

Hubbard County Soil and Water Conservation District

2015 Annual Report

2016 Annual Work Plan



HUBBARD COUNTY SOIL AND WATER CONSERVATION DISTRICT

2015 Annual Report & 2016 Annual Work Plan

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HUBBARD COUNTY SOIL AND WATER CONSERVATION DISTRICT

January 1, 2015 – December 31, 2015

PERSONNEL

DISTRICT SUPERVISORS

CHAIR	BOB ILES
VICE CHAIR	LYNN GOODRICH
SECRETARY	RUTH GRANDY
TREASURER	DON SELLS
PR&I	DON RETTINGER

DISTRICT STAFF

DISTRICT MANAGER	JULIE KINGSLEY
ADMINISTRATIVE ASSISTANT	MELISSA KOEBERNICK
WATER QUALITY/RESOURCE SPECIALIST	JAMIN CARLSON

USDA NATURAL RESOURCES CONSERVATION SERVICE

DISTRICT CONSERVATIONIST	DAN PAZDERNIK
SOIL CONSERVATION TECHNICIAN	ALICIA LATURNUS

MEETING DATES

The Board of Supervisors meets the second Wednesday of each month at 8:30 am in the Agricultural Service Center, 212 ½ Second Street West, Park Rapids. Meetings are open to the public.

EEO-Services and programs of the Hubbard County Soil and Water Conservation District and the Natural Resources Conservation Service are offered on a nondiscriminatory basis without regard to race, color, national origin, religion, sex, age, marital status, or handicap.

Services Provided by the Hubbard County SWCD

BWSR Grant Programs

- Conservation Delivery
- Cost-share program to assist landowners in installing conservation practices
- Streambank, Lakeshore, and Roadside erosion
- Reinvest in Minnesota
- Local Water Management Plan
- Wetland Conservation Act
- Community Partner's Grant

Special Programs

- Rural Rainfall Monitoring Network
- Tree Program
- AIS Watercraft Inspector Program
- Tullibee Forest Stewardship Program
- Irrigation Uniformity Testing
- Wild Rice Easements

Education Programs

- Poster Contest (grades 5-6)
- Envirothon (grades 9-12)
- Present at 5th Grade Conservation Education Day
- Present at 4th Grade Resource Rendezvous
- Presentations upon request

Local Water Plan Projects

- Abandoned well program
- Nitrate testing clinic
- 6th Grade Freshwater Festival (county-wide)
- Lake and river monitoring
- Shoreland Brochures

Services

- Soil and Water Stewardship materials
- Environmental education materials
- Presentations on conservation topics

Cooperative Programs

- Joint Powers Board
- Natural Resources Conservation Service programs
- DNR Observation Well Program

Website: www.hubbardswcd.org

COOPERATING AGENCIES

The Hubbard County Soil and Water Conservation District would like to thank each of the following for their support and assistance during the year:

Area 8 soil and water conservation districts
Area schools
Citizens National Bank
City of Laporte
City of Nevis
City of Park Rapids
Coalition of Lake Associations
Department of Natural Resources
Farm Service Agency
Hubbard County Auditor
Hubbard County Assessor
Hubbard County Board of Commissioners
Hubbard County Engineer
Hubbard County Environmental Services
Hubbard County Extension Service
Hubbard County Treasurer
Hubbard County Townships Association
Itasca State Park staff
Lake associations
Minnesota Association of Conservation District Employees
Minnesota Association of Soil and Water Conservation Districts
Minnesota Board of Water and Soil Resources
Minnesota Department of Agriculture
Minnesota Pollution Control Agency
Natural Resources Conservation Service
Northern Lights Council BSA, Camp Wilderness
Northwoods Press
North Central Minnesota Joint Powers Board
Northwest Minnesota Foundation
Office of State Climatology
Park Rapids Enterprise
Radio Station KK-FM
Radio Station KPRM
RMB Laboratories
State Bank of Park Rapids
Superstation KK-FM
University of Minnesota Extension
The Review Messenger
U.S. Army Corps of Engineers

HUBBARD COUNTY SOIL AND WATER CONSERVATION DISTRICT

OVERVIEW AND 2015 ACCOMPLISHMENTS AND ACTIVITIES

Mission Statement:

The purpose of the Hubbard County Soil and Water Conservation District is to provide leadership, education, technical advice, financial assistance to landowners, cooperating agencies for various programs and projects with the goal being the whole community working together in harmony to pursue the sustainable management, wise-use, and protection of the district's soil, water, forests, wildlife, and recreational resources.

Hubbard County's population in the year 2010 was 18,861, a jump from 14,939 in 1990. With its 639,000 acres, cropland accounts for 89,500 acres, lake acres total 57,510 (9%), and 65% is forested. There are 313 lakes with 10+ acres. Hubbard County is expected to grow by 65% by the year 2030, thereby creating more demands on its resources.

The Hubbard County SWCD District Manager administers district programs and coordinates the Local Water Management Plan and the Wetland Conservation Act. In 2015, the Hubbard County SWCD directed its efforts to preserving the county's natural resources through the following projects and programs:

LOCAL WATER PLAN MANAGEMENT – The District coordinates activities for the Local Water Plan in Hubbard County.

In 2015 projects included:

- **Geologic Atlas**—locating well records in the County and providing that data to the University of Minnesota where they will develop geologic maps based on the data collected from the well drillers;
- **Lake Water Monitoring**—monitor water quality of 24 area lakes;
- **Freshwater Festival** for approximately 300 sixth graders in the county was held on May 13 at Camp Wilderness, BSA, near Emmaville, MN;
- **Nitrate Testing Clinic**—In July we held a clinic at the fair and then held free testing monthly after that. In 2015, we tested 261 samples. Of the samples tested, 21% were over 10 ppm of nitrates, 1 was 50 ppm.

EDUCATION – In May, staff persons from the NRCS were presenters at **5th Grade Education Day** held at Itasca State Park.

The **Envirothon** is a yearly event held at Lake Bemidji State Park in May for high school and junior high students in Area 8. Staff persons from these SWCDs organize the event. Volunteers from several agencies presented information at five stations that included forestry, soils, current events, aquatics and wildlife. In addition, each team gave an oral presentation that was judged and graded. The three teams with the highest score from all categories participate in the state competition.

NRCS personnel gave several presentations at the Park Rapids *school forest* throughout the year.

Through the Local Water Plan, District staff planned the local *Freshwater Festival* for sixth graders in the county that included students from Nevis, Laporte and Park Rapids. Also participating were students from St. Philip's School in Bemidji (Beltrami County) and from Menahga School in Menahga (Wadena County). Several citizen volunteers from lake associations assist in this yearly event which hosts approximately 310 students and teachers. Presenters at the learning stations included personnel from MN Department of Health, MN DNR, NRCS, SWCD, and local experts.

In July, NRCS along with the District set up a display at the *county fair* of projects and programs they administer and provided various educational hand-out materials.

