



Bois de Sioux
Watershed District

Calendar Year 2020 Annual Activity Report



This report is provided pursuant to MN Statute 103D.351

**BOIS DE SIOUX WATERSHED DISTRICT
ANNUAL REPORT
CALENDAR YEAR 2020**

BOARD OF MANAGERS

NAME	COUNTY	PHONE	TERM EXPIRES	OFFICERS
<i>Linda Vavra</i>	Stevens	320-677-2586	2022	President
<i>Allen Wold</i>	Traverse	320-563-8743	2023	Vice President thru 06/18/20
<i>John Kapphahn</i>	Grant	218-685-4604	2023	Treasurer
<i>Scott Gillespie</i>	Big Stone	320-748-7149	2021	Secretary
<i>Jerome Deal</i>	Traverse	320-563-8377	2022	
<i>Doug Dahlen</i>	Grant	320-766-5794	2022	
<i>Benjamin Brutlag</i>	Otter Tail	218-731-2117	2023	
<i>Jason Beyer</i>	Wilkin	218-651-0135	2021	Vice President after 06/18/20
<i>Steven Schmidt</i>	Traverse	320-563-8104	2021	

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Wendy Sullivan, Office Manager

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The Repair and Retrofit of Judicial Ditch #11 began in 2020 and deemed substantially complete in 2020.

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District Engineer Chad Engels, Board Manager John Kapphahn, Board President Linda Vavra, State Representative Jeff Backer, State Senator Bill Ingebrigtsen, Board Manager Allen Wold, Senator Torrey Westrom (not pictured) discussed Bois de Sioux Watershed District projects at the North Ottawa Flood Impoundment.

SECTION ONE - GENERAL FUND

Project Status and Business Transacted

2020 Board Meetings

*January 16, 2020
February 20, 2020
March 4, 2020
March 26, 2020
April 16, 2020
May 21, 2020
June 8, 2020
June 18, 2020*

*July 16, 2020
August 10, 2020*
August 12, 2020
August 20, 2020
September 17, 2020
October 15, 2020
November 19, 2020
December 17, 2020*

The Bois de Sioux Watershed District Board of Managers meet regularly on the third Thursday of each month starting at 8:00 a.m. April through October and at 9:00 a.m. November through March.

**This meeting was posted as a North Ottawa Committee meeting, but had a quorum of Board Managers in attendance.*

Background

The Bois de Sioux Watershed District (the “District”) was established on May 11, 1988 by order of the Minnesota Board of Water and Soil Resources (BWSR). The District represents an area of about 1,420 square miles and includes Traverse County (38%), Grant County (27%), Wilkin County (14%), Stevens County (10%), Big Stone County (7%) and Otter Tail County (4%).

The District includes the drainage basins of Lake Traverse and the Bois de Sioux River within the State of Minnesota. The major tributaries are the Mustinka River and numerous creeks in the south and east and the Rabbit River to the north.

Mission Statement

To provide coordinated water resource management over the entire hydrologic basin of the Bois de Sioux River lying within the State of Minnesota.

Board Activity

The board held twelve regular monthly and three special meetings in 2020. Staff meetings were also conducted for purposes of reviewing issues identified at the board meetings and to meet with landowner groups in an informal setting to discuss legal ditch repairs, permit activity, and other surface water related problems.

Red River Retention Authority

In 2010, the Red River Retention Authority (RRRA) was formed through a joint powers agreement between the Red River Watershed Management Board (RRWMB) in Minnesota and Red River Joint Water Resource District (RRJWRD) in North Dakota.

The RRRA is comprised of members of the RRJWRD, a North Dakota political subdivision, and the RRWMB, a Minnesota political subdivision. The primary objective of the RRRA is to ensure joint, comprehensive, and strategic

coordination of retention projects in the Red River of the North watershed and facilitating implementation and construction of retention in the Red River Valley. The RRRA and its members will aggressively pursue federal dollars to off-set local costs for retention projects, and will serve as an advocate for local projects in the federal regulatory process. The RRRA Directors seek basin-wide solutions to realize effective flood protection and flood damage reduction, accomplished on a strategic project-by-project basis.

Jerome Deal served as a member to the RRRA representing the RRWMB.

Red River Basin Flood Damage Reduction Work Group

The Flood Damage Reduction Work Group (FDRWG or Work Group) was originally formed in 1998 to address issues related to the development of flood damage reduction projects in that portion of the Red River of the North Basin lying in Minnesota.

While recognizing that the ultimate solutions to the flood damage and natural resource problems in the Red River Basin will take a concerted effort from people throughout the Basin, the Work Group was formed to address issues that are unique to Minnesota. However, the Work Group maintains extensive communications and coordination with jurisdictions and organizations throughout the Basin. For example, in 2005, two members of the Flood Damage Reduction Work Group also served as chairpersons for other Basin-wide organizations.

The Work Group is not a legally constituted body and has no regulatory or funding authority. It is an ad hoc group of individuals representing federal, state, and local governments, and non-governmental organizations that meet voluntarily under a set of mutually agreed upon ground rules. The Work Group meets for the purpose of coordinating the implementation of the 1998 Mediation Agreement and making recommendations to other authorities and jurisdictions within the Red River Basin to that effect.

Jerome Deal and Allen Wold served as members to the FDRWG representing the RRWMB.

Minnesota Association of Watershed Districts

The Minnesota Association of Watershed Districts (MAWD) provides educational opportunities, information, and training for watershed district managers and staff through yearly tours, meetings, and regular communication.

MAWD represents 45 watershed districts in the state. The watershed districts are partners in water protection and management.

Linda Vavra continued to serve as a member representing Region I for the Minnesota Association of Watershed Districts Board of Directors.

BdSWD Advisory Committee

Chair Ron Staples	Joe Montonye
Jay Backer	Tom Monson
Scott Bauer	Mark Summers
Duane Duin	Linda Vavra
Dean Frisch	Vernell Wagner
Doug Jahnke	John Walkup
Eric Klindt	

The Advisory Committee met on January 8, and June 24, 2020. Committee members met with Engineers Chad Engels and James Guler, Engineer Technician Troy Fridgen, President Linda Vavra, and Administrator Beyer. The Committee

received information on permitting, ditch projects, watershed projects, buffers, and the One Watershed One Plan. Also discussed: RRWMB new base program and competitive water quality grants, WCD #9 and JD #11 construction.

Other General Fund Activities

- **Billable Rates for 2019 set:** Administrator - \$74.52; Office Manager - \$55.78; Engineer Technician - \$80.05 (01/16/20).
- **Alternative Public Hearing Measures:** Due to the COVID-19 pandemic, a resolution was passed to facilitate remote (telephone and/or online) meeting participation. The inability to hold large landowner meetings affected the District's ability to present information and receive feedback for ongoing project developments, including those for: TCD #8/East Branch Twelvemile Creek/Eldorado/TCD #42; Doran Creek; Fivemile Creek; WCD Sub-1; Buffer compliance. Meetings were facilitated by Zoom.
- **COVID-19 Office Response:** Due to Minnesota state COVID-19 pandemic restrictions, Engineer Technician Troy Fridgen and Office Manager Wendy Sullivan worked from home from March 29 – May 26, 2020. After March 26, 2020 employees were able to return to the office as their medical situations allowed. Administrator Beyer continued to work in the District Office throughout this time.
- **2020 Audit:** CliftonLarsonAllen will prepare the District's 2020 financial audit and statements. A contract and engagement letter were approved (11/19/20 and 12/17/20).
- **2021 COLA:** Staff Cost of Living increases were set at 2% (12/17/20).



In response to COVID-19 mitigation Plexiglass was ordered through two different suppliers, but was not available due to pandemic-related shortages. Window plastic was substituted.

SECTION TWO - RRWMB FUND

Project Status and Business Transacted

The Red River Watershed Management Board's jurisdiction and authority encompasses the area managed by the individual watershed districts that have membership on the Board. The Bois de Sioux Watershed District continued with its membership to the Red River Watershed Management Board.

Seven watershed districts within the Red River Valley form the RRWMB including the Joe River, Two Rivers, Roseau River, Middle-Snake-Tamarac Rivers, Red Lake, Wild Rice, and Bois de Sioux.

The RRWMB was created by an act of the Minnesota Legislature in 1976 to provide an organization with a basin-wide perspective concerning flooding. Historically, the activities of the RRWMB have centered on flood control. Previous efforts in dealing with the flooding problem within the Red River Basin consisted of single projects within a localized area, planned with primary regard to local benefits. The RRWMB actively promotes a basin-wide perspective for water management.

Linda Vavra was elected to represent the District beginning 2019, with Allen Wold serving as alternate. Term expires 12/31/21.

Red River Watershed Management Board Levy

Per a notice from RRWMB Board Meeting dated July 21, 2020 – effective for the 2021 certified tax levy:

The RRWMB Managers approved Resolution 2020-11, requesting that its member watershed districts set the 2021 RRWMB levy at 75 percent.

Other RRWMB Fund Activities

- **New Grant Opportunities:** RRWMB offered a \$100,000 Block Grant and a Competitive Water Quality Grant. The Bois de Sioux Watershed District elected to allocate the \$100,000 Block Grant to the Improvement of WCD #9 and to complete an application for the Lake Traverse Water Quality Improvement Project Phase No. 1 for the Competitive Water Quality Grant in the amount of \$283,000 (03/26/20). Both were approved by RRWMB.



A snowy owl hunts near North Ottawa.

SECTION THREE – CONSTRUCTION FUND

Project Status and Business Transacted

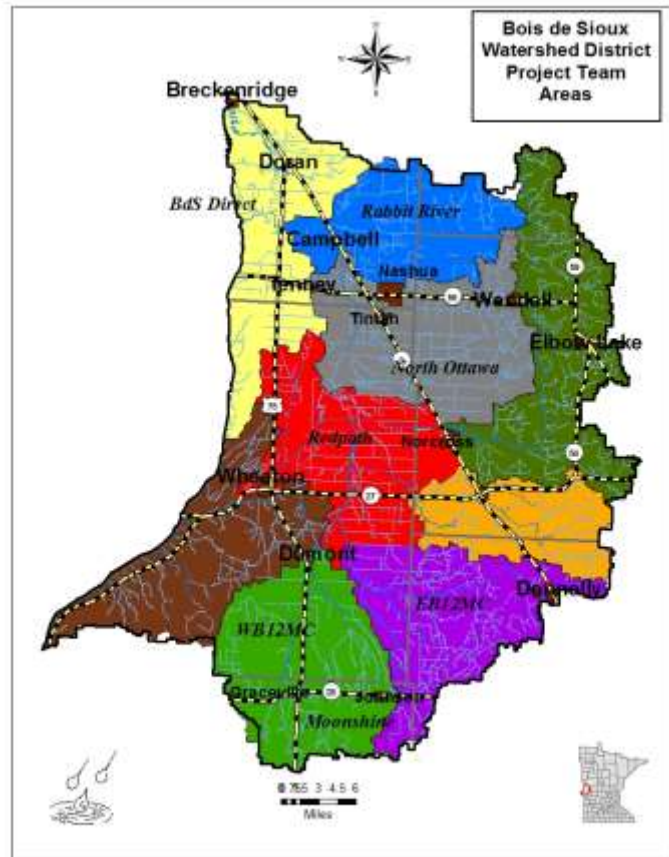
Project Teams

The Bois de Sioux Watershed District is a subwatershed of the Red River of the North basin. In December of 1998, many agencies and organizations signed the Red River Basin Mediation Agreement which outlined how projects will be developed in the Red River Valley in Minnesota. That agreement states that the districts within the basin will attempt to balance each project design with Flood Damage Reduction (FDR) benefits and Natural Resource Enhancements (NRE). Part of that process requires that each district establish a Project Team for each project containing members from local, regional, state and federal agencies along with environmental organizations and local landowners.

