



MEMORANDUM

Comfort Lake-Forest Lake Watershed District

Date: June 5, 2023
To: CLFLWD Board of Managers
From: Mike Kinney, District Administrator
Subject: Governance Manual Annual Review



District Wide

Annual Overview

Legal counsel will provide an overview of the governance manual as a reminder to managers of some of the main points, as well as to serve as an opportunity for the Board to annually review the governance manual and consider any necessary changes.

This overview will be quite brief since we are not allocating a full hour to the topics. Managers may ask questions as each topic is covered and if further information or discussions at future meetings are needed, they can be scheduled.

The current list of topics are as follows:

1. Manager Term/Reappointment
2. Scope of District Powers
 - Limited to water resources within the watershed
 - Public purpose doctrine: Limits on District expenditures
3. Roles of Managers
 - Policy, oversight, external relations
 - Delegation of execution to administrator
 - Schedule of annual activities
4. Principles of Action: Public Meetings, Public Files
 - Meeting notice, Open Meeting Law, records retention, Data Practices Act
 - Conduct of meetings
 - Committee vs. “work group”
5. Financial Management
 - Role of managers
 - Investment framework/collateral requirement
 - Competitive procurement
6. Manager’s Organizational vs. Individual Interest



MEMORANDUM

Comfort Lake-Forest Lake Watershed District

- Conflict of interest
- Speaking for District vs. speaking for self

7. Per Diem

Of particular interest from me, I'd like to highlight the "Managers Authorities" of the Governance Manual as it relates to the Summary of Board Direction topic. The Summary of Board Direction has been a recurring agenda item that began in 2018. This table tracks requests that managers make during regular board meetings, as well as outside of board meetings. Since 2018, there have been 430 tasks tracked on the spreadsheet that resulted from requests by one or more managers.

The Summary of Board Direction item began with the purpose of gaining consensus from the full board with respect to additional work being assigned to the District administrator and other staff members. The intent is to ensure the District continues to operate within the bounds of its bylaws and governance manual. Per the District's bylaws, Article I, clause 6.

To remain consistent with the bylaws, I recommend that managers route all requests and directives that exceed a de minimis amount of time, through the Summary of Board Direction agenda item at meetings. In this way, the full board is aware of and signs off on the requests being made by individual managers. I have observed a slight increase in direct communications with staff in which the level of effort to complete a task is unclear. Additional clarification through me takes additional time. Of course, issues that arise at the last minute due to environmental or other conditions can always be routed through me at any time.

Attached: CLFLWD Governance Manual

COMFORT LAKE – FOREST LAKE WATERSHED DISTRICT

GOVERNANCE MANUAL

August 27, 2015

Amended April 8, 2019

Amended March 24, 2022

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Comfort Lake – Forest Lake Watershed District
Governance Manual –
Introduction

August 27, 2015

Comfort Lake – Forest Lake Watershed District is a special purpose unit of government established under Minnesota Statutes chapters 103B and 103D. Comfort Lake – Forest Lake Watershed District is governed by a five-member Board of Managers, two of whom are appointed by the Chisago County Board of Commissioners and three of whom are appointed Washington County Board of Commissioners. The day-to-day operations of CLFLWD are managed and directed by an administrator, implementing the watershed management plan adopted by the Board of Managers.

For purposes of establishing the CLFLWD Governance Manual, existing policies were updated and new policies were developed for adoption. All were then incorporated herein. The manual includes specific policy and protocol documents that fulfill specific statutory or internal management purposes.

The manual establishes clear written policies, procedures and instructions for the management of CLFLWD activities and accounts, complete recordkeeping and records management, and responses to requests for data. The manual also should help to ensure that similar transactions are handled 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:

- **Bylaws**, including a conflict of interest policy and fulfilling the requirement of Minnesota Statutes section 103D.315, subdivision 11.
- **Governance Policy & Schedule** establish operational procedures and, as noted below, policy on specific administrative matters. The schedule highlights the tasks and reviews the Board of Managers will conduct each year, with support from staff, to ensure the policies and protocols remain current, legally compliant and effectively scaled for CLFLWD operations.
- **Public Purposes Expenditures Policy** includes protocols and requirements to ensure that the CLFLWD complies with the requirement in the state constitution (Article X, section 1) that expenditures by government bodies serve public purposes.
- **Investment and Depository Policy & Procedures** provide terms for investment and collateralization of CLFLWD funds, while the **Internal Controls Manual** provides protocols for management and administration of CLFLWD bank accounts and compliance with governmental best practices issued by the Office of the State Auditor and others.

- **Fund Balance Policy** guides CLFLWD’s use and management of funds it receives to implement its comprehensive plan and statutory purposes.
- **Credit Card Policy** establishes controls and procedures for use of the CLFLWD credit card.
- **Policies and Procedures for Public Access to Documents** fulfills requirements of the state Data Practices Act (Minnesota Statutes chapter 13) applicable to the CLFLWD. The following auxiliary documents fulfill specific requirements of the Data Practices Act:
 - 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.
 - 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.)
- **Electronic records management policy & Records Retention Schedule** allows CLFLWD to efficiently manage and, when appropriate, archive its files, and fulfills the requirement of section 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 (section 13.05, subdivision 1). The electronic records management policy is included in the general CLFLWD governance policies. Accompanying that statement, the records schedule 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 Assurance and Abandoned Property** provides protocols to manage assurances collected by CLFLWD 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). The policy is accompanied by an escrow agreement template, for escrow of funds submitted by permittees to fulfill financial assurance requirements in the District rules.

The manual will be annually reviewed at the Board of Managers’ business meeting and updated (typically in January) as necessary. The manual will be submitted within 60 days of adoption to the Office of the State Auditor in compliance with Minnesota Statutes section 6.756, as will any revisions and additional policies when adopted.

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

Except as explicitly provided by law, this governance manual is for the internal guidance of the CLFLWD and does not create any rights in any third party. Except as constrained by law, the Board of Managers retains its discretion to deviate from a policy herein as in its judgment circumstances warrant.

Bylaws

Comfort Lake – Forest Lake Watershed District

Amended August 27, 2015

Amended April 8, 2019

These bylaws establish rules governing the conduct of business by the Board of Managers of the Comfort Lake – Forest Lake Watershed District (CLFLWD.)

ARTICLE I: BOARD OF MANAGERS

The board consists of five members, three of whom are appointed by the Washington County Board of Commissioners and two of whom are appointed by the Chisago County Board of Commissioners. Managers are appointed, in accordance with state law, for three-year terms.

1. *Term, vacancy.* A manager's term continues until a successor is appointed and qualified. In the event a member of the board resigns or otherwise declares an inability to complete his or her term on the board, the board will advise appropriate county board of commissioners of the vacancy created as soon as practicable to allow the vacancy to be filled as soon as possible.
2. *Compensation.* The board may elect to compensate its members for attending meetings and performing other duties necessary to proper management of the CLFLWD. Such compensation will be in accordance with Minnesota Statutes section 103D.315 and with such other governance policy as the Board of Managers may adopt.
3. *Conflict of interest.* Comfort Lake – Forest Lake Watershed District seeks to assure public confidence in the integrity of its proceedings because such confidence is essential for effective governance. The citizens affected by Board of Managers proceedings deserve and expect high ethical standards in the Board, and the Board of Managers seeks to make its high standards known to citizens of CLFLWD. Ensuring that conflicts of interest do not affect Board of Managers proceedings is an essential element of maintaining high ethical standards. Therefore, the Board of Managers adopts the following conflict of interest policy consistent with the Ethics in Government Act, Minnesota Statutes section 10A.07:
 - a. *Disclosure of conflicts:* Where the official duties of a manager, including chairing any meeting, participating in any vote, or offering any motion or discussion on any matter, may substantially affect the manager's personal or financial interests or those of an associated business, other than where the effect on the manager is no more than on any other member of the manager's profession, occupation or business classification, the manager must take the following actions:
 - i. Prepare a written statement describing the matter requiring action and the nature of the conflict of interest; and
 - ii. Deliver a copy of the statement to the president of the Board of Managers for filing with the Board of Managers prior to taking the action.

If a conflict arises, and a manager has insufficient time to provide a written statement, the manager must orally inform the board.

- b. *Abstention.* A manager must abstain from chairing any meeting, participating in any vote, offering any motion or participating in any discussion on a matter that substantially affects the manager’s personal or financial interests or those of an associated business, unless the effect on the manager is no more than on any other member of the manager’s profession, occupation or business classification.
- 4. *Bonding.* Before a manager assumes his or her duties, CLFLWD will obtain and file a bond for the manager, at CLFLWD expense, in accordance with Minnesota Statutes section 103D.315, subdivision 2.
- 5. *Insurance.* The board, at CLFLWD expense, will provide insurance for the managers for liability protection on such terms and in such amounts as the board determines.
- 6. *Managers’ authority.*
 - a. The president is authorized to speak on behalf of CLFLWD. No other manager may speak on behalf of CLFLWD unless authorized to do so by the Board of Managers.
 - b. No individual manager may provide direction, instructions or authorization to the administrator or a CLFLWD consultant unless specifically authorized to do so by the Board of Managers or pursuant to the authority that manager possesses as an officer under these bylaws.
 - c. A manager’s request for information that would require more than 30 minutes of the administrator’s time must be approved by the board of managers.
 - d. A manager’s request for information from consultants to CLFLWD, other than auditors or legal counsels, must be directed through the administrator.
 - e. A manager may not request or authorize on behalf of the CLFLWD performance of services by the administrator, a consultant, the auditor or legal counsel unless authorized by action of the Board of Managers, which authorization will extend only to the extent and scope specifically authorized by the Board of Managers, or by direction of the CLFLWD administrator under the administrator’s authority as delegated by the Board of Managers.
 - f. Individual managers cannot bind the CLFLWD to agreements or expenditures, except as may be authorized by the Board of Managers.

