

RICE CREEK WATERSHED DISTRICT

ANNUAL
REPORT 2023



About Rice Creek Watershed District (RCWD)

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New Website!



Clickable Link





About Rice Creek Watershed District (RCWD)

- A special-purpose unit of government
- Established by the Minnesota Board of Water and Soil Resources on January 18, 1972, upon petition by county boards with support from citizens and cities.
- Approximately 186 square miles of urban and rural lands in Anoka, Hennepin, Ramsey, and Washington Counties.
- Includes all or portions of 28 cities and townships. (Arden Hills, Birchwood Village, Blaine, Centerville, Circle Pines, Columbia Heights, Columbus, Dellwood, Falcon Heights, Forest Lake, Fridley, Grant, Hugo, Lauderdale, Lexington, Lino Lakes, Mahtomedi, May Township, Mounds View, New Brighton, Roseville, Saint Anthony, Scandia, Shoreview, Spring Lake Park, White Bear Lake, White Bear Township and Willernie).



RCWD Mission

To manage, protect, and improve the water resources of the District through flood control and water quality projects and programs.



RCWD Watershed Management Plan 2020-2029

- Completed in 2019 (approval and adoption in 2020).
- Board adopted Resolution 2021-08 on May 26, 2021, to approve several minor updates



Rice Creek Watershed District (RCWD) Map

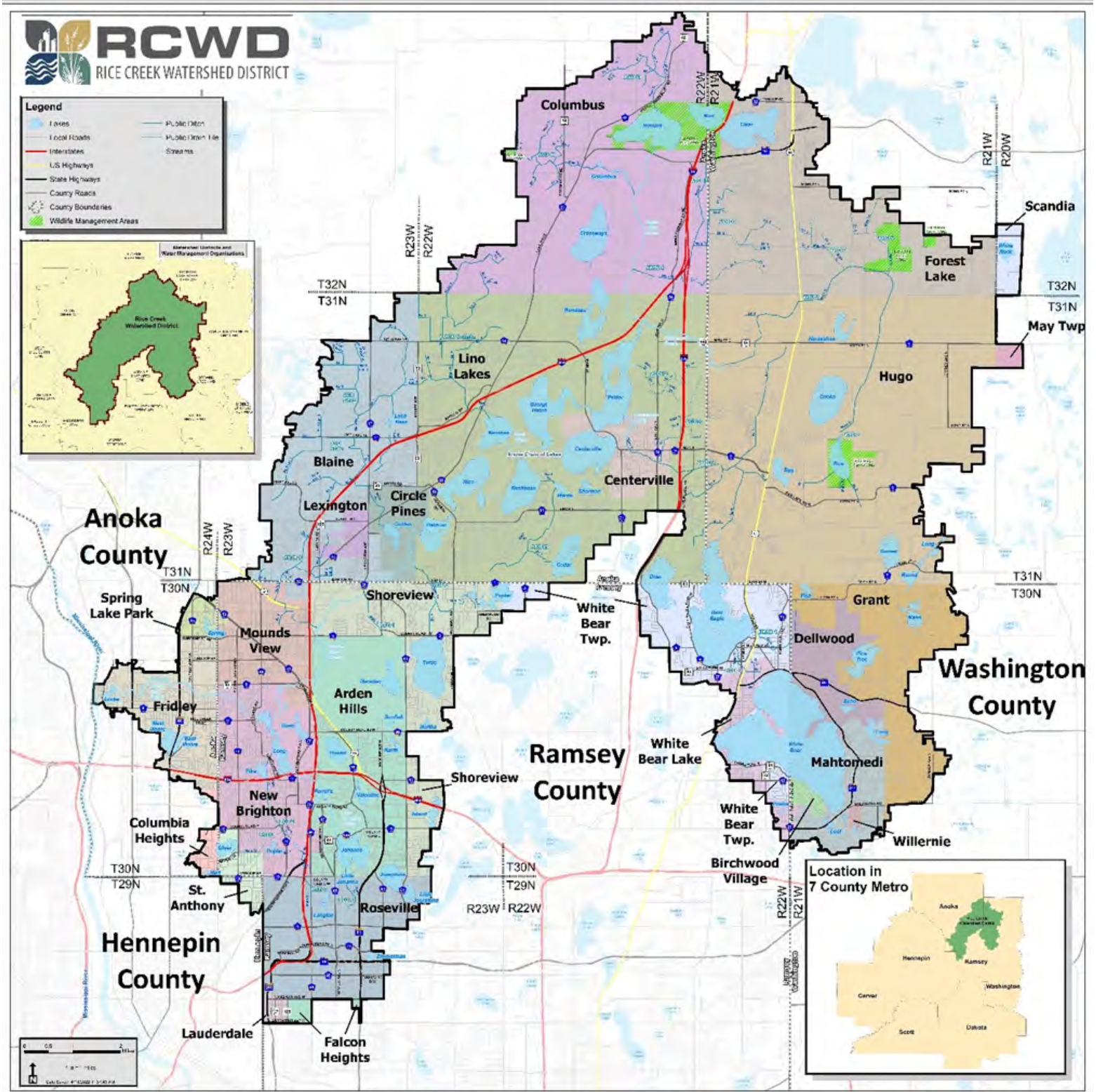


Table of Contents

Budget, Expenditures & Revenue	2
2023 Board of Managers & Advisory Committee	3
2023 Staff	4
2023 Legal, Professional, and Consulting Services	5
Introduction	6
2023 Highlights	7
MS 103E Public Drainage Systems	9
Non-103E Systems	12
District Facilities	13
Flooding.....	17
Water Quality Management	21
Surface Water Monitoring	27
Surface Water / Groundwater Interactions.....	29
Funding	30
Collaborations.....	34
Regulatory.....	37
Permitting and Enforcement	39
Communications, Outreach, and Education	44
Figure Table.....	48

Budget, Expenditures & Revenue

Based on Audit

Expenditures/Programs	2022 Budget	2022 Expenditures	2023 Budget	2023 Expenditures	2024 Budget
General Administration	\$476,513	\$433,023	\$505,680	\$444,539	\$523,535
Programs					
Environmental Education	240,039	181,986	231,081	185,228	254,068
Information Mgmt/Technology	249,628	188,363	317,679	221,100	271,146
Water Resource Restoration	1,918,555	523,703	2,037,423	610,816	2,165,193
Regulatory	1,491,570	1,200,198	1,422,713	1,130,387	1,590,761
Ditch & Creek Maintenance	1,777,827	954,591	2,036,181	1,190,972	1,741,000
Lake & Stream Mgmt/Monitoring	1,068,640	702,672	1,084,135	723,734	1,147,001
District Facilities	2,005,831	1,524,327	709,196	211,821	641,635
Project Anticipation	N/A*	N/A*	-	-	-
Total Program Expenses	9,228,603	5,708,863	8,344,088	4,718,597	8,334,339

*N/A (not applicable) as Project Anticipation established in 2023

2023 Board of Managers & Advisory Committee

2023 Board of Managers

Mike Bradley, President

Email: mbradley@ricecreek.org

County: Ramsey

Term Expires: January 2024

John Waller, 1st Vice President

US Mail Only

County: Washington

Term Expires: January 2025

Steve Wagamon, 2nd Vice President

Email: swagamon@ricecreek.org

County: Anoka

Term Expires: January 2025

Marcie Weinandt, Treasurer

Email: mweinandt@ricecreek.org

County: Ramsey

Term Expires: January 2026

Jess Robertson, Secretary

Email: jrobertson@ricecreek.org

County: Anoka

Term Expires: January 2026

2023 Citizen Advisory Committee

Dave Anderson, Anoka County

Megan Forbes, Ramsey County

Peter Larsen, Washington County

William Lazarus, Ramsey County

Douglas Ramseth, Washington County &
Clear Lake Association

Bob Rosenquist, Supervisor & Liaison from
Washington SWCD

Heidi Schleicher, Anoka County

Michael Schroeder, Liaison from Ramsey
Conservation Department

Mary Jo Truchon, Supervisor & Liaison from
Anoka SWCD

Teresa O'Connell, Anoka County

Andrew Kovacs, Ramsey County

Richard Thompson, Washington County

2023 Staff

Nick Tomczik – District Administrator

Ali Chalberg- Water Resource Specialist and Inspector

Kendra Sommerfeld- Communications & Outreach Coordinator

Terrence Chastan-Davis – Technician / Inspector

Anna Grace – Watershed Technician / Water Resource Specialist

Molly Nelson – Watershed Technician / Water Resource Specialist

Patrick Hughes – Permit Coordinator / Wetland Specialist

Matthew Kocian – Lake & Stream Program Manager

Catherine Nester – Water Monitoring Tech

Ashlee Ricci – Public Drainage Inspector

Tom Schmidt – Public Drainage Inspector

Theresa Stasica – Office Manager

Kelsey White – Regulatory Assistant

Abel Green – Technical Field Assistant

Abby Tekiela – Program Support Technician

Will Roach – Watershed Tech/Inspector

2023 Legal, Professional, and Consulting Services

RCWD solicited statements of interest for legal, technical, and accounting professional services in 2020. Following solicitation, the RCWD selected Smith Partners for legal counsel, Rinke – Noonan for legal counsel related to drainage, Redpath and Company for accounting, and Houston Engineering.

RCWD maintains a list of professional service providers to call upon for assistance with engineering, design, construction, and general consulting. Companies complete and submit the Professional Services Sign-up Form to be considered for potential work with the RCWD.

Legal Counsel

Smith Partners
Louis N. Smith, Charles B. Holtman
400 Second Avenue S., Suite 1200
Minneapolis, MN 55401
Phone: 612-344-1400



Rinke Noonan
John Kolb (legal counsel related to drainage)
Suite 300, US Bank Plaza
PO Box 1497
St. Cloud, MN 56302
Phone: 320-251-6700



Consulting Engineers & Other Services

Houston Engineering
Chris Otterness, P.E.
6901 E Fish Lake Rd
Maple Grove, MN 55369
Phone: 763-493-4522



Redpath & Company - Accounting & Auditing
Mark Gibbs
4810 White Bear Parkway
White Bear Lake, MN 55110
Phone: 651-426-7000



Introduction

This annual report is a review and assessment of the previous year's work and its efforts towards the goals of the Watershed Management Plan (WMP). RCWD 2020-2029 Watershed Management Plan: [2020 Watershed Management Plan - Rice Creek Watershed District](#).

Purpose of Annual Report

The purpose of the annual report is to fulfill the requirements set forth in Minnesota Statute Chapter 103D.351, which requires watershed districts to file an annual report with the Board of Soil and Water Resources and the Department of Natural Resources. Minnesota Regulation MR 8410.0150 requires the report to contain certain information.

What's in the Annual Report?

The RCWD WMP includes 9 management categories, organized to provide a review and assessment of RCWD efforts in these categories and includes

implementation activities. Implementation activities include projects and programs that directly address the management issues and associated measurable goals.

The nine management categories include:

- 103E Public Drainage Systems
- Other Drainage Systems
- District Facilities
 - section includes documentation of MS4 activities*
- Flooding
- Water Quality Management
- Funding
- Collaborations
- Regulatory
 - section includes documentation of MS4 activities*
- Communication, Outreach, and Education
 - section includes documentation of MS4 activities*

RCWD has an MS4 permit through the Minnesota Pollution Control Agency for portions of the public drainage system. This annual report includes documentation of information required by the MS4 permit.



Figure 1 Howard Lake

2023 Highlights

- Completed the RCWD Floodplain and Climate Change Resiliency Study
- **Public Drainage Program**
 - Completed 80 inspections and 20 maintenance projects on 12 of 22 different public drainage systems (55%)
 - Completed major repair of Anoka County Ditch 53-62 and allocated costs using a hybrid approach
 - Began major repair of Anoka-Washington Judicial Ditch 3 Branches 1, 2, & 4
 - Added inspections for illicit discharge in public drainage systems identified by the MPCA as part of the RCWD's MS4
- **District Facilities Program**
 - Completed 24 facilities inspections (77%)
 - Have legal access to 20 District facilities (65%)
 - Regional Flood Control and Stormwater Management
 - Ramsey County Ditches 2, 3 & 5 Basic Water Management Project: Continued efforts with the Cities of New Brighton, Saint Anthony, and Roseville to complete Phase 3 of this project and to detail an anticipated implementation schedule and priorities, cost allocations, and revenue generation methods.
- **Water Quality Program**
 - Monitored 9 lakes, 11 long-term stream and ditch sites, and three synoptic or project-specific sites
 - Partners and volunteers monitored an additional 17 lakes
 - District staff collected 289 water samples on lakes, streams, and ditches
 - 1,376 individual laboratory analyses were conducted
 - Centerville Alum Treatment Project- Clean Water Fund grant awarded
 - Implementation planned for early 2024
 - Johanna Creek Carp Barrier Project Completed
- **Aquatic Invasive Species**
 - The Carp Management Program
 - 2,258 adult carp were removed from the Long Lake / Lino Chain of Lakes system
 - Since program inception, 55,854 carp have been removed from the Long Lake Lino Chain of Lakes system, which is approximately 335,000 lbs.
 - Overall, carp density has been reduced by nearly 90%, and long-term management goals were met for the first time in 2023
 - Phosphorus concentrations are declining and native aquatic plants are increasing in the system
 - RCWD partnered with three lake associations to manage curlyleaf pondweed
- **Grant Programs**
 - Stormwater Management Grant Program
 - Awarded \$108,283 to two cities to implement two water quality and/or flood control projects
 - Water Quality Grant Program
 - 11 projects were awarded approximately \$126,269 to assist landowners with the installation of Best Management Practices (BMPs) to improve the quality of surface waters within the District.
 - Mini-Grants Program

- \$10,000 was available. A total of 21 mini-grants were issued: 2 grants for rain barrels, 2 grants for low-mow turf, 2 grants for water outreach and education, and 17 for native plantings.
- **Permit/Regulatory Program**
 - Received 81 permit applications
 - 92 permits issued
 - Successfully implemented first year of new equitable fee structure for permit applications (took effect 1/1/22)
- **Outreach Program** (See Outreach & Communications section)



Figure 3 Natural Shoreline with Native Plants on Snail Lake in Shoreview, MN

MS 103E Public Drainage Systems

The District has identified “MS 103E Public Drainage Systems” as one of its nine management categories. The category is defined as, “Management and maintenance of public drainage systems in its role as Drainage Authority (County and Judicial Ditches established under MS 103E).” There are 3 key issues within this category: Public Drainage System Maintenance, Repair, and Management Approach; Repair Project Financing; and Stakeholder Outreach on Drainage System Roles and Expectations.

Public Drainage System Maintenance, Repair, and Management Approach

The District has identified the need to comprehensively manage public drainage systems to provide the necessary level of service to both current and future development. The complexity of managing public drainage systems has led to several challenging issues faced by the District, including reestablishing the as-constructed and subsequently improved condition (ACSIC); prioritization and scheduling of drainage system inspection and maintenance; maintaining drainage records in centralized locations and providing for public access to these records; and managing the public drainage systems to serve multiple land uses as well as current and future development without exceeding the geometry and conveyance of the ACSIC.

Goal: Schedule, prioritize, and execute inspection and maintenance of the District’s public drainage systems to preserve and/or restore drainage function for multiple uses.

Measurable Goal: Inspect each of the District’s public drainage systems over each 5-year period of the Plan. RCWD Board adopted 4 policies to ensure adequate progress in this category.

As the public drainage authority, RCWD is responsible for maintaining approximately 114 miles of public drainage systems.

2023 Accomplishments and Activities:

The District completed 60 inspections and 30 maintenance projects on **14** of 22 different public drainage systems in 2023. This is 63% of the total drainage systems, which exceeds the minimum of 20% goal identified in the watershed management plan. **17** of **17** scheduled inspections. These inspections also involve illicit discharge detection in public drainage systems identified by the MPCA as part of RCWD's MS4.

Examples of 2023 Public Drainage Maintenance Projects include (but not limited to):

- ACD 10-22-32 – right of way mowing/mulching
- ACD 72 – replacement of existing clay tile with HDPE on various branches
- ACD 46 – bank failure repair
- ACD 53-62 – main trunk excavation of beaver dams and accumulated sediment
- WJD 2 – main trunk beaver dam removals, Excavation of sediment downstream of Rice lake Outlet weir
- WJD 5 – main branch tile replacement/repair from outlet to branch 1, Installation of surface inspection ports

2024 Work Plan

The District will continue to inspect and maintain the public drainage systems and complete maintenance projects as recommended by the Public Drainage Inspector and in accordance with the inspections schedule. The District will continue to promote agreements with municipal partners to increase maintenance activities on public drainage systems.

2024 efforts planned by Public Drainage Inspector include (but not limited to):

- ACD 10-2232 main Trunk crossing at Pine Street
- ACD 72 – replacement of existing clay tile with HDPE on various branches
- ARJD 1 – Work with City of Mounds View to coordinate maintenance
- ARJD 1 – main trunk tree & brush removal from County Road J to 93rd Ave; main trunk excavation; Restwood Rd. to Flowerfield Rd. and Naples to I-35W
- Drainage system right-of-way maintenance on various systems as possible
- Ditch bank mowing.

Municipal Separate Storm Sewer System (MS4) Permit

The Minnesota Pollution Control Agency (MPCA) has deemed that some of the public drainage systems are considered part of the Municipal Separate Storm Sewer System (MS4). During public drainage systems inspections, illicit discharges are included in the items being inspected and, if found, are noted in the inspection report and reported as required.

RCWD has evaluated the land use around the public drainage systems that are included in the District's MS4 and determined that priority areas are not present. However, District staff regularly monitor the open systems, remove obstructions, and evaluate opportunities to prevent pollutants and improve water quality.

Public drainage staff are trained each year in illicit discharge recognition. The District will continue to inspect public drainage systems for illicit discharges.

Repair Project Financing

The District has identified a need for establishing an equitable means of apportioning the cost of MS 103E public drainage system repair projects.

Goal: Equitably apportion costs of public drainage system repairs.

Measurable Goal: Utilize 100% of the District's established cost allocation methodology.

The District has one policy to ensure adequate progress in this category.

2024 Work Plan

Continue to allocate the costs of public drainage system repairs through implementation of the hybrid legal framework, which includes MS 103E, 103D, and 103B.

Charge allocations for the ACD 53-62 Main Trunk repair project begin in 2022. Forty percent of the preliminary cost is allocated to the whole district via ad valorem funds. The other 60% is allocated to landowners directly draining to the system (WMD charge). Landowners with WMD charges will pay a single-year annual charge (collected through property taxes) for amounts less than \$300. In instances where the parcel's charge incurred exceeds \$300, the landowner will pay three equal annual installments (still collected through property taxes). No interest will accrue in the first three years.

Stakeholder Outreach on Drainage System Roles and Expectations

The District has identified the need to ensure communication to stakeholders is clear about the condition of the public drainage system, the effect of proposed repairs, and the District's roles and authorities.

