

Metro Conservation Districts



**Metropolitan Soil and Water Conservation Districts
Technical Service Area Joint Powers Board (MCD) Meeting
Washington Conservation District
455 Hayward Ave N., Oakdale, MN 55128
4:00 PM, Wednesday, Feb 28, 2024**

AGENDA

| <u>Item</u> | <u>Description</u> | <u>Packet Pages</u> | <u>Type</u> |
|-------------|--|-------------------------|-------------|
| 1 | Call to Order | | |
| 2 | Attendance Roll Call/Introductions | | |
| 3 | Election of Officers | | |
| 4 | Approval of Agenda | | Action |
| 5 | Minutes | | |
| | 5.1 November 15, 2023, Regular Board meeting | 2-5 | Action |
| 6 | Treasurer's Report – <i>Scott reporting</i> | | |
| | 6.1 February Treasurer's Report | 5 | Action |
| | 6.2 Checking Account Transactions Report | 6 | Information |
| 7 | Manager Meeting Notes from 12/20/2023 and 1/31/2024 | 7-10 | Information |
| 8 | Special Programs | | |
| | 8.1 Engineering and Technical Assistance (ETA) Program – <i>Dakota reporting</i> | | |
| | 8.1.1 ETA & Equipment Reports as of December 31, 2023 | 11-12 | Information |
| | 8.1.2 Grant Status Report as of December 31, 2023 | 13 | Information |
| | 8.2 MN Ag Water Quality Certification Program (MAWQCP) – <i>Scott Reporting</i> | | Information |
| | 8.3 Metro Children's Water Festival (MCWF) – <i>Ramsey Reporting</i> | | Information |
| | 8.3.1 State Fair Agreement for Metro Children's Water Festival | 14-19 | Action |
| 9 | Other Business | | |
| | 9.1 Official Depository Institution: Hometown Bank, Jordan – <i>Scott</i> | | Action |
| | 9.2 Official Publication – <i>Scott</i> | | Action |
| | 9.3 FY2023 Financial Engagement Letter and Bid – <i>Scott</i> | 20-24 | Action |
| | 9.4 FY2022 Audited Financial Statements – <i>Scott</i> | 25-46 | Information |
| | 9.5 Consideration to amend 2023-2025 Work Plan & Budget – <i>Dakota</i> | | Action |
| | 9.6 Remote attendance guidelines – <i>Scott</i> | | Action |
| | 9.7 By-laws review – <i>Scott</i> | | Information |
| 10 | Member Updates | | |
| 11 | Adjourn | | Action |

PUBLIC NOTICE: The February 28, 2024, regular board meeting will take place in person with an option to participate remotely. Board members who plan on be attending remotely are listed on the MCD's website at <https://www.metrotsa4.org/board>. A link for remote attendance will be provided to all representatives, alternates, and staff, and to anyone who requests one. Please call 952-492-5425 for more information or instructions.



MEETING MINUTES
Wednesday, November 15, 2023
Virtual Meeting Held on Microsoft Teams

Attendance:

| <u>Member</u> | <u>Supervisors</u> | <u>Staff</u> |
|-----------------|--------------------|---------------------------|
| Anoka CD | Glenda Meixell | |
| Carver SWCD | | |
| Chisago SWCD | | Craig Mell |
| Dakota SWCD | Laura Zanmiller | Brian Watson |
| Hennepin County | | |
| Isanti SWCD | | |
| Ramsey County | Nicole Frethem | Ann Whiteeagle |
| Scott SWCD | Doug Schoenecker | Troy Kuphal, Shelly Tietz |
| Sherburne SWCD | Jason Selvog | Francine Larson |
| Washington CD | John Rheinberger | Jay Riggs |
| Wright SWCD | | Luke Johnson |

1. Call to Order

The meeting was called the meeting to order at 4:04 pm. A quorum was present.

2. Open Floor

No one came forward.

3. Approve of Agenda

Motion 23.008 Motion by Meixell, second by Schoenecker, to approve the agenda as presented.

Voting Aye: Meixell, Zanmiller, Frethem, Schoenecker, Selvog, Rheinberger. Voting nay: none.

4. Approval of Minutes

Motion 23.009 Motion by Schoenecker, second by Mwixell, to approve the minutes as presented.

Voting Aye: Meixell, Zanmiller, Frethem, Schoenecker, Selvog, Rheinberger. Voting nay: none.

5. Treasurer’s Report – Scott SWCD Reporting

5.1 Treasurer’s Report – November 9, 2023

Shelly Tietz read the Treasurer’s Report with balances as of November 9, 2023.

Motion 23.010 Motion by Frethem, second by Meixell, to approve the treasurers report subject to audit. Voting Aye: Meixell, Zanmiller, Frethem, Schoenecker, Selvog, Rheinberger. Voting nay: none.

5.2 Checking Account Transaction Report

The checking account transaction report was published; no discussion.

6. **Manager's Meeting Notes for July 12, 202** - Troy Kuphal reported on the Manager Meetings since the Feb Board meeting, noting the Managers met four times to discuss special program updates, current topics of significance, receive a BWSR programs update, share member updates, and identify board agenda items and required actions. No discussion.

7. Special Programs

7.1. Engineering and Technical Assistance (ETA) Program

7.1.1. **ETA Eng./Tech, Assistance & Equipment Reports** – Brian Watson reported; no discussion.

7.1.2. **Grant Status Report** – Brian Watson reported; no discussion.

7.1.3. FY24 and FY25 NPEAP and ESTS Grant Work Plan & Agreements

Motion 23.011 Motion by Schoenecker, second by Frethem, to authorize and execute the FY24 and FY24 NPEAP and ESTS Grant Work Plan and Agreement. Voting Aye: Meixell, Zanmiller, Frethem, Schoenecker, Selvog, Rheinberger. Voting nay: none.

7.1.4. CY24-25 Capital Equipment Plan

Motion 23.012 Motion by Frethem, second by Selvog, to approve CY24-25 Capital Equipment Plan. Voting Aye: Meixell, Zanmiller, Frethem, Schoenecker, Selvog, Rheinberger. Voting nay: none.

7.2. MN Ag Water Quality Certification

7.2.1. MDA Agreement FY2024-2025

Kuphal reviewed the agreement published in the packet, noting in the past MDA simply amended the Joint Powers Agreement for MAWQCP support and implementation but they are requesting a new agreement be executed in order to continue providing program funding beyond 2023. HE added the previous budget balance is being carried over to the new JPA in full and the agreement is for two years.

Motion 23.013 Motion by Frethem, second by Scott, to approve the FY2024-2025 Joint Powers Agreement with MDA for MAWQCP. Voting Aye: Meixell, Zanmiller, Frethem, Schoenecker, Selvog, Rheinberger. Voting nay: none.

7.3. Metro Children's Water Festival

Whiteeagle provided an updated on the Children's Water Festival that was held on September 27, 2023.

7.3.1. State Fair Agreement for Children's Water Festival

Motion 23.014 Motion by Meixell, second by Zanmiller to ratify execution of 2023 Minnesota State Fair Use Agreement, as signed by Chair Rheinberger on June 12, 2023. Voting Aye: Meixell, Zanmiller, Schoenecker, Selvog, Rheinberger. Voting nay: none.

8. Other Business

8.1. Partnership for BWSR Phase I Soil Health Grant RFP

Watson described potential partnership opportunities among MCD members using Phase 1 Soil Health funds from BWSR, noting the grant announcement is recent and Manager's have not had time to discuss opportunities in depth. This phase is for increasing staff capacity and not for projects. Discussion ensued. Schoenecker stated he would encourage and support Manager's pursuing funds if they concluded it would be beneficial.

8.2 Establishing a Future Board Meeting Method (in person/hybrid/virtual)

Discussion held on future board meeting options, with most Members indicating preference for fully virtual meetings. Kuphal stated staff will review the statutory requirements to ensure virtual meetings would be compliant with Minnesota's open meeting laws.

Motion 23.015 Motion by Meixell, second by Selvog, to approve future board meetings will be held virtually subject to staff finding it would not violate statute. Voting Aye: Meixell, Zanmiller, Schoenecker, Selvog, Rheinberger. Voting nay: none.

8.3 MCD Board Legal Representation

Watson explained that at their recent meeting manager's discussed whether MCD should retain independent council to advise on legal issues concerning hosting official meetings virtually. There was no further discussion.

9. Member District Updates

None.

10. Adjourn

Rheinberger adjourned meeting subject to their being no objection. There being no objections, Rheinberger declared the meeting adjourned at 4:55 pm.

Respectfully submitted,

Glenda Meixell, Secretary

Date

**Metropolitan Conservation District
Treasurer's Report
As of February 13, 2024**

Previous Cash
Balance 2/13/2024

ETA - Engineering and Technical Assistance

| ASSETS | | | |
|-------------------------------------|--------------|---------------------|---------------|
| Cash - Previous Balance - 11/9/2023 | \$455,920.50 | | |
| Income | | \$370,105.84 | |
| Expense | | \$162,495.67 | |
| Cash - Ending Balance - 2/13/2024 | | | \$663,530.67 |
| LIABILITIES | | | |
| NPEAP/ETA | | \$663,530.67 | |
| Total Liabilities | | \$663,530.67 | |
| FUND BALANCE | | | \$0.00 |

MAWQCP - MN Ag Water Quality Certification

| ASSETS | | | |
|-------------------------------------|--------|------------|---------------|
| Cash - Previous Balance - 11/8/2023 | \$0.00 | | |
| Income | | \$2,971.83 | |
| Expense | | \$3,986.53 | |
| Cash - Ending Balance - 2/13/2024 | | | -\$1,014.70 |
| Accounts Receivable | | \$1,014.70 | |
| FUND BALANCE | | | \$0.00 |

CWF - Childrens' Water Festival

| ASSETS | | | |
|-------------------------------------|-------------|------------|--------------------|
| Cash - Previous Balance - 11/8/2023 | \$58,014.12 | | |
| Income | | \$8,995.00 | |
| Expense | | \$0.00 | |
| Cash - Ending Balance - 2/13/2024 | | | \$67,009.12 |
| FUND BALANCE | | | \$67,009.12 |

MCD - Metro Conservation District

| ASSETS | | | |
|-------------------------------------|-------------|-------------|--------------------|
| Cash - Previous Balance - 11/8/2023 | \$66,360.90 | | |
| Income - Interest | | \$327.72 | |
| Expense | | \$12,757.22 | |
| Cash - Ending Balance - 2/13/2024 | | | \$53,931.40 |
| Accounts Receivable | | | |
| FUND BALANCE | | | \$53,931.40 |

| | | |
|---------------------------|---------------------|---------------------|
| TOTAL FUND BALANCE | \$120,940.52 | |
| TOTAL CASH BALANCE | | \$783,456.49 |