The Bois de Sioux Watershed District has administered eight (8) Project Teams as needed for planning projects:

1. North Ottawa (project complete)
2. Redpath
3. East Branch Twelve Mile Creek
4. West Branch Twelve Mile Creek
5. Moonshine
6. Rabbit River
7. Bois de Sioux Direct
8. TCD #52

With the exception of Moonshine and TCD #52, Project Teams are organized on a sub-watershed alignment as shown on the adjacent map.



Bylaws and Regulations

The Bois de Sioux Watershed District has adopted rules to control watershed activities as required by Minn. Stat. § 103D.341. Bois de Sioux Watershed District rules lay out a permit process that landowners must follow. Permits are required for any type of work related to subsurface drainage tile, new ditching, improved ditching, bridge and culvert installations, drainage from one sub-watershed to the other, construction, alteration or removal of any dike, reservoir work, land forming, wetland drainage, work within natural drainage ways, lakes, wetlands, and other abutting land and drainage structures. Landowners should contact the Bois de Sioux Watershed District Office for assistance and direction in filing permits.

For a copy of the Policies and Procedures Manual of the Bois de Sioux Watershed District, please contact the Bois de Sioux Watershed District Office or go to www.bdswd.com.

Any land owner that proceeds to do work without a permit, when the project requires one, is subject to a minimum \$250 After-The Fact Permit Fee plus any Engineering/Attorney Fees incurred in processing of said permit.

There were a total 165 permit applications received in 2020.

2020 Projects and Programs

Distributed Storage Strategy

In 2012, the BdSWD completed a 20% Flow Reduction Strategy for the watershed. This study focused on placing storage within the Bois de Sioux Watershed District. A total of 26 sites or potential projects were identified within the District. The storage was placed in the Lake Traverse and Rabbit River basins. Site selection was based primarily on the need for local flood control as flooding problems are widespread in the Bois de Sioux Watershed District.

The Bois de Sioux Watershed District prioritizes development of specific impoundment projects based on need, local support, budget, and importance of other watershed projects and programs that require the time of district staff.

North Ottawa Impoundment Project

The Bois de Sioux / North Ottawa Joint Powers Agreement between the Department of Natural Resources and the Bois de Sioux Watershed District Office expired December 31, 2017. Professionals from EOR presented a technical memo detailing opportunities for NRE-enhancing, revenue-generating activities (06/08/20). No new joint powers agreement was implemented in 2018 or 2019 or 2020, but a draft Memorandum of Agreement was presented to both Board Managers and the Department of Natural Resources (12/17/20).

Meetings with DNR representatives and legal counsel continued throughout 2020, with significant advancement. Both parties agreed to a number of baseline terms for the next 10 years. It is anticipated that a formal agreement will be secured in 2021.

Cell A3 was left unworked from harvest 2019 (no-till). Cells A1, A2, B1, and B2 were bid without a crop restriction, but corn silage was encouraged. The lessee was not able to secure a contract for the corn silage crop and instead planted soybeans. A3 was bid with a small grain restriction, but was later changed to B3. A producer was awarded a bid to hay portions of the collection channel and dikes that needed to be mowed. Cattail removal was attempted in A4 & B4; cell A3 was used as a water holding cell to divert and store water. Sufficient dry down and maximum flooded water depth could not kill the cattail growth in Cells A4 & B4. Cattails were burned, treated, and burned again. Cattails began developing in Cell A3.



NORTH OTTAWA 2020 OPERATIONS

2020 LAND USE		NRE'S
WHOLE IMPOUNDMENT (2,099 ACRES)		Flood Hazard Mitigation
WET CELLS + 10-MILE COLLECTION CHANNEL (731.4 ACRES)		Stream Augmentation Downstream
PERMANENT GRASSLANDS (484 ACRES)		Grassland Habitat
WHOLE IMPOUNDMENT		Pollinator Hive Hosting
WHOLE IMPOUNDMENT (2,099 ACRES)		Wild Game Refuge
WHOLE IMPOUNDMENT (2,099 ACRES)		Sediment Settlement
A1	Conventional Ag Lease (96.1 ACRES)	Flooded for spring migration. Conventional soybeans 2020. Crops harvested utilize and remove excess deposited nutrients to provide future clean water. Weed & cattail suppression
A2	Conventional Ag Lease (95.1 ACRES)	Flooded for spring migration. Conventional soybeans 2020. Crops harvested utilize and remove excess deposited nutrients to provide future clean water. Weed & cattail suppression
A3	Small Grain Restricted Lease (99.9 ACRES)	Flooded for spring migration, then planted to wheat, then flooded after wheat harvest for fall migration. Crops harvested utilize and remove excess deposited nutrients to provide future clean water Weed & cattail suppression
A4	Cattail Monoculture Removal (120 ACRES)	No water stored, burn, treat, burn cattail growth to prepare cells for future NRE's
B1	Conventional Ag Lease (105 ACRES)	Did not flood due to corn stubble no-till Fall 2019. Conventional soybeans 2020. Crops harvested utilize and remove excess deposited nutrients to provide future clean water. Weed & cattail suppression
B2	Conventional Ag Lease (124.8 ACRES)	Did not flood; corn stubble no-till Fall 2019. Conventional soybeans 2020. Crops harvested utilize and remove excess deposited nutrients to provide future clean water. Weed & cattail suppression
B3	Wet/Water Holding Cell (123.4 ACRES)	Flooded & wet cell throughout summer Used water to flood A3 cell for fall migration
B4	Cattail Monoculture Removal (120 ACRES)	No water stored, burn, treat, burn cattail growth to prepare cells for future NRE's
C	Water Holding Cell (608 ACRES)	Flood for spring migration and summer mud flats Wet cell throughout summer and early fall to provide habitat

2100 ACRES WITHOUT COLLECTION CHANNEL:

731 Acres of Wet Cells for Habitat | 848 Acres of Grassland & Cattails | 521 Acres for Revenue + Habitat + Public Value



River Watch Program

The River Watch (RW) program provides hands-on watershed science education, promotes water resources stewardship, and introduces high school participants to career opportunities in watershed science. The program focuses on education through water quality monitoring, macroinvertebrate and mussel sampling, snow and frost depth studies, and river geomorphology. The Bois de Sioux Watershed District supports the RW program and valuable water quality data is obtained within the watershed as a result of this project.

Due to the pandemic, students were enrolled in online learning, and did not give presentations at the International Water Institute conference or at a Bois de Sioux Watershed District Board meeting.

The BDSWD provides support for the program by covering costs of substitute teachers, transportation, and students' lunches on sampling days and when students attend the RW Forum and the water quality training/certification session. Laboratory analyses of water samples have also been covered if a special research project is undertaken by a RW team or student. Financial support is also provided by the Red River Watershed Management Board (RRWMB) and the Minnesota Clean Water Legacy Fund. Coordination and implementation support is provided by the International Water Institute.

This partnership with the watershed district and area schools contributes to the education of the students, promotes good stewardship of our water resources, and provides valuable data to area water resource managers and agencies.

Minn. Stat. § 103F.048 Buffers

The Buffer Committee met in 2020 to continue to determine the best courses of action to reduce soil erosion. Projects in 2020 included: a 3-year, \$25,000/year Multi-County Cover Crop Cost-Share Program (4/16/20 – 09/17/20); TCD #31 Lined Waterways Cost Share Program (12/17/20) & 2021 Lined Waterways Cost Share Program (12/17/20); continued Wilkin County Side Inlet Culvert Cost Share Program (03/28/19); JD #11 Buffer Acquisition finished through redetermination and seeding finished through Cost Share Programs with Wilkin County SWCD and Traverse County SWCD; seeding finished on Wilkin County Buffer Seeding Cost Share Program (05/16/19); and JD #6 redetermination and repair initiation and hearings held (12/21/20).

Parcels with non-compliance identified by county SWCD's:

Traverse County - 11 parcels

Wilkin County - 0 parcels

Parcels with potential non-compliance identified by county SWCD's:

Grant County - 54 parcels*

*Grant County SWCD's potential non-compliance was determined by Grant County SWCD staff reviewing 2017 aerial pictometry. The state buffer law went into effect November 1, 2018 and the District's rule was enacted April 18, 2019.

Budgets for the use of annual riparian aid were also set.

2020:	\$2,718	Wilkin County SWCD Buffer Program
	\$9,856	Traverse County & Traverse County SWCD Lined Waterways Program
	\$17,700	Hydroseeding buffers following repairs on JD #14 and JD #12
	\$30,000	Administration, Manager, Staff & Legal Expenses
2021:	\$20,00	Traverse County & Traverse County SWCD Lined Waterways Program
	\$60,000	Buffer seeding following repairs on drainage ditches
	\$134,400	Alternative Practices Program, to be determined
	\$30,000	Administration, Manager, Staff & Legal Expenses

Land Acquisition and Sales

Construction and permanent easements were acquired for retrofit construction and buffers on JD #11 (at a cost of \$507,296.00) and for the Lake Traverse Water Quality Improvement Project No. 1 (at a cost of \$64,954.96). The SW1/4 of Section 15 of Redpath Township was purchased from Mr. Breckenridge and Mrs. Louise Dilly. The NE1/4 of Section 17 in Redpath Township was sold to Mr. Breckenridge and Mrs. Louise Dilly. The SW1/4 of Section 34 of Tintah Township was sold to Mr. Breckenridge and Mrs. Louise Dilly. A portion of the NE1/4 (11.19 acres) in Section 24 of Redpath Township was purchased from Tenco Farm. A portion of the NW1/4 of Section 30 of Gorton Township was purchased from the Marion Bartells family. The NW1/4, less 50', of Section 21 of Redpath Township was purchased from the late Mr. Richard Mathias and Mr. Jon Mathias.

Moonshine Lakebed Restoration Project

No action was taken on this project in 2020.

Moonshine 24/13

No action was taken on this project in 2020. The Board did approve up to \$25,000 to install an 18" dual wall tile main in Section 24, in cooperation with neighboring landowners who are designing a community drainage project. The project will increase soil stability for the District's property.

Lake Traverse Water Quality Improvement Project

Phase One: Appraisals for Phase 1 easements were approved (04/16/20) and acquired (09/17/20). The required project hearing was held, during which funding partners were specified: Red River Water Management Board Water Quality Grant (\$283,000); BWSR Clean Water Project and Practices Grant through the Minnesota Legacy Amendment (\$336,775); BdSWD Construction Fund (\$200,000); Traverse County Local Water Plan (\$4,500); Lake Traverse Water Quality Improvement Project Water Management District (\$25,725) (06/18/20). Design changes were made in response to DNR comments, and an additional \$100,000 was allocated to the project by BdSWD from the Construction Fund (06/18/20). A construction bid was awarded to Wagner Company, and construction began in November.



One hundred sixty boulders were purchased for Phase 1 of the Lake Traverse Water Quality Improvement Project.

