



Lake of the Woods Watershed
Joint Powers Board
PO Box 217
Baudette, MN 56623
(218) 634-1842 ext. 4
www.lowwjpb.org

AGENDA
Regular Board Meeting
January 27th, 2025 @ 9:30 a.m.

Location: Warroad Public Safety Building in Warroad.

- 1) Call Meeting to Order.
- 2) Motion to Approve Agenda **pp. 1-2**
- 3) Conduct Annual Organizational Meeting **pp. 3-5**
 1. Office elections
 2. Meeting location, time and dates
 3. Appoint Fiscal Agent
 4. Appoint Coordinators
 5. Designate official depositories
 6. Check Signing Authority
 7. Board compensation rates
 8. Mileage rates
 9. Spending authorizations
 10. Designate official newspaper
 11. Committee assignments - Advisory Committee
 12. Review MOU's and agreements
 13. Review W-9 information for Joint Powers Board Members
- 4) Motion to Approve October 28, 2024 Minutes **pp. 6-8**
- 5) Review Treasurer Report **pp. 9-11**

Old Business

- 6) Review FY22 Grant Closeout Report - **presentation -Chad Severts, BWSR**

New Business

- 7) Performance Review and Assistance Program - **presentation -Don Bajumpaa, BWSR**
- 8) Authorize audit bid for 2024 **pp. 12-17**
- 9) MCIT - Invoice 20605R - \$1,792.00 **pp. 18**

Committee Reports

- 10)

General Information and Discussion

- 11) Reminder to complete the Performance Review and Assistance Program Survey **pp. 19**
- 12) Plan revision discussion **pp. 20**

Upcoming Meetings

- Regular Meeting - April 28th, 2025 @ 9:30
- Advisory Committee Meeting - April 28th, 2025 after the JPB Meeting

Upcoming Timelines regarding fiscal year grants and workplans:

2025	
January	Halfway point for FY24. Review accomplishments and update State reporting
July	6-month deadline for FY24 extension requests = review budgets, consider fund shifts in conjunction with FY26 workplan development.
Aug-Sept	Develop project list and budgets for FY26, and restructure FY24 workplan if needed
September	Enter FY26 workplan into eLink for BWSR review
October	Submit FY26 workplan to Joint Powers Board and FY24 revised workplan. Grant agreement authorized.
Nov-Dec	Finalize FY26 grant agreement in eLink, create agreements with partners.

2026	
January	Receive FY26 funds. JPB approves partner agreements for implementation and projects can begin
July	6 month deadline for any remaining FY24 funds (grant end date Dec 31, 2026)
October	
December	Deadline to spend FY24 Funds

Worksheet for Annual Business Items

Officer Elections

2024

Chair, Jan Miller;

Vice Chair, Bill Thompson;

Treasurer, Ed Arnesen;

Secretary, Nancy Dunnell;

2025

Chair _____

Vice Chair _____

Treasurer _____

Secretary _____

Quarterly Meeting Time

Meetings will be held on the fourth Monday of January, April and July and October at 9:30 am at the Warroad Public Safety Building.

Appoint Fiscal Agent

2024 Fiscal Agent: Lake of the Woods SWCD

2025 Fiscal Agent: _____

Appoint Coordinators:

2024 Coordinators: Roseau SWCD and Lake of the Woods SWCD

2025 Coordinators: _____

Designated Official Depositories – (Minn Stat. 118A.02, subd. 1 provides that the governing body, or its designee, shall designate the depository in which all the District's funds shall be deposited.)

Border Bank of Baudette

Check Signing Authority –

Nancy Dunnell, Chair; Ed Arnesen, Treasurer; Josh Stromlund, LOW SWCD District Manager;

Mike Hirst, Resource Conservationist; Corryn Trask, Resource Conservationist; Remove

Becky Buegler, Office Assistant

Board Member Compensation Rate

\$125.00 per meeting. This rate is per day, no matter how many meetings attended.

Mileage Rate

Quarterly basis to reflect the most current IRS rate. Any changes to the IRS mileage reimbursement rate will apply to all mileage occurring on or after the first day of the new quarter, and will remain as such until the following quarter.

Spending Authorizations -

The Fiscal Agent has the permission to pay invoices on a monthly or quarterly basis outside of a JPB Meeting, upon the receipt of the Payment Request Voucher as eligible per policy of the Cooperative Agreement. The JPB will see the payments made at their next regular meeting.

