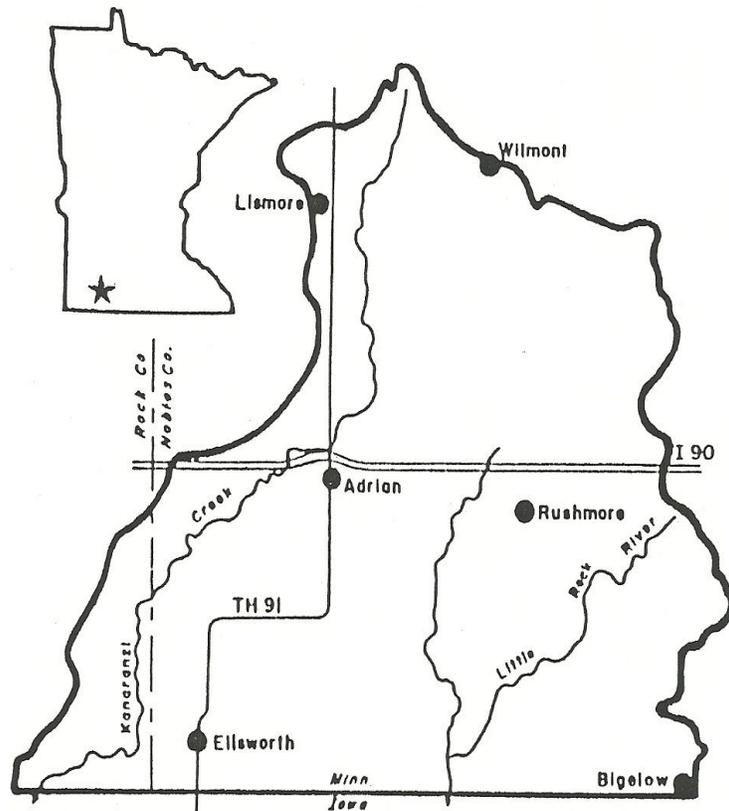


Kanaranzi-Little Rock Watershed District

2013 Annual Report



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Adrian, MN 56110
Phone – (507) 483-2849 Fax – (507) 483-2005

Kanaranzi-Little Rock Watershed District Managers:

Tim Taylor, Chair

17508 190th St., Adrian, MN 56110
County: Nobles
Expires: 10-07-13
Telephone: 507-473-4540 (Cell)

Coleen Gruis, 1st Vice-Chair

316 N. Bishop Ave., Rushmore, MN 56168
County: Nobles
Expires: 10-07-14
Telephone: 507-478-4972

Layton Gruis, 2nd Vice-Chair

18262 320th Street, Adrian, MN 56110
County: Nobles
Expires: 10-07-16
Telephone: 507-394-2321

Connie Frahm, Treasurer

438 200th Ave., Ellsworth, MN 56129
County: Rock
Expires: 10-07-15
Telephone: 507-967-2517

Jerry Brake, Secretary

13213 Edwards Ave., Wilmont, MN 56185
County: Nobles
Expires: 10-7-14
Telephone: 507-472-8777

Attending Nobles County Commissioner:

Gene Metz, Second District
17 190 180th Street, Lismore, MN 56155
Telephone: 507-472-8757

Attending Nobles SWCD Manager

Ken Wolf, 14501 275th Street, Adrian, MN 56110
Telephone: 507-483-2179

Kanaranzi-Little Rock Watershed

Contracted Staff:

City of Adrian

(Administration Services)

Bruce A. Heitkamp, Executive Secretary
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Phone – (507) 483-2849 Fax – (507) 483-2005

Nobles Soil & Water Conservation District

(Contracted Technical Services to KLR)

1567 McMillan St. Suite #3
Worthington, MN 56187
Phone: 507-376-9150 extension #3
Fax: 507-372-7751

Ed Lenz, District Manager
edward.lenz@noblesswcd.org

Jane Steffl, Financial / Contracting Officer (Joint Powers Coordinator)
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Chessa Frahm, Missouri River Project Coordinator
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Rock County Soil & Water Conservation District

