CHAPTER 103D

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GENERAL PROVISIONS

103D.001 CITATION.

This chapter may be cited as the "Watershed Law."

History: *1990 c 391 art 4 s 1*

103D.011 DEFINITIONS.

Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

Subd. 2. **Affected.** "Affected" means the jurisdiction or property of an entity that receives benefits, is assessed costs, or is part of a watershed district.

Subd. 3. **Appraisers.** "Appraisers" means the persons appointed by the managers to determine and report benefits and damages arising from a proposed project.

Subd. 4. **Auditor.** "Auditor" means the county auditor of a county affected by a watershed district.

Subd. 5. **Board.** "Board" means the Board of Water and Soil Resources.

Subd. 6. **City.** "City" means a statutory or home rule charter city.

Subd. 7. **Commissioner.** "Commissioner" means the commissioner of natural resources.

Subd. 8. **Court administrator.** "Court administrator" means the court administrator of the district court of the county where a judicial proceeding concerning a watershed district is pending.

Subd. 9. **Director.** "Director" means the director of the Division of Ecological and Water Resources of the Department of Natural Resources.

Subd. 10. **Engineer.** "Engineer" means a licensed professional engineer as described in section 326.02 and designated by the managers to act as engineer. The board of managers or engineer may work in cooperation with other licensed professionals as described in section 326.02 in the planning and design of a watershed district project.

Subd. 11. **Establishment petition.** "Establishment petition" means a petition to establish a watershed district and may consist of one or more separate petitions.

Subd. 12. **Hearing.** "Hearing" means a hearing conducted by the managers or the Board of Water and Soil Resources.

Subd. 13. **Interested party.** "Interested party" means a person or political subdivision with an interest in the pending subject matter. Interested party includes the director or any agency of government.

Subd. 14. **Notice by mail.** "Notice by mail" means a notice mailed and addressed to each person entitled to receive the notice if the address is known to the auditor or court administrator or can be obtained at the office of the county treasurer of the affected county.

Subd. 15. **Managers.** "Managers" means the board of managers of a watershed district.

Subd. 16. **Metropolitan area.** "Metropolitan area" has the meaning given in section 473.121, subdivision 2.

Subd. 17. **Municipality.** "Municipality" means a statutory or home rule charter city.

Subd. 18. **Person.** "Person" means an individual, firm, partnership, association, or corporation, but does not include a political subdivision.

Subd. 19. **Petition.** "Petition" means a petition to begin a project and may consist of one or more separate petitions.

Subd. 20. **Political subdivision.** "Political subdivision" means a county, town, school district, or a political division or subdivision of the state. Political subdivision does not mean a watershed district unless the context clearly indicates watershed districts are to be included.

Subd. 21. **Project.** "Project" means planning and development, construction, maintenance, repair, or improvement of a watershed district for a purpose for which the watershed district is established.

Subd. 22. **Publication.** "Publication" means publication once a week for two successive weeks as provided in section 645.11.

Subd. 23. **Public health.** "Public health" means an act or thing that tends to improve the general sanitary conditions of the watershed district.

Subd. 24. **Public welfare, general welfare, public benefit.** "Public welfare," "general welfare," and "public benefit" mean an act or thing that tends to improve, benefit, or contribute to the safety or well-being of the general public, or benefit the inhabitants of the watershed district.

Subd. 25. **Resident owner.** "Resident owner" means a resident of the state who is the owner of property or the purchaser of property under a contract for deed.

History: *1990 c 391 art 4 s 2; 2019 c 50 art 1 s 129; 2024 c 90 art 3 s 19*

BOARD OF WATER AND SOIL RESOURCES

103D.101 BOARD OF WATER AND SOIL RESOURCES.

Subdivision 1. **District establishment authority.** The board has the authority after the filing of an establishment petition to:

(1) establish a watershed district;

(2) define the boundaries of the watershed district; and

(3) appoint the first board of managers of a watershed district.

Subd. 2. **Investigations.** To implement this chapter and to hold hearings, the chair and members of the board may subpoena witnesses, administer oaths, and compel the production of books, records, and other evidence.

Subd. 3. **Examining witnesses.** (a) The right to examine and cross-examine witnesses in board hearings is in the same manner as in civil actions.

(b) All persons must be sworn in before testifying.

(c) Witnesses must receive the same fees and mileage as in civil actions.

Subd. 4. **Records.** The board must keep a record of all proceedings before it and maintain the record on file. Copies of the record may be obtained on terms and conditions prescribed by the board.

Subd. 5. **Rules of practice.** The board may adopt rules of practice for its proceedings and hearings that are consistent with this chapter and other provisions of law.

History: *1990 c 391 art 4 s 3; 1995 c 199 s 1*

103D.105 BOARD HEARINGS.

Subdivision 1. **Procedure.** (a) A rulemaking hearing must be conducted under chapter 14.

(b) Notwithstanding chapter 14, other hearings under this chapter, except hearings under paragraph (a), shall be conducted by the board under this section. The board may refer the hearing to one or more members of the board or an administrative law judge to hear evidence and make findings of fact and report them to the board.

Subd. 2. **Procedure for noncontroversial plans or petitions.** (a) If the board finds that a watershed management plan or petition that would be given a hearing under subdivision 1, paragraph (b), is noncontroversial, the board may, except in a proceeding to establish or terminate a watershed district, proceed under this subdivision.

(b) The board must give notice that the watershed management plan or petition has been filed. The notice must be made:

(1) by publication in a legal newspaper in each county affected by the watershed district;

(2) by mail to the auditor of each county affected by the watershed management plan or petition; and

(3) by mail to the chief executive officer of each city affected.

(c) The notice must:

(1) describe the actions proposed by the plan or petition;

(2) invite written comments on the plan or petition for consideration by the board;

(3) state that a person who objects to the actions proposed in the plan or petition may submit a written request for hearing to the board within 30 days of the last publication of the notice of filing of the plan or petition; and

(4) state that if a timely request for hearing is not received, the board may make a decision on the plan or petition at a future meeting of the board.

(d) If one or more timely requests for hearing are received, the board must hold a hearing on the plan or petition.

History: *1990 c 391 art 4 s 4; 1991 c 214 s 3; 1998 c 312 s 2*

103D.111 APPEAL OF BOARD ORDERS.

Subdivision 1. **Reviewing establishment and termination decisions.** In a proceeding to establish or terminate a watershed district where the board elected not to refer the proceeding to the Court of Administrative Hearings, a local unit of government or 25 or more residents within the area affected by the proceeding may, prior to judicial appeal of the board's decision, demand a contested case hearing to be conducted by the Court of Administrative Hearings. In the report of the administrative law judge, the fees of the Court of Administrative Hearings and transcript fees may be apportioned among the parties and the board. Apportionment must be based on the degree to which the parties and the board prevailed, or caused unnecessary delay or expense. Following receipt of the report of the administrative law judge, the board shall make a final decision in accordance with chapter 14.

Subd. 2. **Appeals of final board decisions.** A party that is aggrieved by the final decision made by the board may appeal the decision to the court of appeals in the manner provided by sections 14.63 to 14.69.

History: *1990 c 391 art 4 s 5; 1991 c 214 s 4; 2025 c 39 art 2 s 68*

ESTABLISHING DISTRICTS

103D.201 WATERSHED DISTRICT PURPOSES.

Subdivision 1. **General purposes.** To conserve the natural resources of the state by land use planning, flood control, and other conservation projects by using sound scientific principles for the protection of the public health and welfare and the provident use of the natural resources, the establishment of watershed districts is authorized under this chapter.

Subd. 2. **Specific purposes.** A watershed district may be established for and use its powers to advance any of the following purposes:

(1) to control or alleviate damage from floodwaters to promote climate resilience;

(2) to protect, improve, or restore watercourses and water basins for drainage, navigation, water quality, flood mitigation, and any other public purpose;

(3) to manage impacts to, restore, or replace wet and overflowed land;

(4) to provide a water supply for irrigation;

(5) to regulate and conserve the flow of watercourses;

(6) to provide or conserve water supply for domestic, industrial, recreational, agricultural, or other public use;

(7) to provide for sanitation and public health and regulate the use of streams, ditches, or watercourses to dispose of waste;

(8) to repair, improve, relocate, modify, consolidate, and abandon all or part of drainage systems within a watershed district;

(9) to control or alleviate soil erosion and siltation of watercourses or water basins;

(10) to regulate improvements by riparian property owners of the beds, banks, and shores of lakes, streams, and wetlands for preservation and beneficial public use;

(11) to provide for hydroelectric power generation;

(12) to protect or enhance the water quality in watercourses or water basins;

(13) to provide for the protection of groundwater and regulate its use to preserve it for beneficial purposes; and

(14) to otherwise manage and protect surface waters and groundwaters for any beneficial purpose.

History: *1990 c 391 art 4 s 6; 2024 c 90 art 3 s 20*

103D.205 ESTABLISHMENT PETITION.

Subdivision 1. **Filing.** To establish a watershed district, an establishment petition must be filed with the board.

Subd. 2. **Requirements.** (a) The establishment petition must state:

(1) the name of the proposed watershed district;

(2) in general terms, a description of the property to be included in the watershed district;

(3) the necessity for the watershed district and the contemplated improvements within the watershed district;

(4) the reasons why the watershed district and the contemplated improvements would be conducive to public health and public welfare, or would accomplish any of the purposes in section 103D.201;

(5) by illustration in a map, the proposed watershed district;

(6) the number of managers proposed for the watershed district; and

(7) a list of the nominees for manager positions containing at least twice the proposed number of managers.

