

## MEMORANDUM

TO: Minnehaha Creek Board of Managers

FROM: Louis Smith

DATE: October 24, 2014

RE: Governance Issues

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At the meeting of August 21, 2014, the board of managers directed that three issues be set for discussion at a board retreat with preparation from legal counsel. This memorandum provides background information to support the board's discussion at its upcoming retreat on October 30.

### **Board Code of Conduct & Decorum**

Based on our review, most public bodies have established bylaws concerning meeting procedures, and also established policies on conflicts of interest. Most public bodies do not have an established policy on decorum. Neither the League of Minnesota Cities nor the Association of Minnesota Counties guidance materials include a policy on decorum or member conduct.

Nevertheless, we have located several sample policies on decorum and conduct, including the City of Eden Prairie Code of Conduct, the City of Mankato Code of Conduct, and the Rules and Procedures of the Hennepin County Board of Commissioners. These sample policies are attached to this memo for reference.

### **Protocol for Citizen Comments**

The District's bylaws are silent on providing for citizen comments on matters before the board of managers. For many years, the District has had a standing "Citizen Comments" item on agendas of regular meetings in order to receive comments on items not on the meeting agenda. Responding to citizen requests to speak on other items of business on the meeting agenda has been within the discretion of the chair, and in most circumstances accommodated. Most city councils and the Hennepin County board of commissioners provide for a citizen comment section on agendas, and also designate certain matters for public hearings, but otherwise typically do not allow citizen comments on other items of business.

The League of Minnesota Cities Handbook notes that "although anyone can attend council meetings, citizens cannot speak or otherwise participate in any discussions unless the mayor or the presiding officer recognizes them for this purpose. The decision to recognize speakers is usually up to the mayor or presiding officer, but the council can overrule this decision. The council can, through a motion, decide to hear one or more speakers from the audience." Ch. 7, p.24.

### **Process for Setting Board Meeting Dates and Times**

The District's bylaws provide for the following procedures in setting board meetings:

The frequency, dates, times and locations of regular meetings will be set and published by the Board annually and may be changed at any time by action of the Board, in accordance with Minnesota Statutes section 13D.01 et seq.

A special or emergency meeting may be held at any time at the request of the Chair or any two members, and in conformance with Minnesota Statutes section 13D.01 et seq. The request will be made in writing to the Secretary, and must include a statement of the purpose of the meeting. Immediately on receipt of a proper request, the Secretary will cause all members of the Board to be notified and cause public notice to be made in accordance with Minnesota Statutes section 13D.01 et seq. The Secretary will make all reasonable efforts to provide actual notice of the special or emergency meeting to each Board member.

MCWD Bylaws, Article V.

Further, Section 103D.315, subdivision 10 of the Watershed law provides that “a meeting may be called at any time at the request of any manager. When a manager requests a meeting, the secretary of the watershed district must mail a notice of the meeting to each member at least eight days before the meeting.”

# **CITY OF EDEN PRAIRIE**

## **CODE OF CONDUCT**

1. **Respect each other**
2. **Have an open mind**
3. **Maintain open communication**
4. **Keep things in perspective; maintain a sense of humor**
5. **Support group decisions and teamwork**
6. **Make balanced, informed decisions**
7. **Practice continuous improvement**
8. **Operate according to the City's adopted values and goals**
9. **Make decisions for the greater good of the community**

**\*It is every member's responsibility to practice and ensure these guidelines are followed.**

*Strategic Management / Eden Prairie 2001  
City Council / Staff Workshop, April 22 & May 27, 1997*



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## Chapter 13: Code of conduct

The mayor and council members are dedicated to promoting values and integrity of local government and democracy and committed to governing efficiently and effectively. After taking oath of office as a city council member, they agree to conduct themselves in accordance with the following code of conduct:

- ◆ The professional and personal conduct of council members must be above reproach and avoid the appearance of impropriety. Members should refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of the council, boards, commissions, staff or the public intended to disrupt and not further the city's business.
- ◆ Council members abide by applicable state laws, city ordinances and other doctrines relating to conduct of a council member, including, but not limited to: conflict of interest, data practices and the open meeting law.
- ◆ Council members maintain the confidentiality of information concerning property, personnel or legal affairs of the city. They shall neither disclose confidential information, without proper legal authorization, nor use such information to advance their personal, financial or other private interests.
- ◆ A council member does not use the official position to secure special privileges or exemptions for themselves or others.
- ◆ Each member supports the maintenance of a positive and constructive work place environment for city staff, private citizens and businesses dealing with the city. Council members will recognize their roles, as delineated in the city charter, city code and state statutes and in individual dealings with city staff.
- ◆ No member shall, except as specifically permitted by Minnesota statutes, accept or receive any gift of substance, whether in the form of money, services, loan, travel, entertainment, hospitality, promise or any other form under circumstances in which it could be reasonably expected to influence the member in the performance of the member's official duties or intended as a reward for the member's official actions.
- ◆ Members of the council will not testify in their capacity as a council member, before any other board, commission, administrative officer or agent of the federal government, the state of Minnesota or of any county or other municipal corporation, including cities, except as provided. Exceptions to the policy:
  - if the member is testifying in such capacity pursuant to a lawfully issued subpoena;
  - in the event the council has designated the member or members to act as a spokesperson for the council as a whole to explain the majority vote or council's position.
- ◆ Council members serve as a whole when representing the official policies and positions of the city council. If speaking as an individual citizen, it's important to share that's the perspective being presented and not on behalf of the city or council. In addition, council members refrain from testifying orally or in writing as to any quasi-judicial matter being heard, or having the possibility of being heard by the council.



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## **Conflict of interest**

Generally, state law prohibits public officers from having a personal financial interest in a sale, lease, or contract they are authorized to make in their official capacity. A “public officer” would include a mayor, council member, etc.

An interested officer should disclose his or her interest at the earliest stage and abstain from voting or deliberating on any contract in which he or she has an interest. There are some exceptions to the general prohibition on contracting with city officials defined in state law. When the exceptions are used, generally the contract must be approved by unanimous vote of the council. To help determine if a conflict exists consider the:

- ◆ nature of the decision being made;
- ◆ nature of the financial interest;
- ◆ effect of the individual interest on the outcome of the decision by the council.

Another conflict of interest situation may occur when the official’s own personal interest is so distinct from the public interest that the member cannot be expected to represent the public interest fairly in deciding the matter. Some common areas are planning and zoning issues, public improvements, special assessments, licenses, land purchases and vacation of streets. Some other areas are church memberships, family associations and club memberships.

There are detailed procedures that must be followed to use any exception to the conflict of interest law. State statute and the city attorney should be consulted on procedures to follow.

## **Incompatible offices**

Generally, individuals in elected office are prohibited from holding incompatible offices. The city attorney should be consulted on concerns about elected officials holding two separate offices. Mankato city council members cannot hold any other city office or city employment during tenure as a council member. A former member of the city council cannot be employed by the city until one year after the term they were elected for has expired.

## **Gifts**

Elected and appointed “local officials” may not receive a gift from any “interested person.” An “interested person” is a person, or representative of a person or an association, who has a direct financial interest in a decision that a local official is authorized to make. If a public official knowingly accepts a gift, the official may be guilty of a gross misdemeanor.

Some commonly encountered exceptions to the gift law include lawful campaign contributions and food or beverages given at a reception, meal, or meeting the official has been invited to attend. If there is ever any question about accepting or declining a gift, the best option may be to decline.

## **Liabilities**

The city of Mankato carries personal liability insurance policies on elected officials, appointed officials, employees and officers. The city defends a person who is performing job duties and is not guilty of malfeasance in office, willfully neglecting their duties or acting in bad faith.



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## **Ethical leadership**

Ethical leadership is vital to the functioning of the city and to maintain the public's trust and confidence in the city and democratic process.

### **Key traits of ethical leaders**

- ◆ *Recognize that ethical questions may be complex.* As a result, they are willing to seek and accept the advice of knowledgeable officials such as the city manager, city attorney or city staff.
- ◆ *Understand that ethical conflicts are inevitable and should be dealt with forthrightly.* Elected officials are human and citizens of their community. On occasion, it is expected that they will have needs or roles in their private lives that conflict with public office obligations. Ethical officials are open about potential conflicts of interest and follow applicable rules for disclosing and dealing with the conflict (such as refraining from voting on a particular issue) to avoid even the appearance of impropriety.
- ◆ *Driven by fairness.* The most ethical council members recognize that many city decisions will have an adverse, as well as positive outcomes and they, therefore, strive to make the best decision as defined by its ultimate fairness to all concerned. This often means making impartial decisions on the merits of the issues alone, while disregarding personal allegiances. It can also mean taking into account interests of citizens who are not present or who have not otherwise commented, but who are nonetheless affected by a decision. Ethical officials try to make decisions in the best interest of all in the community, not just those who show up at a meeting or protest the loudest.
- ◆ *Know the importance of conscientious and ethical government as a value in itself.* Ethical council members do not use their office or authority for revenge, prestige, or personal gain. Ethical council members recognize that government is a human institution. As a result, the human motivations of those in government will determine if the government itself is effective or ineffective, good or bad, ethical or unethical. Ethical council members care enough to make a positive difference and then act accordingly.

## **Recall of elected officers**

The city of Mankato charter does not permit the city council to remove or recall an officer from office. The holder of any elective office may be removed at any time by registered voters under Mankato city code section 5.01, available online at [www.mankato-mn.gov/CityCharter/Section-5.01.aspx](http://www.mankato-mn.gov/CityCharter/Section-5.01.aspx).

*If the council should desire to have a public censure process this will need to be drafted as a policy and formally adopted.*

**RULES AND PROCEDURES OF THE  
HENNEPIN COUNTY BOARD OF COMMISSIONERS  
(March 1993)**

**INTRODUCTION**

The purpose of the Rules and Procedures of the Hennepin County Board of Commissioners is to facilitate the transaction of business before the Board and its committees and to promote cooperation and harmony among its members in their representation of the citizens of Hennepin County. The following principles shall guide the Board in its interpretation and application of these rules.

**GUIDING PRINCIPLES**

1. **Equality of Rights.** All County Board members have equal rights, privileges and obligations.
2. **Majority Decision.** A majority vote of four members decides.
3. **Minority Rights.** The rights of the minority must be respected.
4. **The Right of Discussion.** Full and free discussion of every proposition presented for decision is an established right of members.
5. **The Right of Information.** Every member has the right to access information and staff. Every member has the right to know the meaning of the question before the Board and what its effect will be.
6. **Fairness and Good Faith.** All meetings of the county board must be characterized by fairness and by good faith.
7. **Public Access.** To the fullest extent possible, members of the public shall have the right to be informed of the Board's process and decisions and the opportunity to present their views to the Board.
8. **Public Courtesy.** No member shall consume food while the board or Committee of the Board is in session and will accord all speakers to the Board/Committee the courtesy of their attention.



I.

QUORUM

A. **Schedule of Meetings.** The Board shall meet at the county seat for the transaction of business on the first Tuesday after the first Monday in January, and on other days it prescribes as necessary for the interests of the county. Sessions shall be called by a majority of the board and the clerk shall give at least ten days' notice of them to each of the commissioners.

B. **Quorum.** A majority shall constitute a quorum, and no business shall be done unless voted for by a majority of the whole board, but less than a majority may adjourn. The minimum number of commissioners that must be present at any meeting for the proper conduct of business must be four.

C. **Committee Quorum.** A quorum of a committee of the whole is a majority of the members of the committee present. A majority vote of the committee is required for the approval of a resolution in committee.

D. **Open Meeting Law.** All Board and Committee meetings of the Hennepin County Board are subject to Minnesota Statutes Section 471.705, the Open Meeting Law.

II.

CHAIR

A. A Chair and a Vice-Chair shall be elected from the Board's members at the first session in each year.

B. The Chair shall preside at Board meetings and sign all documents requiring signature on behalf of the County. It is the responsibility of the Chair to assure that unpopular views are given a fair hearing.

C. The Chair's signature, attested by the clerk of the county board, shall be binding as the signature of the board.

D. In the case of the absence or incapacity of the Chair, the Vice-Chair shall perform the Chair's duties. If the Chair or Vice-Chair is absent from any meeting, all documents requiring the signature of the Board shall be signed by a majority of it and attested by the clerk.

E. The Chair of the Board may make a motion and has the same voting rights and responsibilities as other members.



F. The Chair of the Board shall have the authority to nominate members of the Board to standing and special committees.

### III.

#### MEMBERS

A. **Authority.** No member of the County Board has the right to speak or act for the Board unless specifically authorized by law or by the Board.

B. **Recognition to Speak.** Any member who desires to speak must obtain recognition from the Chair before speaking.

C. **Ad Hominem Discussion Prohibited.** The Chair shall rule out of order any discussion by members of the Board which becomes personal. Members should refrain from commenting upon the motives, competence or character of other members.

### IV.

#### RESOLUTIONS; MOTIONS

A. **Resolutions; Main Motions.** The main motion in the form of a resolution is the means by which a member may present a substantive proposal to the County Board for consideration and action. Since it is the basic motion for the transaction of business, only one subject may be considered at a time and the main motion may be proposed only when no other motion is before the Board.

B. **Writing Required; Second Required.** All resolutions and proposed amendments shall be presented in writing by any member or members of the Board including the Chair and shall require a second. However, a proposed amendment which is brief in length may be made verbally by any member. With the consent of the author, any member(s) may timely join in offering a resolution. In the event a resolution is offered and a substitute resolution is submitted on that subject, the author of the substitute resolution becomes the chief author of the resolution, unless another author is designated by the Board.

C. **Resolutions: Committee; Immediate Approval.** All resolutions introduced at the County Board level shall be automatically referred to the next meeting of the appropriate standing committee. If an item must be brought for immediate approval, it will be referred to committee if more than one Commissioner objects to immediate action being taken at that time. Items brought in for "Immediate Approval" must meet one or more of the following guidelines:

1. Be a commendation resolution; or
2. Be recommended for immediate approval by the County Administrator; or
3. Be non-controversial in nature (no commissioner objects); or
4. Be a matter of an urgent nature, or some consequence or crisis will result due to inaction before the next meeting of the Board. Before a matter may be deemed one of urgent nature under this paragraph, a 5/7 vote of the members is required.

