



Metropolitan Soil and Water Conservation Districts  
Technical Service Area Joint Powers Board (MCD) Meeting  
Wednesday, May 31, 2017 Start time is 4:00 p.m.  
Earle Brown Tower, 6120 Earle Brown Drive, Brooklyn Center  
5<sup>th</sup> Floor Conference Room

## **AGENDA**

<b>Item</b>	<b>Description</b>	<b>Packet Page(s)</b>	<b>Type</b>
1	Call to Order		
2	Open Floor		
3	Approval of Agenda - Additions/Corrections/Deletions		Action
4	Approval of Minutes – from February 22, 2017	2-5	Action
5	Manager's Meeting Notes – April 11, 2017	6-8	Information
6	Treasurer's Report – Scott Reporting		
	6.1 May 2017 Treasurer's Report	9-10	Action
	6.2 Checking Account Transactions Report	11	Information
7	Engineering and Technical Assistance (ETA) –Dakota Reporting		
	7.1 Engineering/Technical Asst & Equipment Report as of March 31, 2017	12	Information
	7.2 Grant Status Report as of March 31, 2017	13	Information
8	Subwatershed Analysis Program (SWA) – Washington Reporting		
	8.1 Program Updates		Information
9	Metro Area Children's Water Festival (MACWF) – Carver Reporting		
	9.1 Program Updates		Information
	9.2 MOU Agreement with Anoka County for Financial Donation	14	Action
	9.3 2017 Program Expansion & 2017 Budget	15-16	Action
10	Campus Groundwater Conservation Planning (CGCP) – Anoka Reporting		
	10.1 Program Updates	17-19	Information
11	Minnesota Ag Water Quality Certification Program (MAWQCP) – Scott Reporting		
	11.1 Program Updates		Information
	11.2 MAWQCP Joint Powers Agreement Amendment		Action
12	Other Business		
	12.1 Joint Powers Agreement Terms		Action
	12.2 Vectorworks Licenses Ownership Change Request	20	Action
	12.3 Bid for FY2016 Financial Audit	21-25	Action
13	Member District Updates		Information
14	Agenda Items for Next Meeting		Information
15	Adjourn		Action



**MEETING MINUTES**

**Wednesday, February 22, 2017 4:00 p.m.**

5th Floor Conference Room

Earle Brown Tower, 6120 Earle Brown Drive

Brooklyn Center, MN.

**Attendance:**

<u>District</u>	<u>Supervisors</u>	<u>Staff</u>
Anoka CD	Steve Leitiner	
Carver SWCD	Mark Zabel	Mike Wanous
Chisago SWCD	Roland Cleveland	
Dakota SWCD	Laura Zanmiller	Brian Watson
Isanti SWCD	Al Koczur	
Ramsey CD	Gwen Willems	
Scott SWCD	Doug Schoenecker	Troy Kuphal
Sherburne SWCD	Michael Schroeder	Francine Larson
Washington CD	John Rheinberger	Jay Riggs
Wright SWCD	Mary Wetter	Luke Johnson

**1. Call to Order**

Troy Kuphal called the meeting to order at 4:00 p.m. A quorum was present.

**2. Open Floor**

None

**3. Election of Officers**

Kuphal open floor for nominations for Chair.

Kuphal called for nominations for the Office of Chair.

Roland Cleveland nominated Doug Schoenecker as Chair. Doug Schoenecker declines nomination.

Mark Zabel nominated Gwen Willems as Chair. Gwen Willems declines nomination.

Roland Cleveland nominated Al Koczur as Chair. Al Koczur declines nomination.

John Rheinberger nominated Mark Zabel as Chair.

John Rheinberger nominates Laura Zanmiller as Chair. Laura Zanmiller declines nomination.

Mark Zabel accepts nomination for Chair. Kuphal called for nominations three times; no further nominations were made.

**Motion 17.001** Motion by Rheinberger, second by Cleveland to close nominations and cast an unanimous ballot for Zabel for Chair. Motion carried.

Chair Zabel called for nominations for Vice-Chair. Cleveland nominated Mary Wetter as Vice-Chair. Zabel called for nominations three times; no further nominations were made.

**Motion 17.002** Motion by Schoenecker, second by Willems, to close nominations and cast an unanimous ballot for Wetter for Vice-Chair. Motion carried.

Chair Zabel called for nominations for Secretary. Wetter nominated Gwen Willems as Secretary. Zabel called for nominations three times; no further nominations were made.

**Motion 17.003** Motion by Rheinberger, second by Willems, to close nominations and cast an unanimous ballot for Willems for Secretary. Motion carried.

Chair Zabel called for nominations for Treasurer. Cleveland nominated Doug Schoenecker as Treasurer. Zabel called for nominations three times; no further nominations were made.

**Motion 17.004** Motion by Rheinberger, second by Schroeder, to close nominations and cast an unanimous ballot for Schoenecker for Treasurer. Motion carried.

**4. Approval of Agenda – Additions/Corrections/Deletions**

**Motion 17.005** Motion by Cleveland, second by Rheinberger to approve the agenda as presented. Motion Carried

**5. Approve Minutes**

**Motion 17.006** Motion by Wetter, second by Willems to approve the November 16, 2016 board minutes as presented. Motion carried.

**6. Manager's Meeting Notes**

Watson referred to the Metro Managers Meeting Notes included in the board packets. Tom Gile from BWSR attended the meeting to discuss the Minnesota Buffer Law updates. Discussion held on "Other Waters" under the Minnesota Buffer Law. By July 1, 2017 SWCD Boards are requested to develop, adopt and submit to each local water management authority within their boundary a summary of watercourses for inclusion in the local water management authority's plan. Each district provided information on what their district is planning on doing.