WETLAND PRESERVATION/WETLAND CONSERVATION ACT – Hubbard County is experiencing a high rate of residential development adjacent to lakes and wetlands. There has been a reduction in wetland acreage and in their associated functions and public values.

The Hubbard County SWCD continued coordinating the Wetland Conservation Act (WCA) program for Hubbard County. A fee has been implemented that includes costs for application approval for replacement plans, after-the-fact replacement application approval, and wetland banking approval.

COMMUNICATIONS – The District publishes a biannual newsletter and submits news articles as needed.

The district website at www.hubbardswcd.org continues to be updated regularly and has information on all district programs and projects, as well as other information.

OTHER DISTRICT PROGRAMS – The District conducts many programs that have been on-going for several years:

- The *Rural Rainfall Program* has a network of 21 landowners throughout the county who measure rainfall/snowfall and report to the District on a monthly basis. Data is recorded at the District office and then reports are sent to the Office of State Climatology.
- The *Observation Well Monitoring Program* began in the 1970s. Thirty-nine wells around the county are monitored for static water levels ten times a year, and data is reported on-line to the Observation Well Manager at DNR – Division of Waters, in St. Paul.
- The *District Tree Program* began in the late 1970s to fulfill a need for getting conservation trees planted on the land. Approximately 13,000 trees were sold in 2015. The District also sells a deer/rabbit repellent, Plantskydd®, along with tree tubes, tree mats, and flags.

- The **AIS Watercraft Inspector Program** was started to do everything possible to eliminate all opportunities and pathways for the spread of AIS to Hubbard County lakes. We inspected over 21,000 watercraft this summer. 14% of watercraft came from out of state and 9% of watercraft were last in infested waters.
- The **Wild Rice Easement Program** began from a need to protect some of the most important habitat for wetland-dependent wildlife species in Minnesota. Hubbard County's eligible Wild Rice lakes are 1st and 4th Crow Wing, Spring Lake, Upper Mud Lake and Crow Wing Lake. In 2015, there were three Wild Rice Easements in Hubbard County that protected approximately 167 acres. Phase 2 has brought 2 more easements for a total of 74 acres.

COST-SHARE - The District receives grant money yearly from the Board of Water and Soil Resources for projects administered through the State Cost-Share Program. In 2015, 2 field windbreaks and 1 well-sealing project were completed with FY2014 funds.

PARTNERSHIPS – The District works closely with lake associations, Hubbard County Environmental Services and other county offices, and state agencies such as the Board of Water and Soil Resources, Department of Natural Resources, Minnesota Pollution Control Agency, Minnesota Department of Agriculture and Minnesota Department of Health; and Natural Resources Conservation Service.

A supervisor from the Board attends meetings of the Joint Powers Board, Local Water Plan, Mississippi Headwaters Board and SWCD Area Forestry Association. A county commissioner attends soil and water district board meetings.

**HUBBARD SOIL AND WATER CONSERVATION DISTRICT
PARK RAPIDS, MINNESOTA
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
DECEMBER 31, 2015**

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and Investments	\$ 158,508	\$ -	\$ 158,508
Prepaid Items	10,033	-	10,033
Receivables	46,756		46,756
Capital Assets:			
Equipment (net of accumulated depreciation)	-	20,966	20,966
Total Assets	<u>215,297</u>	<u>20,966</u>	<u>236,263</u>
Deferred Outflows of Resources			
Defined Benefit Pension Plan		<u>12,889</u>	<u>12,889</u>
Combined Assets and Deferred Outflows of Resources	<u>\$ 215,297</u>	<u>\$ 33,855</u>	<u>\$ 249,152</u>
Liabilities			
Current Liabilities:			
Unearned Revenue	\$ 76,891	\$ -	\$ 76,891
Accounts Payable	\$ 29,914		\$ 29,914
Accrued Wages	3,836		3,836
Deposit on Sales	2,156	-	2,156
Long-term Liabilities:			
Net Pension Liability		93,285	93,285
Due after one year	-	6,504	6,504
Total Liabilities	<u>112,797</u>	<u>99,789</u>	<u>212,586</u>
Deferred Inflows of Resources			
Defined Benefit Pension Plan		<u>4,703</u>	<u>4,703</u>
Combined Liabilities and Deferred Inflows of Resources	<u>\$ 112,797</u>	<u>\$ 104,492</u>	<u>\$ 217,289</u>
Fund Balance/Net Position			
Fund Balance			
Nonspendable - Prepays	\$ 10,033	\$ (10,033)	\$ -
Assigned - Compensated Absences	6,504	(6,504)	-
Unassigned	85,963	(85,963)	-
Total Fund Balance	<u>\$ 102,500</u>	<u>\$ (102,500)</u>	<u>\$ -</u>
Net Position			
Investments in Capital Assets		\$ 20,966	\$ 20,966
Unrestricted		<u>10,897</u>	<u>10,897</u>
Total Net Position		<u>\$ 31,863</u>	<u>\$ 31,863</u>

Notes are an integral part of the basic financial statements.

**HUBBARD SOIL AND WATER CONSERVATION DISTRICT
PARK RAPIDS, MINNESOTA
STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General Fund	Adjustments	Statement of Activities
Revenues			
Intergovernmental	\$ 458,108	\$ -	\$ 458,108
Charges for Services	108,842	-	108,842
Investment Earnings	361	-	361
Miscellaneous	8,919	-	8,919
Total Revenues	<u>\$ 576,230</u>	<u>\$ -</u>	<u>\$ 576,230</u>
Expenditures/Expenses			
Conservation			
Current	\$ 580,118	\$ 12,433	\$ 592,551
Capital Outlay	-	-	-
Total Expenditures/Expenses	<u>\$ 580,118</u>	<u>\$ 12,433</u>	<u>\$ 592,551</u>
Excess of Revenues Over (Under) Expenditures/Expenses	<u>\$ (3,888)</u>	<u>\$ (12,433)</u>	<u>\$ (16,321)</u>
Fund Balance/Net Position January 1	\$ 106,388	\$ 22,742	\$ 129,130
Change in Accounting Principle		<u>(80,946)</u>	<u>(80,946)</u>
Fund Balance/Net Position December 31	<u>\$ 102,500</u>	<u>\$ (70,637)</u>	<u>\$ 31,863</u>

Notes are an integral part of the basic financial statements.

