3,490,880
Due From Other Funds	-	1,131,268	-	-	-	-	-	-	1,131,268
Total Assets	<u>\$ 648,347</u>	<u>\$ 1,916,937</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 518,389</u>	<u>\$ 1,538,475</u>	<u>\$ 4,622,148</u>
<u>LIABILITIES AND FUND BALANCES</u>									
Liabilities:									
Due To Other Funds	\$ -	\$ -	\$ 441,338	\$ 135,385	\$ 126,749	\$ 126,600	\$ -	\$ 301,196	\$ 1,131,268
Total Liabilities	-	-	441,338	135,385	126,749	126,600	-	301,196	1,131,268
Fund Balances:									
Restricted for Capital Projects	-	1,916,937	-	-	-	-	-	1,165,479	3,082,416
Restricted for Debt Service	-	-	-	-	-	-	518,389	372,996	891,385
Unassigned	648,347	-	(441,338)	(135,385)	(126,749)	(126,600)	-	(301,196)	(482,921)
Total Fund Balances	<u>648,347</u>	<u>1,916,937</u>	<u>(441,338)</u>	<u>(135,385)</u>	<u>(126,749)</u>	<u>(126,600)</u>	<u>518,389</u>	<u>1,237,279</u>	<u>3,490,880</u>
Total Liabilities and Fund Balances	<u>\$ 648,347</u>	<u>\$ 1,916,937</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 518,389</u>	<u>\$ 1,538,475</u>	<u>\$ 4,622,148</u>

See Notes to the Basic Financial Statements

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS –**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

RECEIPTS	General Fund	Capital Project Administrative	Capital Project Brandt/Angus	Capital Project PL-566	Capital Project JD #14	Capital Project JD #25-1	Capital Project WD #5 BRF	Other Governmental Funds	Total Governmental Funds
Property Taxes	\$ 242,060	\$ 528,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 770,182
Special Assessments	-	-	-	-	43,161	41,358	96,454	482,962	663,935
Intergovernmental:									
FEMA	-	33,359	-	-	-	-	-	-	33,359
State of Minnesota:									
MV-Credit	-	19,925	-	-	-	-	-	-	19,925
PERA	10,138	-	-	-	-	-	-	-	10,138
Cost Share	-	134,996	60,030	-	-	-	-	-	195,026
Project Funding	-	19,525	-	51,771	-	-	-	-	71,296
RRWMB	1,659	15,430	-	-	-	-	-	-	17,089
Other:									
Investment Income	1,191	4	-	-	-	-	486	5,346	7,027
Rent	-	-	9,832	16,664	-	-	-	66,248	92,744
Reimbursements	99,233	12,500	-	-	-	-	-	-	111,733
Miscellaneous	19,372	117,959	-	-	-	-	-	-	137,331
Transfers-In	-	-	500,000	-	-	-	-	2,323	502,323
Total Receipts	<u>373,653</u>	<u>881,820</u>	<u>569,862</u>	<u>68,435</u>	<u>43,161</u>	<u>41,358</u>	<u>96,940</u>	<u>556,879</u>	<u>2,632,108</u>
DISBURSEMENTS									
General Governmental:									
Personnel Costs	260,684	-	-	-	-	-	-	-	260,684
Professional	51,345	-	-	-	-	-	-	-	51,345
Operations	85,540	-	-	-	-	-	-	-	85,540
Facilities	15,062	-	-	-	-	-	-	-	15,062
Projects	(91,344)	-	-	-	-	-	-	-	(91,344)
Capital Projects:									
Professional	-	246,994	4,244	1,292	92	17,167	-	86,259	356,048
Project Costs	-	27,274	40,963	58,692	7,170	2,610	-	457,770	594,479
Taxes	-	7,033	13,700	16,582	-	-	-	22,659	59,974
Administrative	-	70,968	5,442	2,204	6,561	1,731	-	103,673	190,579
Miscellaneous	-	17,553	1,206	505	5,026	205	-	6,197	30,692
Debt Service:									
Principal	-	-	-	-	-	-	87,000	56,000	143,000
Interest	-	-	-	-	-	-	12,095	7,892	19,987
Transfers-Out	-	502,323	-	-	-	-	-	-	502,323
Total Disbursements	<u>321,287</u>	<u>872,145</u>	<u>65,555</u>	<u>79,275</u>	<u>18,849</u>	<u>21,713</u>	<u>99,095</u>	<u>740,450</u>	<u>2,218,369</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	52,366	9,675	504,307	(10,840)	24,312	19,645	(2,155)	(183,571)	413,739
FUND BALANCE JANUARY 1	595,981	1,907,262	(945,645)	(124,545)	(150,912)	(146,394)	520,544	1,420,848	3,077,139
FUND BALANCE DECEMBER 31	<u>\$ 648,347</u>	<u>\$ 1,916,937</u>	<u>\$ (441,338)</u>	<u>\$ (135,385)</u>	<u>\$ (126,600)</u>	<u>\$ (126,749)</u>	<u>\$ 518,389</u>	<u>\$ 1,237,277</u>	<u>\$ 3,490,878</u>