ARTICLE II: OFFICERS

At the annual meeting of the CLFLWD Board of Managers, it will elect from among its members the following officers: president, vice president, treasurer, assistant treasurer and secretary. An officer will serve until replaced by the election of a successor. No board member may hold more than one office at a time, except that the Board of Managers may name an officer to serve in another office pro tem as necessary for the board to take an essential action absent the manager holding that office.

In the event an officer cannot complete his or her term of office, the board will immediately elect from among its members an individual who will complete the unexpired portion of the term.

The president will:

- (a) serve as chairperson for all meetings;
- (b) sign and deliver in the name of CLFLWD any contracts, deeds, correspondence or other instruments pertaining to the business of CLFLWD, as authorized by the board;
- (c) be a signatory to CLFLWD accounts.

The vice president will:

- (a) discharge the president's duties in the event of the absence or disability of the president;
- (b) be a signatory to CLFLWD accounts.

The treasurer will:

- (a) be a signatory to CLFLWD accounts and financial records.

The assistant treasurer will:

- (a) be a signatory to CLFLWD accounts and financial records.

The secretary will:

- (a) certify levies, records and proceedings of CLFLWD;
- (b) be a signatory to CLFLWD accounts.

The following officers' duties will be performed by the administrator under the direction of the Board of Managers:

- (a) develop and maintain CLFLWD financial accounts and records;
- (b) arrange for the annual audit of CLFLWD financial records;
- (c) provide the board with such records as are necessary to describe the financial condition of CLFLWD;
- (d) deposit all monies, drafts and checks in the name of and to the credit of CLFLWD at such banks and depositories as the board may approve.
- (e) maintain records of CLFLWD;
- (f) ensure that minutes of all CLFLWD meetings are recorded and made available in a timely manner to the managers and the public, and maintain a file of all approved minutes;
- (g) provide for proper public notice of all meetings.

CLFLWD will maintain a seal in the possession of the administrator.

ARTICLE III: MEETINGS

The conduct of all meetings of the board will be governed by the most recent edition of *Robert's Rules of Order Newly Revised*. *Robert's Rules* may be temporarily suspended by consent of a majority of the managers. Absent timely objection, a failure to conform to *Robert's Rules* will not invalidate an action of the board.

For all meetings of the board, a majority of the members appointed will constitute a quorum to do business, but a minority may adjourn a meeting. 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.

1. *Annual Meeting*. The regular meeting of the board in January each year will be the annual business meeting. In addition to any other business that may come

before this meeting, the board will designate the depository or depositories for CLFLWD funds and financial assurance instruments submitted to CLFLWD, adopt a schedule of regular meetings for the year, and select officers. The schedule of regular meetings will be filed in the records of CLFLWD.

2. *Regular Meetings.* The board may hold periodic meetings for the purpose of conducting the general business of CLFLWD. The schedule of regular meetings may be changed at any time by action of the board.
3. *Special Meetings.* A special meeting may be held at any time. Special meetings may be called by any manager or the administrator. A manager's call for a special meeting must be made in writing or electronic mail (email) to the secretary of the board and the CLFLWD administrator at least five calendar days prior to the date of the meeting. This request must include a statement of the purpose(s) for which the meeting will be called. Immediately upon receipt of a properly drafted request, the administrator will cause all members of the board to be notified and, on determining the availability of a quorum, make public notice of the meeting.
4. *Emergency Meetings.* An emergency meeting may be called by any manager or the administrator on 24 hours' notice because of circumstances that, in the judgment of the manager calling the meeting or administrator, require immediate consideration. Whenever practical, a request for such a meeting should be made in writing to the secretary and CLFLWD administrator, who will notify all board members by the most expeditious and effective means available.

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 interim chair. Upon appearance of a quorum, the board will proceed to do business in accordance with the agenda as approved by the board.

1. 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 questions.
2. 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.
3. Any person may address the board after being recognized by the chair. The chair may limit the time allowed for a manager or other person addressing the board to speak.
4. 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 to direct the administrator to obtain such information.

Minutes. The administrator will make minutes of any meeting available to all board members prior to the next meeting absent special circumstances.

Voting. When the chair puts a question to the board, every manager present will vote, unless for special reasons the board excuses him or her. Only managers present within the meaning of the Open Meeting Law may vote, and no manager may appoint a proxy

for any question coming before any meeting for a vote. Voting on resolutions will be by roll call. On request of a member, the chair will have the yeas and nays of any vote on a motion recorded.

ARTICLE IV: COMMITTEES

The board may appoint committees and subcommittees for the purpose of assisting the board in the performance of its duties. Except for a board member appointed to a committee, no other member of a committee may make motions for consideration or vote on matters put before the board.

1. *Citizens Advisory Committee.* In accordance with Minnesota Statutes section 103D.331, there is established a citizens advisory committee to the Board of Managers. The committee will be known as the Citizens Advisory Committee (CAC). The CAC will advise the Board of Managers on water-related community concerns and issues, and assist with the development and implementation of the education and outreach activities of CLFLWD. The CAC will meet according to a schedule set annually by the members of the CAC, and at such other times as may be determined by a majority of the members. All meetings of the CAC are open to the public.
2. *Technical Advisory Committee.* In accordance with Minnesota Statutes section 103D.337, there is established a technical advisory committee (TAC) to the Board of Managers. The TAC consists of representatives of affected statutory and home rule charter cities, the counties, and soil and water conservation districts, as well as other governmental entities with jurisdiction in the Comfort Lake - Forest Lake watershed as the Board of Managers may determine. The TAC is convened as necessary and appropriate to advise the Board of Managers on regulatory and other technical matters.
3. *Administrator Review Committee.* There is established an administrator review committee, consisting of two managers appointed annually by the president on advice of the Board. The committee will be responsible to develop the structure and procedure for the administrator's performance review for full Board consideration, to carry out those elements of the review process as the Board determines appropriate for committee rather than full Board performance, to take other steps as directed by the Board and as will provide for the administrator's timely review, and to coordinate performance monitoring or other outcomes of a performance review.

ARTICLE V: MISCELLANEOUS

1. The CLFLWD fiscal year will run from January 1 through December 31 of each year.
2. The board, by resolution, may authorize the administrator to purchase goods and services or otherwise bind CLFLWD by contract up to an amount or amounts specified in the resolution. Except as provided in the resolution, board approval is required to contractually bind CLFLWD.

Adopted as amended by the Board of Managers of the Comfort Lake – Forest Lake Watershed District the 8th day of April 2019.

Date: _____

Jen Oknich, Secretary

Comfort Lake – Forest Lake Watershed District General Governance Policies & Schedule

Adopted August 27, 2015
Amended April 8, 2019
March 24, 2022

The following general governance policies help ensure sound administration of CLFLWD business and continued focus of CLFLWD resources on protection and improvement of the water resources in the Comfort Lake – Forest Lake watershed.

II. Contracting

- a. By Resolution 15-04-01, the Board of Managers has delegated to the administrator the authority to enter contracts for CLFLWD programs and projects up to \$20,000, provided that the authority may not be exercised in serial fashion to exceed the delegated authority as to a particular contract. The authority may be adjusted by board resolution.
- b. By Resolution 22-02-03, the Board of Managers has delegated to the administrator the authority to apply for grants, and execute and perform grant agreements, providing funding to the CLFLWD of up to \$40,000, where the CLFLWD does not thereby obligate itself to a local share in excess of \$20,000.

III. Per diems

- a. Managers may receive a per diem for participation in a meeting of the Board of Managers and for other necessary duties in accordance with relevant provisions of state law and the CLFLWD bylaws.
- b. The term “necessary duties,” as used in paragraph III.a, is defined as follows:
 - (i) A noticed business or workshop meeting of the Board (regular, special or emergency meeting), or of a formally established committee of the Board;
 - (ii) A meeting of the official body of an entity for which the manager is an appointed liaison, or of Metro MAWD;
 - (iii) A meeting or other event that is not primarily social, that the manager has been authorized to attend by the Board, or if there will not be an opportunity to obtain Board authorization, by the president (as to managers other than the president) or the administrator;
 - (iv) Time spent performing work in support of Board activity and as authorized by the Board, including in a work group capacity, where such time has aggregated to at least four hours; and
 - (v) Substantial time spent in preparation for a Board meeting
- c. Managers should prepare claim forms for per diem and expenses in duplicate. The original should be submitted to the administrator to be processed and approved in the same manner as other claims against CLFLWD. A claim must be submitted within 60 days of the date the per diem was earned or expense incurred, except that a per diem

under paragraph III.b(iv) will be submitted within 60 days of the last activity to which the per diem applies. A claim within a given calendar year is to be submitted by January 31 of the following year. The manager will retain a copy for his or her personal records. All forms, including those in support of per diem under paragraph III.b(iv) or (v), will contain a description of the activity.