(b) The number of managers proposed for a watershed district may not be less than three nor more than nine. A manager must not be a public officer of the county, state, or federal government, except that a soil and water conservation supervisor may be a manager.

Subd. 3. **Signatures.** The establishment petition must be signed by one or more of the following groups:

(1) one-half or more of the counties within the proposed watershed district;

(2) counties having 50 percent or more of the area within the proposed watershed district;

(3) a majority of the cities within the proposed watershed district; or

(4) 50 or more resident owners residing in the proposed watershed district, excluding resident owners within the corporate limits of a city if the city has signed the petition.

Subd. 4. **Filing establishment petitions.** The petitioners must file a copy of the establishment petition with the auditors of the counties affected by the proposed watershed district and the director. The original establishment petition, with a signed statement of delivery or receipt for each of the establishment petitions submitted to the auditors of affected counties and the director, must be filed with the board.

Subd. 5. **Similar and duplicate petitions.** Similar and duplicate establishment petitions for the same proposed watershed district may be filed and regarded as one establishment petition. All establishment petitions filed before the establishment hearing must be considered by the board as part of the original petition.

Subd. 6. **Defective petition.** An establishment petition that has the requisite number of petitioner signatures may not be dismissed because of defects in the establishment petition. The board must allow petitioners to amend a defective establishment petition at any time before the end of the establishment hearing.

Subd. 7. **Withdrawal of petitioners.** After an establishment petition has been filed, a petitioner may not withdraw from the establishment petition unless the withdrawing petitioner obtains the written consent of all other petitioners and files the written consent with the board.

History: *1990 c 391 art 4 s 7; 1995 c 199 s 2,3; 2024 c 90 art 3 s 21*

103D.211 AUDITOR'S CERTIFICATION OF PETITIONERS.

An auditor that receives a copy of an establishment petition must determine if the petitioners are resident owners from the tax records. The tax records are prima facie evidence of ownership. The auditor must certify the number of petitioners that are resident owners and file the certification with the board.

History: *1990 c 391 art 4 s 8*

103D.215 DIRECTOR'S REPORT.

(a) After receiving a copy of the establishment petition, the director must notify the board that an establishment petition has been received and prepare a preliminary watershed map of and a preliminary report about the watershed district.

(b) The preliminary watershed map must show the natural watershed boundaries within the proposed watershed district.

(c) The preliminary report must be based on the establishment petition and other available data and must recommend whether the watershed district should be established.

(d) The director must submit the preliminary report and the preliminary watershed map to the board within 30 days after the date the establishment petition was received by the director, unless the time is extended by the board.

History: *1990 c 391 art 4 s 9*

103D.221 ESTABLISHMENT HEARING; NOTICE.

Subdivision 1. **Order for hearing.** (a) After receiving an establishment petition, the board must determine whether the establishment petition has the requisite number of petitioner signatures.

(b) If the establishment petition does not have the requisite number of petitioners, the board must dismiss the establishment petition and return it to the petitioners with an explanation of why the petition was dismissed.

(c) If the board determines that an establishment petition has the requisite number of petitioner signatures, the board must, by order, set a time and location for a hearing on the establishment petition within 35 days after its determination. The hearing must be held within the limits of the proposed watershed district for an

establishment hearing unless the board determines a suitable place is not located within the proposed watershed district and selects a place within the limits of a county affected by the proposed watershed district.

Subd. 2. **Notice.** (a) The board must give notice of the establishment hearing by publication in a legal newspaper that is published in counties affected by the proposed watershed district. The last publication must occur at least ten days before the establishment hearing.

(b) The board must give notice of the establishment hearing by mail to the auditors of counties and to the chief executive officials of municipalities affected by the proposed watershed district.

(c) The notice must include:

(1) a statement that an establishment petition has been filed with the board and auditors of counties affected by the proposed watershed district;

(2) a general description of the need for the proposed district, and the purpose of the proposed watershed district's contemplated improvements, if any;

(3) a general description of the property to be included in the proposed watershed district;

(4) the date, time, and location of hearing; and

(5) a statement that all persons affected or interested in the establishment of the proposed watershed district may attend and give statements at the establishment hearing.

History: *1990 c 391 art 4 s 10; 1995 c 199 s 4*

103D.225 HEARING AND ORDER TO ESTABLISH.

Subdivision 1. **Testimony and continuance.** (a) The board must allow all persons interested in or affected by the proposed watershed district to be given an opportunity to make oral and written statements at the establishment hearing.

(b) The board may continue the establishment hearing.

Subd. 2. **Establishment determination.** If the board determines after the establishment hearing that the establishment of the proposed watershed district would benefit the public welfare and public interest, and would advance the purpose of this chapter, the board must, by order, establish the watershed district.

Subd. 3. **Establishment order requirements.** The order of the board establishing a watershed district must include:

(1) the findings of the board supporting its determination to establish the watershed district;

(2) the official name of the watershed district;

(3) the location of the principal place of business of the watershed district;

(4) the boundaries of the watershed district; and

(5) the names of the managers for the first board of managers selected under subdivision 4.

Subd. 4. **Selecting first board of managers.** (a) The board shall select the first board of managers of a proposed watershed district from the list of nominees in the establishment petition except as provided in paragraph (b). The number of managers may not be less than three nor more than nine, except that a proposed

watershed district entirely within the metropolitan area may not have fewer than five managers. A manager may not be a public officer of the county, state, or federal government, except that a soil and water conservation supervisor may be a manager. The term of the first board of managers is for one year and until their successors can be appointed and qualified.

(b) For a proposed watershed district entirely within the metropolitan area, the board must select managers from a list of persons nominated by one or more of the cities and towns affected by the proposed watershed district. The list must contain at least three nominees for each manager position. The board must select managers to fairly represent the various hydrologic areas within the proposed watershed district according to their residence within an area. If the cities or towns fail to nominate managers under this paragraph, the board shall select managers under paragraph (a).

(c) In the order establishing a watershed district, the board must prescribe the terms of office for the first board of managers appointed by the county boards as provided in paragraphs (d) to (f).

(d) If the first board of managers has three members, the term of office for the managers is one for a term of one year, one for a term of two years, and one for a term of three years.

(e) If the first board of managers has five members, the term of office for the managers is one for a term of one year, two for a term of two years, and two for a term of three years.

(f) If the first board of managers does not have three or five members, the managers must be appointed so that as nearly as possible one-third serve terms of one year, one-third serve terms of two years, and one-third serve terms of three years.

Subd. 5. **Filing establishment order.** The board must file a certified copy of the findings and order establishing a watershed district with the secretary of state and, at the same time:

(1) mail a copy of the findings and order to the auditor of each county affected by the watershed district, the commissioner, and the director; and

(2) have each manager personally served with a copy of the order.

Subd. 6. **Effect of establishment.** After the establishment order is filed with the secretary of state, the watershed district is a political subdivision of the state with the power, authority, and duties prescribed in this chapter.

Subd. 7. **Existence of watershed district.** A watershed district established under this chapter exists from the time the order establishing the watershed district is filed with the secretary of state until the watershed district is terminated.

History: *1990 c 391 art 4 s 11*

103D.231 DISMISSING ESTABLISHMENT PROCEEDINGS.

If the board determines that establishment of a proposed watershed district in an establishment petition would not benefit the public welfare and public interest, or would not serve the purpose of this chapter, the board must, by order, dismiss the establishment proceedings. A copy of the order dismissing the establishment proceeding must be mailed immediately to the auditors of counties affected by the proposed watershed district, the commissioner, and the director.

History: *1990 c 391 art 4 s 12*

CONSOLIDATION AND BOUNDARY CHANGES

103D.251 WATERSHED DISTRICT BOUNDARY CHANGES.

Subdivision 1. **Boundary requirement.** The boundaries of a watershed district as established or changed must define contiguous areas. The boundaries may include all or part of one or more watersheds or counties.

Subd. 2. **Procedure.** The boundaries of a watershed district may be changed as provided in this section, and for a watershed district entirely within the metropolitan area the boundary may also be changed as provided in sections 103B.215 and 103B.225.

Subd. 3. **Initiation.** A proceeding to change the boundary of a watershed district must be initiated by a petition to the board requesting the boundary change.

Subd. 4. **Petition.** A petition for a watershed district boundary change must state:

(1) the names of watershed districts affected by the proposed boundary changes;

(2) a description, in general terms, of the property affected by the proposed boundary change;

(3) reasons why the proposed boundary change would benefit the affected watershed districts;

(4) by illustration in a map, the proposed boundary change, including watershed districts affected by the proposed boundary change; and

(5) a request for the board to establish the proposed boundary change.

Subd. 5. **Petition signatures.** (a) A petition for a watershed boundary change must be signed by:

(1) at least one-half of the counties within the proposed watershed district if the boundary change were adopted;

(2) counties having at least 50 percent of the area within the proposed watershed district if the boundary change were adopted;

(3) a majority of the cities within the proposed watershed district if the boundary change were adopted;

(4) at least 50 resident owners or 50 percent of resident owners, whichever is less, in the area to be added or removed by the proposed boundary change if it were adopted, excluding resident owners within the corporate limits of a city, if the city has signed the petition; or

(5) the managers of a watershed district affected by the proposed boundary change.

(b) The managers must pass a resolution authorizing the boundary change before the managers sign a petition for a boundary change.

