



## About the Watershed District Guidebook

The Board of Water and Soil Resources and the Minnesota Association of Watershed Districts produce and update this publication to inform Minnesota residents about the recent activities of Watershed Districts.



# About Watershed Districts

## PURPOSE

Watershed Districts are special purpose local units of government with boundaries based on the natural hydrologic boundaries of a watershed.

Because water is difficult to manage on the basis of political boundaries such as county or city lines, the Minnesota Legislature in 1955 authorized the creation of Watershed Districts. Watershed Districts are formed when citizens, county boards, or cities petition the Board of Water and Soil Resources under provisions outlined in state law, specifically 103D.

Watershed Districts are governed by a board of managers. Members of the board are appointed by county commissioners within the District's boundaries.

There are currently 46 Watershed Districts in Minnesota. Some exist mainly to minimize property damage caused by flooding, while others have a broad range of programs and services that protect and improve water quality. These local units of government achieve effective and efficient water management outcomes by focusing on water quality and quantity issues on a watershed basis, targeting their efforts to the areas where they will provide the greatest benefits.

## HISTORY

In 1953, Congress approved the federal Watershed Protection and Flood Prevention Act. The Act provided financial assistance to local agencies responsible for the management of secondary watersheds. These agencies had the power of eminent domain and levy authority to raise revenue. The Minnesota Legislature approved the Watershed Act, Minnesota Statutes Chapter 103D, in 1955. This act allowed Watershed Districts to be established if citizens or local government units submit a petition to the Minnesota Water Resources Board (now the Board of Water and Soil Resources).

As the Watershed Act was being developed, many believed that Watershed Districts should be governed by people somewhat removed from the political process, so they would be able to make tough and possibly unpopular decisions. It was agreed that Watershed District managers would be appointed, rather than elected.

The first Watershed District was established in 1957 — the High Island Creek Watershed District, encompassed parts of Sibley, Renville, and McLeod counties. Other Districts followed, with the most recent one, the Cedar River Watershed District, established in 2007.

# Powers & Duties

In general, under M.S. Chapter 103D.335, a Watershed District has the power to:

- sue and be sued
- incur debts, liabilities and obligations
- exercise the power of eminent domain
- levy property taxes and special assessments
- issue certificates, warrants, bonds
- acquire and dispose of property
- hire staff and consultants
- regulate development

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Watershed Districts deal with a wide variety of water-related concerns, including water quantity (flood damage reduction) and water quality, including wetlands and groundwater management. Many Districts work cooperatively with other local organizations such as cities, counties, Soil and Water Conservation Districts, non-profit and private wildlife groups, and community organizations to work toward common water management goals. Watershed Districts engage in varied water resources activities and projects, which differ by location, size, resources and land use. Some Watershed District activities and projects include, but are not limited to:

- Streambank Restoration
- Aerial Environmental Surveys
- Flood Control Structures
- Natural Resources Inventories
- Nutrient Loading Reduction
- Public Education and Outreach
- Monitoring Studies
- Stormwater Management
- Dredging and Channel Excavation
- Farmstead Ringdikes
- Internship Programs
- Local Cost-Share Programs
- Erosion Control Projects
- Dam and Ditch Repair and Assessment
- Stormwater Management
- Ditch Repair and Assessment
- Wetland Restoration
- Feedlot Pollution Reduction
- Agricultural Land Buffering
- Best Management Practices
- Hydrologic Model Development

# Funds & Annual Reporting

By law, Watershed Districts are allowed to establish a number of funds for the purpose of carrying out their powers and duties. Precedent does exist for using a combination of assessments and levies for paying project costs. Some funding options vary based on a District's inclusion in the seven-county metro area.

Districts may generate revenue via the following:

## AD VALOREM TAX LEVIES

Organizational Expense Fund (M.S. Chapter 103D.905, Subd. 2); General (Administrative) Fund (M.S. Chapter 103D.905, Subd. 3); Survey and Data Acquisition Fund (M.S. Chapter 103D.905, Subd. 8); Emergency Projects of Common Benefit Fund (M.S. Chapter 103D.615, Subd. 3); Planning and Implementation Fund (metro only, M.S. Chapter 103B.241, 103B.231 and 103B.235) and Maintenance of Capital Improvements Fund (metro only, M.S. Chapter 103B.251, Subd. 9).

## ASSESSMENT LEVIES

Preliminary Fund (M.S. Chapter 103D.905, Subd. 6); Construction or Implementation Fund (M.S. Chapter 103D.905, Subd. 5); Repair and Maintenance Fund (M.S. Chapter 103D.905, Subd. 7 and 103D.631) and Emergency Projects for Benefited Property Fund (M.S. Chapter 103D.615, Subd. 3).

Funds Generated Through Bond Sales (M.S. Chapter 103D.905, Subd. 4)

Funds Generated through Collection of Charges (M.S. Chapter 103D.729 and 444.075)

## ANNUAL REPORTING

The managers of a Watershed District are required to prepare a yearly report of the financial conditions of the District, the status of all projects, the business transacted by the watershed district, other matters affecting the interests of the Watershed District, and a discussion of the manager's plan for the succeeding year. Copies of the report must be submitted to the Board of Water and Soil Resources and the Director of the DNR Division of Waters.

## ANNUAL AUDIT

The managers of a Watershed District must have an annual audit completed of the books and accounts of the Watershed District. The annual audit may be made by a certified public accountant or by the state auditor.