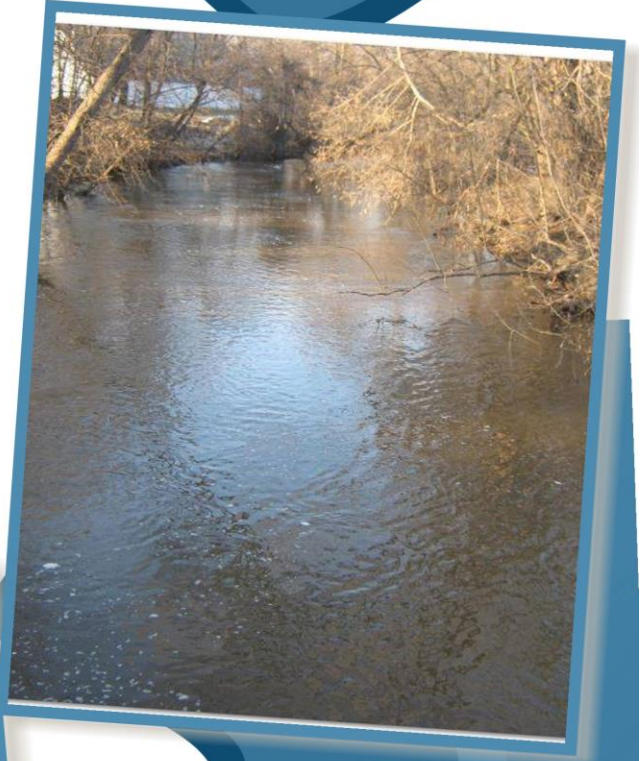


# ANNUAL REPORT 2018

## MIDDLE SNAKE TAMARAC RIVERS WATERSHED DISTRICT



[www.mstrwd.org](http://www.mstrwd.org)

**2018 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 49th Annual Report for the Middle-Snake-Tamarac Rivers Watershed District (MTRWD) for the year 2018.*

Greetings and welcome to the 2018 Annual Report of the Middle Snake Tamarac Rivers Watershed District. The Middle Snake Tamarac Rivers Watershed District (MSTRWD) each year publishes an annual report on the various activities and projects that are taking place within the District. This report also includes comments on the maintenance of the various ditch systems, the financial condition of the District, as well as other items that may be of interest to the public.

It was a very busy 2018 with numerous ditch repair projects, such as sloughing/sediment removal on JD #1, JD #14, JD #15, JD #16, JD #20, JD #21 and JD #29. We also received Clean Water Grants from the Minnesota Board of Soil and Water Resources for the repair of State Ditch #3.

The Purpose and Needs statement, which is to reduce the 10 year, 24 hour rain event through flood damage reduction on the Swift Coulee/CD #3 Project has been completed.

The Oslo Access Study Project Phase 2 report was completed by Houston Engineering.

The Newfolden/Middle River Project has been moving forward. This project is to remove the City of Newfolden from the 100 year FEMA floodplain.

The Engineer, HDR Engineering, filed a Final Engineers Report on Polk County Ditch #175 with the Board. The Final Hearing on the Detailed Survey Report and the Viewers Report was scheduled and held on October 24, 2018.

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

Respectfully Submitted,



John W Nelson  
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 July of 2018, re-appointed Mr. Roger Mischel of Warren to a third three-year term and the Polk County Commissioners, re-appointed Mr. Robert Kovar to a second three-year term.



*Roger Mischel, Bill Petersen, John W. Nelson, Robert Kovar, Brad Blawat (L to R)*

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
JOHN W NELSON	President	Oslo	Marshall	Aug 27, 2019
BILL PETERSEN	Vice President	Middle River	Marshall	Aug 27, 2020
ROGER MISCHER	Secretary	Warren	Marshall	Aug 26, 2021
ROBERT KOVAR	Treasurer	East Grand Forks	Polk	Jan 1, 2021
BRAD BLAWAT	Ass't Sec/Treas	Warren	Marshall	Aug 27, 2019
VACANT	Manager		Marshall	Aug 27, 2020
VACANT	Manager		Marshall	Aug 26, 2021

### BOARD MEETINGS

The Board of Managers held 23 regular scheduled meetings in 2018. These meetings are normally held on the first and third Monday of each month, at the District Office, at 8:30 a.m., (unless the date falls on a Federal holiday or postponement due to inclement weather).

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 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.



## DISTRICT STAFF



Joel Praska	Administrator	<a href="mailto:Joel.Praska@mstrwd.org">Joel.Praska@mstrwd.org</a>	218-230-5703
Connie Kujawa	Administrative Assistant	<a href="mailto:Connie.Kujawa@mstrwd.org">Connie.Kujawa@mstrwd.org</a>	218-745-4741
Danny Omdahl	Technician	<a href="mailto:Danny.Omdahl@mstrwd.org">Danny.Omdahl@mstrwd.org</a>	218-201-0495
Kyle Schlomann	Technician	<a href="mailto:Kyle.Schlomann@mstrwd.org">Kyle.Schlomann@mstrwd.org</a>	218-230-4016
Tyler Larson	Technician	<a href="mailto:Tyler.Larson@mstrwd.org">Tyler.Larson@mstrwd.org</a>	218-230-1955

## 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)

## 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 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.

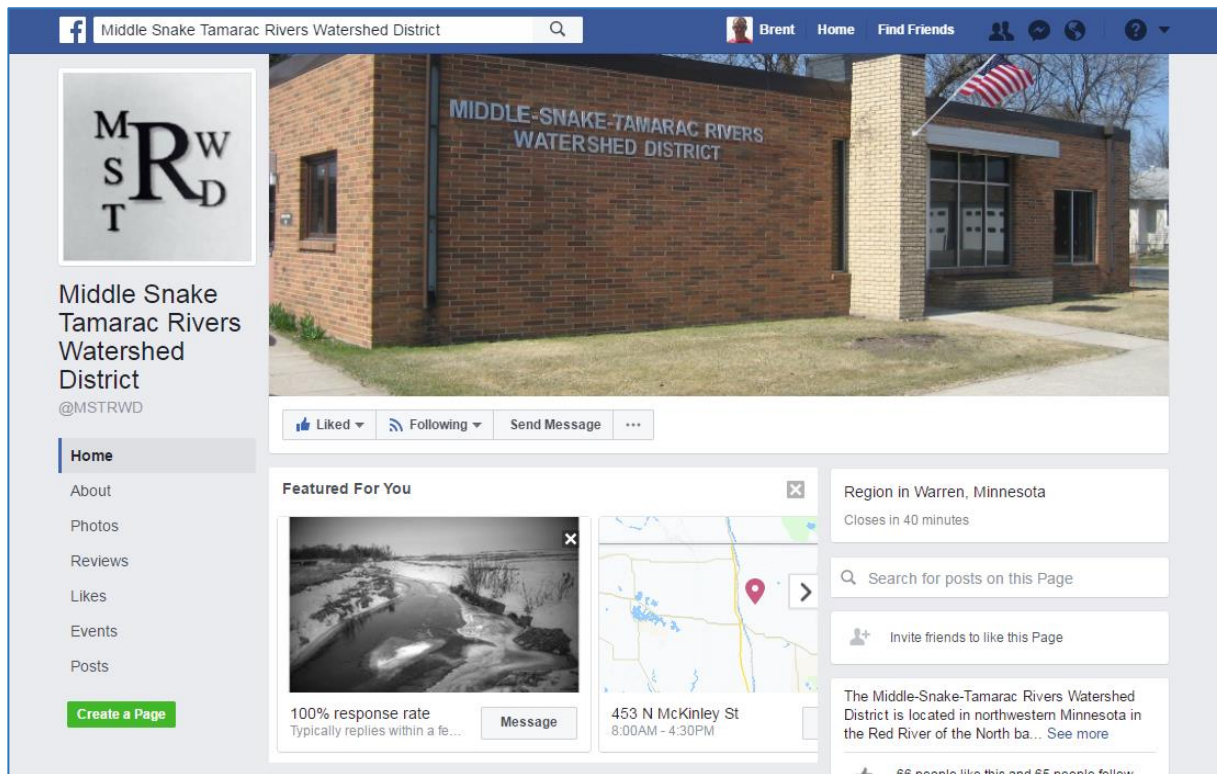
The “Contacts” tab lists the contact information for the District office, Board Members, and District staff.

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*

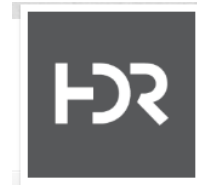
The Watershed District maintains a Facebook page. On the page, staff post images and messages about Watershed District projects, events and outreach activities. The District also shares information from other organization's pages such as Board of Water and Soil Resources (BWSR) or local Soil and Water 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.

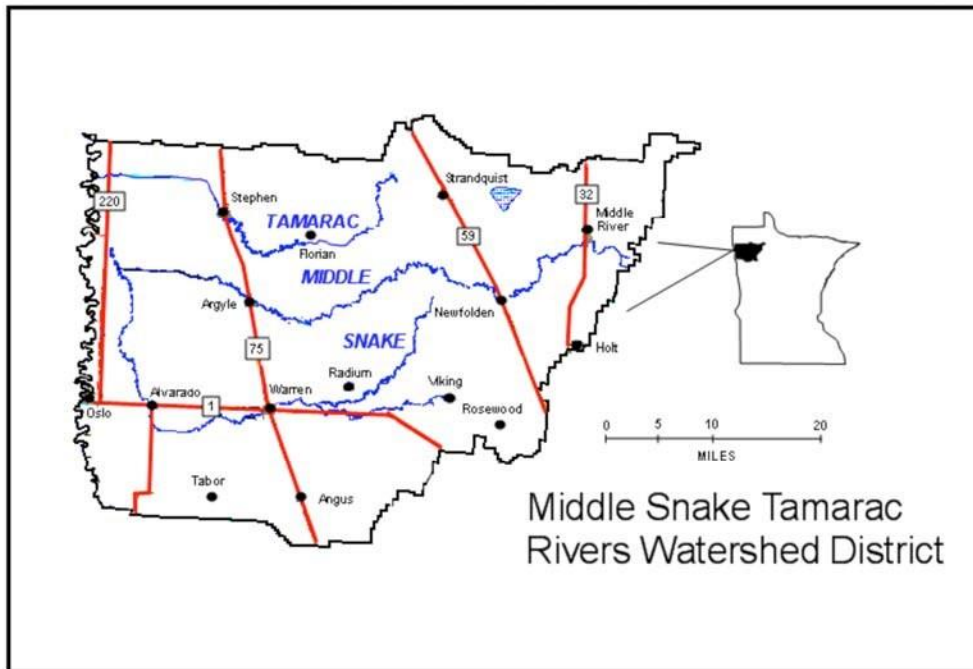
### Accounting Services



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



## 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 REPORT**

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 managed 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.

## **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 19, 2018, the Advisory Committee meeting was held at the Bremer Bank in Warren, Minnesota. Administrator, Joel Praska, opened the meeting and election of officers presided. Norman Lindemoen was nominated to serve as Chairman and by acclamation, Sharon Bring, assumed the Secretary position.

## 2018 ADVISORY COMMITTEE ATTENDEES

Committee Members	Affiliation
John W Nelson	President, Middle-Snake-Tamarac Rivers WD
Bill Petersen	Vice President, Middle-Snake-Tamarac Rivers WD
Roger Mischel	Secretary, Middle-Snake-Tamarac Rivers WD
Robert Kovar	Treasurer, Middle-Snake-Tamarac Rivers WD
Joel Praska	Administrator, Middle-Snake-Tamarac Rivers WD
Danny Omdahl	Technician, Middle-Snake-Tamarac Rivers WD
Kyle Schlomann	Technician, Middle-Snake-Tamarac Rivers WD
Tyler Larson	Technician, Middle-Snake-Tamarac Rivers WD
LeRoy Vonasek	Marshall County Commissioner
Rolland Miller	Marshall County Commissioner
Sharon Bring	Marshall County Commissioner
Don Diedrich	Polk County Commissioner
Matt Fischer	MN BSWR
Doug Frankie	MNDNR
David Bakke	Landowner
Tracy Anderson	Landowner
Virgil Wagner	Landowner
Tony Filipi	Landowner
Norman Lindemoen	Landowner
Mark Weber	Landowner
Arlyn Dvergsten	Landowner
David Nelson	Landowner

After introductions, District Administrator, Joel Praska presented a power point presentation which reviewed the history of the District, ditch maintenance performed in 2018, current/completed projects and future works.

Administrator Praska then opened the meeting to comments and questions from the participants.

Don Diedrich, Polk County Commissioner, discussed the CSAH #23 road widening project. The work extent are MN Trunk Hwy #220 and 1 mile east of Tabor. The asphalt will be milled. The concrete sub base will be removed and the road will be widened.

Don Diedrich also inquired about the status of the One Watershed One Plan Program. Matt Fischer (BWSR) stated that the MSTRWD is scheduled to join in 2020, when the current 10-year Watershed Management Plan is up for renewal. Rolland Miller and Matt Fischer also mentioned that the 1W1P program should allow easier access to state funding for certain projects, as it shifts away from the competitive grant application process for Clean Water Funds.

MSTRWD President John W Nelson mentioned that the Marshall and West Polk SWCD offices have been excellent to work with as funding partners when using Clean Water Grant funds and in the designs in repairing some of the District's ditches.

David Bakke asked if progress has been made with the Newfolden/Middle River Project. Administrator Praska responded that the project is still in the preliminary design phase. HDR is currently investigating two possible retention sites. The Watershed District has not held any Project Work Team meetings as of late, but activity will likely pick up again when the engineers with HDR are ready to present their findings.

With no further comments or questions from the public in attendance, Administrator Praska concluded the meeting by addressing the two vacant seats on the MSTRWD Board of Managers.

The 2019 Advisory Board Meeting will be held November 18, 2019 at 1:30 P.M. at the Bremer Bank in Warren, MN.

