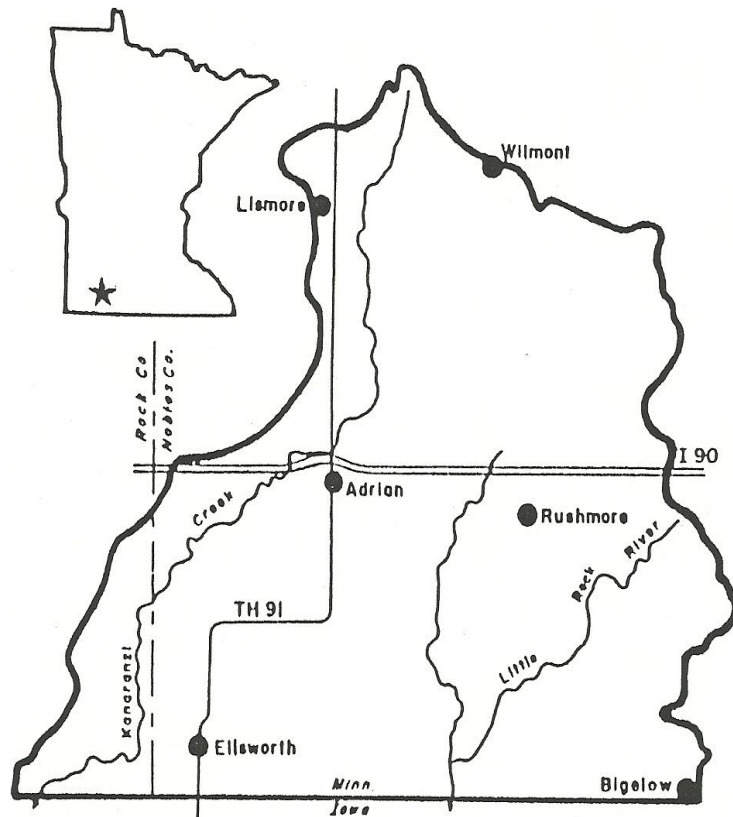


Kanaranzi-Little Rock Watershed District

2014 Annual Report



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Worthington, MN 56187
Phone – (507) 372-9150 x 3

Kanaranzi-Little Rock Watershed District Managers:

Tim Taylor, Chair

17508 190th St., Adrian, MN 56110
County: Nobles
Expires: 10-07-16
Telephone: 507-473-4540 (Cell)

Coleen Gruis, 1st Vice-Chair

316 N. Bishop Ave., Rushmore, MN 56168
County: Nobles
Expires: 10-07-17
Telephone: 507-478-4972

Layton Gruis, 2nd Vice-Chair

18262 320th Street, Adrian, MN 56110
County: Nobles
Expires: 10-07-15
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: 10-7-17
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
P.O. Box 190, Adrian, MN 56110
adrian_admin@iw.net
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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 (MRPC)
chessa.frahm@noblesswcd.org

Supporting Entities:

Watershed District Attorney
Michael V. Tow, Esq.
Tow Law Firm
105 S State Street, Fairmont, MN 56031
Phone 507-235-2530

Rock County Soil & Water Conservation District
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Phone 507-283-8862 x 3
Fax 507-283-5006
Eric Hartman, Director

National Resource Conservation Service
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National Resource Conservation Service
311 W. Gabrielson Rd, Suite 3
Luverne, MN 56156
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Kanaranzi-Little Rock Watershed District

KANARANZI-LITTLE ROCK WATERSHED DISTRICT 2014 BUDGET

Board Compensation	\$ 5,000.00
Secretarial Compensation	500.00
Administrative Contract	10,000.00
Payroll Taxes	750.00
Mileage and Travel	2,500.00
SWCD Technical Contract	40,000.00
Insurance and Bonds	2,600.00
Audit	3,000.00
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	<u>40,000.00</u>
TOTAL	\$112,850.00

2014 Year-in-Review

Amendments of the KLR Rules & Regulations:

The KLR Managers completed amendments to their Rules and Regulations. The Managers were busy: proposing amendments, notifying the appropriate contacts of the proposed changes, and holding a Special Meeting on March 12, 2014. To finalize the process, a Public Hearing was held on November 20, 2014 to: offer information, take public input, and to approve the rule amendments. The amending process of the KLR Rules & Regulations was a three-year endeavor. The KLR Board of Managers credits the Nobles Soil & Water Conservation District (Nobles SWCD) and Watershed District Attorney Michael V. Tow, Esq for their input and direction in the development of the KLR Rules & Regulations.

