

**Minnesota Board of Water and Soil Resources
Performance Review and Assistance Program**

**Level III (Pilot) Performance Review Report
for the
Middle-Snake-Tamarac Rivers Watershed District**

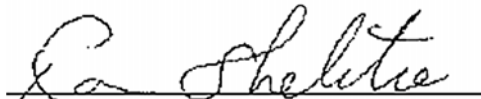
August 4, 2008

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**Minnesota Board of Water and Soil Resources
Performance Review and Assistance Program
Level III (Pilot) Report
Middle-Snake-Tamarac Rivers Watershed District
August 4, 2008**

Background

In January 2008 the Minnesota Board of Water and Soil Resources (BWSR) adopted a strategic plan with a mission statement to *improve and protect Minnesota's water and soil resources by working in partnership with local organizations and private landowners*. The strategic plan recognizes the importance to BWSR of the local organizations, such as the state's watershed districts. BWSR can best accomplish its mission if it has an effective delivery system composed of those local organizations.

One approach to making that local delivery system the best it can be is BWSR's implementation of a program authorized by the 2007 Minnesota legislature. Called the Performance Review and Assistance Program (PRAP), its purpose is to periodically review and assess the performance of local units of government that have land conservation and water management responsibilities. Using the PRAP process, BWSR interacts with local governments at four levels depending on whether the review, and subsequent assistance, is routine or specialized.¹

A Level I review tabulates the watershed organization's compliance with basic organizational requirements. In Level II the focus is on the degree to which the organization is accomplishing its plan. A Level III review includes the Level I and II performance standards, and the application of other specifically designed performance review measures as needed or desired. PRAP review at all levels is intended give a local governmental unit constructive feedback it can use to recognize its strengths and identify areas needing improvement.

Based on a recommendation from BWSR field staff and requests from both the Marshall County board of commissioners and the Red River Watershed Management Board (see appendices a and b), BWSR has conducted a Level III review of the Middle-Snake-Tamarac Rivers Watershed District's operation and execution of planned projects and programs. BWSR's proposal letter, presented to the watershed board on June 16, 2008, describes this process in more detail (see appendix c). This document reports the results of BWSR's review.

¹ For more information about BWSR's Performance Review and Assistance Program see the 2008 Report to the Legislature at <http://www.bwsr.state.mn.us/PRAP/index.html>

Purpose

The purpose of this Level III performance review is to determine if the Middle-Snake-Tamarac Rivers Watershed District (MSTRWD) is able to make decisions and carry out planned actions effectively and efficiently.

In addition, our review provides suggestions for additional actions or assistance that the watershed board can pursue. These suggestions are included in the Recommendations section of this report.

Scope

This PRAP review included information gathering, analysis and reporting. These activities have been conducted by BWSR staff and did not require the active participation of the MSTRWD board of managers. Specific actions in this process have included BWSR staff attendance at MSTRWD board of managers meetings, review of public documents prepared or collected by other governmental units related to MSTRWD organizational performance, review of selected watershed district annual reports and board meeting minutes, and a review of the watershed district's compliance with the PRAP Level I and II performance standards. The information sources are listed at the end of this report. The only costs to the MSTRWD during this process have been incidental staff time or mailing costs associated with providing requested documents to BWSR.

The PRAP process is facilitated by BWSR. It is not a financial audit or investigation and it does not replace or supersede other types of governmental review of district operations, such as state auditor or department of administration reviews.

Findings and Discussion

1. Greater MN Watershed District Performance Standards

Findings: The MSTRWD was evaluated based on the organization's responses to a set of performance standards developed by the Board of Water and Soil Resources specifically for non-metropolitan area watershed districts. We examined operational effectiveness in four categories—*administration, planning, execution, and communication and coordination*—for the period 2003-2007 (see appendix d). The MSTRWD met 12 of 14 basic practice standards and 8 of 12 target (high performance) standards.

One of the two deficiencies in meeting the basic practice standards is the district's overdue watershed management plan revision. This issue is addressed in more detail in Finding No. 2. The other deficiency is not providing the annual reports on the district website.

Watershed districts are not expected to meet all, or even most of the high performance standards. However, these standards are tracked by BWSR

to serve as targets for districts as they work to improve their performance and as a way for districts that are meeting them to receive credit for operating at a high level of performance.

Discussion: The reported non-compliance with the basic standard for website content is minor. BWSR expects that it would be relatively easy for the district to add the current annual report to their website in order to erase one of the two basic practice standards deficiencies.

In general, a watershed district organization would be expected to meet all of the basic standards and some of the target standards. BWSR developed the basic standards in late 2007. They were first made available to local governments in BWSR's February 2008 PRAP legislative report. Considering that the MSTRWD has had minimal time since then to incorporate all of the performance standards, the fact that the MSTRWD has met all but two of the basic practice standards and most of the target standards indicates a high level of overall operational performance.

2. Watershed Management Plan

Findings: According to Minnesota Statutes Chapter 103D.405, watershed district managers must revise the watershed management plan at least once every ten years after the original plan is approved. The last revision of the district's watershed management plan was in 1994.

In 2004 the watershed board submitted a petition to BWSR to amend the management plan in order to reflect action taken by the board of managers in 2002 to expand the district by including the Tamarac River subbasin, to increase the number of managers from five to seven, and to update activities, programs and projects the watershed district had initiated, considered or completed. In Conclusion 5 of its January 2005 Findings, Conclusion and Order approving the plan amendment (see appendix e), the BWSR Board stated, "The MSTRWD is to initiate a revision of their Watershed Management Plan following the guidelines provided by the Board and the 'Flood Damage Reduction Work Group Agreement December 1998' by July 1, 2006 provided [that] financial assistance is available to the MSTRWD to accomplish this revision in accordance with the above mentioned guidance documents."

The 1998 Flood Damage Reduction Work Group Agreement included a set of watershed plan guidelines for Red River Basin watershed districts, including the MSTRWD. These guidelines established new content and process elements for subsequent management plan revisions. In 2002, BWSR adopted a schedule for watershed management plan revisions for the nine watershed districts in the Red River Basin. The schedule was based on allocation of expected state funding to support the plan revision process (see appendix e) In that schedule, BWSR planned for funding for

the MSTRWD plan revision to begin in state fiscal year 2004 and conclude in fiscal year 2006. Because of reductions in state funding since 2002, BWSR revised the schedule several times during the ensuing years. The current schedule calls for the MSTRWD plan revision funding to be available in state fiscal years 2008 and 2009 (see appendix f).

In November 2007 the MSTRWD board passed a resolution to begin the watershed management plan revision process. Since then the managers and staff have taken preliminary steps to implement that process.

Discussion: An out-of-date watershed management plan for any watershed district is a significant deficiency. The 2005 plan amendment was done to recognize the expanded area of the watershed district without updating the plan goals and objectives or adopting the new content guidelines from the 1998 Flood Damage Reduction Work Group Agreement.

The delay in plan revision is explained by the prioritization, scheduling, and funds availability that were developed by BWSR for Red River Basin watershed district plan revisions. The BWSR Board action in January 2005 clearly acknowledged the need for a plan revision and also set a date for that revision to be initiated, subject to funding assistance availability. Lack of funding assistance was the factor that led to further delay of the start of the plan revision process.