See Notes to the Basic Financial Statements

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Middle-Snake-Tamarac Rivers Watershed District, a public corporation, was established under the Minnesota Watershed Act. Its purpose is to carry out conservation of the natural resources of the state through land utilization, flood control, and other needs based upon sound scientific principles of the protection of the public health and welfare and the provident use of natural resources. The Middle-Snake-Tamarac Rivers Watershed District serves an area in Northwestern Minnesota.

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

**A. FINANCIAL REPORTING ENTITY**

The Middle-Snake-Tamarac Rivers Watershed District's Board of Managers ("Board") is the basic level of government which has financial accountability and control over the activities related to water management in the Middle-Snake-Tamarac Rivers Watershed District. The Board receives funding primarily from local sources and occasionally from state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since Board members are appointed by their respective County Commissioners and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operation, and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 61 which are included in the District's reporting entity.

**B. BASIS OF PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. The District generally has only governmental activities which are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

**FUND FINANCIAL STATEMENTS**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are typically organized into three major categories: governmental, fiduciary and proprietary. The District currently has no proprietary funds.

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**AS OF DECEMBER 31, 2016**

An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

**Governmental Funds**

General Fund

The General Fund is the primary operating fund of the District and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Capital Project Funds

The Capital Project Funds are used to account for resources restricted for the acquisition, construction and maintenance of specific capital projects or items.

Debt Service Funds

The Debt Service Funds are used to accumulate resources to pay for various debts of the District.

**Fiduciary Funds**

Agency Funds

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

**Fund**  
Red River Water Management Board

**Brief Description**  
Property Taxes are levied by District and submitted to the Management Board.

**Major Funds**

**Fund**  
General Governmental

**Brief Description**  
See above for description.

Capital Projects – Administrative,  
Brandt/Angus &  
PL - 566

See above for description.



**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**AS OF DECEMBER 31, 2016**

<b>Fund</b>	<b>Brief Description</b>
Debt Service – WD #5	Debt Service Funds account for long-term debt held by the District that was issued for ditch maintenance projects.
Capital Projects – Ditch Maintenance – JD #14 & JD 25-1	Ditch Maintenance Funds account for assets held by the District for the maintenance of each of the District's ditch systems.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe “how” transactions are recorded within various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**MEASUREMENT FOCUS**

In the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used to appropriate.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources at the end of the period.

**BASIS OF ACCOUNTING**

The government-wide Statement of Net Position and Statement of Activities and the fund financial statements, governmental activities are presented using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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

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

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**AS OF DECEMBER 31, 2016**

**D. ASSETS, LIABILITIES AND EQUITY**

**CASH AND CASH EQUIVALENTS**

For the purposes of financial reporting, "cash and cash equivalents" include all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of one year or less.

**CAPITAL ASSETS**

Capital assets arising from cash transactions are not accounted for in the Statement of Net Position or Statement of Activities.

**EQUITY**

**Government-Wide Statements**

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

- a. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws of other governments; or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net position – All other net positions that do not meet the definition of "restricted" or "invested in capital assets – net of related debt".

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**EQUITY CLASSIFICATION**

**Fund Financial Statements**

Governmental fund equity is classified as fund balance. See subnote "F" on the next page for details.