311 W. Gabrielson Road, Luverne, MN 56156
Phone 507-283-8862 x 3
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Eric Hartman, Director

National Resource Conservation Service

1567 McMillan St. Suite #3
Worthington, MN 56187
Phone: 507-376-9150 extension #3
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Stephanie McLain, District Conservationist
Brad Harberts, Civil Engineering Technician
Dawn Madison, Soil Conservation Technician

National Resource Conservation Service

311 W. Gabrielson Rd, Suite 3
Luverne, MN 56156
Phone: (507) 283-9146 Fax: (507) 283-2439

Kurt Halfmann, District Conservationist

Kanaranzi-Little Rock Watershed District

Kanaranzi-Little Rock Watershed 2013 Budget Work Sheet

	2013
Income	
Levy	\$102,600.00
Grant	
Total Income	\$102,600.00
Expenditures	
Board Compensation	\$5,000.00
Secretarial Compensation	500.00
Secretarial Service Contract	10,000.00
Payroll Taxes	1,000.00
Mileage and Travel	2,500.00
SWCD Contract Services	30,000.00
Insurance and Bonds	2,600.00
Audit	2,500.00
Legal Fees	500.00
Engineering	1,000.00
Professional Costs/MAWD	3,500.00
Publications and Hearings	2,000.00
Supplies and Postage	500.00
Other Services/Charges	1,000.00
Project Expenditures	40,000.00
Total Expenditures	\$102,600.00

2013 Year-in-Review

Synopsis of 2013:

The Kanaranzi-Little Rock Watershed District (KLR) acknowledged change in 2013. Long-time Manager Wally Schultz retired in 2012 and Manager Layton Gruis came on as a new Manager in 2013. KLR participated in the assessment of the Missouri River Basin. Chessa Frahm, Missouri River Project Coordinator, was acquired through KLR funding and a Minnesota Pollution Control Agency (MPCA) grant to take part in the Missouri River Basin Data Collection and Outreach Effort. KLR required the use of an attorney in 2013. Michael Tow from the Wollschlager, Tow & Ringquist Law firm was acquired as the District's Attorney. The KLR Rules were reviewed with the assistance of Tow. Also, a petition for an improvement of Judicial Ditch #11 was received. The following will share the details of the KLR Manager's year in 2013.

Editing of the KLR Rules:

The Managers used 2013 to continue the editing of their rules. The Managers reviewed the rules on several occasions and also requested the assistance of Tow and SWCD District Manager, Ed Lenz, to offer their input. The editing of the rules and the processes of notification and implementation will continue in 2014.

Missouri River Basin Work Plan:

KLR participated in the Missouri River Basin Work Plan in 2013. Missouri River Project Coordinator Chessa Frahm worked with personnel from other Missouri River Basin watersheds to collect, assess, and implement efforts over a ten-year period. The project is primarily funded through the MPCA. Frahm will be continuing efforts in 2014. Initially, the project has acknowledged the following goals:

1. Collect physical and chemical data to aid in assessing waters and for hydrologic modeling efforts.
2. Provide assistance to the MPCA, through local participation, in the completion of the MWRPP process for the Missouri River Basin.
3. Provide opportunities to share information about the watershed assessment process and its findings with the public and to encourage active public participation and civic leadership through the development of a local work group.
4. To conduct a watershed community civic assessment and make preliminary recommendations for civic engagement actions to help achieve watershed restoration and protection goals.
5. Provide for overall project management and efforts needed to continue the local efforts upon completion of this work plan.

KLR will be offering support to Missouri River Basin Work plan in the future.

Minnesota Pollution Control Agency; Watershed Restoration and Protection (One-Watershed Approach):

Chessa Frahm and Heitkamp participated in preliminary meetings regarding Watershed Restoration and Protection; otherwise known as the WRAP plan. This plan is also known as the one-watershed approach. The development of the plan is funded by the Minnesota Pollution Control Agency. Frahm acted as a facilitator for the meetings in 2013. Frahm explained the WRAP formulation process that was used by groups in other areas of Minnesota. The WRAP Planning Group will continue to meet in 2014 to formulate the WRAP Plan.