- d. A manager may receive only one per diem per day of service to CLFLWD, and only if the manager is not receiving a per diem from another governmental entity for the activity in question.

IV. Records management and retention

- a. CLFLWD will make and preserve all records necessary to ensure the availability of a full and accurate accounting of CLFLWD's official activities, in fulfillment of Minnesota Statutes sections 15.17, subdivision 1, and 138.17.
- b. CLFLWD 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 CLFLWD.
- c. In keeping with the direction of the Uniform Electronic Transactions Act, CLFLWD has determined that it will create and retain its records in electronic form to the greatest extent possible. CLFLWD's records retention schedule specifies categories of records that will be retained in hard copy or electronic form. This policy is prospective as of July 2015, and CLFLWD does not intend to convert historic records from hard copy to electronic form.
- d. The administrator is the responsible authority for purposes of CLFLWD compliance with the Data Practices Act, Minnesota Statutes chapter 13.
- e. The administrator is the data practices compliance official for purposes of CLFLWD compliance with the Data Practices Act.

V. Delegated authority

- a. No employee of CLFLWD may exercise authority beyond that which is allocated to the administrator by CLFLWD bylaws and policies that constitute the Governance Manual.
- b. Authority delegated to the administrator may not be delegated to other employees or contractors of CLFLWD.
- 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. The administrator may not commit funds of CLFLWD without the approval of the Board of Managers.

VI. Managers' authority

- a. No manager may speak on behalf of CLFLWD unless authorized to do so by the Board of Managers.
- b. No individual manager may provide direction, instructions or authorization to the administrator unless specifically authorized to do so by the Board of Managers or pursuant to the powers of that manager as an officer under the bylaws.

Schedule of Regular Activities

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

- Annual review, by the administrator as the Data Practices Act responsible authority, of CLFLWD's DPA policy and associated protocols to ensure harmony with current law.
- Annual review of insurance needs and current coverage.
- Annual update of CLFLWD property schedule for maintenance and insurance purposes.
- Biennial solicitation of engineer, legal, auditing, accounting and professional services proposals, per Minnesota Statutes section 103B.227, subdivision 5.
- Annual audit of CLFLWD accounts and expenditures, per Minnesota Statutes section 103D.335, subd. 1.
- Submit an activity report to the Board of Water and Soil Resources, annually within 120 days of the end the year, per Minnesota Statutes section 103B.231, subdivision 14, and Minnesota Rules 8410.0150, subpart 1.
- Submit an audit report to the Office of the State Auditor, annually within 180 days of the end of the CLFLWD fiscal year per Minnesota Rules 8410.0150, subpart 1.
- Annually name CLFLWD depository bank(s), a financial assurance depository for cash escrow and official newspaper for publication of notices.
- Annually, at least, publish a newsletter or other watershed-wide communication that explains CLFLWD's programs, lists the members of the Board and notes CLFLWD contact information, per Minnesota Statutes section 103B.227, subdivision 4.
- Annually name individuals to serve on CLFLWD's Citizens Advisory Committee, in compliance with Minnesota Statutes section 103D.331.
- Annually on or before September 15 adopt a CLFLWD budget for the next year and decide on the total amount necessary to be raised from ad valorem tax levies to meet the budget.

Comfort Lake – Forest Lake Watershed District Public Purposes Expenditures Policy

Adopted August 27, 2015

Minnesota law mandates that governmental entities spend public funds only for public purposes and only as authorized to accomplish the purposes for which the entity was created. Comfort Lake – Forest Lake Watershed District (CLFLWD) establishes the following policy and protocols to ensure that CLFLWD expenditures serve clear, documented watershed district purposes. The CLFLWD administrator will be responsible for the implementation of this policy and associated protocols.

1. **Travel.** CLFLWD will pay reasonable and necessary expenses for travel, lodging, meals and appropriate incidental expenses directly related to the performance of official CLFLWD duties. Expenditures must be approved in advance by the Board of Managers.
 - a. Staff or a manager will be reimbursed for mileage expenses incurred when using a personal vehicle to conduct CLFLWD business. Expenses will be reimbursed only when accompanied by documentation (e.g., receipts) or, for mileage, documentation of the date, number of miles traveled, purpose and destination(s). If two or more managers or staff travel together by car, only the driver will receive reimbursement. Lodging and meal costs are limited to those that are reasonable and necessary. Staff's mileage for travel to and from the CLFLWD offices will not be reimbursed.
 - b. *Overnight in-state travel.* Expenses eligible for reimbursement include:
 - i. Registration for workshops, conferences, seminars and other events pertaining to CLFLWD business;
 - ii. Mileage and parking – use of personal vehicle (only) will be reimbursed at the tax-deductible mileage rate set by the federal Internal Revenue Service;
 - iii. Meals;
 - iv. Gratuities (15 percent of expenses incurred);
 - v. Lodging;
 - vi. Other actual expenses.
 - c. *Overnight out-of-state travel.* For out-of-state travel, the Board of Managers must approve all expenditures in advance. In determining whether to approve out-of-state travel, the Board of Managers will give particular consideration to whether representation from CLFLWD has been requested by a state or federal governmental office or other host entity whose purpose or work particularly relates to CLFLWD purposes, projects or programs. Expenses eligible for reimbursement include:
 - i. Round-trip coach-class (or lesser-cost) airfare;
 - ii. Registration for conferences, seminars and other events pertaining to CLFLWD business;

- iii. Mileage and parking – use of personal vehicle (only) will be reimbursed at the tax-deductible mileage rate set by the federal Internal Revenue Service and the cost of renting an automobile will be reimbursed only if necessary to conduct CLFLWD business;
 - iv. Meals;
 - v. Gratuities (15 percent of expenses incurred);
 - vi. Lodging;
 - vii. Other actual expenses.
- 2. **Employee and manager training.** CLFLWD may pay reasonable registration, tuition, travel and incidental expenses (including lodging and meals) for education, development and training when expenditures are directly related to the performance of duties. Expenditures must be approved in advance.
- 3. **Safety and health programs.** CLFLWD may pay for safety and health programs that promote healthier and more productive operations and reduce costs to watershed taxpayers, including costs associated with workers’ compensation and disability benefits claims, insurance premiums and lost time resulting from absences.
- 4. **Manager, staff and volunteer recognition and appreciation.** CLFLWD may pay for programs that recognize managers, staff and volunteers for significant contributions to CLFLWD’s performance and demonstrated commitment to CLFLWD’s effective and efficient fulfillment of its purposes in accordance with an annual plan and budget for such events approved by the board. CLFLWD may pay for occasional manager, staff or volunteer appreciation events or activities conducted in accordance with an annual plan and budget for such events approved by the board. No expenditure for manager, staff or volunteer recognition will be made unless and until the structure, purposes and criteria for recognition are approved by the board.
 - a. CLFLWD will not pay staff direct non-salary payments (i.e., bonuses) except as conditioned on achievement of performance goals specified in a prior written agreement.
- 5. **Food and beverages.** CLFLWD may pay for food and beverages when necessary to ensure meaningful, efficient and effective participation of staff, managers or the public in activities, events and functions directly related to CLFLWD purposes. Circumstances under which CLFLWD expenditures for food and beverages will be allowed include:
 - a. Food and/or beverages provided as part of a structured agenda of a conference, workshop, work session, outreach meeting or seminar, when the topic or subject of which relates to the official business of CLFLWD and the majority of the participants are not CLFLWD staff and managers;
 - b. Food and/or beverages may be provided as part of a workshop or formal meeting primarily for CLFLWD staff and/or managers where food and/or beverages are necessary to facilitate the conduct of the meeting, to ensure continuity and support the participation of staff, managers and other participants. Examples of potential qualifying events include:
 - i. An extended planning or operational analysis meeting;
 - ii. An extended meeting to develop long-term strategic plans;
 - iii. A structured training session for employees generally; or
 - iv. Official meetings of CLFLWD board, a committee, task force or advisory group.
 - c. Food and/or beverages may be provided for occasional staff or manager recognition