**7. Treasurer's Report – Scott SWCD Reporting**

**7.1 Treasurer's Report – February 15, 2017**

Kuphal read the Treasurer's Report. He reported a cash balance of \$616,815.94 and the following funds balances:

Children's Water Festival:	\$26,639.10
MCD:	\$60,443.32
Total Fund Balance is:	\$87,082.42

Discussion held on possibly investing funds into a certificate of deposit to earn additional funds. It was decided to continue investing the funds in a money market account. Since a large portion of the MCD's funds are allocated for specific grant expenses a short term Certificate of Deposit would be the alternative investment but the rate would not be much higher than currently earning in a money market account.

**Motion 17.006** Motion by Rheinberger, second by Schoenecker, to approve the Treasurer's Report subject to audit. Motion carried



**7.2 Checking Account Transaction Report**

Report included in packet. No discussion

**8. Non Point Engineering Assistance Program (NPEAP)**

**8.1 FY2016 ETA Engineering & Technical Asst Report as of December 31, 2016**

Kuphal reported that there are no more open projects to report.

Watson reported on the FY2016 ETA Engineering & Technical Asst Report broken down by district and quarter.

**8.2 FY2016 ETA Equipment, Software & Training Report as of December 31, 2016**

Watson reported on the FY2016 Equipment, Software & Training Report broken down by district and quarter.

The FY2015 NPEAP has been closed out and completed.

**9. Subwatershed Analysis Program (SWA)**

**9.1 Program Update**

Riggs reported that one additional SWA is complete. All SWA's need to be complete by 2018 but the goal will be to get all SWA's complete by 2017.

**10. Metro Area Children's Water Festival (MACWF)**

**10.1 Program Updates**

Wanous provided an overview of the Children's Water Festival for new incoming board members. He reported that the Children's Water Festival is Wednesday, September 27, 2017 at the State Fairgrounds.

**11. Campus Groundwater Conservation Planning (CGCP)**

**11.1 Program Updates**

Riggs provided a memo drafted from Mitch Haustein, Anoka Conservation District, with an update of the program

**12. Minnesota Ag Water Quality Certification Program (MAWQCP)**

**12.1 Program Updates**

Kuphal provided an update and overview of the Minnesota Ag Water Quality Certificate Program. The grant agreement has been extended until 12/31/2017. Each district provided an update on how many applications have been certified.

**13. Other Business**

Cleveland provided an update on two state wide committee meetings that he and Brian Watson have attended for Technical Service Area's. The meetings were held to discuss how TSA's are working and any way to improve them. Zabel indicated that the mission of TSA's were to develop and provide greater capacity to member districts.

**13.1 Regular Meeting Date Schedule and Location**

Discussion held on meeting dates for 2017.



**Motion 17.007** Motion by Rheinberger, second by Schoenecker, to approve the last Wednesday of the month in February, May, August and November for board meeting. The meetings will be held at 4:00 at the Earle Brown Tower.

**14. Member District Updates**

None

**15. Agenda Items for Next Board Meeting**

The next board meeting will be held on Wednesday, May 31, 2017.

**16. Adjourn**

**17.**

**Motion 17.008** Motion by Wetter, second by Cleveland, to adjourn the meeting. Motion carried.

Respectfully submitted,

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Gwen Willems, MCD Secretary



## Metro Managers Meeting Notes

**Meeting Date: March 11, 2017**

**Meeting Time: 12:30-3:30**

**Meeting Location: Isanti SWCD**

### Attendance:

**MCD Managers:** Mike Wanous (Carver), Craig Mell (Chisago), Chris Lord (Anoka), Brian Watson (Dakota), Karen Galles (Hennepin), Tiffany Determan (Isanti), Ann WhiteEagle (Ramsey), Francine Larson (Sherburne), Jay Riggs (Washington), Luke Johnson (Wright), Troy Kuphal (Scott)

**BWSR Staff:** Dan Fabian (Board Conservationist); Tom Gile (Buffer Program Coordinator)- via phone for agenda item 2

### **AGENDA ITEMS**

#### **1. Engineering and Technical Assistance Program- Brian Watson, Dakota SWCD**

The grant reconciliation performed by Linda Donnay on 2016 NPEAP, ETSA Part 1 and 2 went well overall. Brian provided a recap of the reconciliation which highlighted findings (see attached). Changes to the 2017 ETA reporting forms will be implemented based on the reconciliation. NOTE: invoices for equipment must be submitted with reporting forms. Discussion was had regarding complexities of the reporting form/invoice (i.e. assistance type breakdown). The breakdown is currently based off of a recommendation by BWSR Engineering staff. Dan Fabian will talk to Tom Gillette about the necessity of activity breakdown on reporting forms.

Reviewed Calendar year 2016 and 2017 ETA TA and Equipment spending reports (attached). 2016 balances remaining are highlighted in red.

Reviewed 2016 grant status (attached).

#### Staff Action

- Dakota will send out updated reporting forms to be used for quarterly invoicing.
- Dan Fabian will talk to Tom Gillette about the necessity of activity breakdown on reporting forms. Also to mention to Tim that BWSR should not be changing the assistance type breakdowns that are being reported on.

#### **2. Buffer Law Alternative Practices – Tom Gile, BWSR**

Tom provided an overview of the new technical guidance document on Alternative Practices as available on BWSR's website. Some of the main topics of discussion regarding alternative practices included:

- Compliance Tracking: SWCDs should track alternative practices via BuffCAT but should also track locations and practices on a map. BWSR will develop guidance on compliance tracking for alternative practices. Compliance tracking should occur on the same rotation as w/the buffer program (every 3 years) or as determined by individual SWCDs via a contract with the landowner.
- Compliance Determination: Compliance determinations of alternative practices for individual sites are the responsibility of SWCDs. BWSR will provide guidance and challenge the SWCDs on comparable benefits. Statute language indicates that compliance determinations can be made by a technical professional employee, it doesn't have to be the board. Statute as follows: (d) Upon request by a landowner or authorized agent or operator of a landowner, a technical professional

employee or contractor of the soil and water conservation district or its delegate may issue a validation of compliance with the requirements of this subdivision. The soil and water conservation district validation may be appealed to the board as described in subdivision 9.