D. **Commissioner Resolutions.** Commissioner sponsored resolutions may be introduced for consideration by:

(1) providing a copy to the Clerk of the Board by established deadlines preceding a scheduled Board Meeting for inclusion on the Board agenda's "Communications List" which includes a recommended referral to Committee or the item may be included on the Immediate Approval list if it meets the criteria for immediate approval as listed in Rule IV(C); or

(2) any member may require the committee clerk to include a new resolution or discussion topic on a committee agenda prior to distribution of committee agendas. If committee agendas have been distributed, the committee chair may request the committee clerk to prepare an addenda to the agenda to add an additional resolution or discussion topic; or

(3) a resolution may be introduced by a commissioner during a committee meeting. Consideration of such resolution is subject to the requirements of Rule IV(C); or

(4) an additional item shall be added to each Board Agenda titled "Referral of Commissioner Resolutions." This title shall follow the standing Agenda Item number 2 "Referral of Correspondence and Departmental Communications." When this agenda item comes up, Commissioners may announce a proposed resolution and the recommended Committee referral or announce new items for immediate approval if it meets the criteria for immediate approval as listed in Rule IV(C). Commissioners are responsible for distributing copies to each Commissioner, Clerk of the Board, Administration and media (12 copies).

## V.

### VOTING

A. **Recordation.** Unless a Commissioner signifies an abstention or voted in the negative on any given issue, the Clerk

of the Board shall be directed to record that each Commissioner present has voted in the positive on that particular matter which is before the Board.

B. **General Consent.** The Chair may conduct voting on uncontested items by general consent by asking the question of its members as to whether there is any objection. If an objection is made, a formal vote must be taken.

C. **Roll Call Votes.** At the request of any Commissioner, a roll call vote will be taken.

## VI.

### APPOINTMENT POWER; VACANCIES

Nominations to fill vacancies on various boards over which the County Board has appointment authority, including positions to be filled from among members of the County Board, may be acted upon without a second to such nomination.

## VII.

### ENDING DISCUSSION; ADJOURNMENT

A. **Ending Discussion.** The general rule is that no motions to close or limit debate are allowed. However, if it becomes necessary to end discussion when a determined minority wants to continue, the chair shall not take such action, rather, four members acting upon a properly proposed motion may close debate.

B. **Adjournment.** The Chair of the County Board may declare a meeting of the County Board adjourned and such declaration shall be effective unless contested by a majority of its members present at the meeting. A Committee Chair may declare a Committee meeting adjourned and such declaration shall be effective unless contested by a majority of its members present at the meeting.

## VIII.

### COMMUNICATION AND PUBLIC OUTREACH

A. **Notice; Following Resolutions.** Members of the public who are interested in following resolutions which are progressed out of committee, approved in committee and sent to the board, or laid over to the call of the chair, may register their name and address with the Clerk of the County Board for

placement on the agenda distribution list. The Clerk of the County Board will endeavor to provide notice to such interested persons of the next Board or Committee meeting in which that resolution appears. It is the intention of this rule to aid the citizens of the county in following a resolution of interest and in no event shall failure to comply with this rule constitute an independent procedural or substantive due process basis for challenging an action of the Board.

B. Meetings Outside the Government Center. It is the intention of the County Board to hold some meetings at a location in Hennepin County outside of the Government Center as provided by law.

#### IX.

##### PARLIAMENTARY AUTHORITY

The latest edition of Robert's Rules of Order shall govern the procedure of the County Board in all situations not otherwise provided for by law or by the adopted rules of the Board.

#### X.

##### AMENDMENT OF RULES

These rules and procedures may be amended from time-to-time, but only upon a 5/7 vote of the members.

# MINNEHAHA CREEK WATERSHED DISTRICT

## GOVERNANCE MANUAL

October 30, 2014



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## Minnehaha Creek Watershed District

### Governance Manual – Introduction

November XX, 2014

The Minnehaha Creek Watershed District is a special purpose unit of government established under Minnesota Statutes chapters 103B and 103D. The Minnehaha Creek Watershed District is governed by a seven-member Board of Managers appointed to staggered terms by the Hennepin County Board of Commissioners (six managers) and the Carver County Board of Commissioners (one manager). The Minnehaha Creek Watershed District staff is led by an administrator, who oversees and directs day-to-day activities and to carry out the MCWD's Comprehensive Water Management Plan.

Existing policies were updated and are incorporated herein to create the **Minnehaha Creek Watershed District Governance Manual**, which was adopted by the Board on November XX 2014. The manual includes this overview and the general governance policies below, along with specific policy and protocol documents that were revised or drafted to fulfill specific statutory or internal management purposes.

The manual establishes clear written policies, procedures and instructions for the management of District 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 treated consistently, that accounting principles used are appropriate and proper, and that records and reports are produced in forms desired by the managers and state review entities, including the Legislature, the Office of the State Auditor and the Board of Water and Soil Resources.

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

- **Bylaws** (most recently amended November XX, 2014), including a conflict of interest policy and fulfilling the requirement of Minnesota Statutes section 103D.315, subdivision 11.
- **Governance Policies** (most recently updated and adopted November XX, 2014) providing various policies for the day-to-day administration of the District's business operations.
- **Investment and Depository Policy** (most recently amended December 29, 2011) provides terms for investment and collateralization of District funds and the management and administration of District bank accounts.
- **Debt Management Policy** (most recently adopted January 24, 2013) guides District borrowing.
- **Public Purposes Expenditures Policy** (adopted December 29, 2011) includes protocols and requirements to ensure that the District complies with the requirement in the state constitution (Article X, section 1) that expenditures by government bodies serve public purposes.
- **Policies and Procedures for Public Access to Documents** (amendments adopted November XX, 2014) fulfills requirements of the state Data Practices Act (Minnesota



Statutes chapter 13) applicable to the District. 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, along with the accompanying Inventory of Not-Public Data on Individuals.
- Tennesen notices and consent forms, created when needed and tailored for specific circumstances where private or confidential data is collected from individuals, such as new employees, or distributed (Minn. Stat. § 13.04, subd. 2). (The manual includes the District's basic templates.)
- **Records Retention Schedule** allows the District to efficiently manage and, when appropriate, archive its files, and fulfills the requirement of 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 schedule also includes indication of whether the District stores information electronically or in hard copy form, in compliance with the Uniform Electronic Transactions Act, Minnesota Statutes section 325L.17.

The manual will be annually reviewed and updated 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.

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

**BYLAWS OF THE  
MINNEHAHA CREEK WATERSHED DISTRICT  
BOARD OF MANAGERS**

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*Approved August 12, 2004; amended ~~October 27, 2011~~ November XX, 2014*

These bylaws establish rules governing the conduct of business by the Minnehaha Creek Watershed District Board of Managers.

**ARTICLE I: OFFICE**

The District will maintain its principal place of business in an office located within the watershed district. The District's official records will be maintained at that location. The Board may change the location of its principal place of business in accordance with Minnesota Statutes section 103D.321, subdivision 2.

**ARTICLE II: BOARD OF MANAGERS**

Before assuming the duties of the Board, each Board member, at District expense, will obtain and file a bond in accordance with Minnesota Statutes section 103D.315, subdivision 2. The Board, at District expense, will provide for insurance for its members to provide liability protection on such terms and in such amounts as the Board decides.

The Board may elect to compensate its members for attending meetings and performing other duties necessary to proper management of the District. Compensation will be in accordance with Minnesota Statutes section 103D.315, subdivision 8, and policy established by the Board of Managers.

**ARTICLE III: OFFICERS**

The Board annually will elect from among its members the following officers: President, Vice President, Treasurer and Secretary. The term of office is one year, commencing on the date of election. Election of Officers will be conducted at a meeting of the Board of Managers in the month of January. No member may hold more than one office at a time.

If an officer cannot complete his or her term of office, the Board immediately will elect from among its members an individual to complete the unexpired portion of the term. The individual designated to complete the unexpired term of another officer may not already be serving as an officer of the District. An Officer's term as officer continues until a successor is elected or the officer resigns from the office. The Board, by action at an official meeting, may appoint a Board member as an officer *pro tem* in the event an officer is absent or disabled and action by that officer is required.

The President will:

- (a) Serve as Chair for all meetings, except as delegated under terms of these Bylaws;
- (b) Sign and deliver in the name of the District any contracts, deeds, correspondence or other instruments pertaining to the business of the District;
- (c) Be a signatory to the District's accounts.
- (d) Be a signatory to District documents if the Treasurer or Secretary is absent or disabled, to the same extent as the Treasurer or Secretary.
- (e) Fulfill the duties as described in the Governance Policies of the District, Governance Process Policy #3, President/Acting Chair's Role.

The Vice President will:

- (a) Discharge the President's duties if the President is absent or disabled;
- (b) Be a signatory to instruments and accounts of the District if the President is absent or disabled, to the same extent as the President, or where execution by the Vice President is explicitly required or authorized.

The Treasurer will:

- (a) Develop and maintain the District's financial accounts and records;
- (b) Be a signatory to the District's accounts and financial records;
- (c) Provide the Board with such records as are necessary to describe the financial condition of the District.

The Secretary will:

- (a) Maintain the records of the District;
- (b) Be a signatory to resolutions and other documents certifying and memorializing the proceedings of the District;
- (c) Ensure that minutes of all Board meetings are recorded and made available in a timely manner to the Board, and maintain a file of all approved minutes including corrections and changes;
- (d) Provide for proper public and Board member notice of all meetings.

#### **ARTICLE IV: COMMITTEES AND ADVISORY BODIES**

The Board may appoint committees, standing and special, and advisory bodies to assist the Board in performing its duties, which may include persons who are not Board members. Committees and advisory bodies shall operate in a manner consistent with the Board Committee Principles as described in the Governance Policies of the District, Governance Process Policy #5. No member of a committee other than a Board member may offer a motion or vote on a matter put before the Board.

It is the duty of a committee to act promptly and faithfully in all matters referred to it and to make reports at the next Board meeting. A complete and accurate copy of all committee reports shall be made a part of the Board meeting and filed and maintained at the District office.

The Board annually shall appoint a citizens advisory committee in accordance with Minnesota Statutes section 103D.331. The Board shall convene a technical advisory committee in accordance with Minnesota Statutes section 103D.337.

## **ARTICLE V: MEETINGS**

All actions of the Board will be taken in a public meeting noticed and held in accordance with Minnesota Statutes sections 13D.01 *et seq.*

The Board will meet at least annually and periodically may meet to conduct the general business of the District. The frequency, dates, times and locations of regular meetings will be set and published by the Board annually and may be changed at any time by action of the Board, in accordance with Minnesota Statutes section 13D.01 *et seq.*

A special or emergency meeting may be held at any time at the request of the Chair or any two members, and in conformance with Minnesota Statutes section 13D.01 *et seq.* The request will be made in writing to the Secretary, and must include a statement of the purpose of the meeting. Immediately on receipt of a proper request, the Secretary will cause all members of the Board to be notified and cause public notice to be made in accordance with Minnesota Statutes section 13D.01 *et seq.* The Secretary will make all reasonable efforts to provide actual notice of the special or emergency meeting to each Board member.

*Attendance.* Managers are expected to attend meetings of the Board of Managers. A manager's failure to attend three consecutive meetings may be reported, at the Board's discretion, to the county commission that appointed the manager.

*Quorum.* At Board meetings, the majority of the members will constitute a quorum to do business. Any action taken by the Board shall be by a majority vote of all members present. No member may appoint a proxy for any vote.

*Agenda.* Except in the case of emergency meetings, an agenda stating matters to be considered will be made available to Board members and the public at least three business days before the meeting. In its discretion, the Board may consider and act on matters not appearing on the agenda if otherwise in accordance with law. The order of business may be varied by the Chair, but no public hearing shall be closed before the time specified for the hearing in the notice of hearing.

*Conduct of meetings.* The President will preside at all meetings as Chair, except that the President may delegate that authority to the Vice President for workshop meetings. If the President is absent or disabled, the Vice President will preside. The Chair shall have the same privileges as other members.

At the hour appointed for a meeting, the members will be called to order by the Chair. On the presence of a quorum, the Board will proceed to do business.

The Chair will preserve order and decide questions of order, subject to appeal to the Board. Any manager may appeal to the Board from a ruling of the chair. If the appeal is seconded, the manager may speak once solely on the question involved and the chair may explain his or her ruling, but no other manager will participate in the discussion. The appeal will be sustained if it is approved by a majority of the managers present, exclusive of the chair.

The Chair may make motions, second motions and speak on any question. The Chair may vote in the same manner as other Board members.

Each member, before speaking, will address the Chair and will not proceed until recognized by the Chair. A member called to order immediately will suspend his or her remarks until the point of order is decided by the Chair.

*Rules.* Board meetings will be governed by the most recent edition of *Robert's Rules of Order Newly Revised* (~~10<sup>th</sup> Edition~~), except that *Robert's Rules* may be temporarily suspended by consent of a majority of the managers.

Every motion, except to adjourn, postpone, reconsider, commit, lay on the table or for the previous question, will be put into writing if the Chair or any member requires it; when made and seconded, it will be stated by the Chair or, if written, be read by the Chair. It may be withdrawn before amendment or any disposition of the question has been made.

*Voting.* When a question is put by the Chair, every member present shall vote, unless for special reasons the Board member elects to abstain. ~~If a member has a personal interest in the matter, he or she shall state that such an interest exists and shall neither deliberate nor vote on the matter. "Personal interest" means a material financial interest of the member, a family member or a close associate. The member's action will be noted in the minutes.~~ The "yeas" and "nays" shall be called on the request of the Chair or by any member, in which case the names of the members voting will be recorded in the minutes.

*Conflict of interest.* The Minnehaha Creek 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, and the Board of Managers seeks to make its high standards known to citizens in the watershed district. Ensuring that conflicts of interest do not affect Board of Managers proceedings is an essential element of maintaining high ethical standards. To avoid conflict of interest and the appearance thereof, the Board of Managers conducts itself according to the following conflict of interest policy:

A. Disclosure of potential 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, substantially affect the manager's financial or personal interests, unless the effect on the manager is no more than on any other member of the manager's profession, occupation, or business classification, the manager will take the following actions:

1. Prepare a written statement describing the matter requiring action and the nature of the potential conflict of interest; and
2. Deliver a copy of the statement to the President of the Board of Managers for filing with the Board of Managers within one week of taking the action.