Public Outreach:

The Managers engaged the public in several ways in 2013. In April, KLR celebrated Arbor Day with area students by participating in the Fourth Grade Forrester's Program. The Managers met with students, within the District's borders (Adrian and Ellsworth), to share the benefits of planting and maintaining trees. Each student received conservation information and a small Blue Spruce tree to care for and to share with their families. The Managers also met with several KLR land owners to view the areas that drain to Nobles County Judicial Ditch #11. The Managers met with petitioning and non-petitioning parties to offer input and to collect information regarding a potential drainage improvement project. In September, the Managers hosted a public hearing to share and collect information that would impact KLR's 2014 Budget. And finally in October, KLR funded the use of the Ecology Bus. The ecology bus transported Adrian and Ellsworth students to Adrian's Prairie Grass Learning Area. Once at the Learning Area, SWCD's Ed Lenz and others educated students on native grasses and the wildlife that call the local habitat their home.

Month to Month Activity:

The Managers started 2013 by holding a Regular Meeting on February 21, 2013. Layton Gruis and new County Commissioner, Gene Metz, were introduced. Metz stated that acting as a liaison to KLR was part of his County Commissioner duties. The Managers addressed their normal business (approval of minutes, financial reports, and approving invoices for payment). Executive Secretary Bruce A. Heitkamp reported that Rock County overpaid a tax distribution payment and the board acted to repay those funds (\$16.50). Nobles Soil and Water Conservation District (SWCD) Supervisor Ken Wolf reported the activities of the SWCD office. The Managers addressed several Permit Applications that were received prior to the meeting. The editing of KLR rules were briefly discussed as well as participation in the Fourth Grade Forrester's Program. Heitkamp presented a draft of the 2012 KLR Annual Report as well as soliciting input for the 2013 Annual Plan.

The March Regular Meeting was held on March 21, 2013. Several concerned landowners attended the meeting to discuss a potential project; which would improve the Nobles County Judicial Ditch #11. The landowners and Managers generally discussed the drainage project. However without a petition being turned in at that time, the Managers could not offer any assistance or input. At that point in time, the Managers, themselves, were not educated in regards to the administration of a drainage project improvement. The Managers then attended to their normal business. Lenz offered a report in regards to NRCS' review of area projects. Lenz shared potential cost-share opportunities for several projects in the KLR area. Chessa Frahm offered a report in regards to the Missouri River Basin Data Collection and Outreach Project. Chessa Frahm and Manager Connie Frahm stated they would take part in the Professional Judgment Group Meeting in Marshall, MN. The Managers reviewed rules and then appointed attorney Michael Tow to assist with KLR's legal issues. The Managers reviewed a draft of the 2013 Annual Plan. Heitkamp shared details the 2012 KLR Audit.



Managers Connie Frahm and Layton Gruis hand out certificates and trees to students as part of the Fourth Grade Forrester's Program

A petition for the improvement of Nobles County Ditch #11 was officially received by the Managers during their April 25, 2013 Regular Meeting. Heitkamp presented the Managers with a petition and \$20,000.00 cash bond. The Managers acknowledged receipt of the petition and then discussed the need to Educate them regarding the administration of a drainage project. Heitkamp was directed to consult Tow regarding drainage law and the received drainage petition. The Managers then attended to their normal business and received a report from Lenz regarding the detrimental effects of impaired waters. The budgeted project funds were designated at the recommendation of Lenz (J-hooks, waterways, and sediment basins). A permit for private tile was approved. Heitkamp and several Managers shared their experiences in participating with the Fourth Grade Forrester's Program. Pictures were taken and shared with the public through the Nobles County Review Newspaper.

Petitioner Attorney Kurt Deter (Rinke Noonan Law Firm) introduced himself to start the May 16, 2013 Regular Meeting. Deter attended the meeting to answer any questions the Managers may have in regards to the amended petition for the improvement of Nobles County Ditch #11. Heitkamp had consulted with Tow prior to the meeting and Tow's recommendations were shared. The Managers acted to accept the amended petition and appoint an engineer, Duane Hansel from Bolton & Menk Engineering. Drainage project expenses were approved and paid from the established Drainage Project Fund. The Manager's normal business was attended to. The Managers discussed the need to permit confinement barn tiling and them also continued the review of the KLR Rules. To end the meeting, Heitkamp presented the final draft of the 2012 Annual Report and the 2013 Annual Plan.