Goal: Use communication and outreach tools as an integral element in managing public drainage systems to credibly convey District roles and authorities and system data and information, thereby increasing knowledge, awareness, and capacity among stakeholders.

Measurable Goal: Send at least 1-2 project communications to affected landowners and stakeholders in addition to MS 103E legal requirements; release one press statement for each major repair project; and update the RCWD website's drainage systems page quarterly with project updates.

The District has three policies to ensure adequate progress in this category.

2023 Accomplishments and Activities:

In an effort to communicate landowner rights to convey the District's role and authority, the District continues to update the Drainage Portal, which is available online and maintains the official drainage systems records.

2024 Work Plan

the District will continue to hold informational meetings prior to public hearings. The District will also ensure the use of consistent terms and definitions when communicating about drainage. The District will continue to make an effort to send notices in advance of maintenance activities when feasible.

Non-103E Systems

The District has identified “Non-103E Drainage Systems” as one of its nine management categories. The category is defined as “Management of drainage systems not established under MS 103E and stormwater conveyance systems within the District boundary.” There is one key issue within this category: Management of Non-103E Systems.

The District has identified that despite the limited role and authority of the District in managing non-103E systems, these systems can impact upstream and downstream water quantity conveyance and water quality and may serve a public benefit.

Goal: In consideration of the District’s limited role, address conveyance concerns on non-103E systems within the framework of District policy.

Measurable Goal: Address 100% of all non-103E system concerns as determined by the District's Natural Channel Management Policy.

The District has 2 policies to ensure adequate progress in this category.

2023 Accomplishments and Activities:

Continued to engage in collaboration with private partners to address existing issues according to its policies. The RCWD Natural Channel Management Policy guides any work in the Natural Waterway Management Program and specifies the triggers and actions related to RCWD’s role in maintaining natural or recreational systems.

Communicated to landowners and partners the RCWD Natural Channel Management policy when an inquiry was received regarding private drainage. District staff followed the policy to assess the involvement of the District in the private drainage matter.

2024 Work Plan

Continue to use consistent messaging when engaged in non-103E drainage systems and follow the Natural Channel Management Policy. RCWD’s new website will include information on the Natural Channel Management Policy.

District Facilities

The District has identified “Management of District Facilities” as one of its nine management categories. The category is defined as, “Operation and maintenance of water management structures and property constructed and/or owned by the District.” The key issue within this category is Management of District Facilities.

A “District facility” is defined as a physical water management project constructed and/or owned and maintained by the District for purposes of addressing water quality, regional flooding, or wetland habitat. In recent years, the District has focused on understanding what District facilities exist, where they are located, what their current condition is, and whether the facilities need maintenance or repair. In some cases, access to the facilities is an issue, and the District has been researching and documenting both the physical and legal access to each District facility.

Goals:

- Development of an updated District program that focuses on the construction, inspection, maintenance, and/or operation of District facilities in accordance with their water management purposes and gauges their effectiveness over time.
- Strive to obtain and maintain legal access for the operation and maintenance of those District facilities that currently do not have legal access.

Measurable Goal: Inspect 100% of District facilities over the 10-year time period of the watershed management plan (2020-2029) and obtain legal access to 75% of District facilities over that same time period.

The District has 5 policies to ensure adequate progress is achieved towards these goals.

2023 Accomplishments and Activities:

District staff tracks all facility inspection activities as well as maintenance or repairs completed each year. Of 32 total inventoried facilities, 23 were inspected in 2023 (42%). At the end of 2023, the District had legal access to 20 of 32 facilities (63%). A breakdown of these general activities can be found in the table below.

ID	Facility Name	Inspected	Maintenance	Notes	MS4 ^
CB-1	Walls Bros. Wetland Restoration	X	X	Vegetation management	
LL-2	Rondeau Lake Outlet Channel	X			
LL-3	Rondeau Lake Fish Barrier	X	X	Pulled and replaced sections according to DNR permit	

LL-4	Hardwood Creek Restor. (2012)				
SV-5	Middle Rice Creek Restor. (2005)				
AH-6	Middle Rice Creek Restor. (2016)	X			
FD-7	Locke Lake Sedimentation Basin				
NB-8	Long Lake Sedimentation Basin	X			
NB-9	Jones Lake Outlet				
NB-10	35W Wetland Treatment Area				
AH-11	E2 Wetland Weir	X	X		
AH-12	Lake Johanna Outlet				
AH-13	Floral Park Berm & Outlet	X			
AH-14	Hwy 10 & 694 Outlet	X			
WBT-15	RWJD1 & Hwy 61 Treatment Ponds	X			X
WBT-16	RWJD1 Fish Barrier	X			
MM-17	Hall's Marsh Outlet	X			
RV-18	Oasis Pond Sediment Basin & Weir	X			X
AH-19	Lake Josephine Outlet				

FL-20	Lamprey Pass	X			
RV-21	Little Josephine Outlet	X			
CB-22	Browns Preserve	X			
NB-23	Hansen Park Sediment Basin	X	X	Pond buffer maintenance	X
NB-24	Hansen Park IESF	X	X	IESF vegetation management and buffer	X
AH-25	Bethel North				
HG-26	Oneka Ridge Golf Course Reuse *				
FL-27	Rehbein Farms	X	X	Vegetation management	
RV-28	Oasis Pond IESF *	X	X	IESF vegetation management and buffer	
WBL-134	Priebe Lake Outlet	X			
FD-139	Lower Rice Creek Stabiliz. (2020)	X	X	I inspected this and we repaired a section as a result, repair work was finished in October 2023.	
WBT-138	Bald Eagle Lake IESF	X	X	IESF vegetation management and buffer	X
	Lake Johanna Fish Barrier	X	X	Has a tendency to get blocked with plant material, cleaned as needed.	X
Total		23	10		

* RCWD has only a limited role in operating and maintaining these facilities.

^ RCWD has interpreted generic MS4 permit language from the MPCA to assess which facilities may be relevant to the District's MS4 annual report.

Following is a summary of non-routine facility maintenance completed by the District and other unique takeaways from 2023.

Johanna Creek Carp Barrier: This fish barrier construction was completed in early 2023 using Watershed-Based Implementation Funding.

Iron-Enhanced Sand Filters: The IESF systems at Hansen Park and Bald Eagle Lake operated for as much of the open water season as the drought would allow. Hansen Park's IESF, as is usual with RCD 2 maintaining a strong baseflow, was still afforded a nearly complete operation season. Bald Eagle Lake IESF system was offline much of the season until late fall. The Oasis Pond IESF system remained offline all season due to broken components that took significant time to troubleshoot. Periodic tilling and weeding activities kept the IESFs filtering at acceptable rates during operation.

The IESF at Hansen Park treated 19,228,168 gallons of RCD 2 runoff in 2023. The IESF at Oasis Pond treated 0 gallons of RCD 4 runoff in 2023. The IESF at Bald Eagle Lake treated 330,082 gallons of RCD 11 runoff in 2023. Both Oasis and Bald Eagle Lake pumping were low due to technical issues and the drought conditions.

2024 Work Plan

District staff will continue to inspect its facilities for proper operation and maintenance needs. Many facilities are inspected annually or more frequently, while some are only inspected on an as-needed basis. At a minimum, all facilities will be inspected once every ten years. The District began a more detailed evaluation of each facility in relation to its physical location and condition based on site inspection. Staff will continue this investigation in 2024 and make recommendations for next steps for each facility.

The District conducts active operational activities at the Hansen Park and Bald Eagle Lake IESFs and provides support to the City of Roseville at the Oasis Pond IESF and to Oneka Ridge Golf Course for its stormwater reuse irrigation system. These activities will continue in 2024.

The District will continue to work with its partners to establish agreeable terms for additional investigation under the Priebe Lake Outfall Project MOA. Once the MOA is fully executed, the District will fulfill its obligations.

The Browns Preserve wetland bank is scheduled to undergo a prescribed burn consistent with its long-term management plan.

Flooding

The District has identified “Flooding” as one of its nine management categories. The category is defined as, “Managing the peak rate and volume of runoff from the landscape in an attempt to reduce potential flood damages in receiving surface waters.” There are three key issues within this category: Addressing Existing Flooding Issues; Impacts of Future Developments on Downstream Rate and Volume; Modeling and Mapping.

Addressing Existing Flooding Issues

To prevent increases in the magnitude and duration of flooding, one of the District’s primary functions is the maintenance of its public drainage system, which serves as the sole outlet for many areas of the District. The District also has an interest in managing the peak rate and volume of runoff from the landscape to reduce potential flood damages on properties adjacent to downstream receiving surface waters. Within the District, opportunities exist to decrease the risk and impact of known flooding issues through collaboration with local partners. The District has completed studies and analyses that demonstrate that District stormwater management rules (Rule C) alone cannot meet current and future flood management needs. Instead, the District utilizes a combination of regulation, projects, and programs to provide a multi-faceted approach for managing flooding.

Goal: Decrease the risk and impact of known flooding issues through collaboration with local municipal partners.

Measurable Goal: Collaborate with partners to implement District-prioritized flood risk reduction projects to accrue 200 acre-feet of new live flood storage during the 10-year lifespan of the watershed management plan (2020-2029), aimed at reducing the rate and volume of runoff.

The District has 4 policies to ensure adequate progress is achieved toward meeting this goal.

2023 Activities:

The District has several ongoing efforts, in collaboration with several municipal partners, aimed at developing suites of future capital projects that will create substantial volumes of new flood storage across the watershed:

- **Ramsey County Ditches 2, 3 & 5 Basic Water Management Project:** RCWD continued concept planning and site-level feasibility work for Hansen Park South in collaboration with the City of New Brighton. The process made evident park use and storage conflicts. The focus of the water management project moved to Jones Lake Improvements, and further development of plans, early regulatory engagement, and funding pursuits working with Houston Engineering. This work will continue into 2024, with funding an aim to move to final plans and permits.
- **Stormwater Management Grant Program:** In 2023, three of the District-funded capital improvement projects resulted in reductions in rate control and/or runoff volume (listed below). *Note: Additional issue-specific information on this cost-share program is provided in the water quality and collaborations sections of this report.*
 - City of Roseville – C2 & Simpson Underground Infiltration - \$100,000
 - Washington County – CSAH 12 Improvements - \$10,000

- City of New Brighton – Public Works Facility Flood Mitigation Project - \$100,000

Priebe Lake Outfall Project (PLOP): RCWD continues to work extensively with its partners (Birchwood Village, Mahtomedi, White Bear Lake) in response to landowner and City of Birchwood concerns at the PLOP outlet location in Hall’s Marsh. POLP transverses the 3 communities and there are inputs to the pipe system beyond Priebe Lake.

District rules require volume reduction and rate control. For areas that contribute flow to areas that flood, an additional 20% reduction in peak runoff control for 2, 10, and 100-year events is required.

2024 Work Plan

The District anticipates continuing its work with partners to implement components of the Ramsey County Ditches 2, 3 & 5 Basic Water Management Project in 2024. Finding adequate funding sources, both internal and external, has proven difficult for the large “prerequisite” project components, but the District is pursuing funding from the MN DNR and legislature.

The District has allocated \$300,000 in Stormwater Management Grant Program funding for 2024 to assist public and private entities with implementation of projects that provide stormwater quality treatment, runoff volume reductions, peak runoff rate control and/or reductions in groundwater usage.

The District will continue to work with its municipal partners to ensure successful operation of the Priebe Lake Outfall Project, including the outlet structure.

Impacts of Future Development on Downstream Rate and Volume

As the headwater portions of the District and various drainage areas are developing, downstream flooding is an increased concern. To identify the location and scope of these flooding locations, the District developed hydrologic and hydraulic modeling of future developed conditions based on current and future community land use maps and application of District rules.

This analysis shows that projected future development will result in regional increases in runoff rate and volume, even with current District rules in place. Additionally, the limited conveyance of several public drainage systems that serve as the primary outlet for stormwater in some communities has raised awareness of volume constrained areas. Within these areas the runoff volume increases from future development will exacerbate existing and/or create new flood issues.

Goal: Understand the effects of future development on runoff volume, flow rates, and flooding, and work to minimize those effects through regulation, projects, and programs.

Measurable Goal: Update its Future Conditions Model at least once during the 10-year lifespan of the watershed management plan (2020-2029) to account for realized and proposed land development and modeled changes in regional precipitation patterns.

The District has 5 policies to ensure adequate progress is achieved toward meeting this goal.

2023 Accomplishments and Activities:

The District's regulatory permit program implements RCWD rules and considers flooding concerns related to development. These include individual project site controls, regional storage, implications from conveyance, and outlet downstream implications on flood elevations. Property development in the CSMP area must comply with the terms of the CSMP.

2024 Work Plan

The District will continue to communicate on this issue to its community partners as individual sites develop and contribute to the regional plan. The District will respond to applications in the CSMP area with the District tracking the municipalities' and developers' development of capacity and allocations to other developments. An update of the District's Future Conditions Model will occur later in the ten-year plan cycle.

Modeling and Mapping

The District initiates maintenance of its modeling products to ensure the continued value of the models and their results. This maintenance includes annual updates to models to reflect changing infrastructure and land use, correcting deficiencies and errors, and adding new detail and data where and when it becomes available. Most notably, the NOAA Atlas 14 Precipitation Frequency Estimates have been incorporated into the model, which consider the available historic record including recent decades that have seen increasing rainfall in the District. The District has developed a District Modeling Update Policy, including updates in tools and the development of MS4Front, to guide implementation of this maintenance effort.

Goal: Maintain and update District hydrology and hydraulic models to reflect changing conditions and adapt to evolving technology.

Measurable Goal: Complete an update to the District-wide model (existing conditions) annually (throughout the 10-year lifespan of the watershed management plan).

The District has 4 policies to ensure adequate progress is achieved toward meeting this goal.

2023 Accomplishments and Activities:

Engaged its engineer to complete the annual update of the District-wide model, incorporating landscape-scale changes from new developments and major capital projects that were completed in the watershed over the previous year. The previous year's work with DNR resulted in the calculation of the 500-yr floodplain, and the District will be mapping these boundaries at the landscape scale to further understand those locations at risk of flooding and continue ongoing floodplain management.

Received a grant from the MPCA to support a Climate Resiliency Building project with workshops to address climate change issues within the entire district with stakeholders. RCWD completed this project in 2023 and will look to apply for the MPCA implementation funding in 2024.

2024 Work Plan

The City of New Brighton will be submitting a Federal Emergency Management Agency (FEMA) Letter of Map Revision (LOMR) for the area around Hansen Park. The District's Hansen Park project required significant modeling of the area and resulted in a much-improved understanding of the floodplain. The District will be supporting the City through cost-share and modeling detail in its application and intended relief to landowners.



Figure 4 Rice Creek Fields Stormwater Reuse System Stormwater Pond at 5880 Rice Creek Pkwy, Shoreview, MN 55126S

Water Quality Management

The District has identified “Water Quality Management” as one of its nine management categories. The category is defined as, “Protecting and/or improving the water quality of District streams, rivers, lakes, and other watercourses.” There are six key issues within this category: Accelerated Sedimentation; Aquatic Invasive Species; Wetlands; Nutrient Enrichment, Algae, and Cultural Eutrophication; Surface Water Monitoring; and Surface Water / Groundwater Interactions.

Accelerated Sedimentation

As changes in land use and rainfall patterns continue to occur within the RCWD, increases in runoff volume, flow, and velocity are experienced in portions of the watershed. These hydrologic changes can cause sedimentation rates to accelerate, leading to negative ecological and economic impacts. accelerated sedimentation can lead to a reduction in the storage capacity of lakes, ponds, and plunge pools, resulting in costly maintenance dredging efforts to restore storage capacity. Rice Creek flows through two lakes prone to rapid sedimentation: Long Lake in New Brighton and Locke Lake.

The District maintains sediment basins adjacent to Long Lake, in Locke Lake, on Ramsey County Ditch 2 within New Brighton’s Hansen Pond, on Ramsey County Ditch 4 within Roseville’s Oasis Pond, on Ramsey-Washington Judicial Ditch 1 just upstream of U.S. Highway 61, and on Ramsey County Ditch 11 just west of Eagle Street in White Bear Township.

Goals:

- Employ District regulatory authority and collaborate with partners (e.g. state, municipalities) on inspections to minimize sediment loading from erosion associated with land disturbance, land development, increases in impervious surface, or other changes in landscape construction sites that contribute to accelerated sedimentation.
- Pursue collaborations to implement agricultural and urban BMPs to address sediment delivery to District water resources.
- Reduce in-channel erosion throughout the RCWD, and particularly in Lower Rice Creek and Middle Rice Creek, through the implementation of programs and practices to stabilize eroding channels and banks.

Measurable Goals:

- Reduce the average number of sediment-related permit violations per active construction site to less than one per site per year (by the end of the 10-year 2020-2029 watershed management plan timeframe);
- Continue the annual implementation of cost share programs for water quality BMPs resulting in a total reduction of TSS loading to receiving waters of 100 tons (during period of the plan); and
- Pursue implementation of at least one BMP that addresses in-channel sediment delivery in Lower Rice Creek and one BMP that addresses in-channel sediment delivery in Middle Rice Creek (during the period of the plan).

The District has 6 policies to ensure adequate progress is achieved toward meeting this goal.

2023 Activities:

RCWD completed inspections of two of its three stream stabilization and restoration sites. With minor exceptions, the sites were found to be in good condition, and continue to provide the intended benefit –

i.e. reducing streambank erosion and sedimentation. One streambank on Lower Rice Creek required repair. This site is a District Facility, and the District is obligated to inspect and maintain it by grant agreement; the Lower Rice Creek Stabilization Project was funded by a Clean Water Fund Grant. The site was repaired, and subsequent inspections found it to be stable and functioning as designed.



Figure 5 Golden Lake Iron Enhanced Sand Filter at Golden Lake Park in Circle Pines

Projects funded through the **2023 Stormwater Management Grant Program** are anticipated to reduce annual pollutant loading to District surface waters. Annual total suspended sediment (TSS) loading is expected to be reduced by approximately 4.7 tons, and annual total phosphorus (TP) loading is expected to be reduced by approximately 41 lbs.

Iron-Enhanced Sand Filter (IESF) Projects continued to operate in 2023. The IESF at Hansen Park treated 19,228,168 gallons of RCD 2 runoff in 2023 (Numbers are low due to drought conditions). The IESF at Oasis Pond treated 0 gallons of RCD 4 runoff in 2023 (after troubleshooting all summer found a problem with the lift station pipe that did not allow the facility to operate, planning to repair summer 2024). The IESF at Bald Eagle Lake treated 330,028 gallons of RCD 11 runoff in 2023 (Numbers were low due to technical difficulties and drought conditions).