**HUBBARD SOIL AND WATER CONSERVATION DISTRICT
PARK RAPIDS, MINNESOTA
BUDGETARY COMPARISON STATEMENT
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2015**

	Original/ Final Budget	Actual	Variance With Final Budget Positive (Neg)
Revenues			
Intergovernmental			
County	\$ 340,977	\$ 345,821	\$ 4,844
Local	2,000	4,000	2,000
Federal	-	-	-
State Grant	89,234	108,287	19,053
Total Intergovernmental	<u>\$ 432,211</u>	<u>\$ 458,108</u>	<u>\$ 25,897</u>
Charges for Services	<u>\$ 99,901</u>	<u>\$ 108,842</u>	<u>\$ 8,941</u>
Miscellaneous			
Interest Earnings	\$ 400	\$ 361	\$ (39)
Other	1,200	8,919	7,719
Total Miscellaneous	<u>\$ 1,600</u>	<u>\$ 9,280</u>	<u>\$ 7,680</u>
Total Revenues	<u>\$ 533,712</u>	<u>\$ 576,230</u>	<u>\$ 42,518</u>
Expenditures			
District Operations			
Personnel Services	\$ 137,625	\$ 137,005	\$ 620
Other Services and Charges	312,088	314,497	(2,409)
Supplies	20,350	24,132	(3,782)
Capital Outlay	2,556	-	2,556
Total District Operations	<u>\$ 472,619</u>	<u>\$ 475,634</u>	<u>\$ (3,015)</u>
Project Expenditures			
District	\$ 9,022	\$ 36,855	\$ (27,833)
State	52,071	67,629	(15,558)
Total Project Expenditures	<u>\$ 61,093</u>	<u>\$ 104,484</u>	<u>\$ (43,391)</u>
Total Expenditures	<u>\$ 533,712</u>	<u>\$ 580,118</u>	<u>\$ (46,406)</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (3,888)</u>	<u>\$ (3,888)</u>
Fund Balance - January 1		\$ 106,388	\$ 106,388
Fund Balance - December 31	<u>\$ -</u>	<u>\$ 102,500</u>	<u>\$ 102,500</u>

Notes are an integral part of the basic financial statements.

**HUBBARD COUNTY SOIL & WATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Note 1 - Summary of Significant Accounting Policies

The financial reporting policies of the Hubbard County Soil & Water Conservation District conform to generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

Changes in Accounting Principles

During the year ended December 31, 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*.

Financial Reporting Entity

The Hubbard County Soil & Water Conservation District is organized under the provisions of Minnesota Statutes Chapter 103C. The District is governed by a Board of Supervisors composed of five members nominated by voters of the District and elected to four-year terms by the voters of the County.

The purpose of the District is to assist land occupiers in applying practices for the conservation of soil and water resources. These practices are intended to control wind and water erosion, pollution of lakes and streams, and damage to wetlands and wildlife habitats.

The District provides technical and financial assistance to individuals, groups, Districts, and governments in reducing costly waste of soil and water resulting from soil erosion, sedimentation, pollution and improper land use.

Each fiscal year the District develops a work plan which is used as a guide in using resources effectively to provide maximum conservation of all lands within its boundaries. The work plan includes guidelines for employees and technicians to follow in order to achieve the District's objectives.

Generally accepted accounting principles require that the financial reporting entity include the primary government and component units for which the primary government is financially accountable. Under these principles the District does not have any component units.

Government-Wide Financial Statements

The government-wide financial statements (i.e. The Statement of Net Position and The Statement of Activities) report information on all of the nonfiduciary activities of the District.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

**HUBBARD COUNTY SOIL & WATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Fund Financial Statements

The government reports the General Fund as its only major governmental fund. The general fund accounts for all financial resources of the government.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period.

Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures are recorded when a liability is incurred under accrual accounting.

Intergovernmental revenues are reported in conformity with the legal and contractual requirements of the individual programs. Generally, grant revenues are recognized when the corresponding expenditures are incurred.

Investment earnings are recognized when earned. Other revenues are recognized when they are received in cash because they usually are not measurable until then.

In accordance with Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, revenues for nonexchange transactions are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs.

Budget Information

The District adopts an estimated revenue and expenditure budget for the general fund. Comparisons of estimated revenues and budgeted expenditures to actual are presented in the financial statements in accordance with generally accepted accounting principles. Amendments to the original budget require District approval. Appropriations lapse at year-end. The District does not use encumbrance accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions which affect: the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Assets

Investments are stated at fair value, except for non-negotiable certificates of deposit, which are on a cost basis, and short-term money market investments, which are stated at amortized cost.

**HUBBARD COUNTY SOIL & WATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Capital assets are reported on a net (depreciated) basis. General capital assets are valued at historical or estimated historical cost.

Liabilities

Long-term liabilities, such as compensated absences, are accounted for as an adjustment to net position.

Unearned Revenue

Governmental funds and government-wide financial statements report unearned revenue in connection with resources that have been received, but not yet earned.

Classification of Net Position

Net position in the government-wide financial statements is classified in the following categories:

Investment in capital assets – the amount of net position representing capital assets net of accumulated depreciation.

Restricted net position – the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments; and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – the amount of net position that does not meet the definition of restricted or investment in capital assets.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only one item that qualifies for reporting in this category, deferred amounts related to their pension obligations. The length of the expense recognition period for deferred amounts is equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan, determined as of the beginning of the measurement period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item that qualifies for reporting in this category, amounts related to their pension obligations. These deferred amounts represent differences between projected and actual earnings on pension plan investments and are recognized over a five-year period.

**HUBBARD COUNTY SOIL & WATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Classifications of Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the General Fund. The classifications are as follows:

Nonspendable – the nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted – fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation.

Committed – the committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the District. Those committed amounts cannot be used for any other purposes unless the District removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned – amounts in the assigned fund balance classification the District intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the District or the District Administrator who has been delegated that authority by District resolution.

Unassigned – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other fund balance classifications.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Explanation of Adjustments Column in Statements

Capital Assets: In the Statement of Net Position and Governmental Fund Balance Sheet, an adjustment is made if the District has capital assets. This adjustment equals the net book balance of capitalized assets as of the report date, and reconciles to the amount reported in the Capital Assets Note.

Long-Term Liabilities: In the Statement of Net Position and Governmental Fund Balance Sheet, an adjustment is made to reflect the total Compensated Absence Liability the District has as of the report date. See note on Long-Term Liabilities.

**HUBBARD COUNTY SOIL & WATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Depreciation and Change in Compensated Absences for the year: In the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance, the adjustment equals the total depreciation for the year reported, plus or minus the change in Compensated Absences between the reporting year and the previous year. This number is supported by figures in the note on Long-Term Liabilities.

Vacation and Sick Leave

Under the District's personnel policies, employees are granted vacation leave in varying amounts based on their length of service. Vacation leave accrual varies from 4.8 to 6.7 hours per month. Sick leave accrual is 1 hour per 20 hours worked. The limit on the accumulation of vacation leave is 160 hours and there is no limit on the accumulation of sick leave. Upon termination of employment from the District, employees are paid accrued vacation leave and one-half of all unused sick leave, not to exceed 21 days.

Risk Management

The District is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; workers' compensation claims; and natural disasters. Property and casualty liabilities and workers' compensation are insured through Minnesota Counties Intergovernmental Trust. The District retains risk for the deductible portion of the insurance. The amounts of these deductibles are considered immaterial to the financial statements.

