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RILEY-PURGATORY-BLUFF CREEK WATERSHED DISTRICT

GOVERNANCE MANUAL

Adopted as amended October 14, 2020

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Riley-Purgatory-Bluff Creek Watershed District Governance Manual – Introduction

The Riley-Purgatory-Bluff Creek Watershed District is a special purpose unit of government established under Minnesota Statutes chapters 103B and 103D. The Riley-Purgatory-Bluff Creek Watershed District, is governed by a five-member Board of Managers appointed to staggered terms by the Hennepin County and Carver County Boards of Commissioners. In 2012, the Riley-Purgatory-Bluff Creek Watershed District hired an administrator to oversee and direct day-to-day activities and to carry out the Water Management Plan.

This **Riley-Purgatory-Bluff Creek Watershed District Governance Manual** was adopted by the Board on July 2, 2014, amended February 4, 2015, and again amended on October 14, 2020. The manual establishes clear written policies, procedures and instructions for the management of District activities and accounts, complete recordkeeping and records management, and separation of duties among District staff and contractors. The manual will also help to ensure that: similar transactions are treated consistently; that accounting principles used are appropriate and proper; and that records and reports are produced in forms desired by the managers and state review entities, including: the Legislature, the Office of the State Auditor; and the Board of Water and Soil Resources.

The manual consists of this document, along with the following policies and protocols adopted by the District:

- **General Governance Policies.**
- **Bylaws**, including the District Conflict of Interest Policy and fulfilling the requirement of Minnesota Statutes section 103D.315, subdivision 11.
- **Policies and Procedures for Public Access to Documents** fulfills requirements of the state Data Practices Act applicable to the District. The following auxiliary documents fulfill specific requirements of the Data Practices Act, as noted:
 - Security of Not-Public Data and procedures to ensure accuracy and security of data on individuals and to notify data subjects of their rights under the DPA, along with the accompanying Inventory of Not-Public Data on Individuals.
 - Procedures to ensure accuracy and security of data on individuals (Minn. Stat. § 13.05, subd. 5) and to notify data subjects of their rights under the DPA (Minn. Stat. § 13.025, subd. 3).
 - Tennesen notices and consent forms, created when needed and tailored for specific circumstances where private or confidential data is collected from individuals, such as new employees, or distributed (Minn. Stat. § 13.04, subd. 2). (The manual includes the District’s basic templates.)
- **Records Retention Schedule** allows the District to efficiently manage and, when appropriate, archive its files, and fulfills the requirement of Minn. Stat. §138.17, subdivision 7, as well and the Data Practices Act requirement that the District maintain a list of private and confidential data on individuals maintained

by the District (Minn. Stat. §13.05, subdivision 1). The schedule also includes indication of whether the District stores information electronically or in hard copy form, in compliance with the Uniform Electronic Transactions Act, Minnesota Statutes section 325L.17.

- **Policy for Management of Permit Fees, Financial Assurances and Abandoned Property** provides protocols to manage assurances collected by the District from permittees and ensures that funds submitted are managed in accordance with the state unclaimed property law (chapter 345 generally and section 345.38 specifically), accompanied by an:
 - Escrow agreement template, for escrow of funds submitted by permittees in fulfillment of the financial performance-assurance requirements in the District rules.
- **Public Purposes Expenditures Policy** includes protocols and requirements to ensure that the District complies with the requirement in the state constitution (Article X, section 1) that expenditures by government bodies must serve a public purpose;
- **Fund Balance Policy** adopted to bring District fund-classification and -naming practices into compliance with general accounting standards.
- **Internal Controls and Procedures for Financial Management** provides terms for the management and administration of District finances.

The manual will be reviewed at the managers' annual business meeting and updated as necessary. The manual will be submitted within 60 days of adoption to the Office of the State Auditor in compliance with Minn. Stat. § 6.756, as will any revisions and additional policies when adopted, copies of which shall be attached hereto and the Secretary is authorized to amend the index as necessary to reflect such additional policies. This manual may be amended only by compliance with the same terms and conditions applicable to the amendment of the District's By-laws, i.e. by a four-fifths majority vote of the Board of Managers with thirty (30) days' advance written notice of the proposed change(s), unless such notice is waived by all the managers. Notice of any amendment is to be contained in the notice of the meeting at which the proposed amendment is to be considered.

District staff and contractors are expected to conduct District business in accordance with the manual and to alert the Board of Managers to improvements and additions needed.

Riley-Purgatory-Bluff Creek Watershed District
General Governance Policies

The following general governance policies help ensure sound administration of District business and continued focus of District resources on protection and improvement of the water resources in the Riley-Purgatory-Bluff Creek watershed.

I. Contracting

- a. All contracts shall be authorized by the Board of Managers, and shall be reviewed by the District's legal counsel prior to submission to the Board of Managers for consideration, unless the contract conforms to the template(s) prepared by the District's legal counsel.
- b. All amendments to any approved contract shall be authorized by the Board of Managers, except that the Board of Managers delegates to the administrator the authority to approve work-change directives and change orders for District projects that will result in an aggregate increase of the cost of a project by no more than the lesser of (i) \$10,000 or (ii) twenty percent (20%) of the original contract amount.
- c. The administrator may require a District contractor to secure additional or replacement payment and/or performance bonds to cover any increased price of a District project resulting from a change order approved by the administrator.
- d. A change order approved by the administrator will be presented to the Board of Managers at its next meeting.

II. Per diems

- a. Managers may receive a per diem for participation in a meeting of the Board of Managers, approved meeting and training, approved annual presentation on District activities to any city or county in the District, and for other necessary duties. An activity must be authorized or requested by the Board of Managers or requested by the administrator to be considered a necessary duty for purposes of this policy.
- b. A manager may receive one per diem for preparation for each meeting attended by the manager.
- c. A manager may receive one per diem for attendance at each day of the annual meeting of the Minnesota Association of Watershed Districts (MAWD), the MAWD legislative conference, the MAWD summer tour, and a meeting of the Metro chapter of MAWD.
- d. Managers will prepare claim forms for per diem and expenses in duplicate. The original will be submitted to the treasurer to be processed and approved in the same manner as other claims against the District. Claims for expenses should be submitted quarterly, and under any circumstances all claims for expenses in any given year must be submitted prior to January 15 of the

following year. The manager will retain a copy for his or her personal records.

- e. A manager may receive only one per diem per day of service to the District.
- f. The per diem rate shall be the maximum rate specified in Minn. Stat. § 103D.315, subdivision 8.
- g. No manager shall be paid a per diem for the attendance at or conduct of any activity for which the manager is entitled to compensation from any other person or entity.

III. Records management and retention

- a. The District will make and preserve all records necessary to ensure the availability of a full and accurate accounting of the District's official activities, in fulfillment of Minn. Stat. §§ 15.17, subdivision 1, and 138.17.
- b. The District will adopt and maintain a records retention schedule, to be approved by the State Archives Office, governing the retention and/or disposal of records created by the District, a copy of which is included in this Governance Manual.
- c. In keeping with the direction of the Uniform Electronic Transactions Act, the District has determined that it will create and retain its records in electronic form to the greatest extent possible. The District's records retention schedule includes indication of records that may be retained in hard copy form, but District policy is to retain all records in electronic form. This policy is prospective as of November 2012, and the District does not intend to convert historic records from hard copy to electronic form.
- d. The administrator is the responsible authority for purposes of District compliance with the Data Practices Act, Minnesota Statutes chapter 13. Each year, the administrator shall provide to the Board of Managers a report documenting compliance with the Data Practices Act.
- e. The administrator is the data practices compliance official for purposes of District compliance with the Data Practices Act.
- f. The District shall maintain a website and shall endeavor to make as many of its records available through the District's website as practicable, including but not limited to:
 - i. A calendar for each calendar year of District events, including known events scheduled to occur during the next twelve (12) months, which schedule is subject to change;
 - ii. The agenda and meeting packet of information provided to the managers prior to and at a meeting of the managers;
 - iii. The officially approved minutes of meetings of the Board of Managers;
 - iv. The District's annual reports, including annual financial statements, and annual communications;
 - v. The District's permitting rules;
 - vi. The Governance Manual, including all attachments;
 - vii. The District's approved annual budgets;

- viii. Pertinent information concerning the District's Governance Committee, Personnel Committee, Citizens Advisory Committee, Technical Advisory Committee and such other committees of the District in existence from time to time;
- g. The District shall maintain a database of:
 - i. Permit applications and permits issued;
 - ii. Cost share applications, approved cost share grants, and related staff reports or compilations;

IV. Delegated authority

- a. No employee of the District may exercise authority beyond that which is allocated to the administrator by the District bylaws and policies that constitute the Governance Manual.
- b. Authority delegated to the administrator may not be delegated to other employees or contractors of the District.
- c. Duties assigned to the administrator may be delegated to other employees or contractors by the administrator, however the administrator will remain responsible to the Board of Managers for the proper execution of all delegated duties.
- d. All consultants to the District work under the direction of the administrator, except for auditors and legal counsel. The auditor's and legal counsel's primary responsibility is to the Board of Managers.
- e. Except as otherwise specifically provided for herein, the administrator may not commit funds of the District without the approval of the Board of Managers.

V. Managers' authority

- a. The Board President is authorized to speak on behalf of the District. No other manager may speak on behalf of the District unless authorized to do so by the Board of Managers. This provision does not prevent any manager from giving his or her opinion on any matter as long as he/she makes clear he/she does not speak for the District or the Board of Managers. Managers are encouraged to withhold individual opinions on a subject pertaining to the District until the next regularly scheduled meeting of the Board of Managers or a special meeting on such matter, if sooner.
- b. No individual manager may provide direction, instructions or authorization to the administrator unless specifically authorized to do so by the Board of Managers.
- c. A manager's request for information that would require more than 15 minutes of the administrator's time must be approved by the board of managers. Cumulative requests that require more than 30 minutes of the administrator's time in one calendar month must be approved by the Board of Managers.
- d. A manager's request for information in the possession of the District, including information from consultants to the District, other than auditors or legal counsel, shall be directed through the Administrator. Manager requests for information to auditors and legal counsel may be directed to the auditor

and legal counsel. Except in the case of allegations of wrongdoing, auditors and legal counsel shall inform the administrator of such requests for information.

- e. Individual managers cannot bind the District to agreements or expenditures unless specifically authorized to do so by the Board of Managers. An agreement shall be binding on the District only if such agreement has been signed on behalf of the District by a person authorized to do so pursuant to action by the Board of Managers.

Schedule of Regular Activities

The District will observe the following schedule of required activities to ensure continued compliance with laws and regulations:

- The District conducts its annual business meeting in January. At that meeting the Board of Managers shall:
 - Approve a schedule of regular meetings of the Board of Managers and Citizens Advisory Committee for the ensuing year.
 - Reviews insurance needs and current coverage.
 - If an odd-numbered year, authorize the solicitation of engineering, legal, auditing, accounting and other professional services proposals, per Minnesota Statutes section 103B.227, subdivision 5.
 - Designate:
 - § one or more depositories for the District's funds,
 - § a depository for permit assurance bonds, letters of credit, and cash escrows received as security from permittees,
 - § and an official newspaper for publication of District notices.
 - Appoint:
 - § individuals to serve on the District's Citizens Advisory Committee, in compliance with Minn. Stat. §103D.331, and
 - § individuals to serve on the District's technical advisory committee in compliance with Minn. Stat. §103D.337.
 - Appoint managers to serve on standing committees of the Board of Managers.
 - Reviews the District's fee and permit security schedules and authorize such revisions as the Board of Managers deems appropriate.
 - Reviews and, as necessary, directs the preparation of updates to its Governance Manual.
 - Elect from among its members the following officers: president, vice president, secretary and treasurer.
- The District annually publishes a newsletter or other watershed-wide communication that explains the District's programs, lists the members of the Board of Managers and notes District contact information, per Minnesota Statutes section 103B.227, subdivision 4. The District will maintain this information on its website as well.
- The District annually audits its accounts and expenditures, per Minn. Stat. §103D.355, subd. 1.
- The District annually submits to the Board of Water and Soil Resources a financial, activity and audit report each year by May 1 (within 120 days of the end of the District's fiscal year), per Minn. Stat. §103B.231, subdivision 14, and Minnesota Rules 8410.0150, subpart 1, and submits to the Office of the State Auditor an audit report by May 1 each year (within 120 days of the end of the District fiscal year), per Minnesota Rules 8410.0150, subpart 1.

- Each February, the District administrator shall prepare and submit to the Board of Managers an end-of-year report on the financial performance of the District for the preceding year as compared to the budget.
- The District administrator annually prepares, in July, a report to the board on the status of fund balances in relation to the Fund Balance Policy.
- The administrator, as the Data Practices Act responsible authority, reviews in July each year the District's DPA policy and associated protocols to ensure harmony with current law, in accordance with Minn. Stat. §13.05, subd. 1.
- The administrator annually assesses in July each year whether the District has abandoned property and returns abandoned property, if any, in accordance with the schedule in the Policy for Management of Permit Fees, Permit Securities and Abandoned Property.
- Annually on or before September 15 the District adopts a budget for the next year and decides on the total amount of funding necessary to be raised from ad valorem tax levies to meet the budget.
- Each November, the administrator shall arrange for the review of and report on the District's information technology systems by a reputable information technology consultant and shall provide such report to the Board for review at the Board's December meeting along with any recommend changes. Such report shall include but not be limited to a review and report on the security of the District's information technology systems as well as any recommendations for the improvement of the District's information technology systems.
- Pursuant to the Truth in Taxation law, the District holds a further public informational meeting on its budget and levy at its December meeting at which the public is allowed to speak; the Board of Managers may, but need not take any action to alter the budget and levy adopted in September; it may decrease, but may not increase the levy adopted in September prior to finalization by the county auditors at the end of December.
- Each December, the administrator shall review the District's disaster preparedness plan (including provisions regarding pandemics) and provide a summary to the Board for review at the Board's December meeting along with any recommend changes.