2024 Work Plan

The District's **Stormwater Management Grant and Water Quality Grant Programs** (and the Mini-Grants program) will continue operation. Collectively, they offer over \$500,000 to District local governments, residents, businesses, and other stakeholders who aim to implement water quality improvement projects and best management practices within the District. IESFs at Hansen Park, Oasis Pond, and Bald Eagle Lake will continue operation reducing sediment and nutrient loads from Ramsey County Ditches 2, 4, and 11, respectively.

Aquatic Invasive Species

Consistent with its mission, the RCWD takes an active role in managing those AIS that impact water quality or contribute to algae blooms and decreased water clarity. For other AIS that do not directly impact water quality, but may affect ecology or recreation, the District offers supporting services (i.e. data collection and general guidance). Research suggests that curly-leaf pondweed (*Potamogeton crispus*) and common carp (*Cyprinus carpio*) are linked to water quality degradation and algae blooms. For this reason, the District plays an active role in managing these species.

Goals:

- Mitigate adverse water quality impacts of common carp by reducing and maintaining their density with a long-term, sustainable approach.
- Partner with lake associations and homeowner groups to manage curly-leaf pondweed to improve water quality and native plant diversity.

Measurable Goals:

- Develop three system-specific common carp management plans, with priority to Clear-Mud-Howard Lakes, Peltier-Centerville Lakes, and Silver Lake (by 2029)
- Implement plans over the long-term to reduce carp density below their adverse impact threshold (100 kg/ha) on a per system basis.
- Work towards achieving 100 kg/ha carp density in the Long-Lino Chain (during the WMP time period).



Figure 6 Johanna Creek Carp Barrier at New Brighton Community Center in New Brighton, MN

- Implement annual curly-leaf pondweed management programs in District lakes that have lake association and/or landowner support with DNR technical guidance.

The District has 3 policies to ensure adequate progress is achieved toward meeting this goal.

2023 Accomplishments and Activities:

The District partnered with seven lake associations to manage curlyleaf pondweed in 2023. On Bald Eagle, Clear, Centerville, Johanna, Josephine, Peltier, and Silver Lakes, the district delineated beds of curlyleaf pondweed and procured permits from the DNR. On Bald Eagle and Peltier Lakes, the District also hired a contractor to apply herbicide as stipulated by the DNR permit. District staff attend technical conferences and collaborate with colleagues at the Department of Natural Resources and other agencies to ensure that best practices are followed to minimize negative impacts to native plants and promote water quality protection and improvement.

Continued implementing its Long Lake / Lino Chain of Lakes Carp Management Plan. In 2023, a total of 2,258 adult carp were removed from the system. Although lower than total from previous years, management goals were still met, as approximately 50% of the population was removed. The removal total was lower because the population was lower. Since program inception, 55,854 carp have been removed from the system. For the first time in 2023, long term management goals (< 100kg/ha) have been met.

A carp population survey on Bald Eagle Lake found the density to be very low. Only 1 carp was captured during the electrofishing survey, making a precise population estimate impossible. However, the density is below the ecological damage threshold. Typically, ecological damage and water quality impacts begin around 100 kg/ha. Thus, carp do not appear to be a major problem in Bald Eagle Lake at the current time.

2024 Work Plan

The District plans to partner with the same homeowner groups to manage curlyleaf pondweed.

The District will continue implementing the Long Lake / Lino Chain of Lakes Carp Management Plan. Primary activities will include adult carp removal during spring migration using the NEPTUN electronic guidance system and a new electrical aggregating system. Johanna Creek Carp Barrier was installed and completed in 2023 with Watershed Based Implementation Funding. Carp removal, monitoring and barrier maintenance will continue in 2024.

The District will conduct additional carp surveys, and possibly removals, on Centerville Lake in 2024.

Wetlands

Managing wetlands is critical to many District interests including water quality and flood control. The availability of banked wetland credits (public or private) is vital to District projects.

Goal: Manage wetlands in a manner which improves diversity and ecological integrity on a District-wide basis, consistent with the Wetland Conservation Act and augmenting Comprehensive Wetland Protection and Management Plans (CWPMP) and local opportunities for preservation, enhancement, and restoration, while balancing multiple resource issues.

Measurable Goals: Continue implementation of the WCA and CWPMPs and complete annual reports summarizing implementation of the CWPMPs.

The District has 3 policies to ensure adequate progress in this category.

2023 Activities:

The RCWD is the Local Government Unit (LGU) responsible for the implementation of the State Wetland Conservation Act (WCA), except for within the cities of Hugo, Circle Pines, and most recently Mounds View, or associated projects on state lands, such as those involving MnDOT and the DNR. Both WCA and District rules specify sequencing processes to avoid and minimize wetland impacts and replacement requirements for unavoidable impacts to wetlands. The District's role as the Wetland Conservation Act (WCA) Authority is also a key issue in the RCWD regulatory program and incorporated into that section of this report.

In addition, the RCWD maintains a set of rules that govern wetlands within special areas of the District, which are known as CWPMP areas. The CWPMP rules were developed as a component of Resource Management Plans (RMPs), which were developed for several locations in the District experiencing rapid urbanization, and included wetland management, public drainage systems, and water quality/quantity management considerations. The CWPMPs, RMPs, and Rule F were implemented as an effort to balance the responsibilities of the RCWD as LGU for the WCA, drainage authority for MS 103E public drainage systems, and as a manager of water quality and quantity.

The District continued its administration/implementation of the WCA and CWPMPs. In addition to the review and noticing of WCA applications, the District reported all 2023 WCA activity to the Board of Water and Soil Resources (BWSR) and will be completing an audit review of Circle Pines, Hugo, and Mounds View permitting administration as cities within the District that have accepted the LGU responsibility.

Nutrient Enrichment, Algae, and Cultural Eutrophication

Several lakes and streams in the RCWD have issues related to nutrient enrichment and cultural eutrophication. The RCWD has worked diligently to address the impacts of nutrient enrichment and

cultural eutrophication by conducting diagnostic studies and assessments to mitigate excess nutrient loading to District waterbodies. These studies and assessments are essential tools in targeting actions, such as implementation of best management practices (BMPs), that diminish the effect of cultural eutrophication and will be relied upon by District staff to prioritize protection and TMDL implementation efforts.

Goal: Protect and improve water quality conditions in District resources by managing nutrient loading and restoring aquatic ecosystems.

Measurable Goals: Decrease the number of District lakes classified as "restoration" and increase the number of District lakes classified as "protection" by 2 over the next 10 years using the District's Lake Classification System. This will be accomplished through the annual implementation of cost share programs for water quality BMPs which results in a cumulative total reduction of total phosphorus loading to receiving waters of 300 pounds per year (during the WMP 10-year time period).

The District has five policies to ensure adequate progress is achieved toward meeting this goal.

2023 Accomplishments and Activities:

Projects funded through the Stormwater Management Grant Program are anticipated to reduce annual pollutant loading to District surface waters. Annual total suspended sediment (TSS) loading is expected to be reduced by approximately 4.7 tons, and annual total phosphorus (TP) loading is expected to be reduced by approximately 41 lbs.

In 2023, the Minnesota Pollution Control Agency has identified four lakes in the RCWD for potential removal from the *Impaired Waters* list. These lakes were listed as impaired for excess nutrients. Monitoring data from the RCWD and partners suggested that the lakes – Bald Eagle, Golden, Island, and White Rock – were meeting state nutrient criteria. The “de-listings” will be official in 2024. Assuming the lakes are removed, they will transition from the “restoration” to the “protection” phase, thus accomplishing the District's Measurable Goal for *Nutrient Enrichment, Algae, and Cultural Eutrophication*.

2024 Work Plan

The District's Stormwater Management Grant and Water Quality Grant Programs will continue operation. Collectively, they offer over \$500,000 to District local governments, residents, businesses and other stakeholders who aim to implement water quality improvement capital projects and best management practices within the District.

IESFs at Hansen Park, Oasis Pond, and Ramsey County Ditch 11 will continue operation in 2024 and beyond,

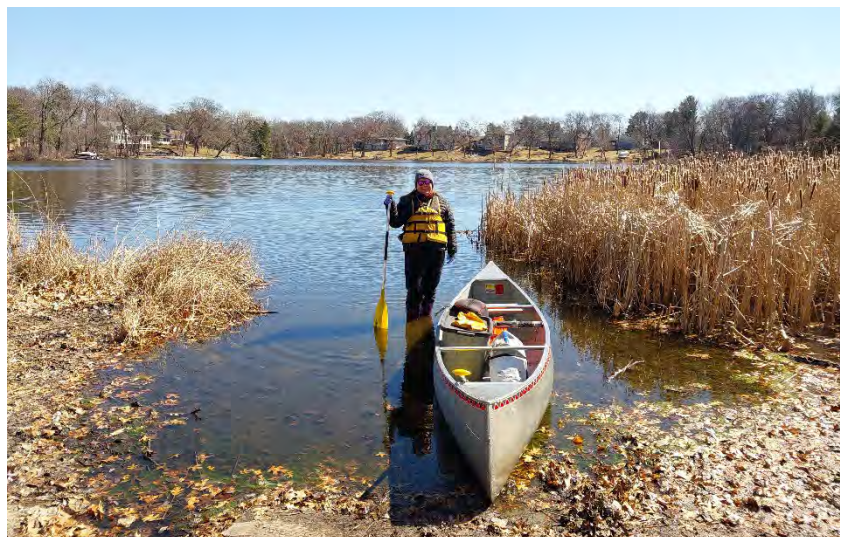


Figure 7 Water Quality Program Staff lake monitoring

reducing sediment and nutrient loads from Ramsey County Ditches 2, 4 and 11, respectively.

The District will continue tracking water quality project information through the MS4Front database and utilize the information to monitor TMDL progress and reduce water quality treatment gaps on the landscape.

Surface Water Monitoring

Surface water monitoring is a core function of the RCWD. The Monitoring Program Plan establishes monitoring goals and objectives, describes program organization, and identifies data quality objectives.

Monitoring data is used to inform an array of RCWD activities. Monitoring at long-term, fixed sites provides insight into resource conditions and long-term water quality trends. Synoptic monitoring allows District staff to determine if projects achieve predicted water quality benefits if similar projects should be pursued in the future, and how similar projects might be optimized to attain greater pollutant reductions. One-time (investigative) samples are also collected by the District typically to address a perceived transient or short-term water quality problem. Monitoring data is used to calibrate hydrologic, hydraulic, and water quality models that are relied upon by the District in implementation, collaboration, and regulatory efforts.

In addition to monitoring efforts conducted by RCWD staff, the District supports several volunteer monitoring programs. Volunteers monitor lake water quality through the Metropolitan Council's Citizen Assisted Monitoring Program (CAMP). Through Friends of the Mississippi River, volunteers in the Stream Health Evaluation Program (SHEP) track biological health by collecting and documenting aquatic macroinvertebrates. The District partners with county conservation districts to measure lake levels. Finally, the District partners with the United States Geological Survey (USGS) to operate a stream gauging station on Rice Creek in Mounds View.

Goals: Monitor District resources to aid in the planning and evaluation of RCWD management activities.

Measurable Goal: Annually update and implement the RCWD Monitoring Schedule, guided by the RCWD Monitoring Program Plan.

The District has 5 policies to ensure adequate progress towards this goal.

2023 Accomplishments and Activities:

- District staff collected 289 water samples on lakes, streams, and ditches; a total of 1,376 individual laboratory analyses were conducted. District staff regularly monitored 9 lakes throughout the watershed, collecting water samples and physical lake measurements (e.g. temperature, pH, dissolved oxygen). District partners and volunteers monitored another 17 lakes.
- District staff monitored water quality and physical parameters at 11 long-term stream and ditch sites and at 3 synoptic sites.
- The District continued its partnership with the U.S. Geological Survey to operate a continuous USGS stream gage on Rice Creek.
- Aquatic plant surveys were conducted at 10 lakes to manage invasive species and qualify overall lake health.

2024 Work Plan

District staff will be finalizing and implementing an updated Monitoring Program Plan. District staff will monitor water quality and physical parameters on District streams and ditches, and partner with the USGS to operate their stream gage. District staff, cooperators, and volunteers will continue to monitor

lake water quality throughout the watershed. The District will continue to support the SHEP program and conduct aquatic plant surveys on area lakes.



Figure 8 Locke Lake/RCWD Outlet Point into the Mississippi River, Fridley, MN

Surface Water / Groundwater Interactions

The District's role in the management of groundwater resources is primarily as a collaborator and advisor through funding stormwater reuse projects and directing infiltration where appropriate. The RCWD is also responsible for conforming with groundwater plans developed by relevant counties and will review and submit comments to the DNR for water appropriation permits.

Goal: Protect groundwater-reliant District resources by implementation of surface water management activities.

Measurable Goal: Promote implementation of at least one BMP annually that benefits groundwater-reliant natural resources, such as stormwater infiltration practices or stormwater reuse projects.

The District has 5 policies to ensure adequate progress in this category.

2023 Accomplishments and Activities:

Updated GIS database by incorporating new wellhead protection plan (WHPP) information from its partner municipalities. This information is used to evaluate the feasibility of stormwater infiltration during District permit application reviews.

2024 Work Plan

Continue to promote the reuse of stormwater for its benefits to groundwater resources and improvement of surface water quality. Support and promotion can come through direct funding appropriation when a project is aligned with the 2020 WMP or through one of the District's grant programs. The District expects to continue developing these types of projects with its partners.



Figure 9 Shoreview Rice Fields Stormwater Reuse Pond at 5880 Rice Creek Pkwy, Shoreview, MN 55126

Funding

The District has identified “Funding” as one of its nine management categories. The category is defined as, “Prioritized budgeting of costs for District programs and projects and identification of revenue sources.” There are two key issues within this category: Financing and Funding Sources *and* Funding Distribution.

Financing and Funding Sources

The District needs reliable sources of funding and sound financial management policies in order to carry out its mission.

Goal: Develop and implement an effective framework for sourcing District and external financing and revenue to implement projects and programs to achieve the District’s goals.

Measurable Goal: Develop effective and actionable framework by 2022. Implementation of the framework to assess 100% of District program and capital improvement projects to address financing and funding needs consistent with the framework.

2023 Accomplishments and Activities:

Examined and revised its General Fund Balance Policy. The revision establishes a benchmark by which to provide a fund balance cash flow operating reserve. The reserve being comprised of two elements:

- An unassigned fund balance within the General Fund of not less than 40 percent of the General Fund budget.
- **An assigned fund balance within the Implementation Fund of not less than 40 percent of the next year’s administrative budget lines.**

This is to capture the administrative needs of each fund and the amount will fluctuate with each year’s specific budget objectives.

The District is attentive to its budget and works to document the allocation of funds. The District structured further documentation in its annual budget for clarity. The effort recognizes the importance of a reasonably consistent levy and its achievement through planning and saving for future needs. This includes the previously noted administrative cash flow reserve of both General Fund and its Implementation Administrative Budget, Restricted Funds, Committed Funds, Implementation Fund and Assigned Fund Balance. The definition of each classification follows:

- General Fund – covers the general administrative expenses of the District, including salaries, benefits, and office expenses.
- Implementation Administrative Budget – covers the administrative costs of preparing or amending the District’s plan and the administrative costs of implementation of the plan through projects and programs, pursuant to Minnesota Statutes Section 103B.241.
- Restricted Fund – amounts are subject to externally enforceable legal restrictions, such as funds levied in a Water Management District (WMD) which are restricted to the defined purpose.
- Committed Fund - amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, such as grant program awards. The commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

- Program/Project Anticipation Fund – funds accumulated and committed as an alternative to issuing bonds to finance improvements based on findings as to the potential future need of funds for a particular purpose.
- Assigned Fund - amounts a government intends to use for a specific purpose.

RCWD values sound financial management policies to ensure financial stability of the District for the benefit of residents and businesses. The financing and funding of District efforts are carried out using a variety of funding methods. The Board of Managers strives to provide a balance between equity in paying for activities and a streamlined process minimizing administrative costs.

These financial methods can be grouped into two subcategories:

1. District-derived funds and
2. Outside funding sources.

The District can use ad valorem taxes (property tax to all taxable property within the District); the establishment of water management districts (WMDs) (property tax specific to local benefitted parcels, restricted funds) for the purpose of collecting revenues and paying for costs of projects initiated under 103D. Fees and charges are collected based on services provided for permit applications and other services.

The District also continues to apply for outside funding including state grant programs (Clean Water Fund). The Board of Water and Soil Resources' Watershed-Based Funding Program is proving to be a meaningful source of project funds for RCWD and its partners. RCWD used the first "round" of funds it received through this program as pass-through grants for its communities to implement eligible projects. RCWD awarded those funds in 2019 and 2020 and all funded projects were completed by the end of 2021. The second "round" of funding was allocated to the Peltier Centerville Backflow Feasibility Study – the next critical piece of information needed to begin implementation work under the Peltier and Centerville Lakes TMDL. The third round in 2022, BWSR allocated funds by watershed. The District convened eligible parties to collaborate and discuss potential projects ultimately putting forth to BWSR a slate of prioritized projects to implement the funds on the landscape. The District looks forward to working with its partners in 2023 to further resource projects using this funding during the next biennium (BWSR FY23).

The District can borrow funds to finance activities over the interim timeframe between project implementation and receipt of dedicated project funding. The District does not have any of the low-interest Clean Water Partnership Act Revolving Fund loans (from the MPCA) at this time.

The RCWD has frequently used the concept that the responsibility of paying for the completion of a project should be borne by and in proportion to the relative benefits received. When the benefits are regional in nature serving the public, ad valorem revenue is used. As the benefits become more localized, the different funding mechanisms will be considered, sometimes in combination.

RCWD developed its 2023 budget to align with the watershed management plan and deliver improved transparency for long-term financial stability. This is part of an effort to develop and implement an effective framework that supports balanced and steady District levy financing. There was a 5.25% levy increase for 2023 and a 4.65 rise in taxable market value, yet as always a future year's changes in market value, economic conditions may result in changes to the levy rate. (The District is located in four separate metropolitan counties; the District estimates its levy impact on every \$200,000 of taxable

market value to be \$36.) The remainder of the revenue came from water management districts, fees, grants, investment income, and use of the District’s fund balance.

Fund balance reserves are an important component of the financial health of RCWD and ensure the District has enough funds to meet contingency and cash-flow needs. The District’s 2023 budget followed the District’s General Fund Balance Policy and maintained a 40% assigned and unassigned fund balance. The District fund balance also includes a process to save and self-finance for future large projects. This “forced self-saving of funds” earmarks dollars for these future projects and eliminates the need to borrow funds and mitigates large swings or increases in the District’s levy. The “forced self-saving of funds” are identified in the 2023 budget under the project anticipation fund. These are financial best practices and as stated above in this section additional documentation in developing the 2024 budget.

Funding Distribution

The Board of Managers continues to refine its process for prioritizing the funding and implementation of projects and programs using a variety of funding sources that are available to the District.

Goal: Prioritize funding of projects and programs to most effectively meet the goals of the District.