Minnesota Board of Soil & Water Resources (BWSR); Performance Review and Assistance Program (PRAP):

KLR took part in a BWSR PRAP Review in 2014. The Minnesota Board of Soil & Water's (BWSR) Don Buckhout assisted KLR in the administration of the review. Executive Secretary Bruce Heitkamp offered KLR contacts for an initial survey. The contacts offered survey input back to Buckhout. To complete the PRAP Review, Buckhout and BWSR's Mark Hiles attended the September 11, 2014 Regular Meeting to share the PRAP results. KLR proposes to use the PRAP results to improve the KLR Watershed District.

KLR Administration Change; Transition to the Nobles Soil & Water Conservation District:

The Managers were notified in June that a change in administrative services would be needed. The City of Adrian shared their intent to discontinue services to KLR in 2015. Ongoing discussions took place regarding KLR's administrative options. The City of Adrian offered ongoing office-space and bookkeeping services. After the Adrian option was reviewed, Nobles SWCD offered a technical service and administrative proposal; including an Executive Secretary. It was decided at the October 16, 2014 Regular Meeting to move KLR's administrative, financial, and Executive Secretarial services to the Nobles SWCD Office in Worthington, MN. Subsequently, it was decided (December 18, 2014 Regular Meeting) that KLR would continue to hold their meetings at the Adrian Government Center in Adrian, MN.

Missouri River Basin Work Plan:

KLR participated in the Missouri River Basin Work Plan in 2014. Missouri River Project Coordinator Chessa Frahm worked with personnel from other Missouri River Basin watersheds to collect, assess, and to implement improvements. The project is primarily funded through the Minnesota Pollution Control Agency (MPCA). Ch. Frahm and her team concluded the collection of data in 2014. Ch. Frahm and her team will continue their assessment and implementation efforts in 2015.

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

Ch. Frahm facilitated Watershed Restoration and Protection meetings in 2014; known as the WRAP Plan and the one-watershed approach. The development of the plan is funded by the Minnesota Pollution Control Agency. The WRAP Planning Group will continue to meet in 2015 to continue the WRAP planning efforts.

Public Outreach; Municipal Tree Cost-Share Program:

The KLR Managers created the Municipal Tree Cost-Share Program in 2014. The municipalities within KLR boundaries were introduced to the program that reimbursed 25% of approved tree-planting projects. The maximum benefit amount in any one city is \$500.00. The City of Adrian participated in the program in 2014.

Public Outreach; Fourth-Grade Foresters:

In April, KLR celebrated Arbor Day with area students through the Fourth Grade Forrester's Program. The Managers met with fourth grade students in 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.

Public Outreach; Nobles County Ditch #11 Project:

The Managers answered questions in regards to the Nobles County Ditch #11 Project throughout 2014. The Managers appointed Viewers and transferred information to the Nobles County Auditor-Treasurer's Office. Nobles County Commissioners and Nobles County Staff met during 2014 to solicit input on a benefits redetermination. Heitkamp answered brief questions about the Nobles County Ditch #11 Project in 2014. The Managers did not take any further action in regards to the Nobles County Ditch #11 Project in 2014.

Public Outreach; 2015 Budget Preparation:

The KLR Managers hosted a public hearing to share and collect information that would impact KLR's 2015 Budget. Information was reviewed by Nobles SWCD personnel. Information from the PRAP Review recommendations were also incorporated into the 2015 Budget. After some deliberation, \$122,850 would be requested in levied funds in 2015. It was decided that \$156,100.00 of expenditures be approved. The levy requests were approved and forwarded to the Nobles County Auditor-Treasurer (\$114,936.00) and the Rock County Auditor-Treasurer (\$7,914.00). The KLR Managers decided that \$33,250.00 would be transferred from KLR's Operating Fund to offset the additional 2015 budgeted expenses.

Public Outreach; Ecology Bus:

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, Ch. Frahm, and others educated students on native grasses and the local wildlife.

KLR Board of Manager's Month to Month Activity:

January 15, 2014 Regular Meeting: The Managers discussed the logistics and concerns of the Nobles County Ditch #11 Public Hearings with landowners. Corrections were acted upon in regards to the Finding & Order Minutes. Nobles County Ditch #11 Invoices were approved. A letter from Mrs. Yvonne Sieve was read regarding the Nobles County Ditch #11 Project. The December 19, 2013 Regular Meeting Minutes, financial reports, and invoices were approved as a part of the consent agenda. A request for tree funding (Adrian Parks Department) was reviewed. The 2013 Audit Agreement from the Gerber & Haugen Accounting Firm was approved (\$2,900.00). The Managers reviewed Rules & Regulation Amendments. Rough drafts of the 2014 Annual Plan and the 2013 Annual Report were reviewed. The Managers acknowledged that no permits were requested prior to adjourning.