The fact that the managers have already taken steps to revise the current plan in accordance with the current schedule is noted. In general, while the watershed plan revision is technically overdue, the district is justified in having delayed their initiation of the revision process until November 2007, which is consistent with the current schedule for funding assistance. (See Recommendations section.)

3. Management Plan Implementation

Findings: One of the Level II PRAP tasks is to determine the degree to which a district has accomplished the goals and objectives of its management plan. The watershed district's management plan contains a section (Goals, Policies, Projects and Programs, p. 75ff.) that lists policies and programs under various categories of district activity. These include: project initiation, drainage, and public information and education. The policies can be described as statements of the organization's intent under each subject category and the projects/programs are specific actions that the district proposed to take related to that intent.

Discussion: The MSTRWD annual reports contain specific actions taken each year. However, not all of these actions are correlated with management plan policies, projects and programs. BWSR's review of the

plan and annual reports determined that an informed reader may be able to correlate some activities annually reported with a plan policy and project/program (e.g., 1994 plan section D. Regulatory Programs, page 76, correlates with 2007 Annual Report, Section V. Permits, page 10). However, the MSTRWD could make it easier for most of their stakeholders to follow progress on planned goals and projects by linking annual report accomplishments to related sections of the plan. (See Recommendations section.)

4. Project Implementation

Findings: Based on the last 5 years of annual reports, the MSTRWD has carried out its water management responsibilities in the form of large and small-scale project implementation, ditch maintenance, and permit review. In 2005 the MSTRWD completed construction of the Angus Oslo #4 off-channel flood control impoundment. Since 2001 the MSTRWD has served as one of the local sponsors of the Natural Resource Conservation Service PL-566 Snake River Flood Control Project, a major project designed to protect the City of Warren from flood damages and to reduce flooding on lands downstream from the off-channel storage area. Project construction was completed in 2006. Within the last three months the MSTRWD has solicited and awarded bids for construction and begun the construction of a \$10.5 million flood control impoundment and natural resource enhancement project within the district.

According to recent watershed district annual reports (2003-2007), the managers have implemented or partnered in the implementation of numerous small projects including routine drainage system maintenance, ditch repair, and erosion control. They have administered the construction of 17 farmstead ringdikes and processed 393 permit requests during that five year period.

Discussion: The fact that the MSTRWD has been able to undertake the implementation of—or partner in—such large and complex projects as the Snake River Flood Control project, Angus Oslo Site #4 project, and the Agassiz Valley Water Resource Management project demonstrates that the board is able to make complex and significant decisions related to their statutory authority as a water management entity. Their on-going implementation of many smaller flood damage reduction, drainage system and stream maintenance projects, as well as administration of their permit authority, is further evidence of their ability to act and make decisions applicable to their responsibilities as watershed managers.

5. Manager Terms of Office

Findings: All seven of the current managers have served for 10 years or less. This compares with a statewide statistic of 67% of current (2007)

watershed district managers having served for 10 years or less. Five of the seven (71%) MSTRWD managers have served for 5 years or less. However, the MSTRWD administrator, district engineer, and administrative assistant have many years of experience with the district.

Discussion: Periodic turnover of managers can be helpful to the effective function of a watershed district. It introduces new perspectives and can serve to promote a broad awareness of watershed management issues among the districts residents. However, watershed management involves complex principles that take time to understand. Therefore, some longevity in membership (>10 years) provides the board with continuity and experience that can be transferred to new managers through the normal conduct of watershed business. The MSTRWD may be lacking some of the benefits of having a few managers with more than 10 years of experience. For the MSTRWD the existence of experienced staff reduces the potential deficiencies of a relatively inexperienced board.

6. Conduct of Business at Regular Meetings of the Board

Findings: BWSR reviewed the minutes from an arbitrary sample of three consecutive months of regular meetings of the board of managers in consecutive years (January, February and March in 2006, 2007 and 2008). In addition, BWSR staff have attended several regular board of managers meetings (February 26, May 21 and November 19 in 2007 and May 19, June 16, and July 21 in 2008) and observed the meeting performance of the board at those meetings.

The regular meetings of the board of managers that were sampled averaged about 4 hours 45 minutes. These times were not correlated with the number or type of agenda items.

BWSR also reviewed the minutes for amount of debate and the level of unanimity among the managers. This characteristic of meeting performance was determined based on the number of split votes. For the meetings sampled, approximately 25% of all votes were split (not unanimous).

Manager attendance at meetings was also noted. In the meetings sampled from minutes or monitored by BWSR staff, only two of 11 meetings did not have full attendance. Meetings are conducted with the president of the board presiding and with the application of a standard parliamentary procedure.

Discussion: There appears to be no trend in length of meeting time during the past three years. Some meetings in the past have been excessively long (8:45 and 7:05), but recent meetings have been below average length

for those meetings sampled. However, the fact that average meeting length for the period sampled approaches five hours indicates that board members may not be delegating enough of the operational details of the district to the staff. (See Recommendations section.)

The number of split votes as a percentage of all votes cast does not appear to be unreasonably high. It reflects some degree of division among the members. However, BWSR expects that managers will not always agree on the issues they are expected to decide.

Manager attendance at regular meetings appears to be excellent.

The regular meetings of the board of managers are conducted in an orderly and efficient manner, with the president of the board providing clear leadership in progressing through the agenda using an appropriate parliamentary procedure. Based on BWSR staff observations of recent meetings, there is a reasonable amount of deliberation and debate among the managers on matters before the board. In addition, staff contributions to agenda items seem to be informative and sufficient for board decision-making.

7. Review by the Office of the State Auditor

Findings: BWSR notes that administrative reviews of various concerns related to the MSTRWD have been conducted by the Minnesota Office of the State Auditor. BWSR has reviewed copies of two letters from the Office of the State Auditor to the MSTRWD (February 2005 and February 2008). The letters contain recommendations and suggestions for improvement of the district's operations, primarily in the areas of administration and accounting, requested additional financial information from the district, and reported on the results of a desk review of the district's 2004 financial report.

Discussion: BWSR recognizes the authority and expertise of other reviewing agencies to comment on and correct, if necessary, administrative practices of the MSTRWD within their purview. The comments provided by the Office of the State Auditor appear to be constructive and would serve to improve certain administrative practices of the district.

8. Review by the Minnesota Department of Administration

Findings: BWSR notes that administrative reviews of MSTRWD compliance with Minnesota Statutes Chapter 13 have been conducted by the Minnesota Department of Administration, Information Policy Analysis Division. One of the opinions BWSR reviewed (#07-018) concerned the MSTRWD compliance with the statutes regarding open meeting notice and recording requirements. In that case the commissioner of

administration could not determine compliance for two of the issues raised and found that the MSTRWD did comply on the third issue. Several of the opinions issued by the department dealt with compliance with data requests the MSTRWD received from December 2003 to August 2006. Of the seven opinions issued by the commissioner of administration, in six of them the MSTRWD was found to be not in compliance with requirements for providing data, and in one opinion compliance was indeterminate. Another opinion contained a determination of whether certain types of data were public.

Discussion: BWSR recognizes the authority and expertise of other reviewing agencies to comment on and correct, if necessary, administrative practices of the MSTRWD. It appears that in the past the MSTRWD has had difficulty complying with data practices requests. To the extent that any administrative practices affect the ability of MSTRWD managers to engage with the citizens of the district or deal appropriately with their issues and concerns, the effectiveness of the organization could be adversely affected. (See recommendations section.)