The Minnesota Counties Intergovernmental Trust is a public entity risk pool currently operated as a common risk management and insurance program for its members. The District pays an annual premium based on its annual payroll. There were no significant increases or reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

Note 2 - Detailed Notes

Capital Assets

Changes in Capital Assets, Asset Capitalization and Depreciation.

	<u>Beginning</u>	<u>Addition</u>	<u>Deletion</u>	<u>Ending</u>
Equipment	\$43,394	\$0	\$0	\$43,394
Less: Accumulated Depreciation	15,759	0	0	<u>22,428</u>
Net Capital Assets	<u>\$27,635</u>			<u>\$20,966</u>

**HUBBARD COUNTY SOIL & WATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

The cost of property, plant and equipment is depreciated over the estimated useful lives of the related assets. Leasehold improvements are depreciated over the lesser of the term of the related lease or the estimated useful lives of the assets. Depreciation is computed on the straight-line method. The useful lives of property, plant and equipment for the purpose of computing depreciation is 5 to 10 years for Machinery and Equipment. Current year depreciation is \$6,669.

The District uses the threshold of \$2,500 for capitalizing assets purchased.

Unearned Revenue

Unearned revenue represents unearned advances from the Minnesota Board of Water and Soil Resources (BWSR) for administrative service grants and for the cost-share program. Revenues will be recognized when the related program expenditures are recorded. Unearned revenue for the year ended December 31, 2015, consists of the following: BWSR Cost Share Programs, \$25,664; BWSR Conservation Delivery, \$19,622; BWSR RIM, \$190; Clean Water Funds, \$29,959; Local Water Plan, \$1456; Total, \$76,891.

Long-Term Liabilities - Compensated Absences Payable

Changes in long-term liabilities for the period ended December 31, 2015 are:

Balance January 1, 2015	\$4,893
Net Change in Compensated Absences	1,611
Balance December 31, 2015	<u>\$6,504</u>

Deposits

Minnesota Statutes 118A.02 and 118A.04 authorize the District to designate a depository for public funds and to invest in certificates of deposit. Minnesota Statutes 118A.03 requires that all District deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit plus accrued interest at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

Custodial Credit Risk Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2015, the District's deposits were not exposed to custodial credit risk.

**HUBBARD COUNTY SOIL & WATER CONSERVATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Note 3 - Defined Benefit Pension Plans

Plan Description - Public Employees Retirement Association

The District contributes to a cost-sharing multiple-employer defined pension plan administered by the Public Employee Retirement Association of Minnesota (PERA). The PERA provides retirement benefits as well as disability to members, and benefits to survivors upon death of eligible members. The plan and its benefits are established and administered in accordance with Minn. Statute Chapters 353 and 356. PERA issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Public Employees Retirement Association, 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-1855.

Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. Coordinated Plan members were required to contribute 6.5% of their annual covered salary. The District is required to contribute 7.5% of annual covered payroll. The District's contributions to the Public Employees Retirement Fund for the years ending December 31, 2015, 2014 and 2013 were \$8,193, \$7,245, and \$4,371, respectively. The District's contributions were equal to the contractually required contributions for each year as set by Minnesota statute.

Note 4 - Operating Leases

The Hubbard County Soil & Water Conservation District is the fiscal agent for the District and provides office space.

Note 5 - Stewardship, Compliance and Accountability

Excess of expenditures over budget – The General Fund had expenditures in excess of budget for the year as follows: Expenditures \$580,118; Budget \$533,712; Excess \$46,406.

Note 6 - Reconciliation of Fund Balance to Net Position

Governmental Fund Balance, January 1	\$106,388
Plus: Excess of Revenue Over Expenditures	-3,888
Governmental Fund Balance, December 31	<u>\$102,500</u>
Adjustments from Fund Balance to Net Position:	
Plus: Capital Assets	
Plus: Deferred Outflows of Resources	
Less: Long-Term Liabilities	
Less: Deferred Inflows of Resources	-70,637
Net Position	<u>\$31,863</u>

**BREAKDOWN OF COUNTY REVENUE
2015**

COUNTY REVENUES (breakdown):

ANNUAL ALLOCATION	\$ <u>22,000</u>
WATER PLAN MONEY	\$ <u>30,414</u>
COUNTY AIS MONEY	\$ <u>35,000</u>
STATE AIS MONEY	\$ <u>236,782</u>
WCA MONEY	\$ <u>21,895</u>
OTHER (specify)	\$ _____
 TOTAL	 \$ <u>345,821</u>

NOTE: The total should agree with amount reported as **County Revenue** in the "Budgetary Comparison Schedule."

List other "non-cash" county support (i.e. rent, health insurance, etc.) that does not show up anywhere on your annual report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Hubbard County Soil and Water Conservation District's discussion and analysis provides an overview of the District's financial activities for the fiscal year ended December 31, 2015. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the "Notes to the Financial Statement" and the District's financial statements.

FINANCIAL HIGHLIGHTS

The Hubbard County SWCD continues to administer the Hubbard County Local Water Management Plan and the Wetland Conservation Act.

The District Manager administers the Local Water Plan and the Wetland Conservation Act.

USING THIS ANNUAL REPORT

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements for governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. Since soil and water conservation districts are single-purpose special purpose governments they are generally able to combine the government-wide and fund financial statements into single presentations. The District has elected to present in this format.

The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District as a whole better or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. You can think of the District's net assets—the difference between assets and liabilities—as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors, such as changes in the condition of equipment, to assess the overall health of the District.

In the Statement of Net Assets and the Statement of Activities, the District presents governmental activities. All of the District's basic services are reported here. Appropriations from the county, local water plan and Wetland Conservation Act administration, and the State finance most activities. Charges for services contribute about 19 percent of revenues.

Reporting the District's General Fund

Fund Financial Statements

The fund financial statements provide detailed information about the general fund, not the District as a whole. The District presents only a general fund which is a governmental fund. All of the District's basic services are reported in the general fund, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending. The fund is reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash. The general fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation included with the financial statements.

THE DISTRICT AS A WHOLE

Our analysis focuses on the net assets and changes in net assets of the District's governmental activities.

Net Assets

	Governmental Activities	
	2015	2014
Current Assets	\$ 215,297	\$170,122
Capital Assets, net of depreciation	20,966	27,635
Deferred Outflow of Resources	<u>12,889</u>	<u>0</u>
Total Assets	<u>\$249,152</u>	<u>\$197,757</u>
Liabilities, deferred revenue	\$124,004	\$ 63,734
Long term liabilities	<u>93,285</u>	<u>4,893</u>
Total Liabilities	<u>\$217,289</u>	<u>\$ 68,627</u>
Investment in Capital Assets	20,966	27,635
Unrestricted	<u>\$ 10,897</u>	<u>\$101,495</u>
Total Net Assets	<u>\$ 31,863</u>	<u>\$129,130</u>

Net assets of the district governmental activities decreased by \$97,267 because of the new GASB rule 68. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations, changed from \$101,495 at December 31, 2014 to \$10,897 at the end of this year.