Riley-Purgatory-Bluff Creek Watershed District

Bylaws

These bylaws establish governing rules for the Riley-Purgatory-Bluff Creek Watershed District (District) Board of Managers (Board), in compliance with Minn. Stat. §103D.315, subdivision 11.¹

- I. **Office.** The District will maintain its principal place of business and its official records at an office located within the watershed, presently 18681 Lake Drive East, Chanhassen MN 55346. The Board may change the location of its principal place of business in accordance with Minn. Stat. §103D.321, subdivision 2.
- II. **Board of Managers.** The Board consists of four managers appointed by the commissioners of Hennepin County and one manager appointed by the commissioners of Carver County. Managers serve staggered three-year terms. A manager serves until his or her replacement is appointed.
 - a. *Vacancy.* A manager who is unable to fulfill his or her term will notify his or her county board of commissioners to allow the commissioners to appoint a replacement in a timely manner.
 - b. *Compensation.* The managers shall be compensated for attending meetings and performing other duties necessary to properly manage the District and reimburse managers for expenses incurred in performing official duties. Compensation will be at the rate established by Minn. Stat. §103D.315, subdivision 8, unless a lower rate is established by the Board of Managers.
 - c. *Bonding.* Before a manager assumes his or her duties, the District, at the District's expense, will obtain and file a bond for the manager in accordance with Minn. Stat. §103D.315, subdivision 2.
 - d. *Insurance.* The District will provide insurance for the managers insuring the managers against liability arising out of or in connection with their actions as managers of the District and the operation of the District on such terms and in such amounts as the Board determines.
 - e. *Attendance.* Managers are expected to attend meetings of the Board. At the Board's discretion, a manager's failure to attend three consecutive regular meetings of the District may be reported to that manager's county board of commissioners.
- III. **Officers.** The Board annually, at its January meeting, will elect from among its members the following officers: president, vice president, secretary and treasurer. If

¹ All references in these bylaws to statutes are to the section or sections as they may be amended.

any officer resigns or cannot complete his or her term of office, the Board shall promptly elect from among its members an individual to complete the unexpired term. An officer's term as officer continues until a successor is elected or the officer resigns. The Board, by action at an official meeting, may appoint a manager as an officer *pro tem* in the event an officer is absent or unable to act, and action by that officer is required.

- a. *President.* The president shall:
 - i. preside at all meetings as chair of the Board.
 - ii. sign and deliver in the name of the District contracts, deeds, correspondence or other instruments pertaining to the business of the District which have been approved by the Board;
 - iii. be a signatory to the District accounts;
 - iv. be a signatory to District documents if the treasurer or secretary is absent or disabled, to the same extent as the treasurer or secretary.
- b. *Vice President.* The vice president shall:
 - i. preside at meetings as chair in the absence of the president;
 - ii. be a signatory to the District accounts;
 - iii. be a signatory to District instruments and accounts if the president is absent or unable, to the same extent as the president.
- c. *Secretary.* The secretary shall:
 - i. be a signatory to resolutions and other documents certifying and memorializing the proceedings of the District;
 - ii. be a signatory on all of the District financial accounts;
 - iii. maintain the records of the District;
 - iv. issue the required public and Board notice of all meetings in accordance with Minnesota Statutes chapter 13D and other applicable laws;
 - v. ensure that minutes of all Board meetings are recorded and made available to the Board in a timely manner and maintain a file of all approved minutes;
 - vi. keep a record book in which is noted the minutes of proceedings at all meetings, including the votes of the members of the Board of Managers.
- d. *Treasurer.* The treasurer shall:
 - i. be a signatory to the District accounts and financial records;

- ii. present a report at the monthly meeting of the Board that includes a current check register and tracks each of the watershed district's funds and account balances;
- iii. provide such other records as are necessary to inform the Board of the financial condition of the District.

IV. **Committees.** All standing and special committees of the Board will be appointed by majority vote of the managers. Membership on standing committees of the Board (e.g. Governance, Personnel) will be determined in January of each year. Other special committees may include persons who are not managers, but no member of a committee who is not a manager may offer a motion or vote on a matter put before the committee. It is the duty of a committee to act promptly and faithfully in all matters referred to it and to prepare minutes of any votes taken by the committee on recommendations to the Board of Managers, and otherwise to make reports as directed on the date established by the chair or Board. No committee may provide direction, instructions or authorization to the administrator unless specifically authorized to do so by the Board of Managers. A complete and accurate copy of committee minutes of votes and written reports will be made by the secretary and filed and recorded in the office of the Board.

- a. *Governance Committee.* The Governance Committee is a standing committee of the Board of Managers and shall consist of two managers, with support from the administrator and the District's legal counsel. The committee shall review annually the Governance Manual, and make recommendations for revisions to the Board of Managers. All meetings of the committee shall be noticed and open to the public as required by the Open Meeting Law.
- b. *Personnel Committee.* The Personnel Committee is a standing committee of the Board of Managers and shall consist of two managers, with support from the administrator and the District's legal counsel. The committee shall make recommendations to the Board of Managers on personnel and human resources matters. All meetings of the committee shall be noticed and open to the public as required by the Open Meeting Law, except for meetings which are required to be closed or may be closed pursuant to the Open Meeting Law.
- c. *Citizens Advisory Committee.* In accordance with Minn. Stat. §103D.331, there is established a District citizens' advisory committee. The committee is known as the Citizens Advisory Committee (CAC). The CAC shall perform the duties set forth in Minnesota Statutes section 103D.331. The CAC will meet according to a schedule set by its members each year and at such other times as the members of the CAC may determine. All meetings of the CAC are open to the public.
- d. *Technical Advisory Committee.* In accordance with Minn. Stat. §103D.337, there is established a technical advisory committee (TAC) to the Board. The

TAC is convened as necessary and appropriate to advise the Board on regulatory, watershed planning and other technical matters.

- e. *Audit and Finance Committee.* A committee known as the Audit and Finance Committee is hereby established. The Committee shall consist of two managers appointed by the Board. The purpose of the committee shall be to review monthly the financial condition of the District, to assist in the preparation for and review of the results of the annual audit of the District's financial statements.
- f. The Board shall not delegate supervision of the District administrator or any District employee to a committee.

V. **Meetings.** In January each year the Board will set a schedule of regular meetings for the coming year. Adjourned and special sessions may be held at such times as the Board deems necessary and proper.

- a. Special meetings and emergency meetings may be called by the chair or any manager. Notice of a special or emergency meeting will be issued and published by the secretary or the secretary's designee in accordance with the Open Meeting Law, Minnesota Statutes chapter 13D.
- b. All meetings of the Board will be open to the public, except that a meeting or portion of a meeting may be closed in accordance with the Open Meeting Law.
- c. At all meetings of the Board, a majority of the members appointed will constitute a quorum necessary to do business, but a minority may adjourn from day to day.
- d. *Agenda.* The agenda for the meetings of the Board of Managers will generally follow the order and format set forth in Exhibit X, subject to revisions by the Board as provided herein. Managers, staff and the public may submit items to be considered for inclusion in the proposed agenda. The administrator will prepare a draft proposed agenda and the President shall set the proposed agenda to be distributed with the meeting packet. The meeting agenda shall be set at the meeting by a majority vote of the Board of Managers.
- e. *Board Meeting Packet.* No later than 5:00 p.m. of the third business day preceding a meeting of the Board of Managers, the administrator shall prepare a copy of all materials which are to be presented or discussed at the upcoming meeting, and post these materials to the District website. Other than materials classified by law as other than public as defined in Minnesota Statutes chapter 13, or to materials relating to the agenda items of a closed meeting held in accordance with the procedures in Minn. Stat. §13D.03 or other law permitting the closing of meetings, at least one copy of any printed materials relating to the agenda items of the meeting prepared or distributed by or at the direction of the governing body or its employees and distributed

at the meeting, before the meeting, or available in the meeting room to all members of the Board of Managers shall be available in the meeting room for inspection by the public as required by the Open Meeting Law.

- f. *Conduct of meetings.* At the time appointed for a meeting, the members will be called to order by the president as chair or, in his or her absence, the temporary chair, noting managers in attendance. On determination of a quorum, the Board will proceed to do business in accordance with the agenda, as may be amended and approved by the Board.
 - i. The chair will preserve order and decide questions of order, subject to an appeal by any member. The chair may make motions, second motions, or speak on any question. The chair will be entitled to vote in the same manner as other members of the Board.
 - ii. The order of business for a meeting may be varied by the chair, but no public hearing convened by the Board will be closed before the time specified for the hearing in the notice.
 - iii. Every member before speaking will address the chair and will not proceed until recognized by the chair. A member called to order will immediately suspend his or her remarks until the point of order is decided by the chair.
 - iv. Any person may address the Board on a matter properly before the Board. The chair may limit the time allowed for a manager or other person addressing the Board to speak.
 - v. Any person may request that a matter be heard by the Board. The Board will consider such request and determine whether and, if approved, when to take up the matter or to defer the matter pending receipt of additional information thereon and direct the administrator to obtain such information.
 - vi. Every member will act with courtesy, civility and respect in all interactions as a member of the Board of Managers, maintaining an open mind, and participating in open communication; members should refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members, staff or any member of the public.
- g. *Appeal of a chair ruling.* A manager may appeal to the Board from a ruling of the chair. If the appeal is seconded, the manager may speak once solely on the question involved and the chair may explain his or her ruling, but no other manager will participate in the discussion. The appeal will be sustained if it is approved by a majority of the managers present, exclusive of the chair.
- h. *Meeting rules.* In all points not covered by these rules, the conduct of a meeting of the Board will be governed by the current edition of *Robert's*

Rules of Order. Robert's Rules may be temporarily suspended by consent of a majority of the managers present at the meeting.

- i. *Resolutions.* Other than procedural motions, the Board shall take action only by the adoption of a resolution properly before the Board by a majority vote of the managers present at a duly called meeting at which a quorum is present. The proponent of any action to be taken by the Board shall prepare and submit a written draft resolution for such proposed action for consideration by the Board of Managers. For actions not proposed by a member of the public or an individual manager, the administrator shall prepare and include in the Board meeting packet for each action item on the proposed agenda a proposed written resolution for consideration by the Board of Managers. The Board may order that staff prepare a resolution reflecting action taken by the Board on any item for which there is not a written resolution. The material terms of a resolution must be stated in the motion to adopt. Each resolution passed by the Board will be signed by the secretary and filed in the official minutes and records of the District maintained at the District office.
- j. *Minutes and Records.* Minutes of all meetings of the Board and committees will be made by the secretary or, with respect to a committee meeting, the Board member responsible for making the minutes. When approved and signed, the minutes will constitute the official record and journal of the Board proceedings. Except in extenuating circumstances, at the regular meeting of the Board, draft minutes of the preceding Board meeting will be reviewed by the Board and adopted as may be amended. A copy of the adopted minutes as amended shall be reduced to writing showing the changes made to the draft minutes and a copy of the adopted minutes without designation of changes will be presented to the Board of Managers at the next meeting and unless further corrected by a majority vote of the Board of Managers, shall be signed by the Secretary or the Secretary Pro Tem in that form. The signed copy of the adopted minutes shall be kept at the District office and posted to the District's website. All written communications addressed to the Board, other materials included in a Board meeting packet, and all documents and materials submitted to the record in the course of a Board meeting will be filed in the District office with the minutes of the meeting in the meeting folder, including in electronic form.
- k. *Voting.* When the chair puts a question to the Board, every manager present will vote, except as a manager elects to abstain. The manner of voting on any business coming before the Board may be by voice vote. An affirmative or negative vote by any member will be entered in the minutes on his or her request. Affirmative and negative votes will be recorded on any motion at the request of a manager and the results entered in the minutes. Unless provided otherwise by law, any vote or ballot completed by a manager, whether binding or not, will be disclosed at the meeting at which it is taken; a survey

of managers shall be presented at the next scheduled meeting at which the relevant item of business is considered, including the vote results and vote of each member. All resolutions of the Board of Managers shall be assigned a number which notes the year of the action and a sequential number based on the order of action.

- VI. **Conflict of Interest.** The Board seeks to operate in accordance with high ethical standards and wishes to establish clear guidelines for the ethical conduct of District business. Ensuring that conflicts of interest do not affect District proceedings is an essential element of maintaining high ethical standards. Therefore, to specify and supplement its commitment to compliance with the Ethics in Government Act, Minn. Stat. §10A.07, the Board adopts the following conflict of interest policy:
- a. *Disclosure of conflicts.* A manager who has a personal financial interest, or other private interest or relationship that limits the manager's ability objectively to consider, deliberate or vote, in a matter scheduled to come before the Board must prepare a written statement describing the matter requiring action and the nature of the potential conflict. The manager affected will deliver the statement to the president of the Board before the Board considers or takes action on the matter. If a potential conflict arises and a manager does not have sufficient time to prepare a written statement, the manager must orally inform the Board before the matter is discussed.
 - b. *Abstention.* A manager must abstain from chairing any meeting, participating in any vote, offering any motion, or participating in any discussion on any matter that may substantially affect the manager's financial interests or those of an associated business or family member, unless the effect on the manager is no more than on any other member of the manager's business classification, profession or occupation. A manager also must abstain from chairing any meeting, participating in any discussion, offering any motion, or voting on any matter in which a private interest or relationship of the manager limits the manager's ability objectively to consider, deliberate or vote. The manager's nonparticipation in the matter will be recorded in the minutes.
- VII. **Bylaws compliance, suspension and amendment.** These bylaws are adopted to facilitate the transaction of Board business. They should not be permitted to divert or hinder the expressed intent and desire of the Board. Informal compliance and substantial performance will be sufficient under the foregoing provisions in the absence of an objection seasonably taken. An objection will be deemed not seasonably taken as to any procedural matter provided for herein if a manager present at the meeting fails to object and request compliance with these bylaws during the meeting. To be seasonably taken by an absent member, an objection must be taken at the next regular meeting of the Board.