B. Abstention: Managers will abstain from chairing any meeting, participating in any vote, or offering any motion or discussion on any matter that substantially affects the manager's financial or personal interests.

"Personal interest," as used in this policy, means a material financial interest of the member, a family member or a close associate. The member's action will be noted in the minutes.

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*Resolutions.* A resolution will be presented in writing or the preparation of a resolution reflecting Board action may be delegated to staff, provided the material terms of the resolution are stated in the motion adopting it. A resolution presented in writing will be read in full before a vote on the question, but reading in full may be dispensed with by unanimous consent. All written communications addressed to the Board, other materials included in the meeting packet, and all documents submitted to the record in the course of the meeting will be filed with the minutes in the District office.

Each resolution and rule passed by the Board will be signed by the Secretary and filed in the official actions of the District maintained at the District office. Proof of publication of a rule will be attached to and filed with the rule.

*Minutes.* The minutes of each meeting shall be reduced to writing. At the next regular Board meeting following preparation of the draft minutes, the Board will consider approval of the minutes. The minutes need not be read aloud, but the Chair will call for additions and corrections. If there is no objection to a proposed addition or objection, it is deemed made without a Board vote. If there is an objection, the Board shall vote on the addition or correction. If there are no additions or corrections, the minutes will stand approved. On approval, the Secretary will sign the minutes and file them in the official records of the District at the District office.

*Recording.* An audio recording will be made of each Board business meeting. The Board will maintain or arrange for adequate recording equipment for this purpose. A failure to make an audio recording will not invalidate any action taken at the meeting. The reason for a failure to make an audio recording shall be noted in the minutes, if known. But no closed session of a meeting of the Board of Managers will be conducted unless it is recorded, in accordance with Minnesota Statutes section 13D.05, except that a meeting closed to preserve the attorney-client privilege will not be recorded.

## **ARTICLE VI: FISCAL PROCEDURES**

The fiscal year of the District will be from January 1 to December 31.

Annually, the Board will provide for a financial audit, approve a budget for the following year, and approve and certify a property tax levy in accordance with applicable statutes and rules.

Checks issued by the District for payments for any purpose will bear two authorized signatures for an amount greater than five thousand dollars (\$5,000), but may bear one authorized signature for any amount less than five thousand dollars (\$5,000).

All District expenditures will be made in a manner consistent with the Governance Policies of the District, Executive Limitations Policies #5 and #6.

All purchases of goods and services by the District will have the prior approval of the Board, except that the Board by resolution may delegate to the Administrator the authority, with countersignature, to bind the District to a purchase of goods or services, or to enter into a contract for same, when the cost thereof does not exceed \$5,000, or under other specified conditions.

The Treasurer will issue serial numbered receipts for all monies received, with duplicates retained. If the District has more than one account, the receipt will indicate the account credited. A receipt form erroneously completed will be retained. The original and duplicate will be marked "Void" and this fact recorded in the general ledger or register of receipts. The District will make all payments by check, with records kept thereof.

Board members will prepare and submit claim forms for *per diem* and expenses in accordance with the Manager Per Diem and Expense Policy, approved as may be amended.

The Treasurer will keep a record of receipts and disbursements, and will report on all financial transactions at meetings of the Board.

#### **ARTICLE VII: MISCELLANY**

At the first regular Board meeting in January of each year, the Board will: (1) designate the depository or depositories of Board funds; (2) designate the depository for financial assurance instruments submitted to the District; and (3) designate the official newspapers of the District.

All references in these bylaws to statutes, rules and policies are to the section or sections as they may be amended.

#### **ARTICLE IX: BYLAWS**

Any provision of these Bylaws may be suspended temporarily by a majority vote of the Board, except a provision adopted in order to preserve the right of an absent member. The Board may amend or repeal these Bylaws at any meeting, provided that 30 days' written notice of the proposed change has been given to each Board member. An amendment to these Bylaws must be approved by a three-quarters majority of the Board.



These Bylaws are intended to be consistent with applicable provisions of Minnesota Statutes Chapters 103B and 103D and other governing law. In the event of a conflict, that governing law will control.

The purpose of these Bylaws is to establish rules to govern the performance of District business by the Board. They should not be permitted to divert or hinder the express intent and desire of the Board. Informal compliance and substantial performance will be sufficient under the foregoing rules in the absence of an objection seasonably taken. Objections are not seasonably taken as to any procedural matters provided for herein if a manager present at the meeting in question fails to object during the meeting and request compliance with these rules. Objections to be seasonably taken by an absent manager must be taken at the next regular meeting of the Board.

These Bylaws are for internal use only and neither create nor elucidate the rights of any Board member in a personal capacity or the rights of any third party.

Adopted by the Board of Managers of the Minnehaha Creek Watershed District on the \_\_\_\_ day of \_\_\_\_\_, 201~~4~~.

Date:

~~Lee Keeley~~Jeff Casale, Secretary

# MINNEHAHA CREEK WATERSHED DISTRICT GOVERNANCE POLICIES

The Minnehaha Creek Watershed District Board of Managers developed these policies, with the help of the Wilder Center for Communities, to give more specific parameters to the operations of the organization and the roles and responsibilities of the Board and Executive Director.

**At all times, the District's bylaws and relevant statutes will supersede these policies.**

ADOPTED BY THE BOARD OF MANAGERS  
APRIL 24, 2003

*Amended:*      *October 9, 2003*  
                      *October 23, 2003*  
                      *March 1, 2007*  
                      *October 18, 2007*  
                      *January 28, 2010*  
                      *March 22, 2012*

# Minnehaha Creek Watershed District



January 24, 2013  
~~XXXXXX, 2014~~

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## Mission Statement

Adopted 10/ 31/ 02

*The Minnehaha Creek Watershed District is committed to a leadership role in protecting, improving, and managing the surface waters and affiliated groundwater resources within the District, including their relationships to the ecosystems of which they are an integral part, through regulation, capital projects, education, cooperative endeavors, and other programs based on sound science, innovative thinking, an informed and engaged constituency, and cost effective use of public funds.*

# Minnehaha Creek Watershed District

## **POLICY #1: EXECUTIVE LIMITATIONS**

### GENERAL EXECUTIVE CONSTRAINT

The District Administrator shall not cause or allow any practice, activity, decision or organizational circumstance which is either imprudent or in violation of commonly accepted business and professional ethics.

[Policy #2: STAFF TREATMENT](#)

[Policy #3: COMPENSATION AND BENEFITS](#)

[Policy #4: FINANCIAL PLANNING](#)

[Policy #5: FINANCIAL CONDITION](#)

[Policy #6: ASSET PROTECTION](#)

[Policy #7: COMMUNICATION AND ADVICE TO THE BOARD](#)

**POLICY #2: EXECUTIVE LIMITATIONS**

STAFF TREATMENT

With respect to treatment of paid and volunteer staff, the District Administrator may not cause or allow conditions, which are illegal, inhumane, unfair, or undignified.

Accordingly, s/he may not:

1. Violate the guidelines contained within the board-approved *Employee Handbook*.
2. Prevent staff from appealing to the MCWD board when internal grievance procedures have been exhausted, if the employee alleges that he/she has been harmed because:
  - a. board policy has not been followed or
  - b. board policy does not adequately protect his/her human rights.

**POLICY #3: EXECUTIVE LIMITATIONS**

COMPENSATION AND BENEFITS

With respect to employment, compensation and benefits to employees, consultants, contract workers and volunteers, the District Administrator may not jeopardize MCWD's fiscal integrity or public image.

Accordingly, s/he may not:

1. Change his/her own compensation and benefits as established by the MCWD board.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits which:
  - a. Deviate materially from comparable positions in the geographic or professional market.
  - b. Obligate MCWD beyond the annual budget.
4. Establish deferred or long term compensation and benefits which:
  - a. Commit MCWD to unfunded liabilities or unpredictable future costs.
  - b. Provide less than a competitive level of benefits to all employees in accordance with the board approved budget.
  - c. Allow any employee to lose benefits already accrued.



**POLICY #4: EXECUTIVE LIMITATIONS**

FINANCIAL PLANNING

With respect to financial planning (budgeting for all or any remaining part of a fiscal period), the District Administrator may not jeopardize MCWD's programmatic or fiscal integrity.

Accordingly, s/he may not cause or allow budgeting which:

1. Is not detailed enough to provide:
  - a. projections of revenues and expenses,
  - b. separation of capital and long-term planning projects, district programs and operational items, and
  - c. cash flow statements and projections.
2. Expends more funds than provided for in board-approved budget.
3. Deviates materially from board-stated priorities (see *Strategic Plan and annual goals*).

## POLICY #5: EXECUTIVE LIMITATIONS

### FINANCIAL CONDITION

With respect to the actual, ongoing condition of MCWD's financial health, the District Administrator may not expend funds outside of Board approved budgets or otherwise jeopardize MCWD's fiscal integrity.

Accordingly, s/he may not:

1. Reallocate monies of an amount more than ten (10) percent of the total project/program fund or \$25,000, whichever is less, from one fund to another.
2. ~~Indebt MCWD for more than board approved credit limits, which will be repaid within 45 days. Deviate from the MCWD Investment and Depository Policy or Debt Management Policy without prior approval from the Board of Managers.~~
3. Transfer budgeted funds that cannot be repaid within 90 days or violate any contracts or grants.
4. Allow cash and liquid assets to drop below the amount needed to settle payroll and ~~debts~~incurred expenses.
5. Allow reserve fund level to fall below six (6) months operating expenses.
6. Allow petty cash expenditures to exceed \$1,000 per month.
7. Reimburse surety prior to completion of project for which surety is being held or without proper documentation.
8. Release any checks, other than petty cash and surety, without board resolution.
9. Allow actual expenditures to deviate materially from board approved annual budget.

## POLICY #6: EXECUTIVE LIMITATIONS

### ASSET PROTECTION

With respect to proper stewardship of MCWD's assets, the District Administrator may not risk losses beyond those necessary in the normal course of business. Accordingly, s/he may not:

1. Fail to insure against theft and casualty losses to at least 80 percent replacement value.
2. Fail to insure against liability losses to MCWD, its board members, or its paid or volunteer staff beyond commonly accepted practice.
3. Fail to maintain a current written inventory of assets, at least quarterly, verified by an annual physical inventory.
4. Subject property and equipment to improper wear and tear or insufficient maintenance.
5. Fail to properly protect valuable data in accordance with board-approved plan.
6. Dispose of any assets valued over \$1,000 unless authorized by the MCWD Board of Managers.
7. Buy or sell any goods or services (other than employment) from or to employees.
8. Unnecessarily expose MCWD, its board or staff to claims of liability.
9. Purchase any real estate or easements on real estate unless authorized by the MCWD Board of Managers.
10. Make any purchase greater than \$5,000.
11. Fail to establish and maintain controls that meet the board-appointed auditor's standards for receiving, processing or disbursing funds.
12. Exceed designated limits for per diems and other expenses as defined in the *Employee Handbook*, Manager Per Diem and Expense Policy and Public Purposes Expenditures Policy.:
13. Fail to invest operating capital in compliance with applicable state law and the MCWD Investment and Depository Policies.
14. Award purchases or other contracts to family members or significant others, business associates, or board members (or organizations associated with family members or significant others, business associates, or board members), without notice and prior approval of the MCWD board.
15. Make any capital purchase over \$25,000 without obtaining written quotes or competitive bids or purchase any professional service in excess of \$25,000 without obtaining written quotes or bids or without utilizing a Qualification Based Selection (QBS) process.

## **POLICY #7: EXECUTIVE LIMITATIONS**

### COMMUNICATION AND ADVICE TO THE BOARD

With respect to providing information and advice to the MCWD board, the District Administrator may not knowingly cause or allow the MCWD board to be uninformed or misinformed.

Accordingly s/he may not:

1. Let the board be unaware of relevant changes to Strategic Plan, annual goals and budget, public events of MCWD, emergencies related to District resources or any significant changes affecting board policy.
2. Fail to submit the monitoring data required by the board policy *Monitoring District Administrator Performance* in a timely, accurate and understandable fashion, directly addressing provisions of the board policies.
3. Fail to investigate and present as many staff and external points of view, issues, and options as requested by the MCWD board.
4. Present information in unnecessarily complex or lengthy form.

## POLICY #1: GOVERNANCE PROCESS

### GOVERNING STYLE

The MCWD board will approach its task with a style which emphasizes strategic leadership more than administrative detail, clear distinction of board and staff roles, future rather than past or present perspective, and proactively rather than reactivity.

In this spirit, the board will:

1. Focus chiefly on MCWD's intended long term impacts (*Strategic Plan and annual goals*), not on the administrative activities (management of staff, volunteers, consultants, money, facilities and equipment of MCWD) or the implementation of programs/projects.
2. Direct, control and inspire MCWD through the careful establishment of the broadest organizational values and perspectives (policies). Policies will address a) *Strategic Plan, annual goals and budget*: what benefits for which needs at what cost, b) *Executive Limitations*: boundaries of prudence and ethics to be observed by staff, c) *Governance Process*: board role and responsibilities and d) *Board-District Administrator Relationship*: linkage between board and staff.
3. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to attendance, only speaking when recognized at board meetings or workshops, policymaking principles, respect of clarified roles, speaking with one voice and self-policing of any tendency to stray from governance adopted in board policies.
4. Be accountable to the Watershed District's residents, communities and taxpayers for competent, conscientious and effective accomplishment of the mission. It will allow no officer, individual or committee of the board to usurp this role or hinder this discipline.
5. Monitor and regularly discuss the board's own process and performance. In order to accomplish this, maintain necessary plans, policies, and monitoring records.
6. Board actions will only be taken at board meetings where adequate public notice has been provided.
7. Be an initiator of policy, not merely a reactor to staff initiatives. The MCWD board, not the staff, will be responsible for board performance.
8. Endeavor to come prepared to Board meetings. If a Board member would like clarification on an item on the Consent Agenda, that Board member will contact staff prior to the Board meeting to have his/her question(s) answered.

## POLICY #2: GOVERNANCE PROCESS

### BOARD RESPONSIBILITIES

The job of the board is to lead MCWD toward the desired goals and assure that they occur. The board's specific responsibilities are *unique* to its stewardship role and *necessary* for proper governance and management.