The District's Statement of Activities and Changes in Fund Balance

	Governmental Activities	
	<u>2015</u>	<u>2014</u>
Revenues		
Intergovernmental	\$458,108	\$217,179
Charges for services	108,842	164,410
Investment earnings	361	390
Miscellaneous	<u>8,919</u>	<u>23,959</u>
Total Revenues	<u>\$576,230</u>	<u>\$405,938</u>
Expenses		
Capital Outlay	-0-	28,209
Conservation	<u>\$592,551</u>	<u>\$372,813</u>
Total Expenses	<u>\$592,551</u>	<u>\$401,022</u>
Increase (decrease) in net assets	<u>\$ (16,321)</u>	<u>\$ 4,916</u>

The District's total revenues increased by \$170,292 and the total cost of programs and services increased by 191,529.

Deferred revenue of \$76,891 was higher than the carryover from 2014 of \$50,100. There was a decrease in net assets for 2015. The increase in intergovernmental revenue came from the State AIS funds for the watercraft inspection program administered by the District. The District had unencumbered state cost-share funds from FY2014 of \$142; FY2015 of \$ 7,761; FY2016 of \$7,761; and Tullibee Forest Stewardship cost-share of \$10,000.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2015, the District's capital assets were \$20,966; and depreciation was \$6,669.

Long-Term Liabilities

The only long-term liabilities the District has are accrued vacation pay, sick leave and net pension liability for PERA. At the beginning of 2015, the District's compensated absences payable were \$4,893 and at the end of the year that balance increased to \$6,504.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's elected officials considered several factors when setting the 2016 budget. Revenue from Hubbard County should remain steady with the District Manager coordinating both the Wetland Conservation Act, the Local Water Plan, but we will no longer administer the State AIS funded program so there will be a significant decrease in State funds. Also, the District has applied for a grant for a new project and is involved in two other grants for intensive watershed projects.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our landowners, taxpayers, governmental agencies and customers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Hubbard County Soil and Water Conservation District at 212 ½ 2nd Street West, Park Rapids, MN 56470 or call 218-732-0121.

Hubbard County Soil and Water
Conservation District

2016
Annual Work Plan

HUBBARD COUNTY SOIL AND WATER CONSERVATION DISTRICT

2016 ANNUAL WORK PLAN

INTRODUCTION:

The Hubbard County Soil and Water Conservation District is committed to accomplishing the goals of this work plan in order to assist Hubbard County in maintaining a high quality natural resource base. The Hubbard County Soil and Water Conservation District will utilize all of its resources, both technical and financial, in protecting the natural resource base of Hubbard County. The issues addressed herein are identified as a priority in the Hubbard County Local Water Plan which also has been adopted as the Hubbard County SWCD's Comprehensive Plan.

I. WATER QUALITY

GOAL: TO ASSIST LAND USERS AND LAND-USE DECISION MAKERS BY INITIATING AND PARTICIPATING IN ACTIONS THAT WILL HELP PROTECT SURFACE AND GROUNDWATER QUALITY.

OBJECTIVE 1: To implement research, collect and store water quality information and provide Best Management Practices to protect water quality in Hubbard County.

Actions:

1. To continue the contract with MPCA to conduct TMDL studies on the Mississippi River Headwaters Watershed.
2. Continue Agricultural Irrigation Management Initiatives.
 - A. Continue to partner with Wadena SWCD to work with irrigation specialist.
 - (1) Assist irrigation specialist in signing up new fields for irrigation monitoring.
 - B. Offer irrigators our assistance in irrigation uniformity tests.
 - (1) Provide staff and equipment to assist U of MN and NRCS.
 - (2) Provide data analysis and assessment to assist U of MN and NRCS.
 - C. Partner with NRCS to develop conservation plans on all new permitted irrigation systems.
3. Initiate and/or participate in various water quality protection projects.
 - A. Wellhead Protection Plans
 - (1) Assist community and non-community public water suppliers in the development and implementation of wellhead protection plans.
 - (2) Serve on Community Wellhead Protection Plan committees. Research any possible funding and provide technical input in the implementation of this plan.
 - (3) Assist in public education efforts in wellhead protection.
 - B. Abandoned Well Sealing Program
 - (1) Promote the sealing of abandoned wells in Hubbard County and provide cost share from the State Cost Share Program.
 - C. Lake Monitoring Program
 - (1) Work with MPCA on interpretation of water quality data and storage of data into the appropriate database.
 - (2) Support the COLA lake monitoring program with LWP funds.

- (3) Offer Hydrolab services.
- D. Nitrate Monitoring
 - (1) Offer free nitrate testing clinic monthly as a LWP initiative.
 - (2) Address impacted groundwater supplies in Hubbard County through educational programs.
 - (3) Cooperate with all agencies involved in this concerted effort.
 - (4) Seek funding for nitrate testing if it becomes available.
 - (5) Coordinate the Department of Ag Township Nitrate Testing Program.
- E. Address impacted groundwater supplies in Hubbard County through educational programs.
 - (1) Identifying and prioritize erosion sites within the county.
- F. Play a major role in assisting lake associations in developing, reviewing and implementing lake management plans.
- G. Natural Resources Conservation Service will provide erosion control plans as requested by Hubbard County. (NRCS/SWCD)
- H. Minnesota Agricultural Water Quality Certification Program
 - (1) Promote the program throughout the county.
 - (2) Attend training on the program and assessment tools.
 - (3) Have a goal of five signed applications.

(Manager, 80 hours; Admin Assist, 100 hours; Water Quality Spec., 80 hours)

OBJECTIVE 2: Implement the Wetland Conservation Act.

Actions:

1. Soil maps, National Wetland Inventory (NWI) maps and aerial photos are available for review from the NRCS, SWCD and Hubbard County.
2. Discuss avoidance, minimization and replacement, if applicable, with the applicant.
3. Work with applicants on potential exemptions, Combined Project Application (CPA) or other requirements.
4. Staff may request additional information from the landowner at the landowner's expense as per WCA rules.
5. Certify wetland habitat improvement.
6. Write restoration plans and replacement orders with input from the Technical Evaluation Panel (TEP).
7. Certify restoration is completed and issue Certificate of Completion.
8. Develop replacement plans as part of the Technical Evaluation Panel.
9. Inform applicant of other potential required permits, such as Department of Natural Resources (DNR), zoning, township zoning, Corps of Engineers, etc.
10. Conduct onsite investigations.

11. Provide two supervisors for the WCA Appeals Board.
12. Serve on the Technical Evaluation Panel.
13. Monitor banking sites.
14. Provide engineering support, if available.
15. Do annual reporting to BWSR on all WCA issues.
16. Assist with Natural Resources Block Grant application in conjunction with the Environmental Services Department.
17. Receive training for professional development and provide the public with education on WCA.

(Manager, 575 hours; Admin Assist, 30 hours; Water Quality Spec, 220 hours)

OBJECTIVE 3: Participate in various watershed projects.