BANK ACCOUNT SUMMARY

| Accounts Type | Bank | Balance |
|-------------------|----------|---------------------|
| Checking | Hometown | \$39,492.80 |
| Savings | Hometown | \$493,963.69 |
| CD | Hometown | \$250,000.00 |
| Total Cash | | \$783,456.49 |

Metro Conservation District Transaction Report
November 15, 2023 - February 13, 2024

| Type | Date | Num | Memo | Name | Debit | Credit | Balance |
|-----------------|------------|------|--|---|-------------------|-------------------|------------------|
| | | | | | | | 39,631.38 |
| Bill Pmt -Check | 11/15/2023 | 2291 | Invoice 2223 - ETA | Carver Soil & Water Conservation District | | 3,366.00 | 36,265.38 |
| Bill Pmt -Check | 11/15/2023 | 2292 | Invoice 3982 - ETA | Chisago Soil & Water Conservation Dist | | 2,201.62 | 34,063.76 |
| Bill Pmt -Check | 11/15/2023 | 2293 | Invoice 3341 - ETA | Dakota County Soil & Water Conservation D | | 2,820.50 | 31,243.26 |
| Bill Pmt -Check | 11/15/2023 | 2294 | Invoice 2023-121 - ETA | Isanti SWCD | | 2,340.82 | 28,902.44 |
| Bill Pmt -Check | 11/15/2023 | 2295 | Invoice PRK-0068 - ETA | Ramsey Conservation District | | 6,309.56 | 22,592.88 |
| Bill Pmt -Check | 11/15/2023 | 2296 | Invoice 2023-090 and 2023-091 - ETA | Scott Soil and Water Conservation Dist. | | 14,245.50 | 8,347.38 |
| Bill Pmt -Check | 11/15/2023 | 2297 | Invoice 2023230 - ETA | Sherburne SWCD. | | 15,158.87 | -6,811.49 |
| Bill Pmt -Check | 11/15/2023 | 2298 | Invoice 6245 - ETA | Washington Conservation District | | 8,473.78 | -15,285.27 |
| Bill Pmt -Check | 11/15/2023 | 2299 | Invoice 86091134 - ETA | Wright SWCD | | 4,356.00 | -19,641.27 |
| Transfer | 11/15/2023 | | Funds Transfer | | 75,000.00 | | 55,358.73 |
| Check | 11/15/2023 | 2300 | Invoice 6277 - MAWQCP | Washington Conservation District | | 990.08 | 54,368.65 |
| Check | 11/15/2023 | 2301 | Invoice 3337 - MAWQCP | Dakota County Soil & Water Conservation D | | 177.75 | 54,190.90 |
| Check | 11/15/2023 | 2302 | Invoice 86091136 - MAWQCP | Wright SWCD | | 237.00 | 53,953.90 |
| Check | 11/15/2023 | 2303 | Invoice 2023-100 - MAWQCP | Scott Soil and Water Conservation Dist. | | 1,567.00 | 52,386.90 |
| Deposit | 11/15/2023 | | Deposit - Childrne's Water Festival | | 7,820.00 | | 60,206.90 |
| Deposit | 11/20/2023 | | Deposit - Childrne's Water Festival | | 750.00 | | 60,956.90 |
| Check | 12/06/2023 | EFT | Data Plan | Data Activiation Purchase | | 175.99 | 60,780.91 |
| Deposit | 12/12/2023 | | Deposit - 2024 ETA & ESTS Grant | | 370,000.00 | | 430,780.91 |
| Check | 12/13/2023 | 2304 | 2022 Audit | Peterson Company, LTD | | 3,200.00 | 427,580.91 |
| Check | 01/05/2024 | EFT | Data Plan | Data Activiation Purchase | | 175.99 | 435,881.16 |
| Deposit | 01/11/2024 | | Deposit - Childrne's Water Festival | | 425.00 | | 436,306.16 |
| Check | 01/16/2024 | 2305 | Invoice 20206R - Insurance | MN Counties Intergovernment Trust | | 3,266.00 | 433,040.16 |
| Bill Pmt -Check | 01/22/2024 | 2306 | Invoice 3361 - Host ETA Program | Dakota County Soil & Water Conservation D | | 2,761.00 | 430,279.16 |
| Bill Pmt -Check | 01/22/2024 | 2307 | Invoice 203307 - ETA | Anoka Conservation District | | 27,000.00 | 403,279.16 |
| Bill Pmt -Check | 01/22/2024 | 2308 | Invoice 2233 - ETA | Carver Soil & Water Conservation District | | 3,653.00 | 399,626.16 |
| Bill Pmt -Check | 01/22/2024 | 2309 | Invoice 3988 - ETA | Chisago Soil & Water Conservation Dist | | 4,338.82 | 395,287.34 |
| Bill Pmt -Check | 01/22/2024 | 2310 | Invoice 3663 - ETA | Dakota County Soil & Water Conservation D | | 2,952.50 | 392,334.84 |
| Bill Pmt -Check | 01/22/2024 | 2311 | Invoice 10000217821 - ETA | Hennepin County | | 27,000.00 | 365,334.84 |
| Bill Pmt -Check | 01/22/2024 | 2312 | Invoice 2023-132 - ETA | Isanti SWCD | | 3,613.50 | 361,721.34 |
| Bill Pmt -Check | 01/22/2024 | 2313 | Invoice PK-002316 - ETA | Ramsey County. | | 913.88 | 360,807.46 |
| Bill Pmt -Check | 01/22/2024 | 2314 | Invoice 2023-166 - ETA | Scott Soil and Water Conservation Dist. | | 13,506.00 | 347,301.46 |
| Bill Pmt -Check | 01/22/2024 | 2315 | Invoice 023249 - ETA | Sherburne SWCD. | | 8,591.05 | 338,710.41 |
| Bill Pmt -Check | 01/22/2024 | 2316 | Invoice 6341 - ETA | Washington Conservation District | | 5,787.86 | 332,922.55 |
| Transfer | 01/22/2024 | | Funds Transfer | | | 275,000.00 | 57,922.55 |
| Check | 02/06/2024 | EFT | Data Plan | Data Activiation Purchase | | 175.99 | 57,746.56 |
| Deposit | 02/09/2024 | | Deposit - Verizon Refund | | 105.84 | | 49,376.16 |
| Bill Pmt -Check | 02/13/2024 | 2317 | Invoice 2023-172 - MAWQCP | Scott Soil and Water Conservation Dist. | | 123.00 | 49,253.16 |
| Bill Pmt -Check | 02/13/2024 | 2318 | Invoice 2023242 - MAWQCP | Sherburne SWCD. | | 308.26 | 48,944.90 |
| Bill Pmt -Check | 02/13/2024 | 2319 | Invoice 6402 - MAWQCP | Washington Conservation District | | 583.44 | 48,361.46 |
| Bill Pmt -Check | 02/13/2024 | 2323 | Invoice 2023-169 - ETA Fiscal Services | Scott Soil and Water Conservation Dist. | | 2,577.44 | 45,784.02 |
| Bill Pmt -Check | 02/13/2024 | 2321 | Invoice 2023-170 - MCD Admin Services | Scott Soil and Water Conservation Dist. | | 6,291.22 | 39,492.80 |
| | | | | | 454,100.84 | 454,239.42 | 39,492.80 |

MCD Managers Meeting Notes Wednesday Dec 20, 2023

Meeting Time: 10:00 a.m. – Noon

Meeting Location: Remotely via Teams

Attendees: Chris Lord (Anoka), Mike Wanous (Carver), Craig Mell (Chisago), Tiffany Determan (Isanti), Karen Galles (Hennepin), Troy Kuphal (Scott), Luke Johnson (Wright) Ann White Eagle (Ramsey), Francine Larson (Sherburne), Jay Riggs (Washington), Anne Sawyer (BWSR)

- 1) Agenda Review
- 2) Program Updates
 - a) Engineering and Technical Assistance (ETA) Program, Brian Watson – Dakota – Q4 reports coming out later today. Need to be returned by Jan 12. Last JPB meeting workplans are approved and have been executed. Funds will be avail Jan 1. Funding will not be coming in as lump sum so do not have to go back to JPB – we will be receiving FY24 funds (not combined with FY25). We were able to increase ETA funds up to around \$30k for TA. Lord asked about Match – over match is appreciated.
 - b) MAWQCP, Troy Kuphal – Scott – Budget shared with group. Total \$54k available. Can be increased if needed. Still needs signature from chair to execute.
 - c) Metro Children’s Water Festival Program, Ann White Eagle – Ramsey – State Fair contract will come in Jan for Feb JPB meeting.
- 3) BWSR Updates – None (double-check meeting invite so they are sent agenda.)
- 4) MCD Admin - Dakota
 - a) Board and Managers 2024 Meeting Dates – Host partner will provide virtual meeting link and appointment. MCD Managers - Last Wednesday of the Month (may skip months with MCD Board Meeting). 10-12am. MCD Board Meetings are third Thursday in Feb 28, Aug 28, and Nov 20.
 - b) Scheduling of MASWCD Area 4 meetings for 2024 – Area IV MASWCD meeting dates – reviewed dates with Managers and will announce dates soon. Likely meet at Ramsey Public Works Building. March 26, June 27, and Nov 7 tentative. Dakota is hosting summer tour.
 - c) Review of MCD bylaws (last updated 2015) and in response to how we will convene joint powers board meetings moving forward – need to continue discussion about virtual – perhaps add that to bylaws or change frequency or meetings. Add to future MCD agenda. Attendance at MCIT training is encouraged.
- 5) ATTT4 Training Program – Todd, Isanti

2024 Training calendar and IDP update as well as Area training opportunities. For IDPs looking at top training requests and TCPP to identify trainings for entire state. Calendar is not done yet, but there are WASCOP, cover crops, construction inspections, wetland restorations, seed mix design, soil mechanics, and Ag 101 trainings coming. For Area IV an on-the-job training program is suggested – need to work with staff to coordinate training opportunities. We may need some way

to coordinate. Perhaps dust off the yellow-pages and Troy and Todd could connect IDP and Yellow Pages data. Managers can encourage their employees to use these tools and make a point to reach out to others. Francine will look at Yellow Pages. We are talking about shadowing and not doing bigger trainings (unless specific coordination for central training and then could have fees associated). Centralized training for soil health would be great. JAA front is very intensive – it would be nice to have clearer requirements.