9. Intra-Board Conflict

Findings: BWSR has reviewed three significant documents relative to relationships among watershed managers:

- a. an August 2007 Minnesota district court complaint filed by two managers against two other managers alleging defamation;
- b. exhibits for a report from Rough Rider Legal Support Services containing over 500 pages of documents that contain questions, requests for information, records of conversations, newspaper accounts, and formal and informal accusations among various members of the board of managers and watershed district staff; and
- c. an April 2008 federal district court complaint filed by two managers against two other managers, two staff members of the watershed district, and other named defendants. The complaint alleges violation of constitutional rights, conspiracy to violate civil rights, and defamation, among other allegations.

Discussion: Without commenting on the grounds for nor the specific content of the legal complaints nor on the content or validity of the accusations, BWSR nevertheless recognizes that the existence of intra-board legal action, as well as any conditions that may have precipitated such action, *may* have an effect on the ability of the watershed board and staff to conduct the business of the watershed in an open and forthright manner. In addition, many of the documents contained in the Rough Rider report exhibits that BWSR reviewed indicate that the MSTRWD is a watershed organization that in recent years has experienced a significant amount of controversy among managers and between managers and staff.

Conclusions

On the whole the MSTRWD organization is generating results in terms of project and program implementation consistent with BWSR's expectations for a watershed district in a rural, agricultural part of Minnesota. They have undertaken a number of large and small projects, have managed drainage systems under their authority, and administered a regulatory program with high demands on their time and expertise. As noted above, the organization is operating under a management plan that is out-of-date and in need of revision. However, their delay in revising the plan is understandable given guidance provided to them by BWSR. And they have, in fact, begun the plan revision process. BWSR's observation of recent regular meetings of the board of managers indicates that the managers and staff of the MSTRWD appear to function effectively and efficiently in their respective roles and responsibilities.

In applying the recently developed PRAP performance standards to this watershed district's operations, we note that they are in compliance with most of the basic standards and comply with several of the target or high performance standards. While these new standards are still open to revision through the pilot application of this program statewide, the MSTRWD could be said to be performing at the higher end of the scale.

However, we cannot ignore the existence of a certain level of intra-organizational conflict that, while maybe not obvious to a casual observer attending a regular board meeting, nevertheless appears to be a constant reality for the managers and staff. The fact that this board of managers and staff have been able to carry out their responsibilities with efficiency and effectiveness under these circumstances shows professionalism and dedication. However, BWSR has concerns about how long this organization will be able to maintain its effectiveness given the internal conflict that exists beneath the surface.

We are also concerned about the MSTRWD's ability to engage with the citizens and other stakeholders, and local units of government and partners in the watershed district. The fact that BWSR received requests for a performance review from two organizations, one a local unit of government and the other a partner of the district's in project implementation, indicates to us that our concerns about the organization are shared by others.

Consequently, BWSR believes that in order to maintain the effective and efficient operation of the MSTRWD, further actions should be taken by the board of managers to address some or all of these issues.

Recommendations

The following recommendations are based on BWSR's evaluation of the performance of the MSTRWD as described above. These recommendations are offered to the board to ensure that the organization is able to provide efficient and effective service to the citizens of the watershed district and to operate at an optimal level of performance to

achieve the goals and objectives of sound water and related land resource management. Except for recommendation 1, which is based on a legal requirement, these recommendations are options that BWSR is presenting for the consideration of the MSTRWD managers and staff.

1. Watershed Management Plan Revision

The MSTRWD should complete the revision of its watershed management plan as quickly as the process allows. BWSR staff are available to assist the watershed managers and staff in this process. State funds are available to pay for key elements of the plan revision. The revised plan must conform to the guidelines for second generation watershed plans included in the 1998 Flood Damage Reduction Work Group Agreement. BWSR believes that the plan revision process will help the MSTRWD to clarify its mission, purpose and priorities for the future. Furthermore, it may serve as a point of cohesion for the current board as well as for the citizens and partners of the watershed district.

2. Modify Annual Report Format

In order to facilitate an on-going, periodic review of progress in implementing plan goals and projects/program, BWSR recommends that the MSTRWD modify the format of your annual report. Sections of the report should refer to corresponding sections of the management plan, as applicable. This would make it easier for both the managers and the public to track progress of plan implementation.

3. Website Assistance

BWSR recommends that the MSTRWD website be updated to include additional elements as listed in the BWSR Level I and II PRAP performance standards.

4. Manager Training

BWSR recommends the managers adopt a training and orientation plan for all board members. Information provided to BWSR by the district on the PRAP Performance Standards checklist (see appendix d) indicates that not all of the board members have completed manager training. The MSTRWD should consult with BWSR or the Minnesota Association of Watershed Districts for assistance with manager training needs. Manager training, particularly with respect to the appropriate division of roles of board members and staff, may serve to reduce the length of regular board meetings.

5. Data Practices Act Training

BWSR recommends that the MSTRWD explore opportunities for training the person responsible for responding to Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13) requests regarding the proper procedures and requirements for compliance with that statute. We

suggest that you consult with the Minnesota Department of Administration, Information Policy Analysis Division, for further assistance.

6. BWSR District Assessment Tool

Further review to address factors that may be causing internal conflict is needed. BWSR recommends that BWSR, or another public or private entity with relevant experience, conduct a survey of MSTRWD watershed managers and staff, randomly selected citizens of the watershed district, and selected public officials using the BWSR District Assessment Tool or other appropriate process. The BWSR District Assessment Tool was developed for BWSR to help soil and water conservation districts and watershed districts make organizational improvements. Using surveys, it relies on feedback from internal and external sources. The MSTRWD board will assist in the selection of the public officials to be surveyed. The standard process calls for the results of this assessment to be presented to the MSTRWD board and staff. Using that information the managers will have the opportunity to consider and implement other performance improvement measures that they deem appropriate, with or without BWSR assistance.

Implementation and Next Steps

1. Interim Performance Improvement Agreement

Before proceeding with implementation of any recommendations, BWSR would like to develop a written Interim Performance Improvement Agreement (IPIA) with the MSTRWD. The agreement will list what is mutually agreed to be done, who will be involved in each action item, the responsibilities for paying the cost of implementation, the timeframe for implementation, and any other items that are mutually agreed upon. (Proposed date: September 15, 2008) The MSTRWD may implement any of the options that do not require BWSR involvement prior to that date.

2. Subsequent Actions

After completion of the elements in the Interim Performance Improvement Agreement, BWSR or the MSTRWD may recommend further actions, if deemed necessary.