## **ONGOING PROJECTS**

### **NRCS RCPP Projects**

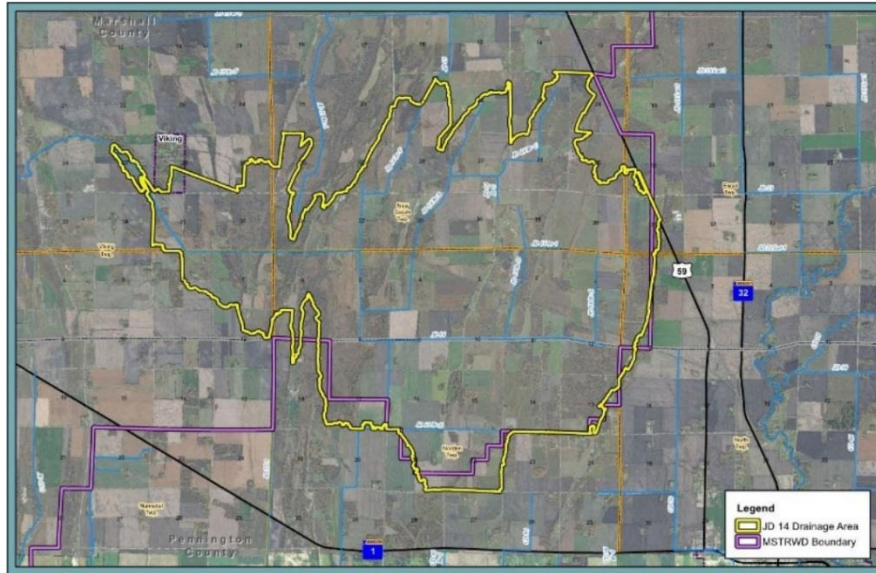
In the spring of 2015, the MSTRWD secured funding provided by the NRCS through the Regional Conservation Partnership Program (RCPP). This funding allocated \$12 million dollars to eligible applicants as determined by the Red River Retention Authority (RRRA). The RCPP funding was made available to the 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. Manager Brad Blawat with Manager, Robert Kovar, as the alternate, serve as the MSTRWD Team representatives. Landowner representatives are John Hams, Carl Roger VanHorn, and Gregory Dyrdaahl, with Donovan Dyrdaahl as an alternate.

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 and approved by the NRCS. A Purpose and Needs Review Point 2 Report, also prepared by Houston Engineering, has been approved by the NRCS. An Affected Environmental Review Point 3 Report has been submitted and is awaiting approval. Currently, Houston Engineering is working on Alternatives Development Review Point 4, in anticipation of Point 3 being approved.

The last PWT meeting was held on August 2, 2018 at the Viking Diner in Viking, MN where the above mentioned activities were discussed.

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

### Judicial Ditch #19 RCPP Project Team

Judicial Ditch #19 RCPP Project Team, formerly known as the Tamarac Subwatershed Project Team, have Managers Bill Petersen and Brad Blawat serving as the MSTRWD representatives. Neil Widner, Larry Eftefield, Ken Borowicz, J Myron Larson, Mark Anderson, Dennis Olson, Richard Hanson, Paul St. Germain and Earl Anderson represent the landowner team members.

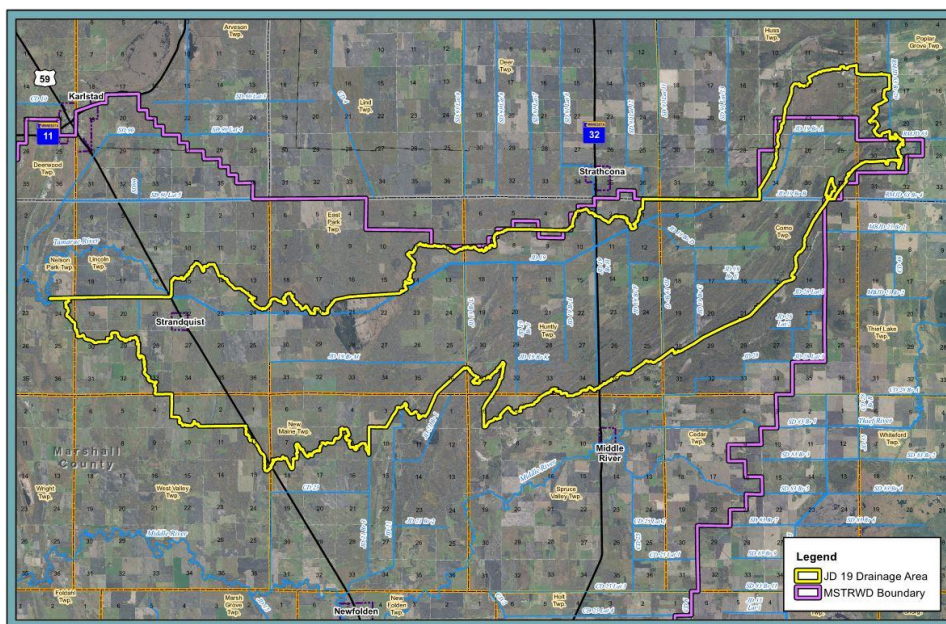
Both spring snowmelt and summer rainfalls have historically resulted in flooding problem throughout the agriculturally dominated landscape. Water resource problems in the Judicial Ditch #19 Watershed include recurrent flood damages to roads, culverts, agricultural fields, and artificial and natural



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 and approved by the NRCS. The Purpose and Needs Review Point 2 Report has been approved by the NRCS in 2018. The Affected Environmental Review Point 3 Report has also been reviewed and approved by the NRCS.



A PWT meeting was held June 27, 2018 where the focal point of concern raised by team members and landowners alike was the operation of the East Park WMA, more commonly referred to as Nelson Slough. By group consensus, it was determined to meet with the MnDNR and discuss the possibility of altering the original operation and maintenance plan for the Nelson Slough.

After a meeting where the District, Houston Engineering and representatives from the MnDNR discussed the project team efforts, landowner concerns, erosion issues, flood disaster locations, and existing conditions, the MnDNR suggested that the MSTRWD send a written recommendation to the MnDNR for the FDR strategy the MSTRWD would recommend implementing at Nelson Slough. The District is awaiting response from the MnDNR on the proposed revisions to the operation and maintenance plan for Nelson Slough at this time.

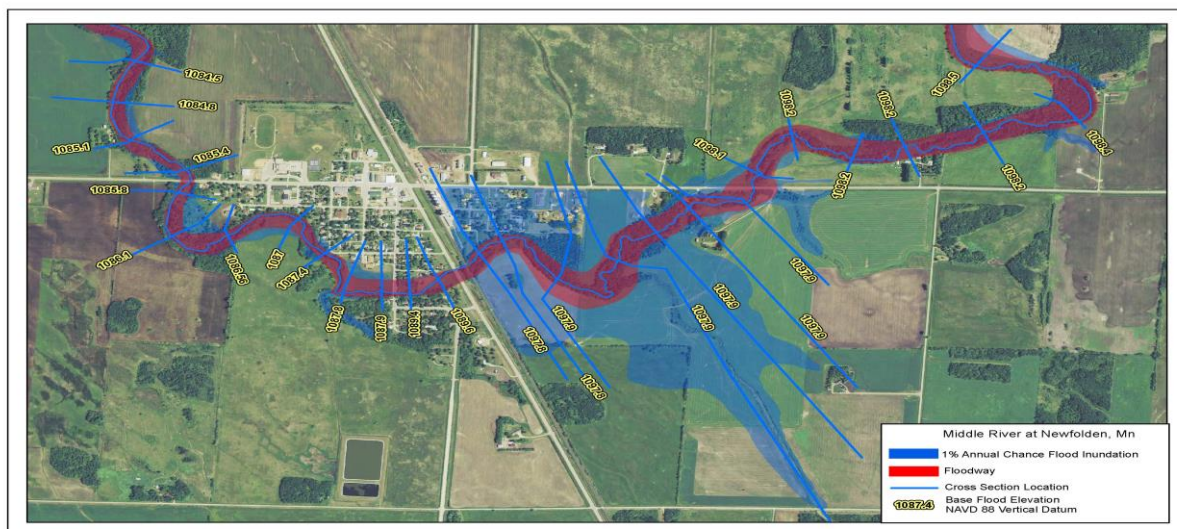
Up-to-date information about the project and project team can be found at <http://mstrwd.org/current-projects/jd-19-rcpp/>.



## Newfolden / Middle River Subwatershed Flood Damage Reduction Project Team

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.

This resulted in numerous properties with homes, on the east side of US Highway 59 and a few on the west side, in the 100 year FPZ. The City contacted HDR Inc. and reached out to the MSTRWD for guidance and



*Current mapping from DNR HEC-RAS Model as of May 6, 2016*

assistance. An appeal was given to the MNDNR to seek alternatives.

Brad Blawat, Bill Petersen and Roger Mischel, as the alternate, serve as the MSTRWD Team representatives. Landowner representatives are David Lokstad, David Myhre, David Thompson, Roger Rivera, Jr., Glenn Meekma, Norman Lindemoen and Derrick Converse.

The PWT has discussed mitigation alternatives such as to construct a levee along the river, diverting a portion of water around the city, potentially adding culvert(s) to the Canadian Pacific Railway and possible impoundment sites. The purpose of the project is clear, remove the City of Newfolden from the 1% annual (100 year) FEMA floodplain.

The MSTRWD submitted a task order to HDR Engineering to develop a preliminary engineers report to identify and breakdown potential alternative options for flood prevention measures. Soil boring tests along two possible sites for impoundments and a possible diversion have been completed by NTI and integrated in the development of the preliminary engineers report that will be presented to the public, the PWT, and the MSTRWD in early 2019.

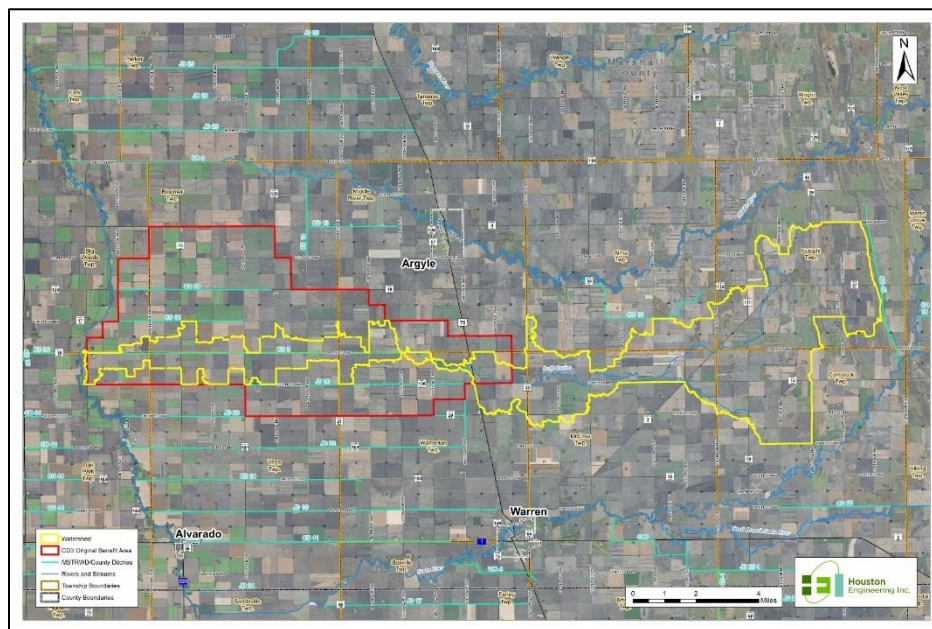
In 2018, the Newfolden City Council, the Marshall County Commissioners and the MSTRWD Board of Managers all passed resolutions in support of a project to remove the City of Newfolden from the 1% annual (100 year) FEMA floodplain.

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

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.

The Project Team's District representatives are Roger Mischel and Brad Blawat. Landowner representatives are Ken L Johnson, Stuart Nordling, Jim Vansickle, Mark Yutzenka and Fred Nicholls.



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

In the summer of 2017, District staff assisted Houston Engineering in surveying the Swift Coulee/County Ditch #3 area. The generated information was used for the preliminary hydraulics and hydrology modeling report.

Concurrence Point 1, The Purpose and Needs statement, which is to reduce the 10 year, 24 hour rain event through flood damage reduction has been completed in 2018. A draft of Concurrence Point 2, Alternatives

Analysis is under development, while PWT meetings will continue to progress in order to seek valued information, concerns and an understanding of the history from the landowners affected by the Swift Coulee and CD #3.

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

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.



*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.

On June 28, Houston Engineering presented the Oslo Area Hydraulic Analysis – Phase 2 Report to the MSTRWD and the Walsh County Water Resource District. The study began with the identification and evaluation of over 70 potential flow restrictions within the study area, with modifications to 5 bridges being part of the initially identified restrictions. Early model simulations indicated that with all of the initially identified restrictions being removed there would be a significant reduction in peak water surface elevation near Oslo for the synthetic and historic flood events that were simulated. Multiple iterations of model simulations were completed in order to prioritize the over 70 restrictions and to eliminate potential restrictions that were not affecting the flood elevations. The prioritization of the

potential flow restrictions resulted in the elimination of approximately half of the initially identified restrictions.

The road raise/levee component was incorporated to keep floodwaters closer to the river channels and to convey more water through the modified bridges. This alternative was eventually defined as Alternative B. Model results for Alternative B indicate benefits to the transportation infrastructure by reducing overtopping depths and durations for the range of flood events.

The scope of the study is to evaluate the effects of removing flow restrictions within the Red River floodplain. Alternative B has an estimated probable cost of \$39 million for Minnesota and \$57 million for North Dakota with a total estimated probable cost of \$96 million.

The Board appointed Manager John W. Nelson as the District's representative to the steering committee and Manager Bill Petersen 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.