Subd. 6. **Hearing.** The board must set a time and location for a hearing and give notice of the hearing in the same manner as an establishment hearing. The board must also give notice of the hearing by mail at least ten days before the hearing to the watershed district affected by the proposed boundary change. If a petition for a boundary change involves a common boundary of two or more watershed districts, the board must determine the watershed district where the hearing will be held.

Subd. 7. **Establishing boundary change.** (a) After the hearing on the petition for a boundary change, the board must establish the proposed boundary change, by order, if the board determines that establishment

of the proposed boundary change would benefit the public welfare and public interest and the proposed boundary change would advance the purpose of this chapter.

(b) In the order establishing the boundary change, the board must include:

(1) the findings of the board supporting its determination to establish the boundary change; and

(2) the boundaries of watershed districts affected by the boundary change.

(c) The board must file a certified copy of the findings and order establishing the boundary change with the secretary of state and, at the same time, mail a copy of the order to the auditors of counties affected by the change, the commissioner, the director, and the managers of watershed districts affected by the change.

(d) The boundary change is effective the day the certified order establishing the boundary change is filed with the secretary of state.

Subd. 8. **Dismissal of proceedings.** If the board determines that a watershed district boundary change would not benefit the public welfare and public interest or would not serve the purposes of this chapter, the board must, by order, dismiss proceedings to change a watershed district boundary. A copy of the order dismissing the boundary change proceedings must be mailed to auditors of counties affected by the proposed boundary change, the commissioner, the director, and the boards of managers of watershed districts affected by the proposed boundary change.

History: *1990 c 391 art 4 s 13; 2024 c 90 art 3 s 22,23*

103D.255 WITHDRAWING TERRITORY.

Subdivision 1. **Petition.** (a) Proceedings to withdraw territory from an existing watershed district must be initiated by a petition filed with the board.

(b) A majority of the managers may file a petition for withdrawal. Otherwise, the required signatures on a petition for withdrawal are the same as prescribed for an establishment petition, but the percentages must be calculated only with reference to the territory that is proposed to be withdrawn from the watershed district.

(c) The petition must state that:

(1) the territory described has not received or will not receive any benefits from the operation of the watershed districts;

(2) the watershed district can perform the functions for which it was established without the inclusion of the territory; and

(3) the territory is not, in fact, a part of the watershed.

(d) The petition must request the release of the described territory from the watershed district.

(e) The petition must be served on the board and any affected watershed district, and the board shall proceed as prescribed for an establishment petition. The requirements for notices and public hearings are as prescribed for the establishment petition. The board must also give notice of the hearing by mail at least ten days before the hearing to each watershed district affected by the proposed withdrawal of territory.

Subd. 2. **Board's order of withdrawal.** (a) After the hearing, the board may issue an order releasing the territory, or a part of the territory, as described in the petition, if the board determines that:

(1) the territory described in the petition has not received and will not receive any benefit from the operation of the watershed district;

(2) the watershed district can perform the functions for which it was established without the inclusion of the territory; and

(3) the territory is not, in fact, a part of the watershed.

(b) Property may not be released that has been determined subject to benefits or damages for a project previously constructed.

(c) Property released remains liable for the proportionate share of any indebtedness existing at the time of the order. Levies on the property released continue in force until fully paid.

(d) If the board determines that the order prescribing the distribution of managers should be amended following the withdrawal of any territory, the board may direct redistribution of managers in the order authorizing the withdrawal.

(e) The board must file a certified copy of the findings and order of withdrawal with the secretary of state, the auditor of each county affected by the watershed district, the commissioner, and the watershed district.

History: *1990 c 391 art 4 s 14; 1995 c 199 s 5; 2024 c 90 art 3 s 24*

103D.261 PROCEEDINGS TO ENLARGE WATERSHED DISTRICT.

Subdivision 1. **Petition.** (a) Proceedings to enlarge an existing watershed district must be initiated by a petition filed with the board. A majority of the managers may file a petition. Otherwise, the required signatures on a petition to enlarge are the same as for an establishment petition, but the percentages must be calculated only with reference to the territory that is proposed to be added to the watershed district. The petition must:

(1) state that the area to be added is contiguous to the existing watershed district;

(2) state that the area can be feasibly administered by the managers of the existing watershed district;

(3) state reasons why adding the area to the existing watershed district would be conducive to the public health and welfare;

(4) include a map of the affected area;

(5) state the name of the proposed enlarged watershed district, if other than that of the existing watershed district; and

(6) state a request for the addition of the proposed territory.

(b) The petition must be served on the board and affected watershed districts, and the board must proceed as prescribed for an establishment petition.

(c) The requirement of notice and public hearings is as prescribed for the establishment petition. The board must also give notice of the hearing by mail at least ten days before the hearing to each watershed district affected by the proposed enlargement.

Subd. 2. **Board order.** (a) After the hearing, if the board determines that the enlargement of the watershed district as asked for in the petition would be for the public welfare and public interest and the purpose of this chapter would be served, the board shall, by making findings and an order, enlarge the watershed district

and file a certified copy of the findings and order with the secretary of state, the auditor of each county affected by the watershed district, the director, and the watershed district.

(b) The name of the watershed district may be changed by order of the board if requested in the petition to enlarge the watershed district.

Subd. 3. **Distribution of managers in enlarged watershed district.** If the enlarged watershed district affects more than one county, the distribution of the managers among the counties affected shall be as directed by the board in the order enlarging the watershed district.

History: *1990 c 391 art 4 s 15; 1995 c 199 s 6; 2024 c 90 art 3 s 25,26*

103D.265 CONSOLIDATING DISTRICTS.

Subdivision 1. **Petition.** (a) Proceedings for the consolidation of two or more watershed districts must be initiated by a petition filed with the board.

(b) The petition must be signed by each watershed district affected and state:

(1) the names of the watershed districts to be consolidated;

(2) that the watershed districts are adjoining;

(3) that the consolidated watershed districts can be feasibly administered as one watershed district;

(4) the proposed name of the consolidated watershed district;

(5) the reasons why it would be conducive to the public health, convenience and welfare to consolidate the watershed districts; and

(6) a request for the consolidation.

(c) The petition must be served and the board shall proceed as prescribed for an establishment petition. The requirement of notice and public hearings are as prescribed for the establishment petition.

Subd. 2. **Board's order and findings.** (a) After the hearing, if the board determines that consolidation of the watershed districts as asked in the petition would serve the public welfare, public interest, and the purpose of this chapter, the board shall, by its findings and order, consolidate the watershed districts.

(b) The board shall file a certified copy of the findings and order with the secretary of state.

(c) The name of the watershed district may be changed by order of the board.

Subd. 3. **New managers.** (a) The term of office of the managers of the consolidated watershed districts ends on the date of the order of consolidation. Distribution of the managers of the consolidated watershed district shall be as directed by the board in the order of consolidation.

(b) Five managers of the consolidated watershed district must be appointed from the managers of the consolidated watershed districts. Their first term shall be for one year. After the first year, the managers must be appointed as provided in this chapter.

Subd. 4. **Watershed district assets and liabilities.** (a) The real and personal property assets of the watershed districts involved and all legally valid and enforceable claims and contract obligations of the watershed districts pass to the new watershed district.

(b) Levies on the property of the watershed districts consolidated continue in force until fully paid.

(c) Property in the watershed districts remains liable for its proportionate share of indebtedness existing at the time of the order.

Subd. 5. **New plan.** The watershed management plans of the watershed districts that were consolidated become the watershed management plan of the consolidated watershed district.

History: *1990 c 391 art 4 s 16*

TERMINATION

103D.271 PROCEDURE FOR TERMINATING WATERSHED DISTRICT.

Subdivision 1. **Procedure.** A watershed district may be terminated under this section, and a watershed district entirely within the metropolitan area may also be terminated under sections 103B.221 and 103B.225.

Subd. 2. **Initiation.** Proceedings for the termination of a watershed district may only be initiated by filing a termination petition with the board.

Subd. 3. **Frequency of termination petition.** The board may not accept a termination petition within five years from the date of a watershed district's establishment. The board may not make determinations or accept termination petitions for watershed districts more than once in five years.

Subd. 4. **Termination petition.** (a) The termination petition must be signed by at least 25 percent of the resident owners residing in the watershed district. The termination petition must state that the existence of the watershed district does not benefit the public welfare and public interest and the watershed district is not needed to accomplish the purposes of this chapter.

(b) The petitioners must file a copy of the termination petition with the auditors of the counties affected by the watershed district. The original termination petition with a statement signed for delivery or receipt of each of the termination petitions submitted to the auditors of counties affected by the watershed district must be filed with the board.

Subd. 5. **Auditor's determination of resident owners.** An auditor who receives a termination petition must determine from the tax records whether the petitioners are resident owners within the watershed district. The auditor must certify the number of petitioners that are resident owners and file the certification with the board.

Subd. 6. MS 2004 [Repealed, 2006 c 281 art 3 s 20]

Subd. 7. **Termination hearing order.** When the board determines a termination petition has been filed that meets the requirements of subdivisions 4 and 5, the board must, by order within 35 days of its determination, set a time and location within the watershed district for a termination hearing or, if publicly accessible facilities are not available within the watershed district, at the nearest suitable publicly accessible facility. The board must have each manager of the watershed district personally served with a copy of the order.

Subd. 8. **Hearing notice.** (a) The board must give notice of the termination hearing by publication in a legal newspaper that is published in counties affected by the watershed district. The last publication must occur at least ten days before the termination hearing.