Gerber & Haugen Accounting Firm's Steven Haugen presented the Managers with the 2012 Financial Audit during their June 20, 2013 Regular Meeting. Haugen stated the District as being very strong financially. The Managers held a discussion with Haugen regarding the pool of funds held for project expenses. Federal and State funds have been decreased in 2012-2013. The District could now aid in place of those Federal and State funds to ensure that conservation projects continue in the District. The Managers then acted upon an Indemnification Agreement with Bolton and Menk Engineering Services as a part of the Nobles County Judicial Ditch #11 Project. As a part of the Indemnification Agreement, the Managers accepted a \$10,000.00 Surety Bond to ensure the work is completed. The Nobles County Ditch #11 project expenses were approved and the Manager's normal business was attended to. The Managers then discussed holding a separate meeting for the next round of rules review and how to coordinate that effort with the Nobles County Ditch #11 timelines. The 2012 Annual Report and the 2013 Annual Plan was approved. A budget comparison sheet was shared; including the April 25, 2013 estimates of unpaid, but promised, project expenditures.

A Special Meeting was called on July 11, 2013 so some of the Managers could view the Nobles County Ditch #11 Drainage Ditch and affected areas. Manager's Coleen Gruis, Layton Gruis, and Connie Frahm first drove to the Tom and Cindy Sieve farm where concerned landowners shared information and asked questions regarding from a non-petitioning standpoint. The Managers then drove to the John Penning farm to view other areas of the project and an opinion from the petitioner's position.

The Managers discussed the July 11, 2013 Nobles County Ditch #11 Tour to start their July 18, 2013 Regular Meeting. Manager's Connie Frahm, Coleen Gruis, and Layton Gruis were able to share the details and their thoughts regarding the tours. No action was taken in regards to the tours and all of the Managers now believed they had a better understanding of the area. Manager's Jerry Brake and Tim Taylor stated that they'd arrange their own tours in the future. A petitioner's deposit of funds into the Ditch Project Fund was acknowledged and Drainage Project Expenses were approved. The Managers then attended to their normal business. Natural Resource Conservation Service's Stephanie McLain then presented a soil structure presentation to the Managers. The presentation illustrated how soil broke down as a result of

different tillage practices. The Managers then discussed the use of cover crops and how incentives could be offered to promote soil conservation. Normal acts of business were performed and the Managers then discussed holding a separate meeting to review their rules. Heitkamp then presented 2014 Budget Worksheets to the Managers to end the meeting.

The Managers held a Special Meeting on July 31, 2013 to perform a full review of their rules. Discussion commenced regarding statutory procedures with the rules process. The Managers and Lenz shared further editing recommendations as Heitkamp read the rules aloud. The Managers added definitions and eliminated certain sections that were also addressed by State and Federal Agencies. Lenz took notes for further investigation of certain areas of the rules. Heitkamp was then directed to send the rules to Tow for his review.

Bolton and Menk Engineer Duane Hansel made a visit to begin the August 15, 2013 Regular Meeting. Hansel distributed the Preliminary Engineers Report for the Nobles County Ditch #11 Project. Hansel stated that he'd refrain from answering specific questions in regards to the Ditch #11 Report but did answer general questions in regards to drainage projects. Hansel explained timelines and economic impacts that can alter the benefits of projects. The Managers then proclaimed a September 30, 2013 Public Hearing to officially receive the Preliminary Engineers Report and to act upon the Nobles County Ditch #11 Findings of Fact. An additional Ditch #11 petitioner deposit was acknowledged and Ditch #11 project expenses were approved. Edward Jones Investment Representative John Standafer requested time to discuss investment options for the District funds being invested at his firm. Standafer recommended different long-term investments while the Managers held a brief discussion regarding liquidity. The Managers wished to maintain liquidity for projects. The Managers thanked Standafer for his time and took his recommendations under advisement. The normal business was then acted upon. Lenz then offered a report and solicited interest in funding cover crop projects. Permit Applications were approved and the 2014 Budget was discussed prior to the District's Budget Information Hearing. Heitkamp was directed to post notices in the Nobles County Review and Luveme's Star Herald for a September 13, 2013 Public Budget Hearing. To close the meeting, Chairperson Taylor acknowledged that he'd accept another term on the KLR Board.