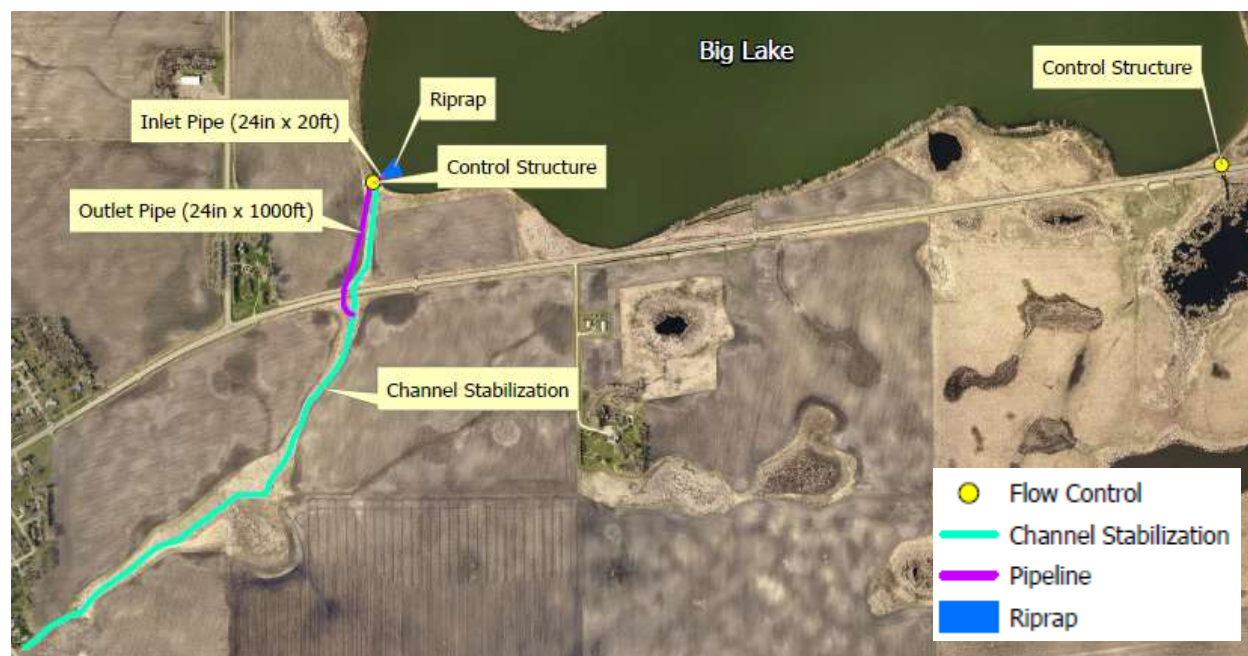
Phase Two: Engineering staff were authorized to submit BWSR and MnDOT grant applications on behalf of Phase No. 2 (06/18/20) and (09/17/20), and \$100,000 from the BdSWD Construction Fund was allocated toward Phase No. 2 (10/15/20).

Big Lake Flood Control Outlet

The Bois de Sioux Watershed District developed plans to install a water control structure on the west end of Big Lake to manage water levels and provide flood risk reduction for the City of Herman, while potentially enhancing natural resources within Big Lake. The purpose of the project is to provide additional flood storage, resulting in downstream flow reduction and flood risk reduction for the City of Herman, agricultural lands, farmsteads, and roads. A draft operation and maintenance plan has been developed that outlines how the project will be operated to accomplish project goals: to provide additional flood storage, resulting in downstream flow reduction.

The proposed project will install two water control structures on Big Lake: one on the western side near the natural outlet, and one on the southeastern side near the natural inlet. The western control structure will allow water levels in the lake to be temporarily lowered to increase flood water storage (Figure 3). This control structure will include an inlet pipe with a grate that extends far enough into the lake to get past the shoreline fringe cattails. A lake basin inlet channel will convey flows to the inlet pipe. Within the structure there will be a weir wall that includes flashboards and a gated orifice. There will also be an outlet pipe extending from the control structure through State Highway 27 to an existing downstream channel. The existing channel will be graded and shaped from Big Lake to the City of Herman. Riprap will be used where necessary to stabilize areas of high velocity and steep slopes. The southeastern control structure will control flows into Big Lake and manage water levels in the Art Hawkins Waterfowl Production Area (WPA). The purpose of the southeastern control structure is to prevent the Big Lake outlet structure from impacting wetlands associated with the WPA.

The project will provide up to approximately 730 acre-feet (1.3 inches of runoff) of gated flood storage between the natural runout elevation of 1,075.7 feet and the proposed maximum drawdown of 1,072.7 feet. The project will also allow for better vegetation management, potential wildlife habitat, and water quality benefits. Because the intended purpose and mechanics of the project have evolved over time, the District held a public hearing to re-establish the Big Lake Project (12/22/20).



Proposed Big Lake Flood Control Outlet Project Design

Redpath Flood Impoundment & Mustinka River Fish and Wildlife Habitat Corridor Project

In 2008, the Board of Managers established the Redpath Project Team and charged them with the task of identifying the problems in the area and reviewing alternative solutions. The team did their work in the first 8 months of the year and recommended a project solution to the Board in August 2008.

In 2020, there were significant project developments:

- The Final Pay Request for Grant #3000000507126829 was submitted to the DNR. The grant is now closed (09/17/20). With no active grant agreement in place, current expenditures cannot contribute to future grant cost share obligations.
- All four remaining parcels were acquired (02/20/20, 03/26/20, 04/16/20). The facility's full footprint is now owned by the Bois de Sioux Watershed District.
- Future grant agreements will include a 50% state cost-share term, instead of a 75% cost-share term (04/16/20, 12/17/20).
- The DNR has offered to begin a new grant with a \$300,000 award, which may be applied for by the Board to move the location of TCD #35 in preparation for impoundment construction (12/17/20).

The Lessard Sams Outdoor Heritage Council grant (LSOHC), for the Mustinka River Fish and Wildlife Habitat Corridor, was extended for three years, expiring June 30, 2022 (October 19, 2017).

Grant County Mustinka River Corridor Project

The Grant County Highway Department is coordinating a joint highway and culvert replacement project with MnDOT, Grant County Highway Department, the State Bridge Bonding Program, and the Bois de Sioux Watershed District. This project will elevate State Highway 55, Grant County Road 42, and Grant County State Aid Highway 1 (three major transportation corridors) above the 100-yr Mustinka River floodplain, adding safety and security for surrounding citizens. In addition to these transportation benefits, downstream communities and lands will also benefit from the temporary flood storage created when these roadways no longer overtop. Specifically, resizing and replacement of three related culverts provide the Bois de Sioux Watershed a low-cost alternative to a traditional impoundment. The District also benefits from reduced permitting costs and timelines. The Bois de Sioux Watershed District has already funded \$7,087.04 toward the cost of the project's EAW and \$30,400 towards project modeling. The District committed \$400,000 toward the project itself, but to date has only paid \$9,530.95 of this obligation (11/2/17). Construction is expected to begin in 2021 under the direction of the Grant County Highway Department.

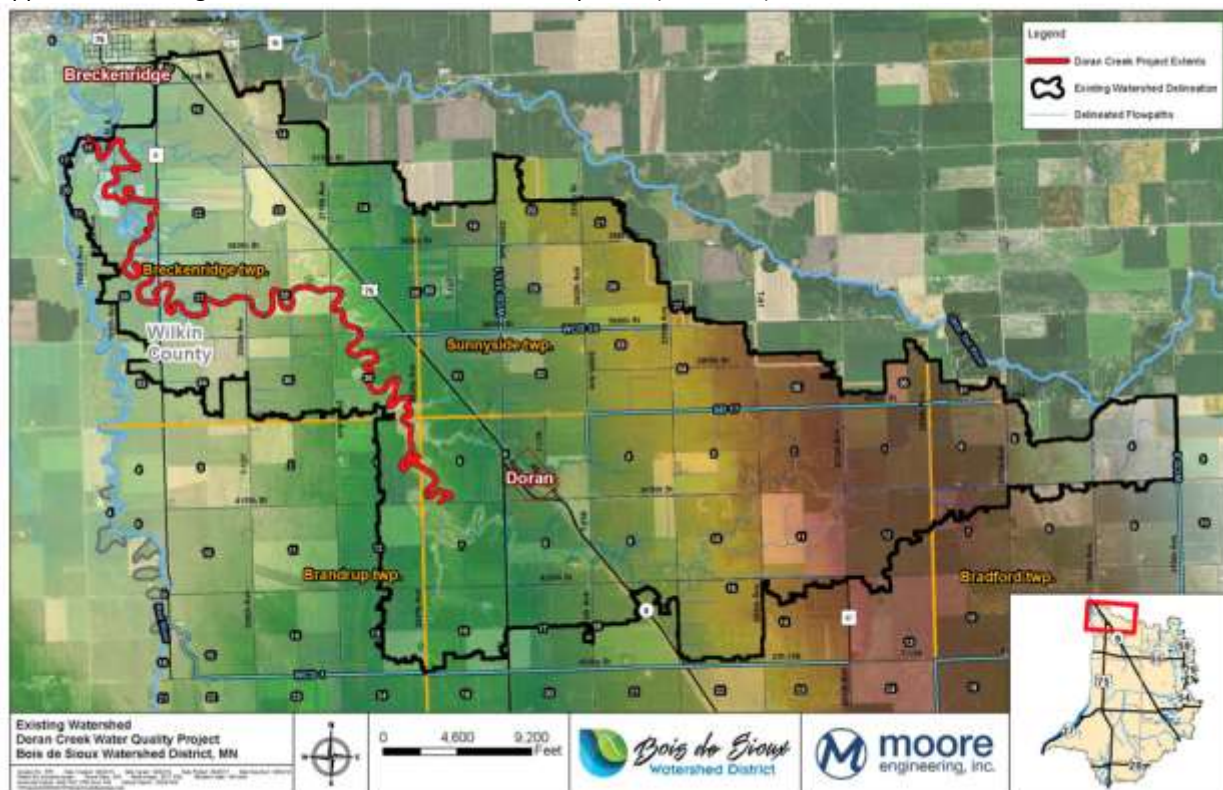


The District's contribution will be used for culvert replacement.

Doran Creek Enhancement/Restoration

The Bois de Sioux Watershed District and community members have invested a great deal of time and effort into understanding the hydrologic conditions, economic impact, and project alternatives associated with alleviating frequent floods in the Doran Creek area. The project team's primary purpose has been to identify the most feasible and acceptable project to provide protection from a 10-Year, 24-hour flood event for agricultural lands, and provide protection from a 100-Year flood event for the City of Doran. The project team reviewed twenty different project alternatives and evaluated the effectiveness of each to meet the team's primary purpose. Ultimately two project alternatives were supported: an urban levy surrounding the City of Doran and the restoration of Doran Creek.

A landowner meeting was scheduled for March 31, 2020, but was cancelled due to pandemic restrictions. A landowner meeting was held August 17, 2020, and included a presentation of a proposed restoration and associated water management district. Wilkin County SWCD also attended the meeting, and described their experiences with the Whiskey and Wolverton Creek Restorations. A survey was also sent to landowners to gauge their interest. Two hundred thirty-eight surveys were sent, and sixty-two responses were received: forty-four in favor of a stream restoration and dike, 16 opposed, and 2 without preference. Bois de Sioux Watershed District Board Managers approved the designation of \$100,000 to start development (10/15/20).



Possible Doran Creek Watershed Management District Boundary

East Branch Twelve Mile Creek Project/Eldorado 7

In December 2005, the East Branch Twelve Mile Creek Project Team made a recommendation to the BdSWD Board for the implementation of 3,300 acre feet of storage in the sub-watershed, but to-date site suitable land has not been offered for sale by landowners.