Measurable Goal: As a part of each annual budgeting cycle, re-evaluate prioritization of District capital projects for the upcoming 5-year period.

The District has established 2 policies to ensure adequate progress in this category:

The Board of Managers values the equitable prioritization of projects throughout the District. 100% of communities and counties participated in the development of the watershed management plan; all requested and identified projects were included. The Board of Managers complete an annual budget that considers the District’s capital projects and the requests of our stakeholder communities. They may consider the following factors when establishing priorities:

- Location
- Sustainability
- Consistency with District Programs
- Consistency with local plan priorities
- Capital and maintenance costs
- Expected benefits
- Multiple benefits

The Board works to prioritize requests for financial assistance to preferentially place District-led and cooperative regional projects within those geographic locations which provide the most flood control and water quality benefits to the region. The intent of prioritizing is to facilitate decisions regarding which projects provide the greatest benefit within the District compared to the fiscal investment with the realization that this may not always be possible. In 2023, District staff continued to actively engage our partner communities regarding upcoming capital projects and budgetary needs for consideration in developing the 2024 District budget. It is anticipated that several projects that were discussed through this effort will be able to be funded by the RCWD Board in the coming year.

When the prioritization of proposed projects based on the factors above is comparable, the Board will strive to ensure that geographic funding equity is maintained across the District.

2024 Work Plan

Continue to develop a transparent budget in consideration of its mission and the needs of residents and stakeholders. The Board will re-evaluate the prioritization of District capital projects and protection of past public dollar infrastructure investments during the annual annual budgeting cycle and continue to develop an effective framework for secure funding.

Evaluate any new concerns or assistance requests with consideration to the urgency of the problem, the nature of the District’s responsibility, and the capacity of the District to respond (including available funding and staffing considerations). The Board requires that all cases be fairly considered and evaluated.

When the prioritization of proposed projects (based on the factors listed above) are comparable, the Board will strive to ensure that geographic funding equity is maintained across the District.



Figure 10 White Bear Lake

Collaborations

The RCWD has identified “Collaborations” as one of its nine management categories. This category is defined as: “developing and maintaining positive, collaborative relationships and agreements with other agencies and partners to better carry out the District’s mission.” There are two key issues within this category: Collaborations with Local, State, and Federal Partners *and* Collaborations with Private Partners.

**See Outreach and Communications section for additional information.

Collaborations with Local, State, and Federal Partners

The RCWD has a long history of collaboration and partnership with federal, state, and local agencies. However, demands for District collaboration continue to increase.

Goals: Continue collaboration with local, state, and federal partners through project implementation, outreach programs, and city/county partner meetings to better carry out the District’s mission.

Measurable Goal: Hold one or more city/county partner meetings annually. It will also implement cost-share programs with public partners annually.

The District has 2 policies to ensure adequate progress in this category.

Collaborations with Private Partners

The District must collaborate with private partners (e.g. landowners, businesses) to better carry out its mission.

Goal: Collaborate with private partners through voluntary action or cost-share incentives by effectively implementing the Natural Waterway Management Program, Stormwater Management Grant Program, and Water Quality Grant Program to achieve District and landowner goals.

Measurable Goal: Continue to fund its existing cost-share incentive programs annually.

The District has 2 policies to ensure adequate progress in this category.

2023 Accomplishments and Activities:

The District partners with its 28 member cities and townships and 4 counties (Washington, Ramsey, Anoka, and Hennepin) on various initiatives to complete or progress District goals.

The Municipal Capital Improvements – Early Coordination Program enables staff to work closely with cities and other agency partners to identify voluntary capital improvement opportunities for water quality and water quantity conservation. The program works to provide cities (and other qualified applicants) access to funds from the District’s Water Quality Grant Program and the Stormwater Management Grant Program.

The District helps municipalities through coordination of Local Water Planning efforts. All 28 communities now have RCWD Board-approved Local Water Management Plans.

The Modelling and Planning Program impacts the effectiveness of collaborations but also addresses water quality and flooding issues (see those sections for additional information). RCWD collaborated with The US Army Corps of Engineers to implement the Wetland Conservation Act (WCA) within our District. RCWD collaborated with FEMA about their Flood Insurance Rate Maps (FIRMs). RCWD also collaborated with the Met Council, DNR, MPCA, MDH, and the USGS on various water quality monitoring initiatives. RCWD continues to work with communities and surrounding watershed districts on its Boundary Management Program. Ongoing efforts to update watershed boundaries will continue. The Stormwater Management Grant Program and the Water Quality Grant Program are two very successful incentive programs implemented annually. These cost-share programs also make funds available to our public stakeholders. The Stormwater Management Grant Program is a grant program that funds capital improvements constructed by counties, cities, townships, school districts, libraries, and other entities, to enhance water quality (e.g., sediment, nutrient, & chloride management), alleviate flooding issues, or increase groundwater recharge.

The District’s cost-share programs have substantial impacts on water quality and flooding issues; they also support the efforts of programs including the Groundwater Management & Stormwater Reuse Assessment Program. Issue specific information on this program is included in the Water Quality and Flooding sections of this report.

Approved project funding for the 2023 Stormwater Management Cost Share Program is laid out in the table below:

Applicant	Project Title	Total Funding Amount
City of Fridley	Farr Lake and Danube Ponds Pretreatment Project	\$100,000
City of New Brighton	Public Works Facility Flood Mitigation Project	\$100,000
City of Roseville	C2 and Simpson Underground Infiltration	\$100,000
Ramsey County	Bald Eagle Blvd SAFL Baffle	\$25,000
Ramsey County	Silver Lake Road at Rice Creek Stabilization and SAFL Baffles	\$100,000
Washington County	CSAH 12 Improvements	\$10,000
TOTAL FUNDS COMMITTED:		\$435,000

The Water Quality Grant Program provides funding and assistance for landowners to install Best Management Practices (BMPs) or projects that aim to improve the quality of surface water within the District. Stewardship through grant opportunities also builds valuable connections between the District and communities on the importance of improving and maintaining excellent water quality. The RCWD has technical services agreements with Anoka Conservation District (ACD), Ramsey County Parks and Recreation Soil and Water Conservation Division (RSWCD), and Washington Conservation District (WCD) to assist with site assessments, project design, and landowner applications.

RCWD allocated \$175,000 for 2023 projects. A total of 2 projects in Anoka County, 8 projects in Ramsey County, and 1 project in Washington County were completed. Most projects in 2023 focused on lake shoreline restoration for erosion control and rain gardens for stormwater infiltration. This year, pet Waste stations were introduced to the program as a BMP eligible for cost-share. The City of Fridley installed two pet waste stations at Moore Lake Park as part of the park’s improvement project.

2023 Water Quality Grant Program Project Summary:

- Two Pet Waste Stations
- Eight Shoreline Restorations
- One Curb-Cut Raingarden
- One Wetland Restoration

The Washington County Miron Waste Storage Facility project contract was amended for a deadline extension in the third quarter of 2023 and work is expected to commence in the summer of 2024.

The District's cost-share programs have substantial impacts on water quality and flooding issues; they also support the efforts of programs including the Groundwater Management & Stormwater Reuse Assessment Program. Issue-specific information on this program is included in the Water Quality and Flooding sections of this report.

2024 Work Plan

RCWD will hold at least two city-county partner meetings.

Continue collaborations with our partners through the Stormwater Management Grant Program and other grant funding sources as they become available. The District continues its goal to expand the quantity and type of projects funded through the program by continuing to conduct outreach to the agricultural and rural landowners of the District. RCWD will prioritize targeting projects in TMDL areas, projects identified in completed sub watershed assessment reports, and city's local water plans.

Regulatory

RCWD has identified “Regulatory” as one of its nine management categories. The category is defined as, “administration of District rules to manage District water resources.” There are three key issues within this category: District Rules, the District’s Role as WCA Authority, and Permitting and Enforcement.

District Rules

The District has adopted a set of rules to guide its decision-making regarding stormwater management, soil erosion and sediment control, floodplain alterations, wetland alterations, illicit discharge, and other activities within the boundaries of the District. These rules also incorporate the State’s NPDES and MS4 requirements.

Goal: Ensure that implementation of District rules adequately protects RCWD resources while providing enough flexibility that the program does not unreasonably hinder land use.

Measurable Goal: the District will annually implement the District’s rules through the permitting program and will solicit stakeholder input on the District rules every five years.

The District has 2 policies to ensure adequate progress in this category.

The current RCWD regulatory rules were adopted by the Board of Managers for implementation on January 1, 2021. The District is planning to revise its regulatory rules in 2024. The process of revising the rules will include the opportunity for stakeholder input through a formal comment period and public hearing. The goal is to have the updated rule set adopted for a January 1, 2025 implementation date.

District’s Role as Wetland Conservation Act (WCA) Authority

The District is responsible for the implementation of WCA (as augmented by the CWPMPs) to achieve no net wetland loss while recognizing the need to develop land and manage the maintenance/repair of public drainage systems.

Goal: Fulfill the District’s responsibility as the designated WCA LGU, as outlined in MN Rule 8420.

Measurable Goal: Implement the District’s wetland permitting program and annually report the LGU administration of the rule.

The District has 3 policies to ensure adequate progress in this category.

2023 Accomplishments and Activities:

The District is the Local Government Unit (LGU) responsible for the implementation of state Wetland Conservation Act (WCA), except for within the cities of Hugo, Circle Pines, and Mounds View, or associated projects on state lands, such as those involving MnDOT and the DNR.

RCWD maintains a set of rules that govern wetlands within special areas of the District, which are known as CWPMP areas. The CWPMP rules were developed as a component of Resource Management Plans (RMPs), which were developed for several locations in the District experiencing rapid urbanization, and included wetland management, public drainage systems, and water quality/quantity management considerations. The CWPMPs, RMPs, and Rule F were implemented as an effort to balance the

responsibilities of the RCWD as LGU for the WCA, drainage authority for MS 103E public drainage systems, and as a manager of water quality and quantity.

Staff reported all 2023 WCA activity to the Board of Water and Soil Resources (BWSR) and will complete an audit review of Circle Pines, Hugo, and Mounds View as permitting administration cities within the District that have accepted the LGU responsibility.

2024 Work Plan

- Continue its administration/implementation of the WCA and CWPMPs.
- Consider any changes to Rule F as part of the rule revision process.
- Review and notice all WCA applications.



Figure 11 Golden Lake Shoreline/Buffer Zone

Permitting and Enforcement

In accordance with District rules, permits are issued to protect public health and welfare and the District's natural resources.

Goal: Create efficiency and flexibility in the permitting process, while maintaining the intent of the rules.

Measurable Goal: Survey permit applicants to consider solutions to issues of stormwater and wetland permit flexibility, at least once during the 10-year implementation period of the Plan.

The District has 3 policies to ensure adequate progress in this category.

2023 Accomplishments and Activities:

The District continued to implement an efficient regulatory program. The District remains committed to improving the application review process with simplified "insufficient" emails, increased phone calls on application review status, and pre-application meetings. As part of the new RCWD website, the District implemented a new online permit application. Applicants can submit their application information into guided fields and upload their application materials rather than fill out an application form by hand and submit their application through email or physically through the mail or dropping off materials at the office.

The current permit application fee schedule was adopted by the Board on December 9, 2021, and implemented on January 1, 2022. Staff reviewed the data with the Board of Managers after two years of implementation. Thus far, the fee schedule has been successful in meeting the goals of the Board of Managers of simplifying the submittal process, recuperating approximately 60% of private permit fee review costs, and improving equity in the cost of permit review for compliance with the rules. No changes were recommended to the fee schedule, but the Board of Managers sees value in continuing to assess the fee schedule on a yearly basis.

The District has a publicly available GIS viewer which is found on the front page of the District's website. The viewer contains map layers for roads, waterways, floodplains, RCWD's public drainage system (ditches and tiles), wetlands, topography, aerial imagery, and more. The viewer is intended to assist landowners, cities, consultants, and others in planning. In addition, RCWD completed its second full year of the permit database, MS4Front. The database has improved RCWD's effectiveness in tracking permits, stormwater BMPs, inspection reporting, and annual MS4 reporting among other benefits.

The Cities of Circle Pines and Hugo continued to assume administrative delegation of District Rules C, D, E, and F. In addition, the City of Mounds View began its first year of similar administration. Staff continue to provide support to these cities when requested (e.g. questions on rule administration or as a WCA TEP member) and will complete the annual audit soon to ensure proper administration of District rules/standards.

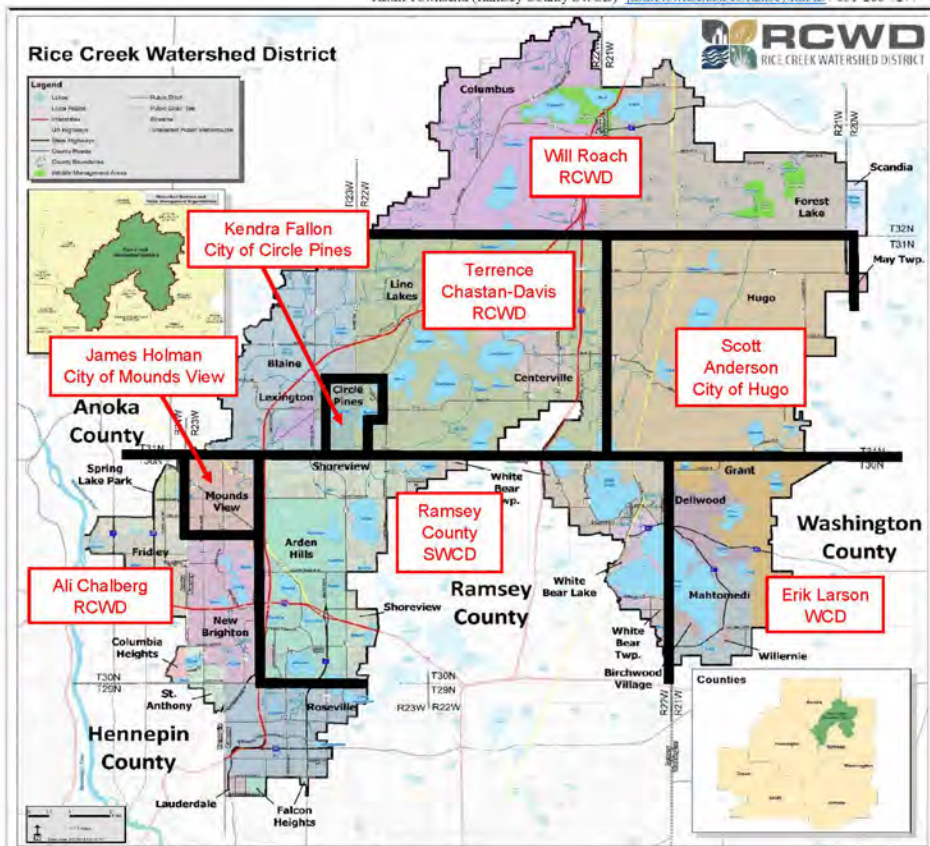
Inspections

The RCWD is geographically subdivided into inspection areas served by separate staff with multiple duties (not including the City of Hugo, the City of Circle Pines, and the City of Mounds View who have permitting authority for RCWD Rules C, D, E, and F—see map below). The RCWD continues to contract with the Ramsey County Soil & Water Conservation Division (SWCD) (formally Ramsey Conservation District) and Washington Conservation District (WCD) for inspection services within portions of the

District. The inspection service agreement term with Ramsey County SWCD and WCD will end in December 2024. The relationship with both Ramsey County SWCD and Washington Conservation District continues to substantially contribute to the RCWD's overall inspection activity. Moving into 2024, RCWD inspectors continue to be at full staff capacity. The map on the below shows the current inspector areas within the District.

**Rice Creek Watershed District
Inspector Area Map**
May 12, 2023

Inspector Contact Information
 Ali Chalberg (RCWD)- achalberg@ricecreek.org / 763-398-3078
 Terrence Chastan-Davis (RCWD)- tchastandavis@ricecreek.org / 763-398-3074
 Will Roach (RCWD)- wroach@ricecreek.org / 763-398-3085
 Kendra Fallon (City of Circle Pines/WSB)- kfallon@wsberg.com / 612-201-1361
 Scott Anderson (City of Hugo)- SAnderson@ci.hugo.mn.us / 651-762-6326
 James Holman (City of Mounds View)- jame.holman@moundsviewmn.org / 763-717-4035
 Erik Larson (Washington Conservation District)- elarson@mnwcd.org / 952-500-0525
 Justin Townsend (Ramsey County SWCD)- justin.townsend@co.ramsey.mn.us / 651-266-7277



Erik (WCD)	Terrence (RCWD)	Will (RCWD)	Ali (RCWD)	Ramsey County (SWCD)	Scott (City of Hugo)	Kendra (City of Circle Pines/WSB)	James (City of Mounds View)
Birchwood Village	Blaine Centerville Lexington Lino Lakes May Twp	Forest Lake Columbus Scandia	Columbia Heights New Brighton St. Anthony Spring Lake Park	Arden Hills Shoreview White Bear Twp White Bear Lake	Hugo	Circle Pines	Mounds View
Dellwood			Falcon Heights				
Grant Mahtomedi Willernie			Fridley Lauderdale Roseville				

The District has continued a partnership with the City of Centerville through a JPA which started as a pilot program during the spring of 2021. Through this partnership program, RCWD has conducted erosion and sediment control inspections for City/District permitted projects to assist with meeting Minimum Control Measure (MCM) 4 requirements while billing the city a specific hourly rate for services under the JPA. Both organizations find value in the JPA and partner on necessary enforcement action to influence permit compliance. The JPA was first amended on February 24, 2023, to continue services into

early 2024. On February 14, 2024 the JPA was again amended and is expected to be executed early March 2024. The most recent JPA amendment incorporates a two-year automatic term renewal and utilizes the District’s administration fee schedule.

RCWD hired both a new Project Support Technician and a Watershed Technician/Inspector in 2023. Adding another Watershed Technician/Inspector has increased the internal inspector capacity and helps to align with our goals to inspect active construction sites on a regular basis. The Project Support Technician position was developed, in part, to develop and implement a renewed historic permit and permit management effort. This new staff has sorted through hundreds of historic permit files and updated the MS4Front database to ensure the accuracy of District data. The Project Support Technician is also evaluating and updating the framework for historic permit closures.

The RCWD inspectors continue to maintain a regular presence on active construction sites while balancing the need to resolve older, inactive/historical permits. Inspectors will proceed with efforts to avoid creating more historical permits. Inspectors review the historical permit list annually; this review routinely shows a decrease in the number of outstanding historical permits. Regulatory staff will continue to annually review the list of inactive/historical permits and make efforts to close open permits.

Inspectors will continue working towards the established goals of inspecting each active construction site at least once a month and contacting permittees at least once per year for inactive/historical or stabilized sites with remaining permit requirements.