(b) The board must give notice of the termination hearing by mail to the auditors of counties and to the chief executive officials of municipalities affected by the watershed district.

(c) The notice must include:

(1) a statement that a termination petition has been filed with the board and auditors of the counties affected by the watershed district;

(2) a general description of why the watershed district is to be terminated;

(3) a general description of the property within the watershed district;

(4) the date, time, and location of the hearing; and

(5) a statement that all persons affected by or interested in the watershed district may attend and give statements at the termination hearing.

Subd. 9. **Termination hearing.** The board must allow all persons affected by or interested in the watershed district to make oral and written statements at the termination hearing. The board may continue the termination hearing.

Subd. 10. **Termination order.** (a) If, after the termination hearing, the board determines that the existence of the watershed district does not benefit the public welfare and public interest and the watershed district is not needed to accomplish the purpose of this chapter, the board must issue a termination order.

(b) The termination order must include findings that support termination of the watershed district and a statement that the watershed district is terminated.

(c) The board must file a certified copy of the termination order with the secretary of state.

(d) A watershed district ceases to be a political subdivision and ceases to exist when a termination order for the watershed district is filed with the secretary of state.

History: *1990 c 391 art 4 s 17; 1995 c 199 s 7,8; 2006 c 281 art 3 s 15; 2024 c 90 art 3 s 27; 2025 c 20 s 70*

MANAGERS

103D.301 DISTRIBUTION OF MANAGER POSITIONS.

Subdivision 1. **More than one affected county.** If more than one county is affected by a watershed district, the board must provide that managers are distributed by residence among the counties affected by the watershed district and in consideration of the counties' portion of the land area and net tax capacity of the watershed.

Subd. 2. **More than five affected counties.** If more than five counties are affected by a watershed district, the board may provide for the orderly distribution of the managers by identifying the manager areas within the watershed district and selecting the county board of commissioners for each manager's area to appoint a manager.

Subd. 3. **Redistribution.** (a) After ten years from the establishment of the watershed district, the county board of commissioners of a county affected by the watershed district may petition the board to redistribute the managers. After holding a public hearing on redistributing the managers, the board may redistribute the

managers among the counties affected by the watershed district if the redistribution is in accordance with the policy and purposes of this chapter.

(b) A petition for the redistribution of managers may not be filed with the board more often than once in ten years.

(c) If more than one county is affected by a watershed district, the board must distribute the one-, two-, and three-year terms among counties affected by the watershed district. The board may redistribute the three-year terms upon redistributing the managers among the affected counties or upon increasing the number of managers.

History: *1990 c 391 art 4 s 18; 2024 c 90 art 3 s 28,29*

103D.305 INCREASING NUMBER OF MANAGERS.

Subdivision 1. **Initiation.** A proceeding to increase the number of managers of a watershed district must be initiated by filing a petition with the board.

Subd. 2. **Petition signatures.** The petition to increase the number of managers must request the increase and be signed by one or more of the following groups:

(1) one-half or more of the counties within the watershed district;

(2) counties with 50 percent or more of the area within the watershed district;

(3) a majority or greater number of the cities within the watershed district;

(4) 50 or more resident owners residing in the watershed district, excluding resident owners within the corporate limits of a city if the city has signed the petition; or

(5) the managers of the watershed district, by resolution adopted by a majority of the managers of the watershed district.

Subd. 3. **Hearing order.** When the board receives a petition to increase the number of managers of a watershed district, the board must order a hearing on the petition.

Subd. 4. **Hearing notice.** (a) The board must give notice of the hearing to increase the number of managers by publication in a legal newspaper published in counties affected by the watershed district. The last publication must occur at least ten days before the hearing.

(b) The board must give notice of the hearing by mail to the auditors of counties and to the chief executive officials of municipalities affected by the watershed district.

(c) The notice must include:

(1) a statement that a petition to increase the number of managers of the watershed district has been filed with the board;

(2) a general description of the purpose of the watershed district;

(3) a general description of the property in the watershed district;

(4) the date, time, and location of the hearing; and

(5) a statement that all persons affected or interested in the watershed district may attend and give statements at the hearing.

Subd. 5. **Hearing.** (a) If the board determines at the hearing that an increase in the number of managers would benefit the public welfare, public interest, and the purpose of this chapter, the board must increase the number of managers. The board must make findings and an order accordingly and file a certified copy of the findings and order with the secretary of state, the auditor of each county affected by the watershed district, the director, and the watershed district. The board's order must prescribe the terms for the new managers to be appointed by the designated county board or boards.

(b) If the watershed district affects more than one county, the board, by order, must direct the distribution of the managers among the affected counties.

History: *1990 c 391 art 4 s 19; 1995 c 199 s 9; 2024 c 90 art 3 s 30,31*

103D.311 APPOINTING MANAGERS.

Subdivision 1. **Manager qualifications.** A person may not be appointed as a manager who:

(1) is not a voting resident of the watershed district; and

(2) is a public officer of the county, state, or federal government, except that a soil and water conservation supervisor may be a manager.

Subd. 2. **Appointment.** (a) At least 30 days before the terms of office of the first managers named by the board expire, the county commissioners of each county responsible for appointing a manager to the watershed district must meet and appoint successors.

(b) The county commissioners must meet at least 30 days before the term of office of any manager expires and appoint a successor.

(c) A vacancy occurring in an office of a manager must be filled by the appointing county board.

(d) Appointing county boards shall provide public notice before making appointments. Published notice must be given at least once by publication in a newspaper of general circulation in the watershed district at least 15 days before an appointment or reappointment is made. The notice must state that persons interested in being appointed to serve as a watershed district manager may submit their names to the county board for consideration.

Subd. 3. **Nominees for city-initiated and metropolitan watershed districts.** (a) If the establishment petition that initiated the watershed district originated from a majority of the cities within the watershed district, the county commissioners must appoint the managers from a list of persons nominated by one or more of the townships and municipalities located within the watershed district. If the district is wholly within the metropolitan area, the county commissioners shall appoint the managers from a list of persons nominated jointly or severally by the towns and municipalities within the district. The list must contain at least three nominees for each manager's position to be filled. The list must be submitted to the county boards affected by the watershed district at least 60 days before the manager's term of office expires. The county commissioners may appoint any managers from towns and municipalities that fail to submit a list of nominees.

(b) If the list is not submitted 60 days before the managers' terms of office expire, the county commissioners must appoint the managers from eligible persons residing in the watershed district.

(c) Managers of a watershed district entirely within the metropolitan area must be appointed to fairly represent the various hydrologic areas within the watershed district by residence of the manager appointed.

Subd. 4. **Record of appointed managers.** A record of all appointments made under this section must be filed with the county auditor of each county affected by the watershed district, the secretary or administrator of the board of managers, and the Board of Water and Soil Resources.

History: *1990 c 391 art 4 s 20; 1990 c 601 s 3; 1992 c 466 s 1,2; 1995 c 199 s 10; 2024 c 90 art 3 s 32*

103D.315 MANAGERS.

Subdivision 1. **Oath.** Each manager must take and sign the oath defined in the Minnesota Constitution, article V, section 6. The signed oath must be filed with the board.

Subd. 2. **Bond.** (a) Each manager must file a bond with the board before assuming the manager's duties. The bond may be:

(1) a personal bond for each manager;

(2) a schedule or position bond or undertaking by the managers of the watershed district; or

(3) a single corporate surety fidelity, schedule or position bond or undertaking covering all managers and employees of the watershed district, including officers and employees required by law to furnish an individual bond or undertaking.

(b) The amount of the bond for managers is $1,000, unless increased by the board. The amount of the bond for officers and employees of the watershed district is the amount set by law or by the person or board authorized to set the amounts.

(c) The bond must be conditioned substantially as provided in section 574.13.

(d) The premium for the bond must be paid by the watershed district.

Subd. 3. **Officers.** After filing the bond, the managers must elect different managers as president, secretary, and treasurer. The managers must fill vacancies occurring in the officers' positions. The managers must provide the necessary books, records, furniture, and equipment for the officers to perform their official duties.

Subd. 4. MS 2022 [Repealed, 2024 c 90 art 3 s 88]

Subd. 5. **Records.** The managers must keep efficient records of all proceedings, minutes, certificates, contracts, bonds of the board's employees, and all other business transacted or action taken by the managers. The records must be open to inspection by the property owners within the watershed district and all other interested parties at all reasonable times.

Subd. 6. **Terms of office.** The term of office for a manager is three years except for the first board of managers appointed by the state board and the first board appointed by the county board. A manager's term continues until a successor is appointed and qualified.

Subd. 7. **Vacancies.** The provisions of section 351.02 regarding vacancies apply to members of the board of managers.

Subd. 8. **Compensation.** The compensation of managers for meetings and for performance of other necessary duties may not exceed $125 a day. Managers are entitled to reimbursement for traveling and other necessary expenses incurred in the performance of official duties.

Subd. 9. **First meeting of managers.** (a) Within 30 days after the first board of managers has received notice by personal service of their selection, the managers must meet at the watershed district's principal place of business.

(b) At the first meeting, the managers must take the oath under subdivision 1, provide a bond under subdivision 2, elect officers under subdivision 3, and appoint an advisory committee under section 103D.331.

Subd. 10. **Meetings.** The managers shall meet annually and at other necessary times to transact the business of the watershed district. A meeting may be called at any time at the request of any manager according to chapter 13D.