February 25, 2014 Regular Meeting: The Managers reviewed materials in regards to the appointment of Viewers and the Redetermination of Benefits for the Nobles County Ditch #11 Project. Nobles County Ditch #11 Invoices were approved. The previous-month's minutes, the financial reports, and the KLR invoices were approved. A Municipal Tree Cost-Share Program request was approved for the Adrian Parks Department. The Managers agreed to participate in the Fourth Grade Forester's Program. Drafts of the 2013 Annual Report and the 2014 Annual Plan were reviewed and discussed. Ch. Frahm offered a report about an upcoming cover-crop seminar. The KLR Managers agreed to sponsor cover-crop seminar expenses up to a \$250.00 amount. Ch. Frahm introduced the need for water-testing equipment. To end the meeting, the Managers approved a landowner permit.

March 12, 2014 Special Meeting: A Special Meeting was called on March 12, 2014 to finalize the process of amending the KLR Rules & Regulations. The Managers reviewed their previous work and proposed additional amendments. The KLR Managers, Lenz, and C. Frahm discussed the notification process and the regulatory agencies that would receive written correspondence. The KLR Rules & Regulations Final Draft was approved. Heitkamp was directed to forward a copy of the KLR Rules & Regulations Final Draft to BWSR to initiate the first 45-day review process.

March 20, 2014 Regular Meeting: The KLR Managers approved an Order to Appoint Viewers for the Nobles County Ditch #11 Project. The Managers then approved an Order Authorizing a Detailed Survey and Report from Project Engineer Duane Hansel (Bolton & Menk) for the Nobles County Ditch #11 Project. Viewer Gary Ewert was in attendance to answer general questions in regards to the viewing process. A Nobles County Ditch #11 invoice was approved. The previous-month's minutes, the financial Report, and KLR invoices were all approved. The 2013 Annual Report and the 2014 Annual Plan were approved. To end the meeting, Heitkamp shared that KLR municipalities were notified by letter of KLR's Municipal Tree Cost-Share Program.

April 24, 2014 Regular Meeting: The April Regular Meeting began with a discussion in regards to KLR becoming the Ditch Authority if the Nobles County Ditch #11 Improvement Project was completed. Nobles County Ditch #11 Invoices were approved. The previous-month's minutes, the financial report, and KLR invoices were approved. The KLR Managers then discussed the distribution of trees as part of the Fourth Grade Foresters Presentations at the Adrian Elementary School and the Ellsworth Elementary School. Ch. Frahm introduced a "Working-Together" seminar as a collaboration effort with the Heron Lake Watershed District. Nobles County Commissioner Gene Metz stated that additional drainage projects were possible for KLR in the future. As a part of the Rules & Regulation notifications, Heitkamp was directed to mail a copy of the proposed KLR Rules & Regulations to the area transportation authorities. To end the meeting, the KLR Managers discussed the future of KLR's administration and a person to fulfill the role of KLR's Executive Secretary.

May 15, 2014 Regular Meeting: Heitkamp and Metz shared information from a Nobles County Commissioner's Work Session about the judicial ditches in Nobles County. Nobles County Ditch #11 Ditch Invoices were then approved. The previous month's minutes, the financial report, and KLR invoices were approved. Heitkamp then shared the contents of a BWSR letter in regards to the amending of the KLR Rules & Regulations. Ch. Frahm shared information regarding her trip to the State of Waters Conference in Brainerd, MN. Permits were approved for small-scale drainage projects. Ch. Frahm concluded the meeting by discussing a planning retreat for the KLR Managers.

June 19, 2014 Regular Meeting: KLR Auditor Steven Haugen began the Regular Meeting by discussing and obtaining approval for the 2013 KLR Audit Report. The previous meeting's minutes, financial reports, and invoices were then approved (KLR & Nobles County Ditch #11 invoices). Heitkamp and Nobles SWCD's Ed Lenz then explained KLR involvement in a BWSR's Performance Review and Assistance Program (PRAP). Lenz then explained and gained approval for project cost-share opportunities. The Managers agreed to cost-share provisions (engineering) for the introduced projects. Lenz continued by explaining how recent floods damaged crops and delayed many scheduled projects. To conclude Lenz' report, an engineering study was introduced. This engineering study would map the entire KLR area and would help prioritize projects. The KLR Managers were offered an update regarding the Rules & Regulation process. Project permits were approved and the Managers then adjourned the meeting.