6) SWCD Admin - Washington

- a) Enhanced Sick and Safety Leave Updates – No new updates
- b) Salary Notifications – Must be added to Personnel Handbook
- c) Ergonomics – A lot of offices are providing standing desks.

7) MASWCD Award Programs

Craig provided comments regarding both the selection of the MASWCD Outstanding Conservationist and the informing of the winning SWCD for both the OC and SWCD of the Year award.

- Regarding the OC and SWCD of the Year award, discussion was had regarding should the MASWCD inform the winning SWCD that their OC has been selected as the State OC and should they inform the SWCD of the Year that they have been selected. This would allow for better attendance by SWCD supervisors and staff.
- Regarding the State OC. Since this award is sponsored by The Farmer magazine, the focus of the award has historically been on a traditional farmer. There are a growing number of OC that are worthy of the State OC award but are not included in the final discussion because the award is sponsored by the Farmer magazine. Awards committee is heavily influenced by Farmer Magazine set criteria. There were a lot of non-traditional farmers getting awards and perhaps they should be recognized for State Award.

8) Member Updates (talk about soil health here)

Karen – Carbon accounting – working with the UofM to do carbon estimations

Chris – urban soil health – look into new funding – climate funds may apply

Luke – interagency agreements out – will be applying to phase 1 funds – following County ESST

Troy – considering replacing older drone (\$6k or \$40k upgrade with LIDAR), time savings would pay for itself over 4-5 years and may be partnering with highway dept, may be able to shoot for partners, 80 acres in 15 minutes and can have a finished surface in less than an hour

Ann – doing lots of reporting

Tiffany – submitted PRAP grant proposal to update strategic plan with a consultant and do full salary analysis and updating HR policies, can get up to \$10k, application process is very simple

Craig – shared p1 soil health app with Isanti and Washington – thank you to the metro managers and how much help we provide each other

Francine – P1 RFP

Mike – not sure about p1 or p2 – would prefer to use p2.

9) Other

Anoka Next – Next Date Jan 31!



MCD Managers Meeting Notes

Meeting Date: Wednesday Jan 31, 2024

Meeting Time: 9:30 a.m. – 11:00 a.m.

Meeting Location: Remotely via Teams

Attendees: Chris Lord (Anoka), Mike Wanous (Carver), Craig Mell (Chisago), Brian Watson (Dakota), Tiffany Determan (Isanti), Karen Galles (Hennepin), Troy Kuphal (Scott), Luke Johnson (Wright), Ann White Eagle (Ramsey), Francine Larson (Sherburne), Jay Riggs (Washington), Anne Sawyer (BWSR)

Agenda:

- 1) ATTT4 Updates - none
- 2) Program Updates
 - a) Engineering & Technical Assistance (ETA), Brian Watson – Dakota
 - i) Year-end reporting done; 2022 NPEA grant closed Enhanced Tech Assist still open; 2023s grants open; 2024s grants were executed in 2023 and are available immediately; Q1 forms will be available soon so we can fill them in as we go.
 - ii) Not sure of status for Ramsey’s R12; Ramsey should reach out to Brian and Luke to coordinate purchase
 - b) Mn Ag. Water Quality Certification (MAWQCP), Troy Kuphal – Scott
 - i) Nothing new; no need to wait to submit reimbursement requests
 - c) Outreach
 - i) Metro Children’s Water Festival, Ann White Eagle – Ramsey – Venue contract for the state fairgrounds will be ready for Board action, Ann will forward it to Troy
 - ii) Envirothon, Francine Larson - Sherburne – sending out request for sponsorship for metro envirothon; they have staffing for the event and could use donations
- 3) BWSR Updates, Anne Sawyer
 - a) Connected with Tom Gile – an email went out on Soil Health staffing and climate grants; after phase 1 applications we’ll know what is available for phase 2; Phase 2 will be based on a formula but predicated on LGU stated ability and interest in using the funds; prior metro discussion about conflict on wetland determinations between NRCS and WCA is unresolved but Anne is willing to broker a discussion if we want; Anne to forward emails on the topic to Carver and Wright; Melisa King is Tribal Liaison so no water planner on staff; Watson sought clarification on whether or not SWCDs need Comp Plans moving forward get funding, Anne will research.
- 4) Open Meeting Law and Remote Participation
 - a) The MCD Board would like the option to attend meetings remotely. To be a fully participating member that counts toward the quorum, all members must be seen and heard; roll call votes must be held; remote locations must be posted; at least one member of the body must be in-person at the official meeting location; remote locations must be open to the public in most cases. There was confusion on whether the 3-day posting applied to the meeting day only or also for remote locations – we may need an attorney’s opinion on this (Mn Stat. 13D.02 and 13D.04); what is the best way for MCD to adopt policy outside of the amending By-Laws? The MCD Board needs to identify the official bulletin board (website) in addition to the meeting location and time.

- b) We need to work together to ensure a quorum by getting alternates to attend and empowering our own representatives to attend as part of the quorum (proper noticing).
 - c) Let Troy know if your representatives to MCD have changed –
- 5) Member Updates
- a) Washington - Grant reporting, employee evaluation, budgeting
 - b) Wright - Grant reporting, employee recruitment
 - c) Scott – grant reporting, significant success with budget process with the county
 - d) Sherburne - RCPP irrigation grant – all partner meeting next week – several million dollars – for irrigation upgrades that conserve water, fully utilized the last round of funding pretty easily.
 - e) Ramsey - WBIF – hopefully the process is more inclusive this round and funds don't default to projects selected by the convening entities.
 - f) Isanti – warm weather making winter wetland restoration installs that require frozen soil difficult; new county comp plan was late to seek Isanti SWCD input but is now, which is hopeful,
 - g) Hennepin – efforts are underway to better integrate natural resource concerns in local plans, Karen's team is trying to develop the tools to help make that process happen; delegated grant reporting this year...
 - h) Dakota – Updated cost share policies including pilot for low impact turf conversion, just buying seed and providing tech assist; scheduling workshops, Women in Ag. Workshop, annual crops day with Dakota Electric (irrigation system focus); Supervisor resignation happened and appointment process is underway; Soil Health staffing grant coming together
 - i) Chisago – supervisor district changes due to one township incorporating into 4 cities
 - j) Carver – grant reporting; host next meeting
 - k) Anoka – annual report and annual plan underway; EAB ash removal, lack of wood reclamation is frustrating; legislative session Feb 12, not sure what MASWCD has in store; gearing up to hire 1.5 FTE, wanted a groundwater specialist but failed to get the funding

Board Action Items:

- Annual business meeting items; elect officers, official depository institution, regular meeting schedule, official posting location (newspaper, website, other)?
- State Fair venue contract for Children's Water Festival
- Remote attendance guidelines
- Initiate review of by-laws, with potential to amend at future meeting

Upcoming Meetings:

- Feb 28, MCD Board meeting – hybrid WCD and virtual
- March 26, Area IV - Ramsey Govt Center
- March 27, Metro Managers meeting – Carver to host

12/31/2023

FY22 Engineering and Technical Assistance Grants - Expenditures Report

Grant Executed on 10/05/2021. Grant Expires on 12/31/2024. Member Spending Target 12/31/2023.

| Member | Application Engineering & TA | 2022 Expenditures | Q1 2023 Expenditures | Q2 2023 Expenditures | Q3 2023 Expenditures | Q4 2023 Expenditures | Total Expenditures | Balance |
|---------------|---------------------------------|----------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------------|-----------------------|
| Anoka | \$ 27,000.00 | \$ 27,000.00 | | | | | \$ 27,000.00 | \$ - |
| Carver | \$ 27,000.00 | \$ 6,386.64 | \$ 5,150.00 | \$ 940.50 | \$ 3,366.00 | \$ 3,653.00 | \$ 19,496.14 | \$ 7,503.86 |
| Chisago | \$ 27,000.00 | \$ 17,799.98 | \$ 9,200.02 | | | | \$ 27,000.00 | \$ - |
| Dakota | \$ 27,000.00 | \$ - | \$ 13,785.00 | \$ 13,215.00 | | | \$ 27,000.00 | \$ - |
| Hennepin | \$ 27,000.00 | \$ 27,000.00 | | | | | \$ 27,000.00 | \$ - |
| Isanti | \$ 27,000.00 | \$ 16,410.28 | \$ 1,808.40 | \$ 6,440.50 | \$ 2,340.82 | | \$ 27,000.00 | \$ - |
| Ramsey | \$ 27,000.00 | \$ - | \$ - | | \$ 6,309.56 | \$ 913.88 | \$ 7,223.44 | \$ 19,776.56 |
| Scott | \$ 27,000.00 | \$ 20,727.50 | \$ 5,521.00 | | \$ 751.50 | | \$ 27,000.00 | \$ - |
| Sherburne | \$ 27,000.00 | \$ 168.00 | \$ - | \$ 3,082.08 | \$ 15,158.87 | \$ 8,591.05 | \$ 27,000.00 | \$ - |
| Washington | \$ 27,000.00 | \$ 6,447.47 | \$ 11,454.32 | \$ 9,098.21 | | | \$ 27,000.00 | \$ - |
| Wright | \$ 27,000.00 | \$ 16,930.50 | \$ 6,654.00 | \$ 3,415.50 | | | \$ 27,000.00 | \$ - |
| Total: | \$ 297,000.00 | \$ 138,870.37 | \$ 53,572.74 | \$ 36,191.79 | \$ 27,926.75 | \$ 13,157.93 | \$ 269,719.58 | \$ 27,280.42 |
| Member | Match Engineering & TA | 2022 Expenditures | Q1 2023 Expenditures | Q2 2023 Expenditures | Q3 2023 Expenditures | Q4 2023 Expenditures | Total Expenditures | Balance |
| Anoka | \$ 3,400.00 | \$ - | | | | | \$ - | \$ 3,400.00 |
| Carver | \$ 3,400.00 | \$ - | | | | | \$ - | \$ 3,400.00 |
| Chisago | \$ 3,400.00 | \$ 6,000.00 | | | | | \$ 6,000.00 | \$ (2,600.00) |
| Dakota | \$ 3,400.00 | \$ - | | | | | \$ - | \$ 3,400.00 |
| Hennepin | \$ 3,400.00 | \$ 11,745.89 | | | | | \$ 11,745.89 | \$ (8,345.89) |
| Isanti | \$ 3,400.00 | \$ 2,185.18 | \$ 1,216.56 | | | | \$ 3,401.74 | \$ (1.74) |
| Ramsey | \$ 3,400.00 | \$ - | | | | | \$ - | \$ 3,400.00 |
| Scott | \$ 3,400.00 | \$ 3,516.00 | | | | | \$ 3,516.00 | \$ (116.00) |
| Sherburne | \$ 3,400.00 | \$ 35,792.03 | | | | | \$ 35,792.03 | \$ (32,392.03) |
| Washington | \$ 3,400.00 | \$ - | \$ 11,706.50 | | | | \$ 11,706.50 | \$ (8,306.50) |
| Wright | \$ 3,400.00 | \$ 6,017.43 | | | | | \$ 6,017.43 | \$ (2,617.43) |
| Total: | \$ 37,400.00 | \$ 65,256.53 | \$ 12,923.06 | \$ - | \$ - | \$ - | \$ 78,179.59 | \$ (40,779.59) |