- a. Any provision of these bylaws may be suspended temporarily by a vote of all members of the Board present at the meeting, except a provision that preserves the right of an absent manager.
- b. These bylaws may be amended by a four-fifths (4/5) majority of the Board on 30 days written notice of the proposed change(s), unless such notice is waived by all managers. Notice of any amendment is to be contained in the notice of the meeting at which the proposed amendment is to be considered. An amendment to these bylaws must be approved by a four-fifths (4/5) majority of the Board.
- c. Interpretation of the bylaws and any amendment thereto will rest with the Board. The bylaws are to be interpreted as consistent with the state watershed laws, Minnesota Statutes chapters 103B and 103D, and other governing laws. In the event of a conflict, the governing laws control.
- d. These bylaws will be reviewed by the Board at least once every three years.
- e. These bylaws govern internal conduct of the business of the District and neither create nor elucidate any right in any third party.

I, _____, secretary of the Riley-Purgatory-Bluff Creek Watershed District Board of Managers, certify that the attached are true and correct copies of the bylaws of the Riley-Purgatory-Bluff Creek Watershed District, which were properly adopted by the Board of Managers October 14, 2020.

David Ziegler, Secretary

Date: _____

Riley-Purgatory-Bluff Creek Watershed District

Code of Conduct Policy

A. DECLARATION OF POLICY

The proper operation of democratic government requires that the public officials and employees be independent, impartial and responsible to the people; that government decisions and policy be made in the proper channels of the government structure; that public office not be used for personal gain; and that the public have confidence in the integrity of its government.

In recognition of these goals, the Board of Managers has established this Code of Conduct for all public officials and employees of the District.

Public officials hold office on behalf of the public. They are bound to uphold the Constitution of the United States and the Constitution of the State of Minnesota. Public officials must carry out impartially the laws of the nation, state and District in fostering respect for all government and otherwise faithfully discharge the duties of their office.

Public officials shall be dedicated to fulfilling their responsibilities of office. They shall be dedicated to the public purpose and all programs developed by them shall be in the community interest. Public officials shall not exceed their authority or breach the law or ask others to do so. They shall work in full cooperation with other public officials and employees unless prohibited from doing so by the law.

B. BOARD OF MANAGERS CONDUCT WITH DISTRICT STAFF

1. Board authority. The Board of Managers member's statutory duties

are generally to be performed by the Board of Managers as a whole. The Board of Managers, and not individual members, supervises the administrator, and the administrator supervises staff. As individuals, Board of Managers members have no administrative authority. They cannot give orders or otherwise supervise District employees, unless specifically directed to do so by the Board of Managers. The full Board of Managers, however, holds the ultimate authority over all administrative affairs in the District.

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Disrespectful behavior, conduct that does not respect abilities, experience, and dignity toward staff is not accepted.

2. Limitations on contact with District staff.

- (a) Questions of District staff and requests for information shall be directed to the administrator. Materials supplied to a Board of Managers member in response to a request will be made available to all members of the Board of Managers.
- (b) Board of Managers members shall not express concerns about the performance of a District employee in public, to the employee directly, or to the employee's supervisor. Comments about staff performance shall be made solely to the administrator through private correspondence or conversation.
- (c) Individual Board of Managers members must not attempt to influence staff on the making of appointments, awarding of contracts, selecting of consultants, processing of development

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3 applications, or granting District permits outside of Board action
4 at a Board meeting.

- 5
6 (d) Request by a manager for staff support, even in high priority or
7 emergency situations, shall be made to the administrator who is
8 responsible for allocating District staff resources in order to maintain a
9 professional, well-run organization.

10
11 **C. MANAGERS CONDUCT WITH THE PUBLIC**

- 12 1. No signs of partiality, prejudice, or disrespect will be tolerated on the
13 part of individual Board of Managers members toward an individual
14 participating in a public forum.
- 15
16 2. The President (or Vice-President in the President's absence) will
17 determine and announce limits on speakers at the start of the public
18 meeting. Generally, each speaker will be allocated three (3) minutes. If
19 many speakers are anticipated, the President may shorten the time limit
20 and/or ask speakers to limit themselves to new information and points of
21 view not already covered by previous speakers. No speaker will be turned
22 away unless exhibiting inappropriate behavior, such as discourteous or
23 abusive conduct or verbal attacks affecting the decorum of the meeting.
- 24
25 3. Only the President (or Vice-President in the President's absence), and not
26 individual Board of Managers members, can interrupt a speaker during
27 a presentation. Questions by the Board of Managers members of the
28 public shall seek to clarify or expend information. It is never appropriate
29 to belligerently challenge or belittle the speaker. Board of Managers
30 member's personal opinions or inclinations about upcoming votes shall
31 not be revealed.
- 32
33 4. The District attorney serves as advisory parliamentarian for the District
34 and is available to answer questions or interpret situations according to
35 parliamentary procedures. Final rulings on parliamentary
36 procedure are made by the President, subject to the appeal of the full
37 Board of Managers.
- 38

39 D. MANAGERS CONDUCT IN UNOFFICIAL SETTINGS

- 40 1. It is appropriate for Board of Managers members to give a brief overview
41 of the District policy when asked about a specific issue by constituents
42 and to refer individuals to District staff for further information. It is
43 inappropriate to overtly or implicitly promise Board of Managers action,
44 or to promise that District staff will perform or expedite a specific service
45 or function (monitor lake, rush a permit etc.).
46
47 2. It is acceptable to publicly disagree about an issue, but it is unacceptable to
48 make derogatory comments about District staff, other Board of
49 Managers members, their opinions and actions.
50
51 3. Board of Managers members are constantly being observed by the
52 community every day that they serve in office. Their behaviors serve as
53 models for proper behavior in the District. Honesty and respect for the
54 dignity of each individual should be reflected in every word and action
55 taken by Board of Managers members, 24 hours a day, seven days a
56 week. It is a serious and continuous responsibility.

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E. INCLUSION AND DIVERSITY

The District embraces and values diversity and seeks to expand the District’s internal awareness of the opportunities and challenges related to creating a more diverse and inclusive environment. The District seeks to deepen relationships with many communities, including traditionally underserved communities, by increasing outreach and project planning to benefit these communities. The District is committed to increasing its organizational diversity and inclusion efforts by increasing recruitment, promotion, and retention of candidates who truly represent our District for staff, CAC and service providers. We believe that a diverse mix of employees enrich the workplace and enhance the quality of our service. We will be innovative in our approaches to communities who truly represent our District. We will continue to collaborate across differences. We will be open to the challenges our community presents as it relates to diversity and inclusion. We will approach our efforts of inclusion with the same level of passion as water resource protection.

F. USE OF CONFIDENTIAL INFORMATION

A public official or employee of the District shall not use confidential information to further the employee's private interest, and shall not accept outside employment or involvement in a business or activity that will require the employee to disclose or use confidential information.

G. USE OF PROPERTY

A public official or an employee shall not use or allow the use of District time, supplies, or District owned or leased property and equipment for the employee's private interest or any other use not in the interest of the District, except as provided by law and with prior administrator approval for such use and the use is of minimal value.

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**Riley-Purgatory-Bluff Creek Watershed District
Policies and Procedures for Public Access to Documents**

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94 Public access to the data of public bodies is governed by the Data Practices Act (DPA),
95 Minnesota Statutes Chapter 13. The DPA states that data of public bodies are to be available to
96 the public unless specifically protected by law where individual privacy would be violated or
97 where other valid concerns outweigh the interest in public availability. The Riley-Purgatory-
98 Bluff Creek Watershed District (District) recognizes the public interest in open access to its data
99 as well as the public interest that requires that certain types of data not be publicly available. It is
100 the intent of the District to comply fully with the DPA and, where the DPA allows for the
101 exercise of judgment, to exercise that judgment consistent with the public interests underlying
102 the law.

103

104 This policy is adopted pursuant to sections 13.025, subdivision 2, and 13.03, subdivision 2, of
105 the DPA, which state that every public body shall establish procedures to implement the DPA.
106 In addition, the District has adopted and maintains a Records Retention Schedule, which is an
107 index of the records and data maintained by the District and describes private or confidential data
108 on individuals collected by the District, in compliance with section 13.025, subdivision 1. This
109 policy also is accompanied by a set of procedures to ensure that data on individuals are accurate
110 and complete and to safeguard the data’s security, consistent with section 13.05, subdivision 5,
111 as well as an Inventory of Not-Public Data on Individuals to ensure that access to private and
112 confidential data on individuals is limited to District personnel whose work or management
113 assignments require access. The District also maintains a document setting forth the rights of
114 data subjects under the DPA and procedures to guarantee the rights of data subjects in
115 compliance with section 13.025, subdivision 3, and a document setting forth the rights of data
116 subjects under the DPA.

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Procedure for Review of District Documents

121 In order to insure that requests for government data are received and complied with in an
122 appropriate and prompt manner, all requests to inspect or receive copies of District data, and all
123 other inquiries regarding the DPA, must be submitted on a form provided by the District and
124 delivered to the “Data Practices Compliance Official,” at the following address:

125

126

127

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129

Riley-Purgatory-Bluff Creek Watershed District
18681 Lake Drive East
Chanhassen, MN 55346

130 The Administrative Assistant is designated as the Data Practices Compliance Official and
131 Responsible Authority.

132

133 The District is able to most efficiently and completely respond to requests that are specific and
134 detailed. The Data Practices Compliance Official will help to ensure that documents of interest
135 have been gathered, that documents not subject to inspection pursuant to the DPA have been

136 segregated, and assistance is available to the requesting party. The District will provide requested
137 data for inspection at the District office, or other location to be specified by the Data Practices
138 Compliance Official. District files may not be removed from the District office.

139
140 The DPA requires that individuals be permitted to inspect or copy data within a reasonable time
141 after a request. The District will attempt to respond to requests as quickly as possible. The
142 response time will vary depending on the breadth of the request and the completeness and
143 accuracy of the request.

144
145 If the District determines that certain data cannot be made available for inspection or copying, it
146 will inform the individual of the classification of the data in question under the DPA and of the
147 legal basis for denial of access.

148
149 The District will comply with the Data Practices Act in protecting “trade secret information” as
150 defined in the Act.

151
152 The District may provide requested copies of data immediately or may advise that the copies will
153 be provided as soon as reasonably possible thereafter. The ability to provide copies immediately
154 depends on the number of copies requested, staff workload and the need to deliver the data
155 elsewhere for copies to be made (e.g., oversize documents, tapes, electronic data).

156

157 **Costs**

158 There is no cost to inspect documents. If document copies are requested, the requesting
159 individual will be charged 25 cents per page for up to 100 letter- or legal-sized black-and-white
160 printed copies, except that there is no charge for delivery by email of less than 100 pages or the
161 equivalent (as determined by the District) of data. Standard charges will apply for re-delivery of
162 data in the event of failure of email delivery resulting from incapacity of the recipient’s email
163 system. Copies of documents will not be certified as true and correct copies unless certification is
164 specifically requested. The fee for certification is \$1 per document.

165

166 With respect to oversize copies, tapes, electronic data, photographs, slides and other unusual
167 formats, the requesting individual will be responsible for the actual cost incurred by the District
168 to make the copy itself or to use a vendor, except that there is no charge for electronic delivery of
169 less than 100 pages of data or the equivalent (as determined by the District).

170

171 An individual requesting copies or the electronic transmittal of more than 100 pages of data is
172 responsible to pay the District the actual cost, including the cost of staff time to search for and
173 retrieve data and to make, certify, compile and transmit copies. Staff-time cost will be assessed
174 based on established hourly rates. The District will not charge for staff time needed to separate
175 public from protected data.

176

177 If an individual so asks, before copies are made the District will advise of the approximate
178 number of pages of documents responsive to a request or the likely cost of responding to a
179 request. Payment may not be made in cash (checks are accepted). The District may, at its
180 discretion, require payment in advance.

181

182 When an individual asks for a copy of data that have commercial value and were developed with
183 a significant expenditure of public funds by the District, the District may charge a reasonable fee
184 that relates to the actual cost of developing the data. As a condition of making certain
185 commercially valuable data available, the District may require execution of a license agreement
186 defining allowable use or further distribution.

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190 **Riley-Purgatory-Bluff Creek Watershed District**
191 **Security and Protection of Not-Public Data on Individuals**
192

193 The Riley-Purgatory-Bluff Creek Watershed District establishes the following protocols pursuant
194 to and in satisfaction of the requirement in Minn. Stat. §13.05, subdivision 5, that the District
195 establish procedures ensuring appropriate access to not-public data on individuals. By
196 incorporating employee access to not-public data in the District’s Inventory of Data on
197 Individuals, in the individual employee’s position description, or both, the District limits access
198 to not-public data to employees whose work assignment reasonably requires access.

199
200 **Implementing Procedures**

201
202 *Data inventory*

203 Pursuant to Minnesota Statutes section 13.025, subdivision 1, the District has prepared a data
204 inventory that identifies and describes all not-public data on individuals it maintains. To comply
205 with the requirement in section 13.05, subdivision 5, the District has includes indication of the
206 managers and employees who have access to not-public data. (*See Appendix A: Inventory of Not-*
207 *Public Data on Individuals.*)

208
209 In the event of a temporary duty as assigned by the administrator or a department director, an
210 employee may access certain not-public data for as long as the work is assigned to the employee.

211
212 In addition to the employees listed in the data inventory, managers, the Responsible Authority/
213 Data Practices Compliance Official and counsel may have access to *all* not-public data maintained
214 by the District if necessary for specified duties. Any access to not-public data will be strictly
215 limited to the data necessary to complete the work assignment.

216
217 *Employee position descriptions*

218 Position descriptions may contain provisions identifying any not-public data accessible to the
219 employee when a work assignment reasonably requires access.