Subd. 11. **Administration bylaws.** The managers shall adopt bylaws for the administration of the business and affairs of the watershed district. Bylaws adopted under this subdivision are not subject to section 103D.341.

History: *1990 c 391 art 4 s 21; 1995 c 199 s 11-13; 2005 c 103 s 1; 1Sp2019 c 4 art 3 s 77; 2024 c 90 art 3 s 33,34*

103D.321 PRINCIPAL PLACE OF BUSINESS.

Subdivision 1. **Unavailable public facilities.** If publicly accessible facilities are not available for a watershed district's principal place of business within the watershed district, the board shall determine and designate the nearest suitable publicly accessible facility as the watershed district's principal place of business. The principal place of business is the location of the watershed district's office or, if the district has no office, the location of regular meetings of the board of managers.

Subd. 2. **Change of principal place of business.** (a) The managers may initiate a change of the principal place of business to a different location within the watershed district by passing a resolution stating the proposed change of location. After passing the resolution, the managers must set a time and location for a hearing on the change of the principal place of business.

(b) The managers must give notice of the hearing by publication in a legal newspaper, published in the counties affected by the watershed district, with the last publication occurring at least ten days before the hearing. Notice of the hearing must be mailed to the auditors of counties affected by the watershed district ten days before the hearing. After the hearing, the managers may, by order, change the place of business.

(c) The change of the principal place of business of the watershed district is effective when a certified copy of the managers' order is filed with the secretary of state and the board.

History: *1990 c 391 art 4 s 22; 1995 c 199 s 14; 2024 c 90 art 3 s 35*

103D.325 EMPLOYEES.

Subdivision 1. **Employment authority.** The managers may employ a chief engineer, professional assistants, and other employees, and provide for their qualifications, duties, and compensation.

Subd. 2. **Bond.** The managers may require an officer or employee of the watershed district to give a bond for the faithful performance of duties in an amount prescribed by the manager. The cost of the bond must be paid from the funds of the watershed district.

Subd. 3. **Chief engineer.** The chief engineer is superintendent of all the works and improvements undertaken by the district. The chief engineer must make a full engineer's report to the managers each year, and more often if necessary. A copy of the engineer's report and all recommendations by the chief engineer must be transmitted to the managers and the director.

Subd. 4. **Credit card use.** The managers may authorize the use of a credit card by any watershed district officer or employee otherwise authorized to make a purchase on behalf of the watershed district. If a watershed district officer or employee makes a purchase by credit card that is not approved by the managers, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or watershed district policy applicable to watershed district purchases.

History: *1990 c 391 art 4 s 23; 2007 c 57 art 1 s 106*

103D.331 ADVISORY COMMITTEE.

Subdivision 1. **Purpose.** The managers must annually appoint an advisory committee to advise and assist the managers on all matters affecting the interests of the watershed district and make recommendations to the managers on all contemplated projects and improvements in the watershed district.

Subd. 1a. **Duties.** For purposes of carrying out its duties under this section the advisory committee shall:

(1) elect a chair from its membership;

(2) elect a recorder from its membership;

(3) establish a meeting schedule, which at a minimum meets annually;

(4) consider issues pertinent to the functions and purposes of the watershed district;

(5) review and comment on reports, minutes, activities, and proposed projects of the managers; and

(6) report to the managers the general content of advisory committee meetings and resulting recommendations.

Subd. 2. **Members.** (a) The advisory committee consists of at least five members. If practicable, the advisory committee members selected should include a representative from each soil and water conservation district, a representative of each county, a member of a sporting organization, a member of a farm organization, and a representative of each federally recognized Tribal government within the watershed district. Other advisory committee members may be appointed at the discretion of the managers. The members must be residents of the watershed district, except representatives from Tribal Nations, soil and water conservation districts, and counties, and serve at the pleasure of the managers.

(b) In addition, the managers may appoint other interested and technical persons who may or may not reside within the watershed district to serve at the pleasure of the managers.

Subd. 3. **Expense reimbursement.** The managers may reimburse members of the advisory committee for actual traveling and other necessary expenses incurred in the performance of duties in the amount as provided for state employees.

History: *1990 c 391 art 4 s 24; 1995 c 199 s 15; 2024 c 90 art 3 s 36*

103D.335 DISTRICT AND MANAGERS' POWERS.

Subdivision 1. **General powers.** A watershed district has the power, to the extent necessary for lawful conservation purposes:

(1) to sue and be sued;

(2) to incur debts, liabilities, and obligations;

(3) to exercise the power of eminent domain;

(4) to provide for assessments and to issue certificates, warrants, and bonds; and

(5) to perform all acts expressly authorized, and all other acts necessary and proper for the watershed district to carry out and exercise the powers expressly vested in it.

Subd. 2. **Joint powers.** Section 471.59 relating to joint power authority applies to watershed districts organized under this chapter.

Subd. 3. **Acquisition and disposition of property from state and federal agencies.** Section 471.64 relating to acquisition and disposition of property from the United States and state agencies applies to watershed districts organized under this chapter.

Subd. 4. **General managers' powers.** (a) The managers may use the powers in subdivisions 5 to 23 to implement this chapter.

(b) The exercise of the managers' powers is subject to review by the board as provided in this chapter.

Subd. 5. **Data acquisition.** The managers may:

(1) make necessary surveys or use other reliable surveys and data and develop projects and programs to acquire data to accomplish the purposes for which the watershed district is organized; and

(2) establish and maintain devices for acquiring and recording hydrological and water quality data.

Subd. 6. **Projects not requiring petition.** The managers may initiate, undertake, and implement projects not required to be instituted by a petition under section 103D.701.

Subd. 7. **Cooperation with other entities.** The managers may cooperate or contract with any state or subdivision of a state or federal agency, private corporation, political subdivision, or cooperative association.

Subd. 8. **Ditch and watercourse work.** The managers may construct, clean, repair, alter, abandon, consolidate, reclaim, or change the course or terminus of any public ditch, drain, sewer, river, watercourse, natural or artificial, within the watershed district.

Subd. 9. **Water control works.** The managers may acquire, operate, construct, and maintain dams, dikes, reservoirs, water supply systems, and appurtenant works.

Subd. 10. **Water use and conservation.** The managers may regulate, conserve, and control the use of water within the watershed district.

Subd. 11. **Acquiring or disposing of property.** The managers may acquire by gift, purchase, taking under the procedures of this chapter, or by the power of eminent domain, necessary real and personal property. The managers may dispose of real or personal property when the property no longer serves a purpose of the

watershed district. The watershed district may acquire property outside the watershed district where necessary for a water supply system.

Subd. 12. **Insurance.** The managers may contract for or purchase insurance the managers find necessary for the protection of the watershed district.

Subd. 13. **Contracts.** The managers may enter into contracts of construction or implementation authorized by this chapter.

Subd. 14. **Entry on lands.** The managers may enter lands inside or outside the watershed district to make surveys and investigations to accomplish the purposes of the watershed district. The watershed district is liable for actual damages resulting from entry.

Subd. 15. **County drainage systems.** The managers may take over when directed by a drainage authority all joint county or county drainage systems within the watershed district, together with the right to repair, maintain, and improve them.

Subd. 16. **Sanitation and pollution prevention.** The managers may provide for sanitation and public health and regulate the use of streams, ditches, or watercourses to dispose of waste and prevent pollution.

Subd. 17. **Borrowing funds.** The managers may borrow funds from an agency of the federal government, a state agency, a county where the watershed district is located in whole or in part, or a financial institution authorized under chapter 47 to do business in this state. A county board may lend the amount requested by a watershed district. A watershed district may not have more than a total of $2,000,000 in loans from counties and financial institutions under this subdivision outstanding at any time.

Subd. 18. **Floodplain maps.** The managers may prepare a floodplain map of the lands of the watershed district that are in the floodplain of lakes and watercourses. The map must be made available to the counties and local municipalities for inclusion in floodplain ordinances. It must conform to rules of the commissioner setting standards for designation of floodplain areas.

Subd. 19. **Open space and greenbelts.** (a) The managers may prepare an open space and greenbelt map of the lands of the watershed district that should be preserved and included in the open space and greenbelt land areas of the watershed district. The map must be made available to the counties and local municipalities for inclusion in floodplain and shoreland ordinances.

(b) The managers may control the use and development of land in the floodplain and the greenbelt and open space areas of the watershed district.

(c) The managers may adopt, amend, or repeal rules to control encroachments, the changing of land contours, the placement of fill and structures, and the placement of encumbrances or obstructions, and may require a landowner to remove fill, structures, encumbrances, or other obstructions and restore the previously existing land contours and vegetation. The managers may by rule provide a procedure for the watershed district to do the work required and assess its cost against the affected property as a special assessment. The rules apply only in the absence of county or municipal ordinances regulating the items set forth in this subdivision.

(d) The rules must be adopted in accordance with section 103D.341. Except as provided in section 103D.345, subdivision 3, rules adopted under this subdivision apply to the state.

Subd. 20. **State association membership.** The managers may appropriate necessary funds to provide for membership in a state association of watershed districts whose purpose is to improve watershed governmental operations.

Subd. 21. **Contracts.** (a) The managers may make contracts or other arrangements with the federal government, persons, railroads or other corporations, political subdivisions, and the state or other states, with drainage authorities, flood control, soil conservation, or other improvement districts in this state or other states, for cooperation or assistance in constructing, maintaining, and operating the projects of the watershed district, or for the control of its waters, or for making surveys and investigations or reports on them.