The following table shows the quantification of permit applications, inspections, and enforcement actions from 2021 – 2023 (last three years):

Year	2021	2022	2023
Review Files (WCA-only decisions, complaint files, and other site reviews)	340	297	250
Permit Applications	137	118	81
General Permits Issued	138	108	92
Variances Issued	2	1	2
Enforcement Actions Taken	0	0	0
Construction sites inspected	225	242	207
Notices of violation - includes all inspection reports issued containing at least one non-compliant item (including minor compliance issues)	80	98	139
Total inspections	637	729	664

Stop work orders (10-day notice)		8	5	10
Frequency at which construction site inspections are conducted		Weekly	Weekly	Weekly
Permits closed		118	83	113
Previously permitted sites inspected for permanent Stormwater BMP maintenance		1	1	1
Board Orders		1	0	0

2023 Activities:

- Received 118 Permit applications
- 108 permits were issued in 2022; this includes applications from 2022 and previous years

The District measures the success of permit review by the issuance of permits and the closure of permits. District inspectors review permits to ensure that they are meeting the permit obligations. When deficiencies are observed inspectors continue to document the issues and actively work with applicants to bring their sites into compliance.

2024 Work Plan

- Ensure that permits are processed in a timely and professional manner
- Continue improvements to the regulatory department to increase efficiencies of permit processing
- Utilize the District database (MS4 Front) to administer permitting, increase inspection efficiency, assist the District with MS4 permit compliance tracking (permitting and regulatory administration), and meet other program needs
- Work with cities to ensure that the RCWD rules are well-understood by city staff through RCWD partnership meetings and direct communications with municipalities and shared applicants.
- Ensure the District’s permit program and responsibilities as the WCA Local Government Unit (LGU) are applied fairly and uniformly throughout the District
- Continue acceptance of electronic permit application materials to make files more accessible and use less office space
- Ensure permit holders and municipalities are using and encouraging proper erosion control measures at development sites through regular site inspections
- Continue to provide best project value to citizens by expending local efforts in coordinated regulation of MnDOT design-build approach to projects
- Improve readability of regulatory materials on the District’s website
- Continue to hold an annual/semi-annual RCWD and consulting engineer permit team training seminar
- Continue to encourage early project coordination with pre-application meetings
- Utilize an enforcement memo to determine “level of risk” for permit compliance
- Continue contracted MCM 4 erosion and sediment control inspections under the amended JPA with the City of Centerville

- Continue to coordinate with Ramsey SWCD and Washington Conservation District for inspection services under agreements
- Review historic/unresolved permit files and develop strategies for closure
- Consider revising the regulatory rules for implementation in January 2025.
- Review and consider changes to enforcement procedures for non-compliant sites
- Review and consider changes to surety fee schedule



Figure 12 Construction Dewatering Site

Communications, Outreach, and Education

The District has identified “Communications, Outreach, and Education” as one of its nine management categories. The category is defined as, “Implementation of effective outreach efforts related to District priorities, policies, activities, and projects. Outreach efforts tailored to four main audiences: General Public; Counties; Cities; and State Agencies.”

Communications and outreach efforts were documented and aligned with the requirements of the MS4 permit.

Communication Opportunities and Strategies

RCWD must identify and implement communication strategies and education opportunities for stakeholders to facilitate informed decision-making related to District resources.

Goal: Communicate with District constituents to define RCWD priorities and available data, to highlight activities and projects, and receive constituent input

Measurable Goals:

- Participate in at least 6 constituent meetings annually (homeowners’ associations, lake associations, neighborhood groups, or other city-hosted events).
- Post monthly updates to District social media platforms.
- Complete an information sheet and maintain current project information on the District website for all RCWD capital improvement projects.
- Complete an annual report and post it on the District website.

Goal: Ensure adequate resources are available to District constituents to ensure broad communication of the District’s mission.

Measurable Goal: Distribute at least 6 articles per year to partners and media on topics supporting the District's mission and produce/provide stormwater-related outreach materials to District partners at least two times per year.

The District has 4 policies to ensure adequate progress in this category.

2023 Activities and Accomplishments:

- Created a new website, see below for more information.
- 4 District update articles published on website
- Participated and hosted multiple workshops with partners for residents, contractors, staff, and professionals throughout the district.



Figure 13 Educational Sign for Middle Rice Creek Restoration Project, installed 2023

- Sponsored 3 Smart Salting workshops with partners.
 - Sponsored 2 Blue Thumb workshops.
- New partnership with White Bear Arts Center established. Art programming and projects planned for 2024.
 - Selected a Water Steward-Art for Water Artist together to complete a public art project in RCWD
- New partnership with Fridley Public Art Plan established. Art project planned for 2024.
- Created 2 new project signs for educating the public on-site.
- Presented at several conferences including the MN Watersheds Conference, MN Water Resources Conference, and Washington Consortium
- Daily to weekly updates and informational articles posted on social media platforms.
- Engaged citizens in volunteer programs including the Minnesota Water Steward Program and Stream Health Evaluation Program (SHEP).
- Supported communities and regional partners in their outreach efforts by providing content, resources, and appropriate assistance. This included; shared content and materials, creation of targeted materials, expertise, and cost-share and incentive programs for partners to use with (including but not limited to) newsletters or community publications, social media and websites, community events or presentations, school programs, targeted audience or topic outreach, or implementation of a BMP program.
- Shared information on District programs, projects, policies, priorities, and activities with cities, townships, counties, legislators and legislative staff, state officials and staff, and partner organizations.
- Attended over 5 table events with local libraries, community centers, and non-profit organizations to share educational materials, talk with residents, and present on stormwater topics.
- Completed an annual report and post it on the District website.
- RCWD staff attended and presented at various lake association meetings.
- Supported community and regional outreach partners including East Metro Water Resource Education Program (EMWREP), Anoka County Water Resource Outreach Collaborative (AWROC), Blue Thumb (and Lawns to Legumes), and Metro Watershed Partners
- Supported cities with direct outreach for Adopt a Drain program.
- Supported various educational video projects with partners such as Anoka SWCD.
- Supported educational projects from a non-profit, Growing Green Hearts
- Submitted over 6 articles for community newspapers and newsletters – varied topics and district updates.
- Provided event handouts and displays for various events across the district.
- Provided materials to 3 local schools for education purposes such as water quality books, activity books, and coloring books.
- Met with various cities one on one to discuss stormwater management



Figure 14 Outreach and Communications Manager presenting at MN Watersheds Conference

projects, grant programs, and outreach activities.

Grant Programs

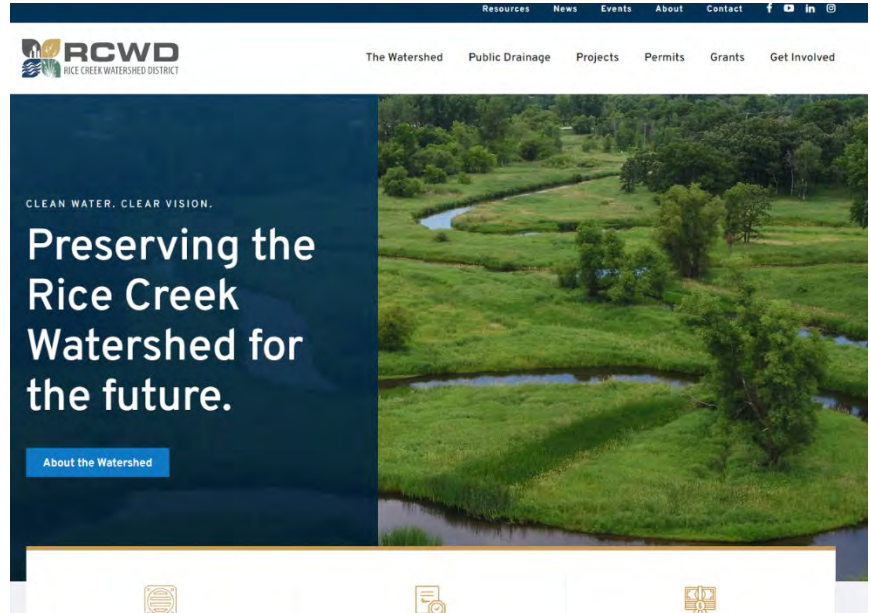
The District implemented three incentive programs with two specifically targeting individuals (the Mini-Grant and Water Quality Programs). \$10,000 was provided through the Mini-Grant program. A total of 23 mini-grants were issued: 2 grants for rain barrels, 2 grants for low-mow turf, 2 grants for water outreach and education, and 17 for native plantings. Of the 23 mini-grant awards, 2 awards were forfeited.

RCWD's Website

Completed and launched a new website in 2023.

Website Highlights:

- Created a "News" page on the website to write and publish updates on RCWD work. Public Notices are published and easily accessible on the News page.
- Created a "Resources" page to increase public access to District materials and documents
- Created a "Projects" page to inform the public on the work the District conducts.
- Utilizing MailChimp program to increase email communications and news updates.



2024 Work Plan

- Develop a targeted outreach plan to prioritize locations and water resource issues to focus on and engage those communities.
- Create toolkits and informational packets for RCWD's Grant program applicants.
- Establish new partnerships with local organizations and collaborate on outreach/education projects.
- Support and increase art-related activities throughout the District related to water resources.
- Continue promoting and educating the public about grant programs.
- Continue to host city-county partner meetings and meeting with cities one on one to discuss water resource needs.

- Continue to host workshops with Blue Thumb, EMWREP, and other partners.
- Continue support for MN Water Stewards Program, East Metro Water Resource Education Program (EMWREP), Anoka County Water Resource Outreach Collaborative (AWROC), Blue Thumb (and Lawns to Legumes), and Metro Watershed Partners, and other non-profit organizations.
- Continue volunteer programs like SHEP and CAMP with partners.
- Develop new video material to engage the public to be used on our website, social media platforms, and at meetings.



Figure 15 RCWD Climate Resiliency Project Workshops with Public

Figure Table

Figure 1 Howard Lake	6
Figure 2 Lower Rice Creek.....	6
Figure 3 Natural Shoreline with Native Plants on Snail Lake in Shoreview, MN	8
Figure 4 Rice Creek Fields Stormwater Reuse System Stormwater Pond at 5880 Rice Creek Pkwy, Shoreview, MN 55126S.....	20
Figure 5 Golden Lake Iron Enhanced Sand Filter at Golden Lake Park in Circle Pines.....	22
Figure 6 Johanna Creek Carp Barrier at New Brighton Community Center in New Brighton, MN.....	23
Figure 7 Water Quality Program Staff Lake Monitoring	25
Figure 8 Locke Lake/RCWD Outlet Point into the Mississippi River, Fridley, MN.....	28
Figure 9 Shoreview Rice Fields Stormwater Reuse Pond at 5880 Rice Creek Pkwy, Shoreview, MN 55126	29
Figure 10 White Bear Lake	33
Figure 11 Golden Lake Shoreline/Buffer Zone.....	38
Figure 12 Construction Dewatering Site	43
Figure 13 Educational Sign for Middle Rice Creek Restoration Project, installed 2023	44
Figure 14 Outreach and Communications Manager presenting at MN Watersheds Conference.....	45
Figure 15 RCWD Climate Resiliency Project Workshops with Public.....	47



RICE CREEK WATERSHED DISTRICT

ANNUAL FINANCIAL REPORT

December 31, 2023

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RICE CREEK WATERSHED DISTRICT
TABLE OF CONTENTS

	<u>Ref No.</u>	<u>Page No.</u>
INTRODUCTORY SECTION		
Organization		3
FINANCIAL SECTION		
Independent Auditor's Report		7
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Statement 1	12
Statement of Activities	Statement 2	13
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Statement 3	14
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	Statement 4	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds	Statement 5	16
Notes to Financial Statements		17
Required Supplementary Information:		
Budgetary Comparison Schedule - General Fund	Statement 6	39
Budgetary Comparison Schedule - 509 Planning Special Revenue Fund	Statement 7	40
Schedule of Proportionate Share of Net Pension Liability - General Employees Retirement Fund	Statement 8	42
Schedule of Pension Contributions - General Employees Retirement Fund	Statement 9	43
Notes to RSI		45
Individual Fund Financial Statements:		
Balance Sheet - General Fund	Statement 10	48
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund	Statement 11	49

RICE CREEK WATERSHED DISTRICT
TABLE OF CONTENTS

	<u>Ref No.</u>	<u>Page No.</u>
SUPPLEMENTARY FINANCIAL INFORMATION		
Schedules of Revenues and Expenditures - Budget and Actual:		
509 Planning Fund:		
Communication & Outreach - 30	Exhibit 1	52
Information Management - 35	Exhibit 2	53
Restoration Projects - 60	Exhibit 3	54
Regulatory - 70	Exhibit 4	55
Ditch and Creek Maintenance - 80	Exhibit 5	56
Lake and Stream Management - 90	Exhibit 6	57
District Facilities - 95	Exhibit 7	58
Project Anticipation - 99	Exhibit 8	59
OTHER INFORMATION - UNAUDITED		
Tax Levy and Revenue by County	Exhibit 9	62
OTHER REQUIRED REPORTS		
Report on Internal Control		65
Minnesota Legal Compliance Report		67

INTRODUCTORY SECTION

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RICE CREEK WATERSHED DISTRICT
ORGANIZATION
December 31, 2023

	<u>Term Expires</u>
Managers:	
Michael J. Bradley - President	January 17, 2027
John J. Waller - First Vice-President	January 17, 2025
Steven P. Wagamon - Second Vice-President	January 17, 2025
Marcie Weinandt - Treasurer	January 17, 2026
Jess Robertson - Secretary	January 17, 2026
Staff:	
Administrator: Nick Tomezik	
Project Manager: Vacant	
Office Manager: Theresa Stasica	
Lake and Stream Manager: Matthew Kocian	
Permit Coordinator/Wetland Specialist: Patrick Hughes	
Communication and Outreach Coordinator: Kendra Sommerfeld	
Public Drainage Inspector: Tom Schmidt Ashlee Ricci	
Technician / Water Resource Specialist: Molly Nelson	
Regulatory Technician: Anna Grace	
Permit Review Technician: Kelsey White	
Technician / Inspector: Terrence Chastan-Davis William Roach Alissa Chalberg	
Technical Field Assistant: Mitchell Sommers Kaitlyn Hembre Abel Green	
Water Monitoring Technician: Catherine Nester	
Program Support Technician: Abigail Tekiela	

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Managers of
Rice Creek Watershed District
Blaine, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Rice Creek Watershed District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Rice Creek Watershed District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Rice Creek Watershed District, as of December 31, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Rice Creek Watershed District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Report on Summarized Comparative Information

We have previously audited Rice Creek Watershed District's 2022 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities and each major fund in our report dated March 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Rice Creek Watershed District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rice Creek Watershed District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rice Creek Watershed District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules, and the schedules of pension information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rice Creek Watershed District's basic financial statements. The individual fund financial statements and supplementary financial information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements and the supplementary financial information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and other information sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Redpath and Company LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

April 5, 2024

BASIC FINANCIAL STATEMENTS

RICE CREEK WATERSHED DISTRICT

STATEMENT OF NET POSITION

December 31, 2023

With Comparative Totals For December 31, 2022

Statement 1

	Primary Government	
	Governmental Activities	
	2023	2022
Assets:		
Cash and investments	\$14,499,148	\$13,085,081
Due from other governments	66,210	38,307
Accounts receivable - net	1,830	17,357
Property taxes receivable:		
Delinquent	55,805	76,888
Due from county	31,200	49,858
Special assessments receivable:		
Deferred	168,366	137,772
Special deferred	186,751	193,164
Delinquent	14,766	14,018
Due from county	2,222	5,839
Prepaid items	63,216	64,360
Leased asset - net	176,389	272,601
Capital assets - net:		
Nondepreciable	1,239,793	1,239,793
Depreciable	829,093	890,273
Total assets	<u>17,334,789</u>	<u>16,085,311</u>
Deferred outflows of resources related to pensions	<u>189,657</u>	<u>315,810</u>
Liabilities:		
Accounts payable	209,188	297,929
Contracts/retainage payable	-	2,880
Due to other governments	94,846	80,926
Deposits payable	1,940,857	2,309,957
Unearned revenue	177,327	87,223
Lease liability:		
Due within one year	100,993	96,471
Due in more than one year	87,565	188,559
Compensated absences payable:		
Due within one year	60,817	59,643
Due in more than one year	22,897	13,554
Net pension liability:		
Due in more than one year	698,986	1,005,844
Total liabilities	<u>3,393,476</u>	<u>4,142,986</u>
Deferred inflows of resources related to pensions	<u>228,608</u>	<u>14,935</u>
Total deferred inflows	<u>228,608</u>	<u>14,935</u>
Net position:		
Net investment in capital assets	2,056,717	2,117,637
Restricted	281,483	529,694
Unrestricted	11,564,162	9,595,869
Total net position	<u>\$13,902,362</u>	<u>\$12,243,200</u>

The accompanying notes are an integral part of these financial statements.

RICE CREEK WATERSHED DISTRICT

STATEMENT OF ACTIVITIES

Statement 2

For The Year Ended December 31, 2023

With Comparative Totals For The Year Ended December 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position Primary Government	
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Totals	
					2023	2022
Primary government:						
Governmental activities:						
General government	\$2,002,571	\$100,548	\$ -	\$ -	(\$1,902,023)	(\$1,727,494)
Programs	2,815,695	-	109,317	-	(2,706,378)	(3,511,424)
Interest expense on debt	4,822	-	-	-	(4,822)	(6,704)
Total governmental activities	<u>\$4,823,088</u>	<u>\$100,548</u>	<u>\$109,317</u>	<u>\$0</u>	<u>(4,613,223)</u>	<u>(5,245,622)</u>
General revenues:						
Property taxes					5,651,969	5,442,997
Grants and contributions not restricted to specific programs					-	4,416
Unrestricted investment earnings					580,075	182,569
Miscellaneous other					40,447	13,293
Total general revenues					<u>6,272,491</u>	<u>5,643,275</u>
Change in net position					1,659,268	397,653
Net position - January 1					<u>12,243,200</u>	<u>11,845,547</u>
Net position - December 31					<u>\$13,902,468</u>	<u>\$12,243,200</u>

The accompanying notes are an integral part of these financial statements.