220
221 *Data sharing with authorized entities or individuals*

222 State or federal law may authorize the sharing of not-public data in specific circumstances. Not-
223 public data may be shared with another entity if a federal or state law allows or mandates it.
224 Individuals will have notice of any sharing in an applicable Tennessee warnings or the District
225 will obtain the individual’s informed consent. Any sharing of not-public data will be strictly
226 limited to the data necessary or required to comply with the applicable law.

227
228 To ensure appropriate access, the District will:

- 229
230 · Assign appropriate security roles, limit access to appropriate shared network
231 drives and implement password protections for not-public electronic data;
232 · Password protect employee computers and lock computers before leaving
233 workstations;
234 · Secure not-public data within locked work spaces and in locked file cabinets
235 · Shred not-public documents before disposing of them.

236

237 *Penalties for unlawfully accessing not-public data*

238 The District may utilize the penalties for unlawful access to not-public data as provided for in
239 Minnesota Statutes, section 13.09. Possible penalties include suspension, dismissal or referring
240 the matter to the appropriate prosecutorial authority who may pursue a criminal misdemeanor
241 charge.

242

243 **Protection of Private and Confidential Data on Individuals**

244

245 Private and Confidential Data are governed by the following requirements:

- 246 · Private or confidential data may be released only to persons authorized by law to access
247 such data;
- 248 · Private or confidential data must be secured at all times and not left in a location where
249 they may be accessed by unauthorized persons;
- 250 · Private or confidential data must be shredded before it is disposed of pursuant to the
251 District's records retention policy.

252

253 *Accuracy and Currency of Data*

254 Employees of the District are requested, and given appropriate forms, to annually provide
255 updated personal information for the District as necessary for District recordkeeping, tax,
256 insurance, emergency notification and other personnel purposes. Other individuals who provide
257 private or confidential information (e.g., managers) are also encouraged to provide updated
258 information when appropriate.

259

260 *Data Safeguards*

261 Private and confidential information is stored in secure files and databases that are not accessible
262 to individuals who do not have authorized access. Private and confidential data on individuals is
263 accessed only by individuals who are both authorized and have a need to access such information
264 for District purposes. (An individual who is the subject of data classified as private may access
265 such data for any reason.)

266

267 The District administrator, as Responsible Authority, reviews forms used by the District to
268 collect data on individuals and ensures that the District collects private or confidential data only
269 as necessary for authorized District purposes.

270

271 Only managers and employees of the District whose work for the District requires that they have
272 access to private or confidential data may access files and records containing such information.
273 Employees' and managers' access is further governed by the following requirements:

274

- 275 · Private or confidential data may be released only to persons authorized by law to access
276 such data;
- 277 · Private or confidential data must be secured at all times and not left in a location where
278 they may be accessed by unauthorized persons;
- 279 · Private or confidential data must be shredded before it is disposed of pursuant to the
280 District's records retention policy.

281 When a contract with an outside entity requires access to private or confidential information
282 retained by the District, the contracting entity is required by the terms of its agreement with the
283 District to use and disseminate such information in a manner consistent with the DPA and the
284 District's Policies and Procedures for Public Access to Documents.

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289 **Riley-Purgatory-Bluff Creek Watershed District**
290 Private and Confidential Data – Rights of Data Subjects

291 In accordance with the Minnesota Data Practices Act, Minnesota Statutes chapter 13 (DPA), the
292 following protocols and information are established by the Riley-Purgatory-Bluff Watershed
293 District (District). This information is provided to you, as the subject of private or confidential
294 data collected by the District to explain how (1) the District assures that all data on individuals
295 collected by the District are accurate, complete and current for the purposes for which they were
296 collected, and (2) to explain the security safeguards in place for District records containing data
297 on individuals.

298 **Rights to Access Government Data**

299 Minnesota law gives you, as the subject of private or confidential data collected by the District,
300 and all members of the public the right to see data collected and maintained by the District,
301 unless state or federal law classifies the data as not public. In addition, the DPA gives you and
302 all members of the public the right to have access to or, if you wish, to copy any public data for
303 any reason, as long as the data are not classified as not-public or copyrighted.

304 You have the right to:

- 305 · be informed, upon request, as to whether you are a subject of District data and how that
306 data is classified;
- 307 · know what the District’s procedures are for requesting government data;
- 308 · inspect any public data that the District collects and maintains at no charge;
- 309 · see public data that the District collects and maintains without telling the District who
310 you are or why you want the data;
- 311 · have public data that the District collects and maintains explained to you;
- 312 · obtain copies of any public District data at a reasonable cost to you;
- 313 · be informed by the District in writing as to why you cannot see or have copies of not-
314 public District data, including reference to the specific law that makes the data not-
315 public;
- 316 · receive a response from the District to a data request in a reasonable time.
- 317 · contest the accuracy and completeness of public or private data the District has on you
318 and appeal a determination by the District as to whether the data are accurate and
319 complete;
- 320 · to ask the District, if you are under 18 years old, to withhold information about you from
321 your parents or guardian;
- 322 · consent or revoke consent to the release of information the District has on you;
- 323 · release all, part or none of the private data the District has on you.

324

325 **Security of Private and Confidential Data**

326 State law protects your privacy rights with regard to the information the District collects, uses
327 and disseminates about you. The data the District collects about you may be classified as:

- 328 . Public – anyone can see the information;
- 329 . Private – only you and authorized District staff can see the information;
- 330 . Confidential – only authorized District staff can see the information.

331 When the District asks to you provide data about yourself that are private, the District will give
332 you a notice called a Tennessee warning notice. This notice determines what the District can do
333 with the data collected from you and the circumstances under which the District can release the
334 data. The District will ask for your written permission before using private data about you in a
335 way that is different from what is stated in the Tennessee notice you receive. The District also
336 will ask for your written permission before releasing private data about you to someone other
337 than those identified in the notice.

338 State law requires that the District protect private and confidential data about you. The District
339 has established appropriate safeguards to ensure that your data are not inadvertently released or
340 wrongfully accessed. The District disposes of private, confidential and other not-public data in
341 accordance with its Records Retention Schedule, adopted July 2, 2014. Printed data are disposed
342 of by shredding or other method sufficient to prevent the data from being ascertainable.
343 Electronic data are destroyed or erased from media in a manner that prevents the data from being
344 accessed or read. Data-storage systems in District computers are erased in the process of
345 recycling.

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**Riley-Purgatory-Bluff Creek Watershed District
Data Practices Advisory / Tennesen Warning**

Some or all of the information you are being asked to provide on the attached form is classified by state law as either private or confidential data. Private data is information that generally cannot be given to the public, but can be given to the subject of the data. Confidential data is information that generally cannot be given to either the public or the subject of the data.

The Riley-Purgatory-Bluff Creek Watershed District’s purpose and intended use of the information is:

You ~~y~~ are / ~~y~~ are not legally required to provide the information.

Your failure or refusal to supply the information will have the following consequences:

Other persons or entities who are authorized to receive the information include:

Riley-Purgatory-Bluff Creek Watershed District
Consent to Release – Request from an Individual

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Explanation of Your Rights

If you have a question about anything on this form, or would like more explanation, please talk to the Riley-Purgatory-Bluff Creek Watershed District administrator before you sign it.

I, [*name of individual data subject*], give my permission for the Riley-Purgatory-Bluff Creek Watershed District to release data about me to [*name of other entity or person*] as described on this form.

1. The specific data I want the Riley-Purgatory-Bluff Creek Watershed District to release are [*explanation of data*].

2. I have asked Riley-Purgatory-Bluff Creek Watershed District to release the data.

3. I understand that although the data are classified as private while in the possession of the Riley-Purgatory-Bluff Creek Watershed District, the classification/treatment of the data at [*name of other entity or person*] depends on laws or policies that apply to [*name of other entity or person*].

This authorization to release expires [*date/time of expiration*].

Individual data subject’s signature _____

Date _____

Parent/guardian’s signature [*if needed*] _____

Date _____

Riley-Purgatory-Bluff Creek Watershed District
Consent to Release – Request from a Government Entity

Explanation of Your Rights

You have the right to choose what data we release. This means you can let us release all of the data, some of the data, or none of the data listed on this form. Before you give us permission to release the data, we encourage you to review the data listed and described here.

You have the right to let us release the data to all, some, or none of the persons or entities listed on this form. This means you can choose which entities or persons may receive the data and what data they may receive.

You have the right to ask us to explain the consequences for giving your permission to release the data.

You may withdraw your permission at any time. Withdrawing your permission will not affect the data that we have already released because we had your permission to release the data.

If you have a question about anything on this form, or would like more explanation, please talk to the District administrator before you sign it.

I, *[name of individual data subject]*, give my permission for the Riley-Purgatory-Bluff Creek Watershed District to release data about me to *[name of other entity or person]* as described on this form. I understand that my decision to allow release of the data to *[name of other entity or person]* is voluntary.

1. The specific data that the Riley-Purgatory-Bluff Creek Watershed District may release to *[name of other entity or person]* are: *[description, explanation of data]*.

2. I understand the Riley-Purgatory-Bluff Creek Watershed District would release the data *[explanation of reason for the release]*.

3. I understand that although the data are classified as private at the Riley-Purgatory-Bluff Creek Watershed District, the classification/treatment of the data at *[name of other entity or person]* depends on laws or policies that apply to *[name of other entity or person]*. *[Include other known consequences.]*

This authorization to release the data expires *[date/time of expiration]*.

Individual data subject's signature _____

Date _____

Parent/guardian's signature (if data subject is a minor) _____

Date _____

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**Riley-Purgatory-Bluff Creek Watershed District
Records Retention Schedule**

Adopted February 1, 2017

480 All District records are created and retained in electronic forms, except that record series shaded
481 below may be created and/or retained in hard copy form.

482 **Administration**

| <i>Name – Description</i> | <i>Retention, Archiving Instructions</i> | <i>Classification</i> | <i>State Statutory Reference</i> |
|---|--|--|----------------------------------|
| Advisory and technical committees – agendas, minutes, reports, related documents | Retain 10 years, then may be transferred to state archives | Public | |
| Affidavits of publication a. General notices, including project public hearings b. Rules | a. Retain 6 yrs b. Retain permanently | a. Public b. Public | |
| Agenda, board meetings and workshops | Retain 10 years, then may be transferred to state archives | Public | |
| Agreements and contracts, not otherwise scheduled herein | Retain 10 yrs after paid and audited | Public | |
| Annual reports | Retain 10 yrs, then transfer to state archives | Public | |
| Attorneys’ opinions a. Opinions of District attorney and correspondence relating thereto b. Official interpretation regarding questions of legal rights or liabilities affecting District | a. Retain permanently or transfer to state archives when no longer needed b. Retain 10 yrs, then transfer to state archives | a. Public b. Public/Private-nonpublic | a. b. 13.393 13.39 |
| Authority to dispose of records | Retain permanently | Public | |

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| <i>Name – Description</i> | <i>Retention, Archiving Instructions</i> | <i>Classification</i> | <i>State Statutory Reference</i> |
|--|--|--|----------------------------------|
| Bids and Quotations a. Accepted, noncapital projects b. Rejected, noncapital projects | a. Retain 10 yrs after completion of project b. Retain 6 yrs | a. Public/nonpublic b. Public/protected nonpublic until all bids opened | a. 13.37 b. |
| Budgets – record copy | Retain permanently or transfer to state archives | Public | |
| Consultant Contracts | Retain 10 yrs | Public | |
| Correspondence a. Constituents b. Municipalities/State Agencies c. Engineer d. Financial e. Transitory, such as electronic mail not in one of the above categories | a. Retain 6 yrs, then archive if documents historical b. Retain 6 years, then archive if historical c. Retain 10 yrs, then transfer to state archives d. Retain 5 yrs then transfer to state archives e. Retain until read | Private/public | 13.37; 13.44 |
| Drafts, duplicates, notes and other documents that have not become part of an official transaction, not otherwise scheduled herein | Retain 2 yrs | Public | |
| Governance a. Bylaws b. Policies | a. Retain permanently b. Retained only until superseded | a. Public b. Public | |
| Historical data and photographs | Retain permanently or transfer to state archives | Public | |
| Inventories – equipment supplies, etc. | Retain 10 yrs | Public | |

| <i>Name – Description</i> | <i>Retention, Archiving Instructions</i> | <i>Classification</i> | <i>State Statutory Reference</i> |
|---|---|---|---|
| Lawsuits a. General b. Civil Lawsuits c. Criminal Lawsuits d. Attorneys' opinions, attorneys' briefs, testimony, depositions, correspondence, etc | a. Retain 10 yrs after settlement or resolution by court, administrative order and then transfer to state archives b. Retain 20 years after last activity c. Retain 2 years after last activity d. Retain 10 yrs, then archive | a. Public/private b. c. d. Public/private/and non-public | a. 13.30, 13.39 b. c. d. 13.393, 13.39 |
| Leases | Retain 10 yrs after expiration of lease | Public | |
| Levy (tax) files – tax levies, related correspondence | Retain 5 yrs then transfer to state archives | Public | |
| Membership association documents (MAWD, Metro MAWD, etc.) | Retain 3 yrs | Public | |
| Minutes – Board meetings and workshops | Retain permanently | Public | |
| Newsletters, press releases generated by the District | Retain 10 yrs | Public | |
| Notices – official District meetings | Retain 6 yrs | Public | |
| Public hearings records | Retain 6 yrs or until recorded in minutes, do not archive | Public | |

485

| <i>Name – Description</i> | <i>Retention, Archiving Instructions</i> | <i>Classification</i> | <i>State Statutory Reference</i> |
|--|--|--|---|
| <p>Recordings</p> <ul style="list-style-type: none"> a. Board meetings and workshops – audio recordings, closed meetings b. Board meetings and workshops – open | <ul style="list-style-type: none"> a. Tapes and other recordings may be discarded 3 yrs after meeting; 8 yrs or until purchase or sale is completed or abandoned for real estate negotiations. b. Tapes and other recordings may be reused or discarded 1 yr after formal approval of written minutes by board | <ul style="list-style-type: none"> a. Nonpublic/public b. Public | <ul style="list-style-type: none"> a. 13D.05, subd. 3; 13.37 |
| <p>Technical Information</p> <ul style="list-style-type: none"> a. Printed material regarding the District b. Printed material not regarding the District | <ul style="list-style-type: none"> a. Retain 10 yrs, then transfer to state archives b. Discard when no longer needed | <ul style="list-style-type: none"> a. Public b. Public | |

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489 **Real Estate**

| <i>Name – Description</i> | <i>Retention, Archiving Instructions</i> | <i>Classification</i> | <i>State Statutory Reference</i> |
|--|--|--|----------------------------------|
| Deeds | Retained until property is sold, then transfer to new owner; maintain copy permanently | Public | |
| Ditch records | Retain permanently | Public | |
| Easements a. Originals b. Temporary easements | a. Retained permanently and do not archive b. Discard after project completion or when no longer needed, whichever is later | a. Public b. Public | |
| Hazardous materials reports – phase I and II reports, leaking underground storage tank reports | Retain permanently | Public | |
| Property records (well records, building inspections, etc.) | Retain 20 yrs after sale of property | Public | |
| Property surveys | Retain permanently | Public | |
| Transaction records | Retain 10 yrs after sale of property | Public/ Confidential/ Protected Non-public | 13.44; 13.585 |

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Bonds

| <i>Name – Description</i> | <i>Retention, Archiving Instructions</i> | <i>Classification</i> | <i>State Statutory Reference</i> |
|---|---|-----------------------|----------------------------------|
| Contractor license bonds, certificates of insurance, etc. | Retain 6 yrs after completion of contract | Public | |
| Fidelity bonds – managers | Retain 6 yrs after completion of service by manager | Public | |
| Performance and payment bonds | Retain 6 yrs after completion of contract | Public | |
| Permit financial assurances – bonds, letters of credit | Retain 6 yrs after permit closure ² | Public | |

493

² Retain copy if original returned to provider.

