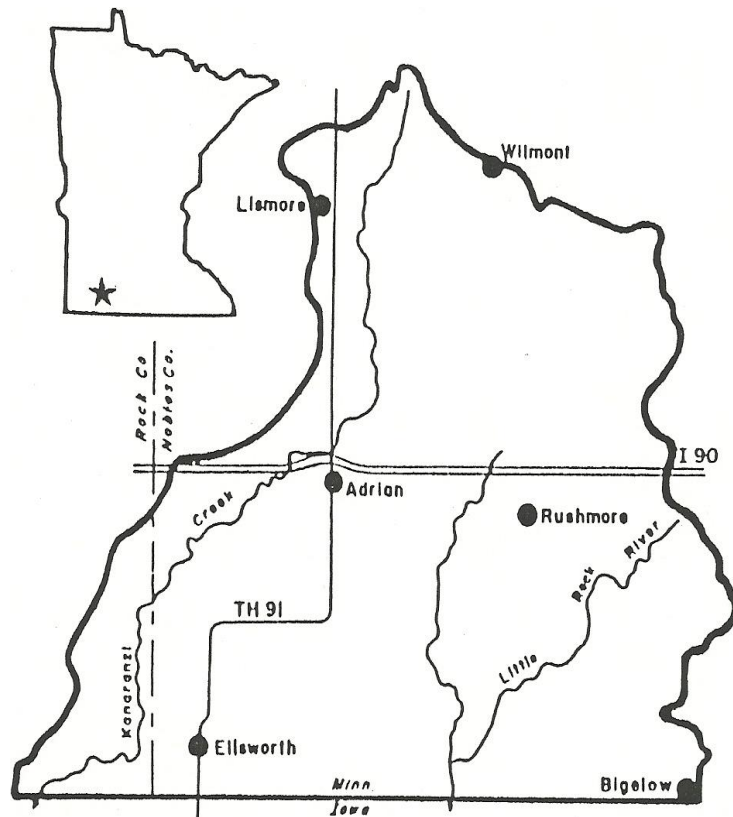


Kanaranzi-Little Rock Watershed District

2015 Annual Report



1567 McMillan Street, Suite 3
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: 10-07-18

Telephone: 507-394-2321

Connie Frahm, Treasurer

438 200th Ave., Ellsworth, MN 56129

County: Rock

Expires: 10-07-16

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:

Nobles Soil & Water Conservation District (Administrative and Technical Services to KLR)

John Shea, Executive Secretary/District Manager
1567 McMillan St. Suite #3
Worthington, MN 56187
Phone: 507-376-9150 extension #3
John.shea@noblesswcd.org

Sabrina Raddle, Accountant/Administrative Assistant
Sabrina.raddle@noblesswcd.org

Ross Behrends, Missouri River Project Coordinator (MRPC)
Ross.behrends@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

311 W. Gabrielson Road, Luverne, MN 56156
Phone 507-283-8862 x 3
Fax 507-283-5006
Eric Hartman, Director

National Resource Conservation Service

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

National Resource Conservation Service

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

Kanaranzi-Little Rock Watershed District

KANARANZI-LITTLE ROCK WATERSHED DISTRICT 2015 BUDGET

Board Compensation	\$ 5,000.00
Administrative Contract	15,000.00
Payroll Taxes	500.00
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
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>80,000.00</u>
TOTAL	\$156,100.00

2015 Year-in-Review

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

The Managers were notified in June 2014 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. 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. The Nobles SWCD took over administrative duties beginning January 1st, 2015.

Missouri River Basin Work Plan:

KLR participated in the Missouri River Basin Work Plan in 2015. Missouri River Project Coordinator Chessa Frahm worked with personnel from other Missouri River Basin watersheds to collect, assess, and to implement improvements. Ross Behrends took over for Chessa Frahm beginning in April 2015. The project is primarily funded through the Minnesota Pollution Control Agency (MPCA). Chessa Frahm and Ross Behrends continued their assessment and implementation efforts in 2015. The final stages for this project will continue in 2016 with an end date of June 30th, 2016.

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

Chessa Frahm and Ross Behrends facilitated Watershed Restoration and Protection meetings in 2015; 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 2016 to continue the WRAP planning efforts.

Public Outreach; Municipal Tree Cost-Share Program:

The KLR Managers continued the Municipal Tree Cost-Share Program they created 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 Rushmore participated in the program in 2015.

Public Outreach; Tree Cost-Share Program:

The KLR created a Tree Cost-Share program for landowners living in the KLR Watershed. The program is set to begin in 2016, but advertisement for the program began in 2015. The program provides a 50% Cost-Share up to \$1,000 to landowners that qualify.

Public Outreach; Fourth-Grade Foresters:

In April, KLR celebrated Arbor Day with area students through the Fourth Grade Forrester's Program. The SWCD Staff 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 2015. 2015 was a quiet year for the Ditch #11 Project. No major action was taken during 2015, but bills were continually paid for the expenses that came in on the project.