- and appreciation events and activities, when approved by the board in accordance with a CLFLWD recognition and appreciation plan and budget.
- d. CLFLWD may pay for food and/or beverage expenses incurred in connection with a meeting or event attended by staff and/or managers, the primary purpose of which is to discuss, negotiate or evaluate a plan, program, project or other endeavor directly related to CLFLWD purposes.
 - e. CLFLWD meetings, workshops and training sessions will be scheduled to avoid the need to provide food whenever possible.
6. **Outreach and stakeholder involvement.** CLFLWD may pay for community and stakeholder outreach and involvement programs to ensure that efficient and effective CLFLWD programs, projects and meetings are conducted to gather public and intergovernmental input and participation in CLFLWD planning, research, rulemaking and program or project design.
 7. **Membership, donations.** CLFLWD may pay for membership in the Minnesota Association of Watershed Districts in accordance with Minnesota Statutes section 103D.335, subdivision 20. CLFLWD funds may be expended for membership in other professional organizations if the organization is an association of a civic, educational or governmental nature and its activities are directly related to CLFLWD purposes or the improvement of CLFLWD operations. CLFLWD funds may not be donated to any professional, technical or charitable organization, person or private institution. CLFLWD may contract for services rendered by such organizations and may contribute funds to such organizations to support a specific project or event that the Board of Managers finds will advance CLFLWD purposes.
 8. **Use of CLFLWD property.**
 - a. CLFLWD property, including but not limited to computers, phones, fax machines and other office equipment, will be used exclusively for CLFLWD business, except for incidental personal use by the staff that does not interfere with or impede the conduct of CLFLWD business to any substantial degree.
 - b. CLFLWD property must be used for only its intended purposes.
 - c. The administrator may not dispose of any CLFLWD property with a value of more than \$1,000 without prior authorization of the Board of Managers.
 9. **Financial administration – authorized actions.**
 - a. The CLFLWD administrator and treasurer are authorized to transfer funds between and to deposit into CLFLWD accounts, but not to withdraw from accounts.
 - b. The CLFLWD administrator is authorized to invest CLFLWD funds in Certificates of Deposit (CDs) at the CLFLWD’s official bank with the advice and consent of the CLFLWD treasurer. CDs may be opened in series and invested for a term of three to nine months.
 - c. The CLFLWD administrator and counsel each is authorized to act as the agent of the CLFLWD for the purpose of demanding a draft on a permit financial assurance.
 10. **Authorization of consultant services.** CLFLWD will not compensate a consultant for services rendered that are outside a scope of work authorized by the Board of Managers or that have not been authorized by the CLFLWD administrator within the scope of the administrator’s delegated authority.
 11. **Miscellaneous.**
 - a. CLFLWD will not pay for alcoholic beverages under any circumstances.

Policy No.: 1000-3
Policy Title: Investment and Depository Policy & Procedure and Internal Controls Manual
Adopted by: Board of Managers
Date Adopted: August 27,2015
Date(s) Amended: _____
External Requirements: _____

COMFORT LAKE – FOREST LAKE WATERSHED DISTRICT Investment and Depository Policy & Procedures and Internal Controls Manual

Adopted as amended August 27, 2015

Purpose

The purpose of this policy is to establish the Comfort Lake-Forest Lake Watershed District's investment objectives, specific guidelines that CLFLWD will use in the investment of funds and CLFLWD depository policy. It will be the responsibility of the CLFLWD administrator to invest CLFLWD funds in order to attain a market rate of return while preserving and protecting the capital of the overall portfolio and to ensure compliance with statutory requirements applicable to the CLFLWD's designation of a depository financial institution. Investments will be made in compliance with statutory constraints and in safe, low-risk instruments approved by the Board of Managers.

Scope

This policy applies to all financial assets of CLFLWD.

Designation of Depository and Collateralization

The CLFLWD Board of Managers annually will designate a financial institution or institutions in the State of Minnesota as the depository of CLFLWD funds. In the event the Board of Managers does not designate a depository in any particular year, the last-designated depository will continue in that capacity. Depositories will be selected through a process that will include a comprehensive review of credit characteristics and financial history by the treasurer and CLFLWD administrator or an independent third party working under direction of the treasurer and CLFLWD administrator.

Deposits in authorized depositories must be fully insured or collateralized. If the designated depository is a member of the Federal Deposit Insurance Corporation, that part of any deposit not protected by said insurance must be protected by collateral furnished by the depository in the manner and to the extent required by Minnesota Statutes section 118A.03, as amended, and other applicable law. Collateral will be held in safekeeping in compliance with section 118A.03, as amended.

Collateral must be accompanied by an assignment to the CLFLWD from the depository requiring that the depository pay to CLFLWD on authorized demand all money deposited free of exchange or other charges, except for early withdrawal penalties on time deposits, as well as all interest when due at the agreed-on rate. The assignment will state that in the case of depository default, CLFLWD by its authorized representative may sell the collateral as needed to cover the uninsured deposit, with excess paid over to the depository.

Delegation of Authority

Minnesota Statutes section 118A.02 provides that the governing body may authorize the treasurer or chief financial officer to invest funds under sections 118A.01 to 118A.06 and other applicable law. The Board of Managers authorizes the CLFLWD administrator to invest and manage CLFLWD funds pursuant to this policy and state law for the Comfort Lake-Forest Lake Watershed District.

The treasurer and CLFLWD administrator will 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.

Objectives

At all times investments of CLFLWD will be made and maintained in accordance with Minnesota Statutes chapter 118A as amended. The primary objectives of CLFLWD investment activities are in the following order of priority:

- 1) ***Security***: Security of principal is the foremost objective of the investment portfolio. Preserving capital and protecting investment principal is the primary objective of each investment transaction.
- 2) ***Liquidity***: The investment portfolio is to remain sufficiently liquid to meet projected disbursement requirements.
- 3) ***Return of investment***: The investment portfolio will be designed to manage funds to maximize returns consistent with items 1 and 2 and within the requirements set forth in this policy.

Investment funds will be diversified to limit the risk of loss from excessive concentration of assets.

Prudence

The “prudent person” standard is to be applied in managing District investments. All investment transactions are to be made in good faith with the degree of judgment and care that a person of prudence, discretion and intelligence would exercise under the circumstances in managing his or her own affairs, not for speculation but for investment and otherwise in accordance with this policy.

Eligible Investments

All investments will conform to Minnesota Statutes section 118A.04.

Investment Restrictions

In addition to statutory prohibitions, investments specifically prohibited are derivative products, structured notes, inverse index bonds, repurchase agreements not authorized by statute and other exotic products.

Safekeeping

CLFLWD investments, contracts and agreements will be held in safekeeping in compliance with Minnesota Statutes section 118A.06. In addition, before accepting any investment of CLFLWD funds and annually thereafter, the supervising officer of a financial institution serving as a broker for the CLFLWD must submit a certification stating that the officer has reviewed the CLFLWD

Investment and Depository Policy and incorporated statement of investment restrictions, as well as applicable state law, and that the financial institution will act in a manner consistent with the policy and law. CLFLWD annually will provide the policy, as it may be amended, however CLFLWD's failure to do so will not in any way alter or diminish the responsibility of the financial institution. The certification also will require the supervising officer to promptly disclose potential conflicts of interest or risk to public funds that might arise out of business transactions between the firm and CLFLWD. All financial institutions must agree to undertake reasonable efforts to preclude imprudent transactions involving CLFLWD funds.

Conflict of Interest

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

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 CLFLWD invests any surplus funds, competitive quotations will be obtained. If a specific maturity date is required, either for cash flow purposes or to conform to maturity guidelines, quotations will be requested for instruments that meet the maturity requirement. CLFLWD will accept the quotation that provides the highest rate of return within the maturity required and within the limits of this policy.

The CLFLWD administrator may invest funds for up to a maximum term of seven years. The CLFLWD administrator will request approval from the board to authorize investment of funds for a term exceeding seven years.

The CLFLWD administrator will provide an investments report to the board monthly. Investments will be audited and reported annually with the financial statement. It will be the practice of the board to review and amend the investment policy from time to time as needed.

No Third-Party Interest

This policy is adopted by the CLFLWD Board of Managers to guide internal financial management practices only, and creates no right or expectation in any third party. The Board of Managers may deviate from this policy when in its judgment deviation is warranted and may amend this policy from time to time.

Internal Controls Manual

The following protocols and duties have been identified and approved by the Comfort Lake – Forest Lake Watershed District Board of Managers to implement the CLFLWD Investment Policy & Procedures and its Public Purposes Expenditures Policy, and otherwise to effectively safeguard CLFLWD funds and property. The Internal Controls Manual represents board direction as to the management of CLFLWD funds and property. CLFLWD has established this written internal control manual in an effort to create clear written procedures, instructions and assignments of duties to prevent or reduce misunderstandings, errors, inefficient or wasted effort, duplicated or omitted procedures, and other situations that can result in inaccurate or untimely accounting records. A well-devised accounting manual can also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by management.

Internal controls are designed to protect a local government unit from loss or misuse of its assets. Internal controls also ensure that all transactions are properly authorized and the information contained in financial reports is reliable.