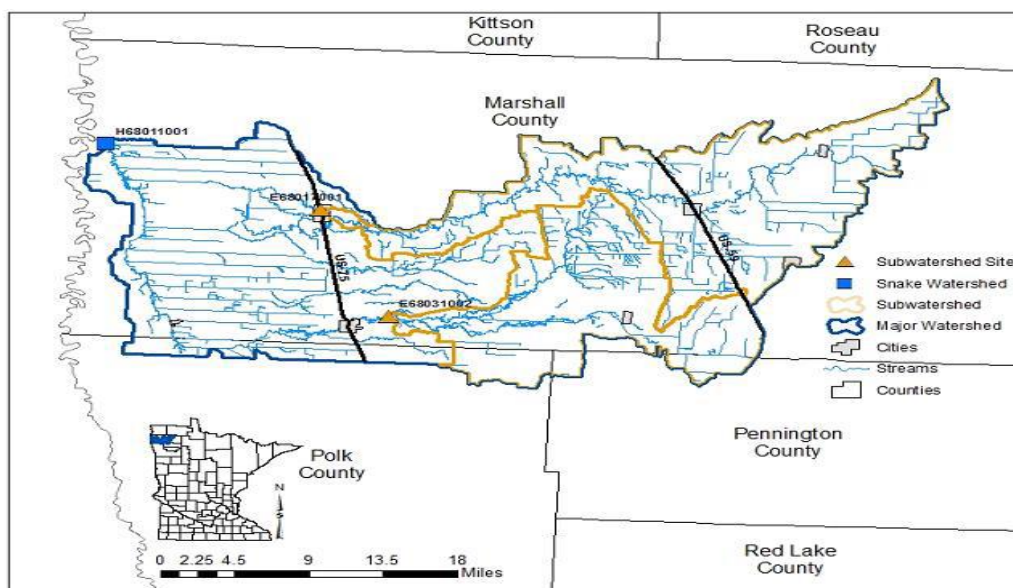
The State of Minnesota adopted the "watershed approach" which sets a 10-year cycle for each major watershed to first monitor and assess impairment status for its surface waters, then establish work plans to improve/protect water bodies. When the 10-year cycle ends, it starts over again. The major benefit 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



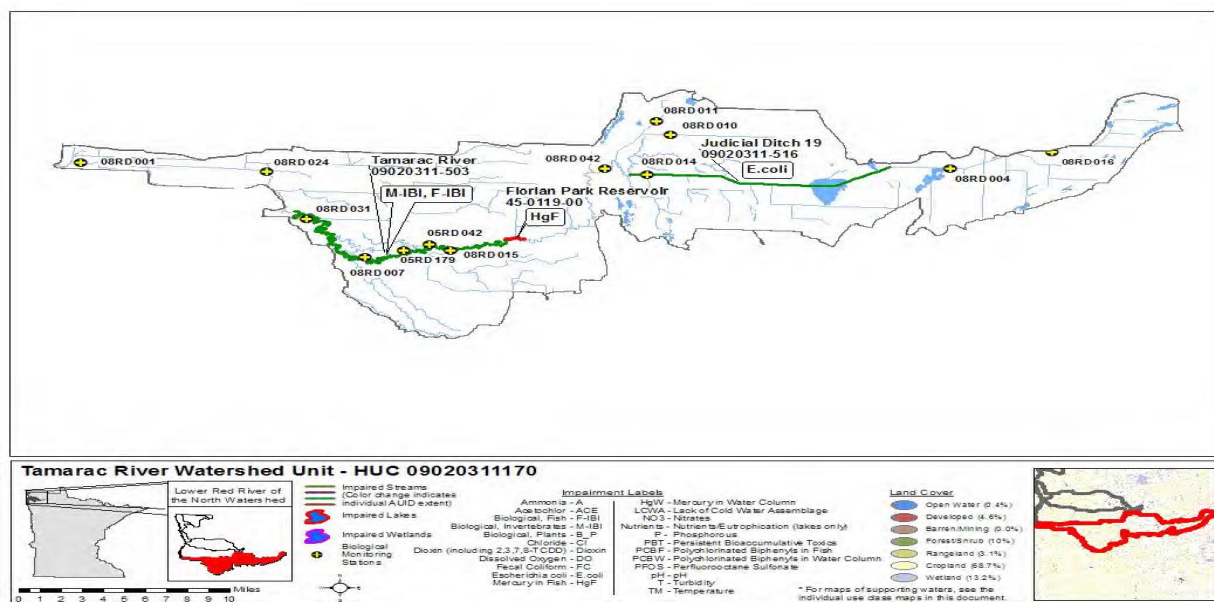
*Watershed of Snake and Middle Rivers*

Phase 3 of the project, the development of restoration and protection strategies and the development of a draft WRAPS report will begin in 2019. This will include water-quality monitoring data and HSPF model simulations that will be evaluated to describe the current and historical water-quality conditions of surface waterbodies within the Snake-Middle River Watershed. A combination of tools, assessments, and resources will be used to prioritize Best Management Practices to be implemented within the Snake-Middle River Watershed for future realization.

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/>.

## Lower Red River WRAPS

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



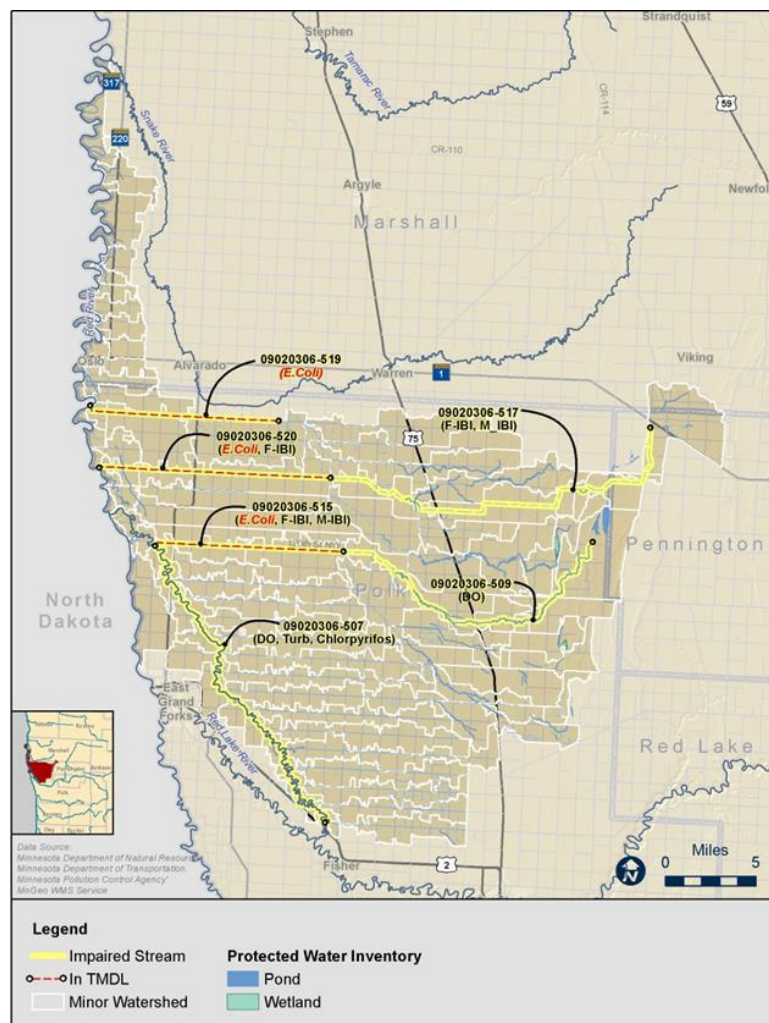
*Watershed of the Tamarac River.*



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 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 2017 Annual Report for more information.

### Grand Marais Creek WRAPS



*Watershed of the Grand Marais Creek*

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

<http://www.redlakewatershed.org>

or Red Lake’s 2017 Annual Report at:

[www.redlakewatershed.org/Annual%20Reports/2017%20Annual%20Report.pdf](http://www.redlakewatershed.org/Annual%20Reports/2017%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 Public 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 account for most of the maintenance work. There are designated ditches which culvert replacement is performed, as needed.

To control cattails, bulrushes and brush in 2018, the District hired an aerial applicator to spray legal drainage ditches under its jurisdiction and impoundment areas. The contractor sprayed 66.28 miles of ditch and 9.35 miles of ditches related to the impoundments.

Beavers, beaver dams and gophers continue to be a problem in drainage systems and in project areas. In 2018, contractors removed 34 beavers, their dams and debris from ditches, culverts and impoundment areas and 200 gophers were trapped at the District Impoundment sites.

The District had approximately 198 miles mowed this year. The mowers also work at the District's impoundment properties. Typically, the related ditches and some areas of the impounds are mowed. Brushing and aerial spraying are also utilized as needed at the impoundments.

### Judicial Ditch #1

A request was made in 2017, to inspect the sloughing along the South side of Judicial Ditch #1, in the vicinity of 190<sup>th</sup> St NW, one mile East of the Red River, in section 17 and 20 of Higdem Township. In 2018, the Board directed Houston Engineering to design a plan and estimate of costs to repair the sloughing on the South side and a portion of the North side of Section 17 and 20 of Higdem Township. Bids to repair the sloughing were advertised in July 2018 and opened on August 13, 2018. The project was awarded to Zavoral Construction of East Grand Forks, Minnesota and the works were completed in October 2018.



*Judicial Ditch 1 Sloughing East of Red River (Before)*



Looking Northeast From Top  
of South Bank Near Sta 19+00



Looking West At Top of South  
Slope From CR 22

*Judicial Ditch 1 Sloughing (After)*



### State Ditch #3

The district received a Clean Water Grant from the Minnesota Board of Soil and Water Resources which was implemented by the Marshall County SWCD to repair 10 side inlet culverts. The District also directed Houston Engineering to design a plan and cost estimate to repair the sloughing on the South side of the ditch, in Section 6 of Bloomer Township. The District received financial assistance from the Marshall County SWCD to repair the slough. Quotes were solicited and received on September 6, 2018. The bid of Lunke's Inc, was accepted and awarded. The works were completed in 2018.



### Judicial Ditch #14

Branch B had ½ mile of sediment removed downstream. This will improve the flow at the township road intersection at the east end. Branch A had approximately 400' of sediment removed at the upstream end. Branch 1 also had sediment removed along with brush. The work was completed by Olson Construction TRF, Inc.



### Judicial Ditch #15

Branch A received sediment removal performed by Olson Construction TRF, Inc. This reach of the Branch has never had any sediment removed since its 1911 construction. The District will continue with the removal of sediment, as gratitude for the work was expressed by local landowners.



### Judicial Ditch #16

The District and Vega township collaborated to repair a scour adjacent to a washed out culvert between sections 32-33. Houston Engineering created a scour and culvert repair plan. Vega township hired Gowan Construction to perform the cost share repair.





### Judicial Ditch #20

Dufault Excavating was hired in the fall of 2018 to remove sediment along Branch B, located in section 11 & 12 of Oak Park township. The District will continue the project as funds become available in the ditch maintenance account.



### Judicial Ditch #21

Several beaver dams were removed and a plug on the south side of CSAH #6. Lunke's Inc also removed sediment along the main branch in section 2 of New Maine township.



### Judicial Ditch #29

In the fall of 2017, Tamarac township supervisors and the District agreed to split the cost of a road sluff along lateral 2 located in section 31. During the growing season of 2018, the township identified a second sluff of the road. The District and Tamarac township shared the cost of the repair that was performed by Art Laudal & Son.



### County Ditch #175

In recent years, the District has received numerous comments and complaints related to drainage issues of Polk County Ditch #175. In 2016, public meetings were held with landowners, renters and agencies, to discuss the issues plaguing the ditch and to entertain possible solutions. On April 3, 2017, landowners presented a Petition for the Improvement of Polk County Ditch #175 and the Watershed Ditch #5 Outlet to the District Board. The petition seeks to alleviate the drainage problem at MN Trunk Highway #220; to provide uniform benefits to all properties in the existing benefited area of PCD #175, and to provide an adequate outlet. At the regular meeting of the Board of Managers, held April 17, 2017, the Board found the Petition to be adequate and appointed the Engineering Firm of Pribula Engineering to prepare a Preliminary Engineers Report.

The Preliminary Engineers Report was received and forwarded to the Minnesota DNR, MN Board of Soil and Water Resources, West Polk SWCD, Polk County Highway Engineer and Polk County Environmental Services, pursuant to MN Statute, for review and comments. A public hearing on the Preliminary Engineers Report was held on September 18, 2017 at the Watershed District office. The Board considered the Preliminary Engineers Report, the DNR's Preliminary Advisory Report and the comments and testimony received at the Hearing. Based on the Findings, the Board accepted and adopted the Preliminary Engineers Report, directed the Engineer to make a Detailed Engineers Plan and appointed Viewers to Determine and Redetermine the Benefits of Polk County Ditch #175.

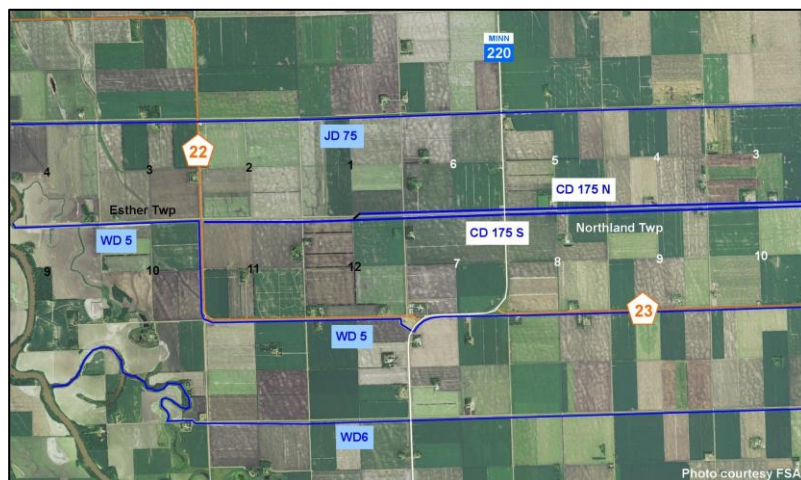
On June 19, 2018, the Engineer filed its final Engineer's Report with the Board and on September 4, 2018 the Viewers presented the Viewers Report on the Determination and



Redetermination of Benefits which was filed with the Secretary. The Board directed the Final Hearing on the Detailed Survey Report and Viewers Report be scheduled for October 24, 2018.

The final hearing was held, and the Board determined the improvement benefits are greater than the total estimated improvement cost and the proposed improvement to Polk County Ditch #175 would be of public utility and benefit and would promote public health and welfare and ordered said improvement and redetermination of benefits be adopted. Bids for the project would be solicited in January 2019.

The District received a Clean Water Competitive Grant, in the amount of \$144,000.00, from the Minnesota Board of Soil and Water Resources for the installation of 23 multipurpose drainage management practices. These practices will include grade stabilization structures and grassed waterways with a continuous berm.