Following the spring 2019 flood, residents voiced a need and support for flood mitigation efforts in this area. Drainage issues continue on the Traverse County-Stevens County line. Landowner meetings were held on January

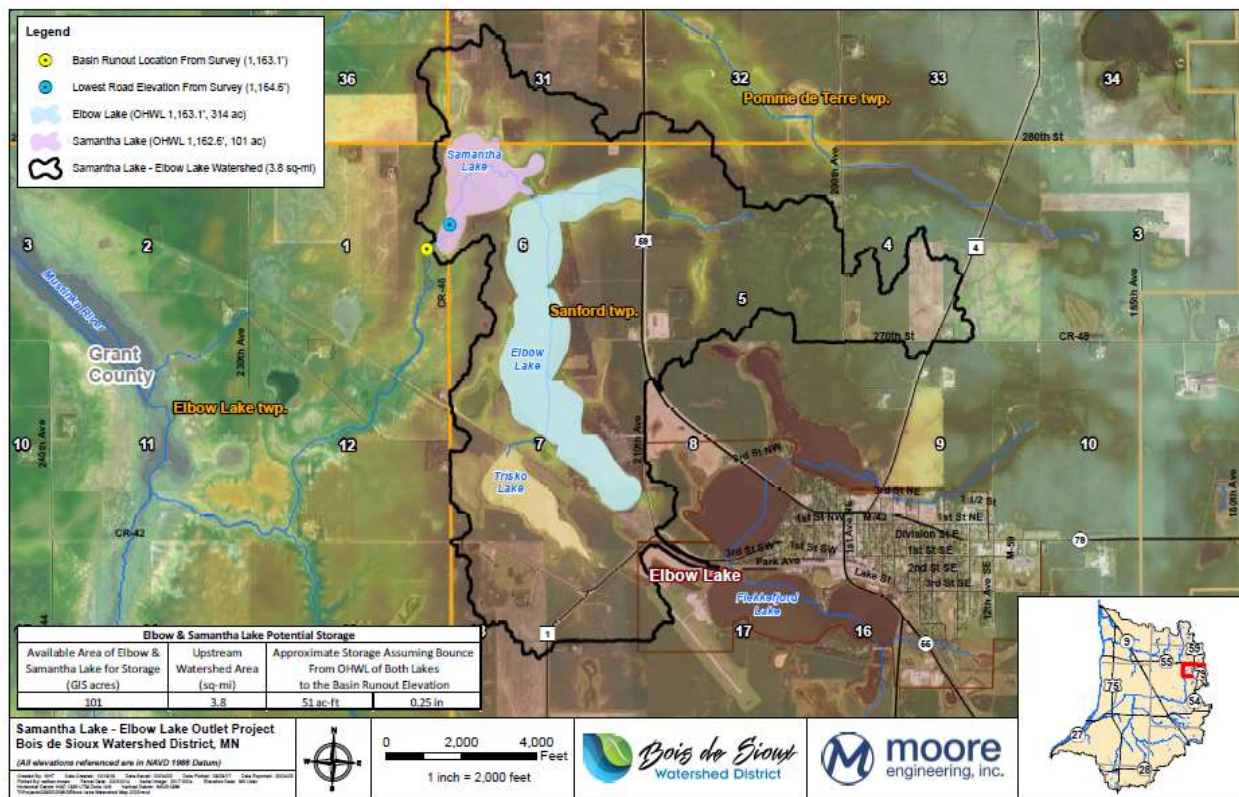
10, 2020 and February 14, 2020. Several project alternatives were presented and discussed, each offering varying levels of flood protection and associated costs. A combination of projects may be needed to meet landowner objectives, which include:

- Option 1: Do Nothing
- Option 2: TCD 8 Repair & Retrofit (would not provide capacity for future upstream improvements)
- Option 3: TCD 8 Improvement (highly unlikely with today's conditions, due to outlet inadequacy and possible downstream adverse Impacts)
- Option 4: TCD 8 Improvement, Extension & Storage (mitigates downstream impacts from improved drainage allows for future drainage improvements In Steven's County, low permitting difficulty)
- Option 5: Upstream Community Tile Main (limited upstream capacity)

No further direction was determined by landowners in 2020.

Samantha Lake Flood Outlet Control Project

An 18" dual wall tile and control structure was constructed to manage discharges from Samantha Lake and Elbow Lake. Grant County administered the construction of the project and the BdSWD will accept ownership, maintenance, and operation of the project upon completion in 2021. The District elected to split the project cost 50-50 with Grant County (02/20/20) and a Joint Powers Agreement was approved (03/26/20). Permitting was completed, easements were acquired, a contractor was hired, and construction began in October of 2020.



Samantha Lake Flood Outlet Control Project Design

One Watershed One Plan (1W1Plan)

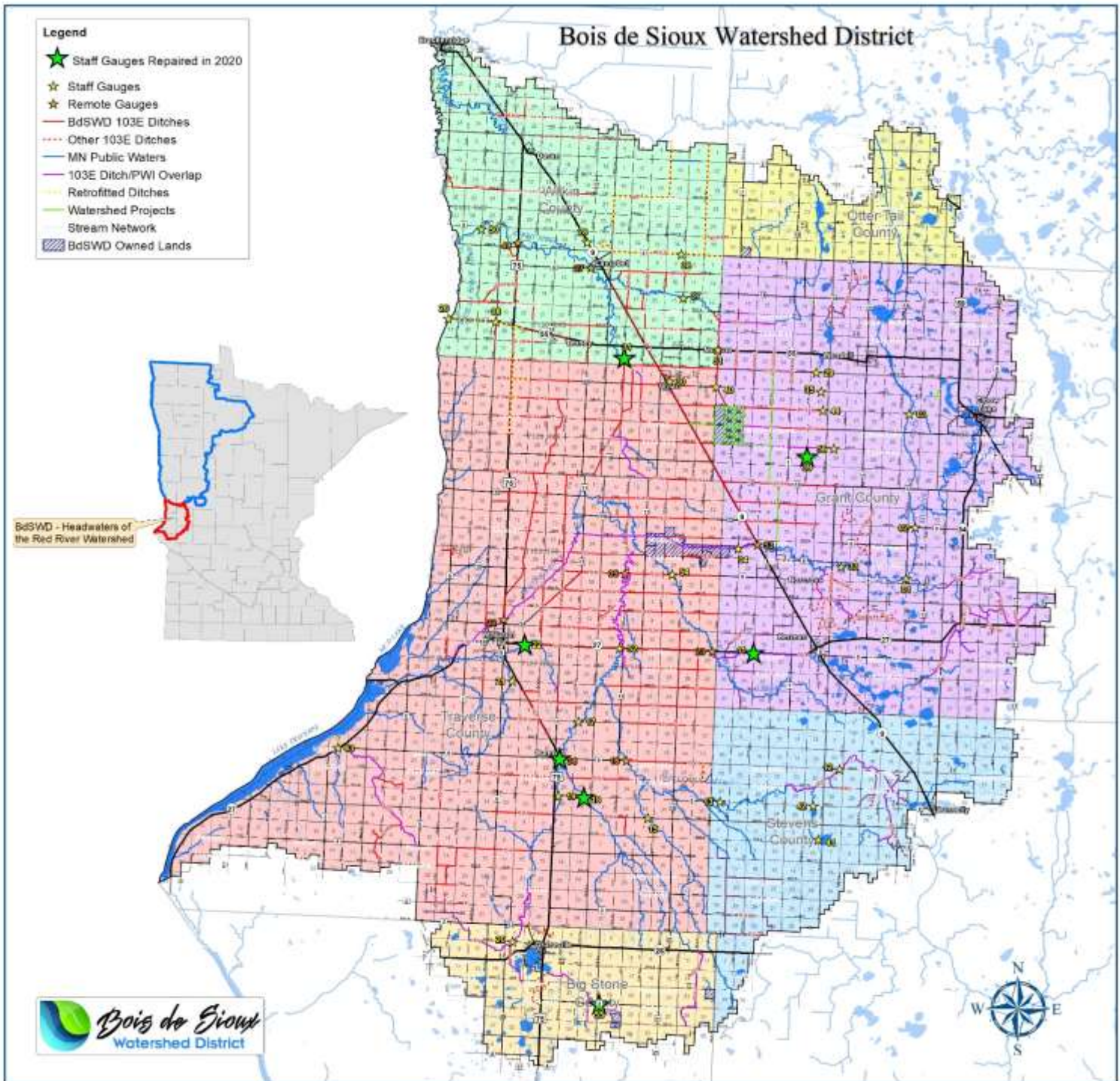
The District continued contract work with Houston Engineering, Inc. for the continued development of a joint Comprehensive Watershed Management Plan on behalf of the District and 12 partners (Big Stone County & SWCD, Grant County & SWCD, Otter Tail County & SWCD, Stevens County & SWCD, Traverse County & SWCD, and Wilkin County & SWCD). A plan requirement extension was requested to, and subsequently granted, by the BWSR Board (01/16/20). Discussions resumed on whether the implementation structure should be a separate joint powers board, or whether one entity would be willing to serve as the future grant agent and fiscal host. Board Managers approved the District to serve as grant agent and fiscal host (10/15/20). The draft Comprehensive Watershed Management Plan was made available for 60-day comment, and three public input hearings were held. The District approved the plan's submission to BWSR, and approved District adoption contingent upon BWSR's plan approval (12/17/20).

Stream Gaging

In 2020, there were forty-two (42) gauging sites in the Stream Gauge Monitor Program. Twenty-one (21) of those sites are considered active in which data was collected in 2018 and/or 2019. Volunteers that live within the vicinity of each gauge conduct the actual day-to-day monitoring of the stream gauge. The program is coordinated through the administrative office. Volunteer readers are compensated at a rate of seventy-five dollars (\$75.00) per gauge, per year, to help offset costs for accessing the gauge. Stream Gauge Data for 2020 has been entered into the BdSWD computer database.

Each year, gauge readers are asked about the condition of their gauging site via a questionnaire sent by mail. If the gauge needs work or there is a request to modify the gauge, it is reviewed by the administration and assigned to an engineering technician to investigate, repair, or modify as the case may require.

2021 STREAM GAGE LOCATIONS



Other Construction Fund Activities

- **FEMA Flood Reimbursements:** Reimbursements for damage occurring during the 2019 flood event were received in the amounts of \$40,931.29 (05/07/20), \$66,557.23 (07/16/20), and \$47,281.24 (12/28/20). One payment is left, as a partial reimbursement of the staff time incurred coordinating the required grant documents.
- **Cover Crop Cost Share:** The District approved a \$5,000 cover crop program for District SWCDs that can be renewed up to three years (07/16/20). Wilkin County SWCD and Stevens County SWCD signed cover crop contracts, but Stevens County SWCD was unable to use the funds in 2021 and a carryover into 2021 was approved (12/17/20).
- **Clean Water Retrofit Cost Share Policy:** The District awarded \$327,000 to the Repair of JD #11 and \$300,000 to Phase 1 of the Lake Traverse Water Quality Improvement Project (10/15/20).
- **Lined Waterways Program (12/17/20):** The Lined Waterways Cost-Share with Traverse County SWCD was completed on TCD #31. Board managers approved an additional \$20,000 for use in 2021, in locations determined jointly by District and SWCD staff.
- **Land Leases for 2020:** Thirty-four parcels were bid, and twelve parcels continued to be leased directly with adjacent landowners (01/16/20) and (02/20/2020). Lease contract templates were revised by Attorney Lukas Croaker, and Attorney Louis Smith revised lease contract templates for leased lands purchased with state bonds (01/16/20). Changes were made for the bid for 2021 leases: terms shall be for 3-years (10/15/20), except for North Ottawa lands, which will have a 2-year term (11/19/20).