2022 Member Allocation is \$27,000. \$3,400 Match Per Member.

FY23 Engineering and Technical Assistance Grants - Expenditures Report

Grant Executed on 01/17/2023. Grant Expires on 12/31/2025. Member Spending Target 12/31/2024.

| Member | Application Engineering & TA | Q1 2023 Expenditures | Q2 2023 Expenditures | Q3 2023 Expenditures | Q4 2023 Expenditures | Q1 2024 Expenditures | Total Expenditures | Balance |
|---------------|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Anoka | \$ 27,000.00 | | | | \$ 27,000.00 | | \$ 27,000.00 | \$ - |
| Carver | \$ 27,000.00 | | | | | | \$ - | \$ 27,000.00 |
| Chisago | \$ 27,000.00 | | \$ 2,896.62 | \$ 2,201.62 | \$ 4,338.82 | | \$ 9,437.06 | \$ 17,562.94 |
| Dakota | \$ 27,000.00 | | \$ 3,116.50 | \$ 2,820.50 | \$ 2,952.50 | | \$ 8,889.50 | \$ 18,110.50 |
| Hennepin | \$ 27,000.00 | | | | \$ 27,000.00 | | \$ 27,000.00 | \$ - |
| Isanti | \$ 27,000.00 | | \$ - | | \$ 3,613.50 | | \$ 3,613.50 | \$ 23,386.50 |
| Ramsey | \$ 27,000.00 | | | | | | \$ - | \$ 27,000.00 |
| Scott | \$ 27,000.00 | | | \$ 13,494.00 | \$ 13,506.00 | | \$ 27,000.00 | \$ - |
| Sherburne | \$ 27,000.00 | | \$ - | | | | \$ - | \$ 27,000.00 |
| Washington | \$ 27,000.00 | | \$ 7,864.16 | \$ 8,473.78 | \$ 5,787.86 | | \$ 22,125.80 | \$ 4,874.20 |
| Wright | \$ 27,000.00 | \$ - | \$ - | \$ 4,356.00 | \$ - | | \$ 4,356.00 | \$ 22,644.00 |
| Total: | \$ 297,000.00 | \$ - | \$ 13,877.28 | \$ 31,345.90 | \$ 84,198.68 | \$ - | \$ 129,421.86 | \$ 167,578.14 |

| Member | Match Engineering & TA | Q1 2023 Expenditures | Q2 2023 Expenditures | Q3 2023 Expenditures | Q4 2023 Expenditures | Q1 2024 Expenditures | Total Expenditures | Balance |
|------------------|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|-----------------------|
| Anoka | \$ 3,400.00 | | | | \$ 47,452.50 | | \$ 47,452.50 | \$ (44,052.50) |
| Carver | \$ 3,400.00 | | | | | | \$ - | \$ 3,400.00 |
| Chisago | \$ 3,400.00 | | | | | | \$ - | \$ 3,400.00 |
| Dakota | \$ 3,400.00 | | | | | | \$ - | \$ 3,400.00 |
| Hennepin | \$ 3,400.00 | | | | \$ 5,171.33 | | \$ 5,171.33 | \$ (1,771.33) |
| Isanti | \$ 3,400.00 | | | \$ 1,709.76 | | | \$ 1,709.76 | \$ 1,690.24 |
| Ramsey | \$ 3,400.00 | | | | | | \$ - | \$ 3,400.00 |
| Scott | \$ 3,400.00 | | | \$ 3,400.00 | | | \$ 3,400.00 | \$ - |
| Sherburne | \$ 3,400.00 | | | | \$ 776.51 | | \$ 776.51 | \$ 2,623.49 |
| Washington | \$ 3,400.00 | | | | | | \$ - | \$ 3,400.00 |
| Wright | \$ 3,400.00 | | | | | | \$ - | \$ 3,400.00 |
| Subtotal: | \$ 37,400.00 | \$ - | \$ - | \$ 5,109.76 | \$ 53,400.34 | \$ - | \$ 58,510.10 | \$ (21,110.10) |

2023 Member Allocation is \$27,000. \$3,400 Match Per Member.

Metro Conservation Districts Technical Service Area Grants Status as of 12/31/2023

| | FY 2022 NPEAP \$147,500 (P22-5163) 10/05/2021 to 12/31/2024 | | | | | 2022 ESTS \$242,500 (P22-5171) 10/05/2021 to 12/31/2024 | | | | |
|----------------------------|--|----------------|----------------------|---------------|------------------|--|----------------|--------------|---------------|------------------|
| | | | | | T/E | | | | | T/E |
| | Admin. | T/E Assistance | Supplies & Equipment | Grant Total | Assistance Match | Admin. | T/E Assistance | Equipment | Grant Total | Assistance Match |
| Workplan: | \$ 7,000.00 | \$ 102,000.00 | \$ 38,500.00 | \$ 147,500.00 | \$ 14,750.00 | \$ 7,500.00 | \$ 195,000.00 | \$ 40,000.00 | \$ 242,500.00 | \$ 24,250.00 |
| CY 2022 Expenses: | \$ 2,240.00 | \$ 38,396.81 | \$ - | \$ 40,636.81 | \$ 41,792.03 | \$ 3,140.94 | \$ 100,473.56 | \$ 2,538.48 | \$ 106,152.98 | \$ 23,464.50 |
| CY 2023 Expenses: | \$ 4,762.00 | \$ 66,340.62 | \$ 35,760.57 | \$ 106,863.19 | \$ - | \$ 4,382.04 | \$ 64,508.59 | \$ 6,719.26 | \$ 75,609.89 | \$ 13,232.60 |
| CY 2024 Expenses: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures: | \$ 7,002.00 | \$ 104,737.43 | \$ 35,760.57 | \$ 147,500.00 | \$ 41,792.03 | \$ 7,522.98 | \$ 164,982.15 | \$ 9,257.74 | \$ 181,762.87 | \$ 36,697.10 |
| Balance: | \$ (2.00) | \$ (2,737.43) | \$ 2,739.43 | \$ - | \$ (27,042.03) | \$ (22.98) | \$ 30,017.85 | \$ 30,742.26 | \$ 60,737.13 | \$ (12,447.10) |

| | FY 2023 NPEAP \$127,500 (P23-1184) 1/17/2023 to 12/31/2025 | | | | | 2023 ESTS \$242,500 (P23-1192) 1/17/2023 to 12/31/2025 | | | | |
|----------------------------|---|----------------|----------------------|---------------|------------------|---|----------------|--------------|---------------|------------------|
| | | | | | T/E | | | | | T/E |
| | Admin. | T/E Assistance | Supplies & Equipment | Grant Total | Assistance Match | Admin. | T/E Assistance | Equipment | Grant Total | Assistance Match |
| Workplan: | \$ 7,000.00 | \$ 102,000.00 | \$ 18,500.00 | \$ 127,500.00 | \$ 12,750.00 | \$ 7,500.00 | \$ 195,000.00 | \$ 40,000.00 | \$ 242,500.00 | \$ 24,500.00 |
| CY 2023 Expenses: | \$ 902.00 | \$ 102,000.00 | \$ 1,675.44 | \$ 104,577.44 | \$ 20,281.09 | \$ 4,961.00 | \$ 27,421.86 | \$ - | \$ 32,382.86 | \$ 32,382.86 |
| CY 2024 Expenses: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CY 2025 Expenses: | | | | \$ - | | | | | | |
| Total Expenditures: | \$ 902.00 | \$ 102,000.00 | \$ 1,675.44 | \$ 104,577.44 | \$ 20,281.09 | \$ 4,961.00 | \$ 27,421.86 | \$ - | \$ 32,382.86 | \$ 32,382.86 |
| Balance: | \$ 6,098.00 | \$ - | \$ 16,824.56 | \$ 22,922.56 | \$ (7,531.09) | \$ 2,539.00 | \$ 167,578.14 | \$ 40,000.00 | \$ 210,117.14 | \$ (7,882.86) |

| | FY 2024 NPEA JPB \$127,500 (P24-0004) 1/01/2024 to 12/31/2025 | | | | | 2024 ESTS \$242,500 (P24-0012) 1/01/2024 to 12/31/2025 | | | | |
|----------------------------|--|----------------|----------------------|---------------|------------------|---|----------------|-----------|---------------|------------------|
| | | | | | T/E | | | | | T/E |
| | Admin. | T/E Assistance | Supplies & Equipment | Grant Total | Assistance Match | Admin. | T/E Assistance | Equipment | Grant Total | Assistance Match |
| Workplan: | \$ 7,000.00 | \$ 102,000.00 | \$ 18,500.00 | \$ 127,500.00 | \$ 12,750.00 | \$ 11,000.00 | \$ 231,500.00 | \$ - | \$ 242,500.00 | \$ 24,500.00 |
| CY 2024 Expenses: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| CY 2025 Expenses: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Expenditures: | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Balance: | \$ 7,000.00 | \$ 102,000.00 | \$ 18,500.00 | \$ 127,500.00 | \$ 12,750.00 | \$ 11,000.00 | \$ 231,500.00 | \$ - | \$ 242,500.00 | \$ 24,500.00 |



**LICENSE FOR USE
OF MINNESOTA STATE FAIRGROUNDS FACILITIES**

License Agreement Number: 2024-0010

January 22, 2024

Licensed To:

Metropolitan Conservation Districts

Madeline Seveland

Carver County Government Center 600 Fourth Street East

Chaska, MN 55318-2102

By this license, the MINNESOTA STATE AGRICULTURAL SOCIETY, hereinafter "Society", and **Metropolitan Conservation Districts**, hereinafter "Licensee", enter into a license agreement whereby Society licenses Licensee to occupy that portion of the Minnesota State Fairgrounds described as: **4-H Building - 1st Floor; 4-H Building Bays; Baldwin Park; Baldwin Park Bandshell; Block 20; Block 24; Block 30; Block 31; Heffron Park; Home Improvement; Progress Center; Restroom - Block 24; Restroom - Block 30** for the limited purpose of conducting a **Metro Children's Water Festival** only during the following time period:

Setup date(s): **09/24/24 - 9/24/2024**

Event date(s): **09/25/24 - 09/25/24**

Removal date(s): **9/25/2024 - 09/25/24**

Standard daily hours for event conduct, setup, teardown and removal are a 15-hour period from 8:00 a.m. until 11:00 p.m. For equine/livestock event's standard daily hours are from 6:00 a.m. until 12:00 a.m., an 18-hour period.