*Vicinity Map of Polk County Ditch #175*

### Beavers

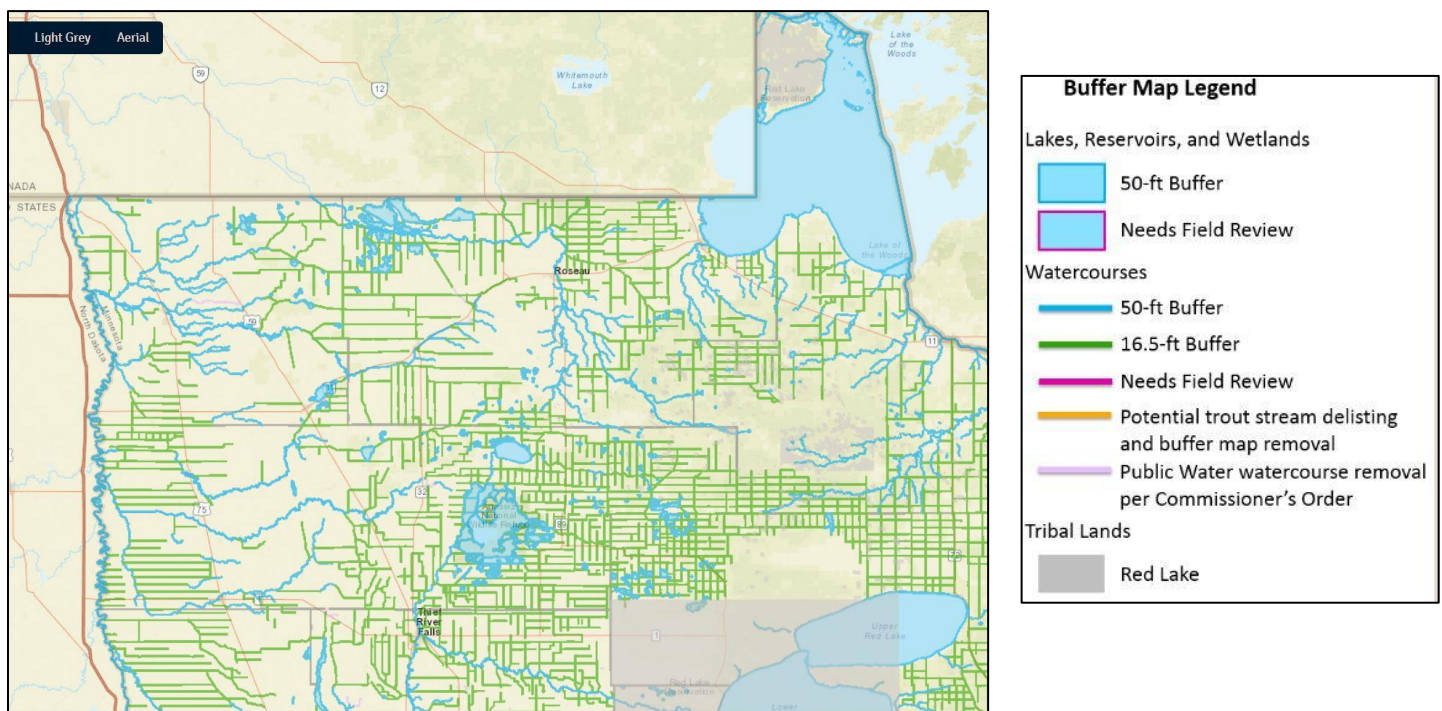
Again, in 2018 beavers continue to be a nuisance within the impoundments and legal drainage ditches of the District. The District hires trappers to remove the beavers and reimburses the trappers for each beaver trapped. For 2018, trappers turned in 34 beaver. The District also hired contractors to remove beaver dams at the Agassiz Valley Water Resource Management Project, Judicial Ditch #14, Judicial Ditch #25-2, Watershed Ditch #5 and Judicial Ditch #28.

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.



## BUFFER LEGISLATION

The buffer law which passed in 2015 requires perennial vegetation to be established along public waters and legal ditches throughout the State of Minnesota. The deadline for establishing buffers along public waters was November 1, 2017. The minimum buffer width along public waters is 30 feet with a required average of 50 feet measured from the top of the bank. Legal drainage systems require a minimum 16.5 foot buffer measured from the top of the constructed channel and must be installed by November 1, 2018. The local SWCD offices can provide assistance to determine the top of the bank or constructed channel. It is the responsibility of the landowner to attain compliance. The SWCD may have cost share funds available for the implementation of the buffers. Landowners may choose to plant hay or grass crops on their own and not be restricted to federal or state requirements. For more information, including cost share, please contact your respective SWCD office.



*Minnesota DNR Buffer Map*

The Board of Managers of the Middle Snake Tamarac Rivers Watershed, on June 14, 2017 adopted a Resolution electing jurisdiction of the Buffer Law on approximately 205.5 miles of public drainage ditches in Marshall County; approximately 9.5 miles in Pennington County and approximately 107.9 miles in Polk County.

## RAINFALL PROGRAM

The District has volunteers, throughout the Watershed, who record and submit monthly rainfall amounts. We appreciate our faithful reporters, and we are in need of others who would like to participate to be rainfall reporters. The District will supply the rain gauge, reporting forms, and stamped envelopes to mail your reports to the office. If you are interested in volunteering for the program, please contact the District office.

The following is the rainfall amounts for 2018, as reported:

2018 ANNUAL SUMMARY OF MONTHLY RAINFALL													
MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT													
Ref	Observer	Township	Sec	Twp	Rg	Apr	May	Jun	Jul	Aug	Sep	Oct	Total
13	Miles Quern	Higdem	21	154	50	no report	3.21	3.72	1.45	no report	no report	no report	8.38
24	Keith Ranum	Viking	11	155	45	0.00	2.63	3.78	1.93	0.87	2.44	2.36	14.01
31	Ron Ueland	New Maine	22	157	44	no report	1.67	2.68	2.03	1.07	2.81	2.70	12.96
33	Myron Jesme	Rocksbury	4	153	43	0.04	2.09	3.78	2.26	1.20	2.32	3.56	15.25
36	Nick Drees	Excel	34	155	43	no report	1.05	2.47	1.73	no report	no report	no report	5.25
37	Harold Maijala	Spruce Valley	36	157	43	0.00	1.93	no report	2.35	0.95	2.12	2.36	9.71
38	Harold Klamar	Rollis	33	157	40	0.00	2.65	2.37	3.09	1.42	3.65	1.65	14.83
54	Nick Smieja	West Valley	28	157	45	no report	1.62	2.73	1.65	1.14	2.91	2.89	12.94
56	Dennis Erickson	Foldahl	31	156	46	no report	no report	4.86	2.74	1.40	3.39	no report	12.39
91	Sharon Bring	West Valley	29	157	45	1.14	1.61	4.16	2.06	1.60	2.96	no report	13.53
93	Peter Solem	Higdem	7	154	50	0.14	1.91	5.35	1.61	1.31	2.22	3.08	15.62
100	James E Johnson	Warrenton	32	155	48	0.34	2.17	3.98	2.48	1.55	2.26	2.85	15.63
101	J Bolduc	Parker	7	157	49	0.00	3.37	4.30	2.40	1.43	2.36	2.42	16.28
102	MSTRWD					0.05	2.28	4.28	2.40	1.92	2.51	2.60	16.04
104	Paul Morken	Comstock	10	155	46	no report	1.5	5.98	1.82	1.1	2.99	2.43	15.82
105	Dean Danielski	Farley	18	148	48	0.16	2.90	4.26	2.03	1.65	2.57	3.11	16.68



## WATERSHED DISTRICT RULES AND REGULATIONS

The 2018 Amended Rules were adopted May 21<sup>st</sup> after several publicly held hearings were conducted to obtain valued feedback from constituents and local agencies. A copy of the Amended Rules can be found at our webpage or by dropping by the District office to obtain a printed copy.

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.

### ○ Works Requiring Permits from the Board of Managers

A Permit shall be obtained from the MSTRWD prior to any work being commenced for:

- A. Waste disposed of directly or indirectly into any drainageway, including public drainage systems.
- B. Any in-field drainage, including installation of surface and subsurface drains which create new or improve existing downstream outlet control on a public drainage system.
- C. Any installation of a new or improvement to an existing subsurface tile drainage system which increases drainage coefficient.
- D. Any new diking, excavating or levee construction or improvement to an existing bridge, dike, levee or culvert in or adjacent to any drainageway that will change the hydraulic efficiency of the drainageway or inhibit or restrict flows adjacent to the drainageway.
- E. Any work causing the flow or drainage of surface water to cross a subwatershed boundary and thereby deliver water into another subwatershed.
- F. Any diversion or acceleration of water into any public drainage system from any land not assessed to that drainage system.
- G. Any Construction, installation or alteration of a road or utility crossing beneath a public drainage system.
- H. Any pumping of water, including the use of temporary or portable pumps, into a public drainage system or other drainageway. In emergency situations such pumping may be subject to an after-the-fact permit as provided in these Rules.

A Permit granted by the MSTRWD does not relieve the applicant of the responsibilities of obtaining any other authorization required by law or regulation, or alter the applicant's responsibility or liability under statutory or common law.

### ○ Works Administratively Approved

The MSTRWD Administrator is authorized to approve the following Permit applications without Board consideration or approval:

- A. Emergency repairs requested by a governmental agency concerning public safety.
- B. Lengthening of an in-place culvert.
- C. To maintain or replace culverts or crossings, so long as the replacement or maintenance does not increase or change the hydraulic capacity, size, elevation or location of the culvert or crossing.
- D. Requests from other governmental agencies (township, city, county, state) that include hydraulic analysis performed by a Licensed Professional Engineer.
- E. Culverts installed in drainageways that conform to the MSTRWD's Culvert Size Chart contained in Appendix II.
- F. Relocation of crossings that do not alter the hydrology of a drainageway.
- G. Improvements to culverts of less than eighteen (18) inches to a culvert size of eighteen (18) inches or less.

In addition to the other guidelines and standards outlined herein, when considering the types of Permit applications described under Works Administratively Approved paragraphs A, B, C, D, E, F, G the following Rules shall apply:

- H. The MSTRWD Administrator shall not approve Permit applications which propose to change the elevation or grade of a drainageway.
- I. The MSTRWD Administrator may add reasonable conditions to the approval of a Permit to address site-specific or work-specific concerns. All conditions of the Permit, to the extent possible, shall be met before the Permit can be deemed complete. Conditions requiring performance prior to the initiation of work shall be met before the applicant can begin work.
- J. If a Permit application meets the administrative approval requirements (under Works Administratively Approved paragraphs A, B, C, D, E, F, G but the MSTRWD Administrator determines that administrative approval is inappropriate due to unusual circumstances or additional information is required, the Permit application shall be brought before the Board for approval.
- K. The MSTRWD Administrator shall report all administratively approved Permits to the Board.
- L. The MSTRWD Administrator is not authorized to deny a permit but may provide the Board with a recommendation for denial of the Permit application, including reasons for denial.

### ○ Works Not Requiring Permits

No Permit from the MSTRWD is required:

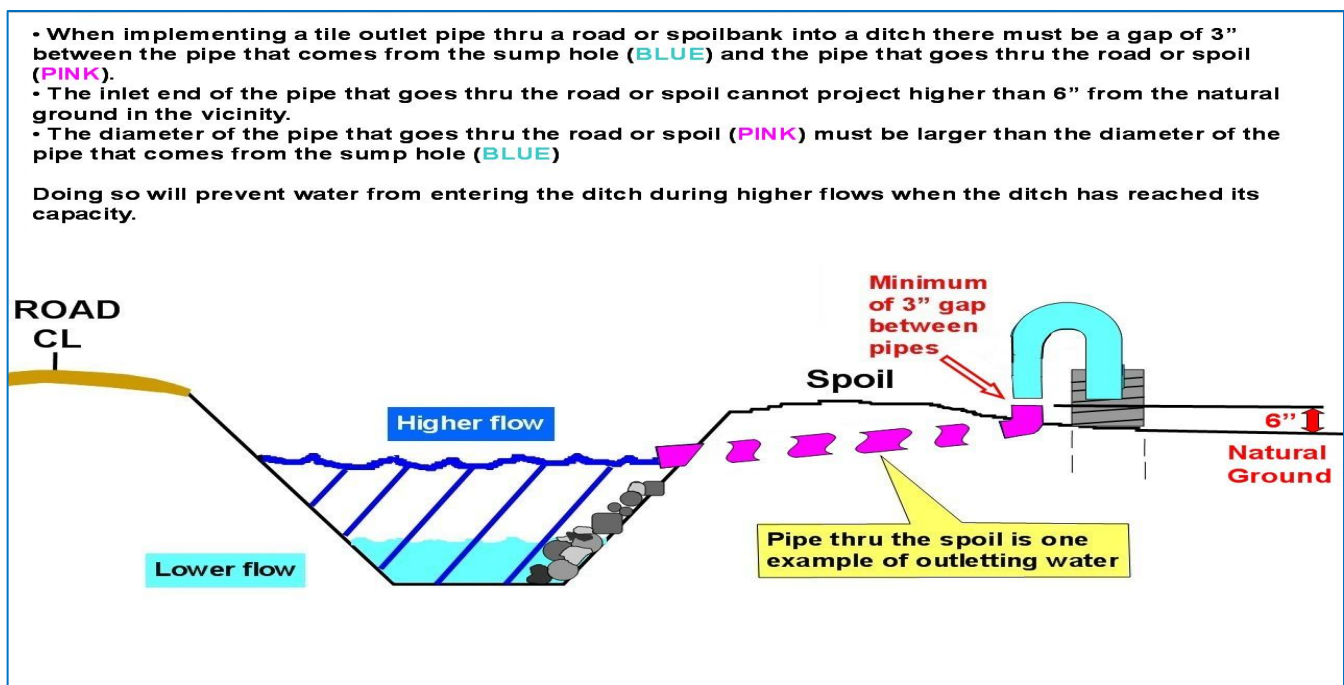
- A. To perform maintenance on an existing drainageway that is not under the authority of the MSTRWD. A landowner or public entity performing maintenance is responsible for ensuring the work constitutes maintenance as defined in these Rules. If a landowner is unsure whether proposed work constitutes maintenance, they may seek technical assistance from the MSTRWD.
- B. To maintain, repair or replace damaged subsurface tile drainage or subsurface tile drainage pump within a private drainageway without altering the original permitted design of the system.

- C. To install in-field drainage improvements where the outlet for such improvements is not a public drainage system and the immediate downstream outlet control (i.e. a culvert or other restriction is not improved).
- D. To perform maintenance or repair on levies and dikes which does not alter the original works permitted by the MSTRWD.
- E. Nothing herein shall relieve the applicant of the responsibilities of obtaining any other authorization required by law or regulation, or alter the applicant's responsibility or liability under statutory or common law.



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 Amended Rules & Regulations an individual may stop by the office or view and print them from our website.