**E. REVENUES, EXPENDITURES AND EXPENSES**

**PROGRAM REVENUES**

In the Statement of Activities, cash basis revenues that are derived directly from each activity or from parties outside the District's taxpayers are reported as program revenues. The District has the following program revenues in each activity:

General Government	Tax Levies and Reimbursements
Capital Projects	Ditch Levies, Project Grants and Project Funding.

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**AS OF DECEMBER 31, 2016**

**F. FUND BALANCE CLASSIFICATIONS**

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

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

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

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

*Assigned* – consists of internally imposed constraints. These constraints reflect specific purposes for which it is the District's intended use. These constraints are established by the Board of Directors and/or management.

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

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

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

**G. NET POSITION**

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the District's financial statements. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the restricted component of net position.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

By its nature as a local government unit, the District is subject to various federal, state, and local laws and contractual regulations. The following instances of noncompliance are considered material to the financial statements:

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**AS OF DECEMBER 31, 2016**

**A. DEFICIT FUND BALANCES**

For the year ended December 31, 2016, the following Funds had deficit balances:

**MAJOR FUNDS:**

Capital Projects:	Brandt/Angus	\$ (441,338)
	PL-566	(135,385)
	JD #25-1	(126,749)
	JD #14	(126,600)

**NON-MAJOR FUNDS:**

Capital Projects:	Angus-Oslo 1	\$ (898)
	Angus-Oslo #4	(41,961)
	Florian WMA	(62)
Ditch Maintenance:	CD #43	(36,379)
	CD #44	(22,089)
	CD #175	(59,230)
Ditch Maintenance:	JD #15	(25,252)
	JD #25-2	(74,740)
	JD #28	(34,800)
	JD #29	(5,723)

No remedial action is deemed necessary.

These deficits will be funded by borrowings from the general fund and capital projects fund until they can be brought to a positive fund balance.

**NOTE 3 CASH AND INVESTMENTS**

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

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

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

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



**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**AS OF DECEMBER 31, 2016**

- d. Bankers Acceptance of United States banks eligible for purchases by the Federal Reserve System.
- e. Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality and maturing in 270 days or less.
- f. Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
- g. Futures contracts sold under authority of Minnesota Statutes 471.56, Subd. 5.

Concentration of Credit Risk

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

Custodial Credit Risk - Deposits

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

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

At December 31, 2016, the carrying amount of the District's deposits was \$3,490,880 and the bank balance was \$3,576,955. The bank balance was covered by Federal Depository Insurance and by collateral held by the District's agent in the District's name.

**NOTE 4 PROPERTY TAXES**

Property is assessed and property taxes attach as an enforceable lien as of January 2, of a given year. The tax then becomes due on the first Monday in January following the year of assessment. Taxes are paid to the County Treasurer. The first half is due by May 15, and the second half is due by October 15 of the year. Taxes are deemed delinquent on the first Monday following the year they should have been paid.

Upon receipt of the property taxes, the County Treasurer makes full settlement with the County Auditors of all receipts collected. Tax settlements are remitted to the District as soon as possible after this date.

Property tax revenues are recognized when cash payments are received.

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**AS OF DECEMBER 31, 2016**

**NOTE 5 DEFINED BENEFIT PENSION PLANS**

**A. PLAN DESCRIPTION**

All full-time employees and certain part-time employees of the Middle-Snake-Tamarac Rivers Watershed District are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF), which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

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

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

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

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

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

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org), by writing to PERA at 60 Empire Drive #200, St. Paul, MN, 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**AS OF DECEMBER 31, 2016**

**B. FUNDING POLICY**

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. GERS Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.5% respectively, of their annual covered salary in 2016. The Middle-Snake-Tamarac Rivers Watershed District is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members and 7.5% for Coordinated Plan members. The District's contributions to the Public Employees Retirement Fund for the year ended December 31, 2016 was \$13,717. The District's contributions were equal to the contractually required contributions for each year as set by state statute.

**Related-Party Investments**

As of December 31, 2016, the District had no related party investments.

**NOTE 6 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters.

The District manages these various risks of loss with the purchase of commercial insurance.

Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

**NOTE 7 LONG-TERM DEBT**

The Watershed District is indebted for the following long-term debt issued on behalf of the District:

Polk County General Obligation Watershed District Refunding Bonds of 2006, due in installments through February 1, 2020 bearing interest of 3.25 to 4.0%. Principal repayments on these bonds began on February 1, 2007.	<u>\$ 536,000</u>
Total Long-Term Debt	<u>\$ 536,000</u>

Repayment requirements are as follows:

Year Ending December 31	Principal	Interest	Total
2017	\$ 138,000	\$ 18,370	\$ 156,370
2018	138,000	13,057	151,057
2019	130,000	7,800	137,800
2020	<u>130,000</u>	<u>2,600</u>	<u>132,600</u>
Total	<u>\$ 536,000</u>	<u>\$ 41,827</u>	<u>\$ 577,827</u>

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**AS OF DECEMBER 31, 2016**

**NOTE 8 CONTINGENCIES**

Grants

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

**NOTE 9 SUBSEQUENT EVENTS**

No significant events occurred subsequent to the District's year end. Subsequent events have been evaluated through May 26, 2017, which is the date these financial statements were available to be issued.

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS – GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>RECEIPTS</u>	<u>Budget Original &amp; Final</u>	<u>Actual 2016</u>	<u>Variance</u>
<u>Property Taxes</u>			
Marshall County	\$ 196,919	\$ 190,788	\$ (6,131)
Polk County	49,117	47,203	(1,914)
Kittson County	1,042	992	(50)
Pennington County	2,706	2,899	193
Roseau County	216	178	(38)
Total Property Taxes	250,000	242,060	(7,940)
<u>State Aids</u>			
PERA	-	10,138	10,138
Total State Aids	-	10,138	10,138
<u>Other Sources</u>			
Lieu of Taxes	500	-	500
Ditch Reimbursements		99,233	99,233
Interest	600	1,191	591
RRWMB		1,659	1,659
Other	26,500	19,372	(7,128)
Total Other Sources	27,600	121,455	94,855
Total Receipts, Other Sources & Special Items	277,600	373,653	97,053
<u>DISBURSEMENTS</u>			
<u>Administrative Personnel Costs</u>			
Salaries	-	188,817	-
Managers Expense	-	30,585	-
Employee Benefits	-	11,934	-
Dental Insurance	-	33	-
Payroll Costs	-	29,315	-
Total Administrative Personnel Costs	310,000	260,684	49,316
<u>Professional</u>			
Accounting	10,000	9,250	750
Administrative	-	13,876	(13,876)
Engineering		2,011	(2,011)
Legal	30,000	26,208	3,792
Total Professional	40,000	51,345	(11,345)

See Note to the Budgetary Comparison Schedule



**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE – MODIFIED CASH BASIS –**  
**GENERAL FUND - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	Budget Original & Final	Actual 2016	Variance
<u>Operations</u>			
Insurance	23,000	26,991	(3,991)
Dues	3,500	4,429	(929)
Office	10,000	-	10,000
Printing and Advertising	6,000	9,697	(3,697)
Supplies & Miscellaneous	22,000	21,123	877
Telephone	4,000	5,366	(1,366)
Mileage	4,000	2,236	1,764
Vehicle Expense	12,000	7,281	4,719
Postage	2,000	1,558	442
Miscellaneous	700	6,859	(6,159)
Total Operations	<u>87,200</u>	<u>85,540</u>	<u>1,660</u>
<u>Facilities</u>			
Maintenance	5,000	10,881	(5,881)
Utilities	5,500	4,181	1,319
Total Facilities	<u>10,500</u>	<u>15,062</u>	<u>(4,562)</u>
Total Disbursements	<u>\$ 447,700</u>	<u>\$ 412,631</u>	<u>\$ 35,069</u>
Less: Allocated Expenses		\$ 91,344	
Net Total Disbursements		<u>321,287</u>	
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS		52,366	
FUND BALANCE JANUARY 1		<u>595,981</u>	
FUND BALANCE DECEMBER 31		<u>\$ 648,347</u>	

See Note to the Budgetary Comparison Schedule

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTE TO THE BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 1 BUDGETARY COMPARISON**

Budgets are prepared for District Funds on the same basis and using the accounting practices as are used to account and prepare financial reports for the funds. Budgets presented in this report for comparison to actual amounts are presented in accordance with the cash basis of accounting. All appropriations lapse at year-end.

The budget is adopted through the passage of a resolution. Administration can authorize the transfer of budgeted amounts within any fund. Any revisions that alter total expenditures must be approved by the Board of Managers.