Consequently, the job of the MCWD board shall be:

1. To provide the link between MCWD and those to whom it is accountable.
2. To create written governing policies which, at the broadest levels, address:
  - a. *Strategic Plan, annual goals and budget*: Establishes vision (what is different in the world because MCWD exists) and organizational outcomes (what good, for which needs, for whom, at what cost).
  - b. *District Administrator Limitations*: Defines constraints on District Administrator authority that establish prudent and ethical boundaries within which the Administrator will make decisions and provide direction.
  - c. *Governance Process*: Specifies how the board conceives, carries out and monitors its own tasks.
  - d. *District Administrator-Board Relationship*: Clarifies how the board delegates power and monitors its proper use.
3. To evaluate the executive's performance against policies 2A and 2B (above).

## **POLICY #3: GOVERNANCE PROCESS**

### PRESIDENT/ACTING CHAIR'S ROLE

The job of the President/Acting Chair is to insure the integrity of the MCWD board's process. The President (and not the Acting Chair) is the only person authorized to speak for MCWD except for the District Administrator, other than in rare and specifically authorized instances.

1. The job of the President/Acting Chair is to insure that the board behaves consistent with its own rules and those legitimately imposed upon it from outside MCWD.
  - a. Meeting discussion content will only be those issues that, according to board policy, clearly belong to the board to decide, not the District Administrator.
  - b. Deliberation will be timely, fair, orderly and thorough, but also efficient, limited to time and kept to the point.
  - c. Assure compliance with all applicable statutes and rules requiring Board of Managers action.
  
2. The President has the authority to make any decision on behalf of the board, which falls within or is consistent with board policies on *Governance Process* and on the *Board-District Administrator Relationship*.
  - a. The President is empowered to chair board meetings with all the commonly accepted power of that position, e.g., setting agenda, ruling, recognizing.
  - b. The President will ensure board representation at District sponsored events and other events requiring a manager to be present.
  - c. The President has the power to nominate managers as delegates to task forces and as committee members, subject to approval of the board.
  - d. The President is empowered to represent the board to the legislature and media.
  - e. Presidential authority does not extend to making decisions regarding implementation of *Strategic Plan*, *annual goals and budget* and *District Administrator Limitations* policy areas, each of which is within the purview of the District Administrator.
  - f. Presidential authority does not extend to supervising or otherwise directing the District Administrator. Only the full board can interpret the meaning of its policies.



# Minnehaha Creek Watershed District

## POLICY #4: GOVERNANCE PROCESS

### BOARD MEMBERS' CODE OF CONDUCT

The MCWD board expects of itself and its members ethical and businesslike conduct. This commitment includes proper use of authority and appropriate decorum when acting as board members.

1. Board members must be loyal to the interests of the District's constituents. This accountability supersedes:
  - a. Any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs
  - b. The personal interests of any Manager
  
2. Board members ~~must avoid any conflict of interest with respect to their fiduciary responsibility.~~
  - a. ~~There must be no self-dealing regarding District actions.~~
  - b. ~~Any conduct of private business between any Manager and MCWD requires proper disclosure and approval by the board.~~

~~Board members~~ must not use their positions to obtain for themselves, family members, significant others, business associates, or other board members employment within MCWD. Any conduct of private business between any Manager and MCWD requires proper disclosure and unanimous approval by the board.

  - e. ~~d. Board members must comply with Minnesota Statutes § 10A.07, § 471.11, subd. 1, and other applicable state statutes and rules related to conflict of interest. A Board member with a conflict of interest may not chair a discussion, participate in any vote, or offer any motion or discussion on the matter giving rise to the potential conflict of interest. If a Board member is not permitted or is otherwise unable to abstain from action in connection with the matter, the Board member must file with the Board a statement describing the potential conflict and action taken. The statement must be filed within one week of the action taken.~~
  
3. ~~Prior to board action, Managers must disclose any fiduciary interests in that action.~~
  
- 4-3. Should a Manager be considered for employment by MCWD, s/he must first resign from the board.

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# Minnehaha Creek Watershed District

- 54. Board members may not exercise individual authority over MCWD except as explicitly set forth in board policies.
  - a. Board members' interaction with the District Administrator or with staff must recognize that only the board acting as a whole can govern and give direction to the District Administrator.
  - b. Board members' interaction with the public, press or other entities must recognize the role of the board-designated spokesperson.
  - c. Board members will monitor and evaluate the District Administrator or staff performance consistent with explicit board policies.

# Minnehaha Creek Watershed District

## POLICY #5: GOVERNANCE PROCESS

### BOARD ADVISORY BODY PRINCIPLES

The board may establish advisory bodies (hereafter, committees) to help carry out its responsibilities. Committees will be used to support the board in carrying out its job and must not interfere with delegation from the board to the District Administrator.

1. Committees may not act for the board except when formally given such authority.
2. Committees are not to be created by the board to supervise or direct staff.
3. Committee members will be approved by the board.
4. Committees will consist of at least three (3) members but are open to all Managers with equivalent status to committee members.
5. Committees are subject to requirements of [the Open Meeting Law, Minnesota Statutes chapter 13Ds](#).
6. The board will establish committees as required by the board policy on *Monitoring District Administrator Performance*.

## **POLICY #1: BOARD-DISTRICT ADMINISTRATOR RELATIONSHIP**

### DELEGATION TO THE DISTRICT ADMINISTRATOR

The MCWD board's job is generally confined to establishing broad policies, leaving implementation and internal management policy development to the District Administrator. *Strategic Plan, annual goals and budget* policies direct the District Administrator to achieve certain results; *Executive Limitations* policies constrain the District Administrator to act within acceptable boundaries. All board authority delegated to staff is delegated through the District Administrator.

1. The District Administrator is authorized to establish all further policies, make all decisions, take all actions and develop all activities that are true to the board's policies. The board may, by extending its policies, "undelegate" areas of the District Administrator's authority, but will respect the District Administrator's decisions in all other cases. This does not prevent the board from obtaining information about activities in the delegated areas.
2. All consultants to the District work under the direction of the District Administrator or his/her designee, except for auditors and legal counsels. Auditors and legal counsels' primary responsibility is to the board except when providing administrative or project/program support.
3. No individual board member, officer, or committee has authority over the District Administrator. Information may be requested by individuals but if such request, in the District Administrator's judgment, requires a material amount of staff effort or cannot be met within the time requested, it may be refused and referred to the board. Only the full board can require reports from the District Administrator.
4. The District Administrator may not perform, allow or cause to be performed any act that is contrary to explicit board constraints (see *District Administrator Limitations* policies).
5. Should the District Administrator deem it necessary to violate board policy, s/he shall inform an officer of the board. Informing is simply to guarantee no violation may be intentionally kept from the board, not to request approval. Officer response, either approving or disapproving, does not exempt the District Administrator from subsequent board judgment of the action nor does it impede any Administrator decision.

**POLICY #2: BOARD-DISTRICT ADMINISTRATOR RELATIONSHIP**

JOB OF THE DISTRICT ADMINISTRATOR

As the board's link to MCWD's operations, the District Administrator is accountable for all organizational performance and exercises all authority delegated by the board. District Administrator performance will be considered to be synonymous with organizational performance.

Consequently, the board will evaluate the District Administrator's job performance in two areas:

1. Organizational accomplishment of the *Strategic Plan, annual goals and budget*.
2. Organization operation within the boundaries established in board policies on *Executive Limitations*.

## **POLICY #3: BOARD-DISTRICT ADMINISTRATOR RELATIONSHIP**

### MONITORING DISTRICT ADMINISTRATOR PERFORMANCE

Monitoring District Administrator performance is synonymous with monitoring organizational performance against board policies on *Strategic Plan and annual goals* and on *Executive Limitations*. Monitoring will be as automatic as possible, using a minimum of board meeting time so that meetings can be used to create the future rather than review the past.

1. The purpose of monitoring is to determine the degree to which board policies are being fulfilled.
2. A given policy may be monitored in one or more of three ways:
  - a. **DISTRICT ADMINISTRATOR REPORT:** Disclosure by the District Administrator to the board.
  - b. **MANAGER(S) INSPECTION:** Any individual board member at any meeting may request discovery by the MCWD board or a board-designated Manager or committee, including inspection of printed and electronic documents, activities, or circumstances.
  - c. **EXTERNAL AUDIT/REPORT:** Discovery by a disinterested, external auditor, inspector or judge who is selected by and reports directly to the MCWD board. Such reports must assess District Administrator performance only against board policies, unless the board identifies other standards.
3. The board can decide to monitor any policy by any method at any time. However, the board designates the following monitoring schedule for *Strategic Plan, annual goals and budget* and *District Administrator Limitations* policies.
  - a. **Monthly reports:** Financial condition, District Administrator's report, project status reports.
  - b. **Quarterly:** Communication and advice, implementation calendar.
  - c. **Annual reports:** Annual goals and budget, all governance policies, compensation and benefits, asset protection, financial condition, staff treatment, financial planning.
  - d. **Biannual:** Compensation and benefits, Strategic Plan.

**POLICY #4: BOARD-DISTRICT ADMINISTRATOR RELATIONSHIP**

HIRING OF DEPARTMENT HEADS

The following procedures shall be used to hire Department Heads (MCWD grade level 6 or greater or as defined in the most current Salary Structure).

1. The Board of Managers Personnel Committee shall be notified of Department Head vacancies.
2. The Personnel Committee shall advise the District Administrator if the position will be filled internally or if the position is to be posted.
3. If filled internally, the Personnel Committee will authorize the District Administrator to transfer the recommended staff to the open position.
4. If posted, the following procedure will be followed:
  - The position will be posted on web sites or in press with wide distribution.
  - The District Administrator and/or consultant shall review all applications and conduct preliminary interviews of qualified candidates.
  - The Personnel Committee will interview the top three or four candidates recommended by the District Administrator and/or consultant and will forward their comments to the District Administrator.
  - The District Administrator will consider the recommendation of the Personnel Committee, interviews, application materials, etc. and forward an offer to the candidate that he or she feels will be the best person for the position.
  - The successful candidate will be introduced to the Board at the first possible Board meeting.

# Minnehaha Creek Watershed District

<b>POLICY</b>	<b>METHOD</b>	<b>FREQUENCY</b>	<b>By When</b>	<b>WHO</b>
<b>All Governance Policies</b>	Manager(s) Inspection	Annually		Full board (led by President)
<b>Staff Treatment</b> ( <i>Executive Limitations Policy #2</i> )	Manager(s) Inspection	Annually		Personnel Committee
<b>Compensation &amp; Benefits</b> ( <i>Executive Limitations Policy #3</i> )	External Audit/Report Manager(s) Inspection	Biannually Annually		Personnel Consultant Personnel Committee
<b>Financial Planning – Budget</b> ( <i>Executive Limitations Policy #4</i> )	Manager(s) Inspection	Annually		Finance/Audit Committee
<b>Financial Condition</b> ( <i>Executive Limitations Policy #5</i> )	Manager(s) Inspection External Audit	Monthly Quarterly		Treasurer or Treasurer-designated Manager Finance & Audit Committee
<b>Asset Protection</b> ( <i>Executive Limitations Policy #6</i> )	External Audit Manager(s) Inspection	Annually Annually		Auditor, Counsel and Risk Manager Finance & Audit Committee
<b>Communication &amp; Advice</b> ( <i>Executive Limitations Policy #7</i> )	Manager(s) Inspection	Quarterly		President
<b>Program Outcomes – Goals</b> ( <i>Strategic Plan Implementation Calendar</i> )	Manager(s) Inspection Manager(s) Inspection	Biannually Quarterly		Vice President Vice President

Any other policy shall be monitored by internal report each calendar quarter.



## **MINNEHAHA CREEK WATERSHED DISTRICT**

### **INVESTMENT AND DEPOSITORY POLICY**

**Adopted by Resolution 09-108, October 22, 2009;  
adopted as amended December 29, 2011**

#### **1. PURPOSE**

The purpose of this policy is to establish the Minnehaha Creek Watershed District's investment objectives, establish specific guidelines that the District will use in the investment of funds, and establish District depository policy. It will be the responsibility of the District administrator to invest District 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 District policy and with statutory requirements applicable to the District's designation a depository financial institution. Investments will be made in compliance with statutory constraints and in safe, low-risk instruments that are approved by the MCWD Board of Managers.

#### **2. SCOPE**

This policy applies to all financial assets of the District, including but not limited to:

- General Fund
- Management Planning Fund – Operating
- Management Planning Fund – Projects
- Capital Project Funds

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

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

#### **4. DESIGNATION OF DEPOSITORY AND COLLATERALIZATION**

The District Board of Managers annually will designate a financial institution or institutions in the State of Minnesota as the depository of District 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. Each depository will furnish

collateral, as necessary, in the manner and to the extent required by Minnesota Statutes Section 118A.03, as it may be amended, and other applicable law. Collateral will be held in safekeeping in compliance with Section 118A.03, as it may be amended.

## **5. DELEGATION OF AUTHORITY**

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

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

## **6. OBJECTIVES**

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

### **A. SECURITY**

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

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

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

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

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

## B. LIQUIDITY

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

## C. RETURN ON INVESTMENT

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

## 7. PRUDENCE

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

## 8. ELIGIBLE INVESTMENTS

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

## 9. 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.

## **10. SAFEKEEPING**

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

## **11. CONFLICT OF INTEREST**

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

## **12. INTERNAL CONTROLS AND REPORTING**

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

The District administrator shall be limited to investing funds for up to a maximum term of seven years. The District administrator shall request approval from the District Board to authorize investment of funds for terms exceeding seven years.

Monthly, the District administrator shall provide an investments report to the District Board. Investments shall be audited and reported with financial statement annually. It shall be the practice of the District Board to review and amend the investment policy from time to time as needed.

# MINNEHAHA CREEK WATERSHED DISTRICT

## DEBT-MANAGEMENT POLICY

Adopted by Resolution 13-XXX, MONTH DAY, 2013

### *Introduction*

The policies that follow are designed to maintain standard and rational practices for the issuance and management of debt by the Minnehaha Creek Watershed District (“MCWD”). Their primary objective is to establish conditions for the use of debt and to create procedures that comply with state law, minimize MCWD’s debt-issuance and -service costs, retain the highest possible credit rating, and facilitate full and complete financial disclosure and reporting. The policies apply to all debt incurred by MCWD, including financing, notes in anticipation of bond participation, direct placement bank loans, debt guaranteed by MCWD, and any other forms of obligation or indebtedness.