(b) Property acquired for flood damage reduction purposes by the watershed district may be operated or leased by the district for agricultural purposes during periods the property is not needed for flood control, provided it remains subject to use by the watershed district as necessary for flood control purposes. Notwithstanding section 16A.695, revenue received by the watershed district from the operation or lease of state-bond-financed property acquired for flood control purposes shall be retained by the district in a separate project-specific account and used solely for flood control operation, maintenance, and replacement purposes within the related project area and, if the district determines that the account contains adequate reserves for future operation, maintenance, and replacement, any excess may be used for the construction, operation, maintenance, or replacement of other flood control projects as approved by the commissioner.

Subd. 22. **Projects in other states.** The managers may purchase, lease, or acquire land or other property in adjoining states to secure outlets, to construct and maintain dikes or dams or other structures for the purposes of this chapter.

Subd. 23. **Metropolitan watershed districts.** (a) A watershed district located wholly within the metropolitan area has the duties and powers in section 103B.211.

(b) Notwithstanding any contrary provision of this section, a watershed district located entirely within the metropolitan area may regulate the use and development of land only under the conditions specified in section 103B.211, subdivision 1.

Subd. 24. **Exemption from political subdivision permit fees.** A watershed district is exempt from fees charged by political subdivisions for permits required for activities conducted under subdivisions 8 to 10.

Subd. 25. **Water resource management activities.** The managers may conduct studies and monitoring of water resources within the watershed district and implement water resource management programs.

History: *1990 c 391 art 4 s 25; 1992 c 466 s 3; 1995 c 199 s 16-20; 1995 c 220 s 92; 2006 c 214 s 20; 2008 c 179 s 32; 2010 c 389 art 7 s 1; 1Sp2015 c 4 art 4 s 76; 2024 c 90 art 3 s 37; 2025 c 20 s 71,72*

103D.337 TECHNICAL ADVISORY COMMITTEES.

For a district wholly within the metropolitan area, the board of managers shall establish a technical advisory committee consisting of representatives of affected statutory and home rule charter cities, counties, and soil and water conservation districts.

History: *1990 c 601 s 4*

103D.341 RULES.

Subdivision 1. **Requirement.** The managers must adopt rules to implement the regulatory powers of the managers.

Subd. 2. **Procedure.** (a) Rules of the watershed district must be adopted or amended by a majority vote of the managers, after public notice and hearing. Rules must be signed by the secretary of the board of managers and recorded in the board of managers' official minute book.

(b) Prior to adoption, the proposed rule or amendment to the rule must be submitted to the board for review and comment. The board's review shall be considered advisory. The board shall have 45 days from receipt of the proposed rule or amendment to the rule to provide its comments in writing to the watershed district. Proposed rules or amendments to the rule shall also be noticed for review and comment to all public transportation authorities that have jurisdiction within the watershed district at least 45 days prior to adoption. The public transportation authorities have 45 days from receipt of the proposed rule or amendment to the rule to provide comments in writing to the watershed district.

(c) For each county affected by the watershed district, the managers must publish a notice of hearings and adopted rules in one or more legal newspapers published in the county and generally circulated in the watershed district. The managers must also provide written notice of adopted or amended rules to public transportation authorities that have jurisdiction within the watershed district. The managers must file adopted rules with the county recorder of each county affected by the watershed district and the board.

(d) The managers must mail a copy of the rules to the governing body of each municipality affected by the watershed district.

Subd. 3. **Rule affecting city; notice.** A rule or resolution that affects land or water within the boundaries of a city is not effective within the city's boundaries until the governing body of the city is notified.

History: *1990 c 391 art 4 s 26; 1995 c 199 s 21; 2003 c 128 art 1 s 107; 2024 c 90 art 3 s 38*

103D.345 PERMITS.

Subdivision 1. **Application fee.** A person applying for a permit required by the managers under a rule controlling the use and development of land in the floodplain, greenbelt, and open space areas of the watershed district must accompany the application with a permit application fee to defray the cost of recording and processing the application. The managers may set the fee not to exceed $10.

Subd. 2. **Field inspection fee.** The managers may charge, in addition, a field inspection fee of at least $35. The inspection fee must be used to cover actual costs related to a field inspection. Inspection costs include investigation of the area affected by the proposed activity, analysis of the proposed activity, services of a consultant, and any required subsequent monitoring of the proposed activity. Costs of monitoring an activity authorized by permit may be charged and collected as necessary after issuance of the permit.

Subd. 3. **Government agencies exempt.** The fees in subdivisions 1 and 2 may not be charged to the federal government, the state, or a political subdivision.

Subd. 4. **Bond; financial assurance.** The managers may require an applicant for a permit to file a bond or other form of financial assurance with the managers in an amount set by the managers and conditioned on performance by the applicant of authorized activities in conformance with the terms of the permit.

Subd. 5. **Applicability of permit requirements to state.** A rule adopted by the managers that requires a permit for an activity applies to the Department of Transportation.

Subd. 6. **General permits.** A watershed district may issue general permits for public transportation projects for work on existing roads.

History: *1990 c 391 art 4 s 27; 1996 c 407 s 42; 2003 c 128 art 1 s 108; 2024 c 90 art 3 s 39*

103D.351 ANNUAL REPORT.

(a) The managers must prepare a yearly report of the financial conditions of the watershed 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 managers' plans for the succeeding year.

(b) Copies of the report must be transmitted to the Board of Water and Soil Resources, the commissioner, and the director within a reasonable time.

History: *1990 c 391 art 4 s 28; 1995 c 199 s 22*

103D.355 ANNUAL AUDIT.

Subdivision 1. **Requirement.** The managers must have an annual audit completed of the books and accounts of the watershed district. The annual audit may be made by a private certified public accountant or by the state auditor. The managers must submit the annual audit report to the board and the state auditor's office within 180 days of the end of the watershed district's fiscal year.

Subd. 2. **Audit by state auditor.** (a) An audit by the state auditor may be initiated by a petition of the resident owners of the watershed district or resolution of the managers of the watershed district. The petition must request an annual audit pursuant to the authority granted municipalities under sections 6.54 and 6.55. The state auditor may conduct such examinations of accounts and records as the state auditor may deem the public interest to demand.

(b) If the audit or examination is made by the state auditor, the watershed district receiving the examination must pay the state the total cost and expenses of the examination, including the salaries paid to the examiners while actually engaged in making the examination. The general fund must be credited with all collections made for examinations under this subdivision.

Subd. 3. **Reports for state auditor.** The managers must make and submit reports demanded by the state auditor.

History: *1990 c 391 art 4 s 29; 1992 c 466 s 4; 2008 c 200 s 21; 2024 c 90 art 3 s 40*

103D.357 REMOVAL OF MANAGERS.

After being provided an opportunity for a hearing before the appointing authority, a manager of a watershed district may be removed from the position by a majority vote of the appointing authority before term expiration for violation of a code of ethics of the watershed district or appointing authority or for malfeasance, nonfeasance, or misfeasance.

History: *2024 c 90 art 3 s 41*

WATERSHED MANAGEMENT PLAN

103D.401 WATERSHED MANAGEMENT PLAN.

Subdivision 1. **Contents.** (a) The managers must adopt and maintain a watershed management plan to exercise the powers of a watershed district and fulfill the purposes for which a watershed district may be established. The watershed management plan must give a narrative description of existing water and water-related problems within the watershed district, possible solutions to the problems, and the general objectives of the watershed district. The watershed management plan must also conform closely with watershed management plan guidelines as adopted and amended from time to time by the Board of Water

and Soil Resources. The authority to adopt and maintain a watershed management plan under this section is retained notwithstanding a watershed district's participation in a comprehensive watershed management planning program under section 103B.801.

(b) The watershed management plan may include a separate section on proposed projects.

Subd. 2. **Reviewing draft plan.** The managers must send a copy of the proposed watershed management plan for a 60-day review and comment period to the county auditor of each county affected by the watershed district, the board, the director, the governing body of each municipality affected by the watershed district, and soil and water conservation districts affected by the watershed district. At least ten days before the public hearing, the watershed district must respond in writing to all comments by the reviewing parties.

Subd. 3. MS 2022 [Repealed by amendment, 2024 c 90 art 3 s 42]

Subd. 4. **Hearing notice.** (a) The managers must give notice and hold a hearing on the proposed watershed management plan no later than 60 days after the close of the 60-day review and comment period.

(b) The managers must give notice of the hearing by publication in a legal newspaper that is published in counties affected by the watershed district. The last publication must occur at least ten days before the hearing.

(c) The managers must give notice of the hearing by mail to the auditors of counties and to the chief executive officials of municipalities affected by the watershed district.

(d) The notice must include:

(1) a statement that a copy of the proposed watershed management plan has been filed with the board, the auditors of counties affected by the proposed watershed district, the commissioner, the director, the governing body of each municipality affected by the watershed district, and the soil and water conservation districts affected by the watershed district;

(2) a general description of the purpose of the watershed district;

(3) a general description of the property included in the watershed district;

(4) a general description of the proposed watershed management plan;

(5) the date, time, and location of the hearing; and

(6) a statement that all persons affected or interested in the watershed district may attend and give statements at the hearing.

Subd. 5. **Board approval.** (a) After the watershed management plan hearing, the managers must submit the draft plan, any amendments to the draft plan, all written comments received on the draft plan, a record of the public hearing, and a summary of changes incorporated as a result of the review process to the board for final review. The board must review the plan for conformance with this chapter.