- Alternative practices must protect bank stability per the guidance; however, bank stability is not taken into consideration under the 16.5 or 50 foot “regular” buffer requirement.

Other items discussed:

- Allowable rotations for alfalfa as buffer: Goodhue SWCD developed a rotation mix for a hayable buffer program, Tom will talk to Beau Kennedy to get the mix and get back to us.
- Sod as a buffer: CAN be harvested as long as it is promptly seeded and/or a significant amount of roots are left such that they will provide ground cover quickly.
- Need clearer guidance on “intermittently exposed soil”.

Staff Action

- None.

**3. Campus Groundwater Conservation Planning Program – Chris Lord, Anoka SWCD**

Mitch Haustein, ACD, is the lead. Mitch developed a comprehensive protocol outline based on the 1<sup>st</sup> Level 2 Task Force meeting held in February. The 2<sup>nd</sup> Level 2 Task Force meeting will be held on Thursday April 13<sup>th</sup>. Level 1 participants will be assigned tasks following the next meeting.

Staff Action

- None

**4. Area IV Technical Training Team Update – Troy Kuphal, Scot SWCD & Dan Fabian, BWSR**

The Area Technical Training Teams are a component of the Technical Training and Certification Strategy designed to enhance and sustain technical skills and certification for conservation delivery. Area teams ensure training and credentialing needs are met by simultaneously advocating needs to the State level committee and by providing local opportunities for formal and informal technical training. Primary roles of the teams are to identify and prioritize local training needs, identify trainers, organize and coordinate local training delivery and coordinate with other area teams to maximize training efficiencies.

Area training teams are based on current NRCS boundaries (6 of them). Area IV team is represented by: Troy Kuphal (SWCD), Kevin Osterman (SWCD), Brad Wozney (BWSR), Dan Fabian (BWSR), Craig Peterson (NRCS), Jacob Stich (NRCS). Troy is the current area team lead.

Area IV team has met one time thus far. There are no hard deadlines on products at this point.

Briefly discussed the Future of TSAs and the meeting on April 13<sup>th</sup>. Ann, Francine and Brian are planning to attend.

Staff Action

- Troy will be reaching out to all Area IV to inquire on training needs and potential trainers.
- Brian will send a summary of April 13<sup>th</sup> TSA meeting.

**5. Sharing Technical Expertise Among members – Brian Watson, Dakota SWCD**

Brian created a draft list of job disciplines for review. Members should add to the list and/or add staff names to the identified categories. The form should be made available as a shared spreadsheet. Future discussions should be had regarding allocation of FY18 & 19 ETA funding to help cover costs associated with the “cross-training” program. Ideas included: rotating hosting of training/conversations to experts



within Area IV. The sessions could include tips and tricks, sharing of ideas among disciplines, trainings, field trips....

Staff Action

- Brian will convert the word document into a spreadsheet that can be shared with members. Members can then add to the list and identify staff. Further discussion on funding and methodology will be needed at a future meeting.

**6. 2017 MCD Mangers meetings**

a) Schedule/location(s):

- Impromptu meeting in April/May with LeAnn Buck to discuss District Capacity Funding.
- Will continue to rotate managers meetings. Scott SWCD is next. Next meeting: July

b) Topics of Interest:

- FY18/19 funding for Cross training
- Equipment repair and maintenance fund (for non-shared items)

Staff Action

- Ann will contact LeAnn Buck to schedule a meeting to discuss Capacity Funding at her earliest convenience (April/early May).
- Troy will send out a doodle poll.

**7. Actions needed for February 22, 2017 Board meeting**

- 2016 Audit approval for Peterson Company LTD.
- Approve staff recommendations for FY18 CWF grants.
- Work plan length approval: 1 yr vs 3 yr.

Staff Action

- None

**8. Others**

MAWQCP (Troy): Waiting to hear anticipated demands. MDA is posed to reload the budget for Area IV staff involvement. Chisago is now covered by Area 3.

BWSR Academy: November 1-3, 2017.

Next Meeting: July TBD. Hosted by Scott SWCD.

**Metropolitan Conservation District  
Treasurer's Report  
As of May 18, 2017**

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Previous Cash  
Balance  
5/18/2017

**ETA - Engineering and Technical Assistance**

<b>ASSETS</b>			
Cash - Previous Balance - 2/15/2017	\$402,965.28		
Income		\$1,267.54	
Expense		\$29,414.36	
Cash - Ending Balance -5/18/2017			\$374,818.46
Accounts Receivable			
<b>LIABILITIES</b>			
NPEAP/ETA		\$374,818.46	
<b>Total Liabilities</b>		<b>\$374,818.46</b>	
<b>FUND BALANCE</b>			<b>\$0.00</b>

**SWA - Sub-watershed Analysis**

<b>ASSETS</b>			
Cash - Previous Balance -2/15/2017	\$31,352.25		
Income		\$0.00	
Expense		\$45,450.00	
Cash - Ending Balance -5/18/2017			-\$14,097.75
<b>LIABILITIES</b>			
SWA Grant - 2014		<u>\$0.00</u>	
<b>Total Liabilities</b>		<b>\$0.00</b>	
<b>FUND BALANCE</b>			<b>-\$14,097.75</b>