Actions:

1. Partner with other agencies in watershed protection projects.
2. Provide information and education on Best Management Practices within lake watersheds.
3. Encourage lakeshore owners to participate in Citizens Lake Monitoring Program or similar programs.
4. Assist lake associations with appropriate projects and activities.
5. Gather watershed data for lakes going into assessment programs.
6. Maintain a supervisor on the Mississippi Headwaters Board.

(Manager, 241 hours; Admin Assist, 50 hours, Water Quality Spec, 50 hours)

OBJECTIVE 4: Administer the County Local Water Plan.

Actions:

1. Assist in the preparation of the Natural Resources Block Grant application.
2. Maintain one staff position as the Local Water Plan Coordinator.
3. Maintain one supervisor and one staff person on the Water Management Task Force
4. Keep informed of local water plan activities and state mandates concerning base and challenge grants.
5. Develop and implement water plan implementation projects for 2016.
 - A. Community Partner's Grant.

6. Initiate and/or participate in grant writing for special projects.

7. Prepare budgets and reports as required.

(Manager, 217 hours; Admin Assist, 80 hours; Water Quality Spec, 50 hours)

OBJECTIVE 5: Participate in the State Revolving Fund Program and other non-point source pollution programs.

Actions:

1. Maintain one supervisor on the North Central Joint Powers Board.

2. Utilize staff hired through the JPB for non-point source pollution abatement projects.

3. Identify and select Ag-BMPs and assist Environmental Services in developing the loan application to MDA for revolving loan funds.

A. Evaluate and certify proposed projects as to local water plan priorities and standards compliance.

B. Provide technical assistance, designs and sign-off through the JPB engineer.

(Manager, 2 hours)

OBJECTIVE 6: Assist lakeshore owners & lake users by participating in programs to combat AIS.

Actions:

1. Collaborate with lake associations on development of grants for boat inspection program.

2. Administration and supervision of the boat inspection program.

3. Serve on the Hubbard County AIS Task Force & Sub-committees.

4. Maintain a supervisor on the Hubbard County AIS Task Force Program, Planning and Implementation Sub-committee.

5. Be the fiscal agent for the State Hubbard County AIS funds.

(Manager, 100 hours, Admin Assistant 250 hours, Water Quality Spec 1,280 hours)

OBJECTIVE 7: BWSR Buffer Implementation.

Actions:

1. Host meeting with shoreland and drainage authorities to discuss implementation roles and responsibilities.

2. Assist DNR with mapping.

3. Landowner outreach and information.

4. Provide technical and financial assistance to landowners.
5. Adopt buffer recommendation for waters not mapped by DNR for inclusion in the LWP.
6. Implement new statewide soil erosion provisions.
7. Inventory baseline conditions where buffers already exist.

(Manager, 150 hours; Admin Assist, 20 hours; Water Quality Spec, 20 hours)

II. WATER QUANTITY

GOAL: TO CONTINUE WATER QUANTITY DATA COLLECTION AND PROVIDE INFORMATION AND EDUCATION TO ALL WATER USERS ON THE WISE USE OF OUR WATER RESOURCES.

OBJECTIVE 1: To monitor and maintain a static water level monitoring system.

Actions:

1. Conduct monthly state water level checks on 43 observation wells throughout Hubbard County (except January and February) for the DNR Observation Well Program.
2. Provide information to appropriate agencies and the public to keep everyone informed of static water level trends.
3. Serve on the DNR Straight River Groundwater Management Team.

(Manager, 120 hours; Admin Assistant, 8 hours)

OBJECTIVE 2: To monitor precipitation throughout Hubbard County.

Actions:

1. Maintain adequate level of volunteer monitoring sites in the county for the Rural Rainfall Program. Report data monthly to the Minnesota State Climatology Office.
2. Correlate this information with the observation well program and related land use by developing graphs, a cohesive data base, public news releases, etc.
3. Locate and ground truth Hubbard County wells in partnership with the U of M, DNR, and Geologic Survey to determine where the aquifers are under Hubbard County.

(Manager 20 hours, Admin Assist, 170 hours, Water Quality Spec, 100 hours)

III. CONSERVATION PRACTICES/PROGRAMS OF THE FEDERAL FARM BILL

GOAL: TO ADDRESS SOIL LOSS THROUGH EROSION CONTROL METHODOLOGIES.

OBJECTIVE 1: To work with land users in implementing best management practices to protect and enhance the natural resource base.

Actions:

1. Assist landowners in the development of Resource Management Systems that utilize conservation practices to reduce soil loss and protect water quality. (NRCS)
2. Assist NRCS, as needed, with provisions of the Federal Farm Bill.
3. Promote local NRCS/SWCD conservation partnership via workload analysis process and EQIP work.
4. Provide staff for field assistance to NRCS in the design, inspection and layout of conservation practices.
5. Work with the County and other agencies to provide support for MPCA's NPDES (national pollutant discharge elimination system) program.
6. Assist landowners in the development of nutrient, soil erosion, and sediment control plans. (NRCS)
7. Stay current with new technologies to prevent soil loss on cropland with high priority on rotations that leave residue after harvest. (NRCS/SWCD)
8. Pineland Sands Aquifer Water Quality Protection Program
9. Soil Erosion Law
(Manager, 120 hours; Admin Assist, 25 hours; Water Quality Spec 30 hours)

IV. FORESTRY

GOAL: TO ENCOURAGE PRIVATE FOREST LAND OWNERS TO MANAGE THEIR TIMBER FOR PRODUCTION, WILDLIFE AND RECREATION BENEFITS.

OBJECTIVE 1: Pursue programs and projects to benefit forest land.

Actions:

1. Work with the DNR Forestry and private forestry consultants to provide soil and water input into private forest management plans. (NRCS/SWCD)
2. Actively promote forest stewardship program efforts. (NRCS/SWCD)
3. Maintain the District Tree Program for conservation purposes.
4. Promote the continuous CRP Program offered by USDA. (NRCS/SWCD)
5. Support ongoing Tullibee Forest Stewardship Programs.(DNR/SWCD)
5. Maintain one supervisor on the SWCD Area 8 Forestry Association.

6. Promote & recruit forestry easements & fee title acquisitions for habitat, water quality, and groundwater.

(Manager, 44 hours; Admin Assist, 105 hours; Water Quality Spec, 30 hours)

V. RIM RESERVE AND PERMANENT WETLAND PRESERVES PROGRAMS.

GOAL: PROVIDE THE FOLLOWING PROGRAMS/PROJECTS TO FURTHER THE PROTECTION OF OUR NATURAL RESOURCE BASE.

OBJECTIVE 1: Implement the MN RIM Programs and the Permanent Wetland Preserves programs in the county.

Actions:

1. Provide technical field support required for easement maintenance.

(Manager, 6 hours; Admin Assist, 2 hours)

VI. STATE COST-SHARE PROGRAM REQUIREMENTS

GOAL: UTILIZE THE STATE COST-SHARE PROGRAM, SPECIAL PROJECTS FUNDS, AND OTHER COST-SHARE PROGRAMS AS NEEDED IN THE COUNTY.