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

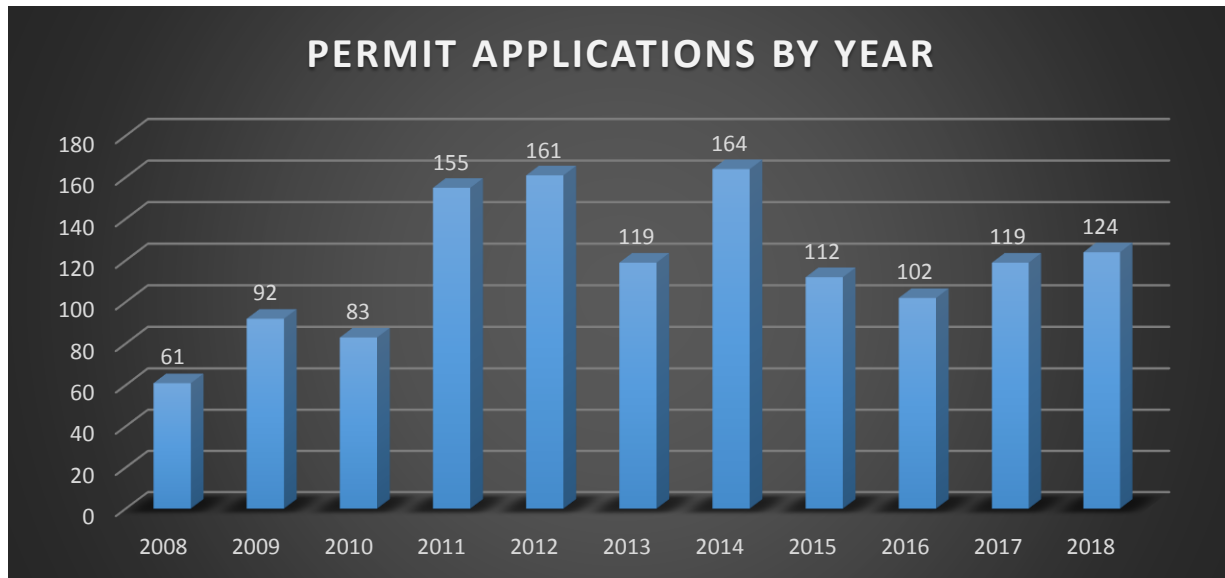


*A diagram that demonstrates how the Board of Managers would like to see drain tile pumps and outlet pipes installed*

## PERMITS

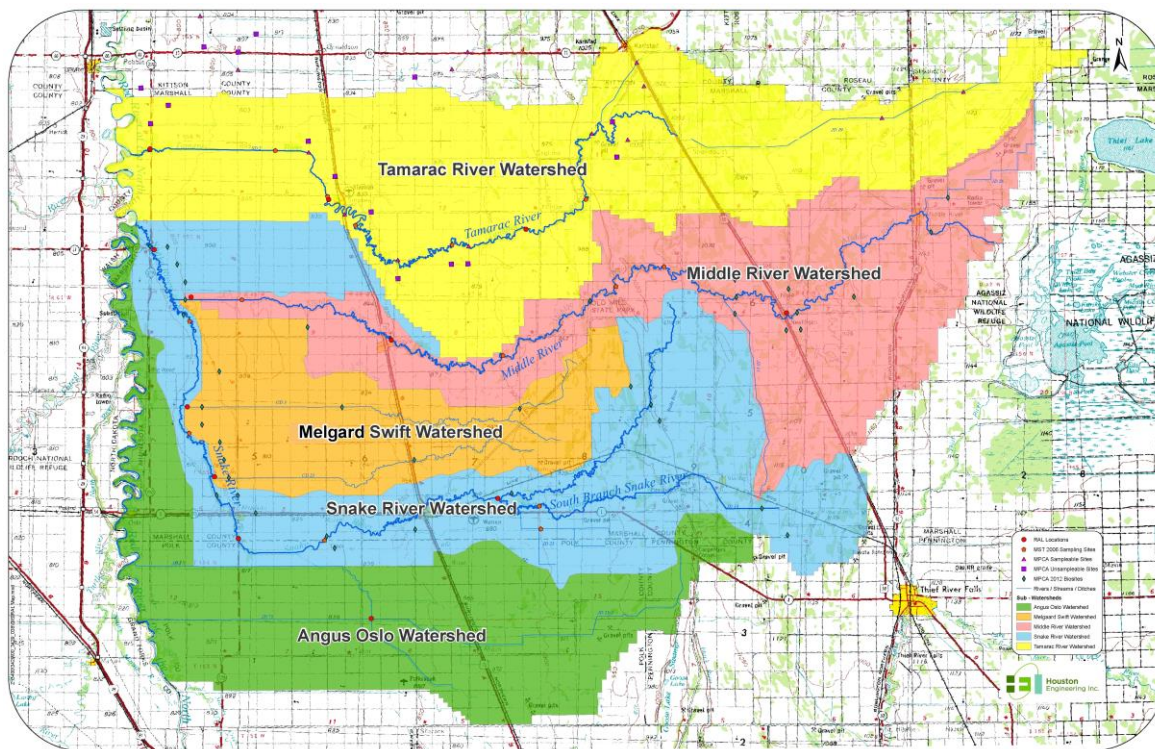
The District Board requests that all permit applications be submitted by Wednesday, at noon, prior to the next Board Meeting to allow for staff to gather information for the Managers in a timely manner.

In 2018, the Board reviewed 124 permit applications, of which one was denied and two were 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*

## 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.

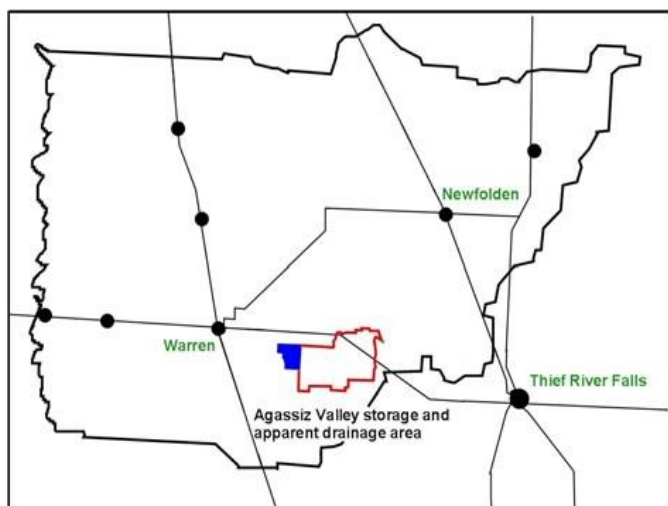
For more information on current projects within this planning region please see Newfolden/Middle River Subwatershed Flood Damage Reduction Project Team and the Snake & Middle River WRAPS under the Ongoing Projects section of this document.

## 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

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 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 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.*

the issue of wetland habitat degradation within the Agassiz Valley Impoundment caused by the rapid expansion of invasive hybrid cattails. The project calls for the improvement of habitat for birds and other wildlife. Ideal conditions include a 50:50 ratio of open water and emergent vegetation within the impoundment. This environment will attract the highest diversity of wetland birds and promote optimal recruitment for population growth.

In 2017, the Watershed District and Audubon Minnesota partnered together to address

Audubon Minnesota has secured grant funding by the Legislative-Citizen Commission on Minnesota Resources through the Environment and Natural Resources Trust Fund program in the amount of \$195,000 with an in-kind resource amount of \$54,000 provided by the MSTRWD. The 3 year project will focus on monitoring of migratory and breeding birds species at the Agassiz Valley Impoundment before, during, and after invasive hybrid cattail removal/control management activities.

September, 2017 saw the initial treatment of cattail management with the aerial application of herbicide using a wetland-approved glyphosate-based herbicide to 500 plus acres of land within the impoundment. In February, Audubon Minnesota and the District hired a rotary mower to clip the standing cattails prior to spring thaw as part of the second phase of the project. The third phase called for the District to augment their operation and maintenance plan by holding water at a higher level within the impoundment for a greater period of time to aid in the prevention of germination.

The final phase of the project will begin in 2019 where the level of water will again be held at 912.65' to aid in drowning cattails. Aerial spraying will finalize the 3 year project, while a drone flight of the 500 plus acre area is anticipated to assist in the project outcome in reducing the expansion of invasive hybrid cattails.



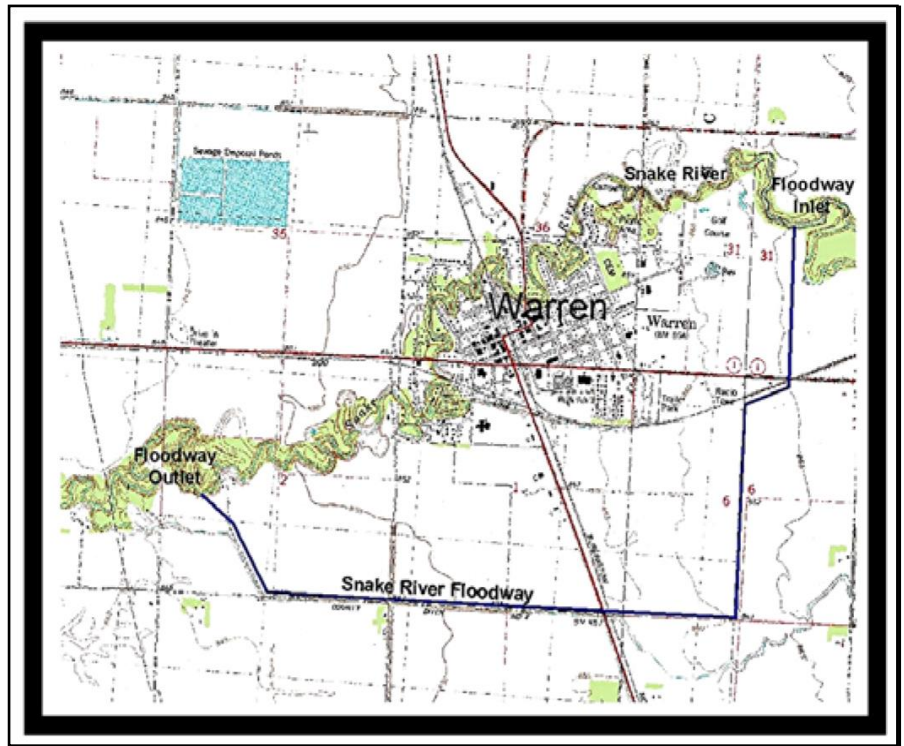
The cattail management project will be a valuable experience that will help guide watershed districts and other governmental agencies when developing wildlife enhancement elements into floodwater management plans for existing and future impoundments throughout the region.





## 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.

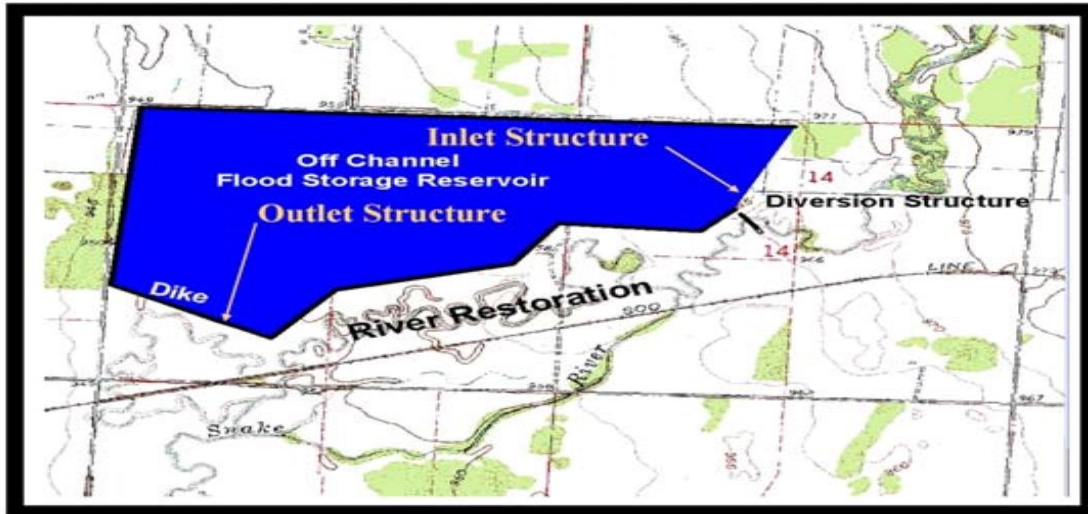


*Map demonstrating how the Snake River interacts with the City of Warren*

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.



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

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. Dave Jones from the NRCS completed an inspection of the Snake River Off Channel Storage Site. Cracking and deterioration along the inlet channel to the outlet drop structure has not changed from the 2016 inspection. Varmint digging continues to be an issue on the outside face of the embankment. This will require ongoing maintenance by the watershed district. Dave Jones also inspected the Snake River Diversion Ditch. Everything is in good working condition.