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 John Shea, Emmie Peters, and the Adrian High School Biology class educated students on native grasses and the local wildlife.

KLR Board of Manager's Month to Month Activity:

January 15, 2015 Regular Meeting: The December 18, 2014 Regular Meeting Minutes, financial reports, and invoices were approved as a part of the consent agenda. Nobles SWCD took over as administrators of KLR. Lenz reported that the transition was going well and Heitkamp was finishing up with 2014 year end reporting. The Managers discussed that they would like to remove Heitkamp from the financial accounts and add Ed Lenz, the new Executive Secretary. Lenz also mentioned to the board the possibility of taking over the ownership of a Wetland Restoration project within KLR. The board requested more information before they made the decision.

February 19, 2015 Regular Meeting: The previous-month's minutes, the financial reports, and the KLR invoices were approved. The Board discussed the value of sending out an annual/bi-annual newsletter to district residents. Lenz would work on obtaining a list of residents to determine how many newsletters were needed. Lenz also mentioned to the board that they should start the process of organizing an advisory committee. Each board member was requested to think of a few individuals from each of their own regions to include on this committee.

March 19, 2015 Regular Meeting: The previous-month's minutes, the financial Report, and KLR invoices were all approved. The 2014 Annual Report and the 2015 Annual Plan were approved. Lenz reported the mailing list for the KLR newsletter and provided the board with an incomplete draft. After discussion, the board suggested to utilize the existing mailing list already established by Nobles SWCD. Lenz reminded the board to discuss who they would like to see on the advisory committee. Lenz also shared with the board that Chessa Frahm no longer works for Nobles SWCD as she took a position with Stearns SWCD. Contracts were approved for a Grassed Waterway and Feedlot Repair.

April 16, 2015 Regular Meeting: The previous-month's minutes, the financial report, and KLR invoices were approved. Lenz provided an update on the Buffer Law proposed by Gov. Dayton. Lenz also reported that the USFW has funding available for habitat improvements of the Topeka Shiner. Some work will be completed around Kanaranzi Creek. Nobles SWCD also received funds to repair damage caused by the flood in 2014.

May 21, 2015 Regular Meeting: The previous month's minutes, the financial report, and KLR invoices were approved. Discussion occurred on how the Managers would like the Bills Payable to look. The Managers approved conservation use acres for Bill Elias. The Managers were also informed that Ed Lenz took a position with BWSR and John Shea would be the new District Manager for the SWCD. Raddle passed around a rough draft of the newsletter and took ideas from what the Managers would like to see. Shea presented the board with the option to create a tree cost-share program for landowners. He provided options for the board to look at. Changes were made to the financial accounts to remove Lenz and include Shea.

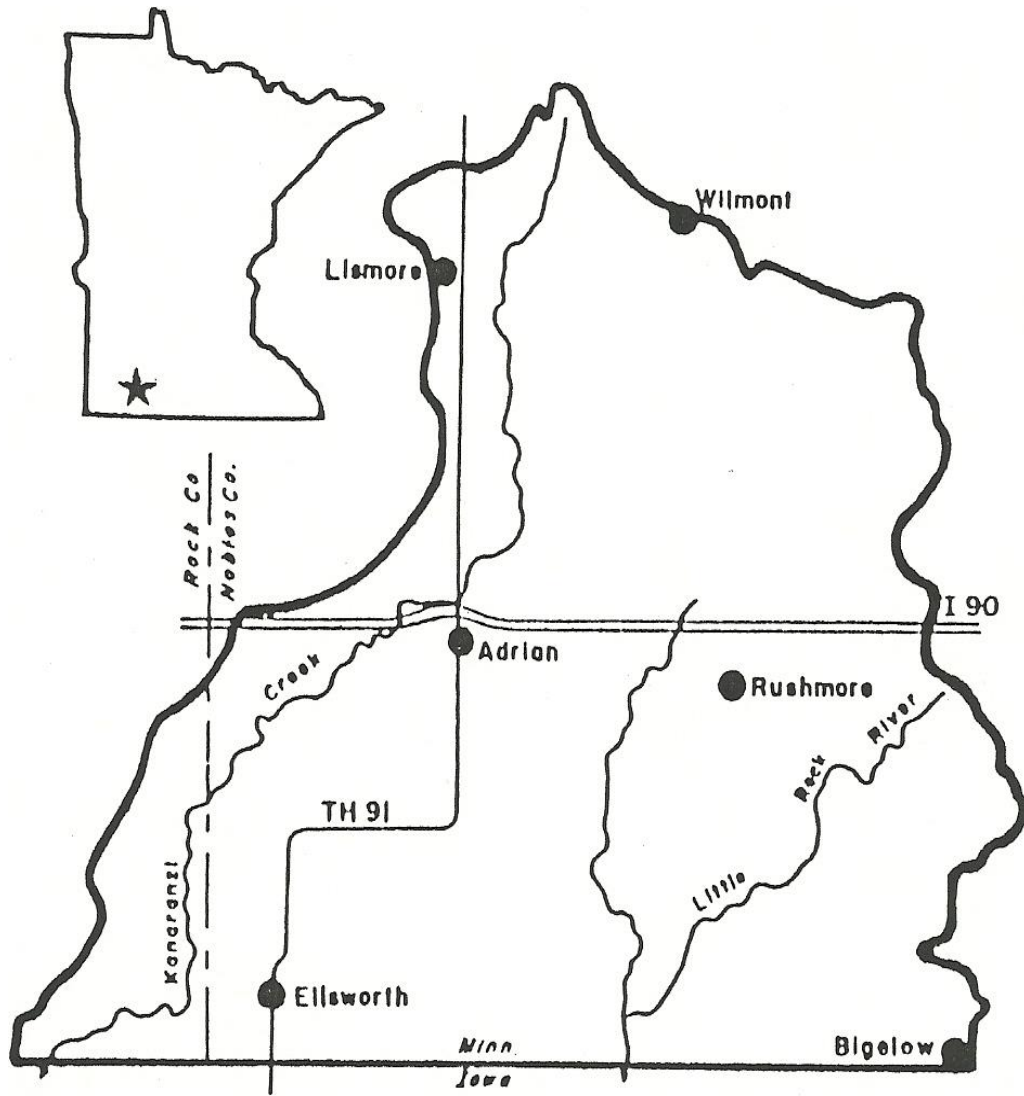
June 18, 2015 Regular Meeting: The previous meeting's minutes, financial reports, and invoices were approved. Two conservation use acre contracts were approved. The SWCD hired a district technician who will begin July 6th, 2016. Shea updated the board on the buffer bill. The Managers approved a 50% tree cost-share program for landowners up to \$1,000. The amount would include the cost of matting and should be maintained for 10 years. The Managers also approved the continuance of the Municipal Tree Cost-Share Program and requested Raddle send out letters before September 2015.