The District completed one Joint Lined Waterway Program with Traverse County & Traverse County SWCD – and approved a new program for 2021.

SECTION FOUR - DITCH FUND

Project Status and Business Transacted

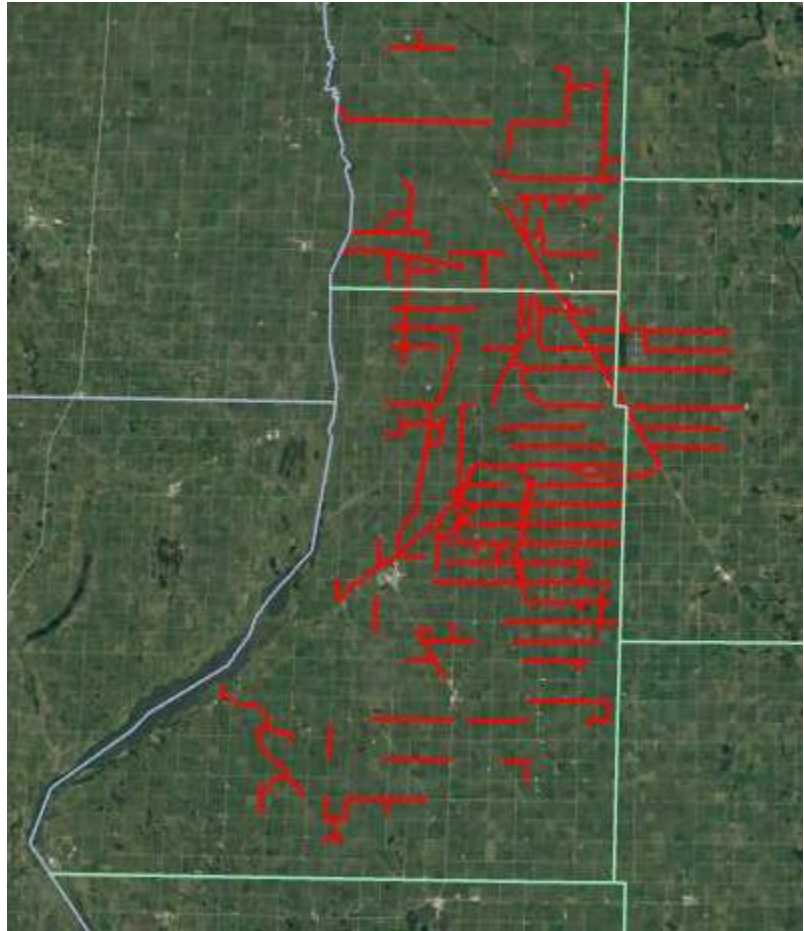
Since 1992 sixty (60) ditch systems have been under the jurisdiction of the Bois de Sioux Watershed District, with JD #3 added in 1995; in total, this amounts to approximately four hundred (400) lineal miles of ditch. Ditch funds are managed by the district office. Annual ditch inspections are completed on a three-year rotation, or as deemed necessary by the District. A copy of the inspection reports are kept on-file at the District Office.

The District administers an annual spray program to remove, as needed, heavy vegetation, trees, cattails and brush in legal ditch systems. This work is also conducted on a three-year rotation, or as deemed necessary by the District.

Legal Drainage Ditch Work

General Activities

- **Equipment Purchased:** No major equipment purchased.
- **Equipment Sold:** None.
- **Interest Rate:** The interest rate was set in 2020 as an annual index, the Long Term Federal Interest Rate for December + 1%. (12/17/20). For negative ditch funds, the amount used for 2020 was 2.31%.
- **Contractors Hired:** LM Road Services was contracted to spray cattails, tree removal and brush. Ditch maintenance contractors included: Comstock Construction, Hormann Works, Olson Tile & Excavating, Riley Bros, Shores Edge Excavating, Wagner Company, Whaley Excavating.
- **Ditch Assessments (without bond payments):** \$977,676.00.



Specific Activities by Ditch

- **JD 6:** The District continued to develop the repair and redetermination of JD #6. Because landowner meetings could not be held under pandemic restrictions, virtual/conference call meetings were made available to landowners to hear details about the project. Staff were authorized to apply for BWSR MDM Grants (06/18/20). A variance was requested from Wilkin County Planning & Zoning and Wilkin County,

based on the extreme financial burden that would result from compliance in the JD #6 project area with a Wilkin County requirement that spoil banks be constructed lower than adjacent roads. In the project area, there is currently very little change in elevation between the fields, ditches, and road. The variance request was supported by landowners and township officials. The project design meets the spirit of the ordinance by maintaining breakouts in ditch berms. The variance was subsequently recommended by the Wilkin County Planning and Zoning Commission and approved by the Wilkin County Commissioners (11/19/20). Public hearings for the repair and redetermination were held, recessed, and reconvened in 2021 (12/22/20).

- **JD #11:** The public hearings for the repair and redetermination of JD #11 were reconvened and both were later approved (01/16/20). The project was awarded a BWSR Clean Water Fund Multipurpose Drainage Management Grant in the amount of \$327,000, with funds provided through the Legacy Amendment (02/20/20). A construction contract with Hormann Works was approved in the amount of \$1,010,079 and included a November 25, 2020 substantial completion date (04/16/20). Traverse County bonded on behalf of the project, and held the proceeds of the bond - they requested that the District present periodic project reimbursement requests, which were submitted for \$472,398.06 (05/21/20), \$135,580.17 (07/16/20), \$227,001.20 (08/20/20), \$229,642.05 (09/17/20), \$290,231.31 (10/15/20), \$188,672.72 (11/19/20), and \$205,832.68 (12/17/20).

Traverse & Wilkin SWCDs used cost-share programs to seed on and behind the drainage ditch berms (05/21/20).

With water levels in the JD #11 drained, it was revealed that the concrete structure in the ditch, at the outlet, has been compromised. Engineering staff will collect a price estimate for removal of the current structure, installation of sheet pile, and riprap upstream and downstream (08/20/20) and a geotechnical evaluation and design were ordered (11/19/20).

The project was declared substantially completed (11/19/20).

- **JD #12:** Slope repair, washout repair, spoil levelling; culvert installation.
- **JD #14:** Blowout repair; side inlet pipe and gate installed.
- **TCD #37:** Interest incorrectly charged for TCD #37 project debt was returned (07/16/20).
- **TCD #1E:** Clean-out and spoils levelled.
- **TCD #1W:** Clean-out and spoils levelled.
- **TCD #2:** Clean-out and spoils levelled.
- **TCD #8:** Clean-out and spoils levelled.
- **TCD #9:** Clean-out and spoils levelled.
- **TCD #13:** Clean-out and spoils levelled.
- **TCD #16 Off Take:** Survey, clean-out and spoils levelled.
- **TCD #17:** Clean-out, tree removal and spoils levelled.

- **TCD #23:** Clean-out and spoils levelled.
- **TCD #24:** Snow removal and tree burial.
- **TCD #27:** Spoils levelled.
- **TCD #31:** Clean-out and spoils levelled.
- **TCD #37:** Weir wall cut, culvert and gate installed, clean-out and spoils levelled.
- **TCD #42:** Culvert purchased.
- **TCD #44:** Spoils levelled.
- **TCD #51:** Spoils levelled.
- **TCD #52:** Clean-out and spoils levelled, pipe relayed and riprap added.
- **WCD #Sub-1:** A landowner meeting was ordered to determine interest in a 2022 improvement project. The meeting was held August 17, 2020, which included a summary of the petition and bond requirements. An improvement petition has been circulated amongst landowners, but was not received by the District in 2020.
- **WCD #9:** The contracted improvement project continued during 2020. A July rainstorm event washed-out seeded project areas and subsequently a related gully required repair (09/17/20) & (10/15/20). No payment requests from the contractor were received in 2020. A base grant of \$100,000 from the Red River Water Management Board was applied to this project (04/16/20). Wilkin County SWCD reinstalled buffers on a portion of the project, and the project was deemed to have met substantial completion (11/19/20).
- **WCD #18:** Grade stabilization cost-share with Wilkin SWCD.
- **WCD #20:** Clean-out and spoils levelled. Sloughing at the outlet was reported (08/20/20). Erosion was found to be significant, and expensive as it would require land acquisition; a grant application could be submitted in 2021 (09/17/20).
- **WCD #25:** Clean-out and spoils levelled. Sloughing at the outlet was reported (08/20/20). Erosion could be curbed by a sheet pile drop structure, and a grant application could be submitted in 2021 (09/17/20).
- **WCD #39:** Clean-out and spoils levelled.



Beyond routine cattail spraying, brush, weed control, and beaver removal, requests for maintenance were received for:

RFM #	Ditch	Issue
009-19	JD #12 L1	Sediment; clean-out
001-20	TCD #2	Sediment; clean-out
002-20	TCD #1	Sediment; clean-out
003-20	TCD #9	Sediment; clean-out
004-20	TCD #31	Sediment; clean-out
005-20	WCD #20	Sediment; clean-out
006-20	WCD #39	Sediment; clean-out
007-20	TCD #16	Sediment; clean-out of the off-take channel
008-20	JD #11	Sediment; clean-out
010-20	TCD #23	Sediment; clean-out
009-20	JD #11	Sediment; clean-out
007-20	TCD #17	Sediment; clean-out
Internal	JD #12	Sediment; clean-out
Internal	JD #11	Sediment; clean-out
Internal	JD #12 Lat 4	Relocate field approach
Internal	JD #14	Repair blowout area