MCWD has entered into a Master Loan Agreement with Hennepin County (attached for reference). Consistent with the agreement, Hennepin County issues long-term debt bonds to facilitate purchases and refinancing of short-term paper for the MCWD’s land conservation program. Hennepin County allocates a portion of its general obligation debt issues for MCWD upon request of MCWD. Hennepin County has agreed to issue up to \$20 million of total debt for MCWD as of December 31, 2012.

Clear, concise, and up-to-date debt policies are an important tool for ensuring that MCWD’s resources are responsibly managed. These policies have been adopted by MCWD Board of Managers by resolution. Only the Board of Managers may authorize, by majority vote, deviation from a provision or provisions of the Debt-Management Policy. The policy will be reviewed every two years and updated as needed.

### **Creditworthiness Objectives**

**Policy 1. Credit Ratings:** MCWD does not have a credit rating from a nationally recognized credit rating agency. If MCWD seeks and obtains a credit rating, its objective will be to obtain the highest possible credit ratings for all categories of short- and long-term debt. MCWD would only secure a credit rating without compromising delivery of basic MCWD services or the achievement of its statutorily stated objectives.

MCWD recognizes that external economic, natural, or other events may from time to time affect its creditworthiness. MCWD is committed to ensuring that actions within its control are prudent and consistent with the highest standards of public financial management, and supportive of the creditworthiness objectives stated herein.

**Policy 2. Financial Disclosure:** As of December 2012, MCWD is under no obligation to comply with any continuing debt disclosure obligations. Should MCWD incur an obligation to comply with financial disclosure, MCWD is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, other levels of government, their departments and

agencies, and the general public to share clear, comprehensible, and accurate financial information. MCWD is committed to meeting disclosure requirements on a timely and comprehensive basis.

Official statements accompanying debt issues, Comprehensive Annual Financial Reports, and continuing disclosure statements will meet (at a minimum) the standards articulated by the Municipal Securities Rulemaking Board, the Government Accounting Standards Board, the National Federation of Municipal Analysts, the Securities and Exchange Commission, and Generally Accepted Accounting Principles. MCWD shall be responsible for ongoing disclosure as required to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access platform and for maintaining compliance with disclosure standards promulgated by state and national regulatory bodies. MCWD may engage outside qualified parties to perform or assist MCWD with its continuing disclosure obligations.

**Policy 3. Capital Planning:** To enhance creditworthiness and prudent financial management, MCWD is committed to systematic capital planning as driven by the Comprehensive Plan, intergovernmental cooperation and coordination, and long-term financial planning.

**Policy 4. Debt Capacity and Reserve:** MCWD will keep outstanding debt within the limits and levels consistent with its creditworthiness objectives.

**Policy 5. Net Debt Service:** MCWD will monitor and limit the net debt service. "Net debt service" is defined as the total annual debt service minus any revenues generated by the debt-financed projects to pay this debt service.

**Land Conservation Net Debt Service:** Will not exceed \$2.5 million dollars per annum which may be adjusted from time to time. Except for interim notes to Hennepin County under the Master Loan Agreement and other balloon indebtedness expected to be paid from land sale proceeds or other revenues.

**MCWD Building Net Debt Service:** Structured as an ongoing occupancy debt until the financing for the building is fully repaid, refunded or otherwise restructured.

MCWD will seek to keep net debt service at an overall level that results in a debt service coverage ratio of not less than **1.50:1**. Debt service coverage is calculated as follows: Net revenues plus interest expense plus depreciation less realized and unrealized gains and losses divided by maximum annual debt service.

**Policy 6. Annual Debt Report:** The MCWD District Manager shall prepare an annual report on MCWD debt and present it to the Board of Managers not less than annually. This report will describe any debt issues planned for the coming year and will describe debt incurred during the current year. The report shall also provide historical and projected information on debt, including debt capacity and debt service analyses. The report will cover all forms of MCWD debt.

### **Purposes and Uses of Debt**

Policy 7.**Capital Financing:** MCWD will normally rely on existing funds, levy revenues, project revenues, and grants from other governmental bodies to finance capital projects and major maintenance, equipment acquisition, and small development projects. Debt may not be used for non-capital purposes.

Policy 8.**Asset Life:** MCWD will consider the use of debt for the acquisition, development, replacement, maintenance, or expansion of an asset only if the asset has a useful life of at least five years. Debt will not be issued for periods exceeding the useful life or average useful lives of the project or projects to be financed.

Policy 9.**Use of Debt:** Before issuing general obligation debt, MCWD will consider all other financing alternatives or funding sources, including non-debt financing.

### **Debt Standards and Structure**

Policy 10.**Length of Debt:** Debt will be structured for the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users.

Policy 11.**Debt Structure:** Debt will be structured to achieve the lowest possible net cost to MCWD given market conditions, the urgency of the capital project to be financed, net revenues expected from the project (if any), and the nature and type of security provided. Moreover, to the extent possible, MCWD will design the repayment of its debt so as to recapture rapidly its credit capacity for future use.

Policy 12.**Backloading:** MCWD will seek to structure debt with level principal and interest costs over the life of the debt. "Backloading" of costs will be considered only when the benefits derived from the debt issuance can clearly be demonstrated to be greater in the future than in the present, when such structuring is beneficial to MCWD's overall amortization schedule, or when such structuring will allow debt service to more closely match project revenues during the early years of the project's operation.

Policy 13.**Variable Rate Debt:** MCWD may choose to issue securities that pay a rate of interest that varies according to pre-determined formula or results from a periodic remarketing of the securities, consistent with state law and covenants of pre-existing bonds, and depending on market conditions. MCWD will have no more than 15% of its outstanding debt in variable rate form. Excepted from the amount of variable debt MCWD may issue are promissory notes issued in favor of Hennepin County in anticipation of permanent Hennepin County bond financing, which notes bear interest at the federal funds target rate as it changes from time to time.

Policy 15.**Refundings:** Periodic reviews of all outstanding debt will be undertaken to determine refunding opportunities. Refunding will be considered (within federal tax law constraints) if and when there is a net economic benefit of the refunding or the refunding is essential in order to modernize covenants to thereby improve operations and management. In general, advance refundings for economic

savings may be undertaken when a net present value savings of at least five percent (5%) of the refunded debt can be achieved. Current refundings which produce a net present value savings of less than five percent of the refunded debt will be considered on a case-by-case basis. Refundings with negative savings may be considered if there is a compelling public policy objective. When refunding an entire bond series or a large portion of a bond series, relatively small negative savings for individual maturities may be acceptable if these individual maturities are refunded together with the larger bond series or portion of a bond series, for the purpose of administrative convenience, as long as the overall refunding of the bond series or large share of the bond series meets the refunding targets.

Any refunding is subject to the willingness of Hennepin County to participate in refunding outstanding Hennepin County Bonds for which MCWD has payment responsibility.

**Policy 16. Bond Anticipation Notes:** Use of short-term borrowing, such as bond anticipation notes and tax-exempt commercial paper, will be undertaken only if the transaction costs plus interest of the debt are less than the cost of internal financing, or available cash is insufficient to meet working capital requirements. MCWD's preferred method of anticipatory financing is to issue promissory notes in favor of Hennepin County with rates set at the federal funds target rate.

**Policy 17. Credit Enhancements:** Credit enhancement (letters of credit, bond insurance, etc.) may be used, but only when net debt service on the bonds is reduced by more than the costs of the enhancement.

### **Debt Administration and Process**

**Policy 18. Bond Counsel:** MCWD will retain external counsel for all debt issues. No debt will be issued by MCWD without a written opinion by bond counsel affirming that MCWD is authorized to issue the debt, stating that MCWD has met all state constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status.

**Policy 19: Financial Advisor:** MCWD will retain an external independent financial advisor. For each MCWD debt issuance the financial advisor will provide MCWD, as appropriate, with information on pricing and underwriting fees for comparable sales by other issuers.

**Policy 20: Other Service Providers:** The MCWD administrator shall have the authority to periodically select other service providers (e.g., escrow agents, verification agents, trustees, arbitrage consultants, etc.) as necessary to meet legal requirements and minimize net MCWD debt costs. These services can include debt restructuring services and security or escrow purchases. The MCWD administrator will select firm(s) to provide such financial services related to debt, consistent with legal requirements and established MCWD policy.

**Policy 21. Tax Compliance:** The MCWD shall maintain a system of recordkeeping and reporting. The MCWD shall employ a specialist person or firm for the purpose of performing arbitrage rebate



calculations or otherwise ensuring compliance with arbitrage regulations, and complying with the attached procedures for maintaining tax exemption.

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MINNEHAHA CREEK WATERSHED DISTRICT  
PROCEDURES FOR MAINTAINING  
TAX EXEMPTION OF DEBT OBLIGATIONS

The following policies and procedures apply to ensure that MCWD is able to maintain the tax-exempt status of its outstanding bonds and notes and to fulfill its obligations to Hennepin County in connection with obligations issued by the County on its behalf (the “bonds”) and demonstrate compliance with applicable rules.

1. Responsibility. The Administrator, with assistance as needed from the Chief Financial Officer, is responsible for carrying out these procedures.

2. At or Before Closing. Review and understand (and discuss with bond counsel as necessary) the tax related representations and undertakings in the bond documents and tax certificates.

3. After Closing. After issuing the bonds the Administrator shall do the following:

- Transcript. Obtain a transcript of relevant documents from bond counsel or financial advisor and maintain the transcript at an accessible location.
- Accounting. Establish accounting mechanisms that allow MCWD to separately identify the funds which are bond proceeds and track the investment of bond proceeds, the expenditure of bond proceeds on the project to be financed and the collection of taxes or other revenues expected to pay debt service.
- Investments. Determine whether and when any bond proceeds or funds to be used to pay bonds may be subject to yield restriction and monitor compliance.
- At Project Completion. When the project is completed and costs are paid, review records to determine that (a) bond proceeds were spent only on the authorized project and (b) all of the bond proceeds have been spent. If either cannot be documented, consult with bond counsel to determine whether it is appropriate to make a special allocation of proceeds and other funds devoted to the project or for advice on what must be done with excess proceeds (and earnings on the proceeds).
- Rebate. No later than five years after the bonds were issued (and each five-year period thereafter) and at final maturity, determine in consultation with bond counsel or financial advisor whether a calculation of “arbitrage rebate” must be performed or whether an exemption applies. Then arrange for the timely payment of any rebate due.
- Monitor Use. Except for arrangements specifically allowed by the bond documents, consult with bond counsel before the completion of any sale, lease,

management agreement or similar arrangement which results in use by a private party of any portion of the financed project.

- Record Retention. Retain all records relating to the investment of bond proceeds and funds pledged or expected to be used for the payment of the bonds, expenditures of bond proceeds and the uses of the financed property for the life of the bonds and three years thereafter.
- Other. Follow any other procedures for post-issuance compliance that are contained in the bond documents or tax certificates.



MINNEHAHA CREEK WATERSHED DISTRICT  
CONSERVATION ACQUISITION PROGRAM  
MASTER LOAN AGREEMENT

This Agreement is made and entered into this 1st day of Nov., 2006 by and between MINNEHAHA CREEK WATERSHED DISTRICT (the "District") and HENNEPIN COUNTY (the "County").

WHEREAS, the District has instituted a Land Conservation Program (the "Program") under which the District plans to acquire real property for environmental and conservation purposes;

WHEREAS, the District has adopted a watershed management plan under Minnesota Statutes, Section 103B.231 (the "Watershed Plan") and, as provided in Section 103B.231, Subd. 6, expects to include a capital improvement program as part of the Watershed Plan;

WHEREAS, Minnesota Statutes, Section 103B.231, Subd. 7(c) provides that the Hennepin County Board of Commissioners may either approve or disapprove those projects in the capital improvement program which may require County funding under Section 103B.251;

WHEREAS, under Minnesota Statutes, Section 103B.241, Subd. 1, the District has authority to levy property taxes to pay for capital improvements, the proceeds of which are to be deposited in a separate fund for such purposes;

WHEREAS, Minnesota Statutes, Section 103B.251 sets forth a procedure by which the cost of a capital improvement which has been approved by the County may be certified to the County for payment;

WHEREAS, Section 103B.251, Subd. 7 permits the County to issue general obligation bonds to pay the costs of approved capital improvements certified to it, which bonds, as provided by Section 103B.251, Subd. 8, are payable primarily from taxes on taxable property within the watershed district or a subwatershed unit for which the bonds are to be issued;

WHEREAS, Minnesota Statutes, Section 103B.253, provides that any taxes levied to fund a project under Section 103B.241 or to pay County bonds issued under Section 103B.251 are not included in the County's levy certified under Section 275.07, Subd. 1, paragraph (a), but instead are extended as a special taxing district levy;

WHEREAS, in lieu of the issuance of County bonds as the immediate source of funding of capital improvements or the levy of taxes on District property to pay the entire cost of capital improvements, the District and County desire that the County loan available

funds to the District to enable the District to pay for capital improvements, which loan shall be repaid as provided herein;

WHEREAS, Minnesota Statutes, Section 475.61, Subd. 6, provides that the District may issue temporary obligations in anticipation of permanent financing and to evidence its obligation to repay the County loan; and

WHEREAS, the District and the County are entering into this Agreement to establish procedures for the financing of the projects of the District's Land Conservation Program which are included in the District's capital improvement program.

NOW, THEREFORE, the County and District agree as follows:

1. Capital Improvement Program. The District shall include the Land Conservation Program within its capital improvement program as part of the Watershed Plan. If the District determines to finance specific parcels or property interests as provided in this Loan Agreement, the District may notify the County of the amount to be financed hereunder, the parcels or property interests to be acquired, the cost thereof and the estimated amount of sale proceeds which may be derived from any anticipated sale of a portion of the acquired property interests.

2. Financing Requests. The notice provided under paragraph 1 shall be accompanied by (a) a certified resolution of the Board of Managers of the District which requests financing in a specific amount for acquisition of specified parcels or other property interest in accordance with the terms of this Agreement and pledges the full faith and credit and taxing powers of the District to the payment of the Notes to be issued hereunder, (b) an opinion of counsel to the District to the effect that the acquisition is included in the plan and no further plan amendments are required, and (c) a statement of the facts relevant to a determination of whether the interest on any County obligations to be issued hereunder, if issued separately for each acquisition transaction, would be exempt from federal and Minnesota income taxation.