3. Publication of Information

Information about the results of this PRAP Level III pilot performance review will be included in BWSR's next PRAP legislative report. BWSR will send a copy of the report to the MSTRWD board members and staff when it is released to the public. (Proposed date: February 2009)

Information Sources

The following documents were reviewed by BWSR staff during the development of the findings and conclusions in this report:

1. February 29, 2008 Letter to Board President Doug Sorenson (MSTRWD) from Kathy Docter and Mark Kerr (Office of the State Auditor, State of Minnesota)
2. September 26, 2007 Minnesota Department of Administration Advisory Opinion 07-018 (Information Policy Analysis Division)
3. February 14, 2007 Minnesota Department of Administration Advisory Opinion 07-008 (Information Policy Analysis Division)
4. January 30, 2007 Minnesota Department of Administration Advisory Opinion 07-006 (Information Policy Analysis Division)
5. February 10, 2006 Minnesota Department of Administration Advisory Opinion 06-002 (Information Policy Analysis Division)
6. November 29, 2004 Minnesota Department of Administration Advisory Opinion 04-076 (Information Policy Analysis Division)
7. November 12, 2004 Minnesota Department of Administration Advisory Opinion 04-074 (Information Policy Analysis Division)
8. November 12, 2004 Minnesota Department of Administration Advisory Opinion 04-073 (Information Policy Analysis Division)
9. August 18, 2004 Minnesota Department of Administration Advisory Opinion 04-051 (Information Policy Analysis Division)
10. March 31, 2004 Minnesota Department of Administration Advisory Opinion 04-019 (Information Policy Analysis Division)
11. March 17, 2008 approved minutes of a regular meeting of the Board of Managers, Middle-Snake-Tamarac Rivers Watershed District.
12. February 25, 2008 approved minutes of a regular meeting of the Board of Managers, Middle-Snake-Tamarac Rivers Watershed District.
13. January 28, 2008 approved minutes of a regular meeting of the Board of Managers, Middle-Snake-Tamarac Rivers Watershed District.
14. March 19, 2007 approved minutes of a regular meeting of the Board of Managers, Middle-Snake-Tamarac Rivers Watershed District.
15. February 26, 2007 approved minutes of a regular meeting of the Board of Managers, Middle-Snake-Tamarac Rivers Watershed District.
16. January 22, 2007 approved minutes of a regular meeting of the Board of Managers, Middle-Snake-Tamarac Rivers Watershed District.
17. March 20, 2006 approved minutes of a regular meeting of the Board of Managers, Middle-Snake-Tamarac Rivers Watershed District.
18. February 27, 2006 approved minutes of a regular meeting of the Board of Managers, Middle-Snake-Tamarac Rivers Watershed District.
19. January 23, 2006 approved minutes of a regular meeting of the Board of Managers, Middle-Snake-Tamarac Rivers Watershed District.
20. 2007 annual report and financial statements, Middle-Snake-Tamarac Rivers Watershed District.
21. 2006 annual report and financial statements, Middle-Snake-Tamarac Rivers Watershed District.

22. 2005 annual report and financial statements, Middle-Snake-Tamarac Rivers Watershed District.
23. 2004 annual report and financial statements, Middle-Snake-Tamarac Rivers Watershed District.
24. 2003 annual report and financial statements, Middle-Snake-Tamarac Rivers Watershed District.
25. Complaint filed in United States District Court, District of Minnesota (April 4, 2008).
26. (Undated) report by Roughrider Legal Support Services.
27. December 1994 Ten Year Updated Watershed Management Plan, Middle River-Snake River Watershed District.
28. 1998-2007 Middle-Snake-Tamarac Rivers Watershed District Board Members and Terms (prepared by district staff July 2008).
29. BWSR staff summaries of May 19, 2008, June 16, 2008, and July 21, 2008, regular meetings of the Board of Managers, Middle-Snake-Tamarac Rivers Watershed District.
30. December 1998, Red River Basin Flood Damage Reduction Work Group Agreement.
31. June 2008 “News and Views,” Red River Watershed Management Board.
32. 2007 Strategic Plan, Minnesota Board of Water and Soil Resources.

Appendices

The following documents are attached to this report.

- a. Letter (dated May 13, 2008) from Curtis Carlson, Chair, Marshall County Board of Commissioners to John Jaschke, Executive Director, Board of Water and Soil Resources.
- b. Letter (dated June 25, 2008) from Naomi Erickson, Administrator, Red River Watershed Management Board to Don Buckhout, Board of Water and Soil Resources.
- c. Letter (dated June 12, 2008) from Steve Woods, Board of Water and Soil Resources, to Mr. Doug Sorenson and Mr. Nick Drees, Middle Snake Tamarac Rivers Watershed District.
- d. Greater MN Watershed District Performance Standards, Middle-Snake-Tamarac Rivers July 2008 (Board of Water and Soil Resources, PRAP Level II Review Part 2).
- e. Findings of Fact, Conclusions and Order Prescribing Amendment of Watershed Management Plan, Minnesota Board of Water and Soil Resources (January 26, 2005).
- f. Red River Valley Watershed Plans-The Next Generation (October 2002), (no author).
- g. (No date, no title, no author) table of funding allocations for Red River Basin watershed district plan revisions (document file date April 24, 2008).

RECEIVED

May 13, 2008

MAY 27 2008

Mr. John Jaschke, Executive Director
Minnesota Board of Water and Soil Resources Bd. of Water & Soil Resources
520 Lafayette Road North St. Paul
St. Paul, MN 55155

Re: Evaluation of Middle-Snake-Tamarac Rivers Watershed District

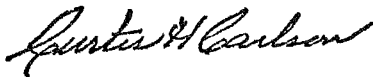
Dear Mr. Jaschke,

On behalf of the Marshall County Board of Commissioners, I am writing to request that the Board of Water and Soil Resources commence at its earliest possible convenience a review and assessment of the Middle-Snake-Tamarac Rivers Watershed District.

While the District has many important accomplishments in its history, the County Board has become aware of current challenges that appear to be impacting the District's ongoing ability to pursue its mission. We believe that the District would benefit from BWSR's Performance Review and Assistance Program and evaluation in accordance with Minnesota Statutes Section 103B.102, subdivision 3.

We would be pleased to provide any further information to assist you in this effort. Thank you for your consideration.

Sincerely,



Curtis Carlson
Chair, Marshall County Board of Commissioners



Red River Watershed Management Board

June 25, 2008

Mr. Don Buckhout
Board of Water & Soil Resources
520 Lafayette Road North
St. Paul, MN 55155

Dear Mr. Buckhout:

RE: Request to Conduct Performance Review and Assessment

The Red River Watershed Management Board authorized the enclosed resolution at its regular monthly meeting held May 20, 2008.

The resolution requests the Board of Water & Soil Resources to conduct a performance review and assessment of the Middle Snake Tamarac Rivers Watershed District.

If you have any questions, please call me at (218) 844-6166.

Sincerely,

A handwritten signature in cursive script that reads "Naomi L. Erickson".

Naomi L. Erickson
Administrator

RED RIVER WATERSHED MANAGEMENT BOARD

Resolution Requesting Minnesota Board of Water and Soil Resources Performance Review of the Middle-Snake-Tamarac Rivers Watershed District

WHEREAS the Red River Watershed Management Board (RRWMB) was established through a Joint Powers Agreement of member watershed districts in order to promote regional cooperation and solutions to long standing flooding problems in the Red River Basin;

WHEREAS pursuant to its authorizing legislation, the RRWMB has developed criteria for flood damage reduction projects, and Section 1, General Criteria F includes a general consideration that watershed district applicants “must have the ability to operate and maintain a proposed project;”

WHEREAS the purpose of the RRWMB is to help its watershed district members implement water management projects and programs in the Red River Basin, and Chapter III, Sections B (1), (9), and (10) of the RRWMB’s Policy Manual provide that the RRWMB’s objectives include providing leadership for the coordination of projects and programs related to water management; informing the public of water management activities and concerns; and promoting conflict resolution regarding water management in the Basin;

WHEREAS Minnesota Statutes Section 103B.102 authorizes the Minnesota Board of Water and Soil Resources (BWSR) to evaluate performance, financial and activity information for local water management entities, including watershed districts, in Minnesota;

WHEREAS BWSR has developed and is implementing the Performance Review and Assistance Program (PRAP) to fulfill the directives of Minnesota Statutes Section 103B.102;

WHEREAS the Chair of the District’s Board of Managers has affirmed that the District would benefit from BWSR’s Performance Review and Assistance Program and evaluation in accordance with Minnesota Statutes Section 103B.102;

THEREFORE BE IT RESOLVED that the RRWMB hereby requests BWSR to conduct a performance review and assessment of the Middle-Snake-Tamarac Rivers Watershed District at its earliest convenience.