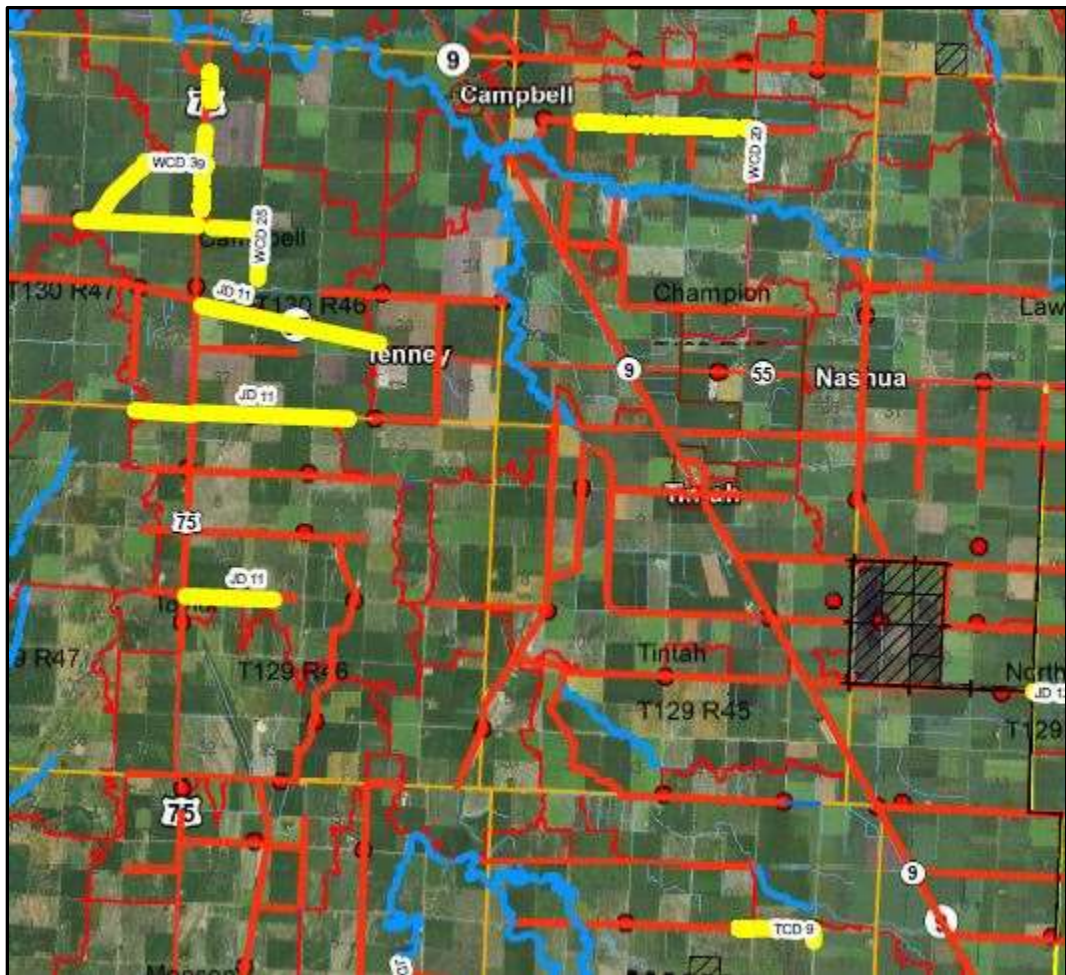
Ditch Petitions

- The US Fish and Wildlife Service requested that their assessment in WCD #9 be permanently removed, based on an exemption under the Refuge Revenue Sharing Act; the exemption was approved (01/16/20).
- Landowner Gregory Maack requested that a parcel be removed from WCD #9 (07/16/20). After the required hearing, the District approved removal (08/20/20) & (09/17/20).
- Petition approved for Cory Morrow to use TCD #23 as an outlet for tile installation that includes the S1/2 of the S1/2 of the SE1/4 and the S1/2 of the S1/2 of the SW1/4 of Section 36, Redpath Township (128N), Traverse County (01/16/20) & (02/20/20).
- Petition approved for Kevin Deal to use TCD #7 as an outlet for tile installation that includes the S1/2 of the SW1/4 of Section 32, Range 45, Clifton Township (127N), Traverse County (02/20/20) & (03/26/20).
- Petition approved for Richard Mathias to use TCD #8 as an outlet for tile installation that includes Section 7, Range 44, Eldorado Township (126N), Stevens County (03/26/20) & (04/16/20).
- Petition approved for Eugene Borsheim to use TCD #23 as an outlet for tile installation that includes the S1/2SW1/4 of Section 34, Range 45, Redpath Township (128N), Traverse County (04/16/20) & (05/21/20).
- Petition approved for James Putnam to use TCD #27 as an outlet for tile installation that includes the NE of the SW1/4 of Section 17, Range 46, East Monson Township (128), Traverse County (07/16/20) & (08/20/20).

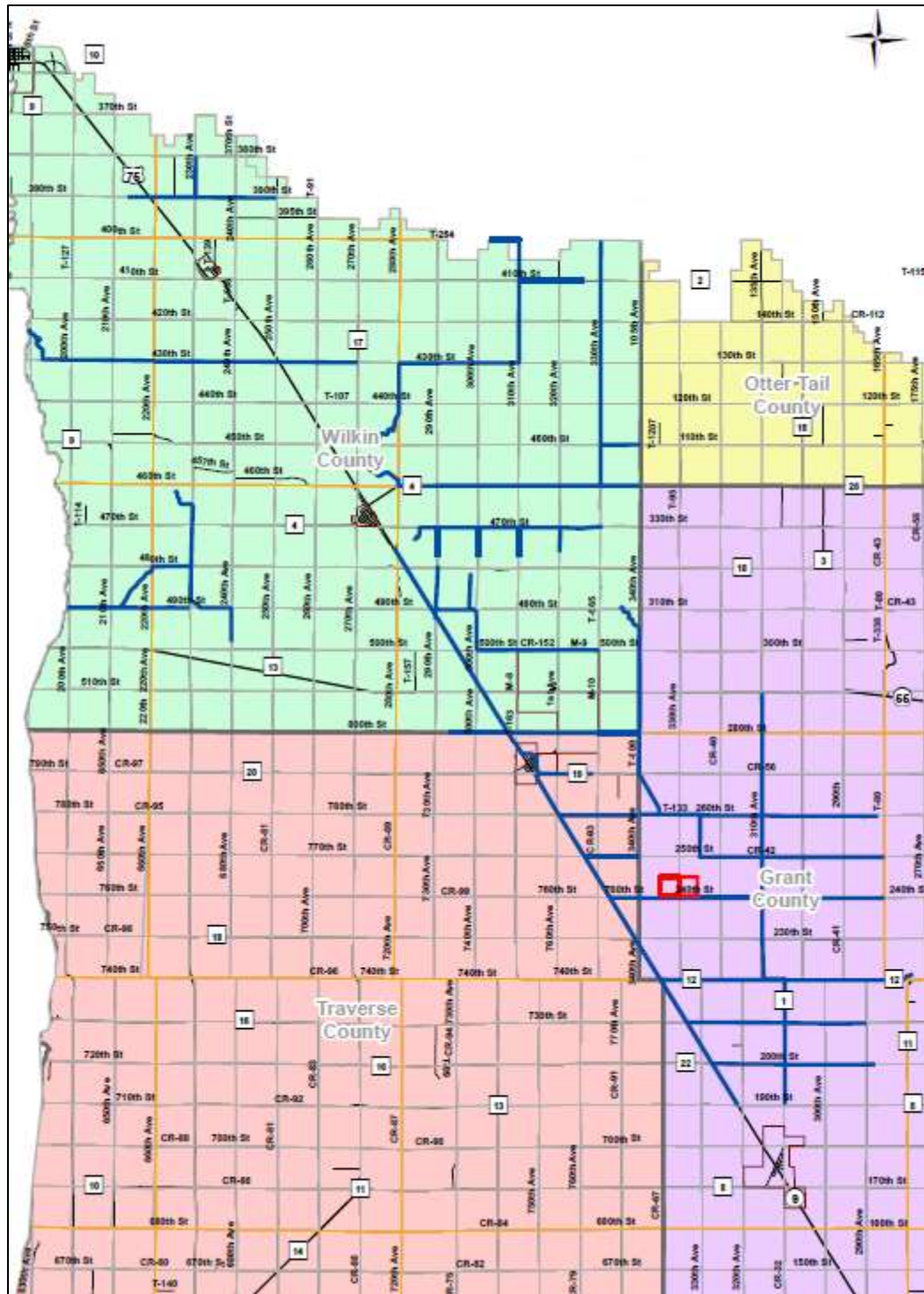
Legal Drainage Repair Maps



Legal Drainage Repair Maps



Legal Drainage Ditch Inspection Map



SECTION FIVE - PLANS FOR THE SUCCEEDING YEAR

- The BdSWD anticipates continued development of the following for 2021:

	<u>103E Ditches</u>	<u>103D Watershed Projects</u>
2020 Construction Carryover	WCD #9 Improvement JD #11 Repairs	Lake Samantha Outlet LTWQIP Phase No. 1
2021 Active Development	JD #6 TCD #35	LTWQIP Phase No. 2 LTWQIP Phase No. 3 Big Lake Outlet Redpath Impoundment Doran Creek Enhancement
2021 Prelim. Development	WCD #35	Moonshine Lakebed
2021 Minor Repairs	WCD #20 WCD #25 JD #12 Field Approaches	
Identified for Future	JD #12 TCD #8 TCD #52	Fivemile Creek Rehabilitation Western 32 Impoundment

- The Bois de Sioux Watershed District will conduct the necessary procedures to maintain the 400+ lineal miles of legal ditch systems under their jurisdiction. This includes inspections, vegetation control, repairs, accounting, reports, etc.
- The Bois de Sioux Watershed District will continue to work towards acquisition of funding partners for the purpose of finalizing the needs for the Redpath Project & Mustinka River Fish & Wildlife Habitat Corridor.
- The Bois de Sioux Watershed District will continue to develop the Redpath Impoundment as it moves into the final stages of design and permitting. The District continues its work on dam safety and public waters permit approvals. Current design plans are at 95% completion and will be finalized once the dam safety and public waters permits are obtained.
- The Bois de Sioux Watershed District Board and staff will continue to serve on the many boards, committees, and commissions that they are currently a part of. They will also consider serving any new capacities they are asked to participate in to further the goals of the district and Red River Basin.
- The Bois de Sioux Watershed District will continue to meet with the Rabbit River, Bois de Sioux Direct, Five Mile Creek, Moonshine, and TCD #52 Project Teams as necessary to continue development of the necessary Summary Reports and Recommendations as directed by the Board of Managers.
- The BdSWD will continue the support for the River Watch Program and encourage new schools to participate.
- The BdSWD will continue to promote education through the distribution of social media updates and periodic public informational meetings.
- The BdSWD will continue to facilitate additional project teams, as needed, to work towards resolving water problems in the watershed.
- The BdSWD will begin work of implementation of the District's 1W1Plan Comprehensive Watershed Management Plan in the 2021 calendar year.
- The BdSWD will continue to use a diverse set of programs and policies to reduce soil erosion through establishment of riparian buffers and/or alternative equivalent conservation practices.

2021 103E DRAINAGE SYSTEM PROJECTS					
Identified Need for Future Improvements & Major Repairs (Retrofits)	Preliminary/Feasibility & Landowner Meetings	Active Development	In Construction	Active Minor Repairs	Completed 2017 - 2020
Judicial Ditch #12	Wilkin County Ditch #35	Judicial Ditch #6 Repair 384 LBS/YR TP 417 TONS/YR SEDIMENT Rabbit River	Wilkin County Ditch #9 Improvement Riley's Construction 595 TONS/YR SEDIMENT Rabbit River	Wilkin County Ditch #20 Outlet Repairs Rabbit River	Traverse County Ditch #37 Improvement Completed 2017 Whaley Excavating 340 TONS/YR SEDIMENT Twelve Mile Creek
Traverse County Ditch #8	Wilkin County #Sub-1	Traverse County Ditch #35	Judicial Ditch #11 Repair Hormann Works 117 LBS/YR TP 3765 LBS/YR NITROGEN 420 TONS/YR SEDIMENT Bois de Sioux River	Wilkin County Ditch #25 Outlet Repairs Rabbit River	Wilkin County Ditch #8 Repair Completed 2019 569 TONS/YR SEDIMENT Rabbit River
Traverse County Ditch #52				Judicial Ditch #12 Field Approach Project Rabbit River	Traverse County Ditch #23 Field Approach Project Wagner's Excavating Completed 2018 Twelve Mile Creek
					Wilkin County Ditch #18 Grade Stabilization Cost Share Program Completed 2020 Wilkin SWCD Rabbit River