**CGCP - Campus Groundwater Conservation Planning**

<b>ASSETS</b>			
Cash - Previous Balance -2/15/2017	\$95,415.99		
Income		\$0.00	
Expense		\$0.00	
Cash - Ending Balance -5/18/2017			\$95,415.99
<b>LIABILITIES</b>			
CGCP Liability 2016		<u>\$95,415.99</u>	
<b>Total Liabilities</b>		<b>\$95,415.99</b>	
<b>FUND BALANCE</b>			<b>\$0.00</b>

**MAWQCP - MN Ag Water Quality Certification**

<b>ASSETS</b>			
Cash - Previous Balance -2/15/2017	\$0.00		
Income		\$22,283.89	
Expense		\$22,283.89	
Cash - Ending Balance -5/18/2017			\$0.00
<b>FUND BALANCE</b>			<b>\$0.00</b>

**CWF - Childrens' Water Festival**

<b>ASSETS</b>			
Cash - Previous Balance - 2/15/2017	\$26,639.10		
Income		\$8,400.00	
Expense		\$459.40	
Cash - Ending Balance -5/18/2017			\$34,579.70
<b>FUND BALANCE</b>			<b>\$34,579.70</b>

# Metropolitan Conservation District

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## Treasurer's Report

As of May 18, 2017

### MCD - Metro Conservation District

<b>ASSETS</b>			
Cash - Previous Balance -2/15/2017	\$60,443.32		
Income		\$699.44	
Expense		\$61.00	
Cash - Ending Balance - 5/18/2017			\$61,081.76
Accounts Receivable		\$0.00	
<b>FUND BALANCE</b>		<b>\$61,081.76</b>	

<b>TOTAL FUND BALANCE</b>	<b>\$81,563.71</b>	
<b>TOTAL CASH BALANCE</b>		<b>\$551,798.16</b>

### BANK ACCOUNT SUMMARY

Accounts Type	Bank	Balance
Checking	Hometown	\$52,684.61
Savings	Hometown	<u>\$499,113.55</u>
<b>Total Cash</b>		<b>\$551,798.16</b>



**Metro Conservation District**  
As of May 18, 2017

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Type	Date	Num	Name	Description	Debit	Credit	Balance
							<b>43,401.83</b>
Check	02/16/2017	1513	MCIT	Insurance Expense		61.00	43,340.83
Bill Pmt -Check	02/23/2017	1514	Isanti SWCD	Accounts Payable		14,850.00	28,490.83
Deposit	02/23/2017			Deposit	1,267.54		29,758.37
Check	03/14/2017	1515	Minnesota State Fair	CWF Expenses		250.00	29,508.37
Bill Pmt -Check	03/15/2017	1516	Sherburne SWCD1	Accounts Payable		4,950.00	24,558.37
Check	03/28/2017	eft	Verizon Wireless	Telephone		91.58	24,466.79
Deposit	04/06/2017			Deposit	6,150.00		30,616.79
Check	04/12/2017	1517	Verizon Wireless	Telephone		91.58	30,525.21
Transfer	05/03/2017			Deposit	75,000.00		105,525.21
Bill Pmt -Check	05/03/2017	1518	Chisago Soil & Water Conservation Dist	Accounts Payable		10,800.00	94,725.21
Bill Pmt -Check	05/03/2017	1519	Sherburne SWCD1	Accounts Payable		14,850.00	79,875.21
Check	05/03/2017	1520	Madeline Seveland	CWF Expenses		209.40	79,665.81
Check	05/03/2017	1521	Carver Soil & Water Conservation District	ETA 2016		2,572.90	77,092.91
Check	05/03/2017	1522	Chisago Soil & Water Conservation Dist	ETA 2016		7,957.07	69,135.84
Check	05/03/2017	1523	Dakota County Soil & Water Conservation D	ETA 2016		1,464.62	67,671.22
Check	05/03/2017	1524	Isanti CD	ETA 2016		658.90	67,012.32
Check	05/03/2017	1525	Sherburne SWCD1	ETA 2016		6,411.17	60,601.15
Check	05/03/2017	1526	Washington Conservation District	ETA 2016		9,424.96	51,176.19
Check	05/03/2017	1527	Ramsey Conservation District	ETA 2016		650.00	50,526.19
Deposit	05/04/2017			Deposit	2,250.00		52,776.19
Check	05/12/2017	1528	Verizon Wireless	Office & Field Supplies		91.58	52,684.61
Check	05/12/2017	1529	Wright Soil & Water	MAWQCP		634.19	52,050.42
Check	05/12/2017	1530	Sherburne SWCD1	MAWQCP		4,521.31	47,529.11
Check	05/12/2017	1531	Scott Soil and Water Conservation Dist.	MAWQCP		1,404.23	46,124.88
Check	05/12/2017	1532	Dakota County Soil & Water Conservation D	MAWQCP		5,137.59	40,987.29
Check	05/12/2017	1533	Washington Conservation District	MAWQCP		3,234.73	37,752.56
Check	05/12/2017	1534	Anoka Conservation District	MAWQCP		7,351.84	30,400.72
Deposit	05/15/2017			Deposit	22,283.89		52,684.61
					106,951.43	97,668.65	52,684.61