RICE CREEK WATERSHED DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2023

With Comparative Totals For December 31, 2022

Statement 3

Assets	General Fund	509 Planning Special Revenue Fund	Total Governmental Funds	
			2023	2022
Cash and investments	\$2,433,257	\$12,065,891	\$14,499,148	\$13,085,081
Due from other governments	-	66,210	66,210	38,307
Accounts receivable - net	-	1,830	1,830	17,357
Property taxes receivable:				
Delinquent	4,893	50,912	55,805	76,888
Due from county	2,741	28,459	31,200	49,858
Special assessments receivable:				
Deferred	-	168,366	168,366	137,772
Special deferred	-	186,751	186,751	193,164
Delinquent	-	14,766	14,766	14,018
Due from county	-	2,222	2,222	5,839
Prepaid items	23,044	40,172	63,216	64,360
Total assets	\$2,463,935	\$12,625,579	\$15,089,514	\$13,682,644
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities:				
Accounts payable	\$12,130	\$197,058	\$209,188	\$297,929
Contracts/retainage payable	-	-	-	2,880
Due to other governments	11,447	83,399	94,846	80,926
Deposits payable	1,940,857	-	1,940,857	2,309,957
Unearned revenue	-	177,327	177,327	87,223
Total liabilities	1,964,434	457,784	2,422,218	2,778,915
Deferred inflows of resources:				
Unavailable revenue	4,893	279,086	283,979	421,841
Fund balance:				
Nonspendable	23,044	40,172	63,216	64,360
Restricted	-	105,527	105,527	184,740
Committed	-	5,980,916	5,980,916	1,174,725
Assigned	-	5,870,117	5,870,117	8,784,349
Unassigned	471,564	(108,023)	363,541	273,714
Total fund balance	494,608	11,888,709	12,383,317	10,481,888
Total liabilities, deferred inflows of resources, and fund balance	\$2,463,935	\$12,625,579	\$15,089,514	\$13,682,644
Fund balance reported above			\$12,383,317	\$10,481,888
Amounts reported for governmental activities in the Statement of Net Position are different because:				
Capital assets and right to use leased assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			2,245,275	2,402,667
Deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the funds.			189,657	315,810
Deferred inflows of resources related to pensions are associated with long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.			(228,608)	(14,935)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:				
Compensated absences payable			(83,714)	(73,197)
Net pension liability			(698,986)	(1,005,844)
Lease liability			(188,558)	(285,030)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.			283,979	421,841
Net position of governmental activities			\$13,902,362	\$12,243,200

The accompanying notes are an integral part of these financial statements.

RICE CREEK WATERSHED DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2023
With Comparative Totals For The Year Ended December 31, 2022

Statement 4

	General Fund	509 Planning Special	Total Governmental Funds	
		Revenue Fund	2023	2022
Revenues:				
General property taxes	\$498,343	\$5,174,709	\$5,673,052	\$5,409,263
Special assessments	-	102,286	102,286	227,687
Intergovernmental	124	123,494	123,618	49,666
Permits	-	100,548	100,548	191,268
Investment income	144,601	435,474	580,075	182,569
Miscellaneous	128	40,319	40,447	75,023
Total revenues	<u>643,196</u>	<u>5,976,830</u>	<u>6,620,026</u>	<u>6,135,476</u>
Expenditures:				
Current:				
General government	424,280	1,438,508	1,862,788	1,755,531
Programs	-	2,754,515	2,754,515	3,810,978
Capital outlay	-	-	-	43,554
Debt service				
Principal	19,294	77,178	96,472	92,096
Interest	965	3,857	4,822	6,704
Total expenditures	<u>444,539</u>	<u>4,274,058</u>	<u>4,718,597</u>	<u>5,708,863</u>
Revenues over (under) expenditures	198,657	1,702,772	1,901,429	426,613
Fund balance - January 1	<u>295,951</u>	<u>10,185,937</u>	<u>10,481,888</u>	<u>10,055,275</u>
Fund balance - December 31	<u>\$494,608</u>	<u>\$11,888,709</u>	<u>\$12,383,317</u>	<u>\$10,481,888</u>

The accompanying notes are an integral part of these financial statements.

RICE CREEK WATERSHED DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2023
With Comparative Totals For The Year Ended December 31, 2022

Statement 5

	<u>2023</u>	<u>2022</u>
Amounts reported for governmental activities in the Statement of Activities (Statement 2) are different because:		
Net changes in fund balances - total governmental funds (Statement 4)	\$1,901,429	\$426,613
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense:		
Capital outlay	-	43,554
Capitalization of project expenses	-	82,416
Depreciation expense	(61,180)	(74,557)
Amortization expense	(96,212)	(96,212)
The net effect of various miscellaneous transactions involving capital assets is to increase (decrease) net position (i.e. sales, trade-ins, disposals, etc.)	-	(21,518)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Change in delinquent property taxes	(21,083)	33,734
Change in delinquent and deferred special assessments	(116,673)	(24,440)
The issuance of long-term debt (e.g. loans payable) provide current resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Principal payments on lease liabilities	96,472	92,096
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Expenses reported in the Statement of Activities include the effects of the changes in these expense accruals as follows:		
Change in compensated absences payable	(10,517)	3,594
Change in accrued interest payable	-	-
Governmental funds report pension contributions as expenditures, however, pension expense is reported in the Statement of Activities. This is the amount by which net pension expense differed from pension contributions in the current period.	<u>(32,968)</u>	<u>(67,627)</u>
Change in net position of governmental activities (Statement 2)	<u>\$1,659,268</u>	<u>\$397,653</u>

The accompanying notes are an integral part of these financial statements.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Rice Creek Watershed District (the District) conform to accounting principles generally accepted in the United States of America applicable to governmental units. The following is a summary of significant accounting policies.

A. FINANCIAL REPORTING ENTITY

The District was organized January 18, 1972 under the Minnesota Watershed Act as amended by the Minnesota Water Resources Board as provided in Minnesota Statutes Chapter 112. The District covers areas within the following four counties: Anoka, Hennepin, Ramsey and Washington. The District is operated by a five member Board of Managers appointed by the respective County Boards of Commissioners for staggered three year terms. In accordance with Governmental Accounting Standards Board (GASB) pronouncements and accounting principles generally accepted in the United States of America, the financial statements of the reporting entity should include the primary government and its component units.

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. There are no organizations considered to be component units of the District.

B. GOVERNMENT-WIDE AND FUND 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 primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*. There are no *business-type activities*, which rely to a significant extent on fees and charges for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund – is the general operating fund of the District. It is used to account for financial resources to be used for general administrative expenses and for the construction and maintenance of projects of common benefit to the District.

509 Planning Fund (special revenue fund) – has been established to record transactions resulting from the Metropolitan Surface Water Management Act (Chapter 509, Laws of 1982 Minnesota Statutes Section 473.875 to 473.883). Property taxes are committed for the 509 Planning Fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. BUDGETS

The District prepares annual revenue and expenditure budgets for the General Fund and 509 Planning Special Revenue Fund. The District monitors budget performance on the fund basis. All amounts over budget have been approved by the Board through the disbursement approval process. The modified accrual basis of accounting is used by the District for budgeting data. All appropriations end with the fiscal year for which they were made. Encumbrance accounting, under which purchase orders, contracts and other commitments of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

E. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

Investments are stated at fair value, based upon quoted market prices. Investment income is accrued at the balance sheet date.

F. PROPERTY TAX REVENUE RECOGNITION

The Board of Managers annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the District, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the District at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the District on or before July 7 and December 2 of the same year. Delinquent collections for November and December are received the following January. The District has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The District recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes received by the District in July, December and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the District the following January) are classified as due from county. Taxes not collected by the county by December 31 are classified as delinquent taxes receivable. The portion of delinquent taxes not collected by the District in January are fully offset by deferred inflow of resources because they are not available to finance current expenditures.

G. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with State Statutes. These assessments are collectible by the District over a term of years usually consistent with the term of the project. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to prepay future installments without interest or prepayment penalties.

RICE CREEK WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the Board or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale. Proceeds of sales from tax forfeit properties are remitted to the District in payment of delinquent special assessments. Pursuant to State Statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded, agricultural or seasonal recreational land in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District generally recognizes special assessment revenue in the period that the assessment roll was adopted by the Board. Uncollectible special assessments are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the District when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the District are recognized as revenue for the current year. Special assessments that are collected by the County by December 31 (remitted to the District the following January) are also recognized as revenue for the current year. All remaining delinquent, deferred and special deferred assessments receivable in governmental funds are completely offset by deferred inflow of resources.

H. INVENTORIES

The original cost of materials and supplies has been recorded as expenditures at the time of purchase. The District does not maintain material amounts of inventories of goods and supplies.

I. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, infrastructure assets, and intangible assets such as easements and computer software, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Equipment	5 - 15 years
Vehicles	5 years
Infrastructure	25 years
Temporary easements	Life of easements

J. COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay benefits that are attributable to services already rendered, accumulated, and is more likely than not to be used for time off or otherwise paid is accrued in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

L. FUND BALANCE CLASSIFICATIONS

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable - consists of amounts that are not in spendable form, such as prepaid items.

Restricted - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - consists of internally imposed constraints. These constraints are established by Resolution of the Board of Managers.

Assigned - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the District's intended use. These constraints are established by the Administrator.

Unassigned - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to first use restricted, and then use unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the District's policy to use resources in the following order: 1) committed, 2) assigned and 3) unassigned.

M. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

N. USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

O. RECLASSIFICATIONS

Certain reclassifications were made to prior year amounts to conform to the current year presentation.

P. PREPAID ITEMS

Certain payments to vendors (insurance) reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

Q. COMPARATIVE TOTALS

The basic financial statements, required supplementary information, individual fund financial statements, and supplementary financial information include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

R. 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 represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense) until then. The government has one item that qualifies for reporting in this category. It is the pension related deferred outflows reported in the government-wide Statement of Net Position.

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 represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has pension related deferred inflows of resources reported in the government-wide Statement of Net Position. The government also has a type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes and special assessments.

S. DEFINED BENEFIT PENSION PLANS

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

T. LEASING ARRANGEMENTS

The entity has recorded right to use leased assets. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the Board of Managers. All such banks are members of the Federal Reserve System.

Minnesota Statutes require that all District deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Securities pledged as collateral are required to be held in safekeeping by the District or in a financial institution other than that furnishing the collateral. Minnesota Statute 118A.03 identifies allowable forms of collateral. The District has no additional deposit policies addressing custodial credit risk.

Custodial Credit Risk – Deposits – this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At December 31, 2023, the entire bank balance was covered by federal depository insurance or perfected collateral held by the District's agent in the District's name.

B. INVESTMENTS

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorize the District to invest in United States securities, state and local securities, commercial paper, time deposits, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

RICE CREEK WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

The District has investments in the Minnesota Municipal Money Market Fund (4M fund). The 4M fund is an external investment pool regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M fund is an unrated pool and the fair value of the position in the pool is the same as the value of pool shares. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) of \$1 per share. The pool measures its investments at amortized cost in accordance with GASB Statement No. 79. The 4M Liquid Asset Fund has no redemption requirement. The 4M Plus Fund requires funds to be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period are subject to a penalty equal to 7 days interest on the amount withdrawn.

At December 31, 2023, the amount of investments held in the 4M fund was \$11,419,360. The maximum maturity of 4M fund investments is 14 days.

A summary of the District's cash and investments at December 31, 2023 is as follows:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)	
			Less Than 1	1-5
External investment pool - 4M Fund	Not rated	\$11,419,360	\$11,419,360	\$ -
Brokered certificates of deposit	Not rated	3,836,473	949,950	2,886,523
Total		<u>\$15,255,833</u>	<u>\$12,369,310</u>	<u>\$2,886,523</u>
		Total investments		\$15,255,833
		Deposits		(756,685)
		Total cash and investments		<u>\$14,499,148</u>

The deficit deposit balance represents checks which were outstanding at year end. As checks are cashed, amounts are automatically withdrawn from the 4M fund.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

The District has the following recurring fair value measurements as of December 31, 2023:

Investment Type	12/31/2023	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Brokered certificates of deposit	\$3,836,473	\$ -	\$3,836,473	\$ -
Investments not categorized:				
External investment pool- 4M Fund	11,419,360			
Total investments	<u>\$15,255,833</u>			

C. INVESTMENT RISKS

Credit Risk – this is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. The District follows State Statutes in regards to credit risk of investments. To ensure security when considering an investment, the District cross-checks all depositories under consideration against existing investments to make certain that funds in excess of insurance limits are not deposited with the same institution unless collateralized as outlined herein. Furthermore, the Board of Managers will approve all financial institutions, brokers and advisers with which the District will do business.

Interest Rate Risk – this is the risk that changes in the interest rates of debt investments could adversely affect the fair value of an investment. The District minimizes interest rate risk by structuring its investment portfolio to ensure that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Concentration of Credit Risk – this is the risk of loss that may be attributed to the magnitude of the District’s investment in a single issuer. The District diversifies its investments according to type and maturity. The District portfolio, to the extent feasible, contains a mixture of short-term (shorter than one year) and long-term (more than one year) investments. The District attempts to match its investments with anticipated cash-flow requirements. Extended maturities may be used to take advantage of higher yields

Custodial Credit Risk. For investments in securities, custodial credit risk is the risk that in the event of a failure of the counterparty, the District will not be able to recover the value of its investment securities that is in the possession of an outside party. The District minimizes deposit custodial risk by obtaining collateral for all uninsured amounts on deposit and necessary documentation to show compliance.

Note 3 RECEIVABLES

Significant receivable balances not expected to be collected within one year of December 31, 2023 are as follows:

	<u>Major Funds</u>		
	<u>General</u>	<u>509 Planning Fund</u>	<u>Total</u>
Deferred special assessments	\$ -	\$141,750	\$141,750
Special deferred special assessments	-	186,750	186,750
Delinquent special assessments	-	6,500	6,500
Delinquent property taxes	4,700	48,700	53,400
Total	<u>\$4,700</u>	<u>\$383,700</u>	<u>\$388,400</u>

RICE CREEK WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 4 UNAVAILABLE REVENUES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Property Taxes	Special Assessments	Total
General Fund	\$4,893	\$ -	\$4,893
509 Planning Fund	50,910	228,176	279,086
Totals	<u>\$55,803</u>	<u>\$228,176</u>	<u>\$283,979</u>

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Construction in process - wetland credits	\$421,080	\$ -	\$ -	\$421,080
Land and permanent easements	818,713	-	-	818,713
Total capital assets, not being depreciated	<u>1,239,793</u>	<u>0</u>	<u>0</u>	<u>1,239,793</u>
Capital assets, being depreciated:				
Vehicles	190,244	-	-	190,244
Equipment	392,405	-	-	392,405
Infrastructure	817,771	-	-	817,771
Temporary easements	30,000	-	-	30,000
Total capital assets, being depreciated	<u>1,430,420</u>	<u>0</u>	<u>0</u>	<u>1,430,420</u>
Less accumulated depreciation for:				
Vehicles	146,690	8,711	-	155,401
Equipment	295,395	19,258	-	314,653
Infrastructure	75,562	32,711	-	108,273
Temporary easements	22,500	500	-	23,000
Total accumulated depreciation	<u>540,147</u>	<u>61,180</u>	<u>0</u>	<u>601,327</u>
Total capital assets being depreciated - net	<u>890,273</u>	<u>(61,180)</u>	<u>-</u>	<u>829,093</u>
Governmental activities capital assets - net	<u>\$2,130,066</u>	<u>(\$61,180)</u>	<u>\$0</u>	<u>\$2,068,886</u>

RICE CREEK WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Depreciation expense was charged to function/programs of the District as follows:

Governmental activities:	
General government	\$ -
Programs	61,180
Total depreciation expense - governmental activities	<u>61,180</u>

Note 6 RIGHT TO USE LEASED ASSET

The District has a lease agreement for office space which is recorded as a right to use leased asset as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use leased asset:				
Leased office space	<u>\$465,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$465,025</u>
Less accumulated amortization for:				
Leased office space	<u>192,424</u>	<u>96,212</u>	<u>-</u>	<u>288,636</u>
Total right to use leased asset - net	<u>\$272,601</u>	<u>(\$96,212)</u>	<u>\$0</u>	<u>\$176,389</u>

Note 7 DEFINED BENEFIT PENSION PLANS

A. PLAN DESCRIPTION

The District participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

All full-time and certain part-time employees of the District are covered by the General Employees Retirement Fund (GERF). GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. BENEFITS PROVIDED

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

RICE CREEK WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% for each of the first ten years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7% for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

C. CONTRIBUTIONS

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.5% for Coordinated Plan members. The District contributions to the GERS for the year ended December 31, 2023 were \$79,171. The District's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

At December 31, 2023, the District reported a liability of \$698,986 for its proportionate share of GERS's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$19,202.

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating

RICE CREEK WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

employers. The District's proportionate share was .0125% at the end of the measurement period and .0127% for the beginning of the period.

District's proportionate share of the net pension liability	\$698,986
State of Minnesota's proportionate share of the net pension liability associated with the District	<u>19,202</u>
Total	<u><u>\$718,188</u></u>

For the year ended December 31, 2023, the District recognized pension expense of \$112,139 for its proportionate share of the GERF's pension expense. In addition, the District recognized an additional \$86 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the GERF.

At December 31, 2023, the District reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$22,955	\$4,777
Changes in actuarial assumptions	112,286	191,586
Net collective difference between projected and actual investment earnings	-	24,843
Changes in proportion	13,554	7,402
Contributions paid to PERA subsequent to the measurement date	<u>40,862</u>	-
Total	<u><u>\$189,657</u></u>	<u><u>\$228,608</u></u>

The \$40,862 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense</u>
2024	21,815
2025	(100,317)
2026	13,852
2027	(15,163)
2028	-
Thereafter	-

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2023 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

The long-term investment rate of return is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 7.00% was deemed to be within that range of reasonableness for financial reporting purposes.

Benefit increases after retirement are assumed to be 1.25% for the GERF.

Salary growth assumptions range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. Mortality rates were based on the Pub-2010 General Employee Mortality Table, with slight adjustments to fit PERA's experience.

Actuarial assumptions for GERF are reviewed every four years. The most recent four-year experience study was completed in 2022. The assumption changes were adopted by the Board and become effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

RICE CREEK WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25.0%	0.75%
Private markets	25.0%	5.90%
Total	100%	

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2023 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. PENSION LIABILITY SENSITIVITY

The following presents the District’s proportionate share of the net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Proportionate share of the GERF net pension liability	\$1,236,562	\$698,986	\$256,809

H. PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan’s fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained at www.mnpera.org.