2021 103D WATERSHED PROJECTS					
Identified Need for Future Project	Preliminary/Feasibility & Landowner Meetings	Active Development	In Construction	Active Minor Projects	Completed 2017 - 2020
Fivemile Creek Rehabilitation	Moonshine Lakebed Project	Lake Traverse Water Quality Improvement Project Phase 2 450 TONS/YR Lake Traverse	Grant County Lake Samantha Flood Control Outlet (continued from 2020) Olson Construction Elbow Lake	1W1Plan Comprehensive Watershed Management Plan	TCD #31 Lined Waterways Completed 2020 Traverse County & Traverse SWCD Twelvemile Creek
Western 32 Impoundment		Lake Traverse Water Quality Improvement Project Phase 3	Lake Traverse Water Quality Improvement Project Phase 1 (continued from 2020) 7129 LBS/YR TP 750 TONS/YR SEDIMENT Lake Traverse	Lined Waterways Project Traverse County & Traverse SWCD	Grade Stabilization Cost Share Program Completed 2020 Wilkin SWCD
		Big Lake Flood Control Outlet	SWCD Cover Crop Program 2020 – 2022	North Ottawa Impoundment Collection channel repairs Stop logs for bays	Buffer Seeding Cost Share Program Completed 2020 Wilkin & Traverse SWCDs
		Redpath Flood Impoundment & Mustinka River Fish & Wildlife Habitat Corridor			
		Grant County Mustinka River Corridor Project			
		Doran Creek Enhancement			

Bois de Sioux Watershed District

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Audit Results

Year Ended December 31, 2020



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Governance Communications

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Governance Communications

Our responsibility under Generally Accepted Auditing Standards

- **Express an opinion** on the financial statements in accordance with basis of reporting as permitted by the MN Office of the State Auditor
- Plan and perform the audit to **obtain reasonable, not absolute, assurance**
- **Evaluate internal controls** over financial reporting – no opinion on internal controls
- Utilize a **risk based** audit approach

Planned scope and timing of the audit

- Performed the audit according to the **planned scope** previously communicated during planning discussions



Governance Communications

Other information in documents containing audited financial statements

- Financial statements may only be **used in their entirety**
- **Our approval** is required in order to use our audit reports in any client prepared documents

Significant accounting policies

- **Management is responsible** for the accounting policies
- Outlined in **Note 1** to the financial statements
- No changes in accounting standards for 2020

Management representation letter

- Management provided a management representation letter in conjunction with the **approval of the audited financial statements**



Governance Communications

We experienced

- **No Delays** in issuing the audit
- **No issues** discussed prior to retention as independent auditors
- **No disagreements** with management regarding accounting, reporting, or auditing matters
- **No consultations** with other independent accountants

Adjusting, proposed, and passed adjusting journal entries

- **Adjusting journal entries** – recognize interest earned on CD's as revenue
- **"Passed" adjusting journal entries** – none





Financial Statement Highlights

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Financial Statement Highlights

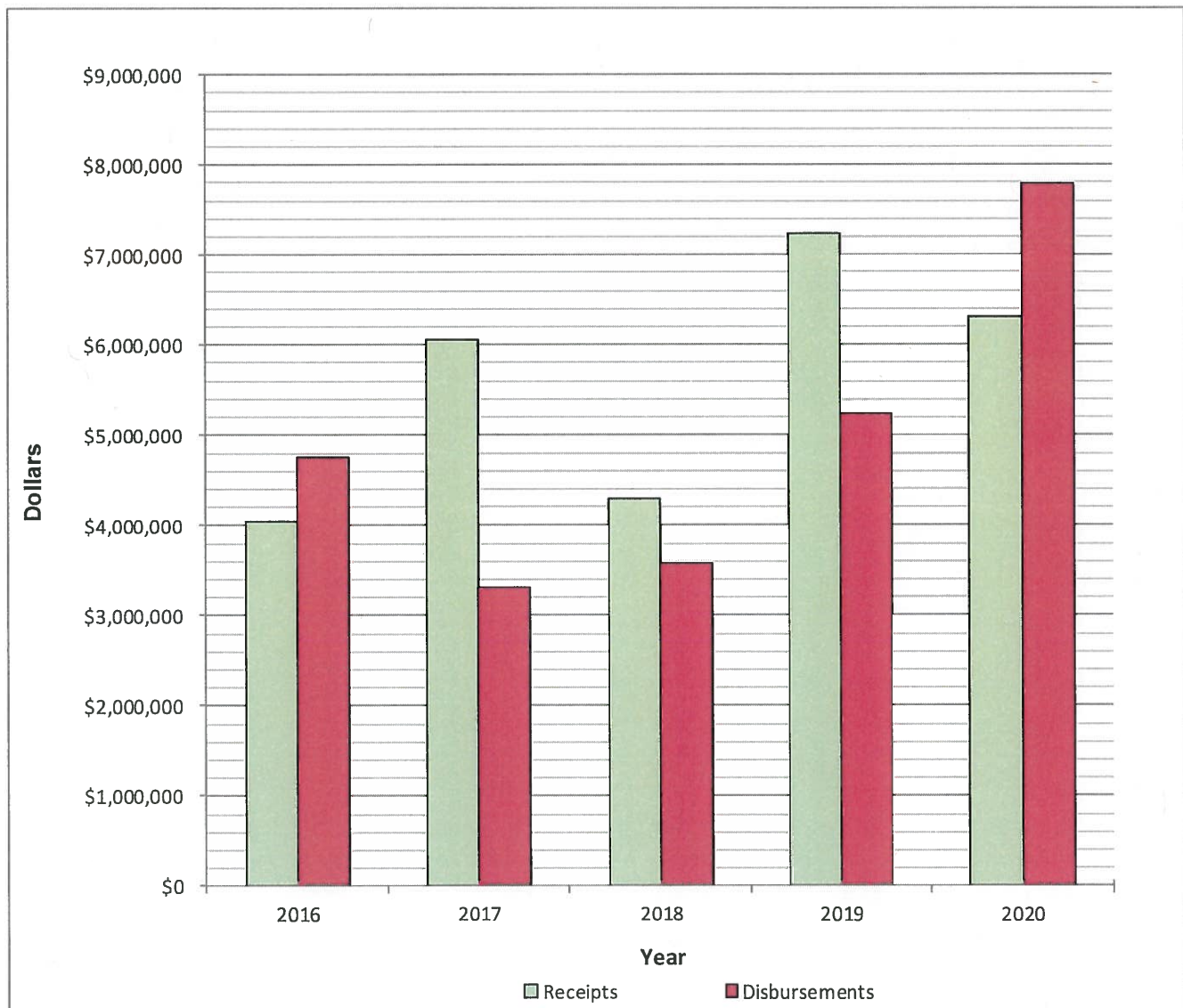
Introduction	<ul style="list-style-type: none">• Organization• Independent Auditors' Report
Basic Financial Statements	<ul style="list-style-type: none">• Statement of Balances Arising from Cash Transactions• Statement of Cash Receipts, Disbursements, and Changes in Cash Fund Balance• Notes to the Financial Statements
Supplementary and Other Information	<ul style="list-style-type: none">• General Fund Budgetary Comparison Schedules• Combining Statement of Cash Receipts, Disbursements, and Changes in Cash Fund Balance – Ditch Fund• Schedule of Accounts Receivable• Schedule of Accounts Payable
Compliance and Management Section	<ul style="list-style-type: none">• Report on Internal Controls• Independent Auditors' Report on Minnesota Legal Compliance• Schedule of Findings and Responses



Financial Statement Highlights

Total Receipts and Disbursements

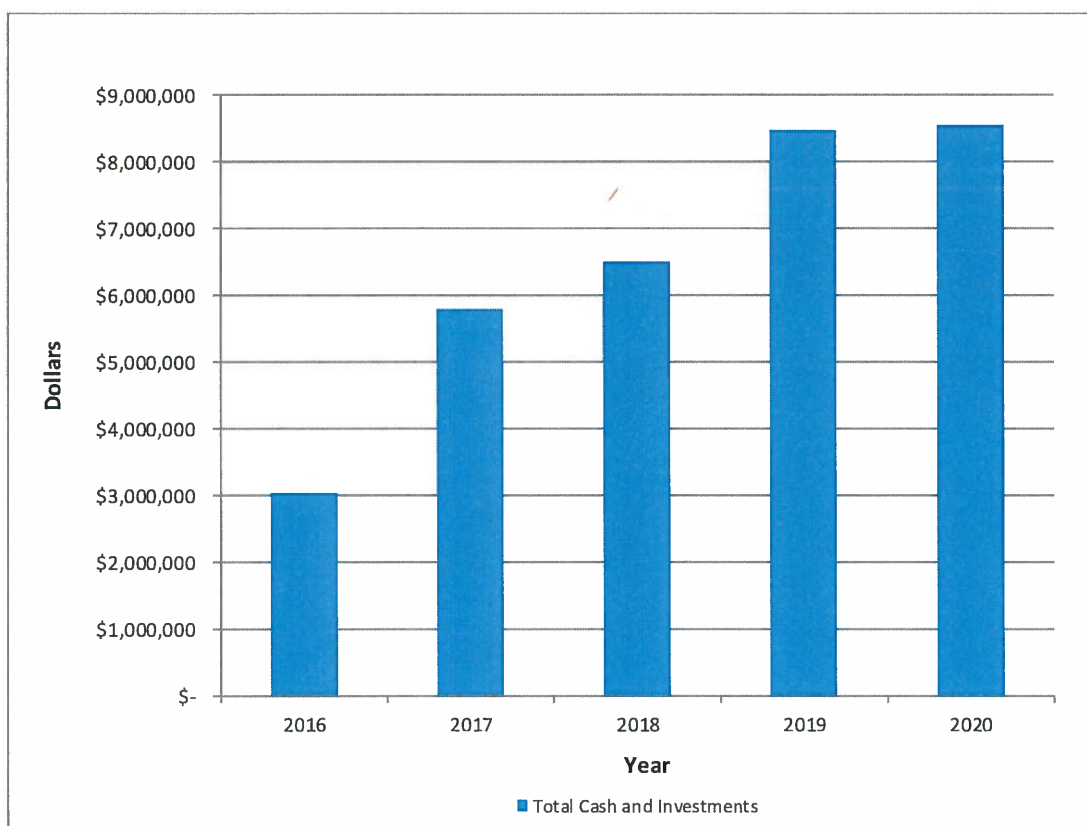
	2016	2017	2018	2019	2020
Receipts	\$ 4,044,490	\$ 6,066,119	\$ 4,283,604	\$ 7,237,444	\$ 6,306,683
Disbursements	4,746,825	3,303,026	3,584,948	5,243,446	7,783,695