Designated Official Newspaper

Northern Light Region

Worksheet for Annual Business Items

Committee Assignments

Name		Agency / Affiliation
Ed Arnesen	Joint Powers Board	Lake of the Woods County
Bill Thompson	Joint Powers Board	Warroad River Watershed District
Russell Walker	Joint Powers Board	Roseau County
Jan Miller	Joint Powers Board	Roseau SWCD
Nancy Dunnell	Joint Powers Board	Lake of the Woods SWCD
Mike Hirst	Implementation Committee	Lake of the Woods SWCD
Corryn Trask	Implementation Committee	Lake of the Woods SWCD
Scott Johnson	Implementation Committee	Roseau SWCD
Janine Lovold	Implementation Committee	Roseau SWCD
Josh Stromlund	Implementation Committee	Lake of the Woods County
Anthony Pirkil	Implementation Committee	Lake of the Woods County
Ericka Halstensgard	Implementation Committee	Roseau County
Daryle Dahl	Implementation Committee	Roseau County
Joe Olafson	Implementation Committee	WWD
Chad Severts	Implementation Committee	Board of Water & Soil Resources
Arne Wick	Advisory Committee	DNR Eco-Waters
Cary Hernandez	Advisory Committee	MN Pollution Control Agency
Chad Severts	Advisory Committee	Board of Water & Soil Resources
Jeff Hrubes	Advisory Committee	Board of Water & Soil Resources
Kathy Fillmore	Advisory Committee	Natural Resources Conservation Service
Jody Peek	Advisory Committee	Natural Resources Conservation Service

Review Memorandums of Understanding and Agreements

- LOW 1W1P Joint Powers Board Agreement
- FY2024 MN BWSR Watershed-Based Implementation Funding Grant Agreement

Cooperative Agreements

- FY24-01 L/W SWCD Admim/Coordination
- FY24-02 Roseau SWCD Coordination
- FY24-03 LOW SWCD Forest Management Plans
- FY24-04 WWD Streambank Protection
- FY24-05 L/W SWCD Shoreline Stabilization
- FY24-06 L/W SWCD Ag Education
- FY24-07 L/W SWCD Keep It Clean
- FY24-08 Roseau SWCD Keep It Clean
- FY24-09 L/W County Ditch 1 Stabilization

Worksheet for Annual Business Items

Review W-9 information for Joint Powers Board Members:

- Provide W-9 forms for every new member
- Reminder for Board Members to review information on their W-9 forms for accuracy. General housekeeping item. No action required.



MINUTES

Regular Meeting
October 28, 2024

The meeting of the Lake of the Woods Watershed Joint Powers Board was held at the Warroad Public Safety Building.

The meeting was called to order by JPB Chair, Jan Miller at 9:32 a.m.

Joint Powers Board Members present: Jan Miller, Bill Thompson, Glenda Phillipe, Nancy Dunnell

Others present: Mike Hirst, Janine Lovold, Chad Severts, Corryn Trask (virtual), AJ Pirkl (virtual), Josh Stromlund (virtual)

Agenda

Hirst requested an addition of a check and envelope purchase to the agenda. A motion was made by Dunnell with a second by Phillipe to approve the amended agenda including the check and envelope purchase request.

Affirmative: Miller, Thompson, Phillipe, Dunnell Opposed: None Motion carried.

Secretaries Report: July 22, 2024 Minutes

The July 22, 2024 Minutes were approved on a motion by Dunnell and a second by Phillipe.

Affirmative: Miller, Thompson, Phillipe, Dunnell Opposed: None Motion carried.

Treasurer's Report:

The financial reports were reviewed and discussed.

OLD BUSINESS

- None.

NEW BUSINESS

Review of Current FY22 and FY24 Grants

Grants were reviewed and discussed.

FY24 WBIF Cooperative Agreements

CA #	PARTNER	PROJECT	ALLOCATION
24-05	LOW SWCD	LW SWCD Shoreline Stabilization	\$80,000.00
24-06	LOW SWCD	Ag Education	\$20,000.00
24-07	LOW SWCD	Keep It Clean	\$11,173.00
24-08	Roseau SWCD	Keep It Clean	\$2,500.00
24-09	LOW County	Ditch 1 Construction & Design	\$235,000.00

The Cooperator Agreements were approved on a motion by Dunnell with a second by Thompson.

Affirmative: Miller, Thompson, Phillipe, Dunnell Opposed: None Motion carried.