Financial Protocols

- Access to funds:
 - The board may authorize the administrator to purchase goods and services or otherwise bind the CLFLWD by contract up to an amount or amounts specified by the board. Board approval, as may be delegated to the administrator, is required to contractually bind CLFLWD.
 - Payment of every invoice, bill or any other form of indebtedness incurred by the CLFLWD must have approval of the board. Checks issued by CLFLWD for payments for any purpose will bear two authorized signatures for all amounts of fifty dollars (\$50) or more, but may bear one authorized signature for any amount less than fifty dollars (\$50). These requirements may be superseded only by a resolution or temporary suspension of the bylaws as provided for in the bylaws.
 - CLFLWD keeps a current signature card with its official bank, providing per the CLFLWD bylaws that only a manager may sign a CLFLWD check.
 - All CLFLWD checks are held at the accountant's office.
 - The CLFLWD administrator must maintain permit fee deposits in a separate fund, must manage said deposits and maintain permit-specific records pursuant to accepted fund management practices, and is authorized to make deposits into and withdrawals from the fund for the proper administration of the CLFLWD permitting program.
 - CLFLWD does not allow blank checks to be signed (pre-signed checks).
 - CLFLWD does not have signature stamps. All checks must bear the necessary original signatures.
 - Use of the CLFLWD credit card must be in keeping with the adopted Credit Card Policy.
 - CLFLWD does not maintain a petty cash fund.
 - Cash will not be accepted for any payment to the CLFLWD.

- All checks or other bank drafts tendered as payment to CLFLWD must be payable to “Comfort Lake – Forest Lake Watershed District.” Checks or other bank drafts issued to staff, consultants or “cash” will not be accepted.
- CLFLWD will not cash personal or third-party checks or bank drafts.
- A check or other bank draft payable to CLFLWD must be deposited to a CLFLWD account in whole, without alteration or return of cash upon deposit.
- Cash withdrawals from CLFLWD accounts are prohibited.

Separation of Duties

Administrator duties:

- Receives original invoices and stamps received date.
- Codes invoices to project/fund in current items payable.
- Creates monthly current items payable list for all managers, which includes name of vendor, invoice numbers, invoice description, budget project/fund code, invoice amounts, and invoice totals for the vendor.
- Receives deposits, stamps checks immediately upon receipt with “deposit only” and codes to project/fund in current items deposited. Copies original checks prior to deposit. Completes deposit slip with check number, vendor, and project/permit number.
- Cash transactions are extremely rare and discouraged when possible. In the event of a cash transaction, a receipt will be created with the date, notice of cash transaction, amount of cash, description of payment, name of payer, and will be signed by the recipient/administrator.
- Makes bank deposits into the appropriate account at the CLFLWD’s official bank on the same day funds are received or next available banking day.
- Creates quarterly manager per diem spreadsheet indicating all meetings held each quarter and which managers were in attendance, based on the official approved minutes. Per diem amounts are based on approved resolution.
- Copies original invoices and deposits for both accountant and board treasurer.
- Original invoices and copies of deposits with original deposit slips are kept in bookkeeping files in the CLFLWD office.
- Reviews accountant’s monthly financial statements. Provides adjustments to accounting codes to accountant as necessary based on documentation.
- Documents all permit fees and deposits in permit journal, including date worked or received, vendor, description, check number for deposits, invoice number for invoices, hours for invoices, and total amount.
- Updates the authorized funds spreadsheet monthly.
- Makes copies of all approved checks after they have been signed by one board manager (checks less than \$50) or two board managers (checks \$50 or more).
- Transfers funds the morning after the regular monthly board meeting such that:
 - CLFLWD checking has a balance at least equal to any outstanding checks (listed on report from Accountant and checked by treasurer) plus the approved current items payable amount; and
 - CLFLWD permit escrow account is equal to the amount listed on the permit journal as of the board meeting.

- Disburses approved checks.
- Voided checks are retained with CLFLWD financial records files in the CLFLWD office.
- Prepares documents for annual audit, including but not limited to:
 - Copies of approved budgets and all budget amendments
 - Detailed general ledger at year end
 - Trial balance at year end
 - Bank reconciliation and bank statements.
 - Copy of disbursements & receipts
 - Copy of tax settlements from Chisago County and Washington County
 - Copy of certified levy
 - Listing of accounts payable & copies of signed checks
 - Permit journal at year end
 - Grants and other agreements:
 - List of capital assets and all deletions and additions
 - Copy of invoices
 - Approved minutes
- Meets with auditor for annual audit review.
- Presents draft audit to full board at a monthly board meeting.
- Presents annual budget and levy to Chisago County Commissioners and Washington County Commissioners annually.
- Receives monthly collateral statement from the official bank.
- Checks for accounting and banking irregularities, discrepancies, inconsistencies, anomalies or other indications of possible mismanagement or unintended or unauthorized financial risk or exposure, and resolves such matters with the treasurer and/or full board as necessary, including but not limited to:
 - Any unusual discrepancy between actual performance and anticipated results (for example, a major budget overrun in “supplies” or an unexplained decline in user fees);
 - Receipts not matching deposits;
 - Disbursements to unknown and/or unapproved vendors;
 - One signature on checks or pre-signed blank checks;
 - Gaps in receipt or check numbers;
 - Late financial reports; or
 - Disregard for internal control policies and procedures.

Accountant duties:

- Enters coded payables and deposits into accounting software, checking for accuracy to original invoices & deposit receipts.
- Prints checks for current items payable.
- Reconciles bank accounts.
- Creates monthly financial statements.
- Prepares documents for annual audit, including:
 - Detailed general ledger at year end
 - Trial balance at year end
 - Bank reconciliation
- Adjusts accounting codes as directed by administrator.

- Receives adjusting journal entries report from auditor and makes necessary adjusting journal entries in financial system.
- Receives approved annual budget from administrator and enters into financial system.
- Receives approved changes to annual budget from administrator and enters into the financial system.
- Communicates situations not addressed by the policies and procedures to the full board, so that policies and procedures may be adopted as necessary.

Board treasurer duties:

- Reviews current items payable list against copies of invoices.
- Reviews bank statements against previously approved checks/reconciles bank account.
- Creates a signed monthly treasurer report, which certifies that the bank statements have been reviewed for consistency with the previously approved checks.
- Reviews accountant’s monthly financial statements.
- Can transfer funds between CLFLWD accounts and to deposit, but not to withdraw from accounts.
- Submits original receipts for expenses to administrator.
- Checks for accounting and banking irregularities, discrepancies, inconsistencies, anomalies or other indications of possible mismanagement or unintended or unauthorized financial risk or exposure, and resolves such matters with the administrator and/or full board as necessary, including but not limited to and follows up with administrator and/or full board as necessary:
 - Any unusual discrepancy between actual performance and anticipated results (for example, a major budget overrun in “supplies” or an unexplained decline in user fees);
 - Receipts not matching deposits;
 - Disbursements to unknown and/or unapproved vendors;
 - One signature on checks or pre-signed blank checks;
 - Gaps in receipt or check numbers;
 - Late financial reports; or
 - Disregard for internal control policies and procedures.

Board of Managers duties:

- Holds public hearing for proposed budget and levy.
- Approves annual budget and levy by resolution.
- Approves scopes for individual program or project expenditures.
- Reviews current items deposited spreadsheet at monthly board meeting.
- Approves current items payable at monthly board meeting by roll call vote.
- Reviews all new expenditure requests against the authorized funds spreadsheet and authorizes an expenditure only if funds are available in or are transferred to the associated program or project.
- Reviews draft audit and accepts audit by formal action at board meeting.
- Approves all receivable write-offs/write-downs by board motion or resolution at board meeting by roll call vote.
- Encourages administrator and others to communicate situations not addressed by the policies and procedures, so that policies and procedures may be adopted as necessary.

Legal counsel duties:

- Reviews contracts.
- Ensures CLFLWD internal controls comport with state law.

Auditor duties:

- Reviews permit fees.
- Creates annual financial report.
- Meets with administrator for annual audit review
- Creates adjusting journal entries report.
- Sends final approved audit to Board of Water and Soil Resources and state auditor.

Policy No.: 1000-4
Policy Title: Fund Balance Policy
Adopted by: Board of Managers
Date Adopted: August 27,2015
Date(s) Amended: _____
External Requirements: _____

Comfort Lake-Forest Lake Watershed District Fund Balance Policy

Adopted August 27, 2015

Purpose

The purpose of this policy is also to establish specific guidelines the Comfort Lake-Forest Lake Watershed District will use to classify fund balances into categories based primarily on the extent to which CLFLWD is legally required to expend funds only for certain specific purposes.

Classification of Fund Balances – Procedures

1. Nonspendable

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

2. Restricted

- Fund balance should be reported 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 balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the CLFLWD Board of Managers. The committed amounts cannot be used for any other purpose unless the Board of Managers 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 motion. This formal action must occur prior to the end of the reporting period, however, the amount to be subject to the constraint may be determined in the subsequent period.
- To remove the constraint on specified use of committed resources the Board of Managers will pass a motion or otherwise take action.

4. Assigned

- Amounts that are constrained by the CLFLWD's intent to use for specified purposes, but are neither restricted nor committed. Assigned fund balance in the general fund includes amounts that are intended to be used for specific purposes.
- The Board of Managers has delegated the authority to assign and remove assignments of fund balance amounts for specified purposes to the CLFLWD administrator.

5. Unassigned

- Unassigned fund balance represents the residual classification for the general fund. It includes amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount.