3. District Obligations. The District shall, at least 45 days prior to the contemplated acquisition, notify the County of the date thereof and the estimated amount of funds to be provided by the County hereunder within the limits of this Agreement. On or prior to funding date the District shall, unless funds are provided from permanent financing under Section 5 hereof, issue a Note to the County in substantially the form of Exhibit A attached hereto and the County shall provide the requested funding from available funds. The Note shall be dated the date of issuance, shall have a stated maturity not less than the earlier (i) of one year or (ii) the date by which the County anticipates the issuance of permanent obligations under Section 5 hereof, and not later than three years after the date of issuance and shall bear interest from the date of issuance at a rate equal to the current federal funds target rate. The aggregate unpaid principal amount of Notes held by the County under this Agreement shall not exceed \$8 million at any time and the County has no obligation to

fund any request which would cause that limit or the combined \$20 million in paragraph 5 to be exceeded.

4. Payment of Notes. The Notes shall be issued pursuant to Minnesota Statutes, Section 475.61, Subd. 6, and are payable primarily from the proceeds of permanent obligations to be issued by the County pursuant to paragraph 5 hereof and proceeds from any sale of property acquired with the proceeds of the Note. To the extent the principal and interest on the Notes cannot be paid from such sources, they shall be paid from the proceeds of permanent bonds or additional temporary obligations which the Board of Managers shall offer for sale prior to maturity of the Notes. The County or other holder of the Notes shall have the remedies available under Minnesota Statutes, Section 475.61, Subd. 6. In addition, the Board of Managers shall, prior to delivery of the Notes, have pledged the full faith and credit and taxing power of the District to the payment of the Notes. The Notes may be prepaid in whole or in part at the option of the District on any date at par plus accrued interest. The District agrees that, upon receipt of the sale proceeds of any property interest the acquisition of which was financed under this Agreement, it shall apply such proceeds to the prepayment of the Note issued to finance the acquisition.

5. Permanent Obligations. The County shall, at such time prior to the maturity of the Notes as the County deems practical, issue its bonds under Section 103B.251 in minimum amounts of \$1 million, and in \$5,000 increments in excess of \$1 million, to provide permanent financing for the unpaid balance of such Notes or provide such permanent financing without purchasing Notes under paragraph 3, but (a) only upon receipt of written undertakings of the District and acceptable to the County relating to the maintenance of the tax exempt status of any such bonds, and (b) only to the extent interest on such obligations, if publicly issued as a separate issue for the acquisition costs being financed, would, in the opinion of the County's bond counsel be exempt from federal and state income taxation, and (c) only if the County determines to its satisfaction that the District has not levied a tax for the same purpose and that the County's permanent financing hereunder supplants, and does not supplement, the District's levy for its Land Conservation Program. The aggregate outstanding principal amount of Notes issued under paragraph 3 and permanent obligations hereunder shall not exceed \$20 million at any time. The County shall determine the maturity schedules and other terms of the permanent financing in consultation with the District and shall use its best efforts to provide the District with 20-year financing. The District shall pay a pro rata portion of the issuance costs of an issue of County bonds which provides the permanent financing. The County bonds shall be payable from taxes levied on property within the District as a special taxing district levy of the District.

6. Unfunded Temporary Obligations. To the extent any District Notes are not paid prior to maturity pursuant to the District's undertaking described in paragraph 4 or the proceeds of permanent obligations issued by the County under paragraph 5, the Notes shall be paid from the tax required to be levied on all taxable property in the District as a special taxing district levy of the District.

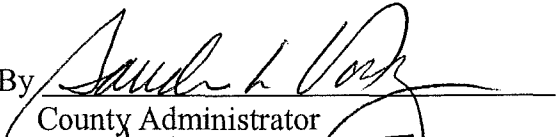
7. Indemnity. The District agrees to defend, indemnify, and hold harmless the County, its officials, officers, employees and agents from any liability, claims, causes of action, judgments, damages, losses, costs, or expenses, including reasonable attorney's fees, that the County may incur that arises out of the transactions contemplated by this Agreement by reason of the failure of the District to perform fully, in any respect, all obligations under this Agreement.


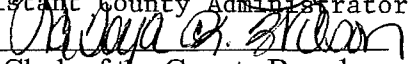
8. Termination. This Agreement may be terminated upon 60 days' notice by either party to the other; provided, however, that (a) the County shall remain obligated hereunder to provide funding for all property acquisitions for which the District has provided notice under paragraph 1 hereof prior to notice of such termination, and (b) the District shall remain obligated hereunder with respect to all acquisitions and financial obligations extending after the termination.

IN TESTIMONY WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first above written.

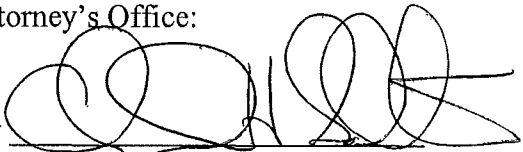
COUNTY OF HENNEPIN

By   
Chair,  
Hennepin County Board of Commissioners

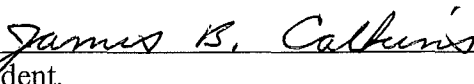
By   
County Administrator

By   
Assistant County Administrator-Public Works  
Attest:   
Clerk of the County Board

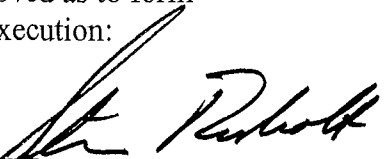
Reviewed by the County  
Attorney's Office:

By   
Assistant County Attorney

MINNEHAHA CREEK WATERSHED DISTRICT

By   
President,  
Board of Managers

Approved as to form  
and execution:

By   
District Counsel



**PROMISSORY NOTE**

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
MINNEHAHA CREEK WATERSHED DISTRICT

Dated: \_\_\_\_\_ \$ \_\_\_\_\_

For value received, MINNEHAHA CREEK WATERSHED DISTRICT (the "District"), hereby acknowledges itself indebted to and promises to pay to the order of:

HENNEPIN COUNTY or registered assigns, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), or so much thereof as may be advanced hereunder, on or before \_\_\_\_\_, with interest thereon payable on the date of maturity (or prior prepayment) from the date of any respective disbursements hereunder at the rate of \_\_\_% per annum.

This Note is subject to prepayment in whole or in part at the option of the District on any date at par plus accrued interest.

This Note is issued pursuant to Minnesota Statutes, Section 475.61, Subdivision 6, for the purpose of obtaining funds to finance on an interim basis the cost acquiring an interest in certain properties for conservation purposes.

Disbursements of the proceeds of this Note shall be made in accordance with the Master Loan Agreement by and between the District and Hennepin County, Minnesota dated \_\_\_\_\_ (the "Loan Agreement").

This Note is payable primarily from the proceeds of permanent obligations to be issued by the County pursuant to the Loan Agreement and proceeds from the sale by the District of any property acquired with the proceeds of this Note. To the extent the principal and interest on this Note cannot be paid from such sources, they shall be paid from the proceeds of permanent bonds or additional temporary obligations which the Board of Managers shall offer for sale prior to maturity of the Note. The holder of this Note shall have the remedies available under Minnesota Statutes, Section 475.61, Subd. 6. In addition, the Board of Managers has pledged the full faith and credit and taxing power of the District to the payment of this Note. The holder hereof shall have all of the rights and remedies available under Minnesota Statutes, Sections 475.61, Subdivision 6.

The representations and warranties of the District as set forth in the Loan Agreement are incorporated by reference herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to and in the issuance of this Note have been done, have happened and have been performed in regular and due form, time and manner as required by law and that this Note,

together with all other indebtedness of the District outstanding on the date of its issuance, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, said MINNEHAHA CREEK WATERSHED DISTRICT, in the State of Minnesota, by its Board of Managers, has caused this Note to be executed by the President of said Board, on the date of this Note, which is \_\_\_\_\_, \_\_\_\_\_.

MINNEHAHA CREEK WATERSHED DISTRICT

By \_\_\_\_\_  
Its President

fb.us.1349540.05



# Minnehaha Creek Watershed District

## POLICY #5: EXECUTIVE LIMITATIONS

### FINANCIAL CONDITION

With respect to the actual, ongoing condition of MCWD's financial health, the District Administrator may not expend funds outside of Board approved budgets or otherwise jeopardize MCWD's fiscal integrity.

Accordingly, s/he may not:

1. Reallocate monies of an amount more than ten (10) percent of the total project/program fund or \$25,000, whichever is less, from one fund to another.
2. ~~Indebt MCWD for more than board approved credit limits, which will be repaid within 45 days.~~ Deviate from the MCWD Investment and Depository or Debt Management Policies without prior approval by the MCWD Board.
3. Transfer budgeted funds that cannot be repaid within 90 days or violate any contracts or grants.
4. Allow cash and liquid assets to drop below the amount needed to settle payroll and ~~debts~~ incurred expenses.
5. Allow reserve fund level to fall below six (6) months operating expenses.
6. Allow petty cash expenditures to exceed \$1,000 per month.
7. Reimburse surety prior to completion of project for which surety is being held or without proper documentation.
8. Release any checks, other than petty cash and surety, without board resolution.
9. Allow actual expenditures to deviate materially from board approved annual budget.

## MINNEHAHA CREEK WATERSHED DISTRICT

### PUBLIC PURPOSES EXPENDITURES POLICY

Adopted December 29, 2011

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

1. **Travel.** The District may pay reasonable and necessary expenses for travel, lodging, meals and appropriate incidental expenses related to the performance of official District functions. Expenditures must be approved in advance by the administrator or his designee (for employees) or by the Board of Managers (for managers and the administrator), and must be directly related to the performance of District functions.
  - a. An employee or manager will be reimbursed for mileage expenses incurred when using the employee's or manager's personal vehicle to conduct District business. Mileage will be reimbursed at the tax-deductible mileage rate set by the federal Internal Revenue Service. Mileage expenses need not be approved in advance, but mileage expenses will be reimbursed only for travel for District purposes when accompanied by documentation of the date, statement of the purpose of the travel, number of miles traveled, purpose and destination(s).
  - b. Mileage for employee commuting to and from the District offices will not be reimbursed.
2. **Employee and manager training.** The District 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 by the administrator (for employees) or Board (for managers and the administrator).
3. **Safety and health programs.** The District may pay for safety and health programs that promote healthier and more productive employees and reduce costs to watershed taxpayers, including costs associated with workers' compensation and disability benefits claims, insurance premiums and lost time resulting from employee absences.
4. **Manager and employee recognition and appreciation.** The District may pay for programs that recognize managers and employees for significant contributions to the District's performance and demonstrated commitment to the District's effective and efficient fulfillment of its purposes in accordance with an annual plan and budget for such events, approved by the Board. The District may pay for occasional manager and employee appreciation events or activities conducted in accordance with an annual plan and budget for such events, approved by the Board. No expenditures for manager or employee recognition will be made except as in accordance with District policy.

- a. The District will not pay employees direct non-salary payments (i.e., bonuses) except as conditioned on achievement of performance goals specified in a written employment agreement.
5. **Food and beverages.** District meetings, workshops and training sessions will be scheduled to avoid the need to provide food whenever possible. But the District may pay for food and beverages when necessary to ensure meaningful, efficient and effective participation of employees, managers and/or the public in activities, events and functions directly related to District purposes.
  - a. Circumstances under which District expenditures for food and beverages will be allowed include:
    - i. A conference, workshop, work session, outreach meeting or seminar with a structure agenda, when the topic or subject relates to the official business of the District and the majority of the participants are not District employees or managers;
    - ii. A workshop or formal meeting primarily for District employees or managers where food and/or beverages are necessary to facilitate the conduct of the meeting, to ensure continuity and support the participation of employees, managers and other participants. Examples of potential qualifying events include:
      1. An extended planning or operational analysis meeting;
      2. An extended meeting to develop long-term strategic plans;
      3. A structured training session for employees generally; or
      4. Official meetings of the District Board or a committee, task force or advisory group.
    - iii. Occasional employee and manager recognition and appreciation events and activities, when approved by the Board in accordance with a District recognition and appreciation plan and budget;
    - iv. a meeting or event attended by employees and/or managers, the primary purpose of which is to discuss, negotiate or evaluate a plan, program, project or other endeavor directly related to District purposes.
  - b. The District will not pay for alcoholic beverages under any circumstances.
6. **Outreach and stakeholder involvement.** The District may pay for community and stakeholder outreach and involvement programs to ensure that efficient and effective District programs, projects and meetings are conducted to gather public and intergovernmental input and participation in District planning, research, rulemaking and program or project design.
7. **Membership, donations.** The District may pay for membership in the Minnesota Association of Watershed Districts in accordance with Minnesota Statutes section 103D.335, subdivision 20. District 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 District purposes or the improvement of District operations. District funds may not be donated to any

professional, technical or charitable organization, person or private institution. The District may contract for services rendered by such organizations.

8. **Use of District property**

- a. District property, including but not limited to computers, phones, fax machines and other office equipment, will be used exclusively for District business, except for incidental personal use by District staff that does not interfere with or impede the conduct of District business to any substantial degree.
- b. District property must be used for only its intended purposes.
- c. The administrator may not dispose of any District property with a value of more than \$1,000 without prior authorization of the Board of Managers.

9. **Miscellaneous.**

- a. The District administrator will secure an approval described above for expenses he or she will incur from the president of the Board of Managers, except that the administrator may approve or pay expenses for District-conducted programs, events and activities.

10. **Protocols.** The District administrator's approval of expenditures will be consistent with this policy and the limitations and guidelines of Minnehaha Creek Watershed District Governance Policy #6: Executive Limitations – Asset Protection. The following protocols are established to ensure compliance with the policies above:

- a. For employees other than the administrator, the written approval of the administrator of his designee must be secured prior to an event or activity to qualify as a District expenditure.
- b. All reimbursement and payment requests must be approved by the administrator and must include itemized original receipts or invoices or other appropriate documentation of expenses incurred. Documentation also must include the date the expense(s) were incurred, location, purpose, participating or attending individuals, and any other relevant information.
- c. Copies of all documentation specified herein will be recorded and maintained in accordance with the District records retention policy.
- d. Documentation must be submitted and the expenditures approved at a regular meeting of the board of managers within 60 days of the date the expense was invoiced.