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

#### 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 to farmland 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*

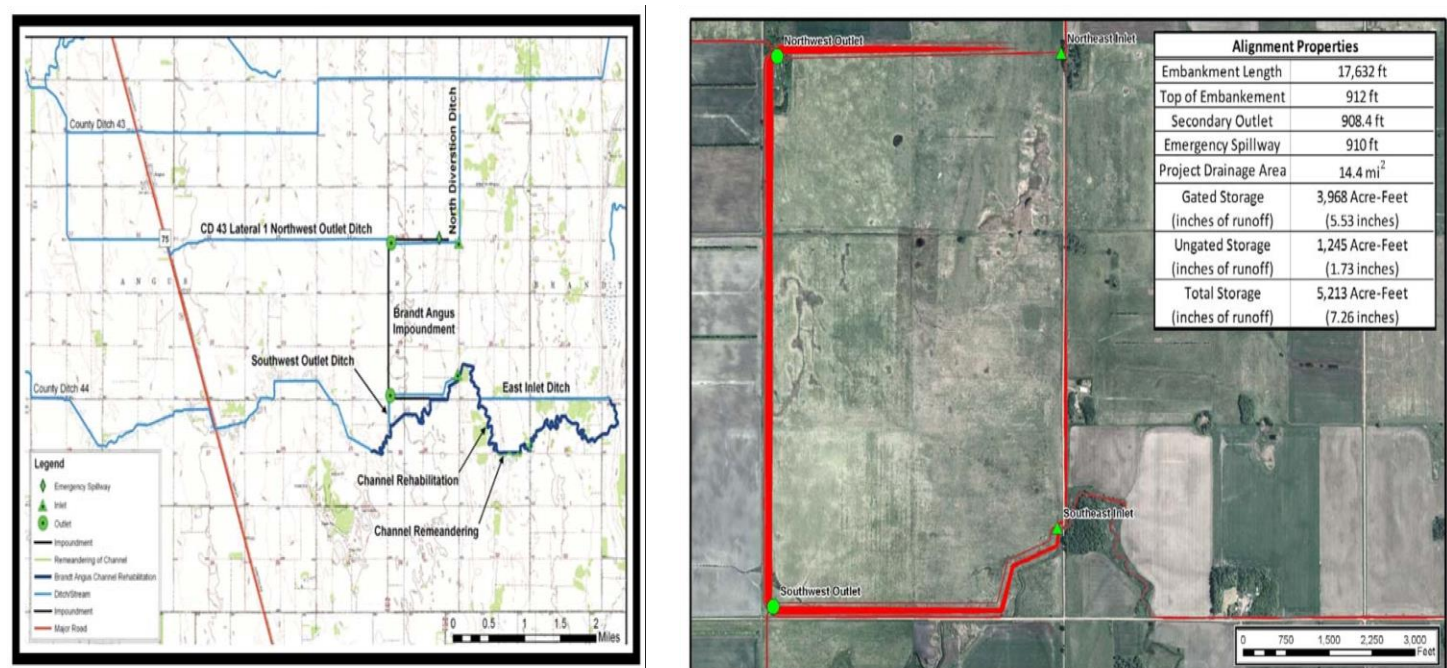


# Brandt/Angus Coulee Project

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*



*A racoon visits the southwest outlet structure at the Brandt/Angus Impoundment, during the District staff spring inspection*



## 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 WATER MANAGEMENT BOARD**



The Middle-Snake-Tamarac Rivers Watershed District is a member of the Red River Watershed Management Board. In 2017, Manager Roger Mischel was appointed by the MSTRWD Board of Managers as the District's representative and Manager John W Nelson, the alternate.

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 (RRRA) 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 RESOURCE 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 RESOURCE 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 & Water Conservation District, Board of Water & 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**

District staff encourage college and high school students, birdwatchers, community groups, outdoor recreation clubs and tourists to contact the District for tours of the MSTRWD flood control projects. The District continues to promote outdoor recreation at the impoundments, while working at developing the birding trail sites through habitat restoration projects.

### **Local Watershed Districts join in efforts to stimulate education with assistance from the “Red River Water Management Board’s Outreach Program”**

The Middle-Snake-Tamarac Rivers Watershed District and the Red Lake Watershed District are excited to announce the installation of informational kiosks at four flood retention sites and 1 within Agassiz Audubon located within Marshall and Polk County.

The Watershed Districts primary purpose is to maintain agricultural drainage systems and flood reduction/prevention. This is



accomplished by the use of impoundment sites that serve as multiple purpose projects which include high quality habitat for flora and fauna and naturally vegetated intermittent water courses that include hundreds of acres of restored prairie. The locations of these impoundments have created an opportunity to be used for public recreation and education, including trails and observation areas.

Each informational panel highlights a purpose. “Reducing Floods Creating Habitat” introduces visitors on how impoundments work while creating habitat for birds and wildlife. “Tallgrass Aspen Parkland” discusses the transition zones between prairie and forest.

“Wetland Birds” tells the story of how impoundments provide a variety of water depths attractive to a wide array of birds. “Grassland Birds” depicts how the native grasses and flowers found within impoundments sites provide abundant seeds and insects for foraging and nesting.



The informational kiosks have been designed with chimneys that stand over 15 feet high. These are intended to provide habitat for Chimney Swifts, which is a species of bird designated by the DNR as a “Species in Greatest Conservation Need in Minnesota.” Numerous colorful pictures display birds and wildlife visitors may see on any given trip to the sites.

The Middle-Snake-Tamarac Rivers Watershed District and the Red Lake Watershed District would like to thank all the partners who have contributed to this project. Further recognition goes out to the Red River Water Management Board for funding the final printing and installation phase of the project.



Location of informational kiosks include:



### **Agassiz Valley Water Resource Management Project**

5 miles east of Warren on 280<sup>th</sup> Ave NW and 1 miles south of Warren on 210<sup>th</sup> ST NW.

### **Agassiz Audubon**

5 miles east of Warren on 280<sup>th</sup> Ave NW and 3 miles south of Warren on 190<sup>th</sup> ST NW.

### **Brandt-Angus Impoundment**

2 miles south of Angus on US HWY #75 and 2.5 miles east of Angus on 120<sup>th</sup> St NW.

### **Euclid East Impoundment**

1 miles east of Euclid on County Road #19.

### **Parnell Impoundment**

4.5 miles south of Euclid on US HWY #75 and 2.5 miles east on County Road #17.

## **BIRDING**



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

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

to the public. There are a spectacular variety of water fowl especially during the migration seasons. The photos above, taken by Heidi Hughes who works with 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. 217 people obtained permits to hunt, trap and fish on the District's properties in 2018.

## **PROJECTIONS FOR 2019**

### **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 at Agassiz Valley.

### **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.

### **Water Quality**

Phase 3 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 expand programs linking impoundment sites and natural resources. The trail kiosks have been installed at Agassiz Valley, Brandt/Angus and the Agassiz Audubon Society location. To go along with the installation of the kiosks, all of these sites including Angus/Oslo #4 have been designated bird friendly sites mapped out by Pine to Prairie. 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

Whether staff and the Board are working on the next flood damage reduction project, a ditch maintenance project or stream debris removal, the District will strive to incorporate its management plan, while the Districts funding partners have been an important ally towards improving our natural resources, we anticipate further future opportunities in coordinating approaching projects with fellow agencies.

## **DITCH LEVIES**

On the following page is a listing of the 2018 ditch levies for drainage systems under the jurisdiction of the Board of Managers and “Independent Auditors Report” for the year ending December 31, 2018. Once the levies are set, they are given to the Marshall, Pennington and Polk County Auditors.

## 2018 Ditch Levies for Drainage Systems under the Jurisdiction of the MSTRWD

System	County	Portion	Redetermination of Benefits		2018 Levy	
			Year	Benefits	%	(\$)
JD #1	Marshall	13.56%	1992	\$497,195	3.00%	\$14,910
	Polk	86.44%	1992	\$3,168,795	1.00%	\$31,680
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	1.00%	\$970
	Polk	26.67%	1991	\$35,575	2.25%	\$800
WD #5	Polk	100.00%	1998	\$2,568,049	0.50%	\$12,840
WD #5 bond retirement fund	Polk	100.00%	1998	\$2,568,049	4.504%	\$115,665
WD #6	Polk	100.00%	1998	\$1,940,736	0.50%	\$9,700
WD #6 bond retirement fund	Polk	100.00%	1998	\$1,940,736	3.826%	\$74,253
WD #7	Marshall	58.40%	2000	\$304,504	0.00%	-
	Polk	41.60%	2000	\$34,063	0.00%	-
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	0.50%	\$4,640
JD #17	Marshall	6.48%	1982	\$43,470	0.00%	-
	Polk	93.52%	1982	\$627,149	1.00%	\$6,270
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%	\$15,540
	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	3.00%	\$2,120
	Polk	55.66%	1989	\$427,954	3.00%	\$12,830
	Pennington	35.13%	1989	\$270,062	3.00%	\$8,100
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	1.00%	\$1,250
CD #39i	Marshall	100.00%	1996	\$108,466	.10%	\$100
CD #43	Polk	100.00%	1989	\$1,176,137	3.00%	\$35,280
CD #44	Polk	100.00%	1989	\$1,001,112	1.50%	\$15,010
JD #68	Polk	100.00%	1995	\$248,110	0.10%	\$240
JD #75	Polk	100.00%	1990	\$3,653,439	3.00%	\$109,600
CD #175	Polk	100.00%	1997	\$1,180,524	2.00%	\$23,610

## CONCLUSION

2018 was a very productive year for the District as we will continue to strive to serve the public in a manor that calls for fair and equitable treatment of each and every individual person who resided within the jurisdiction of the Watershed. All individuals are encouraged to participate in local government by simply stopping by the office, attend a meeting or call the office staff and managers to identify concerns over drainage wherever and whenever an issue arises.

In 2019, the District has a number of maintenance project lined up and ready to hit the ground. By working closely with landowners, CD #43 in section 8 & 9 of Tabor township will see sloughing and major breakouts addressed. The Angus/Oslo #4 impoundment bypass ditch along the southwest corner will be raised to prevent the possibility of local spring melt flooding to homesteads. The landowner petition for the improvement of Polk CD #175 will commence early spring and correct a long standing issue of the ditches inability to perform properly. Numerous sediment removal projects and general maintenance projects will be addressed from the east end to the west end of the District as the District strives to act in a proactive manor throughout our portion of the Red River Valley.

The core component for success will continue to be communication between the public and the District. Individuals are encouraged to contact the District when they identify issues with drainage.

The Board of Managers and District staff would like to thank you as we conclude another successful year of reducing flooding, providing continued maintenance of agricultural drainage and in protecting and improving water quality throughout the MSTRWD.

If you have any questions, comments or concerns related to the mission of the Middle-Snake-Tamarac Rivers Watershed District, please contact any of the Board of Managers or the District office.

Thank You

## **INDEPENDENT AUDITOR'S REPORT**

Management's Discussion and Analysis

Basic Financial Statements

Notes to Basic Financial Statements

Supplementary Information

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Independent Auditor's Report on Legal Compliance



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## 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, 2018, 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 policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2018, 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, budgetary comparison information, Letter from the Chairman, and supplementary statements, 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary statements are fairly stated in all material respects in relation to the financial statements as a whole as described in the basis of accounting in Note 1.

The accompanying Letter from the Chairman, management's discussion and analysis, and budgetary comparison have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



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

June 26, 2019

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

Our discussion and analysis of the Middle-Snake-Tamarac Rivers Watershed District's financial performance provides an overview of the District's financial activities for the fiscal period ended December 31, 2018, 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 71.

**FINANCIAL HIGHLIGHTS**

- The District's total revenues exceeded total expenditures, on the modified cash basis of accounting, by \$242,062 for the year ended December 31, 2018.
- The general fund showed an increase in fund balance in the amount of \$88,370
- The District's general fund ended the year with a fund balance of \$721,660
- The District's combined fund balance at the close of the current year was \$3,693,765

**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 – Modified Cash Basis and the Statement of Activities – Modified Cash Basis on pages 71 & 72 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 73) 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 – Modified Cash Basis (starting on page 87) 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 90) 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, 2018**

**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 68. The government-wide financial statements are presented on pages 71 & 72. 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 – Modified Cash Basis and the Statement of Activities – Modified Cash Basis 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 – Modified Cash Basis and the Statement of Activities – Modified Cash Basis, 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, 2018**

**The Fund Financial Statements**

The fund financial statements begin on page 73 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 \$242,062 between the years ended December 31, 2018 and 2017.

	Governmental Activities		Change
	2018	2017	17-18
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 3,693,765	\$ 3,451,703	\$ 242,062
Total Assets	<u>3,693,765</u>	<u>3,451,703</u>	<u>242,062</u>
<u>NET POSITION</u>			
Restricted for:			
Capital Projects	3,333,372	3,333,586	(214)
Debt Service	894,169	888,376	5,793
Unrestricted	<u>(533,776)</u>	<u>(770,259)</u>	<u>236,483</u>
Total Net Position	<u>\$ 3,693,765</u>	<u>\$ 3,451,703</u>	<u>\$ 242,062</u>

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

For the years ended December 31, 2018 and 2017, Net Position of Middle-Snake-Tamarac Rivers Watershed District changed as follows:

	Governmental Activities		Change
	2018	2017	17-18
<b>Revenues</b>			
Program Revenues:			
Charges for Services & Special Assessments	\$ 925,631	\$ 806,774	\$ 118,857
Operating Grants and Contributions	-	1,087	(1,087)
Capital Grants & Contributions	470,227	551,176	(80,949)
General Revenues:			
Property Taxes	739,315	804,193	(64,878)
Investment Income	49,592	7,401	42,191
Miscellaneous Income	9,383	13,245	(3,862)
<b>Total Revenues</b>	<b>2,194,148</b>	<b>2,183,876</b>	<b>10,272</b>
<b>Expenditures</b>			
General Government	432,552	499,500	(66,948)
Administrative	233,293	226,745	6,548
Construction	1,143,694	1,332,414	(188,720)
Debt Service	142,547	164,392	(21,845)
<b>Total Expenditures</b>	<b>1,952,086</b>	<b>2,223,051</b>	<b>(270,965)</b>
<b>Increase (Decrease) in Net Position</b>	<b>242,062</b>	<b>(39,175)</b>	<b>281,237</b>
<b>Net Position - Beginning</b>	<b>3,451,703</b>	<b>3,490,878</b>	<b>(39,175)</b>
<b>Net Position - Ending</b>	<b>\$ 3,693,765</b>	<b>\$ 3,451,703</b>	<b>\$ 242,062</b>

**Governmental Activities**

To aid in the understanding of the Statement of Activities – Modified Cash Basis on page 72, 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 – Modified Cash Basis. 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, 2018**

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

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

- Judicial Ditch #1 fund had total receipts of \$53,594 and disbursements of \$276,521 for the year ended December 31, 2018.
- The General fund had total receipts of \$396,276 and disbursements of \$307,906 for the year ended December 31, 2018.
- The Capital Project Administrative fund had total receipts of \$704,539 and disbursements of \$515,965 for the year ended December 31, 2018.
- The Capital Project Brandt/Angus fund had total receipts of \$28,284 and disbursements of \$52,034 for the year ended December 31, 2018.
- The Capital Project PL-566 fund had total receipts of \$66,956 and disbursements of \$71,097 for the year ended December 31, 2018.
- The WD #5 BRF fund had total receipts of \$91,297 and disbursements of \$86,747 for the year ended December 31, 2018.

**CAPITAL ASSET AND DEBT INFORMATION**

**Capital Assets – Modified Cash Basis**

At December 31, 2018, the District had an estimated \$2,659,670 invested in capital assets. There were no additions or disposals for the year ended December 31, 2018.

**Long Term Debt**

See Note 7 to the financial statements on page 83 of the report.

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

See letter from the chairman.