## CY 2017 - Engineering/Technical Assistance & Equipment Expenditures Report

Member	2017 Application		Qtr 1 Grant Expenditures		Qtr 2 Grant Expenditures		Qtr 3 Grant Expenditures		Qtr 4 Grant Expenditures		Total Grant Expenditures		Grant Balance	
	E & TA	Equipment	E & TA	Equipment	E & TA	Equipment	E & TA	Equipment	E & TA	Equipment	E & TA	Equipment	E & TA	Equipment
Anoka	\$ 23,600.00	\$ 1,400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,600.00	\$ 1,400.00
Carver	\$ 22,000.00	\$ 3,000.00	\$ 2,572.90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,572.90	\$ -	\$ 19,427.10	\$ 3,000.00
* Chisago	\$ 26,187.05	\$ -	\$ 7,957.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,957.07	\$ -	\$ 18,229.98	\$ -
* Dakota	\$ 28,393.99	\$ -	\$ 1,464.62	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,464.62	\$ -	\$ 26,929.37	\$ -
Hennepin	\$ 44,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,000.00	\$ -
Isanti	\$ 22,000.00	\$ 3,000.00	\$ 658.90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 658.90	\$ -	\$ 21,341.10	\$ 3,000.00
* Ramsey	\$ 40,024.87	\$ -	\$ 650.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650.00	\$ -	\$ 39,374.87	\$ -
Scott	\$ 22,000.00	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,000.00	\$ 3,000.00
* Sherburne	\$ 30,712.76	\$ -	\$ 6,411.17	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,411.17	\$ -	\$ 24,301.59	\$ -
* Washington	\$ 22,184.90	\$ 2,823.00	\$ 6,602.12	\$ 2,822.84	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,602.12	\$ 2,822.84	\$ 15,582.78	\$ 0.16
Wright	\$ 32,181.18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,181.18	\$ -
<b>Subtotal:</b>	<b>\$ 313,284.75</b>	<b>\$ 13,223.00</b>	<b>\$ 26,316.78</b>	<b>\$ 2,822.84</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,316.78</b>	<b>\$ 2,822.84</b>	<b>\$ 286,967.97</b>	<b>\$ 10,400.16</b>
<b>Total Grant:</b>	<b>\$ 326,507.75</b>		<b>\$ 29,139.62</b>		<b>\$ -</b>		<b>\$ -</b>		<b>\$ -</b>		<b>\$ 29,139.62</b>		<b>\$ 297,368.13</b>	
Member	2017 Application (Match)		Qtr 1 Match Expenditures		Qtr 2 Match Expenditures		Qtr 3 Match Expenditures		Qtr 4 Match Expenditures		Total Match Expenditures		Match Balance	
	E & TA	Equipment	E & TA	Equipment	E & TA	Equipment	E & TA	Equipment	E & TA	Equipment	E & TA	Equipment	E & TA	Equipment
Anoka	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -
Carver	\$ 5,000.00	\$ 600.00	\$ 909.22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 909.22	\$ -	\$ 4,090.78	\$ 600.00
Chisago	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -
Dakota	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -
Hennepin	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -
Isanti	\$ 9,594.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,594.00	\$ -
Ramsey	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -
Scott	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -
Sherburne	\$ 5,000.00	\$ -	\$ 587.55	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 587.55	\$ -	\$ 4,412.45	\$ -
Washington	\$ 4,292.00	\$ 708.00	\$ -	\$ 708.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 708.00	\$ 4,292.00	\$ -
Wright	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -
<b>Subtotal:</b>	<b>\$ 58,886.00</b>	<b>\$ 1,308.00</b>	<b>\$ 1,496.77</b>	<b>\$ 708.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,496.77</b>	<b>\$ 708.00</b>	<b>\$ 57,389.23</b>	<b>\$ 600.00</b>
<b>Total Match:</b>	<b>\$ 60,194.00</b>		<b>\$ 2,204.77</b>		<b>\$ -</b>		<b>\$ -</b>		<b>\$ -</b>		<b>\$ 2,204.77</b>		<b>\$ 57,989.23</b>	

No Report Submitted

More Match Than Required

\*Includes \$51,507.75 CY 2016 Carry Over In Total.

CY16 Grant Allocation Per Member = \$19,909

CY17 Grant Allocation Per Member = \$25,000

Metro Soil and Water Conservation Districts Technical Service Area Grants Status

Workplan:	FY 2016 NPEAP \$125,000 09/09/2015 to 06/30/2017				FY 2016 ETSA Part 1 \$125,000 02/05/2016 - 06/30/2018				FY 2016 ETSA Part 2 \$115,000 02/05/2016 - 06/30/2018		
	T/E				Supplies, T/E Equipment, Recorded				T/E		
	Admin.	T/E Assistance	Assistance Match	Supplies & Training	Admin.	T/E Assistance	Training	Match	Admin.	T/E Assistance	Match
	\$5,000.00	\$104,307.67	\$12,500.00	\$15,692.33	\$2,500.00	\$7,500.00	\$115,000.00		\$2,500.00	\$112,500.00	\$28,750.00
	\$125,000.00				\$125,000.00				\$115,000.00		
CY 2016 Expenses:	\$3,000.00	\$76,614.71	\$15,206.14	\$15,692.33	\$1,650.00	\$0.00	\$114,949.70	\$8,175.02	\$1,650.00	\$65,783.34	\$31,460.46
CY 2017 Expenses:	\$1,206.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50.30	\$0.00	\$0.00	\$27,856.78	\$1,496.77
Total Spent:	\$96,513.04				\$116,650.00				\$95,290.12		
Balance:	\$794.00	\$27,692.96	-\$2,706.14	\$0.00	\$850.00	\$7,500.00	\$0.00	-\$8,175.02	\$850.00	\$18,859.88	-\$4,207.23
	77.21%				93.32%				82.86%		