**Minnehaha Creek Watershed District  
Policies and Procedures for Public Access to Documents**

Adopted April 14, 2010; effective as amended ~~January 24, 2013~~November XX, 2014

Access to the data of public bodies is governed by the Data Practices Act (DPA), Minnesota Statutes Chapter 13. The DPA states that data of public bodies are to be available to the public unless specifically protected by law where individual privacy would be violated or where other valid concerns outweigh the interest in public availability. The Minnehaha Creek Watershed District (District) recognizes the public interest in open access to its data at the same time that it recognizes that the public interest requires certain types of data not to be publicly available. It is the intent of the District 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 sections 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, the District has adopted and maintains a Records Retention Schedule, which is an index of the records and data maintained by the District and includes private or confidential data on individuals in compliance with section 13.025, subdivision 1. This policy is accompanied by 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 an Inventory of Not-Public Data on Individuals to ensure that access to private and confidential data on individuals is limited to District personnel whose work or management assignments require access. The District also maintains, as well as 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 a document setting forth the rights of data subjects under the DPA.

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**Procedure for Review of District Documents**

All requests to inspect or receive copies of District data, and all other inquiries regarding the DPA, must be in writing and delivered to the "Data Practices Compliance Official," at the following address:

Minnehaha Creek Watershed District  
1~~53208202~~ Minnetonka Blvd  
Deephaven, MN 553~~4594~~

The District administrator is designated as the Data Practices Responsible Authority. The District operations manager is designated as the Data Practices Compliance Official.

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



removed from the District office.

The DPA requires that individuals be permitted to inspect or copy data within a reasonable time after a request. The District will attempt to respond to requests as quickly as possible. The response time will vary depending on the breadth of the request, the completeness and accuracy of the request and the need to separate public data from protected data, if any.

If the District 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 District will certify in writing that the request has been denied and state the specific legal basis for denial.

The District 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).

#### **Costs**

There is no cost to inspect documents. If document copies are requested, the requesting individual will be charged 25 cents per page for up to 100 letter- or legal-sized black-and-white printed copies, except that there is no charge for delivery by email of less than 100 pages or the equivalent (as determined by the District) 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 District documents will not be certified as true and correct copies unless that is specifically requested. The fee for certification is \$1 per document or part thereof.

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

An individual requesting copies or the electronic transmittal of more than 100 pages of data is responsible to pay the District 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 District will not charge for staff time needed to separate public from protected data.

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

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

**Minnehaha Creek Watershed District**  
**Security and Protection of Not-Public Data**

Pursuant to and in satisfaction of the requirement in Minnesota Statutes section 13.05, subdivision 5, that the District establish procedures ensuring appropriate access to not-public data. By incorporating employee access to not-public data in the District's Records Retention Schedule (serving as the required by Minnesota Statutes section 13.025, subdivision 1) and Inventory, in the individual employee's position description, or both, this policy 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, the District 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, the District has included indication of 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 or a department director, 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, the Data Practices Compliance Official and counsel may have access to all not-public data maintained by the District 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 warnings or the District 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 ensure appropriate access, the District 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

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- Shred not-public documents before disposing of them

*Penalties for unlawfully accessing not-public data*

The District 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.

~~Minnehaha Creek Watershed District~~

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

~~The Minnehaha Creek Watershed District (District) establishes the following to protect and ensure the accuracy of non-public data on individuals (i.e., private and confidential data):~~

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*Accuracy and Currency of Data*

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

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*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.)

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

Only members of the Board of Managers and employees of the District whose work for the District requires that they have access to private or confidential data may access files and records containing such information. Employees' and board members' 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 it is disposed of.

When a contract with an outside entity requires access to private or confidential information retained by the District, the contracting entity is required by the terms of its agreement with the

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| District to use and disseminate such information in a manner consistent with the DPA and the  
| District's Policies and Procedures for Public Access to Documents.

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**Minnehaha Creek 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 Minnehaha Creek Watershed District (MCWD). This information is provided to you, as the subject of private or confidential data collected by the MCWD to explain how (1) the MCWD assures that all data on individuals collected by the MCWD are accurate, complete and current for the purposes for which they were collected, and (2) to explain the security safeguards in place for MCWD records containing data on individuals.

**Rights to Access Government Data**

Minnesota law gives you, as the subject of private or confidential data collected by the MCWD, and all members of the public the right to see data collected and maintained by the MCWD, 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, upon request, as to whether you are a subject of MCWD data and how that data is classified;
- know what the MCWD's procedures are for requesting government data;
- inspect any public data that the MCWD collects and maintains at no charge;
- see public data that the MCWD collects and maintains without telling the MCWD who you are or why you want the data;
- have public data that the MCWD collects and maintains explained to you;
- obtain copies of any public MCWD data at a reasonable cost to you;
- be informed by the MCWD in writing as to why you cannot see or have copies of not-public MCWD data, including reference to the specific law that makes the data not-public;
- receive a response from the MCWD to a data request in a reasonable time.
- contest the accuracy and completeness of public or private data the MCWD has on you and appeal a determination by the MCWD as to whether the data are accurate and complete;
- to ask the MCWD, 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 the MCWD has on you;
- release all, part or none of the private data the MCWD has on you.

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### Security of Private and Confidential Data

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

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

When the MCWD asks to you provide data about yourself that are private, the MCWD will give you a notice called a Tennessean warning notice. This notice determines what the MCWD can do with the data collected from you and the circumstances under which the MCWD can release the data. The MCWD will ask for your written permission before using private data about you in a way that is different from what is stated in the Tennessean notice you receive. The MCWD 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 the MCWD protect private and confidential data about you. The MCWD has established appropriate safeguards to ensure that your data are not inadvertently released or wrongfully accessed. *The MCWD disposes of private, confidential and other not-public data in accordance with its Records Retention Schedule, adopted August 22, 2013.* 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 accessed or read. Data-storage systems in MCWD computer

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**Minnehaha Creek Watershed District**  
**Data Practices Advisory / Tennesen Warning**

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

The Rice Creek Watershed District's purpose and intended use of the information is:

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

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

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

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**Minnehaha Creek Watershed District**  
**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 Minnehaha Creek Watershed District administrator before you sign it.

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

1. The specific data I want the Minnehaha Creek Watershed District to release are [explanation of data].

2. I have asked Minnehaha Creek Watershed District to release the data.

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

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

Individual data subject's signature

Date

Parent/guardian's signature [if needed]

Date

**Comment [MW1]:** An individual asks the government entity to release his/her private data to an outside entity or person. Because the entity does not have statutory authority to release the data, it must get the individual's written informed consent.

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**Minnehaha Creek Watershed District**  
**Consent to Release – Request from a Government Entity**

**Comment [MW2]:** It is necessary for a government entity to release an individual's private data to an outside entity or person. Because the entity does not have statutory authority to release the data, it must get the individual's informed consent.

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**Explanation of Your Rights**

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

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

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

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

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

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

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

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2. I understand the Minnehaha Creek Watershed District would release the data [explanation of reason for the release].

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

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

Individual data subject's signature \_\_\_\_\_

Date \_\_\_\_\_

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

Date \_\_\_\_\_

# Appendix A

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**Minnehaha Creek Watershed District**  
**Inventory of Not-Public Data on Individuals**  
November 2014

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

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

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

**David Mandt**  
[DMandt@minnehahacreek.org](mailto:DMandt@minnehahacreek.org)  
952-641-4503

Name of Record, File, Process, Form or Data Type	Description	Data Classification	Citation for Classification	Employee Work 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	Department heads, staff as needed.
Applicant records	Completed assessments and results, related documentation, and application forms.	Public Private	MS 13.43	Administrative department staff and department heads as needed.
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	Administrative department staff, 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	Regulatory department director, manager.

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	Administrative staff, department heads as needed to fill department positions.
Employee expense reports	Expense reimbursement requests	Public Private	MS 13.43	Administrative department staff and department heads.
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	Administrative department staff and department heads.
Motor vehicle data	Information on license plate numbers, owners, and registration status of vehicles.	Private	MS 168.346	Administrative department staff.
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	Education, outreach and communications staff, certain other departments staff as needed as part of specific work assignments

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	Administrative department staff, department heads.
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	Responsible Authority; Data Practices Compliance Official; 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	Administrative department staff.
Social Security numbers	Social Security numbers assigned to individuals	Private	MS 13.355	Administrative department staff, department heads.
Unemployment compensation billings	Records of billings for employee unemployment compensation	Private	MS 13.43	Administrative department staff, department heads.

Workers compensation billings	Records of billings for employees who receive workers compensation benefits	Private	MS 13.43	Administrative department staff, department heads.
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**MINNEHAHA CREEK WATERSHED DISTRICT  
RECORDS RETENTION SCHEDULE**

Amendments adopted October 27, 2011

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

**Administration**

Records series description

1. Advisory and technical committees agenda, minutes, reports, related documents (retain at least 10 yrs. And then transfer to state archives; public)
2. Agenda, board meetings and workshops (retain at least 10 yrs. And then transfer to state archives; public)
3. Manuals (retain until removed or superseded; public)
4. Minutes, Board meetings and workshops
  - Written (permanent; public) (ADM 04300)
  - Audio – open meetings (tapes and other recordings may be reused or discarded 1 yr. after formal approval of written minutes by board. Tapes or electronic recordings cannot be the permanent record).
  - Audio – closed meetings (3 yrs for labor negotiations, 4 yrs for security information; 8 yrs for purchase or sale of real property; non-public/public; MS 13D.05, 13.37) (ADM 05960)
5. Annual reports (retain at least 10 yrs. and then transfer to state archives; public)
6. Attorneys' opinions –
  - Opinions of District attorney and correspondence relating thereto (retain permanently or transfer to state archives when no longer needed; public). (ADM 01300) Official interpretation regarding questions of legal rights or liabilities affecting District (retain at least 10 yrs., then transfer to state archives; public/private/non-public; MS 13.393, MS 13.39 (ATT 00200)
7. Authority to dispose of records (permanent; public)
8. Budget, record copy (retain permanently or transfer to state archives; public) (ADM 01800)
9. Correspondence
  - Constituents (retain at least 6 yrs and archived if the documents are historical; public/private; MS 13.37. 13.44)
  - Municipalities/agencies (retain 6 yrs and archived if historical; public)
  - Engineer (retain at least 10 yrs. and then transfer to state archives; Public)
  - Financial (retain at least 5 yrs. and transfer to state archives; Public)
  - Transitory, such as electronic mail that does not fit into one of the above categories (retained until read; not archived; public)
10. Historical data and photographs (retain permanently or transfer to state archives; public)



11. Inventories (retain at least 10 yrs.; public) equipment supplies, etc.
12. Lawsuits (retain at least 10 yrs. After settlement or resolution by court, administrative order and then transfer to state archives; public/private; MS 13.30, 13.39)
  - Civil lawsuits (retained at least 20 years after last activity)
  - Criminal lawsuits (retained at least two years after last activity)
  - Attorneys' opinions, attorneys' briefs, testimony, depositions, correspondence, etc (retain at least 10 yrs, then archive; public/private/and non-public; MS 13.393, 13.39) (ATT 00200)
13. Leases (retain at least 10 yrs. After expiration of lease; public)
14. Levy (tax) files (retain at least 5 yrs. And then transfer to state archives; public) Tax levies, related correspondence
15. Membership association documents (MAWD, Metro MAWD, etc.) (retain at least 3 yrs.; public)
16. Newsletters, press releases, District generated (retain at least 10 years; public)
17. Notice of official public meetings, District generated (retain at least 6 years; public)
18. Public hearings records (retain at least 6 yrs or until recorded in minutes; do not archive; public) (ADM 05800)
19. Technical Information
  - Printed material regarding the District (retain at least 10 yrs. and then transfer to state archives; public)
  - Printed material not regarding the District (discard when no longer needed; public)
20. Consultant Contracts (retain at least 10 years; public) (CON 00050)
21. Governance Policies (retained only until the policies are superseded and are not to be archived; public)
22. Bylaws (retained permanently and are not to be archived; public) (ADM 02000)
23. Affidavits of publication – general notices (including project public hearings) (retain at least 6 years; public) (ADM 00300)
24. Affidavits of publication – rules (retain permanently; public) (ADM 00400)
25. Bids and Quotations – accepted, noncapital projects (retain 10 years after completion of projects; public/nonpublic; MS 13.37) (ADM 01400)
26. Bids and Quotations – rejected, noncapital projects (retain 6 yrs; public/protection nonpublic until all bids opened) (ADM 01500)
27. Drafts, duplicates, notes and other documents that are not and have not become part of an official transaction, not otherwise scheduled herein (retain at least 2 yrs; public)
28. Agreements and contracts not otherwise scheduled herein (retain at least 10 yrs after paid and audited; public)

## **Real Estate**

### Records series description

1. Easements, originals (retained permanently and are not to be archived; public)
2. Temporary Easements (discard after project completion or when no longer needed, whichever is later; public) (PLZ 00600)
3. Deeds (retained until property is sold then transferred to new owner, copy maintained permanently; public)
4. Transaction records (retain at least 10 years after sale of property; Public/Confidential/Protected Non-public; MS 13.44, 13.585) (HRA 01200)
5. Property records e.g. well records, building inspections, etc. (retain at least 20 years after sale of property; public) (PLZ 01600)
6. Hazardous material reports, e.g. Phase I and II reports, leaking underground storage tank reports, (retain permanently)
7. Ditch records (retain permanently)
8. Property surveys (retain permanently; public) (PLZ 02200)

## **Bonds**

### Records series description

1. Appearance bonds (retain at least 6 yrs. after completion of contract; public)
2. Contractor license bonds, certificates of insurance, applications, etc (retain at least 6 yrs. After completion of contract, public)
3. Fidelity bonds (retain 6 yrs. after completion of service by manager; public)
4. Performance and payment bonds (retain 6 yrs. After completion of contract; public)
5. Permit bonds (retain 6 yrs. After completion of contract; public)