July 17, 2014 Regular Meeting: The first order of business in the July Regular Meeting was to: act upon the minutes of the previous meeting, approve the financial reports, and to approve the KLR Invoices. The Managers directed Heitkamp to forward a copy of the KLR Rules & Regulations to the governmental authorities who'd be affected by changes to the Rules & Regulations. The KLR Managers produced answers for the PRAP worksheets. Heitkamp was directed to forward those worksheets to BSWR's Don Buckhout. Discussion continued regarding the KLR Executive Secretary position. The Managers concluded the meeting by establishing a schedule to work on the 2015 KLR Budget.

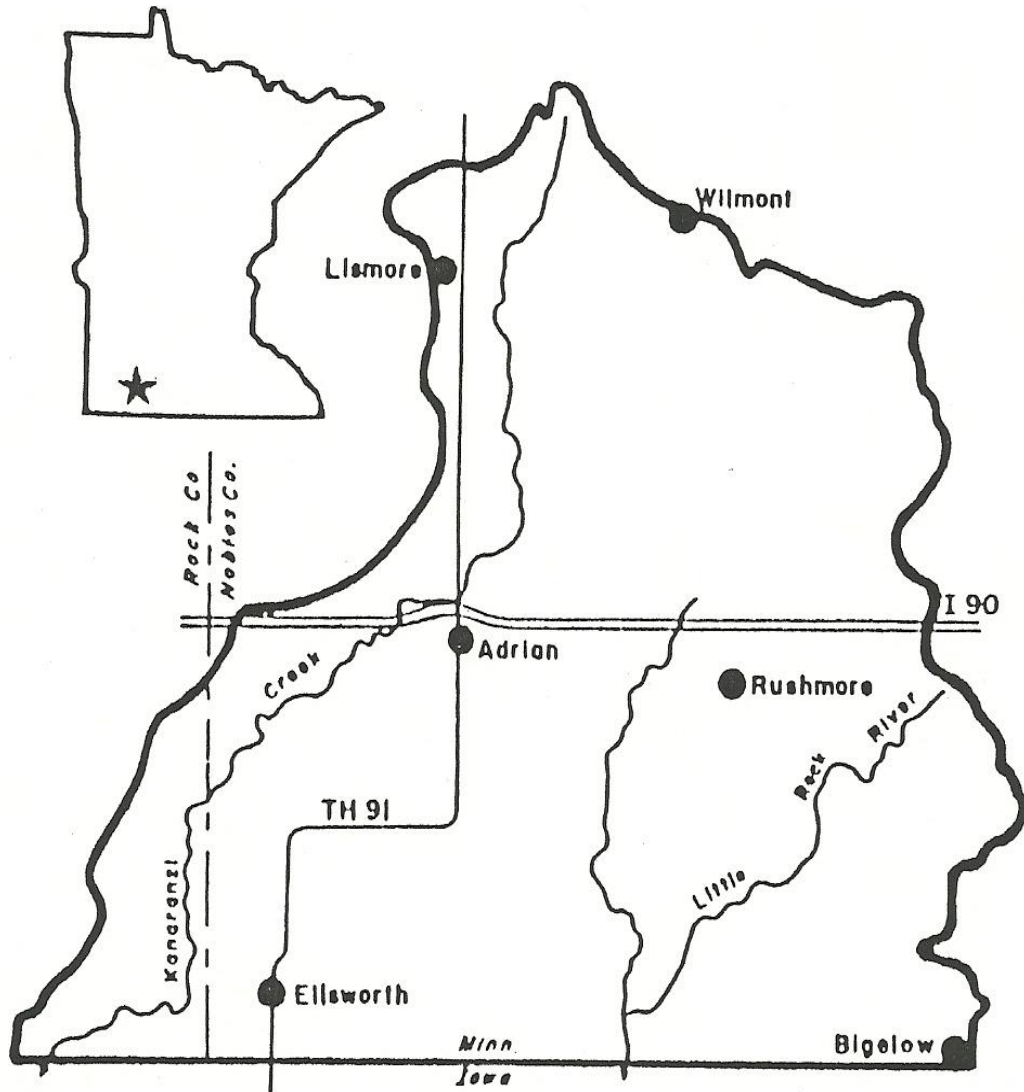
August 21, 2014 Regular Meeting: The previous-month's minutes, financial reports, and KLR Invoices were approved. The KLR Managers reviewed a proposal from Nobles SWCD to provide technical and administrative services; including the provision of an Executive Secretary. The KLR Managers created a preliminary 2015 KLR Budget and proclaimed a September 11, 2014 Budget Hearing. Heitkamp was directed to publish the hearing in both the Nobles County Review (Nobles County) and the Star Herald (Rock County). Nobles SWCD's Ed Lenz shared that his office was hiring a Contract Officer. The KLR Managers discussed the progress being made in the amending of the KLR Rules & Regulations. The KLR Managers then approved permit applications to complete their meeting.