Workplan:	FY 2017 NPEAP \$125,000 10/27/2016 to 06/30/2019				FY 2017 ETSA Part 1 \$125,000 10/27/2016 to 06/30/2019				FY 2017 ETSA Part 2 \$115,000 10/27/2016 to 06/30/2019		
	T/E				Supplies, T/E Equipment, Recorded				T/E		
	Admin.	T/E Assistance	Assistance Match	Supplies & Training	Admin.	T/E Assistance	Training	Match	Admin.	T/E Assistance	Match
	\$6,500.00	\$100,000.00	\$12,500.00	\$18,500.00	\$2,500.00	\$67,500.00	\$55,000.00		\$2,500.00	\$112,500.00	\$28,750.00
	\$125,000.00				\$125,000.00				\$115,000.00		
CY 2017 Expenses:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$49,291.52	\$0.00	\$0.00	\$0.00	\$0.00
CY 2018 Expenses:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$708.00	\$0.00	\$0.00	\$0.00
Total Spent:	\$0.00				\$49,291.52				\$0.00		
Balance:	\$6,500.00	\$100,000.00	\$12,500.00	\$18,500.00	\$2,500.00	\$67,500.00	\$5,708.48	-\$708.00	\$2,500.00	\$112,500.00	\$28,750.00



**Anoka County Board of Commissioners and  
Metro Conservation District – Metro Area Children’s Water Festival  
Memorandum of Understanding**

This Memorandum of Understanding is made and entered into by and between the Anoka County Board of Commissioners and The Metro Conservation District for the Metro Area Children’s Water Festival, (hereinafter referred to as “Partnering Agencies”).

WHEREAS, The Metropolitan Conservation District is a public entity which is the financial agent for the organizers of the Metro Area Children’s Water Festival, specifically, the counties of Anoka, Carver, Scott, Washington, Hennepin, Ramsey and Dakota. The Children’s Water Festival is an annual event designed to provide students with hands-on opportunities to learn about water and its importance to people and our natural environment. The Metro Area Children’s Water Festival utilizes a lottery to select fourth grade students in the metro area and includes children from Anoka County. The students spend a day at the Minnesota State Fair Grounds learning about water. Anoka County Community Health and Environmental Services is involved in the planning and presentation of the festival. In order for the festival to be viable, it depends upon donations from a variety of entities.

WHEREAS, Anoka County Human Services and Anoka County residents benefit from the educational opportunities provided by the Metro Area Children’s Water Festival. Anoka County desires to have the services continue to the benefit of the metro area children, including Anoka County residents and Anoka County recognizes the financial needs of the Metro Area Children’s Water Festival in order to continue to provide the extensive educational services.

WHEREAS, Anoka County desires to assist the Metro Area Children’s Water Festival to provide the ongoing extensive education services to Anoka County and metro area residents, by providing a financial stipend in an amount to be determined annually by the County to the Metropolitan Conservation District on behalf of the Metro Area Children’s Water Festival.

WHEREAS, the parties agree that any funds provided by Anoka County to the Metro Area Children’s Water Festival shall be used for the purpose of continuing to provide the valuable and necessary services outlined above.

WHEREAS, the Metro Area Children’s Water Festival will provide documentation to Anoka County in the form of a year-end report to verify the use of Anoka County funds for the agreed upon purpose.

WHEREAS, this Memorandum of Understanding shall continue unless and until either party terminates the Agreement by sending written notice to the other at least 30 days prior to the desired expiration.

IN WITNESS WHEREOF, the parties hereby execute the foregoing Memorandum of Understanding.

\_\_\_\_\_  
Rhonda Sivarajah, Chair  
Anoka County Board of Commissioners

\_\_\_\_\_  
Date

\_\_\_\_\_  
The Metro Conservation District

\_\_\_\_\_  
Date

## Children's Water Festival set to expand in 2017

The Children's Water Festival is an annual one day festival that educates, motivates and challenges children to understand, conserve and protect water resources. It is one of the premier K12 education events in the metro area and helps teachers achieve state and school district science standards for 4<sup>th</sup> grade. Children's Water Festival is also one of the largest education collaborations in the metro area and has been increasing awareness of water issues and solutions in students and adults for 19 years.

### We are growing

Big news! In 2017, the Metro Area Children's Water Festival will educate more students at its annual interactive educational program. For years more schools have registered to attend than could be accommodated. At our 2017 festival, **September 27<sup>th</sup>**, we are expanding to reach 600 more students (1800 total), an increase of 30%. Additionally, 2017 is our 20<sup>th</sup> festival so we are celebrating 20 years of water education.

### Changes in curriculum

We are all aware of the many changes in the education system in the last 20 years especially when it comes to standards. To continue to provide the best educational experience possible to our students, the Metro Children's Water Festival is changing with the times. This year each classroom will attend three learning stations covering each of three selected, core components:

- 1) **Chemical and Physical** (water cycle, properties, and phases of water)
- 2) **Hydrology** (how water flows, watersheds, surface waters, rivers, groundwater)
- 3) **Impacts** (how humans impact water, aquatic life, and why we should care)

Each class will also visit the Water Arcade, Science Museum show WATER, and enjoy lunch at the water festival.

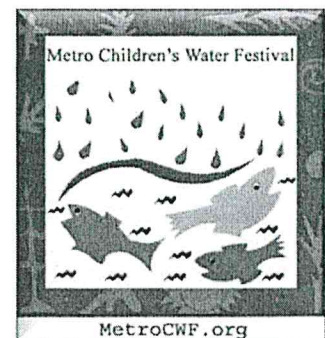
### Continued significance

- The festival provides free education on water resources to 4<sup>th</sup> graders in the metro area.
- It inspires students to learn more about water resources and protecting clean water for future generations.
- It provides a necessary science enrichment program that helps teachers meet state education standards.
- It creates enthusiasm and awareness around one of our most precious resources.