Manager Connie Frahm and Heitkamp attended the August 20, 2013 Rock County Commissioner Meeting. Heitkamp presented in regards to how KLR has served the Rock County. Frahm and Heitkamp acknowledged the PL566 program and the American Recovery and Reinvestment Act (ARRA) Funds that were recently used to fund projects. The Rock County Commissioners reviewed the KLR fund balances as well as their annual levy to KLR. The Rock County Attorney, Don Klosterbuer, indicated that Rock County would remain a part of KLR in the future. Rock County Soil and Water Conservation District Eric Hartman indicated that he and KLR needed to communicate on a more frequent basis. Heitkamp agreed to send meeting agendas and financial information to Hartman so he could plan future programs and cost share requests

The Managers held a Public Hearing on September 12, 2013 to take input and to act upon the 2014 KLR Budget. No guests were in attendance and no written input was received. Chairperson Taylor reported the 2014 KLR Budget totaled \$112,850.00. The Nobles County portion of the corresponding levy came to \$106,203.00 and Rock County portion was \$6,647.00. After some brief discussion, the Managers approved Resolution #4-20 13 to accept the 2014 KLR Budget. Heitkamp was directed to send the levy sheets to the Auditor-Treasurer's of Nobles and Rock Counties. The Managers then adjourned the hearing.

The September 12, 2013 Regular Meeting followed the Budget Public Hearing. The Managers reviewed documentation regarding the Nobles County Judicial Ditch #11 Preliminary Public Hearing. Heitkamp and the Managers discussed the logistics of the meeting. County Commissioner Gene Metz illustrated Nobles County's fund balances for the numerous ditches within Nobles County. The Managers approved the Ditch #11 expenses for the month. The normal business was acted upon. Heitkamp and Frahm then explained the August 20, 2013 Rock County Commissioners Meeting visit to the other Managers. To close the meeting, Heitkamp explained that he would be participating in a September 18, 2013 meeting to amend the Nobles County Water Management Plan.

The Nobles County Judicial Ditch #11 Preliminary Hearing took place on September 30, 2013 at the Adrian Elementary School Commons Area. The participants of the hearing introduced themselves. Heitkamp read an advisory letter that was authored by Department of Natural Resources' Area Hydrologist Tom Kresko. Bolton & Menk Engineer Duane Hansel presented the Preliminary Engineers Report to the attending parties. Managers received public input from the attendees. Hansel was asked several questions regarding the project. Some photos were shared that illustrated flooding in the alleged outlet area and concerns were expressed for additional flooding. The public input portion of the meeting was then closed. The Managers discussed the project considerations, as described by Statutes. The Managers then started to act upon the facts of findings. After some discussion, the Managers then repealed all action taken at the meeting and then acted to continue the hearing when Tow could attend.

The Managers reconvened on October 17, 2013 to hold a Regular Meeting. KLR Attorney Michael Tow was in attendance. The Managers and Tow held discussions regarding the generalities of administering to judicial ditch proceedings. Tow didn't speak to the specifics of the Nobles County Judicial Ditch #11 proceedings but did advise the Managers to base their action upon the testimony they heard and the recommendations of Hansel's Preliminary Engineering Report. The Managers then acted upon the Ditch #11 expenses. The Managers directed Heitkamp to maintain a balance, after expenses, of \$5,000.00 in the Ditch Project Fund. The Managers then acted to hold the Continued Hearing of Nobles County Judicial Ditch #11 on Wednesday, December 11, 2013 at the Adrian Elementary School. The minutes of the Preliminary Hearing were approved and then the Managers acted upon their normal business. Lenz offered a report on the educational experiences offered during the recent Ecology Fair. The Ecology Bus transported children from Worthington and Adrian to Adrian's Prairie Grass Learning Center. KLR contributed funds toward the Ecology Bus transportation effort. In regards to NRCS, Lenz stated that a recent Federal Government shut-down did impact the local Natural Resource Conservation Service Office. To finish Lenz's report, he shared that he has written Clean Water grants for project funding and that he was also participating in the updating of the Nobles County Water Plan. The Managers then acted upon Permit Applications. Heitkamp distributed information regarding the Minnesota Association of Watershed District's Annual Meeting; held on December 5-7, 2013 at Alexandria, MN's Arrowwood Resort. To close the meeting, Heitkamp explained that he was starting to compile information for the 2014 Annual Plan. Heitkamp solicited input regarding that Annual Plan.