Monitoring and Reporting

Annually, the CLFLWD administrator will prepare the status of fund balance in relation to this policy and present to the Board of Managers in conjunction with the development of the annual budget.

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

When committed, assigned or unassigned resources are available for use, it is CLFLWD's policy to use resources in the following order; 1.) committed 2.) assigned and 3.) unassigned. CLFLWD recognizes there may be instances where this ordering criterion does not serve the best interest of CLFLWD. In those instances, the CLFLWD administrator will use his/her best judgment in fund utilization to achieve the best result for CLFLWD.

A negative residual amount may not be reported for restricted, committed, or assigned fund balances in the general fund.

Policy No.: 1000-5
Policy Title: Credit Card Policy
Adopted by: Board of Managers
Date Adopted: August 27,2015
Date(s) Amended: _____
External Requirements: _____

Comfort Lake – Forest Lake Watershed District Credit Card Policy

Adopted August 27, 2015

Pursuant to Minnesota Statutes section 103D.325, subdivision 4, the managers may authorize the use of credit cards by any watershed district officer or employee otherwise authorized to make purchases on behalf of the watershed district. By resolution 15-08-02, the managers adopted this policy and directed the administrator to use credit cards to make purchases on behalf of the CLFLWD. The policy is adopted to increase the capacity of CLFLWD to efficiently carry out its mission while maintaining the integrity of its financial systems and accounts. The policy also will minimize CLFLWD’s exposure to the possible loss of funds through theft or misuse of a credit card.

1. Account management. The CLFLWD administrator has received a credit card. The administrator will take necessary measures to protect against theft, loss or unauthorized use of CLFLWD credit cards or charge accounts. In the event of loss, theft or unauthorized use of a CLFLWD credit card or account card, the administrator will contact the provider immediately to report the card lost or missing and will take further prudent measures to secure the CLFLWD account and prevent loss of funds, including but not limited to stopping payment on any unauthorized charge, stopping all charging privileges and/or requesting a new account number and card.

2. Purchases authorized. CLFLWD credit cards and charge accounts may be used to purchase supplies, equipment and services necessary for the efficient administration of CLFLWD business. Credit cards may be used for travel expenses, meals, registration and fees for approved education and outreach activities, and other approved program expenses. CLFLWD credit cards may not be used to purchase engineering consulting services, legal services or capital project elements. CLFLWD credit cards or charge accounts may not be used to obtain cash advances.

3. Unauthorized purchases. The acquisition of credit card accounts and charge accounts provides CLFLWD staff with additional means of making purchases necessary for the conduct of CLFLWD business; it does not expand the administrator’s authority to make purchases on behalf of CLFLWD. CLFLWD credit cards and charge accounts may not be used to make personal purchases. Any individual will be personally liable for the amount of any unauthorized purchase made by credit card or to a charge account. All CLFLWD purchases by credit card or charge account will comply with all applicable statutes, rules and CLFLWD policies.

4. Balance policy. The balance due on CLFLWD credit card and charge accounts will not exceed the amount set by the managers by resolution. The administrator will ensure that there are budget funds available to pay for all purchases made by credit card or charge account. CLFLWD’s acquisition and use of credit cards and charge accounts is solely to facilitate efficient administration

of CLFLWD business, and may not be used as means of incurring debt. Payment of the entire amount due and owing on each CLFLWD credit card each month will be presented to the Board of Managers for approval. Pursuant to such approval, the amount due and owing will be timely paid in full to ensure that interest does not accrue.

5. Payment administration. All purchases made by credit card or charge account must be itemized, assigned to a CLFLWD budget account, and described in detail, as other current items payable. Credit card and charge account purchases must be documented by itemized original receipts, showing the item or service purchased, the individual who made the purchase, the vendor, date and amount, along with CLFLWD account to which each purchase is proposed to be charged. Attendees at a non-public meeting for which a charge to the CLFLWD credit card or a charge account is made must be listed. Copies of the statement and receipts will be presented monthly to the Board president and treasurer for their review and may be viewed by other Board members and the CLFLWD auditor at any time. A copy of credit card and charge account charges will be publicly posted monthly as part of the CLFLWD Board packet. The request for payment of credit card and charge account invoices will be accompanied by a coded Payment Voucher, signed by the administrator, stating that the payment demand is just and correct, and that no part of it has been paid.

Policy No.: 1000-6
Policy Title: Data Practices Policy and Procedures
Adopted by: Board of Managers
Date Adopted: August 27,2015
Date(s) Amended: _____
External Requirements: _____

Comfort Lake-Forest Lake Watershed District
Data Practices Policy and Procedures
Adopted as amended August 27, 2015

Policy:

It is the policy of the Comfort Lake – Forest Lake Watershed District (CLFLWD) to provide public information as required by Minnesota Statutes chapter 13 (DPA). This policy is in effect for all persons or entities that come to CLFLWD to review files and all those who request information from CLFLWD via mail, facsimile, email, over the telephone or in person.

Background:

The DPA states that data of public bodies are to be available to the public unless specifically protected by the law where individual privacy would be violated or where other valid concerns outweigh the interest in public availability. The CLFLWD recognizes the public interest in open access to its data as well as the public interest that requires that certain types of data not be publicly available. It is the intent of the CLFLWD to comply fully with the DPA and, where the DPA allows for the exercise of judgment, to exercise that judgment consistent with the public interests underlying the law.

This policy is adopted pursuant to section 13.025, subdivision 2, and 13.03, subdivision 2 of the DPA, which state that every public body shall establish procedures to implement the DPA. In addition, CLFLWD has adopted and maintains a Records Retention Schedule, which is an index of the records and data maintained by CLFLWD and includes private or confidential data on individuals in compliance with section 13.025, subdivision 1.

This policy is accompanied by: (a) a set of procedures to ensure that data on individuals are accurate and complete and to safeguard the data’s security under section 13.05, subdivision 5; and (b) an Inventory of Not-Public Data on Individuals, to ensure that access to private and confidential data on individuals is limited to CLFLWD personnel whose work on management assignments requires access. CLFLWD also maintains: (a) a document setting forth the rights of data subjects under the DPA and procedures to guarantee the rights of data subjects in compliance with section 13.025, subdivision 3; and (b) a document setting forth the rights of data subjects under the DPA.

Procedure for Review of CLFLWD Documents

All requests to inspect or receive copies of CLFLWD data, and all other inquiries regarding the DPA, must be in writing and should be addressed and delivered to the following address or electronically transmitted to the “Data Practices Compliance Official”:

Comfort Lake – Forest Lake Watershed District
44 Lake Street South, Suite A
Forest Lake, MN 55025
(651) 395-5850
Michael.Kinney@clflwd.org

The CLFLWD administrator is designated as the Data Practices Compliance Official and Responsible Authority.

Requests to inspect or obtain copies of CLFLWD data must be in writing to ensure that the CLFLWD's response is timely and complete. CLFLWD is able to most efficiently and completely respond to requests that are specific and detailed. The Data Practice Compliance Official will help to ensure that documents of interest have been gathered, that documents not subject to inspection under the DPA have been segregated, and that assistance is available to the requesting individual. CLFLWD will provide requested data for inspection at the CLFLWD office, or other location to be specified by the Data Practices Compliance Official. The CLFLWD will cooperate with the requesting individual to arrange a mutually convenient time for the visit.

The DPA requires that individuals be permitted to inspect or copy data within a reasonable time of a request. The CLFLWD will attempt to respond to requests as quickly as possible. The response time will vary depending on the breadth of the request and the other matters requiring the attention of staff at the particular time.

If the CLFLWD determines that certain data cannot be made available for inspection or copying, it will inform the individual of the classification of the data in question under the DPA and of the legal basis for denial of access. On the request of the individual, the CLFLWD will certify in writing that the request has been denied and state the specific legal basis for denial.

The CLFLWD may provide requested copies of data immediately or may advise that the copies will be provided as soon as reasonably possible thereafter. The ability to provide copies immediately depends on the number of copies requested, staff workload and the need to deliver the data elsewhere for copies to be made (e.g., oversize documents, tapes, electronic data). The CLFLWD will make reasonable accommodation for those who wish to use their own copying machine, scanner or other equipment on the CLFLWD premises. CLFLWD files may not be removed from the CLFLWD premises.

Costs

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

With respect to oversize copies, tapes, electronic data, photographs, slides and other unusual formats, the requesting individual will be responsible for the actual cost incurred by the CLFLWD to make the copy itself or to use a vendor. In addition, as the DPA provides, an individual requesting copies or the electronic transmittal of data is responsible to pay the CLFLWD the actual cost, including the cost of staff time, to search for and retrieve data and to make, certify, compile and transmit copies. Staff-time cost will be assessed based on established hourly rates. The CLFLWD will not charge for the staff time needed to separate public data from data that are not public.

If an individual so asks, before copies are made the CLFLWD will advise of the approximate number of pages of documents responsive to a request or the likely cost of responding to a request. Payment may not be made in cash (checks are accepted). In its discretion, and in particular when a request is large, may involve substantial staff time or may require use of a vendor, the CLFLWD may require payment in advance.