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Performance Review and Assistance Program (PRAP) / Plan Rewrite

A motion was made by Phillippe with a second by Thompson to approve moving forward to apply for the BWSR Mid-Point Planning Grant for assessment of the Comprehensive Watershed Management Plan progress and for costs associated with evaluation and amending the plan.

Affirmative: Miller, Thompson, Phillippe, Dunnell Opposed: None Motion carried.

Glenda Phillippe 2023 Per Diem Reimbursement

A motion was made by Dunnell with a second by Thompson to approve the Glenda Phillippe expense report for the meeting per diem and mileage for the December 13, 2023 meeting.

Affirmative: Miller, Thompson, Phillippe, Dunnell Opposed: None Motion carried.

Nancy Dunnell July 2024 Per Diem Lost Check / Replacement

A motion was made by Phillippe with a second by Thompson to approve the reissuance of Nancy Dunnell's Per Diem and Mileage check for the July 2024 meeting.

Affirmative: Miller, Thompson, Phillippe, Dunnell Opposed: None Motion carried.

Request to Purchase 250 Checks and Self Seal Envelopes

A motion was made by Dunnell with a second by Phillippe to approve the purchase of checks and envelopes.

Affirmative: Miller, Thompson, Phillippe, Dunnell Opposed: None Motion carried.

Committee Reports

- None

General Information and Discussion

Project Updates

WWD

- Two more streambank projects are in the works. The Lundemo Project is slated to be done this year.

LOW SWCD

- Three shoreland projects have been designed. These will be installed in 2025.
- Forestry Plans are on the docket to be written. Main plan writer, Chris Brokl, is retiring this year.
- The Soil Health Field Day was put on by SFA. Soil samples were taken and analyzed from 3 fields each having different management approaches. Each of the fields were visited and discussed.
- An online education training on soil health was promoted in LOW and Roseau Counties. Landowners signed up and have a year to complete.
- The Soil Health Summit was also promoted and incentivized in LOW and Roseau Counties. No landowners were able to attend.

Roseau SWCD

- Field checks were completed for the last year of the two cover crop contracts.

Roseau County

- DNR is pursuing restoration projects in the peatland area located in the upper reaches of the LOW Watershed.

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Upcoming Meetings

Next Regular Meeting

- January 27, 2025 @ 9:30 a.m.

Adjournment

The meeting adjourned at 10:34 a.m. on a motion by Dunnell with a second by Thompson.

Affirmative: Miller, Thompson, Phillippe, Dunnell

Opposed: None

Motion carried.

Secretary

Date

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Lake of the Woods Watershed Joint Powers Board
Transaction Detail by Bank Account
October 3 through December 31, 2024

Border Bank Checking Account	Type	Date	Num	Name	Memo	Paid Amount
	Check	10/21/2024	1240	Postmaster	Board packet postage	-10.20
	Check	10/29/2024	1241	Jan Miller	Board member expense report - Operations	-151.80
	Check	10/29/2024	1242	Glenda Phillipe	Board member expense report - Operations	-255.36
	Check	10/29/2024	1243	William Ray Thompson	Board member expense report - Operations	-125.00
	Check	10/29/2024	1245	Nancy Dunnell	Board member expense report - Operations	-158.50
	Check	10/31/2024	EFT	Intuit	250 checks - Operations	-139.99
	Bill Pmt -Check	11/19/2024	1246	LOW County PWD	Invoice 20241118 FY22-14	-3,107.25
	Bill Pmt -Check	11/29/2024	1247	Warroad Watershed District -v	Invoice 000202411-01 FY22-12, FY24-04 Engir	-5,540.12
	Bill Pmt -Check	12/10/2024	1248	LOW Soil & Water Conservation District	Invoice 84450	-2,532.74
	Bill Pmt -Check	12/10/2024	1249	Estling Farms Inc.	Final payment on contract LOWW22-02 FY22-11	-4,000.00
	Bill Pmt -Check	12/10/2024	1250	Jade Estling	Final payment on contract LOWW22-01 FY22-11	-4,000.00
	Transfer	12/10/2024			December Funds Transfer	10,000.00
	Bill Pmt -Check	12/26/2024	1251	Warroad Watershed District -v	Invoice 000202412-01 FY24-04 Engineering	-6,718.28
	Transfer	12/26/2024			December Funds Transfer	20,000.00
Total Border Bank Checking Account						<u>3,260.76</u>
Border Bank Savings Account						
	Deposit	11/25/2024			2024 MCIT Dividend payment Deposit	42.00
	Transfer	12/10/2024			December Funds Transfer	-10,000.00
	Transfer	12/26/2024			December Funds Transfer	-20,000.00
	Deposit	12/31/2024			Interest	112.77
Total Border Bank Savings Account						<u>-29,845.23</u>
TOTAL						<u><u>-26,584.47</u></u>