Financial/Accounting

| <i>Name – Description</i> | <i>Retention, Archiving Instructions</i> | <i>Classification</i> | <i>State Statutory Reference</i> |
|--|--|------------------------------------|----------------------------------|
| Assessment rolls – copies of assessment rolls received from county auditor | Retained 6 yrs after final payment | Public | |
| Audit reports | Retain permanently | Public | |
| Billing statements | Retain 6 yrs | Public | |
| Bank statements – slips, bonds and reconciliations | Retain 6 yrs | Public | |
| Budget expenditure reports | Retain permanently | Public | |
| Checks – paid and returned a. Accounts payable b. Payroll | a. Retain 6 yrs b. Retain 6 yrs | a. Public b. Public/ private | |
| Receipt registers | Retain permanently, and not archived | Public | |
| Deposit slips | Retain 6 yrs | Public | |
| General ledger – general, month-end | Retain permanently and do not archive | Public | |
| Investment documents – amounts invested and interest earned | Retain 4 yrs after maturity | Public | |
| Payroll | Retain permanently | Public/private | 13.43 |
| Pension and retirement plan | Retain permanently | Public or private | |
| Purged accounts | Retain 6 yrs (irrespective of audit) | Public | |
| Receipts and receipt books | Retain 6 yrs and do not archive | Public | |
| Staffing lists | Retain 6 yrs | Public | |
| Time sheets | Retain 6 yrs | Public/Private | 13.43 |
| W-2 statements | Retain 6 yrs | Public/Private | 13.43 |
| W-4 statements | Retain until replaced | | |
| Workers' compensation reports | Retain 20 years | Public/Private | 176.231 |
| 1099 statements | Retain 6 yrs | Public/Private | 13.43 |

497 **Insurance**

| <i>Name – Description</i> | <i>Retention, Archiving Instructions</i> | <i>Classification</i> | <i>State Statutory Reference</i> |
|---|---|------------------------|----------------------------------|
| Insurance – automobile, fire or other perils, property, public officials, general liability, umbrella liability | Retain 6 yrs after expiration | Public | |
| Workers’ compensation a. Claim register b. Policies | a. Retain permanently b. Retain 6 yrs after expiration | a. Public b. Public | a. 176.231 |

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Permits

| <i>Name – Description</i> | <i>Retention, Archiving Instructions</i> | <i>Classification</i> | <i>State Statutory Reference</i> |
|--|--|-----------------------|----------------------------------|
| Applications – permits | Retain 10 yrs, then transfer to state archives | Public | |
| Correspondence – relating to permits | Retain 10 yrs, then transfer to state archives | Public | |
| Engineer’s reports | Retain 10 yrs, then transfer to state archives | Public | |
| Inspectors’ reports – includes reports, inspectors’ documents relating to permit inspections | Retain 10 yrs, then transfer to state archives | Public | |
| Permit financial assurances – bonds, letters of credit | Retain 6 yrs after permit closure | Public | |
| Permits | Retain permanently | Public | |
| Plans | Retain permanently | Public | |

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Personnel

| <i>Name – Description</i> | <i>Retention, Archiving Instructions</i> | <i>Classification</i> | <i>State Statutory Reference</i> |
|---|---|-----------------------|----------------------------------|
| Affidavit of publication for job opening | Retain 2 yrs | Public | 13.43 |
| Affirmative action files | Retain permanently | Public/Private | 13.39, 13.43 |
| Applications for employment – not hired | Retain 1 yr | Public | |
| Personnel policies and procedures, administrative policies | Retain permanently | Public | |
| Employment contracts | Retain 5 yrs after expiration | Public | |
| Equal employment opportunity reports, summary date | Retain 3 yrs | Public | |
| Examination file – completed examinations | Retain 2 yrs | Private | 13.43 |
| Employee medical records | Retain 5 yrs after separation from District | Public/private | 13.43 |
| Family Medical Leave Act documents | Retain 3 yrs in medical file, not in employee personnel file | Private | 13.43 |
| Grievance file | Retain 5 yrs after separation, not in employee personnel file | Public/private | 13.43 |
| Job descriptions | Retain until superseded | Public | |
| Personnel files – applications, accident reports, background check results, citations, personal history, employee references, attendance, disciplinary actions, performance evaluations, letters of appointments or promotion, termination or resignation | Retain 5 yrs after separation | Public/private | 13.43 |
| Payroll record – master copy | Retain permanently | Public/private | 13.43 |
| Unemployment claims, compensation | Retain 6 yrs | Public/private | 13.43 |
| Background check results – not hired | Retain 30 days | Nonpublic | 13.87 |

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Projects

| <i>Name – Description</i> | <i>Retention, Archiving Instructions</i> | <i>Classification</i> | <i>State Statutory Reference</i> |
|---|---|------------------------|----------------------------------|
| Board documents – resolutions, findings, conclusions | Retain 10 yrs, then transfer to archives | Public | |
| Contracts a. Petitioned projects b. Nonpetitioned projects | a. Retain permanently b. Retain 10 yrs, then transfer to state archives | Public | |
| Correspondence | Retain 10 yrs, then transfer to state archives | Public | |
| Engineer’s reports and related documents | Retain 10 yrs, then transfer to state archives | Public | |
| Petitions (for projects) | Retain 10 years, then transfer to state archives | Public | |
| Property surveys | Retain permanently | Public | |
| Public hearing documents – non-petitioned projects | Retain 10 yrs, then transfer to state archives | Public | |
| Public hearing documents – petitioned projects a. notices, written testimony, audio b. Related public hearing documents | a. Retain 6 yrs or until recorded in minutes; do not archive b. Retain 10 years and do not archive | a. Public b. Public | |

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Programs

| <i>Name – Description</i> | <i>Retention, Archiving Instructions</i> | <i>Classification</i> | <i>State Statutory Reference</i> |
|--|--|-------------------------------------|----------------------------------|
| Water quality, lake elevation, stream-flow a. Field notes and raw data b. Final reports | a. Retain until final report completed b. Retain permanently or transfer to state archives | Public | |
| Public opinion surveys | Retain permanently or transfer to state archives | Public | |
| Plans a. Watershed management plans b. Local water management plans c. Program plans and work plans – approved by Board | a. Retain permanently or transfer to state archives b. Retain until updated c. Retain 6 yrs and do not archive | a. Public b. Public c. Public | |
| Rules – District approved | Retain permanently | Public | |

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514 **Riley-Purgatory-Bluff Creek Watershed District**

515 **Policy for Management of Permit Fees, Financial Assurances and Abandoned Property**

516
517
518 As provided by state law and the Riley-Purgatory-Bluff Creek Watershed District (District)
519 rules, the District receives fees from applicants to reimburse the District for the costs of
520 processing and administering permits required by the District rules (Permit fees). The District
521 also receives bonds, letters of credit and cash deposits (checks) as financial assurances to secure
522 the performance of permittees in compliance with permit terms and conditions (Financial
523 Assurances). To ensure that such assets are managed in accordance with sound financial
524 practices and state law governing local government financial practices and management of
525 abandoned property, the District establishes the following policy and protocols for the
526 management of Financial Assurances and Permit Fees.

- 527
- 528 1. **Permit fee payments.** The District will accept, process and maintain Permit Fees in
529 accordance with District rules and the following protocols.
 - 530 a. The District will not accept cash in payment of permit fees.
 - 531 b. Checks received by the District in payment of permit fees will be deposited within
532 5 business days of receipt.
 - 533 2. **Financial assurance deposits.** The District will catalogue and maintain Financial
534 Assurances in accordance with the following protocols:
 - 535 a. Financial Assurances received by the District will be logged in the Financial
536 Assurance Log created for such purposes, then copied. A copy will be filed at the
537 District offices. The Financial Assurance Log will include, at a minimum, the
538 following information:
 - 539 i. Permit number for which the financial assurance instrument is provided;
 - 540 ii. Name of the permittee/escrow provider;
 - 541 iii. Name, for bonds and letters of credit, of the surety;
 - 542 iv. Amount(s) of the financial assurances provided;
 - 543 v. Expiration date, if any, of the financial assurance;
 - 544 vi. Location of the financial assurance instrument or deposit.
 - 545 b. Original Financial Assurance instruments will be deposited for safekeeping at a
546 location to be designated annually by the District Board of Managers.
 - 547 c. When the permittee provides cash as its Finance Assurance, the Permittee shall
548 enter into a cash escrow agreement with the District that specifies the terms and
549 conditions under which the District accepts and holds the funds in escrow, as well
550 as the circumstances under which the District may use the escrowed funds.
 - 551 i. The District, with the advice of counsel, will maintain a cash escrow
552 agreement template for use by permittees/escrow providers.
 - 553 ii. The District will accept only checks or wire transferred funds when they
554 are cleared funds and not able to be recalled, reversed or otherwise
555 nullified by the entity on which such check is drawn, or which initiated the
556 transfer.
 - 557 iii. Permit approval may be revoked for failure to comply with this
558 requirement, including if a check or transfer is withdrawn, reversed or

- 559 revoked or otherwise nullified by the entity on which such checks are
560 drawn or which initiated such transfer.
- 561 d. No check will be accepted by the District to serve as a financial assurance to
562 secure performance of permit conditions until District staff has verified receipt of
563 an associated executed escrow agreement, specifying the required deposit amount
564 and permit to be secured by the escrow. The check must be in the amount
565 specified in the associated escrow agreement and must bear the number of the
566 District permit(s) to be secured.
- 567 e. Checks received by the District as financial assurances will be deposited within
568 10 business days of receipt in an account designated by the administrator
569 exclusively for permit escrows. The account will be at a Board-designated
570 depository institution.
- 571 3. **Maintenance of valid Financial Assurances.** To ensure that the District has the capacity
572 to assure compliance with its rules and protect the District’s water resources in the event
573 of noncompliance with permit conditions and/or rules, District staff will follow the
574 protocols below to ensure that Financial Assurances remain valid and enforceable:
- 575 a. District compliance with the protocols in this section will be the responsibility of
576 the District administrator.
- 577 b. The administrator will maintain the Financial Assurance Log.
- 578 c. The administrator will review the Financial Assurance Log monthly to ensure the
579 continuing validity of financial assurances provided for active permits by
580 identifying bonds and letters of credit that will expire within the ensuing 90 days.
- 581 d. The administrator will determine – in the course of his or her monthly review of
582 the Financial Assurance Log – whether replacement of the financial assurance is
583 needed for a particular project, and, if so, alert the permittee to the need to provide
584 a replacement instrument at least 60 days prior to the expiration of the existing
585 instrument.
- 586 e. If deemed necessary in response to a permittee’s unwillingness or inability to
587 provide a replacement financial assurance, the administrator will contact counsel
588 at least 30 days prior to the expiration of the financial assurance to initiate
589 procedures to draw on the existing financial assurance.
- 590 i. The administrator will ensure that proper authorization for a financial
591 assurance draw is secured in a timely manner, with a priority on the
592 protection of District water resources.
- 593 4. **Return of Financial Assurances.** Financial Assurance instruments will be returned in
594 accordance with applicable District rules, including sections 5.5 and 12.4.
- 595 a. The administrator will monthly designate financial assurances that may be
596 returned in whole or in part to the surety (with notice to the principal/permittee)
597 and, upon receipt of required documentation, take the steps necessary to return
598 such instruments and/or funds.
- 599 b. The administrator will maintain record of returned financial assurances in the
600 Financial Assurance Log and retain a copy of original financial assurance
601 documents in compliance with the District records retention schedule.
- 602 5. **Abandoned property procedures.** State law imposes requirements applicable to any
603 intangible asset in the District’s possession that remains unclaimed for three years or
604 more after the asset is no longer needed for District purposes (e.g., three years after a

605 permitted project is completed and the associated financial assurance becomes eligible
606 for release in accordance with District rules). To ensure compliance with abandoned-
607 property requirements, the District establishes the following protocols.

608 a. The District will annually assess whether cash escrows remain on deposit after
609 completion of the applicable permitted work and attempt to return them. For cash
610 escrows that have been in the District's possession for three years or more,
611 unclaimed by the owner, staff will commence unclaimed property return
612 procedures as follows.