When an individual asks to review or copy data that have commercial value and were developed with a significant expenditure of public funds by the CLFLWD, the CLFLWD may charge a reasonable fee that relates to the actual cost of developing the data. On request, the CLFLWD will provide an explanation of how the fee was determined. As a condition of making certain commercially valuable data available, CLFLWD may require execution of a license agreement defining allowable use or further distribution.

Comfort Lake – Forest Lake Watershed District
Security and Protection of Not-Public Data on Individuals

The Comfort Lake – Forest Lake Watershed District establishes the following protocols to meet the requirement in Minnesota Statutes section 13.05, subdivision 5, that CLFLWD establish procedures to manage access to not-public data on individuals. By incorporating limits on employee access to not-public data into CLFLWD’s Inventory of Data on Individuals, the individual employee’s position description, or both, CLFLWD limits access to not-public data to employees whose work assignment reasonably requires access.

Implementing Procedures

Data inventory

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

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

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

Employee position descriptions

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

Data sharing with authorized entities or individuals

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

To appropriately limit access, CLFLWD will:

- Assign appropriate security roles, limit access to appropriate shared network drives and implement password protections for not-public electronic data;
- Password protect employee computers and lock computers before leaving workstations;
- Secure not-public data within locked work spaces and in locked file cabinets;

- Shred not-public documents before disposing of them.

Penalties for unlawfully accessing not-public data

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

Protection of Private and Confidential Data on Individuals

Accuracy and Currency of Data

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

Data Safeguards

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

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

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

- Private or confidential data may be released only to persons authorized by law to access such data;
- Private or confidential data must be secured at all times and not left in a location where they may be accessed by unauthorized persons;
- Private or confidential data must be shredded before they are disposed of.

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

Comfort Lake – Forest Lake Watershed District
Private and Confidential Data – Rights of Data Subjects

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

Rights to Access Government Data

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

You have the right to:

- be informed, on request, as to whether you are a subject of District data and how those data are classified;
- know what CLFLWD’s procedures are for requesting government data;
- inspect any public data that CLFLWD collects and maintains at no charge;
- see public data that CLFLWD collects and maintains without telling CLFLWD who you are or why you want the data;
- have public data that CLFLWD collects and maintains explained to you;
- obtain copies of any public District data at a reasonable cost to you;
- be informed by CLFLWD in writing as to why you cannot see or have copies of not-public District data, including reference to the specific law that makes the data not-public;
- receive a response from CLFLWD to a data request in a reasonable time.
- contest the accuracy and completeness of public or private data CLFLWD has on you and appeal a determination by CLFLWD as to whether the data are accurate and complete;
- ask CLFLWD, if you are under 18 years old, to withhold information about you from your parents or guardian;
- consent or revoke consent to the release of information CLFLWD has on you;
- release all, part or none of the private data CLFLWD has on you.

Security of Private and Confidential Data

State law protects your privacy rights with regard to the information CLFLWD collects, uses and

disseminates about you. The data CLFLWD collects about you may be classified as:

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

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

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

Comfort Lake – Forest Lake Watershed District
Form: 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 are information that generally cannot be given to the public, but can be given to the subject of the data. Confidential data are information that generally cannot be given to either the public or the subject of the data.

The Comfort Lake – Forest Lake Watershed District’s purpose and intended use of the information is:

You are / 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:

Comfort Lake – Forest Lake Watershed District
Form: Consent to Release – Request from an Individual

Explanation of Your Rights

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

I, [*name of individual data subject*], give my permission for the Comfort Lake – Forest Lake 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 Comfort Lake – Forest Lake Watershed District to release are [*explanation of data*].

2. I have asked Comfort Lake – Forest Lake Watershed District to release the data.

3. I understand that although the data are classified as private while in the possession of the Comfort Lake – Forest Lake 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 _____

Comfort Lake – Forest Lake Watershed District
Form: 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 CLFLWD administrator before you sign it.

I, *[name of individual data subject]*, give my permission for the Comfort Lake – Forest Lake 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 Comfort Lake – Forest Lake Watershed District may release to *[name of other entity or person]* are: *[description, explanation of data]*.

2. I understand the Comfort Lake – Forest Lake 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 Comfort Lake – Forest Lake 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_____

Comfort Lake Forest Lake Watershed District
Policy for Management of Permit Fees, Financial Assurances and Abandoned Property

Adopted August 27, 2015

As provided by state law, the Comfort Lake – Forest Lake Watershed District (CLFLWD) receives fees from applicants to reimburse the CLFLWD for the costs of processing and administering permits required by the CLFLWD rules. CLFLWD also receives bonds, letters of credit and cash deposits (checks) as financial assurances to secure the performance of permittees in compliance with permit terms and conditions. To ensure that such assets are managed in accordance with sound financial practices and state law governing local government financial practices and management of abandoned property, CLFLWD establishes the following policy and protocols for the management of financial instruments, permit fees, and cash escrows.

1. **Permit fee payments.** CLFLWD will accept, process and maintain permit fees in accordance with District rules and the following protocols.
 - a. CLFLWD will not accept cash in payment of permit fees.
 - b. Checks received by CLFLWD in payment of permit fees will be deposited within 10 business days of receipt.
2. **Financial assurance deposits.** CLFLWD will catalogue and maintain financial assurances and cash escrows in accordance with the following protocols:
 - a. Financial assurance instruments (bonds, letters of credit and checks) received by CLFLWD to secure performance of permit conditions will be logged in the Financial Assurance Log created for such purposes, then copied. A copy will be filed at the CLFLWD offices. The Financial Assurance Log will include, at a minimum, the following information:
 - i. Permit number for which the financial assurance instrument is provided;
 - ii. Name of the permittee/escrow provider;
 - iii. Name, for bonds and letters of credit, of the surety;
 - iv. Amount(s) of the financial assurances provided;
 - v. Expiration date, if any, of the financial assurance;
 - vi. Location of the financial assurance instrument or deposit.
 - b. Original bonds and letters of credit will be deposited for safekeeping at a location to be designated annually by CLFLWD Board of Managers.
 - c. Submittal of checks to satisfy financial assurance requirements is disfavored by CLFLWD. But when, in the judgment of the CLFLWD administrator, it is not reasonable to require a permit applicant to obtain a bond or letter of credit, the applicant may submit a check for deposit by CLFLWD to serve as the permit financial assurance. In such circumstances, the permittee/escrow provider will be required as a condition of permit issuance, transfer or renewal to enter into a cash escrow agreement with CLFLWD that specifies the terms and conditions under

which CLFLWD accepts and holds the escrow, as well as the circumstances under which CLFLWD may use the escrowed funds.

- i. CLFLWD, with the advice of counsel, will maintain a cash escrow agreement template for use by permittees/escrow providers.
 - ii. Permit approval may be revoked for failure to comply with this requirement.
 - d. No check will be accepted by CLFLWD to serve as a financial assurance to secure performance of permit conditions until District staff has verified receipt of an associated executed escrow agreement, specifying the required deposit amount and permit to be secured by the escrow. The check must be in the amount specified in the associated escrow agreement and must bear the number of CLFLWD permit(s) to be secured.
 - e. Checks received by CLFLWD as financial assurances will be deposited within 10 business days of receipt in an account designated by the administrator exclusively for permit escrows. The account will be at a board-designated depository institution.
3. **Maintenance of valid financial assurances.** To ensure that CLFLWD has the capacity to assure compliance with its rules and protect CLFLWD's water resources in the event of noncompliance with permit conditions and/or rules, District staff will follow the protocols below to ensure that financial assurances of permit performance remain valid and enforceable:
- a. District compliance with the protocols in this section will be the responsibility of the CLFLWD administrator.
 - b. The administrator will maintain the Financial Assurance Log.
 - c. The administrator will review the Financial Assurance Log monthly to ensure the continuing validity of financial assurances provided for active permits by identifying bonds and letters of credit that will expire within the ensuing 90 days.
 - d. The administrator will determine – in the course of his or her monthly review of the Financial Assurance Log – whether replacement of the financial assurance is needed for a particular project, and, if so, alert the permittee to the need to provide a replacement instrument at least 60 days prior to the expiration of the existing instrument. Permittee remains responsible to comply with financial assurance requirements whether or not administrator timely issues notice.
 - e. If deemed necessary in response to a permittee's unwillingness or inability to provide a replacement financial assurance, the administrator will contact counsel at least 30 days prior to the expiration of the financial assurance to initiate procedures to draw on the existing financial assurance.
 - i. The administrator will ensure that proper authorization for a financial assurance draw is secured in a timely manner, with a priority on the protection of District water resources.
4. **Return of financial permit assurances.** Financial assurance instruments will be returned in accordance with applicable District rules, including sections 5.5 and 12.4.
- a. The administrator will monthly designate financial assurances that may be returned in whole or in part to the surety (with notice to the principal/permittee) and, upon receipt of required documentation, take the steps necessary to return such instruments and/or funds.
 - b. The administrator will maintain record of returned financial assurances in the

Financial Assurance Log and retain a copy of original financial assurance documents in compliance with the CLFLWD records retention schedule.