OBJECTIVE 1: Offer landowners the opportunity to receive cost-share funds to implement erosion control practices, water control structures and other practices to reduce erosion and protect water quality. Priority will be given to control high priority problems as identified in the District's Comprehensive Plan (pages 10-13).

Assess loading of nutrients and chemicals to protected waters. Areas of Hubbard County where sediment, nutrients, chemicals or other pollutants discharge to protected waters or ground water so as to impair their quality or usefulness are considered "high priority."

Actions:

1. High Priority Erosion Problems

Lands in Hubbard County that are eroding at a rate of over 2T include soil classes 2-4 (the areas are targeted on the high priority and erosion map, shown in the Long-Range Comprehensive Plan). About 71,180 acres of the 82,422 acres of cropland in the county are in the classes 2-4 soils area. Wind erosion occurs primarily on the southern one-third of the county that is heavily farmed and may be bare during critical time periods. Wind and water conservation practices include conservation cropping systems, crop residue use, diversions, field strip cropping, sod waterways, field windbreaks, and conservation tillage.

2. High Priority Water Quality Problems

Areas of the county where sediment, nutrients, chemicals, or other pollutants discharge to DNR designated protected waters, groundwater, or any high priority waters (as identified in the district's Comprehensive Plan or the Hubbard County Comprehensive Water Plan) are eligible for cost-share program funds if the pollutant delivery rate to the water source will impair the quality or usefulness of the water resource.

Sealing unused wells that are identified as "high priority" is one of the District's goals to protect the groundwater resources in the county from contamination. The district would like to see unused wells in the county sealed.

The District will collaborate with NRCS and MPCA to update the inventory of animal waste holding ponds and pits in the county and attempt to secure funding for closing unused facilities.

Practices needed to solve water resource problems are: holding ponds; sediment basins; diversions; waste storage areas; waste disposal systems; closing of inactive systems; and nutrient management plans.

Hubbard County has many lakes (313) and other protected water areas. The SWCD/NRCS has been expanding the workload to provide assistance to landowners in solving shoreland problems. Cost-share assistance is offered for eligible projects under State Cost-Share from BWSR.

The estimated funds needed to install the above-mentioned water quality and erosion control practices are listed on Table I.

(Manager, 30 hours; Admin Assist, 150 hours)

TABLE 1

The estimated funds needed to install the practices to control the high priority problems are listed below:

<u>PRACTICES</u>	<u>COST ESTIMATE</u>	<u>COST SHARE \$</u>
Lakeshore erosion	\$ 30,000.00	\$ 5,000.00
Windbreaks	\$ 500.00	\$ 200.00
Erosion Control Systems	\$ 10,000.00	\$ 2,000.00
Unused Well Program	\$ 1,400.00	\$ 561.00
Ag Waste Systems	\$ 10,000.00	0 (SRF)

Fiscal year 2016 State Cost-Share Allocation:		\$ 7,761.00

VII. EDUCATION-INFORMATION

GOAL: TO INFORM AND EDUCATE THE PUBLIC AND SERVE AS A RESOURCE TO LOCAL UNITS OF GOVERNMENT CONCERNING SOIL, WATER AND LAND USE INFORMATION.

OBJECTIVE 1: Provide educational materials and sponsor activities that promote conservation.

Actions:

1. Promote a poster contest through class presentations for grades 5-6.
2. Meet with individuals, groups and organizations regarding soil and water concerns, as requested.
3. Co-sponsor the Envirothon for senior and junior high students by helping to obtain presenters, assisting with promotion and funding, supervising the competition, and sending follow-up information.

4. Provide support for the 2016 Envirothon.
5. Promote SWCD/NRCS programs at the Hubbard County Fair.
6. Administer the Freshwater Festival as a LWP initiative.
7. Provide information/education seminars on environmental issues, etc., as a LWP initiative.
8. Maintain and update the District's website.
9. Build presentations in appropriate formats (PowerPoint, etc.) for various projects and programs of the District.
10. Notify area teachers in writing that staff members are available to make presentations on various conservation topics and include a list of suggestions.
11. Participate in 5th Grade Conservation Education Day. (NRCS/SWCD)
12. Educate local government boards regarding natural resource issues.
13. Work with MDA on water quality education projects.
14. Promote programs through news articles. (SWCD/NRCS).
15. Publish a biannual newsletter.
16. Seek environmental educational grants for new activities.
17. Help organize and promote the Annual Grazing Workshop in cooperation with NRCS.

(Manager, 78 hours; Admin Assist, 100 hours)

VIII. OFFICE ADMINISTRATION, RECORDS AND FINANCIAL MANAGEMENT

GOAL: MANAGE WORKLOAD IN ADMINISTRATION, RECORDS AND FINANCIAL ADMINISTRATION OF ALL PROJECTS, PROGRAMS AND GENERAL OPERATIONS.

OBJECTIVE 1: Maintain adequate staff to perform required duties for effective office administration.

Actions:

1. District Manager will supervise programs, projects and general office administration.
2. Administrative Assistant will assist the NRCS field office staff.
3. Administrative Assistant will prepare monthly and annual financial reports and maintain Quickbooks data.

(Manager, 46 hours; Admin Assist, 250 hours)

IX. TRAINING

GOAL: MAINTAIN AN ADEQUATELY TRAINED STAFF.

OBJECTIVE 1: Take advantage of training opportunities on various programs and issues.

Actions:

1. Develop and prioritize training needs to implement programs.
2. Seek additional funding for training activities.
3. Staff will attend priority training sessions.
4. Take advantage of various training opportunities that will increase district capabilities.

(Manager, 40 hours; Admin Assist, 40 hours, Water Quality Spec, 30 hours)

X. NEW INITIATIVES

GOAL: TO DEVELOP INITIATIVES THAT ENABLES THE SWCD TO ASSIST THE COUNTY IN MAINTAINING A HIGH QUALITY DATA BASE.

OBJECTIVE 1: Investigate potential funding available from the Clean Water Amendment.

Actions:

1. Develop a plan to inventory soil erosion sites on selected lakes.
2. Develop a plan of action for the TMDL studies with MPCA.

(Manager, 40 hours, Admin Assist, 30 hours, Water Quality Spec, 30 hours)

XI. PLAT BOOKS

GOAL: PROVIDE A CURRENT AND ACCURATE HUBBARD COUNTY PLAT BOOK FOR SALE TO THE PUBLIC.

Action:

1. Work with the Hubbard County GIS department and a map publishing company to produce a plat book and updates as needed.
2. Program is profitable for the district.