613 i. By July 1 of each year, District staff will take reasonable steps to notify
614 owners by mail of unclaimed property. A letter should be sent to all
615 known addresses on file for the owner, notifying owner of the amount still
616 held by the District and describing steps necessary to claim the property.
617 Staff need not send such a letter if documentation in the District's
618 possession indicates that the address(es) it has for the owner are
619 inaccurate.

620 ii. If the owner cannot be found, the assets are deemed legally abandoned and
621 the District will remit them to the state Commissioner of Commerce, along
622 with the report required by Minnesota Statutes section 345.41, as may be
623 amended, containing information on the identity of the owner of the
624 unclaimed assets in the District's possession, a description of the assets,
625 the date the assets became payable or returnable to the owner and any
626 other information that may be required by the commissioner. Formatting
627 and filing of the report will be in compliance with Department of
628 Commerce guidance.

629 iii. By October 31 each year, the required report, verified by the
630 administrator, should be filed with the commissioner and all assets
631 unclaimed as of the preceding June 30 should be remitted to the
632 commissioner, and a copy of such report shall be provided to the Board of
633 Managers.

634 iv. The District may deduct a service charge from the unclaimed assets
635 remitted to cover costs of attempting to locate an owner and, if necessary,
636 reporting and paying the unclaimed funds to the commissioner only if the
637 escrow provider has agreed to the deduction of such charges.

638 **ESCROW AGREEMENT**

639 **Between the Riley Purgatory Bluff Creek Watershed District**
640 **and _____**
641

642
643 This agreement is made by and between the Riley Purgatory Bluff Creek Watershed District, a watershed
644 district under Minnesota Statutes chapters 103B and 103D (RPBCWD), and _____
645 _____, a _____ (Permittee), to establish a cash escrow in fulfillment of
646 financial assurance requirements under RPBCWD permit no. _____.
647

648 **Recitals**

649
650 A. Pursuant to Minnesota Statutes section 103D.345, the RPBCWD has adopted and implements rules
651 governing development and other activity within the boundaries of the RPBCWD that may have an
652 impact on water resources.
653

654 B. RPBCWD rules require that as a condition of permit approval a permittee must provide and maintain a
655 financial assurance in the form of a bond, letter of credit or cash escrow for the purpose of covering costs
656 the RPBCWD may incur in monitoring and inspecting activity under the permit and in responding, if
657 necessary, to violations of a watershed statute or RPBCWD rule, permit or order.
658

659 C. This agreement documents that a cash escrow has been submitted by Permittee or on Permittee’s
660 behalf to fulfill a financial assurance obligation under permit no. _____ and specifies the
661 conditions and procedures under which the RPBCWD will hold and may draw on the escrow. Permittee
662 and the RPBCWD, in executing this agreement, concur that it is legally binding.
663

664 **Agreement**

665
666 1. Permittee has submitted a cash escrow in the amount of \$ _____. The RPBCWD will hold the
667 escrow in an escrow account where it may be commingled with escrow funds held by the RPBCWD on
668 behalf of parties other than Permittee. The RPBCWD need not hold the funds in an interest-bearing
669 account and Permittee will not be entitled to interest on the escrow. If the escrow is submitted in a form
670 other than cash and the escrow amount is not credited promptly to the RPBCWD account, the RPBCWD
671 may declare this agreement null and void by written notice to Permittee.
672

673 2. Unused escrowed funds will be released to Permittee and additional escrow funds will be submitted by
674 Permittee or on Permittee’s behalf in accordance with the RPBCWD rules and duly adopted resolutions
675 and policies of the RPBCWD Board of Managers.
676

677 3. Escrow funds will become the sole property of the RPBCWD, and Permittee agrees to relinquish all
678 legal and equitable interest therein, as follows:

679 a. The RPBCWD may invoice Permittee for permit review, compliance monitoring and other
680 eligible costs in accordance with duly established RPBCWD procedures.

681 b. If after notice and opportunity to be heard the RPBCWD finds violation of a watershed statute
682 or RPBCWD rule, permit or order, the RPBCWD may give written notice to Permittee. The
683 notice will describe the violation and the action required to correct it. If within twenty (20) days
684 of notice delivery the violation has not been corrected and arrangements acceptable to the
685 RPBCWD have not been made, without further notice the RPBCWD may take steps it deems
686 reasonable to correct the violation, and may have access to the property during reasonable times
687 for that purpose, provided that the RPBCWD will give 24 hours’ notice before entry and exercise

688 due care to avoid unnecessary disturbance or damage to the property. If the RPBCWD finds that
689 entry is required to address an occurring or imminent threat to water resources, it may enter and
690 correct without prior hearing or opportunity to cure, but only to the extent reasonably necessary to
691 address the threat.

692 c. The RPBCWD may invoice Permittee for reasonable costs incurred for activity under
693 paragraph 3b. If payment is not made within 30 days, the RPBCWD may transfer funds from the
694 escrow account into RPBCWD accounts and credit Permittee accordingly.

695 4. Escrow funds submitted hereunder are submitted to secure the performance of Permittee under permit
696 no. _____. If the permit is issued, and if the Permittee and any agent, employee or contractor
697 well and faithfully performs all activities and things undertaken and authorized by permit no. _____ in
698 compliance with all applicable laws, including applicable statutes, rules, permit conditions, orders,
699 agreements and stipulations of the RPBCWD, and pays, when due, all fees or other charges required by
700 law, including all costs to the RPBCWD of administering and enforcing the terms of the above-stated
701 permit and this agreement, including reasonable attorneys' fees, then on written notification to the
702 RPBCWD of same and the RPBCWD's confirmation thereof, the RPBCWD will release the escrowed
703 funds to Permittee.

704
705 5. All obligations of the RPBCWD under this agreement in holding and using the escrow funds are to
706 Permittee only. Nothing in this agreement creates any right in any third party as against the RPBCWD or
707 in any way waives or abridges any immunity, defense or liability limit of the RPBCWD. Permittee
708 indemnifies the RPBCWD for any claim, liability or cost the RPBCWD incurs as a result of a party other
709 than Permittee asserting ownership in or a right to the escrow funds or any party thereof. Permittee will
710 not assign or purport to assign any interest in the escrow funds or this agreement to any third party, except
711 in conjunction with a transfer of Permittee's permit approved in writing by the RPBCWD.

712
713 6. Nothing in this agreement affects Permittee's legal right, if any, to appeal a finding of violation or seek
714 a legal determination of the purposes to which the RPBCWD may use the escrow funds.

715
716 7. The Permittee agrees that, should the escrow funds submitted hereunder remain unclaimed by the
717 Permittee or his successor in interest so as to become "abandoned property" as that term is defined in
718 Minnesota law, the RPBCWD may assess a service charge from the unclaimed assets to cover costs of
719 attempting to locate the Permittee or his successor in interest and, if necessary, reporting and paying the
720 unclaimed funds as required by law.

721
722 8. This agreement is effective on the signature of the parties and terminates when the RPBCWD releases
723 the escrow or declares the agreement null and void under paragraph 1, above. The agreement may be
724 amended only in a writing signed by the parties. An increase or decrease in the amount of escrow funds
725 held by the RPBCWD for permit no. _____ does not constitute an amendment.

726
727 9. Notice to Permittee under this agreement is effective when sent by certified mail to Permittee's address
728 as stated in the permit application or such other address as Permittee subsequently has notified the
729 RPBCWD in writing. The laws of the State of Minnesota will govern any legal proceeding concerning
730 this agreement. Venue for any such proceeding will be in the county where the real property that is the
731 subject of this agreement is located. The recitals are incorporated as a part of this agreement.

732
733 IN WITNESS WHEREOF, the parties hereto have executed this agreement.

734

735 **RILEY PURGATORY BLUFF CREEK WATERSHED DISTRICT**

736

737

738 By _____ Date:

739 Administrator

740

741 **PERMITTEE**

742

743

744 By: _____ Date:

745 *[print name here]*

746 as _____ of _____.

747

748

State of Minnesota

County of :

749

This instrument was acknowledged before me on _____,

750

by _____, as _____ of

751

_____.

_____ (Signature of notarial officer)

(Stamp)

Notary Public

My commission expires:

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ESCROW PROVIDER ACKNOWLEDGEMENT & RELEASE

The undersigned acknowledges having received and understood the agreement to which this acknowledgement is attached. By signing, the undersigned agrees to hold the Riley Purgatory Bluff Creek Watershed District (RPBCWD) harmless from and releases any and all claims the undersigned may have to the funds or any part thereof provided to the RPBCWD for the purposes described in and under the terms of the agreement.

Acknowledged, intending to be legally bound:

By: *[print name]*
Title _____
Company _____

Date: _____

State of Minnesota
County of :

This instrument was acknowledged before me on _____,
by _____, as _____
of _____.

(Signature of notarial officer)

(Stamp)

Notary Public
My commission expires:

**Riley-Purgatory-Bluff Creek Watershed District
Public Purposes Expenditures Policy**

Minnesota law mandates that governmental entities make expenditures only for public purposes and only as authorized to accomplish the purposes for which the entity was created. The Riley-Purgatory-Bluff Creek Watershed District (District) establishes the following policy and protocols to ensure that District expenditures serve clear, documented watershed district purposes. The District administrator will be responsible for the implementation of this policy and associated protocols.

- 788 1. **Travel.** The District may pay reasonable and necessary expenses for travel, lodging,
789 meals and appropriate incidental expenses related to the performance of official District
790 functions. Expenditures must be approved in advance by the administrator (for
791 employees) or Board of Managers (for managers and the administrator) and must be
792 directly related to the performance of District functions.
- 793 a. An employee or manager will be reimbursed for mileage expenses incurred when
794 using the employee's or manager's personal vehicle to conduct District business.
795 Mileage will be reimbursed at the tax-deductible mileage rate set by the federal
796 Internal Revenue Service. Mileage expenses need not be approved in advance,
797 but mileage expenses will be reimbursed only when accompanied by
798 documentation of the date, number of miles traveled, purpose and destination(s).
799 Mileage for employee commuting to and from the District offices will not be
800 reimbursed.
- 801 b. *Overnight in-state travel.* Expenses eligible for reimbursement include:
- 802 i. Registration for workshops, conferences, seminars and other events pertaining to
803 District business;
- 804 ii. Mileage and parking – use of personal vehicle (only) will be reimbursed at the
805 tax-deductible mileage rate set by the federal Internal Revenue Service;
- 806 iii. Meals;
- 807 iv. Gratuities (15 percent of expenses incurred);
- 808 v. Lodging;
- 809 vi. Other actual expenses.
- 810 c. *Overnight out-of-state travel.* All out-of-state travel must be approved in advance
811 by the Board of Managers. In determining whether to approve out-of-state travel,
812 the Board of Managers will give particular consideration to whether
813 representation from the District has been requested by a state or federal
814 governmental office or other host entity whose purpose or work particularly
815 relates to the District's purposes, projects or programs. If two or more managers
816 or staff travel together by car, only the driver will receive reimbursement. All
817 expenses are limited to those which are reasonable, ordinary and necessary.
818 Receipts are required for expenses for which reimbursement is requested.
819 Expenses eligible for reimbursement include:
- 820 i. Round-trip coach-class (or lesser-cost) airfare;
- 821 ii. Registration for conferences, seminars and other events pertaining to
822 District business;
- 823 iii. Mileage and parking – use of personal vehicle (only) will be reimbursed at
824 the tax-deductible mileage rate set by the federal Internal Revenue Service
825 and the cost of renting an automobile will be reimbursed only if necessary
826 to conduct District business (reimbursed to airport and back using personal
827 vehicle);
- 828 iv. Meals (excluding alcoholic beverages);
- 829 v. Gratuities (not to exceed 20 percent of expenses incurred);
- 830 vi. Lodging;
- 831 vii. Other actual and reasonable expenses.
- 832 2. **Employee and manager training.** The District may pay reasonable registration, tuition,
833 travel and incidental expenses (including lodging and meals) for education, development
834 and training when expenditures are directly related to the performance of duties.

835 Expenditures must be approved in advance by the administrator (for employees) or Board
836 (for managers and the administrator). Each person attending such training shall report on
837 the purpose of the training, the skills and knowledge obtained as a result of the training
838 and implementation recommendations, and recommendations on the value of future
839 attendance of such training. The administrator shall maintain a log of training paid for by
840 the District and include a report on staff and manager training in the monthly staff report.

841 3. **Safety and health programs.** The District may pay for safety and health programs that
842 promote healthier and more productive employees and reduce costs to watershed
843 taxpayers, including costs associated with workers' compensation and disability benefits
844 claims, insurance premiums and lost time resulting from employee absences.

845 4. **Manager and employee recognition and appreciation.** The District may pay for
846 programs that recognize managers and employees for significant contributions to the
847 District's performance and demonstrated commitment to the District's effective and
848 efficient fulfillment of its purposes in accordance with an annual plan and budget for such
849 events, approved by the Board. The District may pay for occasional manager and
850 employee appreciation events or activities conducted in accordance with an annual plan
851 and budget for such events, approved by the Board. No expenditure for manager or
852 employee recognition will be made under this policy unless and until the structure,
853 purposes and criteria for recognition are approved by the Board.

854 a. The District will not pay employees direct non-salary payments (i.e., bonuses)
855 except as conditioned on achievement of performance goals specified in a written
856 employment agreement.