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Lake of the Woods Watershed Joint Powers Board

Balance Sheet

As of December 31, 2024

	<u>Dec 31, 24</u>
ASSETS	
Current Assets	
Checking/Savings	
Border Bank Checking Account	15,846.35
Border Bank Savings Account	<u>153,258.03</u>
Total Checking/Savings	<u>169,104.38</u>
Total Current Assets	169,104.38
TOTAL ASSETS	<u><u>169,104.38</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	8,068.26
Total Accounts Payable	<u>8,068.26</u>
Total Current Liabilities	8,068.26
Long Term Liabilities	
Deferred Revenue	
WBIF FY24	221,616.51
WBIF FY22	<u>-62,116.80</u>
Total Deferred Revenue	<u>159,499.71</u>
Total Long Term Liabilities	<u>159,499.71</u>
Total Liabilities	167,567.97
Equity	
Operating Funds - Unassigned	<u>1,536.41</u>
Total Equity	1,536.41
TOTAL LIABILITIES & EQUITY	<u><u>169,104.38</u></u>

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Current Funding Allocation by Partner/Project

Row Labels	Allocation	Spend	Credit	Amount Remaining
Joint Powers Board	\$ 18,500.00	\$ (879.08)		\$ 17,620.92
+ JPB Operations	\$ 18,500.00	\$ (879.08)		\$ 17,620.92
Lake of the Woods SWCD	\$ 159,173.00	\$ (9,732.04)		\$ 149,440.96
- FY24-01 LW SWCD Admin/Coordination	\$ 32,000.00	\$ (9,732.04)		\$ 22,267.96
Administration/Coordination	\$ 32,000.00	\$ (9,732.04)		\$ 22,267.96
- FY24-03 LW SWCD Forest Mgmt Plans	\$ 16,000.00			\$ 16,000.00
Forest Stewardship Management	\$ 16,000.00			\$ 16,000.00
- FY24-05 LW SWCD Shoreline	\$ 80,000.00			\$ 80,000.00
Streambank/Shoreland Prot	\$ 50,000.00			\$ 50,000.00
Technical/Engineering Assistance	\$ 30,000.00			\$ 30,000.00
- FY24-06 LW SWCD Ag Education	\$ 20,000.00			\$ 20,000.00
Education	\$ 20,000.00			\$ 20,000.00
- FY24-07 LW SWCD Keep it Clean	\$ 11,173.00			\$ 11,173.00
Education	\$ 11,173.00			\$ 11,173.00
Roseau SWCD	\$ 18,500.00	\$ (7,723.09)		\$ 10,776.91
- FY24-02 Roseau SWCD Coordination	\$ 16,000.00	\$ (5,223.09)		\$ 10,776.91
Administration/Coordination	\$ 16,000.00	\$ (5,223.09)		\$ 10,776.91
- FY24-08 Roseau SWCD Keep it Clean	\$ 2,500.00	\$ (2,500.00)		\$ -
Education	\$ 2,500.00	\$ (2,500.00)		\$ -
Warroad Watershed District	\$ 190,000.00	\$ (70,635.78)		\$ 119,364.22
- FY24-04 WWD Streambank Protection	\$ 190,000.00	\$ (70,635.78)		\$ 119,364.22
Streambank/Shoreland Prot	\$ 170,000.00	\$ (61,343.18)		\$ 108,656.82
Technical/Engineering Assistance	\$ 20,000.00	\$ (9,292.60)		\$ 10,707.40
Lake of the Woods PWD	\$ 235,000.00			\$ 235,000.00
- FY24-09 LW County Ditch 1 Stabilization	\$ 235,000.00			\$ 235,000.00
Streambank/Shoreland Prot	\$ 200,000.00			\$ 200,000.00
Technical/Engineering Assistance	\$ 35,000.00			\$ 35,000.00
Amount Remaining	\$ 621,173.00	\$ (88,969.99)		\$ 532,203.01

*Column on the right "Amount Remaining" shows the existing balance for each project.