5. **Abandoned property procedures.** State law imposes requirements applicable to any intangible asset in CLFLWD's possession that remains unclaimed for three years or more after the asset is no longer needed for District purposes (e.g., three years after a permitted project is completed and the associated financial assurance becomes eligible for release in accordance with District rules). To ensure compliance with abandoned-property requirements, CLFLWD establishes the following protocols.
 - a. CLFLWD will annually assess whether cash escrows remain on deposit after completion of the applicable permitted work and attempt to return them. For cash escrows that have been in CLFLWD's possession for three years or more, unclaimed by the owner, staff will commence unclaimed property return procedures as follows.
 - i. By July 1 of each year, District staff will take reasonable steps to notify owners by mail of unclaimed property. A letter should be sent to all known addresses on file for the owner, notifying owner of the amount still held by CLFLWD and describing steps necessary to claim the property. Staff need not send such a letter if documentation in CLFLWD's possession indicates that the address(es) it has for the owner are inaccurate.
 - ii. If the owner cannot be found, the assets are deemed legally abandoned and CLFLWD will remit them to the state Commissioner of Commerce, along with the report required by Minnesota Statutes section 345.41, as may be amended, containing information on the identity of the owner of the unclaimed assets in CLFLWD's possession, a description of the assets, the date the assets became payable or returnable to the owner and any other information that may be required by the commissioner. Formatting and filing of the report will be in compliance with Department of Commerce guidance.
 - iii. By October 31 each year, the required report, verified by the administrator, should be filed with the commissioner and all assets unclaimed as of the preceding June 30 should be remitted to the commissioner.
 - iv. CLFLWD may deduct a service charge from the unclaimed assets remitted to cover costs of attempting to locate an owner and, if necessary, reporting and paying the unclaimed funds to the commissioner only if the escrow provider has agreed to the deduction of such charges.

ESCROW AGREEMENT

Between the Comfort Lake – Forest Lake Watershed District and _____

This agreement is made by and between the Comfort Lake – Forest Lake Watershed District, a watershed district under Minnesota Statutes chapters 103B and 103D (CLFLWD), and _____, a _____ (Permittee), to establish a cash escrow in fulfillment of financial assurance requirements under CLFLWD permit no. _____.

Recitals

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

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

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

Agreement

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

2. Unused escrowed funds will be released to Permittee and additional escrow funds will be submitted by Permittee or on Permittee's behalf in accordance with CLFLWD rules and duly adopted resolutions and policies of the CLFLWD Board of Managers.

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

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

b. If after notice and opportunity to be heard the CLFLWD finds violation of a watershed statute or CLFLWD rule, permit or order, CLFLWD may give written notice to Permittee. The notice will describe the violation and the action required to correct it. If within twenty (20) days of notice delivery the violation has not been corrected and arrangements acceptable to CLFLWD have not been made, without further notice the CLFLWD may take steps it deems reasonable to correct the violation, and may have access to the property during reasonable times for that purpose, provided that the CLFLWD will give 24 hours' notice before entry and exercise due care to avoid unnecessary disturbance or damage to the property. If the CLFLWD finds that entry is required to address an occurring or imminent threat to water resources, it may enter and correct without prior hearing or opportunity to cure, but only to the extent reasonably necessary to address the threat.

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

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

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

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

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

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

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

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

COMFORT LAKE – FOREST LAKE WATERSHED DISTRICT

By _____ Date:
Administrator

PERMITTEE

By: _____ Date:
[print name here]
as _____ of _____.

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:

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 Comfort Lake – Forest Lake Watershed District (CLFLWD) harmless from and releases any and all claims the undersigned may have to the funds or any part thereof provided to the CLFLWD for the purposes described in and under the terms of the agreement.

Acknowledged, intending to be legally bound:

Date:

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

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:

COMFORT LAKE - FOREST LAKE WATERSHED DISTRICT Policies Concerning Roles and Responsibilities of Managers

Adopted April 8, 2019
Amended March 24, 2022

1. Policy Concerning External Communications

a. Bylaws, Article I, Section 6, states:

The president is authorized to speak on behalf of CLFLWD. No other manager may speak on behalf of CLFLWD unless authorized to do so by the Board of Managers.

The meaning of this provision is that only the president, or another manager as authorized by the Board, may represent the position of the Board to external parties.

- b. Managers are encouraged to communicate with the CLFLWD's public and private partners, its constituents, and others with an interest in the CLFLWD's activity, and to actively participate as a liaison to the CLFLWD's partner units of government. Doing so promotes productive relationships, and knowledge of and support for the CLFLWD's goals and work. In addition, the Board affirms that by serving on the Board, a manager does not abandon the right to express his or her own views on the CLFLWD's business or matters relevant to it. In doing so, however, the manager shall always be clear that he or she is speaking in his or her personal capacity, and is not representing the position of the Board or the CLFLWD.
- c. A manager who is contacted by a constituent with respect to a specific matter that concerns or may concern the CLFLWD may talk or meet with the constituent, but may not commit to a position or course of action by the CLFLWD. The manager shall advise the CLFLWD administrator of the matter or, if the administrator is not available and the matter is urgent, the president.
- d. Notwithstanding paragraph 1.c, the president may direct the administrator, and may make a limited commitment of CLFLWD personnel resources or funds, to address a matter if, in the president's judgment, the action is prudent to respond to an urgent matter before the Board of Managers reasonably can meet. The president will inform the other managers and the administrator of the matter and the action taken. The administrator in consultation with the president, or a manager pursuant to the Bylaws, Article III, may call a special meeting for the Board to consider the matter.

- e. To promote awareness of matters in the community relevant to CLFLWD interests, all managers shall keep the Board and administrator reasonably informed as to communications with external parties concerning CLFLWD business.
2. Policy Concerning Officer Positions
 - a. Bylaws, Article II, provides for annual election for the offices of president, vice president, treasurer, assistant treasurer and secretary.
 - b. The Board of Managers recognizes two principles underlying the holding of offices. The first is that CLFLWD Board performance benefits when an office is held by a manager who has an aptitude and interest in the office, and has had the opportunity to become knowledgeable in performing the duties of the office. The second is that Board performance benefits when managers have had the opportunity to hold different offices and to understand the operation of the Board and the CLFLWD from the different perspectives this affords. In seeking office and voting for officers, managers will be mindful of these principles.
3. Liaison Policy
 - a. On advice of the Board, the president annually will name a liaison to each city and township wholly or partly within the CLFLWD, the Washington Conservation District and the Chisago Soil & Water Conservation District, the Citizens' Advisory Committee, and such other organizations as the Board may select. For continuity, a manager may serve as a liaison for consecutive years.
 - b. The CLFLWD administrator will advise each named body of the Board liaison to that body and the contact information for the liaison.
 - c. The liaison will establish and maintain communication with appropriate representatives of the body and attend meetings of the body, as the liaison finds reasonable and appropriate so as to remain apprised of the activities of the body pertinent to water resource matters. With respect to the CLFLWD's cities, the Board finds that a liaison should undertake to attend at least three city council meetings annually.
 - d. The president will serve as the personnel liaison. The liaison shall serve as an informal Board point of contact and sounding board for the CLFLWD administrator. The personnel liaison is not a personnel committee within the meaning of the Employee Manual.
4. Policy as to Manager Involvement in Supporting Actions
 - a. The Board at any time may designate one or more managers to perform a task or function to support the Board where the circumstances do not warrant that a standing committee be created. The performance of the task or function may or may not be subject to the Minnesota Open Meeting Law, as counsel may advise. A manager performing such work may request a per diem in accordance with paragraph III.b(iv)

of the General Governance Policies.

- b. Attendance at Metro MAWD meetings supports the District's work by allowing managers to learn of other watershed district practices, share information about water resource matters with managers of other districts, and coordinate with other districts in efforts to achieve water resource goals that serve the District. Managers are encouraged to attend Metro MAWD meetings and may request a per diem for attendance in accordance with paragraph III.b(ii) of the General Governance Policies.
- c. Managers are encouraged to attend other structured meetings, presentations and educational events that will enhance a manager's capacity to perform as an officer or a member of the Board. A manager may not request a per diem for such attendance unless it has been authorized in advance by the Board, or if there will not be an opportunity to request Board authorization, the president (as to managers other than the president) or the administrator. On a manager's timely advance request, the administrator will include authorization on the next Board meeting agenda.

Records Retention Schedule

[RECORDS RETENTION SCHEDULE GOES HERE]

Appendix A

Comfort Lake – Forest Lake Watershed District
Inventory of Not-Public Data on Individuals
August 2015

This document describes private or confidential data on individuals maintained by the Comfort Lake – Forest Lake Watershed District (see Minn. Stat. § 13.05 and Minn. Rules 1205.1200).

This document is also part of CLFLWD’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 CLFLWD managers and CLFLWD 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 CLFLWD Data Practices Compliance Official:

Mike Kinney
651-395-5850
Michael.Kinney@clflwd.org

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.

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.

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