This license agreement is made subject to the provisions set forth herein. Also incorporated by reference and included as an integral part of this license agreement are all of the terms and conditions set forth in the accompanying Minnesota State Fairgrounds Facility Guide, as well as all applicable provisions of Minnesota Statutes, Chapter 37 and Minnesota State Fair Rules as most recently promulgated. Failure to comply with any of these provisions and/or conditions may result in automatic cancellation of this license. Licensee acknowledges that they have received and read the preceding documents prior to signing this license agreement and will abide by the rules, regulations, policies and procedures set forth therein, except as otherwise provided in this license.

I confirm that I have received/read the Minnesota State Fairgrounds Facility Guide incorporated, included and made part of this license by reference

License Fees:

The license fee for this usage will be:

| Description | Start-End | Duration | | Item Price | U/M | Subtotal |
|---------------------|------------|----------|-----|------------|-----|----------|
| Block 24 Restroom | 09/25/2024 | 1.00 | DAY | 200.00 | DAY | 200.00 |
| Non-Profit Discount | 09/25/2024 | 1.00 | EA | -60.00 | EA | -60.00 |

| | | | | | | |
|--------------------------|----------------------------|------|-----|----------|-----|-------------------|
| Non-Profit Discount | 09/25/2024 | 1.00 | EA | -60.00 | EA | -60.00 |
| Restroom- Block 30 | 09/25/2024 | 1.00 | DAY | 200.00 | DAY | 200.00 |
| Baldwin Park | 09/25/2024 | 1.00 | DAY | 1,000.00 | DAY | 1,000.00 |
| Non-Profit Discount | 09/25/2024 | 1.00 | EA | -300.00 | EA | -300.00 |
| Non-Profit Discount | 09/25/2024 | 1.00 | EA | -210.00 | EA | -210.00 |
| Home Improvement | 09/25/2024 | 1.00 | DAY | 700.00 | DAY | 700.00 |
| Block 31 | 09/25/2024 | 1.00 | DAY | 250.00 | DAY | 250.00 |
| Non-Profit Discount | 09/25/2024 | 1.00 | EA | -75.00 | EA | -75.00 |
| Non-Profit Discount | 09/25/2024 | 1.00 | EA | -105.00 | EA | -105.00 |
| Block 24 | 09/25/2024 | 1.00 | DAY | 350.00 | DAY | 350.00 |
| Block 30 | 09/25/2024 | 1.00 | DAY | 700.00 | DAY | 700.00 |
| Non-Profit Discount | 09/25/2024 | 1.00 | EA | -210.00 | EA | -210.00 |
| Non-Profit Discount | 09/25/2024 | 1.00 | EA | -540.00 | EA | -540.00 |
| Progress Center | 09/25/2024 | 1.00 | DAY | 1,800.00 | DAY | 1,800.00 |
| 4-H Building - 1st Floor | 09/25/2024 | 1.00 | DAY | 1,600.00 | DAY | 1,600.00 |
| Non-Profit Discount | 09/25/2024 | 1.00 | EA | -480.00 | EA | -480.00 |
| Non-Profit Discount | 09/25/2024 | 1.00 | EA | -90.00 | EA | -90.00 |
| Block 20 | 09/25/2024 | 1.00 | DAY | 300.00 | DAY | 300.00 |
| Heffron Park | 09/24/2024 - 09/25/2024 | 2.00 | DAY | 350.00 | DAY | 700.00 |
| Non-Profit Discount | 09/24/2024 - 09/25/2024 | 1.00 | EA | -210.00 | EA | -210.00 |
| TOTAL: | | | | | | \$5,460.00 |

Licensee understands that this fee is "basic" and does not include costs to be incurred by Society for labor, electrical service or current, heat, air conditioning, setup, cleanup, security, damage, fire, vandalism, theft, malicious destruction, etc. or for any loss of or damage to Society's property. Licensee shall be responsible for any and all costs incurred by Society as a result of this usage, including, but not limited to, the preceding, and any property loss, damage to Society's property or liability caused directly or indirectly by Licensee, its agents, employees, guests, participants or attendees. Such costs will be billed by and are due to Society in accordance with the deposit and payment schedule set forth herein. A 16% assessment for fairgrounds capital improvements is included in the basic license fee.

Deposit and Payment Schedule:

It is required that Licensee post a non-refundable payment of **\$250.00** to bind this license agreement not later than **02/21/24**. This payment shall be credited to Licensee's account. If Licensee should cancel this license, for any reason, at any time, this binder payment shall be forfeited.

An advance event deposit of **\$5460.00** must be deposited with the Society on or before **08/23/24**. Failure to post said event deposit as specified may result in an automatic cancellation of this license. If Licensee should, for any reason, cancel after posting said deposit, Society shall retain, as liquidated damages, the full deposit, plus a sum equal to any expense already incurred in preparation for this facility usage. Notice of cancellation must be received in writing.

Licensee agrees to make full payment of any outstanding balance due to Society within thirty (30) days of invoice date.

General Insurance Requirements:

It is agreed that should any person, including employees of Society, on the fairgrounds for the purpose of working at, participating in or attending Licensee's event or activities during the period **09/24/24 - 09/25/24** suffer injury to their person or property, anywhere on the fairgrounds as a result of the negligent acts, errors or omissions of the Licensee, Licensee's agents, employees, guests, participants or attendees, and makes claim against the Society for such injury, that Licensee shall hold harmless and indemnify the Society from any liability incurred on account of any such claim. Licensee is required to have general liability, automobile liability (if applicable) and workers' compensation insurance coverage (if applicable) on their event activities/operations on the fairgrounds. Coverage requirements are as follows:

1. General Liability Coverage: A minimum of one million dollars (\$1,000,000) combined single limits per occurrence, \$2 million annual aggregate per event insuring against claims for the following:
 - Premises & Operations Bodily Injury
 - Premises & Operations Property Damage
 - Personal & Advertising Injury
 - Blanket Contractual
 - Products & Completed Operations
2. Excess Liability Insurance Coverage: An Umbrella or Excess Liability insurance policy may be used to supplement the Licensee's policy to satisfy the full policy limits required.
3. Automobile Liability Insurance Coverage, if applicable: Insuring the following in compliance with State of Minnesota statutes:
 - Bodily Injury and Property Damage
 - Any Auto
 - Owned Automobile, if any
 - Non-owned Automobile
 - Hired Automobile
4. Workers' Compensation Insurance Coverage, if applicable: Coverage must include Statutory Compensation Coverage and Employers Liability in full compliance with State of Minnesota statutes including:
 - Bodily Injury per Disease per Employee
 - Bodily Injury per Disease Aggregate
 - Bodily Injury by Accident
5. A certificate(s) giving evidence of the preceding insurance coverage(s) must be provided for Society's review no later than 30 days prior to the first event setup date. Failure to provide said certificate(s) as specified may work as an automatic cancellation of this license.
6. The insurance certificate must name the Minnesota State Agricultural Society, Minnesota State Fair and State of Minnesota as "an Additional Insured" on General Liability Coverage with respect to Licensee's event operations/activities on the Minnesota State Fairgrounds.
7. The insurance carrier(s) must provide the Society with 30 days written notice of any policy cancellation, non-renewal, reduction in limits or coverage, or material change(s) in policy terms.

8. All policies and certificates must provide that the policies and certificates remain in full force and effect any time while Licensee's event and their property or equipment is taking place and/or located on State Fair property during the term of this license agreement.
9. Licensee's policy(ies) shall be the primary insurance to any other valid and collectible insurance available to the Society with respect to any claim arising out of this license.
10. If Licensee is self-insured, a Certification of Self-Insurance must be forwarded to the Society no later than 30 days prior to the first event setup date.
11. Legal defense fees must be included/covered in addition to liability policy limits.
12. Insurance carriers must have an "AM Best" rating of A- (minus), a financial size category of VII or better, be acceptable to the Society and be authorized to do business in the State of Minnesota and be acceptable to the Society.

Concessions and Catering:

The Society retains complete and exclusive rights to all food, beverage and alcoholic beverage concession and catering service operations at any and all events held on the Minnesota State Fairgrounds. Arrangements for food, beverage and alcoholic beverage concession and catering services at events held on the fairgrounds will be made only by the Society. The Society reserves the right to place such concessions in and around the licensed facilities as it deems appropriate.

The sale of products containing THC and/or CBD will not be permitted at non-fair events held on the State Fairgrounds or at the Minnesota State Fair.

Physical Arrangements:

A meeting to arrange for Licensee's physical needs must be held with representatives of Society's events department no later than 30 days prior to actual event setup.

Special License Conditions:

- 1 A thirty percent (30%) discount on facility rent applies for being a government agency offering a free public service.
- 2 In case of inclement weather, Licensee to notify Minnesota State Fair by the Monday prior to the event by Noon so that alternate arrangements can be made.

Standard License Conditions:

1. Society warrants that it will only make available the previously stated basic facilities, plus appurtenances, "as is". Society does not guarantee to provide labor, materials or services required for Licensee's event preparation, execution, facility use or restoration of premises in accordance with the terms of this license. Any lack of availability or ability to provide said labor, materials or services shall in no way affect, impair or excuse Licensee's obligation to pay the fees hereunder and to perform all other covenants and agreements herein.
2. This License and the obligation of Licensee to pay the fees specified and perform all other covenants and agreements hereunder on the part of the Licensee shall in no way be affected, impaired or excused because Society is unable to fulfill any of its obligation(s) under this License. In the event Society is unable to fulfill its obligation(s) under this License by reason of any outside cause whatsoever, including, but not limited to, governmental pre-emption, directive or recommendation in connection with a national or state emergency, quarantine, pandemic or epidemic; by reason of any law, rule, order or regulation of any government agency or department; due to shortages of materials, equipment, labor or energy; because of civil disturbance, riot, third-party criminal conduct; due to fire, flood, tornado or other unusual weather conditions; or when occasioned by any other cause or circumstance beyond the control of Society which Society cannot overcome or avoid through reasonable and diligent efforts, Society shall be excused from any/all obligation(s) to Licensee hereunder.