September 11, 2014 Budget Hearing & Regular Meeting: The first order of the evening's agenda was to hold a public hearing to: share budgetary information, obtain the public's comments, and then act upon the 2015 KLR Budget. The KLR Managers decided to reduce the size of the levy from \$127,850 to \$122,850. The 2015 expenses were set at \$156,100. It was decided that \$33,250 would be transferred from KLR's General Fund to cover the additional expenses. The Managers then approved Resolution #6-2014 that approved the 2015 KLR Budget. Heitkamp was directed to forward the levy requests to the Nobles County Auditor-Treasurer and the Rock County Auditor-Treasurer. The public hearing then adjourned. The Regular Meeting began with the BWSR PRAP Review Findings. BWSR's Don Buckhout and Mark Hiles offered information derived from the review. BWSR's recommendations were offered to improve the function of the KLR Watershed District. The previous meeting's minutes, the financial reports, and the KLR Invoices were approved for payment. Some of the June 19, 2014 cost-share payments (engineering) were authorized. Permit applications were approved and the Rules & Regulations Public Hearing was discussed.

October 16, 2014 Regular Meeting: The KLR Managers approved the previous meeting minutes, the financial reports, and KLR's invoices for payment. A discussion then started about the Nobles SWCD proposal to offer administrative and technical services. The KLR Managers acted to proclaim Nobles SWCD as the KLR administrative and technical office for 2014. The logistics of the move wasn't decided at this meeting but Nobles SWCD could then plan for staffing adjustments. The KLR Managers then planned their reply to the BWSR PRAP Review. Permit Applications were approved. Another discussion took place regarding agricultural drainage that ran into the City of Ellsworth, MN. A public hearing was proclaimed for November 20, 2014 to introduce and derive input for the KLR Rules & Regulations. The KLR Managers concluded the meeting by discussing the 2014 Minnesota Association of Watershed District's Annual Meeting and Trade Show.

November 20, 2014 Public Hearing & Regular Meeting. The KLR Manager's first order of business was to hold a public hearing to introduce the proposed KLR Rules & Regulations. No one attended the hearing and only one piece of written correspondence was received from the Minnesota Department of Transportation regarding time lines and logistics. The KLR Rules & Regulations were approved through Resolution #7-2014. The public hearing was then adjourned. The Regular Meeting convened and the previous-month's minutes, the financial reports, and KLR invoices were approved. The KLR Managers finalized their reply to BWSR as a reply to the BWSR PRAP Report. Nobles SWCD's Ed Lenz stated that he was preparing the 2015 KLR Annual Plan. MPRC's Ch. Frahm offered the KLR Managers an update regarding the assessment of the Missouri River Assessment Project. It was learned that nearly every body of water with the KLR Watershed District was impaired. Ch. Frahm and Lenz applied for grants to offer funding to local cost-share projects. Permit applications were approved. The KLR Managers discussed the inability to attend the Minnesota Association of Watershed District's Annual Meeting and Trade Show in 2014. The logistics of the administration transfer from the City of Adrian to Nobles SWCD was discussed. To end the meeting, the Managers discussed the December 18, 2014 Regular Meeting.

December 18, 2014 Regular Meeting: The KLR Managers met at the Countryside Inn in Adrian, MN for their December Regular Meeting. The previous-meeting's minutes, the financial reports, and KLR Invoices were approved. Nobles SWCD's Ed Lenz stated that he applied for two grants for project cost-share. Heitkamp learned that a benefit determination was needed for the Nobles County Ditch #11 Project. Lenz stated that producers would be required to complete projects during the spring of 2015. The KLR Managers acted to create a new KLR website. A League of Minnesota Cities insurance dividend was acknowledged. The KLR Managers approved an auditing agreement with the Gerber & Haugen Accounting Firm (\$2,950.00). The KLR Managers then agreed to continue KLR's Meetings at the Adrian Government Center, in Adrian, MN. This ended this Regular Meeting and the 2014 year for the Kanaranzi-Little Rock Watershed District.



Map of the Kanaranzi-Little Rock Watershed District