The question was on the adoption of the resolution and there were 7 yeas and 0 nays as follows:

	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>
FINNEY (Absent)			
DEAL	X		
KNOTT	X		
MILLER	X		
MONEY	X		
OSOWSKI	X		
WILKENS	X		
WRIGHT	X		

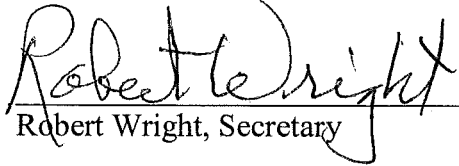
Upon vote, the Chair declared the Resolution adopted.

Dated: May 20, 2008.

* * * * *

I, ROBERT WRIGHT, Secretary of the Red River Watershed Management Board, do hereby certify that I have compared the above resolution with the original thereof as the same appears of record and on file with the District and find the same to be a true and correct transcription thereof.

IN TESTIMONY WHEREOF, I set my hand this 20th day of May, 2008.


 Robert Wright, Secretary



June 12, 2008

Mr. Doug Sorenson
Chair, Board of Managers
Middle Snake Tamarac Watershed District
PO Box 154
Warren, Minnesota 56762

Mr. Nick Drees
Administrator
Middle Snake Tamarac Watershed District
PO Box 154
Warren, Minnesota 56762

Dear Mr. Sorenson and Mr. Drees:

The Board of Water and Soil Resources (BWSR) has begun to implement a new program authorized by the 2007 Minnesota legislature. Called the Performance Review and Assistance Program (PRAP), its purpose is to periodically review and assist local units of government that have land conservation and water management responsibilities to carry out their programs effectively and efficiently. PRAP is designed to operate at four levels depending on whether the review and assistance required is routine or specialized.

Based on a recommendation from our field staff and a request from the Marshall County board, we propose to conduct, what is in program terms, a Level III review of your watershed district's operation and execution of planned projects and programs. This review is designed to be a positive exercise that will help your organization's internal management system, as well as your external activities and relationships with customers and partners. The process is intended to help your organization recognize its strengths and identify areas needing improvement. A Level III review includes an assessment of your current operation in comparison to PRAP Level I and II performance standards (see attachment), an evaluation of your effectiveness in plan execution, and the application of other specifically designed performance review measures as needed or desired.

A Level III PRAP will be conducted initially by BWSR staff and will require consultation with and the cooperation of the board of managers and staff. Initial steps in this process will include BWSR staff attendance at board of managers meetings, our review of past watershed district annual reports and board meeting minutes, and a review of all the Level I and II performance standards as implemented by your district. This preliminary review will allow us to determine, in consultation with your managers and staff, what additional steps may be needed. After the review phase we may recommend that we develop a performance review agreement with you, which is a formal document that describes what specific actions we mutually agree to take.

BWSR staff will plan to attend your next board of managers meeting and will be available at that time to further explain our proposal. In the meantime, if you or any of the other members of your organization have questions, please feel free to contact me or Don Buckhout, BWSR's PRAP Coordinator (651-296-0768).

<i>Bemidji</i>	<i>Brainerd</i>	<i>Duluth</i>	<i>Fergus Falls</i>	<i>Marshall</i>	<i>New Ulm</i>	<i>Rochester</i>	<i>Saint Paul</i>
701 Minnesota Avenue Suite 234 Bemidji, MN 56601 phone (218) 755-4235 fax (218) 755-4201	1601 Minnesota Drive Brainerd, MN 56401 phone (218) 828-2383 fax (218) 828-6036	394 S. Lake Avenue Room 403 Duluth, MN 55802 phone (218) 723-4752 fax (218) 723-4794	1004 Frontier Trail Fergus Falls, MN 56537 phone (218) 736-5445 fax (218) 736-7215	1400 E. Lyon Street Box 267 Marshall, MN 56258 phone (507) 537-6060 fax (507) 537-6368	261 Highway 15 S. New Ulm, MN 56073 phone (507) 359-6074 fax (507) 359-6018	2300 Silver Creek Road N.E. Rochester, MN 55906 phone (507) 281-7797 fax (507) 285-7144	520 Lafayette Road N. Saint Paul, MN 55155 phone (651) 296-3767 fax (651) 297-5615

Sincerely,

A handwritten signature in cursive script that reads "Steve Woods" followed by a slanted line and the initials "DB".

Steve Woods
Assistant Director for Operations
Board of Water and Soil Resources

attachment

GREATER MN WATERSHED DISTRICT PERFORMANCE STANDARDS				
Performance Area	Performance Standard	Level of Review	Rating	
			Yes, No, or Value	
	★ Target (high performance) standard	I Annual Compliance	YES	NO
□ Basic practice or Statutory requirement	II BWSR Staff Review & Assessment (1/5 yrs)			
? Quantitative standard				
Administration	□ Annual report: submitted by deadline	I		
	□ Annual report: contains progress report	I		
	□ Financial audit: completed within last 12 months	I		
	□ Rules: current and reviewed by BWSR	II		
	□ Personnel policies: written and reviewed/updated within last 5 yrs	II		
	□ Data practices policy: exists and reviewed/updated within last 5 yrs	II		
	□ Manager appointments are current and reported	II		
	★ Have in-house staff	II		
	★ Board training: ed and certifications, orientation plan and record for each board member	II		
	★ Staff training: ed and orientation plan and record for each staff member	II		
	★ By-laws, operational guidelines exist and current	II		
	★ Public ditch records: modernized, usable, indexed (where applicable)	II		
	Planning	□ Watershed management plan: up-to-date	I	
□ Engineer Reports: submitted for DNR / BWSR review		I		
★ Implementation and/or CIP review every 2-3 yrs		II		
? Number of local water plans reviewed and/or approved		II		number
Execution	? Expenditure trend: net change past 5 yrs	II		%/ \$ amt
	? Project-program expense \$/total budget \$ (past 5 yrs)	II		%
	★ Water quality trend completed for key water bodies	II		
	★ Watershed yield trends monitored / reported	II		
Communication & Coordination	□ Functioning advisory committee: recommendations on projects, reports, attendance at Board mtgs	II		
	□ Stakeholder survey: within last 5 yrs	II		
	□ Coordination of Watershed Mgmt Plan with local water plans	II		
	□ Communication piece: sent within last 12 months	I		
	□ Website: annual report, annual budget, mtg minutes	I		
	★ Website: contains contact information for current mgrs and staff, mtg agendas, minutes, updated after each board mtg	I		
	★ Public education program: seminars, tours	II		
	★ Coordination with County Bd by Managers or staff	II		
	★ Partnerships: cooperative projects/tasks done with other LGUs, state, fed agencies	II		