3. Licensee shall use and occupy the premises for those purposes specified herein and for no other purposes. Licensee shall refrain from using any of Society's facilities on the Minnesota State Fairgrounds in a manner inconsistent with their intended purposes and agrees that the Society, through its representatives, shall exercise final judgment in any/all questionable circumstances.
4. To the extent possible, Society shall provide parking area(s) for Licensee's use without additional cost. Licensee agrees that no parking charge will be assessed to the public for use of same. At times it is necessary for the Society to schedule parking/traffic attendants to assist with vehicle traffic on the fairgrounds. All costs associated with providing such services will be charged to the Licensee. All posted parking and traffic regulations on the Minnesota State Fairgrounds will be in full force and effect at all times. Violators will be ticketed/towed.
5. Absolutely no overnight sleeping or camping will be allowed on the Fairgrounds, except as may otherwise be specified in this license.
6. No signs, posters, banners, billboards or similar items may be placed on the fairgrounds, except those authorized, approved and placed by Society. Under no circumstances will unauthorized and unapproved signs be allowed at or on the fence line of the fairgrounds, or at fairgrounds gates of entry. Licensee shall neither encumber nor obstruct streets or sidewalks in front of building entrances or halls and stairs of licensed premises, nor allow same to be otherwise obstructed or encumbered in any manner. Licensee agrees that Society's agents have the right to enter into and upon the licensed premises, or any part thereof, at all reasonable hours for the purpose of examining same or making repairs as may be necessary for safety and the preservation thereof.
7. No dogs or other pets shall be allowed on the State Fairgrounds at any time unless confined or restrained on a leash of less than six feet in length. In addition, dogs or other pets are not permitted in any State Fair building, with the following three exceptions:
 - a. Certified service animals or service animals in training.
 - b. Dogs or other pets may be allowed when part of an exhibition or demonstration authorized by the events department.
 - c. Dogs or other pets may be allowed in the horse barn during equine/livestock events if confined or restrained on a leash of less than six feet in length. Society personnel are empowered to order the removal of any dog or pet from the State Fairgrounds in violation of the above or found to be disturbing or endangering the public.
8. Licensee shall assume full responsibility for all damage to Society property of any nature resulting from any negligent act, error, omission or misconduct associated with event setup, conduct or teardown, as well as the acts, errors, omissions or misconduct of those in attendance at this Event. To the extent of Licensee's liability and/or at Licensee's expense, Licensee shall restore Society's damaged property to a condition similar or equal to that existing before the damage was done. Licensee shall repair, rebuild or replace the damage as directed by Society, or they shall otherwise make good on the damage in a manner acceptable to Society.
9. This agreement shall be subject to, governed by and construed according to the laws of the State of Minnesota and any action hereunder shall be brought in and subject to the jurisdiction of Minnesota courts. In the event it is necessary for the Society to institute legal proceedings against Licensee for a breach of any covenant, term or condition of this license, any and all costs of such proceedings, including attorney's fees, shall be deemed to be an additional fee(s), and Society shall have the same rights and remedies as though such additional license fee(s) were a part of the license fees due to Society under this license.
10. Licensee shall not assign, sublet, sell, hypothecate, dispose of or devise by will any interest it may derive from this license agreement during the lifetime hereof, except with the expressed, written consent of Society.

- 11. Failure of Society to insist upon strict performance of any of the terms, conditions and/or covenants herein shall not be deemed a waiver of any rights or remedies that the Society may have and shall not be deemed a waiver by Society of any subsequent breach or default in the terms, conditions and/or covenants herein.
- 12. Society hereby represents that the subject premises are in compliance with the Americans with Disabilities Act and Minnesota Statute 363.01, et al. Licensee agrees to comply in all respects with the Americans with Disabilities Act, as well as all other applicable federal, state and municipal laws, rules and ordinances while occupying and/or using Society premises.

Please have the individual with authority to execute this license on behalf of the Licensee sign both copies and return the original by **02/21/24**. Failure to execute both copies and return the original to the undersigned by **02/21/24** shall result in cancellation of this license offer.

MINNESOTA STATE
AGRICULTURAL SOCIETY

"The undersigned understands and agrees to the terms and conditions of this license agreement, including those terms and conditions made part of this license by reference in the accompanying Document's, except as otherwise provided in this license.

By: _____
Jacob Bryant
Event Specialist

By: _____
Metropolitan Conservation Districts
Madeline Seveland

Date: _____

Date: _____

January 15, 2024

Metropolitan Soil and Water Conservation Districts Technical Service Area
7151 W 190th St, Ste 125
Jordan, MN 55352

Dear Board of Supervisors and District Manager:

The following represents our understanding of the services we will provide Metropolitan Soil and Water Conservation Districts Technical Service Area.

You have requested that we audit the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Metropolitan Soil and Water Conservation Districts Technical Service Area, as of December 31, 2023, and for the year then ended and the related notes, which collectively comprise Metropolitan Soil and Water Conservation Districts Technical Service Area's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit 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 opinion. 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 auditing standards generally accepted in the United States of America (GAAS) and in accordance with Government Auditing Standards will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that the management's discussion and analysis (MD&A) and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedules

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and Government Auditing Standards. As part of our audit in accordance with GAAS and Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- 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 the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Metropolitan Soil and Water Conservation Districts Technical Service Area's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even through the audit is properly planned and performed in accordance with GAAS and Government Auditing Standards.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

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

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

- a) For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
- b) For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements, and
- c) To provide us with:
 - I. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - II. Additional information that we may request from management for the purpose of the audit;
 - III. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
- d) For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
- e) For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- f) For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- g) For acceptance of nonattest services, including identifying the proper part to oversee nonattest work;
- h) For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i) For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
- j) For the accuracy and completeness of all information provided.

With regard to the required supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the required supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding required supplementary information; (c) to include our report on the required supplementary information in any document that contains the required supplementary information and that indicates that we have reported on such required supplementary information; and (d) to present the required supplementary information with the audited basic financial statements, or if the required supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the required supplementary information no later than the date of issuance by you of the required supplementary information and our report thereon.

As part of our audit process, we will request from management, and when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services, at the end of the year, we agree to perform the following:

- Propose adjusting or correcting journal entries to be reviewed and approved by Metropolitan Soil and Water Conservation Districts Technical Service Area's management.
- Prepare the financial statements with the required footnote disclosures.
- Prepare lease amortization calculations and disclosures, if needed.
- Prepare the depreciation schedule, if needed.

We will not assume management responsibilities on behalf of Metropolitan Soil and Water Conservation Districts Technical Service Area. However, we will provide advice and recommendations to assist management of Metropolitan Soil and Water Conservation Districts Technical Service Area in performing its responsibilities.

Metropolitan Soil and Water Conservation Districts Technical Service Area's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the financial statement preparation, lease amortization calculations and disclosures, depreciation schedule, and journal entry proposals previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our audit of Metropolitan Soil and Water Conservation Districts Technical Service Area's basic financial statements. Our report will be addressed to management and the governing body of Metropolitan Soil and Water Conservation Districts Technical Service Area. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinion on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We expect to begin our audit in the spring or summer and to issue our reports no later than October 31, 2024.

Samantha Hoskins is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Peterson Company Ltd's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fee for these services will be \$3,800. Included in this audit fee are six bound copies, any additional copies will be prepared at \$15 each. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices not paid within 30 days will accrue interest at 1.50%. In accordance with our firm policies, work may be suspended if your account becomes 45 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

At the conclusion of our audit engagement, we will communicate to management and the Board of Supervisors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;

- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Peterson Company Ltd and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Board of Water and Soil Resources or the Minnesota State Auditor's Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Peterson Company Ltd's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the Board of Water and Soil Resources or to the Minnesota State Auditor's Office. The Board of Water and Soil Resources or the Minnesota State Auditor's Office may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Sincerely,

Peterson Company Ltd

Peterson Company Ltd
570 Cherry Drive
Waconia, MN 55387

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Metropolitan Soil and Water Conservation Districts Technical Service Area by:

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

**METROPOLITAN SOIL AND
WATER CONSERVATION DISTRICTS
TECHNICAL SERVICE AREA
JOINT POWERS BOARD**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

**METROPOLITAN SOIL AND WATER CONSERVATION DISTRICTS
 TECHNICAL SERVICE AREA JOINT POWERS BOARD
 JORDAN, MINNESOTA
 TABLE OF CONTENTS
 DECEMBER 31, 2022**

| INTRODUCTORY SECTION | Page |
|--|-------------|
| Organization | 1 |
| FINANCIAL SECTION | |
| Independent Auditor's Report | 2 |
| Management's Discussion and Analysis | 5 |
| BASIC FINANCIAL STATEMENTS | |
| General Fund Balance Sheet and Governmental Activities - Statement of Net Position | 8 |
| General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and Governmental Activities - Statement of Activities | 9 |
| Notes to the Financial Statements | 10 |
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Budgetary Comparison Schedule - General Fund | 15 |
| Note to the Required Supplementary Information | 16 |
| REPORTS RELATED TO <i>GOVERNMENT AUDITING STANDARDS</i> | |
| Independent Auditor's Report on Minnesota Legal Compliance | 17 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> | 18 |
| Schedule of Finding and Recommendations | 20 |

METROPOLITAN SOIL AND WATER CONSERVATION DISTRICTS
TECHNICAL SERVICE AREA JOINT POWERS BOARD
JORDAN, MINNESOTA
ORGANIZATION
DECEMBER 31, 2022

| <u>TITLE</u> | <u>NAME</u> | <u>TERM EXPIRES</u> |
|--------------|---------------------|---------------------|
| Chair | John Rheinberger | 12/31/2022 |
| Vice-Chair | Nicole Frethem | 12/31/2022 |
| Treasurer | Douglas Scheonecker | 12/31/2022 |
| Secretary | Glenda Meixell | 12/31/2022 |

PETERSON COMPANY LTD.

CERTIFIED PUBLIC ACCOUNTANTS

570 Cherry Drive | Waconia, Minnesota 55387
952.442.4408 | Fax: 952.442.2211 | www.pclcpas.com

INDEPENDENT AUDITOR'S REPORT

Board of Supervisors
Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board
Jordan, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the governmental activities and the General Fund of Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board, as of December 31, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board 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 opinion.