(b) The board must not prescribe a plan but may disapprove all or parts of a plan that the board finds does not conform with this chapter. The board must complete its review within 90 days and, by order, approve, disapprove, or approve with conditions a watershed management plan for the watershed district.

(c) A watershed district may seek reconsideration of a decision of the board concerning its plan or capital improvement program within 60 days of receiving the decision by filing an appeal to the board's dispute resolution committee established under section 103B.101, subdivision 10. The dispute resolution committee

must complete its reconsideration and make a recommendation to the board, which must issue a final decision within 90 days of the appeal.

Subd. 6. **Adoption.** Within 120 days of the board's order, the managers must adopt a plan in compliance with the board's order. The managers must send a copy of the order and approved watershed management plan to the board, the county board of each county affected by the watershed district, the commissioner, the director, the governing body of each municipality affected by the watershed district, and soil and water conservation districts affected by the watershed district. The watershed management plan approved by the board and adopted by the managers is the watershed management plan for the watershed district.

Subd. 7. **Amendments.** (a) To the extent and in the manner required by the adopted plan, all amendments to the adopted plan must be submitted to the towns, cities, counties, and state review agencies and to the board for review according to subdivisions 2 to 5, except when the proposed amendments are determined to be minor amendments according to the following requirements:

(1) the board has either agreed that the amendments are minor or failed to act within five working days of the end of the comment period specified in clause (2), unless an extension is mutually agreed upon with the watershed district;

(2) the watershed district has sent copies of the amendments to the plan review authorities for review and comment, allowing at least 30 days for receipt of comments; has indicated that the minor amendment procedure is being followed; and has directed that comments be sent to the watershed district and the board;

(3) no county board has filed an objection to the amendments with the watershed district and the board within the comment period specified in clause (2), unless an extension is mutually agreed upon by the county and the watershed district; and

(4) the watershed district has held a public meeting to explain the amendments and published a legal notice of the meeting twice, at least seven days and 14 days before the date of the meeting.

(b) The following changes to a plan do not require an amendment, but must be distributed to agencies and local units of government receiving an adopted plan under subdivision 6:

(1) formatting or reorganizing the plan;

(2) revising a procedure meant to streamline administration of the plan;

(3) clarifying existing plan goals or policies;

(4) including additional data not requiring interpretation;

(5) expanding a public process; or

(6) adjusting how a watershed district carries out program activities within the district's discretion.

History: *1990 c 391 art 4 s 30; 1995 c 199 s 23,24; 2024 c 90 art 3 s 42*

103D.405 REVISED WATERSHED MANAGEMENT PLAN.

Subdivision 1. **Requirements.** (a) The managers must revise the watershed management plan for the watershed district at least once every ten years after the original watershed management plan is approved. The revised watershed management plan of the district must conform closely with adopted watershed management plan guidelines of the board.

(b) The managers must include the following items in the revised watershed management plan:

(1) updates and supplements of the existing hydrological and other statistical data of the watershed district;

(2) specific projects and programs to be considered for implementation;

(3) a statement of the extent that the purposes for which the watershed district had been established have been accomplished;

(4) a description of problems requiring future action by the watershed district;

(5) a summary of completed studies on active or planned projects, including financial data; and

(6) an analysis of the effectiveness of the watershed district's rules and permits in achieving its water management objectives in the watershed district.

Subd. 2. MS 2022 [Repealed, 2024 c 90 art 3 s 88]

Subd. 3. MS 2022 [Repealed, 2024 c 90 art 3 s 88]

Subd. 4. MS 2022 [Repealed, 2024 c 90 art 3 s 88]

Subd. 5. MS 2022 [Repealed, 2024 c 90 art 3 s 88]

Subd. 6. MS 2022 [Repealed, 2024 c 90 art 3 s 88]

History: *1990 c 391 art 4 s 31; 1995 c 199 s 25; 2003 c 128 art 1 s 109; 2024 c 90 art 3 s 43; 2025 c 20 s 73*

103D.411 MS 2022 [Repealed, 2024 c 90 art 3 s 88]

GENERAL PROVISIONS

103D.501 CONSTRUCTION AND ADMINISTRATION.

This chapter shall be construed and administered so as to make effective the purposes of section 103D.201, subdivision 1.

History: *1990 c 391 art 4 s 33*

103D.505 REFERENCE TO OTHER DRAINAGE LAWS.

If this chapter refers to particular sections of the drainage laws of this state, the sections and provisions shall, if consistent with this chapter, be treated and construed as having the same effect, so far as the provisions of this chapter are concerned, as though set forth in this chapter. Amendments of those laws passed after August 1, 1990, are applicable to this chapter.

History: *1990 c 391 art 4 s 34*

103D.511 CERTAIN CONDEMNATION PROVISIONS; APPLICABILITY.

Section 117.155 relating to payment of damages in a condemnation proceeding does not apply to a project financed by special assessment.

History: *1990 c 391 art 4 s 35*

103D.515 PREEXISTING AND IMPROVED WATER RIGHTS.

Subdivision 1. **Preexisting water rights recognized.** The rights of private or corporate landowners to use the waters of the watershed district for any purpose continue as the rights existed at the time of the organization of the watershed district.

Subd. 2. **Watershed district possesses improved rights.** All preexisting rights must be recognized by the managers, but if projects constructed by the watershed district make possible a greater, better, or more convenient use of or benefit from the waters of the watershed district for any purpose, the right to the greater use or benefit is the property of the watershed district.

Subd. 3. **Compensation for improved rights.** The watershed district may lease or assign the rights in return for reasonable compensation, as provided in this section.

Subd. 4. **Transferring rights; process.** Leases, assignments, permits, or contracts for the use of water shall be entered into only after the managers have reported to the board the terms and conditions of the lease, permit, or contract relative to the use of any watershed district property. The board shall give notice of the contract to all parties interested, by mail, and shall have notice of the application published. The notice must state the purpose of the application and the time and place of hearing on it. At the time of hearing the board shall hear all interested persons for or against the proposed contract and make an order accordingly on conditions and restrictions necessary to protect the interest of the watershed district and of the public.

History: *1990 c 391 art 4 s 36; 1995 c 199 s 26*

103D.521 RIGHTS ASSURED DUE PROCESS OF LAW.

A person may not be deprived or divested under this chapter of a previously established beneficial use or right without due process of law.

History: *1990 c 391 art 4 s 37*

103D.525 PROCEEDINGS AFTER FAULTY NOTICES.

Subdivision 1. **Jurisdiction retained.** If a notice is required for a hearing or proceeding before the board, managers, or district court, and the board, managers, or court find that proper notice was not given, the board, managers, or court do not lose jurisdiction and the proceedings are not invalid.

Subd. 2. **Proper notice to be given.** If the notice was defective, the board, managers, or court shall order proper notice to be given. The board, managers, or court shall continue the hearing until notice is properly given and then proceed as though notice had been properly given in the first instance.

Subd. 3. **Defective published notice.** If the original notice was faulty only with reference to publication as to certain tracts, only the persons interested in those particular tracts need be notified by a later notice. If the publication of a notice in a county was defective or not made in time, notice need be given only within the county where notice was defective.

History: *1990 c 391 art 4 s 38*

103D.531 CONTINUANCE OF HEARINGS.

If an order has been made and notice given for a hearing in a proceeding under this chapter, and the board, managers, or court fail to appear at the time and place specified, the board or the managers, or the court administrator of the district court shall continue the hearing to another date as necessary and notify

the board, managers, or the court of the continuance and the date of hearing. The matter shall be continued to that date without affecting the jurisdiction of the board, the managers, or the court.

History: *1990 c 391 art 4 s 39; 1995 c 199 s 27*

103D.535 APPELLATE PROCEDURES AND REVIEW.

Subdivision 1. **What can be appealed.** (a) Any party alone or jointly may appeal to the district court or to the board an order of the managers made in a proceeding relating to a project and entered in the watershed district's record that determines:

(1) the amount of benefits determined;

(2) the amount of damages allowed;

(3) the allowance of fees or expenses in any proceedings;

(4) a matter in the proceeding that affects a substantial right; or

(5) an order of the managers authorizing or refusing to establish a project in whole or in part.

(b) Actions of the managers that do not relate to projects, including actions related to permits and actions to enforce watershed district rules, are not reviewable under this section.

(c) Projects initiated and financed by watershed districts, wholly within the metropolitan area, under a state-approved and locally adopted surface water management plan under section 103B.201 are not reviewable under this section.

Subd. 2. **Amounts awarded on appeal.** On appeal, the amount awarded by the jury or the board as finally determined shall stand for and in the place of the amount from which the appeal was taken.

Subd. 3. **Appeals from managers' orders.** (a) If an appeal is taken from an order authorizing a project, a trial of an appeal of benefits or damages from the proceedings must be stayed until the appeal is decided. If the order authorizing the project is affirmed, a trial of an appeal of benefits or damages may commence.

(b) If the appeal is from an order refusing to authorize a project and the court or the board later orders the project, the secretary or administrator of the watershed district shall give notice by publication of the filing of the order. The notice is sufficient if it refers to the proposed project by general description and recites the substance of the order and the date of filing in the court.

Subd. 4. **Property other than appellant's own.** (a) A person or political subdivision appealing the amount of benefits or damages may include and have considered and determined benefits or damages affecting property other than that person's or political subdivision's own property.