GREATER MN WATERSHED DISTRICT PERFORMANCE STANDARDS			
Performance Area	Performance Standard	Level of Review	Rating
			Yes, No, or Value
			YES NO
Administration	★ Target (high performance) standard	I Annual Compliance	X
	■ Basic practice or Statutory requirement	II BWSR Staff Review & Assessment (1/5 yrs)	X
	◇ Quantitative standard		X
	■ Annual report: submitted by deadline	I	X
	■ Annual report: contains progress report	I	X
	■ Financial audit: completed within last 12 months	I	X
	■ Rules: current and reviewed by BWSR	II	X
	■ Personnel policies: written and reviewed/updated within last 5 yrs	II	X
	■ Data practices policy: exists and reviewed/updated within last 5 yrs	II	X
	■ Manager appointments are current and reported	II	X
	★ Have in-house staff	II	X
	★ Board training: ed and certifications, orientation plan and record for each board member	II	X
	★ Staff training: ed and orientation plan and record for each staff member	II	X
	★ By-laws, operational guidelines exist and current	II	X
	★ Public ditch records: modernized, usable, indexed (where applicable)	II	X
Planning	■ Watershed management plan: up-to-date	I	X
	■ Engineer Reports: submitted for DNR / BWSR review	I	X
	★ Implementation and/or CIP review every 2-3 yrs	II	X
	◇ Number of local water plans reviewed and/or approved	II	3
	◇ Expenditure trend: net change past 5 yrs	II	59% \$2,241,591
Execution	◇ Project-program expense \$/total budget \$ (past 5 yrs)	II	5%
	★ Water quality trend completed for key water bodies	II	X
	★ Watershed yield trends monitored / reported	II	X
Communication & Coordination	■ Functioning advisory committee: recommendations on projects, reports, attendance at Board mtgs	II	X
	■ Stakeholder survey: within last 5 yrs	II	X
	■ Coordination of Watershed Mgmt Plan with local water plans	II	X
	■ Communication piece: sent within last 12 months	I	X
	■ Website: annual report, annual budget, mtg minutes	I	X
	★ Website: contains contact information for current mgrs and staff, mtg agendas, minutes, updated after each board mtg	I	X
	★ Public education program: seminars, tours	II	X
	★ Coordination with County Bd by Managers or staff	II	X
	★ Partnerships: cooperative projects/tasks done with other LGUs, state, fed agencies	II	X

Nick Drees:
Personal Policy has been reviewed both in December 2006 and January 2008 at salary negotiations.

Nick Drees:
All Board members have not gone thru Manager Training or attended outside functions.

Nick Drees:
Administrator has attended training sessions and functions, form for record keeping not provided by BWSR as yet.

Nick Drees:
Process has been started. Board passed resolution November 2007 to initiate process. RFPs provided to Houston Engineering and HDR for August meeting.

Nick Drees:
2002 Expenses = \$3,790,368
2006 Expenses = \$6,031,959
Change = \$2,241,591
Change 59%

Nick Drees:
Project
2002 \$3,482,678
2003 \$3,497,333
2004 \$3,037,772
2005 \$4,758,321
2006 \$5,595,476
Admin
\$150,587
\$197,481
\$242,198
\$117,024
\$268,999
Admin costs 5%

Nick Drees:
Website active. Meeting minutes posted. Budget is in minutes. Annual Report not posted.

Minnesota Board of Water and Soil Resources
One West Water Street, Suite 200
St. Paul, Minnesota 55107

**In the Matter of prescribing an Amendment
of the Watershed Management Plan for the
Middle-Snake-Tamarac Rivers Watershed District
pursuant to Minnesota Statutes Section 103D.411**

**ORDER
PRESCRIBING
AMENDMENT OF
WATERSHED MANAGEMENT
PLAN**

Whereas, the Board of Managers of the Middle-Snake-Tamarac Rivers Watershed District (MSTRWD) filed a petition to make an amendment of the Middle River-Snake River Watershed District Watershed Management Plan (Plan) on August 16, 2004, and;

Whereas, the Board of Managers of the MSTRWD filed a proposed Amendment of Watershed Management Plan (Amendment) on September 10, 2004 with the Minnesota Board of Water and Soil Resources (Board) pursuant to Minnesota Statutes Section 103D.411, and;

Whereas, the Board has completed its review of the Amendment;

Now Therefore, the Board hereby makes the following Findings of Fact, Conclusions and Order.

FINDINGS OF FACT

1. **District Establishment.** The Middle River-Snake River Watershed District was established by order of the Minnesota Water Resources Board on August 28, 1970.
2. **District Expansion.** The Middle River-Snake River Watershed District was expanded to include the Tamarac River watershed by order of the Board on August 28, 2002 and the name of the Watershed District was changed to the Middle-Snake-Tamarac Rivers Watershed District (MSTRWD).
3. **Amendment of Plan.** The Amendment was initiated as a requirement identified in the order of Enlargement, Increase Number of Managers, and Name Change of Middle River-Snake River Watershed District issued by the Board dated August 28, 2002. The Amendment focused on three areas.
 1. Inclusion of the expanded area in all maps and tables.
 2. Inclusion of the expanded area in all general descriptions of the District and related issues.
 3. Updating of activities, programs and projects the District has initiated, considered or completed.

4. **Nature of the Watershed.** The MSTRWD is approximately 1,476 square miles in size and is located in Northwest Minnesota in the Red River of the North River Basin. The MSTRWD occupies parts of Polk, Kittson, Pennington, and Roseau Counties. The MSTRWD includes the drainage basin of the Snake River (approximately 750 square miles), the drainage basin of the Tamarac River (approximately 433 square miles), the drainage basin of the Middle River (approximately 295 square miles), and the drainage basins of several legal drainage systems which outlet directly into the Red River of the North.
5. **Local Review.** In addition to review by Board staff, no local review took place. Board staff decided, in consideration of: a) the nature of the proposed Amendment, b) no changes to the Capital Improvement Program in the proposed Amendment, and c) the anticipated revision of the Plan to begin in 2006, that there was no need for public input on the contents of the Amendment.
6. **Board Review.** Board staff, in consultation with MSTRWD staff, agreed that the proposed Amendment was satisfactory to meet the needs of the District until a full Plan revision can be initiated. The full revision process is scheduled to begin in 2006 and will follow guidelines provided by the Board and those included in the "Flood Damage Reduction Work Group Agreement of December 1998".
7. **Publish Notice of Filing.** The Legal Notice of Filing of the Amendment was published pursuant to Minnesota Statutes Sections 103D.105, Subd. 2 and 103D.411, which require within 30 days of the last date of publication of the Notice of Filing of the Amendment that at least one request for hearing be received by the Board before a hearing will be held. Legal Notice of Filing was published in the Warren Sheaf on October 6, 2004, the Crookston Times on October 6, 2004, the Thief River Falls Times on October 6, 2004, the Stephen Messenger on October 7, 2004, the Kittson County Enterprise on October 6, 2004, and the Roseau Times-Region on October 9, 2004. The Legal Notice of Filing was also mailed in a letter from Board staff Jim Haertel dated September 30, 2004 to several addressees including the affected county boards, county auditors, cities, and Soil and Water Conservation Districts.
8. **Publish Notice of Hearing.** A letter dated October 29, 2004 was received on October 29, 2004 from Jim Stengrim requesting a hearing be held. Legal Notice of Public Hearing on the Amendment was published in the Warren Sheaf on November 17, 2004, the Crookston Times on November 17, 2004, the Thief River Falls Times on November 17, 2004, the Stephen Messenger on November 18, 2004, the Kittson County Enterprise on November 17, 2004, and the Roseau Times-Region on November 20, 2004. The Legal Notice of Public Hearing was also mailed in a letter from Board staff Jim Haertel dated November 15, 2004 to several addressees including the affected county boards, county auditors, cities, Soil and Water Conservation Districts, and Jim Stengrim.