**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, 2018**

<u>ASSETS</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 3,693,765
Total Assets	<u>3,693,765</u>
 <u>NET POSITION</u>	
Restricted for:	
Capital Projects	3,333,372
Debt Service	894,169
Unrestricted	<u>(533,776)</u>
Total Net Position	<u>\$ 3,693,765</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, 2018**

<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>	
<u>Governmental Activities:</u>						
General Government	\$ 432,552	\$ (124,646)	\$ 117,304	\$ -	\$ -	\$ (190,602)
<u>Capital Projects:</u>						
Administrative	233,293	-	-	-	-	(233,293)
Maintenance	-	-	571,550	-	-	571,550
Construction	1,143,694	124,646	96,445	-	470,227	(701,668)
Debt Service	142,547	-	140,332	-	-	(2,215)
Total Governmental Activities	<u>\$ 1,952,086</u>	<u>\$ -</u>	<u>\$ 925,631</u>	<u>\$ -</u>	<u>\$ 470,227</u>	<u>\$ (556,228)</u>
 <u>General Receipts:</u>						
Property Taxes						\$ 739,315
Investment Earnings						49,592
Miscellaneous						<u>9,383</u>
Total General Receipts						798,290
Change in Net Position						242,062
Net Position - Beginning						<u>3,451,703</u>
Net Position - Ending						<u>\$ 3,693,765</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, 2018**

<u>ASSETS</u>	<u>General Fund</u>	<u>Capital Project Administrative</u>	<u>Capital Project Brandt/Angus</u>	<u>Capital Project PL-566</u>	<u>JD #1</u>	<u>WD #5 BRF</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	\$ 721,660	\$ 1,219,169	\$ -	\$ -	\$ -	\$ 519,721	\$ 1,233,215	\$ 3,693,765
Due From Other Funds	-	1,255,436	-	-	-	-	-	1,255,436
Total Assets	<u>\$ 721,660</u>	<u>\$ 2,474,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 519,721</u>	<u>\$ 1,233,215</u>	<u>\$ 4,949,201</u>
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities:								
Due To Other Funds	\$ -	\$ -	\$ 495,254	\$ 156,807	\$ 58,166	\$ -	\$ 545,209	\$ 1,255,436
Total Liabilities	-	-	495,254	156,807	58,166	-	545,209	1,255,436
Fund Balances:								
Restricted for Capital Projects	-	2,474,605	-	-	-	-	858,767	3,333,372
Restricted for Debt Service	-	-	-	-	-	519,721	374,448	894,169
Unassigned	721,660	-	(495,254)	(156,807)	(58,166)	-	(545,209)	(533,776)
Total Fund Balances	<u>721,660</u>	<u>2,474,605</u>	<u>(495,254)</u>	<u>(156,807)</u>	<u>(58,166)</u>	<u>519,721</u>	<u>688,006</u>	<u>3,693,765</u>
Total Liabilities and Fund Balances	<u>\$ 721,660</u>	<u>\$ 2,474,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 519,721</u>	<u>\$ 1,233,215</u>	<u>\$ 4,949,201</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, 2018**

<u>RECEIPTS</u>	General Fund	Capital Project Administrative	Capital Project Brandt/Angus	Capital Project PL-566	JD #1	WD #5 BRF	Non-Major Governmental Funds	Total Governmental Funds
Property Taxes	\$ 239,514	\$ 499,801	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 739,315
Special Assessments	-	-	-	-	52,882	86,163	572,837	711,882
Intergovernmental:								
Federal	-	56,975	-	-	-	-	-	56,975
State	9,163	116,627	-	-	-	-	73,284	199,074
Local	-	31,136	-	49,406	-	-	26,000	106,542
Other:								
Cost Share	-	-	-	-	-	-	96,257	96,257
Investment Income	31,006	-	-	3,584	-	5,134	9,868	49,592
Rent	-	-	28,284	13,966	-	-	54,195	96,445
Reimbursements	116,409	-	-	-	-	-	11,378	127,787
Miscellaneous	184	-	-	-	712	-	9,383	10,279
<b>Total Receipts</b>	<b>396,276</b>	<b>704,539</b>	<b>28,284</b>	<b>66,956</b>	<b>53,594</b>	<b>91,297</b>	<b>853,202</b>	<b>2,194,148</b>
<u>DISBURSEMENTS</u>								
General Governmental:								
Personnel Costs	308,507	-	-	-	-	-	-	308,507
Professional	37,734	-	-	-	-	-	-	37,734
Operations	75,256	-	-	-	-	-	-	75,256
Facilities	11,055	-	-	-	-	-	-	11,055
Projects (Allocated Expenses)	(124,646)	-	-	-	-	-	-	(124,646)
Capital Projects:								
Professional	-	374,965	3,416	531	42,913	-	48,260	470,085
Project Costs	-	67,211	22,242	45,412	215,574	-	366,365	716,804
Taxes	-	-	13,516	14,356	-	-	29,343	57,215
Administrative	-	73,769	12,760	10,182	16,582	-	120,000	233,293
Miscellaneous	-	20	100	616	1,452	-	22,048	24,236
Debt Service:								
Principal	-	-	-	-	-	81,000	52,000	133,000
Interest	-	-	-	-	-	5,535	3,660	9,195
Other	-	-	-	-	-	212	140	352
<b>Total Disbursements</b>	<b>307,906</b>	<b>515,965</b>	<b>52,034</b>	<b>71,097</b>	<b>276,521</b>	<b>86,747</b>	<b>641,816</b>	<b>1,952,086</b>
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	<b>88,370</b>	<b>188,574</b>	<b>(23,750)</b>	<b>(4,141)</b>	<b>(222,927)</b>	<b>4,550</b>	<b>211,386</b>	<b>242,062</b>
<b>FUND BALANCE (DEFICIT) JANUARY 1</b>	<b>633,290</b>	<b>2,286,031</b>	<b>(471,504)</b>	<b>(152,666)</b>	<b>164,761</b>	<b>515,171</b>	<b>476,620</b>	<b>3,451,703</b>
<b>FUND BALANCE (DEFICIT) DECEMBER 31</b>	<b>\$ 721,660</b>	<b>\$ 2,474,605</b>	<b>\$ (495,254)</b>	<b>\$ (156,807)</b>	<b>\$ (58,166)</b>	<b>\$ 519,721</b>	<b>\$ 688,006</b>	<b>\$ 3,693,765</b>

See Notes to the Basic Financial Statements



**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**AS OF DECEMBER 31, 2018**

**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 – Modified Cash Basis and Statement of Activities – Modified Cash Basis 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, 2018**

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, 2018**

**Fund**

Debt Service – WD #5 BRF

**Brief Description**

Debt Service Funds account for long term debt held by the District that was issued for ditch maintenance projects.

Capital Projects – Ditch Maintenance – JD #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 – Modified Cash Basis and the Statement of Activities – Modified Cash Basis, 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, 2018**

**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 since the District reports on the modified cash basis of accounting.

**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, 2018**

**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, 2018**

**A. DEFICIT FUND BALANCES**

For the year ended December 31, 2018, the following Funds had deficit balances:

**MAJOR FUNDS:**

Capital Projects:	Brandt/Angus	\$ (495,254)
	PL-566	(156,807)
Ditch Maintenance:	JD #1	(58,166)

**NON-MAJOR FUNDS:**

Capital Projects:	Angus-Oslo 1	\$ (5,857)
	Angus-Oslo #4	(68,862)
	Florian WMA	(62)
	Agassiz Audubon	(44,827)
Ditch Maintenance:	CD #43	(5,152)
	CD #44	(13,959)
	CD #175	(71,296)
	JD #75	(32,459)
	JD #14	(87,892)
	JD #15	(7,849)
	JD #20	(9,563)
	JD #21	(3,675)
	JD #25-1	(79,422)
	JD #25-2	(74,163)
	JD #28	(38,557)
	JD #29	(1,614)

No remedial action is deemed necessary.

These deficits will be funded by future revenues and borrowings from the general fund and capital projects admin 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.

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**AS OF DECEMBER 31, 2018**

- 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.
- 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, 2018, the carrying amount of the District's deposits was \$3,693,765 and the bank balance was \$3,715,180. 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, 2018**

**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 Plan, which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

General Employees Retirement Plan 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 General Employees Retirement Plan 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 the General Employees Retirement Plan. 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, 2018**

**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. General Employees Retirement Plan Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.5% respectively, of their annual covered salary in 2018. 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, 2018 was \$17,412. 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, 2018, 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>240,000</u>
Total Long-Term Debt	\$ <u><u>240,000</u></u>

Repayment requirements are as follows:

Year Ending December 31	Principal	Interest	Total
2019	\$ 120,000	\$ 5,400	\$ 125,400
2020	<u>120,000</u>	<u>1,800</u>	<u>121,800</u>
Total	<u><u>\$ 240,000</u></u>	<u><u>\$ 7,200</u></u>	<u><u>\$ 247,200</u></u>

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**AS OF DECEMBER 31, 2018**

**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.

Claims and Litigation

As of June 26, 2019, the District may be involved in some legal actions relating to projects undertaken or attempted to be undertaken. Although the outcomes cannot be determined, the District believes any potential liability would not have a material impact on the financial condition of the District.

**NOTE 9 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Due to/from other funds:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
Capital Project Administrative	Capital Project Brandt Angus	\$ 495,254
Capital Project Administrative	Capital Project PL-566	156,807
Capital Project Administrative	JD #1	58,166
Capital Project Administrative	Other Governmental Funds	545,209
		<u>\$ 1,255,436</u>

The purpose of the due to/due from was to cover negative cash balances for the various funds listed above.

**NOTE 10 NEW PRONOUNCEMENTS**

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). This Statement establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for AROs. It also establishes disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB Statement No. 84, *Fiduciary Activities*, provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.



**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**AS OF DECEMBER 31, 2018**

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement is effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 90, *Majority Equity Interests*, provides guidance for reporting when a government has majority equity interest in legally separate organizations. An equity interest is explicit and measureable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. If government's holding of that equity interest meets the definition of an investment, as defined by GASB No. 72, the equity interest should be reported as an investment and measured using the equity method and not as a component unit of the government. If a government's holding of a majority interest in a legally separate organization does not meet the definition of an investment, the holding of the majority equity interest results in the government being financially accountable for the organization and therefore, the government should report the legally separate organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

Management has not yet determined what effect these statements will have on the District's financial statements.

**MIDDLE-SNAKE-TAMARAC RIVERS WATERSHED DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS - CONTINUED**  
**AS OF DECEMBER 31, 2018**

**NOTE 11 SUBSEQUENT EVENTS**

The District received G.O. Bonds in the amount of \$750,000 for the improvement of Polk County Ditch #175. Subsequent events have been evaluated through June 26, 2019, 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, 2018**

<u>RECEIPTS</u>	<u>Budget Original &amp; Final</u>	<u>Actual 2018</u>	<u>Variance</u>
<u>Property Taxes</u>			
Marshall County	\$ 195,947	\$ 187,925	\$ (8,022)
Polk County	49,208	47,021	(2,187)
Kittson County	3,309	1,163	(2,146)
Pennington County	1,304	3,217	1,913
Roseau County	232	188	(44)
Total Property Taxes	<u>250,000</u>	<u>239,514</u>	<u>(10,486)</u>
<u>State Aids</u>			
PERA	-	1,087	1,087
MV-Credit	-	8,076	8,076
Total State Aids	<u>-</u>	<u>9,163</u>	<u>9,163</u>
<u>Other Sources</u>			
Lieu of Taxes	1,500	-	(1,500)
Ditch Reimbursements	140,000	116,409	(23,591)
Investment Income	1,000	31,006	30,006
Miscellaneous	20,000	184	(19,816)
Total Other Sources	<u>162,500</u>	<u>147,599</u>	<u>(14,901)</u>
Total Receipts, Other Sources & Special Items	<u>412,500</u>	<u>396,276</u>	<u>(16,224)</u>
<u>DISBURSEMENTS</u>			
<u>Administrative Personnel Costs</u>			
Salaries	260,000	234,593	25,407
Managers Expense	25,000	20,156	4,844
Employee Benefits	-	17,622	(17,622)
Dental Insurance	-	10	(10)
Payroll Costs	-	36,126	(36,126)
Total Administrative Personnel Costs	<u>285,000</u>	<u>308,507</u>	<u>(23,507)</u>
<u>Professional</u>			
Accounting	10,000	9,000	1,000
Administrative	-	15,492	(15,492)
Legal	30,000	13,242	16,758
Total Professional	<u>40,000</u>	<u>37,734</u>	<u>2,266</u>

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, 2018**

	Budget Original & Final	Actual 2018	Variance
<u>Operations</u>			
Insurance	\$ 33,000	\$ 24,493	\$ 8,507
Dues	7,416	7,033	383
Office	10,000	-	10,000
Printing and Advertising	6,000	5,966	34
Supplies & Miscellaneous	22,000	17,247	4,753
Telephone	5,000	5,905	(905)
Mileage	5,000	4,159	841
Vehicle Expense	12,000	5,549	6,451
Postage	2,000	1,644	356
Miscellaneous	700	253	447
Equipment	-	3,007	(3,007)
Total Operations	<u>103,116</u>	<u>75,256</u>	<u>27,860</u>
<u>Facilities</u>			
Maintenance	5,000	6,528	(1,528)
Utilities	<u>5,500</u>	<u>4,527</u>	<u>973</u>
Total Facilities	<u>10,500</u>	<u>11,055</u>	<u>(555)</u>
Total Disbursements	<u>\$ 438,616</u>	<u>\$ 432,552</u>	<u>\$ 6,064</u>
Less: Allocated Expenses		\$ 124,646	
Net Total Disbursements		<u>307,906</u>	
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS		88,370	
FUND BALANCE JANUARY 1		<u>633,290</u>	
FUND BALANCE DECEMBER 31		<u>\$ 721,660</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, 2018**