RICE CREEK WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 8 FUND BALANCE

A. CLASSIFICATIONS

At December 31, 2023, a summary of the governmental fund balance classifications are as follows:

	General Fund	509 Planning Special Revenue Fund
Nonspendable:		
Prepaid items	\$23,044	\$40,172
Committed for:		
60-15 SW Management C-S	-	991,047
80-15 Municipal Public Drainage System Maintenance	-	86,356
90-01 Water Quality Grant Program	-	403,513
99-60 Project Anticipation - Restoration	-	2,700,000
99-80 Project Anticipation - Ditch & Creek	-	1,400,000
99-90 Project Anticipation - Lake & Stream	-	200,000
99-95 Project Anticipation - District Facility	-	200,000
Total Committed Fund Balance:	0	5,980,916
Assigned for:		
60-01 Anoka Chain of Lakes WMP	-	58,536
60-03 Lower Rice Creek WMP	-	19,961
60-04 Middle Rice Creek WMP	-	22,759
60-06 Bald Eagle Lake WMP	-	36,180
60-08 RCD 2,3&5 WMP	-	670,634
60-11 Regional Water Management PP	-	7,307
60-24 Southwest Urban Lakes Imp	-	76,560
60-29 Clear Lake WMP	-	93,499
60-35 Stormwater Master Plan	-	47,220
80-01 Natural Waterway Management	-	14,958
80-02 Ditch Maintenance	-	47,391
80-08 RCD 4 repair	-	74,924
80-21 AWJD 3 Repair	-	178,900
80-23 ACD 15 & AWJD 4	-	232,314
80-25 ACD 53-62 Repair	-	43,833
90-04 Surface Water Monitoring	-	3,963
90-27 Curly Leaf Pond Management	-	44,032
Communication and outreach	-	227,367
Information management	-	304,429
Regulatory purposes	-	779,492
District facilities	-	906,497
Lake and stream management	-	530,047
Ditch and creek maintenance	-	926,637
Restoration	-	522,677
Total Assigned Fund Balance:	0	5,870,117
Restricted for:		
60-05 Bald Eagle Lake WMD	-	31,780
80-04 ACD 10-22-32 WMD	-	14,361
80-06 ACD 46 WMD	-	41,016
80-22 ACD 15 & AWJD 4 WMD	-	18,370
Total Restricted Fund Balance:	0	105,527
Unassigned*		
80-05 ACD 31 WMD	-	(6,926)
80-07 RCD 4 WMD	-	(2,228)
80-24 ACD 53-62 WMD	-	(98,869)
General Fund	471,564	-
Total Unassigned Fund Balance:	471,564	(108,023)
Total	\$494,608	\$11,888,709

*Deficit fund balances in WMD projects will be eliminated with future restricted revenue collections

RICE CREEK WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

B. MINIMUM UNASSIGNED FUND BALANCE POLICY

The District has formally adopted a policy regarding minimum unassigned and assigned fund balances. The most significant revenue source of the District is property taxes. The revenue source is received in two installments during the year – June and December. As such, it is the District’s goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes.

The policy establishes a year end targeted unassigned fund balance (General Fund) and assigned fund balance (509 Planning Fund) amount for cash flow timing needs of not less than 40% of the subsequent year’s budgeted operating expenditures. At December 31, 2023, the unassigned fund balance of the General Fund was 90% of the subsequent year’s budgeted expenditures. The assigned fund balance of the 509 Planning Fund was sufficient to meet policy requirements.

Note 9 FEDERALLY ASSISTED PROGRAMS - COMPLIANCE AUDITS

The District receives financial assistance from federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at December 31, 2023.

Note 10 COMPENSATED ABSENCES PAYABLE

Compensated absences activity for the year ended December 31, 2023 was as follows:

	<u>Balance</u> <u>12/31/2022</u>	<u>Additions*</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2023</u>	<u>Due Within</u> <u>One Year</u>
Compensated absences payable	\$73,197	\$10,517	\$ -	\$83,714	\$60,817

*The change in compensated absences payable is presented as a net change.

Note 11 LEASE LIABILITY

The District has a lease agreement for office space through October 31, 2025. The lease liability is measured at a discount rate of 2% which is the District’s incremental borrowing rate. There are no variable payment components.

<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
\$285,030	\$ -	(\$96,472)	\$188,558

RICE CREEK WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

The future minimum lease liability and the net present value of the related payments as of December 31, 2023 was as follow:

Year Ending December 31	Principal Payments	Interest Payments	Total
2024	\$100,993	\$2,852	\$103,845
2025	87,565	805	88,370
	<u>\$188,558</u>	<u>\$3,657</u>	<u>\$192,215</u>

Note 12 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The District pays an annual premium to the LMCIT. The District is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the District is not subject to a deductible. The District’s workers compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Property and casualty insurance coverage is provided through a pooled self-insurance program through the LMCIT. The District pays an annual premium to the LMCIT. The District is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess various amounts. The District retains risk for deductible portions. These deductibles are considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years. Any pending claims against the District are expected to be fully covered by the District’s insurance.

Note 13 CONTINGENCIES

In settlement agreements approved in 2005, the District committed that when development occurs on two tracts then owned by the Metro Shooting Center and Trost, the application of the District’s wetland rules will not have the result of affording the owner for the Metro Shooting parcel fewer than 100 contiguous upland acres for development, and the owner of the Trost parcel no fewer than 45 such acres. If additional wetland replacement is required to allow for consolidation of the stated acreage, the District will bear the cost of that replacement. The District is unable at this time to estimate the District expense if and when the liability should arise.

RICE CREEK WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 14 COMMITMENTS

At December 31, 2023, the District had the following commitment:

	Remaining Commitment
Ramsey County Ditch 4 Project	<u>\$29,633</u>

The District has pledged future special assessment collections on the RCD4 project to pay this commitment.

Note 15 RECENTLY ISSUED ACCOUNTING STANDARDS

The Governmental Accounting Standards Boards (GASB) recently approved the following statements which were not implemented for these financial statements:

Statement No. 100 *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62.* The provisions of this Statement are effective for fiscal years beginning after June 15, 2023.

Statement No. 102 *Certain Risk Disclosures.* The provisions of this Statement are effective for fiscal years beginning after June 15, 2024.

The effect these standards may have on future financial statements is not determinable at this time.

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REQUIRED SUPPLEMENTARY INFORMATION

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RICE CREEK WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
For The Year Ended December 31, 2023
With Comparative Actual Amounts For The Year Ended December 31, 2022

Statement 6

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget - Positive (Negative)	2022 Actual Amounts
	Original	Final			
Revenues:					
General property taxes:					
Current and delinquent:					
Ramsey County	\$255,952	\$255,952	\$252,746	(\$3,206)	\$241,325
Anoka County	146,250	146,250	144,418	(1,832)	135,823
Washington County	98,528	98,528	97,294	(1,234)	91,372
Hennepin County	3,935	3,935	3,885	(50)	3,459
Total general property taxes	504,665	504,665	498,343	(6,322)	471,979
Intergovernmental	-	-	124	124	125
Investment income	1,015	1,015	144,601	143,586	43,893
Miscellaneous	-	-	128	128	3,693
Total revenues	505,680	505,680	643,196	137,516	519,690
Expenditures:					
Current:					
Hydrological engineering	58,000	58,000	44,349	13,651	42,839
Legal	50,000	50,000	35,103	14,897	44,199
Wages	247,410	247,410	238,358	9,052	232,789
Manager's per diem	32,500	32,500	29,250	3,250	30,150
Manager's travel and expense	6,000	6,000	7,392	(1,392)	8,493
Publication information and education	18,000	18,000	16,916	1,084	15,379
Contract services	24,000	24,000	17,767	6,233	9,418
Insurance	7,000	7,000	6,637	363	6,653
Office expense	16,170	16,170	10,890	5,280	10,668
Publication information and education	8,900	8,900	2,897	6,003	3,056
Dues and memberships	15,500	15,500	14,721	779	9,619
Debt Service:					
Principal	22,200	22,200	19,294	2,906	18,418
Interest	-	-	965	(965)	1,342
Total expenditures	505,680	505,680	444,539	61,141	433,023
Revenues over (under) expenditures	\$0	\$0	198,657	\$198,657	86,667
Fund balance - January 1			295,951		209,284
Fund balance - December 31			\$494,608		\$295,951

See accompanying notes to the required supplementary information.

RICE CREEK WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - 509 PLANNING SPECIAL REVENUE FUND
For The Year Ended December 31, 2023
With Comparative Actual Amounts For The Year Ended December 31, 2022

Statement 7
Page 1 of 2

	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget - Positive (Negative)	2022 Actual Amounts
	Original	Final			
Revenues:					
General property taxes:					
Current and delinquent:					
Ramsey County	\$2,657,756	\$2,657,756	\$2,624,469	(\$33,287)	\$2,524,460
Anoka County	1,518,630	\$1,518,630	1,499,609	(19,021)	1,420,815
Washington County	1,023,099	1,023,099	1,010,284	(12,815)	955,830
Hennepin County	40,859	40,859	40,347	(512)	36,179
Total general property taxes	<u>5,240,344</u>	<u>5,240,344</u>	<u>5,174,709</u>	<u>(65,635)</u>	<u>4,937,284</u>
Special assessments	101,429	101,429	102,286	857	227,687
Intergovernmental	121,521	121,521	123,494	1,973	49,541
Permits	221,136	221,136	100,548	(120,588)	191,268
Investment income	15,755	15,755	435,474	419,719	138,676
Miscellaneous	29,568	29,568	40,319	10,751	71,330
Total revenues	<u>5,729,753</u>	<u>5,729,753</u>	<u>5,976,830</u>	<u>247,077</u>	<u>5,615,786</u>
Expenditures:					
Planning and projects:					
Information management:					
Boundary management program	15,000	15,000	15,464	(464)	22,459
District-wide model	40,000	40,000	37,459	2,541	30,891
Database & viewer maintenance	-	-	31,503	(31,503)	26,845
District website	50,000	50,000	55,253	(5,253)	5,845
Communication & outreach:					
Water communication and outreach	11,000	11,000	1,691	9,309	9,406
Master water steward program	19,000	19,000	7,000	12,000	8,000
Outreach partnership	28,000	28,000	26,420	1,580	20,065
Mini-grants program	10,000	10,000	6,935	3,065	7,262
Engineering & technical support	6,000	6,000	3,620	2,380	3,917
Watershed plan maintenance	6,000	6,000	3,354	2,646	-
Restoration projects:					
Anoka Chain of Lakes water management project	150,000	150,000	24,378	125,622	10,244
Lower Rice Creek water management project	150,000	150,000	27,382	122,618	-
Middle Rice Creek water management project	50,000	50,000	913	49,087	-
Bald Eagle Lake WMD	31,789	31,789	9	31,780	2,290
Bald Eagle Lake water management project	50,000	50,000	12,185	37,815	-
RCD 2, 3 & 5 basic water management project	250,000	250,000	110,796	139,204	31,820
Golden Lake water management project	-	-	-	-	-
Regional water management partnership projects	50,000	50,000	67,838	(17,838)	49,003
Stormwater management cost share	785,000	785,000	179,932	605,068	220,413
Southwest urban lakes implementation	75,000	75,000	13,889	61,111	-
Clear Lake water quality	75,000	75,000	14	74,986	4,252
Stormwater master planning	50,000	50,000	10,000	40,000	-
Municipal CIP early coordination	10,000	10,000	119	9,881	-
Groundwater management & stormwater reuse	15,000	15,000	3,966	11,034	-
Regulatory:					
Rule revision & permit guidance	20,000	20,000	-	20,000	-
Permit review, inspection & coordination	880,000	880,000	677,463	202,537	751,803

See accompanying notes to the required supplementary information.

RICE CREEK WATERSHED DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - 509 PLANNING SPECIAL REVENUE FUND
 For The Year Ended December 31, 2023
 With Comparative Actual Amounts For The Year Ended December 31, 2022

Expenditures: (continued)	Budgeted Amounts		2023 Actual Amounts	Variance with Final Budget - Positive (Negative)	2022 Actual Amounts
	Original	Final			
Ditch and creek maintenance:					
Municipal Public Drainage System Maintenance	\$50,000	\$50,000	\$ -	\$50,000	\$ -
Repair reports & studies	196,000	196,000	176,733	19,267	91,974
Ditches - maintenance	335,000	335,000	156,921	178,079	285,186
Natural waterway management	10,000	10,000	-	10,000	-
ACD 10-22-32 WMD	28,339	28,339	-	28,339	19,908
ACD 31 WMD	8,456	8,456	-	8,456	-
ACD 46 WMD	45,971	45,971	-	45,971	16,326
RCD 4 WMD	97,138	97,138	83,959	13,179	90,877
RCD 4 repair	35,000	35,000	861	34,139	-
WJD 2 branch 1/2 repair	-	-	-	-	31,734
AWJD 3 repair	550,000	550,000	173,132	376,868	11,482
ACD 15 & AWJD 4	50,373	50,373	3	50,370	2,000
ACD 53-62 WMD	177,000	177,000	219,928	(42,928)	60,882
ACD 53-62 repair	118,000	118,000	121,750	(3,750)	57,004
District facilities:					
Long Lake sediment basin maintenance	-	-	-	-	1,310,243
Locke Lake sediment basin maintenance	-	-	-	-	2,947
District facilities repair	156,000	156,000	1,391	154,609	91,019
Inspection, operation & maintenance	294,000	294,000	48,052	245,948	51,946
Lake and stream management:					
Water quality grant program	280,000	280,000	94,936	185,064	129,484
Surface water monitoring program	210,000	210,000	149,482	60,518	186,709
Common carp management	225,000	225,000	183,350	41,650	160,689
Curly leaf pondweed management	50,000	50,000	26,434	23,566	6,053
Total projects and planning	<u>5,743,066</u>	<u>5,743,066</u>	<u>2,754,515</u>	<u>2,988,551</u>	<u>3,810,978</u>
Capital outlay	-	-	-	-	43,554
Administrative:					
Employee education	28,850	28,850	13,152	15,698	7,451
Legal fees	87,750	87,750	13,274	74,476	7,761
Staff travel	4,125	4,125	1,352	2,773	1,781
Office expense	399,407	399,407	274,789	124,618	267,738
Payroll taxes	89,164	89,164	66,268	22,896	62,466
Rent	-	-	1,419	(1,419)	263
Salaries and wages	1,397,245	1,397,245	1,068,254	328,991	994,808
Total administrative	<u>2,006,541</u>	<u>2,006,541</u>	<u>1,438,508</u>	<u>568,033</u>	<u>1,342,268</u>
Debt service:					
Principal	88,800	88,800	77,178	11,622	73,678
Interest	-	-	3,857	(3,857)	5,362
Total debt service	<u>88,800</u>	<u>88,800</u>	<u>81,035</u>	<u>7,765</u>	<u>79,040</u>
Total expenditures	<u>7,838,407</u>	<u>7,838,407</u>	<u>4,274,058</u>	<u>3,564,349</u>	<u>5,275,840</u>
Revenues over (under) expenditures	<u>(\$2,108,654)</u>	<u>(\$2,108,654)</u>	1,702,772	<u>\$3,811,426</u>	339,946
Fund balance - January 1			<u>10,185,937</u>		<u>9,845,991</u>
Fund balance - December 31			<u>\$11,888,709</u>		<u>\$10,185,937</u>

See accompanying notes to the required supplementary information.

RICE CREEK WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY -
GENERAL EMPLOYEES RETIREMENT FUND
For The Last Ten Years

Statement 8

Measurement Date June 30	Fiscal Year Ending December 31	District's Proportionate (Percentage) of the Net Pension Liability	District's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with District (b)	District's Proportionate Share of the Net Pension Liability Associated with District (a+b)	Covered Payroll (c)	Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a+b)/c	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	2015	0.0115%	\$595,990	\$ -	\$595,990	\$677,008	88.0%	78.2%
2016	2016	0.0116%	941,862	12,247	954,109	719,843	132.5%	68.9%
2017	2017	0.0115%	734,152	9,210	743,362	739,145	100.6%	75.9%
2018	2018	0.0121%	671,258	22,024	693,282	814,170	85.2%	79.5%
2019	2019	0.0119%	657,924	20,499	678,423	844,687	80.3%	80.2%
2020	2020	0.0121%	725,450	22,239	747,689	860,483	86.9%	79.1%
2021	2021	0.0122%	520,995	15,818	536,813	876,721	61.2%	87.0%
2022	2022	0.0127%	1,005,844	29,551	1,035,395	953,338	108.6%	76.7%
2023	2023	0.0125%	698,986	19,202	718,188	991,735	72.4%	83.1%

The schedule is provided prospectively beginning with the District's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

RICE CREEK WATERSHED DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

Statement 9

SCHEDULE OF PENSION CONTRIBUTIONS - GENERAL EMPLOYEES RETIREMENT FUND

For The Last Ten Years

Fiscal Year Ending December 31	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
2015	\$53,360	\$53,360	\$ -	\$711,468	7.5%
2016	52,836	52,836	-	704,475	7.5%
2017	59,502	59,502	-	793,365	7.5%
2018	62,890	62,890	-	838,543	7.5%
2019	63,344	63,344	-	844,589	7.5%
2020	65,413	65,413	-	872,181	7.5%
2021	67,107	67,107	-	894,765	7.5%
2022	73,669	73,669	-	982,241	7.5%
2023	79,171	79,171	-	1,055,613	7.5%

The schedule is provided prospectively beginning with the District's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

See accompanying notes to the required supplementary information.

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RICE CREEK WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2023

Note A LEGAL COMPLIANCE – BUDGETS

The General Fund and 509 Planning Special Revenue Fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level for both funds.