9. **Public Hearing.** A public hearing was held on the proposed Amendment on December 13, 2004 at 7:00 PM at the Stephen Community Center located at 319 Fifth Street in Stephen, Minnesota. The proceedings were tape-recorded. The hearing panel consisted of Northern Water Planning Committee Board members Paul Krabbenhoft, Jerome Deal and Quentin Fairbanks as chair. Board staff in attendance were Jim Haertel and Brian Dwight.

Jim Haertel, Board staff, entered Exhibits 1 through 9 into the record by reading a brief description of each exhibit.

Ron Adrian, MSTRWD staff, entered exhibit 10 into the record and briefly explained the contents of proposed revisions to the Amendment.

Brian Dwight, Board Staff, entered Exhibits 11 and 12 into the record and briefly explained the contents of each Exhibit.

Exhibit 1. Amendment of Watershed Management Plan for the Middle River-Snake River Watershed District, hardcopy and (a) CD, (b) petition to make Amendment from the MSTRWD Board of Managers dated August 16, 2004, and (c) letter from Ronald Adrian dated September 10, 2004.

Exhibit 2. Amendment of Watershed Management Plan for the Middle River-Snake River Watershed District, hardcopy with additions shown in red and strikeout of deletions.

Exhibit 3. Letter dated November 15, 2004, from Jim Haertel to several addressees notifying them of the public hearing, including a copy of the legal notice and affidavit of mailing.

Exhibit 4. Affidavit of Publication dated November 17, 2004, of Legal Notice of Public Hearing in the Kittson County Enterprise on November 17, 2004.

Exhibit 5. Affidavit of Publication dated November 30, 2004, of Legal Notice of Public Hearing in the Warren Sheaf on November 17, 2004.

Exhibit 6. Affidavit of Publication dated November 17, 2004, of Legal Notice of Public Hearing in the Thief River Falls Times on November 17, 2004.

Exhibit 7. Affidavit of Publication dated November 19, 2004, of Legal Notice of Public Hearing in the Crookston Daily Times on November 17, 2004.

Exhibit 8. Affidavit of Publication dated November 22, 2004, of Legal Notice of Public Hearing in the Stephen Messenger on November 18, 2004.

Exhibit 9. Affidavit of Publication dated November 20, 2004, of Legal Notice of Public Hearing in the Roseau Times-Region on November 20, 2004.

Exhibit 10. Same as Exhibit number 2 with some revisions shown in blue and pages with revisions tabbed.

Exhibit 11. Overview of Amendment submitted by Brian Dwight, Board staff.

--The following exhibits were entered into the record after the hearing and submitted by December 27, 2004 when the record closed--

Exhibit 12. Memorandum to Doug Thomas, Board staff, from Bill Clapp, Special Assistant Attorney General, dated March 3, 1993 regarding watershed district plan updates.

Exhibit 13. Letter to Jim Stengrim from Jim Haertel, Board staff, dated December 16, 2004 forwarding copies of Exhibits numbered 11 and 12.

Exhibit 14. Letter to the Board from Blake Sobolik, MSTRWD legal counsel, dated December 23, 2004, responding to issues brought up at the hearing.

Exhibit 15. Letter to the Board from Jim Stengrim, dated December 23, 2004, stating reasons the proposed amendment should not be approved.

Exhibit 16. Letter to the Board from Elden John Elseth, dated December 22, 2004, stating reasons the proposed amendment should not be approved.

10. Northern Water Planning Committee. The Northern Water Planning Committee met on January 12, 2005, and, based on the oral and written record in this matter, decided with a unanimous vote to recommend to the full Board that the Amendment filed with the Board on September 10, 2004 be prescribed by the Board.

The hearing panel also decided that the MSTRWD initiate a full Plan revision by July 1, 2006 and follow the guidance provided by the Board and the "Flood Damage Reduction Work Group Agreement of December 1998". The Committee recognized in order for the revision process to meet the above-mentioned guidelines that financial assistance would need to be provided.

CONCLUSIONS

1. All relevant, substantive and procedural requirements of law and rule for an amendment of a watershed management plan have been fulfilled.
2. The Board has proper jurisdiction in the matter of approving an Amendment of a Watershed Management Plan for the MSTRWD pursuant to Minnesota Statutes Section 103D.411.
3. The Amendment of the MSTRWD Watershed Management Plan attached to this Order defines water-related problems within the MSTRWD boundaries, possible solutions thereto, and an implementation program.
4. The attached Amendment is in conformance with the requirements of Minnesota Statutes Section 103D, Board guidelines for Watershed District Plan content, and is consistent with the affected county comprehensive water plan.
5. The MSTRWD is to initiate a revision of their Watershed Management Plan following the guidelines provided by the Board and the "Flood Damage Reduction Work Group Agreement December 1998" by July 1, 2006 provided financial assistance is available to the MRSTWD to accomplish this revision in accordance with the above mentioned guidance documents.

ORDER

The Board hereby prescribes the attached Amendment of the Watershed Management Plan for the Middle-Snake-Tamarac Rivers Watershed District.

Dated at Saint Paul, Minnesota this 26th day of January 2005.

MINNESOTA BOARD OF WATER AND SOIL RESOURCES


BY: Jerome Deal, Chair

**Red River Valley Watershed Plans - The Next Generation
(October 2002)**

Budget:	As proposed in Red River Mediation Budget Initiative (FY2002 and FY2003)			
Watershed Planning	FY00	FY01	FY02	FY03
	\$150,000	\$200,000	\$167,000	\$127,000
Facilitator	\$ 35,000	\$ 7,500	\$ 45,500	\$ 50,000

Facilitation:

BWSR believes that all planning efforts will benefit from having a well structured and facilitated planning process.

BWSR will develop and commit to an agreement with the Minnesota Extension service for the purposes of providing facilitation services to the Watershed Districts for their planning process. These facilitation services will also be available for the Project Work Teams as they implement the "Red River Basin Flood Damage Reduction Work Group Agreement, December 9, 1998". This will be a 1/2 FTE agreement

Planning Procedures:

The planning process will follow the process identified in Sec. IV. Comprehensive Watershed Planning Process of the "Red River Basin Flood Damage Reduction Work Group Agreement, December 9, 1998". A Board of Water and Soil Resources (BWSR) document will be provided to the participating Watershed Districts for further guidance; "Comprehensive Watershed District Planning in the Red River Basin" adopted by the BWSR on June 23, 1999, as well as the Flood Damage Reduction Work Group on December 9, 1998.

Watershed Districts will be required to submit a work Plan and Budge to the BWSR, which will be reviewed and once approved by BWSR it will be presented to the Red River Water Management Board for their approval.

Planning grants to watershed districts will require a 1:1 local match. The funding package will consist of 50% state grant, 25% funding from the Red River Management Board, and 25% funding from the local Watershed District.