The budgetary comparison schedule shows appropriations in excess of expenditures less allocated expenses by \$126,413.

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**COMBINING STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN FUND BALANCE – CAPITAL PROJECTS**  
**FUND – CONSTRUCTION – MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

	GENERAL	ANGUS- OSLO-1	ANGUS- OSLO-4	BRANDT/ ANGUS	MARCH IMPOUNDMENT	PL-566	FARMSTEAD RING DIKES	BIRDING TRAIL	AGASSIZ VALLEY	FLORIAN WMA	TOTALS
<b>RECEIPTS</b>											
<u>Property Taxes</u>											
Marshall County	\$ 415,545	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 415,545
Polk County	104,417	-	-	-	-	-	-	-	-	-	104,417
Pennington County	5,585	-	-	-	-	-	-	-	-	-	5,585
Roseau County	391	-	-	-	-	-	-	-	-	-	391
Kittson County	2,184	-	-	-	-	-	-	-	-	-	2,184
Total Property Taxes	528,122	-	-	-	-	-	-	-	-	-	528,122
<u>Intergovernmental</u>											
Federal Government NDRC	33,359	-	-	-	-	-	-	-	-	-	33,359
<u>State of Minnesota</u>											
Homestead Credit	19,925	-	-	-	-	-	-	-	-	-	19,925
Project Funding	19,525	-	-	-	-	51,771	-	-	-	-	71,296
Cost Share	134,996	-	-	60,030	-	-	-	-	-	-	195,026
RRWMB	15,430	-	-	-	-	-	-	-	-	-	15,430
Total Intergovernmental	223,235	-	-	60,030	-	51,771	-	-	-	-	335,036
<u>Other Income</u>											
Transfers In	-	2,323	-	500,000	-	-	-	-	-	-	502,323
Rent	-	1,298	27,291	9,832	25,100	16,664	-	-	12,559	-	92,744
Miscellaneous	117,959	-	-	-	-	-	-	-	-	-	117,959
Reimbursements	12,500	-	-	-	-	-	-	-	-	-	12,500
Interest	4	-	34	-	-	-	-	2	164	-	204
Total Other Income	130,463	3,621	27,325	509,832	25,100	16,664	-	2	12,723	-	725,730
Total Receipts	881,820	3,621	27,325	569,862	25,100	68,435	-	2	12,723	-	1,588,888
<b>DISBURSEMENTS</b>											
Transfers Out	502,323	-	-	-	-	-	-	-	-	-	502,323
Project Costs	27,274	1,110	5,046	40,963	-	58,692	-	-	14,705	-	147,790
Miscellaneous	17,553	6	156	1,206	349	505	-	-	437	62	20,274
Taxes	7,033	604	10,960	13,700	5,071	16,582	-	-	6,024	-	59,974
Administrative	70,968	900	2,689	5,442	308	2,204	-	-	8,833	-	91,344
Professional	246,994	-	613	4,244	-	1,292	-	-	8,120	-	261,263
Total Disbursements	872,145	2,620	19,464	65,555	5,728	79,275	-	-	38,119	62	1,082,968
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	9,675	1,001	7,861	504,307	19,372	(10,840)	-	2	(25,396)	(62)	505,920
FUND BALANCE JANUARY 1	1,907,262	(1,899)	(49,822)	(945,645)	120,457	(124,545)	42,570	15,298	79,596	-	1,043,272
FUND BALANCE DECEMBER 31	\$ 1,916,937	\$ (898)	\$ (41,961)	\$ (441,338)	\$ 139,829	\$ (135,385)	\$ 42,570	\$ 15,300	\$ 54,200	\$ (62)	\$ 1,549,192