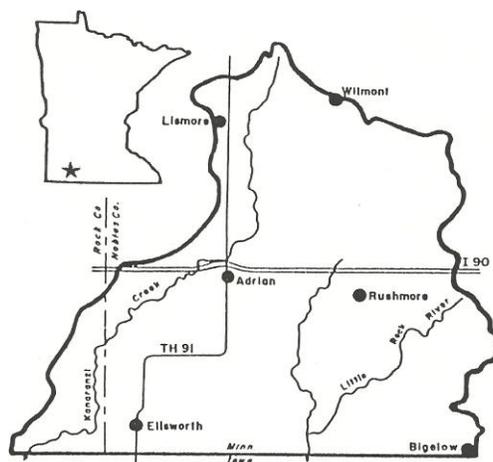


Ecology Bus

The Managers started the November 21, 2013 Regular Meeting by discussing the logistics of the Nobles County Judicial Ditch #11 Continued Hearing. Heitkamp shared a proposed resolution that illustrated the action that was required during the hearing. The Managers then reviewed a revenue and expense report regarding Ditch #11. The Ditch #11 expenses were approved and normal business was acted upon. Heitkamp and Nobles SWCD Manager Ken Wolf reported on the activities of the Nobles SWCD Office. The Managers acted upon Permit Applications and reviewed another draft of the KLR Rules. The Managers then discussed the Minnesota Association of Watershed Districts' Annual Meeting in more detail. Heitkamp booked rooms for the Managers and discussion took place on the Annual Meeting Agenda. The Managers discussed the 2014 Annual Plan and future project cost-share opportunities. To conclude the meeting, Heitkamp stated that he took part in a Minnesota Pollution Control Agency's Watershed Restoration and Protection Plan (WRAP) Meeting; in which Chessa Frahm chaired. The Continued Hearing for the Nobles County Ditch #11 Project was held on Wednesday, December 11, 2013. The Managers reviewed and summarized the September 30, 2013 Preliminary Hearing. The Managers read and acted upon the four (4) findings. The Managers acted to continue the project and then directed KLR Attorney Michael Tow to author Findings and Orders for the project. Heitkamp was directed to contact viewers for the project.

KLR met at Adrian's Countryside Inn on December 19, 2013 to hold their final Regular Meeting of 2013. The Managers acted upon their normal business. Nobles County Commissioner Gene Metz indicated that other drainage projects are taking place in the easterly parts of Nobles County. Metz shared that Nobles County Ditch #11 procedures mirrored what is now taking place with that project. Managers Connie Frahm and Coleen Grids indicated the Joint Powers Committee will continue into 2014. It was rumored that PL566 funds may be available again. Heitkamp then explained the Department of Natural Resources (DNR) was looking for feedback regarding the redirecting of water at the Herlein-Boote Slough. By consensus, the Managers directed Heitkamp to notify the DNR and to inform them that redirecting water was always a concern; especially when flooding occurs. However, they acknowledged the engineering reports and didn't dispute the findings in those reports. To end the meeting and the year, Heitkamp explained that 4th quarter payroll would be completed prior to the end of the year and then requested the January, 2014 Regular Meeting be rescheduled to Wednesday, January 15, 2013.

The Managers approved 76 Application for Permits in 2013. Five well-sealing projects were funded as cost-share initiatives. KLR also cost-shared two additional projects in Nobles County that involved j-hook engineering and sediment-basin construction.



The KLR Map