Madeline Seveland

Metro Children's Water Festival Chair

952-361-1026 or mseveland@co.carver.mn.us



## Metro Area Children's Water Festival 2017 Budget (and 2016 comparison)

<u>2016 Budget</u>	<u>2016 Expenditures</u>	<u>2017 Proposed Expenditures</u>
Facility Rental	\$5000	Facility Rental \$7660
Food & Supplies	\$1200	Food & Supplies \$2000
Transportation	\$2000	Transportation \$2500
Presenters	\$2000	Presenters \$2000
Teacher Training		Best Practices Training for Presenters \$200
<b>TOTAL EXPENSES</b>	<b>\$10,200</b>	<b>\$14,360</b>

### Sponsors

2016 sponsorship was \$12,725.

2017 sponsorship currently received is \$8400.

Lower MN River WD, Shakopee Mdewakanton Sioux Community, WENCK, Dakota Env. Services, MN Well Water Association, Capitol Region WD, MN Groundwater Association, Carver County,

2017 sponsorship left to come in but pledged, approximately \$6500.

Anoka County, Hennepin County (pays \$10 per student), Ramsey County (pays \$10 per student), Washington County

2017 sponsors left to be targeted.

Anderson Windows, all watershed districts and WMOs with classes attending, Flint Hills (interested, contact made).

Additional donations

US Forest Services is proposing to cover the cost of one Science Museum show (hopefully saving about \$1000 on presenters).




**ANOKA CONSERVATION DISTRICT**

1318 McKay Drive NE, Suite 300  
Ham Lake, MN 55304  
Phone: (763) 434-2030 Fax: (763) 434-2094  
www.AnokaSWCD.org

**MEMORANDUM**

**TO: MCD Board**  
**FROM: Mitch Haustein, Conservation Specialist**  
**DATE: May 23, 2017**  
**SUBJECT: Campus Groundwater Conservation Planning Initiative Update**

This memorandum provides an update on the Campus Groundwater Conservation Planning (CGCP) initiative. Activities since the last CGCP update submitted to the MCD Board are summarized below.

**TASK FORCE MEETING #1**

The first task force meeting focused on both introducing the goals of the CGCP initiative to the task force members as well as gathering information and initial considerations from the members. The task force is comprised of six Level 1 SWCD members and seven non-SWCD members from a variety of sectors. All members are summarized in the table below.

Level 1 SWCD CGCP Task Force Members		
SWCD	Name	Title
Anoka	Mitch Haustein	Conservation Specialist
Isanti	Tiffany Determan	District Manager
Ramsey	Andrea Prichard	Environmental GIS Technician
Scott	Troy Kuphal	District Manager
Sherburne	Daniel Cibulka	Water Resource Specialist
Washington	Jay Riggs	District Manager
Non-SWCD CGCP Task Force Members		
Organization	Name	Title
Anoka-Hennepin School District	Doug Bonar	Sites and Grounds Supervisor
Metropolitan Council	Brian Davis	Senior Engineer, Water Supply Planning
Minnesota Technical Assistance Program (MnTAP)	Mick Jost	Team Leader & Senior Scientist
Scott County	Tim McGovern	Facilities Manager
Minnesota DNR	Carmelita Nelson	Water Conservation Consultant
Washington County Department of Public Health & Environment	Stephanie Grayzeck Souter	Associate Planner
City of Woodbury	Jim Westerman	Utilities Supervisor/Environmental Resource Coordinator

Task force members shared their experience with previous energy and water audit protocols as well as provided input on general CGCP protocol development through structured discussions. Below are several summary points from the first task force meeting.

- The final work product of the CGCP process delivered to the campus must facilitate implementation. Therefore, it needs to be easily interpreted, highlight water conservation and financial benefits, and include a clear action plan that leads to implementation.
- Meetings with facility managers and decision makers as well as clearly set expectations for time investments must occur early in the protocol process.
- The CGCP protocol must analyze both outdoor and indoor water use.
- SWCDs need to be realistic about technical capabilities of staff and the time required to learn and implement the protocol. The first campuses to which the CGCP protocol is applied should not be highly complex. For example, hospitals have many complex, water-using systems and may not be a good campus for the early analyses.

- While the CGCP initiative will first target public campuses, the long-term goal is to apply it on any campus. This should be considered when developing the protocol.

## DRAFT PROTOCOL OUTLINE

Using the comments and general direction received during the first task force meeting, an outline was developed for the CGCP process. The outline generally consisted of the following components.

- Broad scale campus identification to determine which campuses should initially be contacted
- Promotion to potential campuses about benefits of the CGCP process
- Final selection of the campus based on high-level review of use and potential opportunities
- CGCP protocol steps – gather baseline water use data, identification of potential indoor and outdoor practices or modifications in operations or procedures to reduce use, analysis to determine estimated cost-benefit as well as return on investment period for each practice, and final report generation
- Campus follow-up - conduct follow-up site visits to determine which activities have been implemented and provide additional assistance when needed
- Campus outreach - provide resources to the campus to advertise the benefits received, from both groundwater and financial perspectives

## TASK FORCE MEETING #2

The second task force meeting focused on reviewing and discussing the main categories of the outline. Below are summary points from the second task force meeting.

- The initial steps of campus identification, promotion, and final selection may not be critical in the early stages of the program. However, successful promotion of the program could result in the need for screening due to limited funding. Therefore, establishing this as part of the protocol is worthwhile.
- Existing protocols are numerous and relied upon by other entities conducting similar work (e.g. MnTAP audits) and detailed review of these protocols should be conducted to determine applicability and adaptability to the CGCP process.
- The final CGCP protocol will likely be comprised of analyses from multiple existing protocols and resources. Rather than duplicating efforts, the CGCP protocol will assemble the appropriate protocol steps and calculators already developed by others entities. This approach will result in a customized protocol that relies on frequently used and previously tested resources.