Note B PENSION INFORMATION

PERA – General Employees Retirement Fund

2022 Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50% to 6.50% for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were decreased 0.25% and assumed rates of retirement were changed resulting in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination and disability were also changed.
- Base mortality tables were changed from RP-2014 tables to Pub-2010 tables, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2020 Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2019 Changes in the Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

RICE CREEK WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
NOTES TO RSI
December 31, 2023

2017 Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

2016 Changes in Actuarial Assumptions:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

INDIVIDUAL FUND FINANCIAL STATEMENTS

RICE CREEK WATERSHED DISTRICT
BALANCE SHEET
GENERAL FUND
December 31, 2023
With Comparative Amounts For December 31, 2022

Statement 10

	2023	2022
Assets		
Cash and investments	\$2,433,257	\$2,714,582
Property taxes receivable:		
Delinquent	4,893	6,716
Due from county	2,741	4,351
Prepaid items	23,044	22,237
Total assets	\$2,463,935	\$2,747,886
Liabilities, deferred inflow of resources, and fund balance		
Liabilities:		
Accounts payable	\$12,130	\$135,062
Due to other governments	11,447	200
Deposits payable	1,940,857	2,309,957
Total liabilities	1,964,434	2,445,219
Deferred inflow of resources:		
Unavailable revenue	4,893	6,716
Fund balance:		
Nonspendable	23,044	22,237
Unassigned	471,564	273,714
Total fund balance	494,608	295,951
Total liabilities, deferred inflow of resources, and fund balance	\$2,463,935	\$2,747,886

RICE CREEK WATERSHED DISTRICT
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
For The Year Ended December 31, 2023
With Comparative Amounts For The Year Ended December 31, 2022

Statement 11

	<u>2023</u>	<u>2022</u>
Revenues:		
General property taxes	\$498,343	\$471,979
Intergovernmental	124	125
Investment income	144,601	43,893
Miscellaneous	128	3,693
Total revenues	<u>643,196</u>	<u>519,690</u>
Expenditures:		
Current:		
General government	424,280	413,263
Debt service:		
Principal	19,294	18,418
Interest	965	1,342
Total expenditures	<u>444,539</u>	<u>433,023</u>
Revenues over expenditures	198,657	86,667
Fund balance - January 1	<u>295,951</u>	<u>209,284</u>
Fund balance - December 31	<u><u>\$494,608</u></u>	<u><u>\$295,951</u></u>

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SUPPLEMENTARY FINANCIAL INFORMATION

RICE CREEK WATERSHED DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL

Exhibit 1

509 PLANNING FUND - COMMUNICATION & OUTREACH - 30

For The Year Ended December 31, 2023 With Comparative Actual Amounts For The Year Ended December 31, 2022

	2023			Variance with Final Budget - Positive (Negative)	2022 Actual
	Budgeted Amounts		Actual		
	Original	Final			
Revenues:					
General property taxes	\$229,258	\$229,258	\$226,386	(\$2,872)	\$230,819
Intergovernmental	-	-	56	56	61
Investment income	464	464	12,829	12,365	4,524
Miscellaneous income	-	-	6,000	6,000	-
Total revenues	<u>229,722</u>	<u>229,722</u>	<u>245,271</u>	<u>15,549</u>	<u>235,404</u>
Expenditures:					
General government:					
Administration	139,981	139,981	126,079	13,902	123,456
Programs:					
Watershed communication & outreach	11,000	11,000	1,691	9,309	9,406
Master water steward program	19,000	19,000	7,000	12,000	8,000
Outreach partnership	28,000	28,000	26,420	1,580	20,065
Mini-grants program	10,000	10,000	6,935	3,065	7,262
Engineering & technical support	6,000	6,000	3,620	2,380	3,917
Watershed plan maintenance	6,000	6,000	3,354	2,646	-
Debt Service:					
Principal	11,100	11,100	9,647	1,453	9,210
Interest	-	-	482	(482)	670
Total expenditures	<u>231,081</u>	<u>231,081</u>	<u>185,228</u>	<u>45,853</u>	<u>181,986</u>
Revenues over expenditures	<u>(\$1,359)</u>	<u>(\$1,359)</u>	60,043	<u>\$61,402</u>	53,418
Fund balance - January 1			<u>207,496</u>		<u>154,078</u>
Fund balance - December 31			<u>\$267,539</u>		<u>\$207,496</u>

RICE CREEK WATERSHED DISTRICT

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL

509 PLANNING FUND - INFORMATION MANAGEMENT - 35

For The Year Ended December 31, 2023 With Comparative Actual Amounts For The Year Ended December 31, 2022

Exhibit 2

	2023			Variance with Final Budget - Positive (Negative)	2022 Actual
	Budgeted Amounts		Actual		
	Original	Final			
Revenues:					
General property taxes	\$257,040	\$257,040	\$253,821	(\$3,219)	\$220,496
Intergovernmental	-	-	64	64	58
Investment income	639	639	17,639	17,000	5,100
Total revenues	<u>257,679</u>	<u>257,679</u>	<u>271,524</u>	<u>13,845</u>	<u>225,654</u>
Expenditures:					
General government:					
Administration	207,129	207,129	76,356	130,773	97,383
Programs:					
Boundary management program	15,000	15,000	15,464	(464)	22,459
District-wide model	40,000	40,000	37,459	2,541	30,891
Database & viewer maintenance	-	-	31,503	(31,503)	26,845
District website	50,000	50,000	55,253	(5,253)	5,845
Debt Service:					
Principal	5,550	5,550	4,824	726	4,605
Interest	-	-	241	(241)	335
Total expenditures	<u>317,679</u>	<u>317,679</u>	<u>221,100</u>	<u>96,579</u>	<u>188,363</u>
Revenues over expenditures	<u>(\$60,000)</u>	<u>(\$60,000)</u>	<u>50,424</u>	<u>\$110,424</u>	<u>37,291</u>
Other financing sources (uses):					
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(\$260,000)</u>	<u>(\$260,000)</u>	<u>(149,576)</u>	<u>\$110,424</u>	<u>37,291</u>
Fund balance - January 1			<u>454,005</u>		<u>416,714</u>
Fund balance - December 31			<u>\$304,429</u>		<u>\$454,005</u>

RICE CREEK WATERSHED DISTRICT

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL

509 PLANNING FUND - RESTORATION PROJECTS - 60

For The Year Ended December 31, 2023 With Comparative Actual Amounts For The Year Ended December 31, 2022

Exhibit 3

	2023			Variance with Final Budget - Positive (Negative)	2022 Actual
	Budgeted Amounts		Actual		
	Original	Final			
Revenues:					
General property taxes	\$1,045,018	\$1,045,018	\$1,031,929	(\$13,089)	\$983,461
Intergovernmental	46,521	46,521	47,490	969	40,537
Investment income	4,095	4,095	113,189	109,094	43,609
Miscellaneous	-	-	1,200	1,200	-
Total revenues	<u>1,095,634</u>	<u>1,095,634</u>	<u>1,193,808</u>	<u>98,174</u>	<u>1,067,607</u>
Expenditures:					
General government:					
Administration	284,534	284,534	149,266	135,268	183,246
Programs:					
Anoka Chain of Lakes water management project	150,000	150,000	24,378	125,622	10,244
Lower Rice Creek water management project	150,000	150,000	27,382	122,618	-
Middle Rice Creek water management project	50,000	50,000	913	49,087	-
Bald Eagle Lake WMD	31,789	31,789	9	31,780	2,290
Bald Eagle Lake water management project	50,000	50,000	12,185	37,815	-
RCD 2, 3 & 5 basic water management project	250,000	250,000	110,796	139,204	31,820
Regional water management partnership projects	50,000	50,000	67,838	(17,838)	49,003
Stormwater management cost share	785,000	785,000	179,932	605,068	220,413
Southwest urban lakes implementation	75,000	75,000	13,889	61,111	-
Clear Lake water quality	75,000	75,000	14	74,986	4,252
Stormwater master planning	50,000	50,000	10,000	40,000	-
Municipal CIP early coordination	10,000	10,000	119	9,881	-
Groundwater management & stormwater reuse	15,000	15,000	3,966	11,034	-
Capital outlay	-	-	-	-	12,555
Debt Service:					
Principal	11,100	11,100	9,647	1,453	9,210
Interest	-	-	482	(482)	670
Total expenditures	<u>2,037,423</u>	<u>2,037,423</u>	<u>610,816</u>	<u>1,426,607</u>	<u>523,703</u>
Revenues over (under) expenditures	<u>(\$941,789)</u>	<u>(\$941,789)</u>	<u>582,992</u>	<u>\$1,524,781</u>	<u>543,904</u>
Other financing sources (uses):					
Transfers out	<u>(2,200,000)</u>	<u>(2,200,000)</u>	<u>(2,200,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(\$3,141,789)</u>	<u>(\$3,141,789)</u>	<u>(1,617,008)</u>	<u>\$1,524,781</u>	<u>543,904</u>
Fund balance - January 1			<u>4,195,168</u>		<u>3,651,264</u>
Fund balance - December 31			<u>\$2,578,160</u>		<u>\$4,195,168</u>

RICE CREEK WATERSHED DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
509 PLANNING FUND - REGULATORY - 70

Exhibit 4

For The Year Ended December 31, 2023 With Comparative Actual Amounts For The Year Ended December 31, 2022

	2023		Actual	Variance with Final Budget - Positive (Negative)	2022 Actual
	Budgeted Amounts				
	Original	Final			
Revenues:					
General property taxes	\$1,063,718	\$1,063,718	\$1,050,395	(\$13,323)	\$1,218,635
Intergovernmental	-	-	262	262	8,223
Investment income	2,859	2,859	79,043	76,184	27,950
Licenses and permits	221,136	221,136	100,548	(120,588)	204,402
Miscellaneous	-	-	1,164	1,164	502
Total revenues	<u>1,287,713</u>	<u>1,287,713</u>	<u>1,231,412</u>	<u>(56,301)</u>	<u>1,459,712</u>
Expenditures:					
General government:					
Administration	494,963	494,963	427,600	67,363	413,362
Programs:					
Rule revision & permit guidance	20,000	20,000	-	20,000	-
Permit review, inspection & coordination	880,000	880,000	677,463	202,537	751,803
Capital outlay	-	-	-	-	10,333
Debt Service:					
Principal	27,750	27,750	24,118	3,632	23,024
Interest	-	-	1,206	(1,206)	1,676
Total expenditures	<u>1,422,713</u>	<u>1,422,713</u>	<u>1,130,387</u>	<u>292,326</u>	<u>1,200,198</u>
Revenues over (under) expenditures	<u>(\$135,000)</u>	<u>(\$135,000)</u>	<u>101,025</u>	<u>\$236,025</u>	<u>259,514</u>
Other financing sources (uses):					
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(\$635,000)</u>	<u>(\$635,000)</u>	<u>(398,975)</u>	<u>\$236,025</u>	<u>259,514</u>
Fund balance - January 1			<u>1,178,467</u>		<u>918,953</u>
Fund balance - December 31			<u>\$779,492</u>		<u>\$1,178,467</u>

RICE CREEK WATERSHED DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL

Exhibit 5

509 PLANNING FUND - DITCH AND CREEK MAINTENANCE - 80

For The Year Ended December 31, 2023 With Comparative Actual Amounts For The Year Ended December 31, 2022

	2023		Actual	Variance with Final Budget - Positive (Negative)	2022
	Budgeted Amounts				
	Original	Final			
Revenues:					
General property taxes	\$930,584	\$930,584	\$918,928	(\$11,656)	\$1,304,391
Special assessments	101,429	101,429	102,286	857	227,687
Intergovernmental	30,000	30,000	14,611	(15,389)	344
Investment income	4,092	4,092	113,133	109,041	27,933
Miscellaneous	29,568	29,568	27,296	(2,272)	56,129
Total revenues	<u>1,095,673</u>	<u>1,095,673</u>	<u>1,176,254</u>	<u>80,581</u>	<u>1,616,484</u>
Expenditures:					
General government:					
Administration	318,254	318,254	242,491	75,763	260,773
Programs:					
Municipal Public Drainage System Maintenance	50,000	50,000	-	50,000	-
Repair reports & studies	196,000	196,000	176,733	19,267	91,974
Ditches - maintenance	335,000	335,000	156,921	178,079	285,186
Natural waterway management	10,000	10,000	-	10,000	-
ACD 10-22-32 WMD	28,339	28,339	-	28,339	19,908
ACD 31 WMD	8,456	8,456	-	8,456	-
ACD 46 WMD	45,971	45,971	-	45,971	16,326
RCD 4 WMD	97,138	97,138	83,959	13,179	90,877
RCD 4 repair	35,000	35,000	861	34,139	-
WJD 2 branch 1/2 repair	-	-	-	-	31,734
AWJD 3 repair	550,000	550,000	173,132	376,868	11,482
ACD 15 & AWJD 4	50,373	50,373	3	50,370	2,000
ACD 53-62 WMD	177,000	177,000	219,928	(42,928)	60,882
ACD 53-62 repair	118,000	118,000	121,750	(3,750)	57,004
Capital outlay	-	-	-	-	11,625
Debt Service:					
Principal	16,650	16,650	14,471	2,179	13,814
Interest	-	-	723	(723)	1,006
Total expenditures	<u>2,036,181</u>	<u>2,036,181</u>	<u>1,190,972</u>	<u>845,209</u>	<u>954,591</u>
Revenues over (under) expenditures	<u>(\$940,508)</u>	<u>(\$940,508)</u>	<u>(14,718)</u>	<u>\$925,790</u>	<u>661,893</u>
Fund balance - January 1			<u>1,585,755</u>		<u>923,862</u>
Fund balance - December 31			<u>\$1,571,037</u>		<u>\$1,585,755</u>

RICE CREEK WATERSHED DISTRICT

SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL

Exhibit 6

509 PLANNING FUND - LAKE AND STREAM MANAGEMENT - 90

For The Year Ended December 31, 2023 With Comparative Actual Amounts For The Year Ended December 31, 2022

	2023			Variance with Final Budget - Positive (Negative)	2022 Actual
	Budgeted Amounts		Actual		
	Original	Final			
Revenues:					
General property taxes	\$1,006,956	\$1,006,956	\$994,344	(\$12,612)	\$710,639
Intergovernmental	25,000	25,000	60,837	35,837	246
Investment income	2,179	2,179	60,244	58,065	18,464
Miscellaneous	-	-	4,659	4,659	-
Total revenues	<u>1,034,135</u>	<u>1,034,135</u>	<u>1,120,084</u>	<u>85,949</u>	<u>729,349</u>
Expenditures:					
General government:					
Administration	308,035	308,035	259,403	48,632	206,413
Programs:					
Water quality grant program	280,000	280,000	94,936	185,064	129,484
Surface water monitoring program	210,000	210,000	149,482	60,518	186,709
Common carp management	225,000	225,000	183,350	41,650	160,689
Curly leaf pondweed management	50,000	50,000	26,434	23,566	6,053
Capital outlay	-	-	-	-	3,444
Debt Service:					
Principal	11,100	11,100	9,647	1,453	9,210
Interest	-	-	482	(482)	670
Total expenditures	<u>1,084,135</u>	<u>1,084,135</u>	<u>723,734</u>	<u>360,401</u>	<u>702,672</u>
Revenues over (under) expenditures	<u>(\$50,000)</u>	<u>(\$50,000)</u>	<u>396,350</u>	<u>\$446,350</u>	<u>26,677</u>
Other financing sources (uses):					
Transfers out	<u>(1,600,000)</u>	<u>(1,600,000)</u>	<u>(1,600,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(\$1,650,000)</u>	<u>(\$1,650,000)</u>	<u>(1,203,650)</u>	<u>\$446,350</u>	<u>26,677</u>
Fund balance - January 1			<u>2,185,205</u>		<u>2,158,528</u>
Fund balance - December 31			<u>\$981,555</u>		<u>\$2,185,205</u>

RICE CREEK WATERSHED DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
509 PLANNING FUND - DISTRICT FACILITIES - 95
For The Year Ended December 31, 2023 With Comparative Actual Amounts For The Year Ended December 31, 2022

Exhibit 7

	2023		Actual	Variance with Final Budget - Positive (Negative)	2022 Actual
	Budgeted Amounts				
	Original	Final			
Revenues:					
General property taxes	\$707,770	\$707,770	\$698,906	(\$8,864)	\$268,843
Intergovernmental	20,000	20,000	174	(19,826)	72
Investment income	1,427	1,427	39,397	37,970	11,096
Miscellaneous	-	-	-	-	1,565
Total revenues	<u>729,197</u>	<u>729,197</u>	<u>738,477</u>	<u>9,280</u>	<u>281,576</u>
Expenditures:					
General government:					
Administration	253,645	253,645	157,313	96,332	57,635
Programs:					
Long Lake sediment basin maintenance	-	-	-	-	1,310,243
Locke Lake sediment basin maintenance	-	-	-	-	2,947
District facilities repair	156,000	156,000	1,391	154,609	91,019
Inspection, operation & maintenance	294,000	294,000	48,052	245,948	51,946
Capital outlay	-	-	-	-	5,597
Debt Service:					
Principal	5,550	5,550	4,824	726	4,605
Interest	-	-	241	(241)	335
Total expenditures	<u>709,195</u>	<u>709,195</u>	<u>211,821</u>	<u>497,374</u>	<u>1,524,327</u>
Revenues over (under) expenditures	<u>\$20,002</u>	<u>\$20,002</u>	<u>526,656</u>	<u>\$506,654</u>	<u>(1,242,751)</u>
Fund balance - January 1			<u>379,841</u>		<u>1,622,592</u>
Fund balance - December 31			<u>\$906,497</u>		<u>\$379,841</u>

RICE CREEK WATERSHED DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL
509 PLANNING FUND - PROJECT ANTICIPATION FUND - 99
For The Year Ended December 31, 2023

Exhibit 8

	12/31/2023			Variance with Final Budget - Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Other financing sources (uses):				
Transfers in	\$4,500,000	\$4,500,000	\$4,500,000	\$ -
Net change in fund balance	<u>\$4,500,000</u>	<u>\$4,500,000</u>	4,500,000	<u>\$0</u>
Fund balance - January 1			-	
Fund balance - December 31			<u>\$4,500,000</u>	

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OTHER INFORMATION – UNAUDITED

RICE CREEK WATERSHED DISTRICT
 TAX LEVY AND REVENUE BY COUNTY
 2013 Through 2023

Exhibit 9

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ramsey County	\$2,204,856	\$2,207,574	\$2,234,648	\$2,255,190	\$2,260,135	\$2,244,642	\$2,380,608	\$2,682,100	\$2,784,025	\$2,765,785	\$2,877,215
Anoka County	1,178,812	1,147,655	1,128,470	1,200,535	1,175,521	1,215,977	1,287,817	1,434,715	1,543,088	1,556,638	1,644,027
Washington County	843,526	838,854	846,772	870,937	867,386	848,569	920,932	1,008,834	1,060,719	1,047,202	1,107,578
Hennepin County	31,359	31,259	30,080	30,239	34,244	32,838	34,135	37,345	39,970	39,638	44,232
Total	4,258,553	4,225,342	4,239,970	4,356,901	4,337,286	4,342,026	4,623,492	5,162,994	5,427,802	5,409,263	5,673,052
Minnesota State Aid - Market Value Credit	1,260	1,168	1,613	1,579	1,453	1,272	1,351	1,432	1,432	1,450	1,430
Total revenue	\$4,259,813	\$4,226,510	\$4,241,583	\$4,358,480	\$4,338,739	\$4,343,298	\$4,624,843	\$5,164,426	\$5,429,234	\$5,410,713	\$5,674,482
Levy amount - per RCWD budget	\$4,300,000	\$4,300,000	\$4,300,000	\$4,383,000	\$4,383,000	\$4,383,000	\$4,710,392	\$5,181,376	\$5,181,376	\$5,409,299	\$5,458,494
Collection percentage	99.1%	98.3%	98.6%	99.4%	99.0%	99.1%	98.2%	99.7%	104.8%	100.0%	104.0%

OTHER REQUIRED REPORTS

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REPORT ON INTERNAL CONTROL

To the Honorable Managers of
Rice Creek Watershed District
Blaine, Minnesota

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Rice Creek Watershed District as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Rice Creek Watershed District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rice Creek Watershed District's internal control. Accordingly, we do not express an opinion on the effectiveness of Rice Creek Watershed District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the Board of Managers, management, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Redpath and Company LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

April 5, 2024

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MINNESOTA LEGAL COMPLIANCE REPORT

To the Honorable Managers of
Rice Creek Watershed District
Blaine, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and each major fund of Rice Creek Watershed District as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Rice Creek Watershed District's basic financial statements, and have issued our report thereon dated April 5, 2024.

In connection with our audit, nothing came to our attention that caused us to believe that Rice Creek Watershed District failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, claims and disbursements and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota Statute § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Rice Creek Watershed District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of Rice Creek Watershed District and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

Redpath and Company LLC

REDPATH AND COMPANY, LLC
St. Paul, Minnesota

April 5, 2024

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