Financial Statement Highlights

Total Cash Levels at Year-End

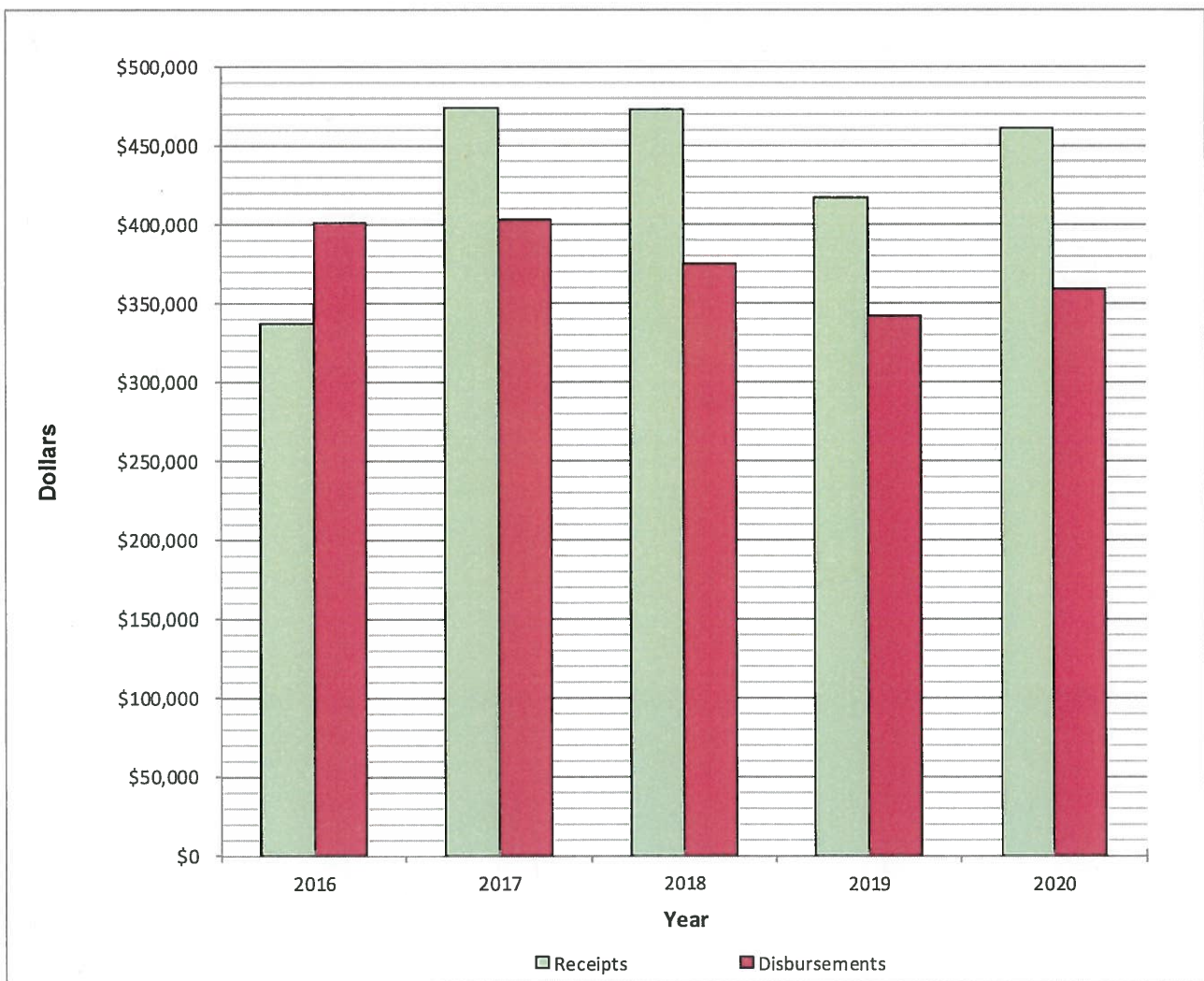
	2016	2017	2018	2019	2020
Total Cash and Investments	\$ 3,034,868	\$ 5,797,961	\$ 6,511,089	\$ 8,490,615	\$ 8,543,603



Financial Statement Highlights

General Fund Receipts and Disbursements

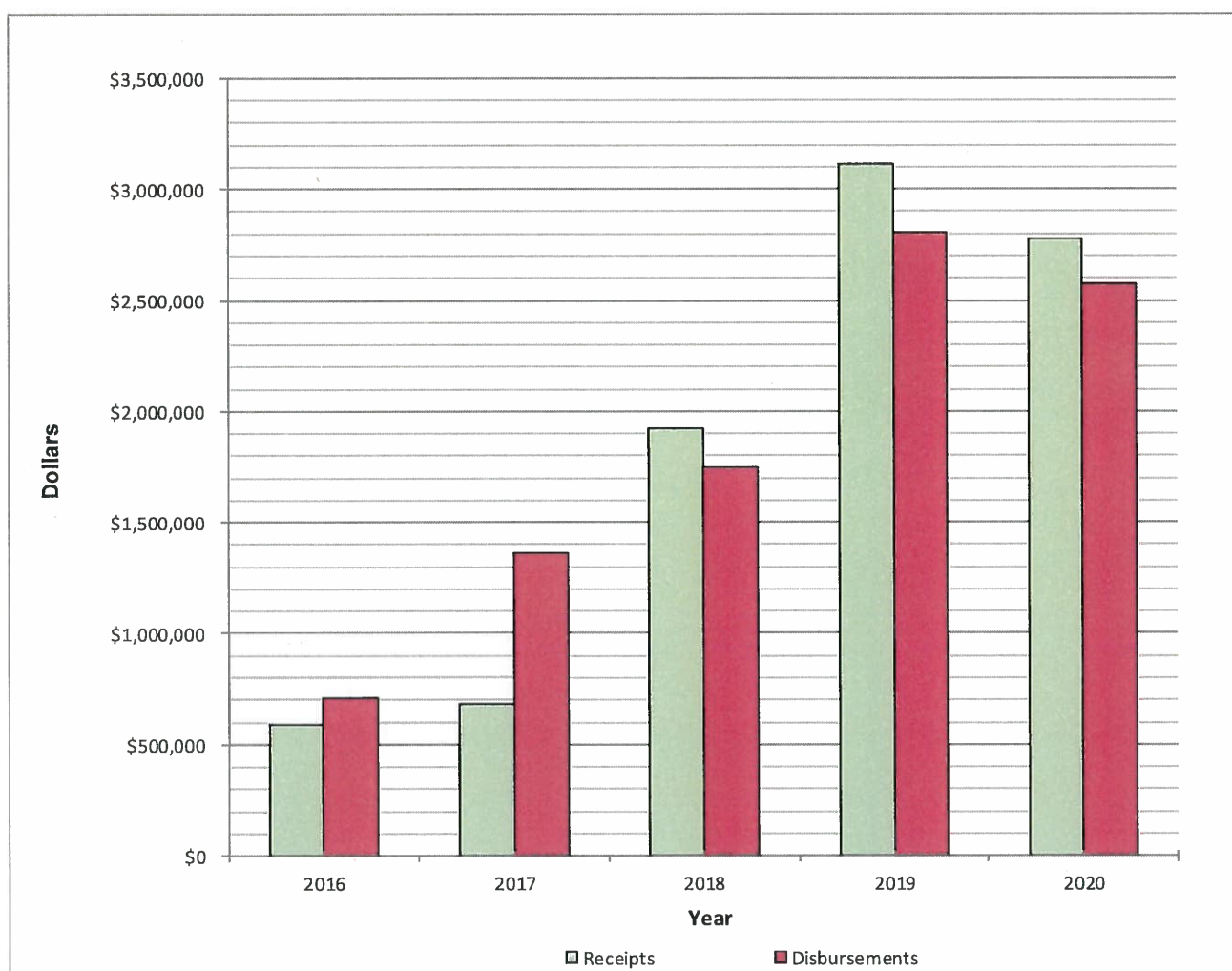
	2016	2017	2018	2019	2020
Receipts	\$ 336,288	\$ 473,887	\$ 472,479	\$ 416,290	\$ 460,582
Disbursements	400,908	403,006	374,760	341,360	358,566



Financial Statement Highlights

Ditch Fund Receipts and Disbursements

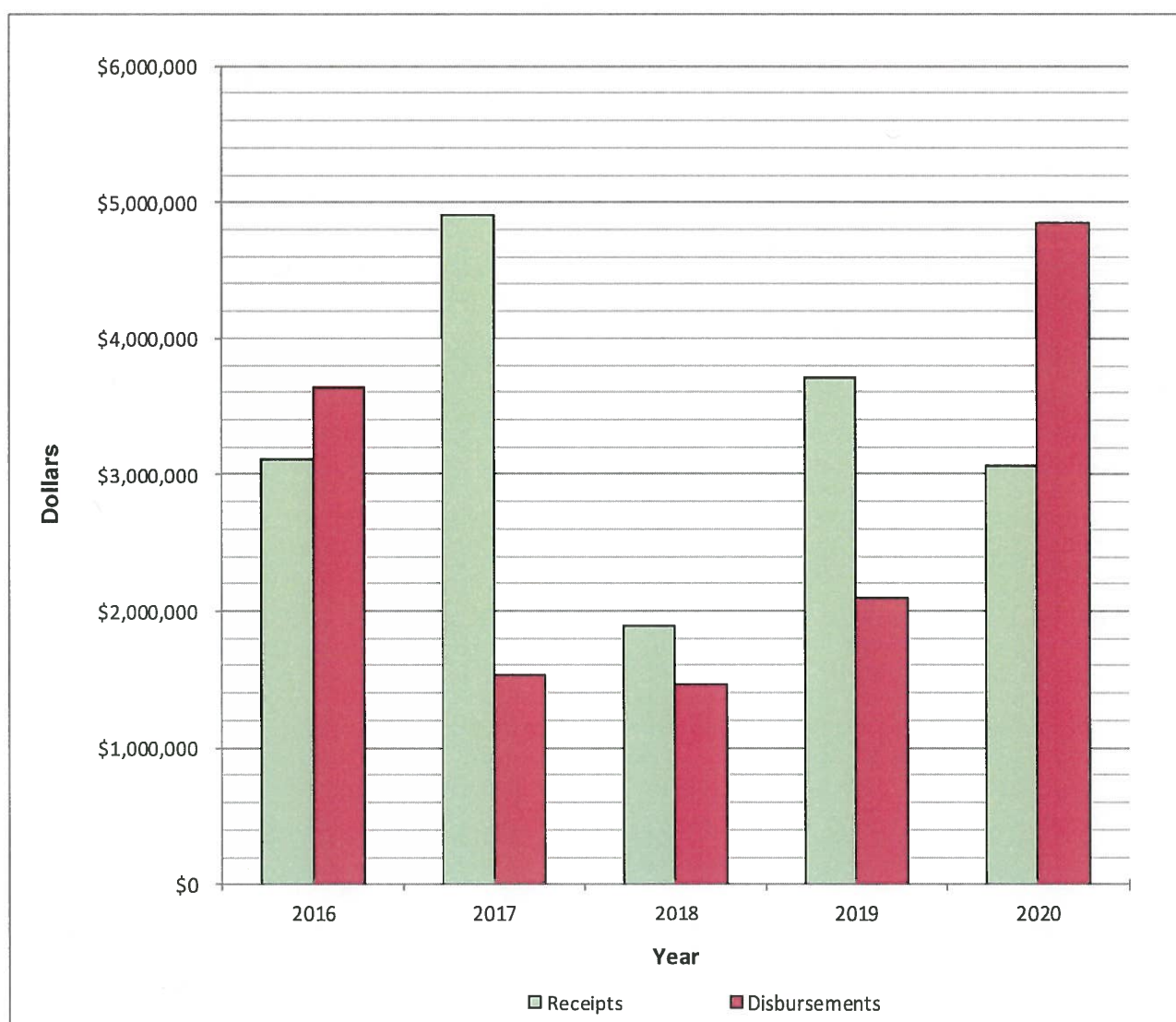
	2016	2017	2018	2019	2020
Receipts	\$ 590,191	\$ 683,794	\$ 1,923,807	\$ 3,111,816	\$ 2,779,535
Disbursements	710,152	1,362,780	1,749,355	2,802,549	2,572,354



Financial Statement Highlights

Construction Fund Receipts and Disbursements

	2016	2017	2018	2019	2020
Receipts	\$ 3,118,011	\$ 4,908,438	\$ 1,887,318	\$ 3,709,338	\$ 3,066,566
Disbursements	3,635,765	1,537,240	1,460,833	2,099,267	4,852,775





Financial Statement Internal Control and Compliance

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Financial Statement Internal Control and Compliance

Material Weaknesses

- 2020-001: Financial Reporting Process
- 2020-002: Limited Segregation of Duties
- 2020-003: Material Audit Adjustment

Significant Deficiency

- None reported





Minnesota Legal Compliance

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Minnesota Legal Compliance

Compliance Findings

- None in current year





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Thank you!

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