## CURRENT EFFORTS

Since the second task force meeting, existing protocol review has focused on the EPA's *WaterSense at Work* document and the *South Florida Water Management District Water Supply Development Section Water Efficiency and Self-Conducted Water Audits at Commercial and Institutional Facilities Guide for Facility Managers*. Both documents have well established protocols for identifying water conservation opportunities (indoor and outdoor) on large campuses. In addition to the protocols, the documents also reference existing calculators for estimating current use and potential reductions. These calculators are also being reviewed. Following review of the documents and calculators, they will be adapted and condensed into a protocol that could work for the CGCP initiative. The focus of the third task force meeting will be to review a draft of the protocol. Below is a summary of the primary systems to be analyzed that will be included in the draft protocol.

- Sanitary fixtures and equipment (e.g. toilets, urinals, faucets, showerheads, and laundry equipment)
- Commercial kitchen equipment (e.g. commercial ice machines, commercial dishwashers, and wash-down sprayers)
- Outdoor water use (e.g. irrigation and vehicle washing)
- Mechanical systems (e.g. single-pass cooling, cooling towers, boiler and steam systems)
- Identification of alternative water sources to offset use (e.g. rainwater, stormwater, and cooling tower blowdown)

#### ANTICIPATED TIMELINE

June – August 2017	Additional task force meetings and Level 1 SWCD participant meetings
September – December 2017	Train Level 2 participants on protocol implementation Identify and recruit campus participation Facilities manager training module development
January – August 2018	Completion of up to 11 campus groundwater conservation plans (ideally one per metro county) Train facilities managers
September – December 2018	Compile final report





## Memorandum

**TO:** MCD Board of Managers  
**FROM:** Bryan Pynn, Washington Conservation District  
**DATE:** February 22, 2017  
**RE:** Vectorworks License Ownership Change Request

**Summary:** On behalf of all Vectorworks license owners in the MCD system, the Washington Conservation District is requesting the MCD Board of Managers consider approving the transfer of all Vectorworks licenses cost-shared by MCD to the respective end-users of the software. This transfer would allow each SWCD to have full control of their licenses in order to streamline usability, tech support, and licensing issues as they arise.

**Background:** Beginning in 2015 the MCD agreed to provide cost-share dollars to multiple SWCD's for multiple licenses of the Vectorworks CAD software. The purchase costs for each license were typically \$1,500-\$1,800 for each seat, depending on the year of purchase. MCD provided 50% of this cost per seat. As part of the Vectorworks license agreement, there is an additional Annual Subscription cost of \$590 per seat. A part of the cost-share agreement, MCD does not pay any of this annual fee, and the cost for the service is paid solely by the license users (the SWCD's).

**Reason for Request:** Vectorworks issues major updates to the software on a quarterly basis (as part of the subscription service) and requires a new license key, software download, and install. This update cannot happen until the license manager (MCD) receives a request from the user (SWCD). Shelly then logs-in as the license manager to forward the new license to each user as request are made. After 11 licenses, 4 times annually, this becomes quite cumbersome. Further, updates that have to happen internally due to server issues, employee turnover, etc. cannot happen without MCD's intervention.

The rationale for MCD retaining ownership of these licenses is that they provided 50% of the purchase price. But given that the SWCD's have to pay the annual subscription fee, the amount that each district has put toward the licenses has outpaced the MCD contribution after just 2 years of ownership. Given these financial contributions and difficulties in license updates, it would make sense if the SWCD's were allowed to have full control of their licenses in order to streamline control over usability and tech support.

Example License Cost and Contribution Summary:

Organization	Initial Purchase	2015 Annual Subscription	2016	2017	Total contribution
MCD (x3 seats)	\$3,504 (50% of \$7,008)	x	x	x	\$3,504
WCD (x3 seats)	\$3,504 (50% of \$7,008)	\$1,770	\$1,770	\$1,770	\$8,814
*initial purchase cost varies by year across all participating SWCD's					



March 29, 2017

Shelly Tietz  
Metropolitan Conservation District  
7151 W 190th St, Ste 125  
Jordan, MN 55352

**CLIENT COPY**

To Board of Directors:

We are pleased to confirm our understanding of the services we are to provide Metropolitan Conservation District for the year ended December 31, 2016. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Metropolitan Conservation District as of and for the year ended December 31, 2016. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Metropolitan Conservation District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Metropolitan Conservation District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedules
- 3) Schedule of Contributions
- 4) Schedule of Proportionate Share of Net Pension Liability

We have also been engaged to report on supplementary information other than RSI that accompanies Metropolitan Conservation District's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole.

#### **Audit Objective**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and will include tests of the accounting records of Metropolitan Conservation District and other procedures



we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Metropolitan Conservation District's financial statements. Our report will be addressed to the board of directors of Metropolitan Conservation District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Metropolitan Conservation District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards may not satisfy the relevant legal, regulatory, or contractual requirements.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.



### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Metropolitan Conservation District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

### **Other Services**

We will also assist in preparing the financial statements and related notes of Metropolitan Conservation District in conformity with U.S. generally accepted accounting principles based on information provided by you. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Management Responsibilities**

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed



to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

You agree to assume all management responsibilities for financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to Metropolitan Conservation District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Peterson Company Ltd. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Minnesota Office of the State Auditor or its designee, for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Peterson Company Ltd. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal or state awarding agency or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit in the summer and to issue our reports no later than October 31, 2017. Michael Peterson, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. Our fee for these services will be \$2,300. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices not paid within 30 days will accrue interest at 1.50%. In accordance with our firm policies, work may be suspended if your account becomes 45 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional



time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Metropolitan Conservation District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,



Michael Peterson, CPA  
Peterson Company Ltd.

RESPONSE:

This letter correctly sets forth the understanding of Metropolitan Conservation District.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_