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**COMBINING STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN FUND BALANCE – CAPITAL PROJECTS**  
**FUND – DITCH MAINTENANCE FUNDS – MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>RECEIPTS</u>	<u>Judicial Ditches</u>	<u>Watershed Ditches</u>	<u>County &amp; State Ditches</u>	<u>TOTALS</u>
Tax Levies	\$ 379,637	\$ 49,921	\$ 73,029	\$ 502,587
Prorated Interest Revenue	<u>4,323</u>	<u>375</u>	<u>106</u>	<u>4,804</u>
Total Receipts	<u>383,960</u>	<u>50,296</u>	<u>73,135</u>	<u>507,391</u>
<u>DISBURSEMENTS</u>				
Administrative	78,609	8,047	12,579	99,235
Professional	81,318	983	12,484	94,785
Project Costs	365,782	31,661	49,246	446,689
Miscellaneous	<u>9,041</u>	<u>-</u>	<u>1,287</u>	<u>10,328</u>
Total Disbursements	<u>534,750</u>	<u>40,691</u>	<u>75,596</u>	<u>651,037</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(150,790)	9,605	(2,461)	(143,646)
FUND BALANCE JANUARY 1	<u>321,301</u>	<u>264,983</u>	<u>(40,592)</u>	<u>545,692</u>
FUND BALANCE DECEMBER 31	<u>\$ 170,511</u>	<u>\$ 274,588</u>	<u>\$ (43,053)</u>	<u>\$ 402,046</u>

## STATEMENT 3

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**COMBINING STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN FUND BALANCE – CAPITAL PROJECTS**  
**FUND – JUDICIAL DITCH MAINTENANCE FUNDS – MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>RECEIPTS</u>	<u>JD #1</u>	<u>JD #14</u>	<u>JD #15</u>	<u>JD #16</u>	<u>JD #17</u>	<u>JD #20</u>	<u>JD #21</u>	<u>JD #24</u>
Marshall County	\$ 19,755	\$ 29,048	\$ 41,102	\$ 9,178	\$ -	\$ 23,444	\$ 1,265	\$ 237
Polk County	63,838	-	-	-	4,629	-	-	90
Pennington County	-	14,113	-	-	-	-	-	-
Miscellaneous Revenue	<u>230</u>	<u>-</u>	<u>632</u>	<u>150</u>	<u>47</u>	<u>31</u>	<u>15</u>	<u>67</u>
Total Receipts	<u>83,823</u>	<u>43,161</u>	<u>41,734</u>	<u>9,328</u>	<u>4,676</u>	<u>23,475</u>	<u>1,280</u>	<u>394</u>
<u>DISBURSEMENTS</u>								
Administrative	10,167	6,561	8,088	1,872	1,606	10,442	2,812	3,952
Professional	9,067	92	5,210	2,944	2,566	5,489	-	1,150
Project Costs	40,199	7,170	15,656	1,683	36,375	20,357	1,522	23,153
Miscellaneous	<u>-</u>	<u>5,026</u>	<u>567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>390</u>	<u>-</u>
Total Disbursements	<u>59,433</u>	<u>18,849</u>	<u>29,521</u>	<u>6,499</u>	<u>40,547</u>	<u>36,288</u>	<u>4,724</u>	<u>28,255</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	24,390	24,312	12,213	2,829	(35,871)	(12,813)	(3,444)	(27,861)
FUND BALANCE JANUARY 1	<u>134,133</u>	<u>(150,912)</u>	<u>(37,465)</u>	<u>97,476</u>	<u>66,415</u>	<u>40,998</u>	<u>13,371</u>	<u>71,690</u>
FUND BALANCE DECEMBER 31	<u>\$ 158,523</u>	<u>\$ (126,600)</u>	<u>\$ (25,252)</u>	<u>\$ 100,305</u>	<u>\$ 30,544</u>	<u>\$ 28,185</u>	<u>\$ 9,927</u>	<u>\$ 43,829</u>