857 5. **Food and beverages.** The District may pay for food and beverages when necessary to
858 ensure meaningful, efficient and effective participation of employees, managers or the
859 public in activities, events and functions directly related to District purposes.
860 Circumstances under which District expenditures for food and beverages will be allowed
861 include:

862 a. Food and/or beverages provided as part of a structured agenda of a conference,
863 workshop, work session, outreach meeting or seminar, when the topic or subject
864 of which relates to the official business of the District and the majority of the
865 participants are not District employees or managers;

866 b. Food and/or beverages may be provided as part of a workshop or formal meeting
867 primarily for District employees or managers where food and/or beverages are
868 necessary to facilitate the conduct of the meeting, to ensure continuity and support
869 the participation of employees, managers and other participants. Examples of
870 potential qualifying events include:

871 i. An extended planning or operational analysis meeting;

872 ii. An extended meeting to develop long-term strategic plans;

873 iii. A structured training session for employees generally; or

874 iv. Official meetings of the District Board, a committee, task force or
875 advisory group.

876 c. Food and/or beverages may be provided for occasional employee or manager
877 recognition and appreciation events and activities, when approved by the Board in
878 accordance with a District employee recognition and appreciation plan and
879 budget.

- 880 d. The District may pay for food and/or beverage expenses incurred in connection
881 with a meeting or event attended by employees and/or managers, the primary
882 purpose of which is to discuss, negotiate or evaluate a plan, program, project or
883 other endeavor directly related to District purposes.
- 884 e. District meetings, workshops and training sessions will be scheduled to avoid the
885 need to provide food whenever possible.
- 886 6. **Outreach and stakeholder involvement.** The District may pay for community and
887 stakeholder outreach and involvement programs to ensure that efficient and effective
888 District programs, projects and meetings are conducted to gather public and
889 intergovernmental input and participation in District planning, research, rulemaking and
890 program or project design.
- 891 7. **Membership, donations.** The District may pay for membership in the Minnesota
892 Association of Watershed Districts in accordance with Minnesota Statutes section
893 103D.335, subdivision 20. District funds may be expended for membership in other
894 professional organizations if the organization is an association of a civic, educational or
895 governmental nature and its activities are directly related to District purposes or the
896 improvement of District operations. District funds may not be donated to any
897 professional, technical or charitable organization, person or private institution. The
898 District may contract for services rendered by such organizations.
- 899 8. **Protocols.** The following protocols are established to ensure compliance with above
900 policies:
- 901 a. For employees other than the administrator, the written approval of the
902 administrator must be secured prior to an event or activity to qualify as a District
903 expenditure.
- 904 b. All invoices or reimbursement requests must include or be accompanied by a
905 copy of the administrator's written approval and must include itemized receipts or
906 other appropriate documentation of expenses incurred. Documentation also must
907 include the date the expense(s) were incurred, location, purpose, participating or
908 attending individuals and relevant affiliation, explanation of the need for food
909 and/or beverage for the meeting, event or activity, and any other relevant
910 information.
- 911 c. Copies of all documentation specified herein will be recorded and maintained in
912 accordance with the District records retention policy.
- 913 d. No expenditure shall be made which will cause the aggregate expenditures in the
914 budget category to exceed the budget for that category without authorization by
915 the Board of Managers.
- 916 9. **Use of District property**
- 917 a. District property, including but not limited to computers, phones, fax machines
918 and other office equipment, will be used exclusively for District business, except
919 for incidental personal use by District staff that does not interfere with or impede
920 the conduct of District business to any substantial degree.
- 921 b. District property must be used for only its intended purposes.
- 922 c. The administrator may not dispose of any District property with a value of more
923 than \$1,000 without prior authorization of the Board of Managers.
- 924 10. **Miscellaneous.**

- 925 a. The District administrator will secure an approval described above for expenses
- 926 he or she will incur from the president of the Board of Managers, except that the
- 927 administrator may approve or pay expenses for District-conducted programs,
- 928 events and activities.
- 929 b. The District will not pay for alcoholic beverages under any circumstances.
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Riley-Purgatory-Bluff Creek Watershed District
Fund Balance Policy

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I. Purpose

Pursuant to Statement No. 54 of the Governmental Accounting Standards Board concerning fund balance reporting and governmental-fund type definitions, and the recommendation of its auditor, the Riley-Purgatory-Bluff Creek Watershed District establishes specific guidelines the District will use to maintain an adequate fund balance to provide for cash-flow requirements and contingency needs because major revenue, most notably half of the District’s annual levy, is received in the second half of the District’s fiscal year.

The policy also establishes specific guidelines the District will use to classify fund balances into categories based primarily on the extent to which the District is legally required to expend funds only for certain specific purposes.

II. Classification of Fund Balances, Procedures

1. Nonspendable

- This category includes funds that cannot be spent because they either (i) are not in spendable form or (ii) are legally or contractually required to be maintained intact. Examples include inventories and prepaid amounts.

2. Restricted

- Fund balances are classified as restricted when constraints placed on those resources are either (i) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (ii) imposed by law through constitutional provisions or enabling legislation.

3. Committed

- Fund balances that can only be used for specific purposes pursuant to constraints imposed by action of the District Board of Managers. The committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action it employed to commit those amounts.
- The Board of Managers will annually or as deemed necessary commit specific revenue sources for specified purposes by resolution. This action must occur prior to the end of the reporting period, but the amount to be subject to the constraint may be determined in the subsequent period.
- The Board of Managers may remove a constraint on specified use of committed resources by resolution.

967 **4. Assigned**

968 · Amounts for which a specified purpose has been stated, but are neither
969 restricted nor committed. Assigned fund balances include amounts that are
970 intended to be used for specific purposes.

971 · Only the District board of managers has the authority to assign and remove
972 assignments of fund balance amounts for specified purposes.

973 **5. Unassigned**

974 · A residual classification that includes amounts that have not been assigned to
975 other funds and that have not been restricted, committed, or assigned to
976 specific purposes.

977 **6. Other Principles and Procedures**

978

979 · *Working capital.* The District will endeavor to maintain an unassigned fund
980 balance of an amount not less than 50 percent of the next year's budgeted
981 expenditures for working capital. This will assist in maintaining an adequate
982 level of fund balance to provide for cash-flow requirements and contingency
983 needs because major revenues, including property taxes and other government
984 aids are received in the second half of the District's fiscal year.

985 · A negative residual amount may not be reported for restricted, committed, or
986 assigned fund balances.

987 **III. Monitoring and Reporting**

988 The District administrator will annually prepare a report on the status of fund balances in relation
989 to this policy and present the report to the District managers in conjunction with the annual audit
990 report to the State of Minnesota.

991 When both restricted and unrestricted resources are available for use, it is the District's general
992 policy to first use restricted resources, then use unrestricted resources as needed. When
993 committed, assigned or unassigned resources are available for use, it is the District's general
994 policy to use resources in the following order; 1) committed 2) assigned and 3) unassigned.

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997 **Riley-Purgatory-Bluff Creek Watershed District**

998 **Internal Controls and Procedures for Financial Management**

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1001 This policy is adopted to provide the Riley-Purgatory-Bluff Creek Watershed District
1002 (District) with written internal controls and procedures for financial management.

1003 Adherence to this policy and procedures will ensure that the District's finances are
1004 managed in accordance with generally accepted accounting principles and best practices,
1005 and will minimize District administrative costs.

1006 I. **Annual budget.** The administrator annually develops a proposed budget for
1007 presentation to the Board of Managers for review. After adjustments as directed
1008 by the Board, the District schedules and issues appropriate notice for a public
1009 hearing on the proposed budget. Following the public hearing but before
1010 September 15 each year, the Board of Managers adopts the annual budget and
1011 certifies it to the Hennepin County auditor.

1012 a. Amounts in any approved budget category may not be reallocated without
1013 approval of the Board of Managers.

1014 b. Actual expenditures may not materially deviate from the amount in an
1015 approved budget category.

1016 II. **Annual financial statements.** Annual financial statements are accepted by the
1017 Board of Managers, then submitted to the Board of Water and Soil Resources and
1018 the Office of the State Auditor within 180 days of the end of each fiscal year.

1019 a. In preparation for the annual audit of the District finances, the
1020 administrator prepares the following documents:

1021 i. Copies of approved budgets and all budget amendments;

1022 ii. Detailed general ledger (through year-end);

1023 iii. Bank reconciliation and bank statements;

1024 iv. Copies of disbursements and receipts;

1025 v. Copy of tax (levy) settlements from Hennepin County;

1026 vi. Copy of certification levy;

1027 vii. Listing of accounts payable and copies of signed checks;

1028 viii. Grant and other funding agreements;

1029 ix. List of capital assets, showing all deletions and additions;

1030 x. Copies of invoices;

1031 xi. Approved minutes.

1032 b. The administrator annually presents the audit for acceptance to the Board
1033 of Managers at a monthly meeting.

1034 III. **Monthly financial management protocols.**

1035 a. The District contracts with a certified public accountant to manage the
1036 checking accounts and investment funds of the District.

1037 b. The administrative assistant opens the mail and receives checks, permit
1038 fees payments, monthly bills and invoices at the District office.

1039 i. The administrative assistant copies escrow checks and

1040 permit fees payments, enters them into a spreadsheet,

1041 copies checks, deposits them, and attaches deposit slips to

1042 the spreadsheet;

- 1043 ii. The administrative assistant opens invoices and places
- 1044 them in a folder for the administrator’s review;
- 1045 iii. The administrative assistant collects staff receipts for
- 1046 expense reimbursement, including expense receipts for
- 1047 credit card charges, or a weekly basis;
- 1048 iv. The administrative assistant places per diem request sheets
- 1049 in a folder for the administrator’s review.
- 1050 c. Receipts are reviewed and approved by the administrator and invoices are
- 1051 reviewed and approved by the administrator and Treasurer.
- 1052 d. The administrator reviews the Excel spreadsheet prepared by the
- 1053 administrative assistant, listing vendor, invoice number, invoice amount
- 1054 and general ledger coding; a list of deposits with coding and a list of credit
- 1055 card charges with coding, and emails this information to the accountant.
- 1056 e. The accountant prepares checks pursuant to these recommendations to pay
- 1057 the monthly bills.
- 1058 f. Payroll is processed through a third party payroll service. The
- 1059 administrator submits employee hours to the payroll service for each pay
- 1060 period. The payroll service prepares payroll on a semi-monthly basis by
- 1061 direct deposit and is responsible for all tax filing requirements, tax forms,
- 1062 and PERA payments or filing requirements.
- 1063 g. The accountant prepares a monthly treasurer’s report that includes a listing
- 1064 of bills to be paid and tracks account balances. The accountant also
- 1065 prepares an internal report for the treasurer.
- 1066 h. The administrator reviews the treasurer’s report and distributes the report
- 1067 to the Board of Managers for the review prior to the Board’s monthly
- 1068 meeting.
- 1069 i. The treasurer also reviews the bills to determine whether to recommend
- 1070 payment. All bills are available for review by any member of the Board of
- 1071 Managers on request.
- 1072 j. The treasurer reviews the treasurer’s report for accuracy prior to
- 1073 presentation to the Board of Managers.
- 1074 k. At the monthly Board meeting, the treasurer presents the treasurer’s
- 1075 report. The Board of Managers receives and discusses, as necessary, the
- 1076 treasurer’s report, then authorizes payment of the monthly bills as
- 1077 presented in the check register.
- 1078 l. Following Board authorization to pay the bills, the administrator mails
- 1079 payment to vendors as authorized.
- 1080 IV. **Spending Authority.** All expenditures by the District must be approved in
- 1081 advance by the Board, except that the Board by resolution may delegate to the
- 1082 administrator the authority to bind the District, with or without countersignature,
- 1083 to a purchase of goods or services, or to enter into a contract for same, when the
- 1084 cost thereof does not exceed \$10,000 or under other specified conditions.
- 1085 a. The Board has authorized the administrator to expend up to \$5,000 on a
- 1086 single purchase without prior Board approval and affirms that authority in
- 1087 adopting this policy.

- 1088 b. The administrator may not purchase any real estate or easements on real
1089 estate without prior authorization for the Board of Managers.
- 1090 **V. Banking**
- 1091 a. The District maintains a current signature card at the depository bank.
- 1092 b. The administrator and treasurer may transfer funds between District
1093 accounts and may deposit funds into District accounts.
- 1094 c. Cash withdrawals from District accounts are prohibited.
- 1095 d. The administrator, in consultation with the treasurer, is authorized to
1096 invest District funds in accordance with Minnesota Statutes chapter 118A.
- 1097 e. All deposits to District accounts must be made intact, and the District’s
1098 bank is instructed not to return cash from a deposit to a District account.
- 1099 **VI. Checking**
- 1100 a. The administrator is not an authorized signatory of District checks.
- 1101 b. All checks, drafts or other orders for the payment of money, notes or other
1102 evidence of indebtedness issued in the name of the District shall not be
1103 valid unless signed by two managers, except that a check, draft or other
1104 order for payment of less than \$100 is valid with one manager’s signature.
- 1105 **VII. Credit card use.** The administrator is authorized to incur charges to the District
1106 credit card, with a maximum single charge of \$5,000 and allowable billing-period
1107 maximum charges totaling \$10,000.
- 1108 a. A receipt must be obtained for all District credit card purchases. Credit
1109 card purchases for which a detailed receipt is not provided must be
1110 reimbursed by the individual making the purchase.
- 1111 **VIII. Reporting**
- 1112 a. All expenditures and investments, receipts and disbursements made must
1113 be compiled for presentation to the Board of Managers by the treasurer in
1114 a timely manner.
- 1115 b. The annual audit will be filed with the Board of Water and Soil Resources
1116 and the Office of the State Auditor within 120 days of the end of the
1117 District’s fiscal year (January 1 – December 31).
- 1118 c. The administrator and treasurer will regularly review relevant records and
1119 documents for any of the following, and report to the treasurer (for the
1120 administrator) or the Board of Managers (for the treasurer) any of the
1121 following if found:
- 1122 i. Unusual or unexplained discrepancy between actual
1123 performance and anticipated results (costs in a general
1124 expense categories well beyond the budgeted amount);
- 1125 ii. Receipts that do not match deposit slips;
- 1126 iii. Disbursements to unknown and/or unapproved vendors;
- 1127 iv. A single signature on a check or pre-signed blank checks;
- 1128 v. Gaps in receipt or check numbers;
- 1129 vi. Late financial reports;
- 1130 vii. Disregard of internal control policies and procedures.
- 1131 **IX. Depositories and collateralization.** In accordance with state law, the District
1132 names an official depository or depositories at its January meeting each year
1133 (depository bank(s)). In the event the Board of Managers does not designate a

1134 depository in any particular year, the last-designated depository will continue in
1135 that capacity. Each depository bank provides the District with a proof of
1136 collateralization in accordance with state law (Minnesota Statutes section 118.03)
1137 for an amount equal to the amount on deposit at the close of the depository bank's
1138 banking day beyond the amount covered by federal insurance, if any. The
1139 collateral provided by each depository bank will be maintained in an account in
1140 the trust department of a bank or other financial institution not owned or
1141 controlled by the same (depository) bank or in a restricted account at a federal
1142 reserve bank. District funds are managed pursuant to the Investment and
1143 Depository Policy, adopted January 8, 2020.