(Manager, 10 hours; Admin Assist, 30 hours)

**2016 ANNUAL WORK PLAN
PROJECTS AND STAFF HOURS SUMMARY**

ACTIVITY	<u>MANAGER</u>	<u>Staff Hours</u>	
		<u>ADMIN ASSIST</u>	<u>WATER QLTY SP.</u>
I. Water Quality			
1. Implement Research	80	100	80
2. Wetland Conservation Act	575	30	220
3. Watershed Projects	241	50	50
4. Local Water Plan coordination	217	80	50
5. State Revolving Fund	2	0	0
6. Combat AIS	100	250	1280
7. BWSR Buffer Implementation	150	20	20
II. Water Quantity			
1. Observation Well Program	120	8	0
2. Rural Rainfall Program	0	40	0
3. Geologic Survey	20	170	100
III. Conservation	120	25	30
IV. Forestry/Tree Program	44	105	30
V. RIM/PWP	7	2	0
VI. State Cost-Share Program	30	150	0
VII. Education/Information	78	100	0
VIII. Office Adm/Records/Financial	46	250	0
IX. Training	40	40	30
X. New Initiatives	40	30	30
XI. Plat Books	10	30	0
Subtotal staff hours projected	1920	1480	1920

Total staff hours projected: 5320

Total staff hours available:

Manager	1920
Administrative Assistant	1480
Water Quality/Resource Specialist	1920

2080 staff hours equal one staff year in 2016. Deductions for holidays and annual leave were made when stating total staff hours available.

**HUBBARD COUNTY SOIL & WATER CONSERVATION DISTRICT
2016 BUDGET**

REVENUES		EXPENSES	
INTERGOVERNMENTAL		DISTRICT OPERATIONS	
STATE		PERSONAL SERVICES	
GENERAL SERVICES	18022	SUPERV. COMP.	8500
COST SHARE	7761	EMPLOYEE SALARIES	110000
PERA AID	401	EMPLOYEE - FICA	8415
RIM	190	PERA	8250
MAWQCP	4000	MEDICAL INS.	7200
CWL GRANT - PROJECTS	39000		
BUFFER	10000		
LOCAL CAPACITY	100000	Total	142365
MS HEADWATERS WRAP	10000		
FOREST STEWARDSHIP C-S	10000	OTHER SERVICES AND CHARGES	
		AUDIT	2500
Total	199374	SUPERVISOR EXPENSES	3500
		EMPLOYEE EXPENSES	1500
		STAFF TRAINING	2000
COUNTY		TELEPHONE	2000
LOCAL WATER PLAN LEVY	8756	POSTAGE	1000
WCA	25103	VEHICLE EXPENSES	2500
ALLOCATION	24000	RENT	10000
LOCAL WATER PLAN	13245	DUES/SUBSCRIPTIONS	6000
		DISTRICT INSURANCE	3500
		NEWSLETTER	1500
Total	71104	EDUCATION	1200
		SUPPLIES	2500
		Total	39700
LOCAL			
DONATIONS TO PROJECTS	2000	PROJECT EXPENSES	
		STATE	
Total	2000	LOCAL CAPACITY	46128
		CWL GRANT - PROJECTS	39000
CHARGES FOR SERVICES		COST-SHARE	6209
TREE SALES	11500	FOREST STEWARDSHIP CWF	10000
OBSERVATION WELL	5130	DITCH INVENTORY	17000
PLANTSKYDD, TUBES, MATS	2000		
PLAT BOOKS	4000	LOCAL	
AIS WATERCRAFT INSPECTION	20800	COUNTY WATER PLAN	5000
DITCH INVENTORY	17000		
WATER QUALITY SERVICES	3900	Total	123337
TULLIBEE FOREST	1450		
Total	65780	DISTRICT	
		AIS INSP. CONTRACT SERV.	14500
MISCELLANEOUS REVENUE		TREES	9500
INTEREST	400	FLAGS, PLANTSKYDD	2000
MISCELLANEOUS	1200	PROJECT MATERIALS	5900
		CAPITAL IMPROVEMENT	2556
Total	1600	Total	34456
TOTAL	339858	TOTAL	339858

2016 CALENDAR OF EVENTS

JANUARY

- Manager & Chair Meeting Jan 6th
- Board meeting January 12 (review technical approval authority, designate financial institution, & adopt CLWMP as comprehensive plan for HCSWCD and reorganization of Board)
- E-Link reporting due by end of month
- Monthly financial reports
- Review by-laws & Pers. Policy
- Declare Bank we will use
- Joint Powers Agreement – WCA

FEBRUARY

- Board meeting February 9
- Board consider cost of living raise
- Monthly financial reports
- Review Strategic Planning
- Self – Assessment Tool
- Bank signature update
- Grazing Workshop February 10

MARCH

- Board meeting March 9
- Area 8 meeting March 6, Bemidji
- Annual Report and Annual Financial Report due by 15th
- Mail spring newsletter
- Quarterly tax reports
- Monthly financial reports

APRIL

- Board meeting April 13
- Rainfall monitoring reports
- Observation well monitoring
- Equipment check for lake monitoring
- Classroom presentations
- Monthly financial reports
- Restock tree program materials
- Discuss Fish Hook River Clean-up

MAY

- Trees packed
- Envirothon May 4
- Freshwater Festival May 18
- 5th Grade Education Day
- Board meeting May 11
- Poster Contest judging May 11
- Rainfall monitoring reports
- Observation well monitoring
- Plan fair booth activities
- State Envirothon May 16
- Treasurer meets with staff on budget
- Monthly financial reports
- Area 8 Resolutions

JUNE

- Board meeting June 15
- Area 8 meeting June 3, Bemidji
- Rainfall monitoring reports
- Cost-share deadline
- Observation well monitoring
- Present draft budget to Board
- RIM/cost-share inspections
- Quarterly tax reports
- Monthly financial reports
- Water Quality/Resource Spec performance review

JULY

- Board meeting July 13
- Pay yearly sales tax
- Rainfall monitoring reports
- Observation well monitoring
- Budget due to County
- Cost-share spot checks
- Monthly financial reports
- Fair Booth
- Nitrate Clinic at Fair

AUGUST

- Board meeting August 10
- Rainfall monitoring reports
- Observation well monitoring
- Order trees from Nurseries
- Monthly financial reports

SEPTEMBER

- Board meeting September 14
- Area 8 tour & meeting Sept 22-23
- Rainfall monitoring reports
- Observation well monitoring
- Mail fall newsletter with tree order form included
- Letter to teachers on programs
- Quarterly tax reports
- Order deciduous trees
- Tree order forms available
- Monthly financial reports
- Administrative Assistant yearly performance review

OCTOBER

- Observation well monitoring
- Board meeting October 12
- Rainfall monitoring reports
- Review draft annual work plan
- Monthly financial reports
- Resolutions Voting
- District Manager yearly performance review

NOVEMBER

- Observation well monitoring
- Board meeting November 9
- Monthly financial reports

DECEMBER

- State Convention Dec 4 – Dec 6
- Board meeting December 14
- Approve annual work plan
- Quarterly tax reports
- Monthly financial reports
- Review calendar for next year