**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**COMBINING STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN FUND BALANCE – CAPITAL PROJECTS**  
**FUND – JUDICIAL DITCH MAINTENANCE FUNDS – MODIFIED CASH BASIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>RECEIPTS</u>	<u>JD #25-1</u>	<u>JD #25-2</u>	<u>JD #28</u>	<u>JD #29</u>	<u>JD #68</u>	<u>JD #75</u>	<u>TOTALS</u>
Marshall County	\$ 16,027	\$ 1,347	\$ 4,939	\$ 45,345	\$ -	\$ -	\$ 191,687
Polk County	23,237	3,585	-	-	242	71,995	167,616
Pennington County	2,094	4,127	-	-	-	-	20,334
Miscellaneous Revenue	-	2,855	-	-	31	265	4,323
Total Receipts	<u>41,358</u>	<u>11,914</u>	<u>4,939</u>	<u>45,345</u>	<u>273</u>	<u>72,260</u>	<u>383,960</u>
<u>DISBURSEMENTS</u>							
Administrative	1,731	7,640	3,354	10,602	1,300	8,482	78,609
Professional	17,167	15,652	140	8,402	1,121	12,318	81,318
Project Costs	2,610	52,076	2,458	88,301	-	74,222	365,782
Miscellaneous	205	1,355	1,189	34	-	275	9,041
Total Disbursements	<u>21,713</u>	<u>76,723</u>	<u>7,141</u>	<u>107,339</u>	<u>2,421</u>	<u>95,297</u>	<u>534,750</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	19,645	(64,809)	(2,202)	(61,994)	(2,148)	(23,037)	(150,790)
FUND BALANCE JANUARY 1	<u>(146,394)</u>	<u>(9,931)</u>	<u>(32,598)</u>	<u>56,271</u>	<u>22,593</u>	<u>195,654</u>	<u>321,301</u>
FUND BALANCE DECEMBER 31	<u>\$ (126,749)</u>	<u>\$ (74,740)</u>	<u>\$ (34,800)</u>	<u>\$ (5,723)</u>	<u>\$ 20,445</u>	<u>\$ 172,617</u>	<u>\$ 170,511</u>

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**

**COMBINING STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN FUND BALANCE – CAPITAL PROJECTS  
FUND – WATERSHED DITCH MAINTENANCE FUNDS – MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>RECEIPTS</u>	<u>WD#2</u>	<u>WD#4</u>	<u>WD#5</u>	<u>WD#6</u>	<u>WD#7</u>	<u>WD#7 IMP</u>	<u>UNAPPORTIONED</u>	<u>TOTALS</u>
Marshall County	\$ 370	\$ 2,024	\$ -	\$ -	\$ 1,502	\$ -	\$ -	\$ 3,896
Polk County	-	1,608	23,909	20,314	170	24	-	46,025
Miscellaneous Revenue	<u>7</u>	<u>28</u>	<u>77</u>	<u>125</u>	<u>66</u>	<u>72</u>	<u>-</u>	<u>375</u>
Total Receipts	<u>377</u>	<u>3,660</u>	<u>23,986</u>	<u>20,439</u>	<u>1,738</u>	<u>96</u>	<u>-</u>	<u>50,296</u>
<u>DISBURSEMENTS</u>								
Administrative	120	791	1,834	1,138	814	-	3,350	8,047
Professional	-	62	31	890	-	-	-	983
Project Costs	380	15,215	6,837	8,525	-	704	-	31,661
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90</u>	<u>90</u>
Total Disbursements	<u>500</u>	<u>16,068</u>	<u>8,702</u>	<u>10,553</u>	<u>814</u>	<u>704</u>	<u>3,440</u>	<u>40,781</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(123)	(12,408)	15,284	9,886	924	(608)	(3,440)	9,515
FUND BALANCE JANUARY 1	<u>4,844</u>	<u>31,472</u>	<u>34,253</u>	<u>71,234</u>	<u>42,924</u>	<u>47,745</u>	<u>32,511</u>	<u>264,983</u>
FUND BALANCE DECEMBER 31	<u>\$ 4,721</u>	<u>\$ 19,064</u>	<u>\$ 49,537</u>	<u>\$ 81,120</u>	<u>\$ 43,848</u>	<u>\$ 47,137</u>	<u>\$ 29,071</u>	<u>\$ 274,498</u>