**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.



**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, 2018**

<u>RECEIPTS</u>	<u>GENERAL</u>	<u>ANGUS- OSLO-1</u>	<u>ANGUS- OSLO-4</u>	<u>BRANDT/ ANGUS</u>	<u>MARCH IMPOUNDMENT</u>	<u>PL-566</u>	<u>FARMSTEAD RING DIKES</u>	<u>BIRDING TRAIL</u>	<u>AGASSIZ VALLEY</u>	<u>FLORIAN WMA</u>	<u>AGASSIZ AUDUBON</u>	<u>OMDAHL ENDOWMENT</u>	<u>RIPARIAN AID</u>	<u>TOTALS</u>
<u>Property Taxes</u>														
Marshall County	\$ 391,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 391,500
Polk County	98,701	-	-	-	-	-	-	-	-	-	-	-	-	98,701
Pennington County	6,765	-	-	-	-	-	-	-	-	-	-	-	-	6,765
Roseau County	394	-	-	-	-	-	-	-	-	-	-	-	-	394
Kittson County	2,441	-	-	-	-	-	-	-	-	-	-	-	-	2,441
Total Property Taxes	<u>499,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>499,801</u>
<u>Intergovernmental</u>														
<u>Federal Government</u>														
USDA	56,975	-	-	-	-	-	-	-	-	-	-	-	-	56,975
<u>State of Minnesota</u>														
Homestead Credit	18,579	-	-	-	-	-	-	-	-	-	-	-	-	18,579
Project Funding	-	-	-	-	-	49,406	-	-	-	-	19,000	-	-	68,406
Cost Share	98,048	-	-	-	-	-	-	-	-	-	-	-	39,747	137,795
RRWMB	31,136	-	-	-	-	-	-	-	-	-	7,000	-	-	38,136
Total Intergovernmental	<u>204,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,000</u>	<u>-</u>	<u>39,747</u>	<u>319,891</u>
<u>Other Income</u>														
Rent	-	1,298	13,549	28,284	24,098	13,966	-	-	15,250	-	-	-	-	96,445
Miscellaneous	-	-	-	-	-	-	-	-	18	-	5,000	-	-	5,018
Interest	-	-	2,522	-	-	3,584	-	-	3,140	-	1,332	-	-	10,578
Total Other Income	<u>-</u>	<u>1,298</u>	<u>16,071</u>	<u>28,284</u>	<u>24,098</u>	<u>17,550</u>	<u>-</u>	<u>-</u>	<u>18,408</u>	<u>-</u>	<u>6,332</u>	<u>-</u>	<u>-</u>	<u>112,041</u>
Total Receipts	<u>704,539</u>	<u>1,298</u>	<u>16,071</u>	<u>28,284</u>	<u>24,098</u>	<u>66,956</u>	<u>-</u>	<u>-</u>	<u>18,408</u>	<u>-</u>	<u>32,332</u>	<u>-</u>	<u>39,747</u>	<u>931,733</u>
<u>DISBURSEMENTS</u>														
Project Costs	67,211	3,363	10,782	22,242	600	45,412	-	-	13,174	-	11,168	-	-	173,952
Miscellaneous	20	-	186	100	-	616	-	-	1,383	-	7,321	-	833	10,459
Taxes	-	577	11,678	13,516	4,503	14,356	-	-	5,631	-	6,954	-	-	57,215
Administrative	73,769	2,463	7,611	12,760	290	10,182	-	-	13,897	-	3,674	-	2,389	127,035
Professional	374,965	-	5,267	3,416	-	531	-	-	2,746	-	-	-	1,663	388,588
Total Disbursements	<u>515,965</u>	<u>6,403</u>	<u>35,524</u>	<u>52,034</u>	<u>5,393</u>	<u>71,097</u>	<u>-</u>	<u>-</u>	<u>36,831</u>	<u>-</u>	<u>29,117</u>	<u>-</u>	<u>4,885</u>	<u>757,249</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	188,574	(5,105)	(19,453)	(23,750)	18,705	(4,141)	-	-	(18,423)	-	3,215	-	34,862	174,484
FUND BALANCE (DEFICIT) JANUARY 1	<u>2,286,031</u>	<u>(752)</u>	<u>(49,409)</u>	<u>(471,504)</u>	<u>147,714</u>	<u>(152,666)</u>	<u>42,570</u>	<u>15,300</u>	<u>36,188</u>	<u>(62)</u>	<u>(48,042)</u>	<u>110,004</u>	<u>15,055</u>	<u>1,930,427</u>
FUND BALANCE (DEFICIT) DECEMBER 31	<u>\$ 2,474,605</u>	<u>\$ (5,857)</u>	<u>\$ (68,862)</u>	<u>\$ (495,254)</u>	<u>\$ 166,419</u>	<u>\$ (156,807)</u>	<u>\$ 42,570</u>	<u>\$ 15,300</u>	<u>\$ 17,765</u>	<u>\$ (62)</u>	<u>\$ (44,827)</u>	<u>\$ 110,004</u>	<u>\$ 49,917</u>	<u>\$ 2,104,911</u>

**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, 2018**

<u>RECEIPTS</u>	Judicial Ditches	Watershed Ditches	County & State Ditches	TOTALS
Tax Levies	\$ 460,288	\$ 23,620	\$ 87,642	\$ 571,550
Federal Agencies - FEMA	1,284	-	-	1,284
Cost Share	-	12,510	116,000	128,510
Reimbursements	11,378	-	-	11,378
Prorated Interest Revenue	<u>2,661</u>	<u>2,003</u>	<u>413</u>	<u>5,077</u>
Total Receipts	<u>475,611</u>	<u>38,133</u>	<u>204,055</u>	<u>717,799</u>
<u>DISBURSEMENTS</u>				
Administrative	67,151	11,150	27,957	106,258
Professional	49,613	721	31,163	81,497
Project Costs	335,289	49,494	158,069	542,852
Miscellaneous	<u>9,294</u>	<u>1,465</u>	<u>3,018</u>	<u>13,777</u>
Total Disbursements	<u>461,347</u>	<u>62,830</u>	<u>220,207</u>	<u>744,384</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	14,264	(24,697)	(16,152)	(26,585)
FUND BALANCE (DEFICIT) JANUARY 1	<u>(213,141)</u>	<u>257,986</u>	<u>(45,235)</u>	<u>(390)</u>
FUND BALANCE (DEFICIT) DECEMBER 31	<u>\$ (198,877)</u>	<u>\$ 233,289</u>	<u>\$ (61,387)</u>	<u>\$ (26,975)</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**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

<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	\$ 21,110	\$ 42,522	\$ 53,040	\$ 6,286	\$ -	\$ 31,659	\$ 1,936	\$ 334
Polk County	31,772	-	-	-	6,256	-	-	90
Pennington County	-	15,242	-	-	-	-	-	-
Federal Agencies - FEMA	-	-	1,284	-	-	-	-	-
Miscellaneous Revenue	<u>712</u>	<u>-</u>	<u>-</u>	<u>934</u>	<u>371</u>	<u>87</u>	<u>9</u>	<u>318</u>
Total Receipts	<u>53,594</u>	<u>57,764</u>	<u>54,324</u>	<u>7,220</u>	<u>6,627</u>	<u>31,746</u>	<u>1,945</u>	<u>742</u>
<u>DISBURSEMENTS</u>								
Administrative	16,582	7,746	6,161	3,615	535	5,086	3,574	-
Professional	42,913	-	-	2,429	-	-	74	-
Project Costs	215,574	20,851	6,215	5,640	-	33,185	5,295	1,400
Miscellaneous	<u>1,452</u>	<u>1,477</u>	<u>24</u>	<u>308</u>	<u>2</u>	<u>402</u>	<u>327</u>	<u>381</u>
Total Disbursements	<u>276,521</u>	<u>30,074</u>	<u>12,400</u>	<u>11,992</u>	<u>537</u>	<u>38,673</u>	<u>9,270</u>	<u>1,781</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(222,927)	27,690	41,924	(4,772)	6,090	(6,927)	(7,325)	(1,039)
FUND BALANCE (DEFICIT) JANUARY 1	<u>164,761</u>	<u>(115,582)</u>	<u>(49,773)</u>	<u>102,256</u>	<u>35,387</u>	<u>(2,636)</u>	<u>3,650</u>	<u>35,924</u>
FUND BALANCE (DEFICIT) DECEMBER 31	<u>\$ (58,166)</u>	<u>\$ (87,892)</u>	<u>\$ (7,849)</u>	<u>\$ 97,484</u>	<u>\$ 41,477</u>	<u>\$ (9,563)</u>	<u>\$ (3,675)</u>	<u>\$ 34,885</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, 2018**

<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	\$ 20,189	\$ 3,384	\$ 9,300	\$ 60,523	\$ -	\$ -	\$ 250,283
Polk County	23,414	12,723	-	-	255	109,743	184,253
Pennington County	2,328	8,182	-	-	-	-	25,752
Federal Agencies - FEMA	-	-	-	-	-	-	1,284
Reimbursed Expenses	-	-	-	-	-	11,378	11,378
Miscellaneous Revenue	-	-	-	46	184	-	2,661
Total Receipts	<u>45,931</u>	<u>24,289</u>	<u>9,300</u>	<u>60,569</u>	<u>439</u>	<u>121,121</u>	<u>475,611</u>
<u>DISBURSEMENTS</u>							
Administrative	4,670	5,853	3,062	4,145	153	5,969	67,151
Professional	3,725	293	-	-	-	179	49,613
Project Costs	6,005	13,524	2,200	9,495	-	15,905	335,289
Miscellaneous	1,055	1,609	2,004	2	2	249	9,294
Total Disbursements	<u>15,455</u>	<u>21,279</u>	<u>7,266</u>	<u>13,642</u>	<u>155</u>	<u>22,302</u>	<u>461,347</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	30,476	3,010	2,034	46,927	284	98,819	14,264
FUND BALANCE (DEFICIT) JANUARY 1	<u>(109,898)</u>	<u>(77,173)</u>	<u>(40,591)</u>	<u>(48,541)</u>	<u>20,353</u>	<u>(131,278)</u>	<u>(213,141)</u>
FUND BALANCE (DEFICIT) DECEMBER 31	<u>\$ (79,422)</u>	<u>\$ (74,163)</u>	<u>\$ (38,557)</u>	<u>\$ (1,614)</u>	<u>\$ 20,637</u>	<u>\$ (32,459)</u>	<u>\$ (198,877)</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, 2018**

<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	\$ 592	\$ 1,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,830
Polk County	-	766	12,121	8,903	-	-	-	21,790
Cost Share	-	-	-	-	-	12,510	-	12,510
Miscellaneous Revenue	<u>47</u>	<u>194</u>	<u>414</u>	<u>685</u>	<u>385</u>	<u>278</u>	-	<u>2,003</u>
Total Receipts	<u>639</u>	<u>2,198</u>	<u>12,535</u>	<u>9,588</u>	<u>385</u>	<u>12,788</u>	-	<u>38,133</u>
<u>DISBURSEMENTS</u>								
Administrative	213	489	5,857	3,763	343	485	-	11,150
Professional	-	-	-	-	-	721	-	721
Project Costs	-	855	15,154	10,143	375	22,967	-	49,494
Miscellaneous	<u>2</u>	<u>2</u>	<u>1,455</u>	<u>2</u>	<u>2</u>	<u>2</u>	-	<u>1,465</u>
Total Disbursements	<u>215</u>	<u>1,346</u>	<u>22,466</u>	<u>13,908</u>	<u>720</u>	<u>24,175</u>	-	<u>62,830</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	424	852	(9,931)	(4,320)	(335)	(11,387)	-	(24,697)
FUND BALANCE (DEFICIT) JANUARY 1	<u>4,771</u>	<u>20,307</u>	<u>45,249</u>	<u>74,384</u>	<u>43,258</u>	<u>40,946</u>	<u>29,071</u>	<u>257,986</u>
FUND BALANCE (DEFICIT) DECEMBER 31	<u>\$ 5,195</u>	<u>\$ 21,159</u>	<u>\$ 35,318</u>	<u>\$ 70,064</u>	<u>\$ 42,923</u>	<u>\$ 29,559</u>	<u>\$ 29,071</u>	<u>\$ 233,289</u>



**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, 2018**

<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	\$ 13,901	\$ 1,758	\$ 144	\$ -	\$ -	\$ -	\$ 15,803
Polk County	-	-	-	33,877	14,588	23,374	71,839
Cost Share	44,000	-	-	-	-	72,000	116,000
Miscellaneous Revenue	93	170	75	75	-	-	413
	<u>57,994</u>	<u>1,928</u>	<u>219</u>	<u>33,952</u>	<u>14,588</u>	<u>95,374</u>	<u>204,055</u>
Total Receipts							
<u>DISBURSEMENTS</u>							
Professional	10,646	-	-	10,539	-	9,978	31,163
Project Costs	63,045	4,748	5,249	11,710	9,212	64,105	158,069
Miscellaneous	2	2	2	2	71	2,939	3,018
Administrative	7,222	321	291	4,821	1,236	14,066	27,957
	<u>80,915</u>	<u>5,071</u>	<u>5,542</u>	<u>27,072</u>	<u>10,519</u>	<u>91,088</u>	<u>220,207</u>
Total Disbursements							
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	(22,921)	(3,143)	(5,323)	6,880	4,069	4,286	(16,152)
FUND BALANCE (DEFICIT) JANUARY 1	29,693	19,711	11,003	(12,032)	(18,028)	(75,582)	(45,235)
FUND BALANCE (DEFICIT) DECEMBER 31	<u>\$ 6,772</u>	<u>\$ 16,568</u>	<u>\$ 5,680</u>	<u>\$ (5,152)</u>	<u>\$ (13,959)</u>	<u>\$ (71,296)</u>	<u>\$ (61,387)</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, 2018**

<u>RECEIPTS</u>	<u>WD #5 BRF</u>	<u>WD #6 BRF</u>	<u>TOTALS</u>
Polk County	\$ 86,163	\$ 54,169	\$ 140,332
Interest Revenue	<u>5,134</u>	<u>2,874</u>	<u>8,008</u>
Total Receipts	<u>91,297</u>	<u>57,043</u>	<u>148,340</u>
<u>DISBURSEMENTS</u>			
Bond Principal	81,000	52,000	133,000
Bond Interest & Fees	5,535	3,660	9,195
Bond Bank Fees	<u>212</u>	<u>140</u>	<u>352</u>
Total Disbursements	<u>86,747</u>	<u>55,800</u>	<u>142,547</u>
EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS	4,550	1,243	5,793
FUND BALANCE JANUARY 1	<u>515,171</u>	<u>373,205</u>	<u>888,376</u>
FUND BALANCE DECEMBER 31	<u>\$ 519,721</u>	<u>\$ 374,448</u>	<u>\$ 894,169</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, 2018**

RECEIPTSProperty Taxes

Marshall County	\$ 391,500
Polk County	98,701
Kittson County	2,441
Pennington County	6,765
Roseau County	394
State - MV	<u>18,579</u>

Total Property Taxes	<u>518,380</u>
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TOTAL RECEIPTS	<u>518,380</u>
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DISBURSEMENTS

Red River Watershed Management Board	<u>518,380</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>\$ -</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, 2018 and the related notes to the financial statements, and have issued our report thereon dated June 26, 2019.

### 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 not intended to be and should not be used by anyone other than those specified parties.



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

June 26, 2019