Grants will be dispersed on the following basis: 45% of funds will be distributed following work plan and budge approval by BWSR and the RRWMB. The second payment of 45% will be made after the first portion is spent and an interim progress report is filed. The remaining 10% will be paid after the watershed plan is complete and receives BWSR approval.

Priorities:

Based on a number of factors including activity workload, status of current plans, geographic distribution, size, complexity of resource issues, and willingness to plan BWSR proposes the following priority planning order. This is subject to change

Priority A <u>(Year 1 &2)</u>	Priority B <u>(Year2&3)</u>	Priority C <u>(Year 4)</u>
Wild Rice	Joe River	Buffalo Red
Bois De Souix	Red Lake	Middle River Snake River
Roseau	Two Rivers	Sand Hill

Timing:

1. Begin grant agreement and planning process with two to three new watershed district per fiscal year. Hydrologic modeling component will commence only after technical committee has completed its work on standardized procedures, guidelines, etc.. Based on previous estimates it is anticipated that \$100,000 of grant funds would be committed to this effort. Actual costs will vary and will be determined by RFP or bids conducted by each watershed district after approval of work plan by BWSR and the RRWMB.

2. Due to the disbursement of funds as identified in the "procedures" section it will be likely to have multiple Watershed Districts in different stages of planning at one time. Table 1 is the anticipated planning schedule and budgets for Watershed Districts in the Red River Valley.

**TABLE 1: Actual expenditures to date and proposed budgets to complete
Watershed District plan updates**

FYI	00\01	02	03	04	05	06	totals
Grant \$ available	\$392,500	\$195,800	\$193,700**				
Joe River WD	\$ 16,067	\$ 16,067	\$ 3,571				\$ 35,705
Two Rivers WD	\$ 49,500	\$ 49,500	\$ 11,000				\$110,000
Roseau River WD	\$ 91,260		\$ 10,140				\$101,400
Middle – Snake-Tamarac Rivers WD				\$ 49,500	\$ 49,500	\$ 11,000	\$110,000
Red Lake WD			\$ 90,000	\$ 90,000	\$ 20,000		\$200,000
Sand Hill River WD					\$ 34,000	\$ 41,000	\$ 75,000
Wild Rice River WD	\$ 42,750	\$ 41,000	\$ 4,750				\$ 88,500
Buffalo – Red River WD			\$ 30,000	\$ 60,000	\$ 10,000		\$100,000
Bois De Sioux Wd	\$108,360	\$ 12,040					\$120,400
Otter Tail Group							
Indirect cost Payment			\$ 2,093				???????
NRE inventory	\$ 42,000		\$ 30,000	\$ 40,000			\$112,000
Facilitator *	\$ 36,402	\$ 45,500	\$ 50,000	\$ 50,000	\$ 55,000	\$ 55,000	\$291,902
TOTALS	\$386,339	\$164,107	\$231,554	\$289,500	\$168,500	\$107,000	\$1,347,000
Unencumbered	\$ 6,161	\$ 31,693 ***					
Unencumbered Running totals		\$ 37,854	\$ 0				

* \$ 6,098.21 was returned as unused funds for the facilitator

** \$ 16,700 of this amount is funds re-dedicated to WD planning from the FDR WG's FY02 initial spending plan.

*** This figure was a result of initially encumbering the FY 03 funds from FY 02 for the Joe River, Two Rivers, Roseau River and Wild Rice WD's in the event that no FY 03 funds would be available. This was to assure that the WD's would have funds to finish their planning efforts.

Red indicates cost estimates. The FY 03 figures are accurate; they haven't been encumbered as of 10\10\02

FY	00/01	02	03	04	05	06	07	08	09	Totals
FY Grant \$	\$392,500	\$212,500	\$177,000	\$ 50,000	\$ 60,000	\$100,000	\$67,000.00	\$60,000.00		
+ Balance forwarded		+\$ 63 =\$212,563	+\$ 65,961.21 =\$242,961.21	+\$116,625.07 =\$166,625.07	+\$20,000*** +\$ 86,867.92 =\$166,867.92	+\$66,259.00 =166,259.00	+\$20,909.00 =\$87,909.00	+\$77,294.00 =\$137,294.00		
Joe River WD	-\$ 16,067				(+ \$2,572) see ****					\$13,495
Two Rivers WD	-\$ 49,500	-\$49500			-\$11,000					\$110,000
Roseau River WD	-\$ 91,260				-\$ 10,140					\$101,400
Middle - Snake-Tamarac Rivers WD										\$120,000
Red Lake WD			-\$ 90,000	-\$ 50,000	-\$40,000	-\$20,000				\$200,000
Sand Hill River WD						-\$55,000.00		-\$48,100		\$103,100
Wild Rice River WD	-\$ 42,750	-\$ 41,000	-\$ 4,750							\$ 88,500
Buffalo - Red River WD					-\$ 30,000	-\$70,350.00		-\$16,150		\$111,500
Bois De Sioux Wd	-\$108,360				-\$ 12,040					\$120,400
Otter Tail Group										
NRE Inventory	-\$ 42,000			-\$ 25,716			-\$10,615.00 (SHRWD)	-\$13,055. (MSTWD)		\$91951.00
Facilitator	-\$ 42,500	-\$ 45,500	-\$ 50,000 (see**)	-\$ 3,798.88						\$138,000
Indirect Cost			-\$ 2,085.02	-\$ 242.27	?					?
Governor's Unallotment		-\$ 16,700	+\$ 16,700							
SUB-TOTALS adjustments	+\$ 63	+\$59,863 * +\$6,098.21	+\$112,826.19 ** +\$3,798.88	+\$ 86,867.92	+\$ 44,049.92 **** +\$ 22,210.00	+ \$20,909.00	+\$77,294.00	(-\$11.00)		
Balance forward	\$ 63	+\$65,961.21	+116,625.07	+\$ 86,867.92	+\$ 66,259.92					

Blue indicates encumbered amounts yet to be paid.

Red indicates cost estimates

- * \$6098.21 was returned from U of M extension from facilitator account
- ** \$3,798.88 was returned from U of M extension from facilitator account. Will be returned to U of M extension in FY 04
- *** Additional \$20,000 re-allocated by the FDR WG for WD planning (Jan. 11, 05)
- **** \$22,210.00 (\$2,572 returned and unencumbered \$19,638 by Joe river wd)

Notes: from FDR WG funding committee

Recommendations of Funding Committee on June 6, 2005 are as follows:

- 1) Put off funding of MRSTRWD plan until 08 (\$120,000);
- 2) Proceed with the remaining funding for:
 - a. Red Lake WD (\$20,000 to complete plan by June 06)
 - b. Sand Hill WD (\$55,000 to begin plan – hydrologic model & \$45,000 to complete plan by June 07)
 - c. Buffalo Red WD (\$70,000 to continue plan & \$11,150 to complete plan by June 07)
 - d. NRE Inventory for MSTRWD & SHRWD (\$13,055 & \$12,180 respectively to be completed by December 06) This would complete the NRE's. however only \$20,235.00 will come from these funds and \$5,000 from a transfer of funds from the RRWMB. to the fiscal agent (sand hill wd)

This represents \$171,300 from FY 06 (\$66,259 of existing and the remaining new \$'s from expected appropriations) and \$56,150 from FY 07

Note: (Aug. 10, 06) The notes from the June 6, 2005 FDR WG (above) are not reflected in the funding table due to scheduling changes and adjustments in cost estimates for NRE inventory work.