## STATEMENT 5

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**

**COMBINING STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN FUND BALANCE – CAPITAL PROJECTS  
FUND – COUNTY AND STATE DITCH MAINTENANCE FUNDS – MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>RECEIPTS</u>	<u>SD#3</u>	<u>CD#39</u>	<u>CD#39 IMP</u>	<u>CD#43</u>	<u>CD#44</u>	<u>CD#175</u>	<u>TOTALS</u>
Marshall County	\$ 9,996	\$ 2,484	\$ 1,144	\$ -	\$ -	\$ -	\$ 13,624
Polk County	-	-	-	33,823	19,678	5,904	59,405
Miscellaneous Revenue	<u>59</u>	<u>31</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106</u>
Total Receipts	<u>10,055</u>	<u>2,515</u>	<u>1,160</u>	<u>33,823</u>	<u>19,678</u>	<u>5,904</u>	<u>73,135</u>
<u>DISBURSEMENTS</u>							
Professional	185	715	-	-	840	10,744	12,484
Project Costs	2,860	-	-	15,242	26,764	4,380	49,246
Miscellaneous	550	-	-	55	34	648	1,287
Administrative	<u>1,208</u>	<u>507</u>	<u>134</u>	<u>1,477</u>	<u>3,039</u>	<u>6,214</u>	<u>12,579</u>
Total Disbursements	<u>4,803</u>	<u>1,222</u>	<u>134</u>	<u>16,774</u>	<u>30,677</u>	<u>21,986</u>	<u>75,596</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	5,252	1,293	1,026	17,049	(10,999)	(16,082)	(2,461)
FUND BALANCE JANUARY 1	<u>36,869</u>	<u>20,055</u>	<u>10,150</u>	<u>(53,428)</u>	<u>(11,090)</u>	<u>(43,148)</u>	<u>(40,592)</u>
FUND BALANCE DECEMBER 31	<u>\$ 42,121</u>	<u>\$ 21,348</u>	<u>\$ 11,176</u>	<u>\$ (36,379)</u>	<u>\$ (22,089)</u>	<u>\$ (59,230)</u>	<u>\$ (43,053)</u>

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**COMBINING STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN FUND BALANCE – DEBT SERVICE FUND**  
**– MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>RECEIPTS</u>	<u>WD #5 BRF</u>	<u>WD #6 BRF</u>	<u>TOTALS</u>
Polk County	\$ 96,454	\$ 64,894	\$ 161,348
Interest Revenue	<u>486</u>	<u>344</u>	<u>830</u>
Total Receipts	<u>96,940</u>	<u>65,238</u>	<u>162,178</u>
<u>DISBURSEMENTS</u>			
Bond Principal	87,000	56,000	143,000
Bond Interest & Fees	<u>12,095</u>	<u>7,892</u>	<u>19,987</u>
Total Disbursements	<u>99,095</u>	<u>63,892</u>	<u>162,987</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,155)	1,346	(809)
FUND BALANCE JANUARY 1	<u>520,544</u>	<u>371,650</u>	<u>892,194</u>
FUND BALANCE DECEMBER 31	<u>\$ 518,389</u>	<u>\$ 372,996</u>	<u>\$ 891,385</u>

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**STATEMENT OF RECEIPTS AND DISBURSEMENTS AND CHANGES IN AMOUNTS DUE TO**  
**OTHER GOVERNMENTAL UNITS –**  
**TRUST AND AGENCY FUND – MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

RECEIPTSProperty Taxes

Marshall County	\$ 415,545
Polk County	104,417
Kittson County	2,184
Pennington County	5,585
Roseau County	391
State - MV	<u>19,926</u>

Total Property Taxes	<u>548,048</u>
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TOTAL RECEIPTS	<u>548,048</u>
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DISBURSEMENTS

Red River Watershed Management Board	<u>548,048</u>
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EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	-
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AMOUNT DUE TO OTHER GOVERNMENTAL UNITS, JANUARY 1	<u>-</u>
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AMOUNT DUE TO OTHER GOVERNMENTAL UNITS, DECEMBER 31	<u>\$ -</u>
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## **INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE**

Board of Managers  
Middle-Snake-Tamarac Rivers Watershed District  
Warren, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Middle-Snake-Tamarac Rivers Watershed District of Warren, Minnesota as of and for the year ended December 31, 2016 and the related notes to the financial statements, and have issued our report thereon dated May 26, 2017.

### **Legal Compliance**

The *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor Pursuant to Minn. § Stat. 6.65 contains six categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories, except that we did not test for compliance with the provisions for tax increment financing because the District does not have any.

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

### **Purpose of the Report**

The report is intended solely for the information and use of those charged with governance and management of Middle-Snake-Tamarac Rivers Watershed District and the State Auditor and is used by anyone other than those specified parties.



**BRADY, MARTZ & ASSOCIATES, P.C.**  
**GRAND FORKS, NORTH DAKOTA**

May 26, 2017