**All funding is currently allocated to projects.

Agenda Item: Authorized audit bid for 2024

Background:

The Lake of the Woods Watershed Joint Powers Board is required by the state to complete an audit of calendar year 2024. The bid price is \$4,000.00

See the attached Audit bid letter on the following pages from Peterson Company LTD.

Action Requested:

Authorize signing of the the bid letter to have Peterson Company LTD complete an audit of 2024 for the Lake of the Woods Watershed Joint Powers Board.

January 15, 2025

Lake of the Woods Watershed Joint Powers Board
119 1st Ave NW PO Box 217
Baudette, MN 56623

CLIENT COPY

Dear Board of Supervisors and District Manager:

The following represents our understanding of the services we will provide Lake of the Woods Watershed Joint Powers Board.

You have requested that we audit the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lake of the Woods Watershed Joint Powers Board, as of December 31, 2024, and for the year then ended and the related notes, which collectively comprise Lake of the Woods Watershed Joint Powers Board's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with Government Auditing Standards will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

Auditor Responsibilities

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lake of the Woods Watershed Joint Powers Board's ability to continue as a going concern for a reasonable period of time.

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

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

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of Lake of the Woods Watershed Joint Powers Board's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities

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

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

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

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

Nonattest Services

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

- Propose adjusting or correcting journal entries to be reviewed and approved by Lake of the Woods Watershed Joint Powers Board's management.
- Prepare the financial statements with the required footnote disclosures.
- Prepare lease amortization calculations and disclosures, if needed.
- Prepare the depreciation schedule, if needed.

We will not assume management responsibilities on behalf of Lake of the Woods Watershed Joint Powers Board. However, we will provide advice and recommendations to assist management of Lake of the Woods Watershed Joint Powers Board in performing its responsibilities.

Lake of the Woods Watershed Joint Powers Board's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

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

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

Reporting

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

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

Other

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

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

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

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

Provisions of Engagement Administration, Timing and Fees

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

We expect to begin our audit in the spring and to issue our reports no later than June 30, 2025.

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

Our fee for these services will be \$4,000. Included in this audit fee are six bound copies, any additional copies will be prepared at \$15 each. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices not paid within 30 days will accrue interest at 1.50%. In accordance with our firm policies, work may be suspended if your account becomes 45 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

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

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

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

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

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

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

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

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

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

Sincerely,

Peterson Company Ltd

Peterson Company Ltd
570 Cherry Drive
Waconia, MN 55387

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Lake of the Woods Watershed Joint Powers Board by:

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

Agenda Item: MCIT Invoice 20605R - \$1,792.00

Background:

MCIT Insurance for the LOW Watershed Joint Powers Board for 2025 is \$1,792.00. See details below:

Property and Casualty	\$1,531.00
<u>Workers' Compensation</u>	<u>\$ 261.00</u>
	\$1,792.00

Action Requested:

Authorize payment of MCIT Insurance for 2025.

Agenda Item: Performance Review and Assistance Program Survey

Background:

An email was distributed to Joint Powers Board, Implementation Committee and Advisory Committee members from the Board of Water and Soil Resources on January 10th. The email requested a survey be completed by January 27th. The survey will assist the BWSR in the review of the implementation of the LOW Watershed Plan.

A link to the survey is <https://www.surveymonkey.com/r/QF87NQR>

Action Requested:

If you haven't already, please complete this survey.

Agenda Item: Plan revision discussion

Background:

The Implementation Committee has been discussing when it would be appropriate to update the Watershed Plan. Based on a number of factors, the committee is looking at updating the plan next winter. Some of the reasons for updating the plan next year as opposed to when the plan expires include:

- Simplification of the complex plan (reducing the number of goals, etc.) making it easier to implement.
- Simplification of priorities of the plan to make it easier to prioritize projects for watershed based implementation funding.
- Good timing with the MPCA's water quality monitoring data and assessments that take place every 10 years. New assessments will be completed in 2025 for this watershed.
- PRAP will be completed.
- Assurance Measures of the current plan are difficult to complete with a complex plan with multiple prioritization methods to be evaluated with.
- Funding is available to update the plan now.

The Joint Powers Board approved moving forward to apply for BWSR Mid-Point Grant for costs associated with evaluating and amending the plan at their October 28, 2024 meeting.

Action Requested:

Update to the board. No action requested.

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