1144 X. **Financial Assurances and Abandoned Property.** *See* District Policy for
1145 Management of Financial Assurances and Abandoned Property, adopted
1146 November 21, 2012.

1147 XI. **Miscellaneous**

- 1148 a. The District will not maintain a petty cash fund.
 - 1149 b. The District will not accept cash (currency) in payment of permit fees or
1150 financial assurances.
 - 1151 c. The District will not cash personal or third-party checks.
 - 1152 d. The administrator must not fail to insure District property against theft and
1153 casualty loss.
- 1154

1155 **RILEY PURGATORY BLUFF CREEK WATERSHED DISTRICT**

1156 **INVESTMENT AND DEPOSITORY POLICY**

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1160 **1. PURPOSE**

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1162 The purpose of this policy is to establish the Riley Purgatory Bluff Creek Watershed
1163 District’s investment objectives, establish specific guidelines that the District will
1164 use in the investment of funds, and establish District depository policy. It will be
1165 the responsibility of the District administrator to invest District funds in order to
1166 attain a market rate of return while preserving and protecting the capital of the
1167 overall portfolio and to ensure compliance with District policy and with statutory
1168 requirements applicable to the District’s designation a depository financial
1169 institution. Investments will be made in compliance with statutory constraints and
1170 in safe, low-risk instruments that are approved by the RPBCWD Board of
1171 Managers.

1172
1173 **2. SCOPE**

1174
1175 This policy applies to all financial assets of the District, including, as to depository
1176 policy, funds held in escrow.

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1179 **3. SPECIFIC REVENUE SOURCES AND POOLING OF FUNDS**

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1181 The District will report proceeds of specific revenue sources as restricted,
1182 committed or assigned for specific purposes, as applicable, and maintain its budget
1183 and accounts in a manner consistent with these designations. Except for cash in
1184 these certain restricted, committed and assigned funds, the District will consolidate
1185 cash and reserve balances from all funds to maximize investment earnings and
1186 increase efficiencies with regard to investment pricing, safekeeping and
1187 administration. Investment income will be allocated to the various funds based on
1188 their respective participation and in accordance with generally accepted accounting
1189 principles.

1190
1191 **4. DESIGNATION OF DEPOSITORY AND COLLATERALIZATION**

1192
1193 The District Board of Managers annually will designate a financial institution or
1194 institutions in the State of Minnesota as the depository of District funds. In the
1195 event the Board of Managers does not designate a depository in any particular year,
1196 the last-designated depository will continue in that capacity. Each depository will
1197 furnish collateral, as necessary, in the manner and to the extent required by
1198 Minnesota Statutes Section 118A.03, as it may be amended, and other applicable
1199 law. Collateral will be held in safekeeping in compliance with Section 118A.03, as
1200 it may be amended.

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5. DELEGATION OF AUTHORITY

Minnesota Statutes Section 118A.02 provides that the governing body may authorize the treasurer or chief financial officer to make investments of funds under Sections 118A.01 to 118A.06 or other applicable law. Pursuant to Article VI of the District Bylaws and Governance Policies: Executive Limitations Policy 6, Asset Protection, the Board of Managers, and as otherwise permitted by law, designates the administrator as the District’s chief financial officer and authorizes the District administrator to invest District funds pursuant to this policy and state law for the District.

The District administrator shall assure compliance with this policy and further develop and maintain adequate controls, procedures, and methods assuring security and accurate accounting on a day-to-day basis.

6. OBJECTIVES

At all times investments of the District shall be made and maintained in accordance with Minnesota Statutes Chapter 118A as it may be amended. The primary objectives of the District investment activities shall be in the following order of priority:

A. SECURITY

Security of principal is the foremost objective of the investment portfolio. Preserving capital and protecting investment principal shall be the primary objective of each investment transaction. Specific risks will be managed as follows:

Credit Risk. Credit risk is the risk of loss due to failure of the security issuer or backer. Designated depositories will have insurance through the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation. To ensure security when considering an investment, the District will cross-check all depositories under consideration against existing investments to make certain that funds in excess of insurance limits are not deposited with the same institution unless collateralized as outlined herein. Furthermore, the Board of Managers will approve all financial institutions, brokers and advisers with which the District will do business.

Concentration of Credit Risk. The District will diversify its investments according to type and maturity. The District portfolio, to the greatest extent feasible, will contain a mixture of short-term (shorter than one year) and long-term (more than one year) investments. The District will attempt to match its investments with anticipated cash-flow requirements. Extended

1247 maturities may be utilized to take advantage of higher yields.

1248

1249 *Interest Rate Risk.* Interest rate risk is the risk that the market value of
1250 securities in the portfolio will fall due to changes in general interest rates.
1251 The District will minimize interest rate risk by structuring its investment
1252 portfolio to ensure that securities mature to meet cash requirements for
1253 ongoing operations, thereby avoiding the need to sell securities on the open
1254 market prior to maturity.

1255

1256 *Custodial Risk.* The District will minimize deposit custodial risk, which is
1257 the risk of loss due to failure of the depository bank (or credit union), by
1258 obtaining collateral for all uninsured amounts on deposit, and by obtaining
1259 necessary documentation to show compliance. (See section III.)

1260

1261 **B. LIQUIDITY**

1262

1263 The investment portfolio shall remain sufficiently liquid to meet projected
1264 disbursement requirements. This is accomplished by structuring the
1265 portfolio so that securities mature concurrent with cash needs to meet
1266 anticipated demands. Generally, investments will have short terms and/or
1267 “laddered” maturities so that funds become available on a regular schedule.
1268 Liquid funds will allow the District to meet possible cash emergencies
1269 without being significantly penalized on investments.

1270

1271 **C. RETURN ON INVESTMENT**

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1273 The investment portfolio shall be designed to manage the funds to maximize
1274 returns consistent with items A and B above and within the requirements
1275 set forth in this policy. Subject to the requirements of the investment
1276 objectives herein, it is the policy of the District to offer financial institutions
1277 and companies within the District the opportunity to bid on investments; the
1278 District will seek the best investment yields.

1279

1280 **7. PRUDENCE**

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1282 The “prudent person” standard shall be applied in managing District investments.
1283 All investment transactions shall be made in good faith with the degree of judgment
1284 and care, under the circumstances, that a person of prudence, discretion, and
1285 intelligence would exercise in the management of their own affairs, in accordance
1286 with this policy.

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1288 **8. ELIGIBLE INVESTMENTS**

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1290 All investments shall be in accordance with Minnesota Statutes section 118A.04.

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9. INVESTMENT RESTRICTIONS

In addition to statutory prohibitions, no investment of District funds shall be made in derivative products, structured notes, inverse index bonds, repurchase agreements or other exotic products or investments not authorized by statute.

10. SAFEKEEPING

District investments, contracts and agreements will be held in safekeeping in compliance with Minnesota Statutes Section 118A.06. In addition, before accepting any investment of District funds and annually thereafter, the supervising officer of the financial institution serving as a broker for the District shall submit a certification substantially in the form attached hereto as **Exhibit Y** stating that the officer has reviewed the District Investment and Depository Policy and incorporated statement of investment restrictions, as well as applicable state law, agrees to act in a manner consistent with the policy and law, that the supervising officer will promptly disclose any potential conflicts of interest or risk to public funds that might arise out of business transactions between the firm and the District, and that the financial institution will undertake reasonable efforts to preclude imprudent transactions involving the District funds. The District will annually provide the policy as it may be amended to each such supervising officer.

11. CONFLICT OF INTEREST

Any District manager or staff member involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair his/her ability to make impartial investment decisions.

12. INTERNAL CONTROLS AND REPORTING

Internal controls are designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. Before the District invests any surplus funds, competitive quotations shall be obtained. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, quotations will be requested for instruments which meet the maturity requirement. The District will accept the quotation which provides the highest rate of return within the maturity required and within the limits of this policy.

The District funds shall not be invested for a term exceeding three years unless so authorized by the Board of Managers.

Monthly, the District administrator shall provide an investments report to the Board

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of Managers, including but not limited to the amount invested, the maturity date(s), the institution with which invested or the investment type, and the interest rate. Investments shall be audited and reported with financial statement annually. It shall be the practice of the District Board to review and amend the investment policy from time to time as needed, but not less than once every two years.

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Riley-Purgatory-Bluff Creek Watershed District
Policy on Permit Fee Reimbursement

1. Permit fee deposits will held in escrow and applied to reimburse the District for permit inspection-related costs incurred at the rates stated in a permit fee deposit and rate schedule established by the Board of Managers.
2. When a permit application is approved, the deposit will be replenished to the applicable deposit amount by the applicant before the permit will be issued to cover actual costs incurred to monitor compliance with permit conditions and the District Rules.
3. No permit will be modified, renewed or extended if the applicable permit fee deposit balance is negative.
4. The administrator will return any unused portion of an applicant’s permit fee deposit to the permittee within 45 days of notice from the permittee that the permitted work has been completed, unless the District determines that the work has not been completed in accordance with the applicable permit.
5. All permit applicants and permittees shall replenish the permit fee deposit to the original amount or such lesser amount as the District administrator deems sufficient within 30 days of receiving notice that such deposit is due, and directing the administrator to close out the relevant application or permit and revoke prior approvals, if any, if the permit-fee deposit is not timely replenished;

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Appendix A

Riley-Purgatory-Bluff Creek Watershed District
Inventory of Not-Public Data on Individuals
January 2015

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This document describes private or confidential data on individuals maintained by the Riley-Purgatory-Bluff Creek Watershed District (*see* Minn. Stat. 13.05 and Minn. Rules 1205.1200).

This document is also part of the District’s procedures for ensuring that not-public data are only accessible to individuals whose work assignment reasonably requires access (see Minn. Stat. 13.05, subd. 5). In addition to the employees listed, the District managers and District legal counsel also will have access to not-public data as needed as part of specific assignments or under certain circumstances.

Please direct all questions about this inventory to the District Data Practices Compliance Official:

Claire Bleser
cbleser@rpbcwd.org
952-607-6512

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| Name of Record, File, Process, Form or Data Type | Description | Data Classification | Citation for Classification | Employee/Manager Access |
|--|--|--------------------------------|-----------------------------|--|
| Appeal data | Data maintained as a result of processing appeals of determinations about the accuracy and/or completeness of public and private data on individuals | Public Private | MS 13.03, subd. 4 | Administrator. |
| Applicant records | Completed assessments and results, related documentation, and application forms. | Public Private | MS 13.43 | Administrator. |
| Attorney Data | Data related to attorney work product or data protected attorney-client privilege | Private | MS 13.393 | Staff on as needed basis as part of specific work assignments. |
| Citizen Advisory Council member data | Data pertaining to advisory council applicants and appointees. | Public Private Confidential | MS 13.601 | Administrator; other staff as needed. |
| Civil investigative data | Data that are collected in order to start or defend a pending civil legal action, or because a civil legal action is expected | Confidential Public | MS 13.39 | Administrator; other staff as needed. |

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| Continuity of Operations | Personal home contact information used to ensure that an employee can be reached in the event of an emergency or other disruption affecting continuity of operation of a government entity. | Private | MS 13.43, subd. 17 | Administrator. |
| Employee expense reports | Expense reimbursement requests | Public Private | MS 13.43 | Administrator. |
| Employee personnel records | Record of prior and current employment history. Data relating to hiring, assessments, payroll, pension and retirement, promotion, medical, family leave, grievances and discipline and related administrative personnel actions; drug-and-alcohol-testing and background-check results. | Public Private | MS 13.43 | Administrator. |
| Motor vehicle data | Information on license plate numbers, owners, and registration status of vehicles. | Private | MS 168.346 | Administrator. |
| Personal contact and online account information | Telephone number, email address and usernames and passwords collected, maintained, or received by the District for notification purposes or as part of a subscription list for an entity's electronic periodic publications as requested by the individual. | Private | MS 13.356 | Administrator; consultants as needed for specific projects and programs. |

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|------------------------------------|--|---------------------------------|------------------------------|------------------------------------|
| Personnel data | Data about employees, applicants, volunteers and independent contractors; data disclosed for the purpose of administration of the workers' compensation program as provided in chapter labor relations information | Public/Private/ Confidential | MS 13.43 179A.03, subd. 4 | Administrator. |
| Response to data requests | Data collected by the District Data Practices Compliance Official in responding to requests for data maintained by the District. | Public Private | Various | Administrator; staff as necessary. |
| Security information | Data that would substantially jeopardize the security of information, possessions, individuals or property against theft, tampering, improper use, attempted escape, illegal disclosure, trespass, or physical injury, if the data were released to the public | Private | MS 13.37 | Administrator. |
| Social Security numbers | Social Security numbers assigned to individuals | Private | MS 13.355 | Administrator. |
| Unemployment compensation billings | Records of billings for employee unemployment compensation | Private | MS 13.43 | Administrator. |

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|-------------------------------|---|---------|----------|----------------|
| Workers compensation billings | Records of billings for employees who receive workers compensation benefits | Private | MS 13.43 | Administrator. |
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