## Financial/Accounting

### Records ~~retention schedule~~ series description

1. Assessment rolls (retained at least 6 yrs after final payment; public)  
Copies of assessment rolls received from county auditors
2. Audit reports (retain permanently need not be archived; public)
3. Billing statements (retain at least 6 yrs.; public)
4. Bank statements (retain 6 yrs.; public) slips, bonds and reconciliation's
5. Budget expenditure reports (retain permanently; public)
6. Checks – paid and returned
  - Accounts payable (retain at least 6 yrs; public) (FIN 02020)
  - Payroll (retain at least 6 yrs; public/private; MS. 13.43) (FIN 02030)
7. Cash receipts analysis (retain at least 6 yrs; public)  
Original receipt registers (retained permanently; not archived; public)
8. Deposit slips (retain 6 yrs; public)
9. Disbursement coding corrections (retain at least 6 yrs; public)
10. General ledger (retain permanently; not archived; public)  
General, month ending
11. Investment documents (retain at least 4 yrs. after maturity; public)  
Amounts invested and interest earned
12. Payroll (retain permanently; public/private; MS 13.43)
13. Pension and retirement plan (retain permanently; public or private)
14. Petty cash records (retain 2 yrs; public)
15. Purged accounts (retain 6 yrs. irrespective of audit; public)
16. Receipts and receipt books (retain 6 yrs., not to be archived; public)
17. Staffing lists (retain at least 6 yrs; public)
18. Time sheets (retain at least 6 yrs; public/private; MS 13.43)
19. W-2 statements (retain at least 6 yrs; public/private; MS 13.43)  
W-4 statements (retained until replaced)
20. Workers' compensation reports (retain at lease 20 yrs; public/private; MS 176.231)
21. 1099 statements (retain at least 6 yrs; public/private; MS 13.43) (PAY 02000)

## **Insurance**

### Records series description

1. Automobile insurance (retain at least 6 yrs. after expiration except those involving a minor, save until minor is 21; public)
2. Fire insurance or other insured perils (retain at least 6 yrs. after expiration; public)
3. General liability insurance (retain at least 6 yrs. after expiration; public)
4. Property insurance (retain at least 6 yrs. after expiration; public)
5. Public officials liability (retain at least 6 yrs. after expiration; public)
6. Umbrella liability (retain at least 6 yrs. after expiration; public)
7. Workers' compensation - claim register (retain permanently; public; MS 176.231 (8))
8. Workers' compensation - policies (retain at least 6 yrs. after expiration except those involving a minor, save until minor is 21; public)

## **Permits**

### Records series description

1. Correspondence relating to permits (retain at least 10 yrs. and then transfer to state archives; public)
2. Engineers' reports (retain at least 10 yrs. and then transfer to state archives; public)
3. Inspectors' reports relating to permits (retain at least 10 yrs. and then transfer to state archives; public). Includes reports, inspectors' documents relating to permit inspection
4. Permit applications (retain at least 10 yrs. and then transfer to state archives; public)
5. Permits (retain permanently and are not to be archived; public)
6. Plans (retain permanently and are not to be archived; public)
7. Permit surety documents – bonds, letters of credit (retain 6 yrs after permit closure; public) (BON 01100)

## **Personnel**

### Records series description

1. Affidavit of publication for job opening (retain at least 2 yrs.; public; MS 13.43) (HRS 00100)
2. Affirmative action files (retain permanently; public/private; MS13.39 & MS13.43)
3. Applications for employment, not hired (retain 1 year; public) (HRS 00500)
4. District personnel policies and procedures/administrative policies (retained permanently and are not to be archived; public) (HRS 03400)
5. Employment contracts (retain at least 5 yrs. after expiration; public)
6. Employment suggestion form (retain at least 2 yrs.; public/private; MS 13.43)
7. Equal employment opportunity reports/summary data (retain 3 yrs.; public)
8. Examination file – completed examinations (retain at least 2 yrs.; private; MS 13.43) (HRS 01800)
9. Employee medical records (retain 5 years after separation; public/private; MS 13.43) (HRS 04200)
10. Family Medical Leave Documents (retain at least 3 yrs in medical file, not employee personnel file; private; MS 13.43)
11. Grievance file (retain 5 years after termination; not to be retained in employee personnel file; public/private MS 13.43) (HRS 01900)
12. Job descriptions (retained only until the descriptions are superseded and are not to be archived; public)
13. Personnel files (retain at least 5 yrs. after termination or separation; destruction approval contingent upon permanent retention of master copy of payroll record; public/private; MS 13.43)  
Containing applications, accident reports, background check results, citations, personal history, employee references, attendance, disciplinary actions, performance evaluations, letters of appointments/promotion, termination/resignation (HRS 02200; HRS 00600)
14. Unemployment claims/compensation (retain at least 6 yrs; public/private; MS 13.43)
15. Drug and alcohol testing results (retain at least 1 year for negative and canceled drug tests, and alcohol tests with a result below .02 blood alcohol content; 5 years for results greater than .02 blood alcohol content, documentation of refusal to test, calibration documentation, driver evaluations and referrals; public/private; MS 13.43) (HRS 1650)
16. Background check results – not hired (retain 30 days; nonpublic; MS 13.87) (POL 00240)

## **Projects**

### Records series description

#### Petitioned projects

1. Board documents relating to petitioned projects (retain 10 yrs. And then transfer to state archives; public) - Resolutions, findings, conclusions
2. Contracts (retained permanently and are not to be archived; public)
3. Correspondence relating to petitioned projects (retain at least 10 yrs. and then transfer to state archives; public)
4. Engineers' reports, plans, slides, photographs (retained permanently and are not to be archived; public)
5. Petitions (retain at least 10 yrs. And then transfer to state archives; public)
6. Property surveys (retain permanently; public) (PLZ 02200)
7. Public hearing documents/Notices/Testimony Written/Audio (retained at least 6 yrs or until recorded in the minutes; public; and are not to be archived)
8. Related public hearing documents (retain at least 10 yrs. are not to be archived; public)

#### Non-petitioned projects

1. Board documents relating to non-petitioned projects (retain at least 10 yrs. and then transfer to state archives; public)
2. Contracts (retain at least 10 yrs. and then transfer to state archives; public)
3. Correspondence relating to non-petitioned projects (retain at least 10 yrs. and then transfer to state archives; public)
4. Engineers' reports, related documents (retain at least 10 yrs. and then transfer to state archives; public)
5. Property surveys (retain permanently; public) (PLZ 02200)
6. Related public hearing documents (retain at least 10 yrs. and then transfer to state archives; public)



## **Programs**

### Records series description

1. Water quality, lake elevation, stream flow data (Field notes and raw data retained until final report is completed. Final reports retained permanently, or transferred to state archives; public) (RMG 00200)
2. Public opinion surveys (retain permanently or transfer to state archives; public) (LIB 02100)
3. Plans
  - Watershed Management Plans (retain permanently or transfer to state archives; public) (PLZ 00300)
  - Local Water Management Plans for member LGUs (retain until updated; public)
  - Board approved program plans and workplans, (retain at least 6 yrs. and are not to be archived)
4. District Rules (Retain permanently, public)

**Minnehaha Creek Watershed District  
Records Management and Retention Policy**

Adopted as amended August 22, 2013

The Minnehaha Creek Watershed District (District) Board of Managers adopts the following policy as part of its effort to ensure the sound administration of District business and continued focus of District resources on protection and improvement of the water resources in the Minnehaha Creek watershed.

Pursuant to Minnesota Statutes sections 15.17, subdivision 1, and 138.17, the District makes and preserves all records necessary to ensure a full and accurate accounting of the District's official activities. To facilitate effective management of its records, the District has adopted the attached updated records retention schedule, governing the retention and disposal of records created by the District.

In keeping with the direction of the Uniform Electronic Transactions Act, Minnesota Statutes chapter 325L, the District has determined that it will create, retain and store its records – current and historic – in electronic form to the greatest extent possible. Records may be transferred to the state archives in accordance with the approved Records Retention Schedule in hard-copy form. The District's records retention schedule includes indication of whether records will be retained in hard copy or electronic form. Conversion of historic documents will be conducted in compliance with the District's Records Retention Schedule, and will be completed in a manner that ensures that the District's data remain accessible for purposes of compliance with the Data Practices Act. Original documents providing the District with legal rights and obligations will continue to be retained in hard-copy form.

Policy Type or Category	Legal basis	Status of MCWD policy	Notes
Abandoned Property Policy	345.38, .41	Adopted 10-27-11	Regulatory
Asset Inventory	GASB 34 -- applicable?	-	I do not know that such an inventory has been recommended in the past, but need for and utility of an inventory should be discussed with the auditor.
Bylaws	103D.315, subd. 11	8/12/2004; last amended 10-27-11	<b>Updates recommended.</b>
Cell Phone Policy	N/A	Adopted 1-7-10	Remove overlap/conflict with AR-4; integrate into employee handbook.
Citizens advisory committee	103D.331	X (in bylaws)	CAC governs itself (within statutory framework). CAC has its own bylaws, adopted 4-5-13.
Collateralization Protocols	118A.03	In Investment-Deposit Policy adopted as amended 12-29-11	No changes proposed, but check with auditor.
Conflict of Interest	10A.07; 471.87-.89	X (in bylaws)	<b>There is a draft COI policy dated August 2002, but no indication it was adopted in this form. Additional detail could be incorporated into policy in bylaws.</b>
Credit Card Policy	-	Adopted 12-29-11	
Criminal Conviction Policy		Adopted 9-22-11	SP drafted a policy; adopted policy was drafted by Andy Parker. Incorporate into employee handbook.
Data Practices Act Policy & Protocols	13.03, subd. 2 (procedures to implement DPA); 13.05, subs. 1 (info on responsible authority and list of private or confidential data on individuals; also Minn. R. 1205.1500, subp. 3), 8 (describing the rights of data subjects pursuant to Section 13.04, and the specific procedures established for access to data by data subjects).	Update adopted 1-24-13; notice to employees 09-2004 (001-029/Employee handbook); need 1, rights document; 2, consent to release.	Need to update; address/remove conflict/overlap with AR, personnel/HR -- employee manual should just reference and link data policy and protocols. <b>See extensive updates; recommend posting on District website.</b>
Drug Testing Policy		Adopted 9-22-11	Unclear where the adopted policy came from. SP drafted a policy, but the adopted policy was drafted by Andy Parker, I assume. Incorporate into employee handbook.
Electronic Records Policy	325L.17 requires determination of "whether, and the extent to which, it will create and retain electronic records and convert written records to electronic records."	Adopted 8-22-13	
Financial Management, Funds Acctng, Internal Controls	Numerous; state auditor recommendations; GASB 54.	Investment-Deposit Policy adopted 12-29-11; also Debt Management Policy adopted 1-24-13; also see Governance Policies	Recommend consolidation where possible.
Fund Reserve/Balance Policy	No statutory requirement; advisory. GASB 54.	Referenced in audit; see 4/22, 5/21/10, 12/11 emails to D. Mandt -- EE has a fund reserve policy but cannot find it in the policies or minutes; unclear if District accountant ever signed off on GASB 54 compliance; see Governance Policies.	<b>Rec. acct sign off on compliance of Investment and Depository and/or Debt Management policy with GASB 54; advise on need for fund balances policy.</b>
General Governance Policies	Prudential.	Titled "Governance Policies"; last amended 1-24-13; see also Liaison Policy (unadopted?).	<b>Need to rectify and adopt updated consolidated policy.</b>

Key	
Color	Category/note
	Program policy.
	Governance
	Personnel
	Recommend elimination or incorporation into other policies.
	Placeholder.

Investment Policy; Depository Policy	118A (governs, does not require policy)	Investment and Depository Policy adopted October 2009; adopted as amended 12-29-11	<b>Rec: Investigate w auditor integration into Governance Policies.</b>
Per Diem Policy	103D.315, subd. 8, provides for \$75/day per diem, plus expenses.	Adopted as amended 7-17-08	Recommend incorporation into governance.
Personnel Manual/ Employee Handbook		Last update adopted 11-4-04 (?); also Administrative Rules (2004; unadopted); Drug-Alcohol Policy adopted 9-22-11, Criminal Conviction Policy 9-22-11.	
Public Purposes Policy	Minn. Const. Art. X, sec. 1	Adopted 12-29-11	
Records Retention Schedule	138.17, subd. 7	Adopted as amended 10-27-11 and app'd by state archives.	
Financial Assurance Management Policy	103D.345, subd. 4	Adopted 10-27-11	<b>Regulatory program.</b>
Technical Advisory Committee	103D.337	X (in bylaws) (only rules TAC exists in practice)	
Tennessee Warning Form	13.04, subd. 2; 13.05, subd. 4(d); for employees; for permit applicants and others who may submit copyrighted or trade secret information.	Updated October 2012	
Travel Policy	471.661 (out of state travel policy required); mileage 471.665 (not wd)	See Governance Policies, Employee Handbook	Mixed -- as pertains to employees vs managers. Overlap/conflict with AR should be addressed. <b>Rec. integration into bylaws or governance.</b>
Vehicle Policy	Prudential.	See Employee Handbook	
Asset Disposition Policy/Disposition of Land Policy	Minn Const. Art. IV	Adopted as amended 11-17-2005	Out-of-date version attached to Mandt 7/1 email; not an internal governance policy but a program (Land Conservation) operational policy.
Committee Policies			Excerpts from governance manual. Not separate policies.
Correspondence Policy		Adopted 8-11-11.	For discussion; revise as standalone policy or integrate provisions as necessary into other policies. Note, tho, that data and recordkeeping policies likely will trump and recommend that this policy be winnowed down to the essential provision that is, information/correspondence to the District.
Salary Administration Policy		Adopted?	<b>Personnel.</b>
Administrative Rules		Never adopted.	Internal management protocols should be incorporated where nec. and advisable into other documents, principally the employee handbook.
Use of Credit Cards and Charge Accounts (AR 16)			Conflict/overlap with adopted credit card policy. Eliminate.
Mileage/Parking Reimbursement Policy		Dated 1-1-04 but do not appear to have been adopted.	Incorporate into employee handbook.
Maintenance Policy		Adopted 5-8-03; updated since? (seems likely).	<b>Program policy</b>
Treat Policy			Incorporate into employee handbook as nec.
Liaison Policy and Procedures		Drafted 5-28-14, not adopted.	