Responsibilities of Management for the Financial Statements

Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's 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 Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board'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 opinion. 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 GAAS and Government 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 GAAS and Government 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 Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board'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 Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board'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 management's discussion and analysis on pages 5-7, the budgetary comparison schedule on page 15, and the note to the required supplementary information on page 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Other Information

Management is responsible for the other information. The other information comprises the organization information under the introductory section but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and make sure there is nothing materially misstated.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 6, 2023, on our consideration of Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's internal control over financial reporting and compliance.

Peterson Company Ltd

Peterson Company Ltd
Waconia, Minnesota

September 6, 2023

**MANAGEMENT'S DISCUSSION AND ANALYSIS
METROPOLITAN SOIL AND WATER CONSERVATION DISTRICTS
TECHNICAL SERVICE AREA JOINT POWERS BOARD
DECEMBER 31, 2022**

The Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board (Metro Conservation Districts, or MCD) was organized under provisions of MN Stat. Ch. 103C. The MCD is governed by a Board of Supervisors composed of representatives from member Soil and Water Conservation Districts. The member Soil and Water Conservation Districts are Anoka, Carver, Chisago, Dakota, Isanti, Scott, Sherburne, Washington, Wright, Hennepin and Ramsey County.

The Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's discussion and analysis provides an overview of the MCD's financial activities for the fiscal year ended December 31, 2022. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the financial statements.

USING THIS ANNUAL REPORT

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the MCD as a whole and present a longer-term view of the MCD's finances. For governmental activities, financial statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the MCD's operations in more detail than the government-wide statements by providing information about the MCD's general fund. Since JPB's are single-purpose, special-purpose government units, the MCD combines the government-wide and fund financial statements into a single presentation.

THE STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

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

These two statements report the MCD's net position and changes in them. You can think of the MCD's net position—the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources—as one way to measure the MCD's financial health, or financial position. Over time, increases or decreases in the MCD's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the state and local governmental funding, to assess the overall health of the MCD.

In the Statement of Net Position and the Statement of Activities, the MCD presents governmental activities. All of the MCD's basic services are reported here. Appropriations from the state finance most activities.

REPORTING THE MCD'S GENERAL FUND

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

THE MCD AS A WHOLE

Our analysis focuses on the net position and change in net position of the MCD's governmental activities.

Net Position:

| | Governmental Activities | |
|---|--------------------------------|---------------------|
| | 2022 | 2021 |
| Current Assets | \$ 525,857 | \$ 863,795 |
| Capital Assets, net of accumulated depreciation | 234,638 | 237,185 |
| Total Assets | <u>\$ 760,495</u> | <u>\$ 1,100,980</u> |
| Current Liabilities | \$ 479,933 | \$ 814,989 |
| Total Liabilities | <u>\$ 479,933</u> | <u>\$ 814,989</u> |
| Investment in Capital Assets | \$ 234,638 | \$ 237,185 |
| Unrestricted | 45,924 | 48,806 |
| Total Net Position | <u>\$ 280,562</u> | <u>\$ 285,991</u> |

Net position of the MCD's governmental activities decreased by \$5,429. Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements changed from \$45,806 at December 31, 2021 to \$45,924 at December 31, 2022.

Change in Net Position:

| | Governmental Activities | |
|-------------------------------------|--------------------------------|-------------------|
| | 2022 | 2021 |
| Revenues | | |
| Intergovernmental | \$ 460,378 | \$ 492,242 |
| Interest Earnings | 815 | 637 |
| Miscellaneous | - | 152 |
| Total Revenues | \$ 461,193 | \$ 493,031 |
| Expenses | | |
| Conservation | \$ 466,622 | \$ 485,305 |
| Total Expenses | \$ 466,622 | \$ 485,305 |
| | | |
| Increase (decrease) in Net Position | \$ (5,429) | \$ 7,726 |

The MCD's total revenues decreased by \$31,838. The total cost of programs and services decreased by \$18,683.

THE MCD'S FUNDS

As the MCD completed the year, its general fund as presented in the balance sheet reported a combined fund balance of \$45,924, which is less than last year's total of \$48,806.

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual charges to appropriations (expenditures) were \$54,624 under the final budgeted amounts. The most significant negative variance of \$38,520 occurred in State Revenue. The most significant positive variance of \$76,381 occurred in State Project Expenditures.

CAPITAL ASSETS

At the end of 2022, the MCD had \$234,638 invested in capital assets. This amount represents a net decrease (including additions and deletions) of \$2,547 from last year.

CONTACTING THE MCD'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers and creditors with a general overview of the MCD's finances and to show the MCD's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board at 7151 W 190TH St, Suite 125, Jordan, MN 55352. The phone number is 952-492-5425.

METROPOLICATN SOIL AND WATER CONSERVATION DISTRICTS
TECHNICAL SERVICE AREA JOINT POWERS BOARD
JORDAN, MINNESOTA
GENERAL FUND BALANCE SHEET AND GOVERNMENTAL ACTIVITIES -
STATEMENT OF NET POSITION
DECEMBER 31, 2022

| | General Fund | Adjustments | Governmental Activities |
|----------------------------------|-------------------|--------------------|----------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 523,502 | \$ - | \$ 523,502 |
| Due from Other Governments | 2,356 | - | 2,356 |
| Capital Assets: | | | |
| Property & Equipment, net | - | 234,638 | 234,638 |
| Total Assets | <u>\$ 525,858</u> | <u>\$ 234,638</u> | <u>\$ 760,496</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts Payable | \$ 107,238 | \$ - | \$ 107,238 |
| Due to Other Governments | 30,552 | - | 30,552 |
| Unearned Revenue | 342,143 | - | 342,143 |
| Total Liabilities | <u>\$ 479,933</u> | <u>\$ -</u> | <u>\$ 479,933</u> |
| FUND BALANCE/NET POSITION | | | |
| Fund Balance: | | | |
| Unassigned | \$ 45,924 | \$ (45,924) | \$ - |
| Total Fund Balance | <u>\$ 45,924</u> | <u>\$ (45,924)</u> | <u>\$ -</u> |
| Net Position: | | | |
| Investments in Capital Assets | | \$ 234,638 | \$ 234,638 |
| Unrestricted | | 45,925 | 45,925 |
| Total Net Position | | <u>\$ 280,563</u> | <u>\$ 280,563</u> |

See accompanying Notes to the Financial Statements.

**METROPOLICATN SOIL AND WATER CONSERVATION DISTRICTS
 TECHNICAL SERVICE AREA JOINT POWERS BOARD
 JORDAN, MINNESOTA
 GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE AND GOVERNMENTAL ACTIVITIES - STATEMENT OF ACTIVITIES
 YEAR ENDED DECEMBER 31, 2022**

| | General Fund | Adjustments | Governmental Activities |
|---|------------------|-------------------|----------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 460,379 | \$ - | \$ 460,379 |
| Interest Earnings | 815 | - | 815 |
| Total Revenues | <u>461,194</u> | <u>-</u> | <u>461,194</u> |
| EXPENDITURES/EXPENSES | | | |
| Conservation: | | | |
| Current | 426,215 | 40,407 | 466,622 |
| Capital Outlay | 37,861 | (37,861) | - |
| Total Expenditures/Expenses | <u>464,076</u> | <u>2,546</u> | <u>466,622</u> |
| EXCESS OF REVENUES OVER/UNDER EXPENDITURES | (2,882) | (2,546) | (5,428) |
| Fund Balance/Net Position - Beginning of Year | <u>48,806</u> | <u>237,185</u> | <u>285,991</u> |
| FUND BALANCE/NET POSITION - END OF YEAR | <u>\$ 45,924</u> | <u>\$ 234,639</u> | <u>\$ 280,563</u> |

See accompanying Notes to the Financial Statements.

**METROPOLITAN SOIL AND WATER CONSERVATION DISTRICTS
TECHNICAL SERVICE AREA JOINT POWERS BOARD
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board (the MCD) have been prepared in accordance with generally accepted accounting principles (GAAP) for the year ended December 31, 2022. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The significant accounting policies used by the MCD are discussed below.

Financial Reporting Entity

The Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers is organized under the provisions of Minnesota Statutes Chapter 103C. The MCD is governed by a Board of Supervisors, composed of one member from each of the participating Soil and Water Conservation Districts and Counties.

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

As required by generally accepted accounting principles, consideration has been given to other organizations that should be included in the MCD's financial statements for which the nature and significance of their relationship with the MCD are such that exclusion would cause the MCD's financial statements to be misleading or incomplete. There are no organizations that should be presented with the MCD.

Basic Financial Statements

Basic financial statements include information on the MCD's activities as a whole and information on the individual fund of the MCD. These separate presentations are reported in different columns. Each of the statements starts with a column of information based on activities of the General Fund and reconciles it to a column that reports the "governmental activities" of the MCD as a whole.

Measurement Focus and Basis of Accounting

The governmental activities are reported using the economic resources measurement focus and the accrual basis of accounting, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The MCD's net position is reported as restricted and unrestricted. The statement of activities demonstrates the degree to which the expenses of the MCD are offset by revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. The MCD considers all revenues to be available if they are collected within 60 days after the end of the current period. Charges for services and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources, when applicable.

**METROPOLITAN SOIL AND WATER CONSERVATION DISTRICTS
TECHNICAL SERVICE AREA JOINT POWERS BOARD
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

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

Assets, Liabilities, and Net Position or Fund Balance

Cash and Cash Equivalents

Cash is stated at fair value, except for non-negotiable Certificates of Deposit, which are on a cost basis, and short-term money market investments, which are stated at amortized cost.

Due from Other Governments

Due from other governments are recorded for state, county, and local grant amounts that were received after year-end and all eligibility requirements have been met.

Capital Assets

The cost of property and equipment is depreciated over the estimated useful life of the related assets. Leasehold improvements are depreciated over the lesser of the term of the related lease or the estimated useful lives of the assets. Depreciation is computed on the straight-line method. For the purpose of computing depreciation, the useful life for Machinery and Equipment is 3 to 10 years. The MCD uses the threshold of \$2,500 for capitalizing assets purchased.

Unearned Revenue

Unearned revenue is recorded for amounts of state, county, and local grant amounts received prior to satisfying all eligibility requirements imposed by the providers.

Fund Balance

In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties (statute, grantors, bond agreements, etc.). Committed fund balance represents constraints on spending that the government imposes upon itself by a high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or government body delegated to exercise such authority in accordance with the policy established by the Board. Unassigned fund balance is the residual classification for the MCD's General Fund and includes all spendable amounts not contained in the other classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the MCD's policy to use restricted first, then the unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned fund balance amounts are available, it is the MCD's policy to use committed first, then assigned, and finally unassigned fund balance amounts.