August 20, 2015 Regular Meeting: The previous-month's minutes, financial reports, and KLR Invoices were approved. Auditor Steve Haugen presented the board with the 2014 financial report. The managers approved the report and requested it be sent to the state level. Shea presented the board with two conservation use acre contracts that needed approval. The Managers also approved engineering payments for three projects to the SWPTSA. Shea presented the board with a new form for drainage notifications. The Managers approved the use of the form. Raddle presented the board with the final newsletter. The Managers approved the letter to be sent out to those within the KLR. The Managers were presented with a proposed budget for next year. The board approved a Public Hearing to be set for 8:00 p.m. on September 10th, 2015.

September 10, 2015 Budget Hearing & Regular Meeting: The previous meeting's minutes, the financial reports, and the KLR Invoices were approved for payment. The Regular Meeting began with review of the 2016 budget before the public hearing. The board approved the 2016 budget draft with a 4% increase on the levy request. Shea reported that there is a meeting conflict for him from November through April. The board agreed to move those meeting dates to the third Wednesday of the month at 7:00 p.m. The regular meeting was paused and the Public Hearing began at 8:10 p.m. The public hearing was to: share budgetary information, obtain the public's comments, and then act upon the 2016 KLR Budget. The KLR Managers decided to increase the size of the levy from \$122,850 to \$127,764. The 2016 expenses were set at \$226,600. It was decided that \$98,836 would be transferred from KLR's General Fund to cover the additional expenses. The Managers then approved Resolution #7-2015 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 board meeting resumed. Shea presented the board with guidelines for a potential buffer program. The board approved the program to begin September 14th, 2015 and Shea presented with the following guidelines: All program payments will be made beginning after January 1st, 2016; Onetime payment per tract; Established buffer to be maintained for 5 years after the establishment date; No harvest restrictions; Measurements and verification to be determined by the KLR Administrator; and all payments to be approved by the board of managers (based on current budget).

November 18, 2015 Regular Meeting. The previous-month's minutes, the financial reports, and KLR invoices were approved. The Managers requested Raddle get the paperwork started for a 12 month CD at the Ellsworth Exchange State Bank and close the account at Edward Jones. The board approved payment on five cost-share contracts: 1 for ISTS Replacement and 4 for Conservation Use Acres. Russ Hoogendoorn came to the board to explain what SWPTSA does and where they are currently working within the watershed. Taylor and Frahm will both attend the MAWD Convention in early December.

December 16, 2015 Regular Meeting: The previous-meeting's minutes, the financial reports, and KLR Invoices were approved. The board approved Raddle request the engagement letter from Haugen for the 2016 Audit. Shea reminded the board to keep looking for members within their region to be on the Advisory Committee. Gene Metz informed the board that the county is in the process of re-determining county ditches. Shea also informed the board of the Nitrate Nitrogen Testing that will occur in the Western part of Nobles County.



Map of the Kanaranzi-Little Rock Watershed District