**METROPOLITAN SOIL AND WATER CONSERVATION DISTRICTS
TECHNICAL SERVICE AREA JOINT POWERS BOARD
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, and Net Position or Fund Balance (Continued)

Net Position

Net position represents the difference between assets and liabilities in the government-wide statement of net position. Net investments in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Unrestricted net position is the residual classification for the Governmental Activities Fund and includes all spendable amounts not contained in the other classifications.

Use of Estimates

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

Explanation of Adjustments Column in Statements

Capital Assets: In the Statement of Net Position and Governmental Fund Balance Sheet, an adjustment is made if the MCD has capital assets. This adjustment equals the net book balance of capitalized assets as of the report date and reconciles to the amount reported in Note 3 on Capital Assets.

Depreciation for the year: In the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance, the adjustment equals the total depreciation for the year reported.

Change in Accounting Principle

Effective January 1, 2022, the MCD adopted GASB 87, *Leases*. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. The MCD has no leases that would need to be reported under this new accounting standard.

NOTE 2 – DEPOSITS

Minnesota Statutes §§118A.02 and 118A.04 authorize the MCD to designate a depository for public funds and to invest in Certificates of Deposit.

Custodial Credit Risk - Deposits

In the case of deposits, custodial credit risk is the risk that in the event of a financial institution failure, the MCD's deposits may not be returned to it. The MCD does not have a deposit policy for custodial credit risk and follows Minnesota Statutes for deposits.

**METROPOLITAN SOIL AND WATER CONSERVATION DISTRICTS
TECHNICAL SERVICE AREA JOINT POWERS BOARD
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 – DEPOSITS (CONTINUED)

Custodial Credit Risk – Deposits (Continued)

Minnesota Statute §118A.03 requires that all MCD deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledge must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral includes: U.S. government treasury bills, notes, or bonds; issues of U.S. government agency; general obligations of a state or local government rated “AA” or better; irrevocable standby letters of credit issued by the Federal Home Loan Bank; and time deposits insured by a federal agency. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral.

As of December 31, 2022, the MCD's deposits were not exposed to custodial credit risk.

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2022, was as follows:

| | <u>Beginning</u> | <u>Addition</u> | <u>Deletion</u> | <u>Ending</u> |
|--------------------------------|-------------------|-----------------|-----------------|-------------------|
| Equipment | \$ 407,568 | \$ 37,860 | \$ - | \$ 445,428 |
| Less: Accumulated Depreciation | 170,383 | 40,407 | - | 210,790 |
| Net Capital Assets | <u>\$ 237,185</u> | | | <u>\$ 234,638</u> |

Current year depreciation is \$40,407.

NOTE 4 – UNEARNED REVENUE

Unearned revenue represents unearned advances from the Minnesota Board of Water and Soil Resources (BWSR) and from Local Sources for administrative service grants and for the cost-share program. Revenues will be recognized when the related program expenditures are recorded. Unearned revenue for the year ended December 31, 2022, consisted of the following: Children's Water Festival \$64,942; NPEA/Clean Water Funds; \$277,201; Total \$342,143.

NOTE 5 – RISK MANAGEMENT

The MCD is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; workers' compensation claims; or natural disasters. The MCD has entered into an agreement with the Minnesota Counties Intergovernmental Trust (MCIT) to cover its liabilities for workers compensation and property and casualty. For other risks, the MCD carries commercial insurance. There were no significant reductions of insurance coverage from the prior year. There have been no settlements in excess of the MCD's insurance coverage for any of the past three years.

NOTE 6 – FISCAL AGENT AND HOSTS

The Scott Soil and Water Conservation District is the fiscal agent for the MCD. The Dakota County Soil and Water Conservation District is the host for the Non-Point Engineering Assistance Program. The Washington Conservation District was the host for the Sub-watershed Assistance Program through December 31, 2022.

**METROPOLITAN SOIL AND WATER CONSERVATION DISTRICTS
TECHNICAL SERVICE AREA JOINT POWERS BOARD
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 – COMMITMENTS AND CONTINGENT LIABILITIES

The MCD is not aware of any existing or pending lawsuits, claims or other actions in which the MCD is a defendant.

NOTE 8 – RECONCILIATION OF FUND BALANCE TO NET POSITION

| | | |
|--|-----------|----------------|
| Governmental Fund Balance, January 1 | \$ | 48,806 |
| Less: Excess of Expenditures over Revenues | | (2,882) |
| Governmental Fund Balance, December 31 | <u>\$</u> | <u>45,924</u> |
| Adjustments from Fund Balance to Net Position: | | |
| Plus: Capital Assets | <u>\$</u> | <u>234,638</u> |
| Net Position | <u>\$</u> | <u>280,562</u> |

NOTE 9 – RECONCILIATION OF CHANGE IN FUND BALANCE TO CHANGE IN NET POSITION

| | | |
|---|-----------|-----------------|
| Change in Fund Balance | \$ | (2,882) |
| Capital Outlay | | 37,860 |
| The cost of capital assets are allocated over the capital assets' useful life at the government-wide level. | | <u>(40,407)</u> |
| Change in Net Position | <u>\$</u> | <u>(5,429)</u> |

NOTE 10 – SUBSEQUENT EVENTS

The MCD has evaluated events and transactions for potential recognition or disclosure through September 6, 2022, the date the financial statements were available to be issued.

**METROPOLICATN SOIL AND WATER CONSERVATION DISTRICTS
 TECHNICAL SERVICE AREA JOINT POWERS BOARD
 JORDAN, MINNESOTA
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED DECEMBER 31, 2022**

| | Original/ Final Budget | Actual | Variance With Final Budget |
|---|------------------------------|------------------|-------------------------------|
| REVENUES | | | |
| Intergovernmental: | | | |
| Local | \$ 48,600 | \$ 32,899 | \$ (15,701) |
| State Grants | 466,000 | 427,480 | (38,520) |
| Total Intergovernmental | <u>514,600</u> | <u>460,379</u> | <u>(54,221)</u> |
| Interest Earnings | - | 815 | 815 |
| Total Revenues | <u>514,600</u> | <u>461,194</u> | <u>(53,406)</u> |
| EXPENDITURES | | | |
| District Operations: | | | |
| Other Services and Charges | 21,700 | 21,297 | 403 |
| Capital Outlay | - | 37,861 | (37,861) |
| Total District Operations | <u>21,700</u> | <u>59,158</u> | <u>(37,458)</u> |
| Project Expenditures: | | | |
| District | 31,000 | 15,299 | 15,701 |
| State | 466,000 | 389,619 | 76,381 |
| Total Project Expenditures | <u>497,000</u> | <u>404,918</u> | <u>92,082</u> |
| Total Expenditures | <u>518,700</u> | <u>464,076</u> | <u>54,624</u> |
| EXCESS OF REVENUES OVER/UNDER EXPENDITURES | (4,100) | (2,882) | 1,218 |
| Fund Balance - Beginning of Year | <u>48,806</u> | <u>48,806</u> | - |
| FUND BALANCE - END OF YEAR | <u>\$ 44,706</u> | <u>\$ 45,924</u> | <u>\$ 1,218</u> |

See accompanying Note to the Required Supplementary Information.

**METROPOLITAN SOIL AND WATER CONSERVATION DISTRICTS
TECHNICAL SERVICE AREA JOINT POWERS BOARD
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 1 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Each fall, the Board of Supervisors adopts an annual budget for the following year for the General Fund. Any modifications in the adopted budget can be made upon request of and approval by the Board of Supervisors. All annual appropriations lapse at fiscal year-end. Legal budgetary control is at the fund level.

PETERSON COMPANY LTD.
CERTIFIED PUBLIC ACCOUNTANTS

570 Cherry Drive | Waconia, Minnesota 55387
952.442.4408 | Fax: 952.442.2211 | www.pclcpas.com

**INDEPENDENT AUDITOR'S REPORT ON
MINNESOTA LEGAL COMPLIANCE**

To the Board of Supervisors
Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board
Jordan, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's basic financial statements, and have issued our report thereon dated September 6, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board 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 Statutes §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 the Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

Peterson Company Ltd

Peterson Company Ltd
Waconia, Minnesota

September 6, 2023

PETERSON COMPANY LTD.

CERTIFIED PUBLIC ACCOUNTANTS

570 Cherry Drive | Waconia, Minnesota 55387
952.442.4408 | Fax: 952.442.2211 | www.pclcpas.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board
Jordan, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's basic financial statements, and have issued our report thereon dated September 6, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's internal control over financial reporting 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 the Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's internal control over financial reporting.

A deficiency in internal control over financial reporting 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 combination of deficiencies, in internal control over financial reporting 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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying Schedule of Finding and Recommendations as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the MCD's response to the internal control finding identified in our audit and described in the accompanying Schedule of Finding and Responses. The Metropolitan Soil and Water Conservation Districts Technical Service Area Joint Powers Board's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Peterson Company Ltd

Peterson Company Ltd
Waconia, Minnesota

September 6, 2023

**METROPOLITAN SOIL AND WATER CONSERVATION DISTRICTS
TECHNICAL SERVICE AREA JOINT POWERS BOARD
SCHEDULE OF FINDING AND RECOMMENDATIONS
DECEMBER 31, 2022**

2022-001: Financial Statement Presentation

Criteria: The MCD's management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation of the financial statements in accordance with generally accepted accounting principles.

Condition and Context: As part of the audit, management requested us to prepare a draft of the financial statements, including the related notes to the financial statements. Management has accepted responsibility for the financial statements and reviewed them.

Prior Year Finding: Yes, 2021-001.

Cause: The MCD has a limited number of personnel with financial reporting experience.

Effect: The design of the controls over the financial reporting process would affect the ability of the MCD to report its financial data consistently with the assertions of the management in the financial statements..

Recommendation: We recommend that the MCD be aware of the requirements for fair presentation of the financial statements in accordance with the generally accepted accounting principles. Should the MCD elect, based upon an analysis of costs and benefits, to establish the full oversight of the financial statement preparation of an appropriate level, we suggest management establish effective review policies and procedures including but not limited to the following: Reconciling general ledger amounts to the draft financial statements; review of all supporting documentation and explanations for journal entries proposed by us; complete the disclosure checklist; review and approval of schedules and calculations supporting the amounts included in the notes to the financial statements; apply analytic procedures to the draft financial statements; and perform other procedures considered necessary by management.

Management Response: The MCD understands that this is required communications for the preparation of the financial statements.