(b) Notice of the appeal must be served on:

(1) the owner or occupant of the property not owned by the appellant or on the attorney who represented the other owner in the proceedings;

(2) the auditor of the county where the property is located; and

(3) on the court administrator of the district court of the county where the principal place of business of the watershed district is located, or on the board.

Subd. 5. **Notice of appeal.** (a) Before the appeal is heard by the court or board, the appellant must file a notice of appeal with the court administrator of the district court or the secretary of the board. The appeal must:

(1) be filed within 30 days of the date of the final order;

(2) state the grounds upon which the appeal is taken; and

(3) be accompanied by an appeal bond of at least $250 to the watershed district where the property is located.

(b) The bond must be approved by the court administrator of the district court or the board where the appeal is filed. The bond must be conditioned that the appellant will:

(1) make the appeal;

(2) pay all costs and disbursements that may be adjudged against the appellant; and

(3) comply with the order of the court or of the board where the appeal is filed.

Subd. 6. **Time and place of trial.** (a) The appeal must be tried by a jury, or by the board at a time and place set by the court or board. If the appeal is tried by a jury, the appeal must be tried and determined at the next term of the district court held within the county where the notice of appeal was filed, or in other counties where the appeal is heard, beginning after the filing of the appeal.

(b) An appeal takes precedence over all other civil matters.

(c) If there is more than one appeal to the board involving the same project, or if there is more than one appeal triable in one county, the court or the board may consolidate the appeals and try them together, but the rights of the appellants must be determined separately. Consolidation of the appeals may be made on the court's or board's own motion or on the motion of a party in interest.

Subd. 7. **Benefits outside county of district's office.** If there is an appeal relating to damages or benefits to property in a county other than the county where the principal place of business of the watershed district is located, on request of the appellant, the trial must be held at the next term of the district court of the county where the benefited or damaged property is located. The court administrator of the district court where the appeal is filed shall make a transcript of the papers and documents on file in the court administrator's office in the proceeding as they pertain to the matter for which the appeal is taken. The court administrator shall certify the transcript and file it in the office of the court administrator of the district court in the county where the appeal will be tried. After the final determination of the appeal, the court administrator of the district court where the action is tried shall certify and return the verdict to the district court of the county where the proceedings were initiated.

Subd. 8. **Appeal to board.** If the appeal is to the board, the board shall file its decision with the board's secretary. If the appeal is taken to the board from the order of the managers, the decision of the board may be reviewed by certiorari proceedings in the district court of a county where the proposed project lies in whole or in part.

Subd. 9. **Court referral of questions to board.** If an appeal is from the order of the managers and made to the district court, and the court determines that there are involved facts, circumstances, or matters especially within the knowledge, functions, or duties of the board, the court may refer to the board as referee questions of fact within the scope of the board's knowledge, functions, and duties. The board shall make its findings of fact upon the questions and report them back to the court.

Subd. 10. **Trial record.** The board shall make a record of all matters tried by the board on appeal or referred to it by the district court for findings of fact under this section. The record must meet the requirements of a record of the trial of a matter in district court.

Subd. 11. **Contested case procedure.** Proceedings before the board must conform to sections 14.57 to 14.62.

History: *1990 c 391 art 4 s 40; 1992 c 466 s 5; 1995 c 199 s 28-30; 2024 c 90 art 3 s 44*

103D.537 APPEALS OF RULES, PERMIT DECISIONS, AND ORDERS.

(a) Except as provided in section 103D.535, an interested party may appeal a permit decision or order made by the managers by a declaratory judgment action brought under chapter 555. An interested party may appeal a rule made by the managers by a declaratory judgment action brought under chapter 555 or by appeal to the board. The decision on appeal must be based on the record made in the proceeding before the managers. An appeal of a permit decision or order must be filed within 30 days of the managers' decision.

(b) In addition to the authorities identified in paragraph (a), a public transportation authority may appeal a watershed district permit decision to the board. The board shall, upon request of the public transportation authority, conduct an expedited appeal hearing within 30 days or less from the date of the appeal being accepted.

(c) By January 1, 2005, the board shall adopt rules governing appeals to the board under paragraphs (a) and (b). A decision of the board on appeal is subject to judicial review under sections 14.63 to 14.69. The rules authorized in this paragraph are exempt from the rulemaking provisions of chapter 14 except that section 14.386 applies and the proposed rules must be submitted to the members of senate and house of representatives environment and natural resource and transportation policy committees at least 30 days prior to being published in the State Register. The amended rules are effective for two years from the date of publication of the rules in the State Register unless they are superseded by permanent rules.

History: *1992 c 466 s 6; 1995 c 199 s 31; 2003 c 128 art 1 s 110*

103D.539 INFORMAL RESOLUTION OF DISPUTES.

An interested party may request a meeting with the dispute resolution committee of the Board of Water and Soil Resources to informally resolve a dispute before initiating a declaratory judgment action or an appeal under sections 103D.535 and 103D.537.

History: *1995 c 199 s 32*

103D.541 APPEAL OF COURT ORDER.

Subdivision 1. **Appeal authorized.** A party may appeal a court order as in other civil cases if aggrieved by a final order or judgment given on appeal to the district court or by the original order of the court made in proceedings heard and tried before the court.

Subd. 2. **Appeal of proceeding before managers.** In a proceeding before the managers for the repair, improvement, maintenance, consolidation, or abandonment of a project of the watershed district, the right of appeal is the same as in other civil cases.

History: *1990 c 391 art 4 s 41*

103D.545 ENFORCEMENT.

Subdivision 1. **Misdemeanor.** A violation of a provision of this chapter, a rule, order, or stipulation agreement made or a permit issued by the managers under this chapter is a misdemeanor.

Subd. 2. **Methods of enforcement.** A provision of this chapter, a rule, order, or stipulation agreement made or a permit issued by the managers under this chapter may be enforced by criminal prosecution, injunction, action to compel performance, restoration, abatement, and other appropriate action.

Subd. 3. **Attorney fees and costs.** In any civil action arising from or related to a rule, order, or stipulation agreement made or a permit issued or denied by the managers under this chapter, the court may award the prevailing party reasonable attorney fees and costs.

History: *1990 c 391 art 4 s 42; 1992 c 466 s 7*

103D.551 ENFORCING RULES AND ORDERS.

The district court may enforce the provisions of this chapter, and a rule adopted or order issued by the managers under this chapter by injunction or other appropriate order.

History: *1990 c 391 art 4 s 43*

103D.601 MS 2022 [Repealed, 2024 c 90 art 3 s 88]

103D.605 Subdivision 1. MS 2022 [Repealed, 2024 c 90 art 3 s 88]

Subd. 2. MS 2022 [Repealed, 2024 c 90 art 3 s 88]

Subd. 3. MS 2022 [Repealed, 2024 c 90 art 3 s 88]

Subd. 4. MS 2022 [Repealed, 2024 c 90 art 3 s 88]

Subd. 5. MS 2023 Supp [Repealed, 2024 c 90 art 3 s 88]

103D.611 MS 2022 [Repealed, 2024 c 90 art 3 s 88]

EMERGENCY PROJECTS

103D.615 EMERGENCY PROJECTS.

Subdivision 1. **Declaration of emergency.** If the managers find that conditions exist that present a clear and imminent danger to the health or welfare of the people of the watershed district, and that to delay action would prejudice the interests of the people of the watershed district or would be likely to cause irreparable harm, the managers may declare the existence of an emergency and designate the location, nature, and extent of the emergency.

Subd. 2. **Project order.** If an emergency has been declared to the extent necessary to protect the interests of the watershed district, the managers may order that work be done under the direction of the managers and the engineer, without a contract.

Subd. 3. **Assessment.** The cost of work undertaken without a contract may be assessed against benefited properties or, if the cost is not more than 25 percent of the most recent administrative ad valorem levy of

the watershed district and the work is found to be of common benefit to the watershed district, funding may be raised by an ad valorem tax levy upon all taxable property within the watershed district, or both.

History: *1990 c 391 art 4 s 47*

DRAINAGE SYSTEMS AND PROJECTS

103D.621 DRAINAGE IMPROVEMENTS.

Subdivision 1. **Findings.** The legislature finds that because of urban growth and development in the metropolitan area problems arise for the improvement and repair of drainage systems which were originally established for the benefit of land used for agriculture. The procedure for improvement and repair of drainage systems now in the metropolitan area should be simplified to more adequately and economically improve and repair drainage systems.

Subd. 2. **Definitions.** (a) The terms in this section have the meanings given them in this subdivision.

(b) "Drainage system" has the meaning given in section 103E.005, subdivision 12.

(c) "Watershed district" means any watershed district established under this chapter, wholly or partially in a metropolitan county.

(d) "Metropolitan county" means any one of the following counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington.

(e) "Metropolitan area" means the combined area of the metropolitan counties.

Subd. 3. **Drainage improvements.** With the concurrence of the governing bodies of the cities and the town boards of the towns where the drainage system is located, the managers of a watershed district where there is a drainage system may improve and repair any drainage system transferred to the watershed district under section 103D.625 by conforming to sections 429.031; 429.041, subdivisions 1 and 2; 429.051; 429.061; and 429.071.

Subd. 4. **Alternative power.** With the concurrence of the governing bodies of the cities and the town boards of the towns where the drainage system is located, the managers may improve and repair a drainage system under the power granted to them in this chapter notwithstanding any provision of chapter 103E.

Subd. 5. **Appeal.** A person aggrieved by an order for improvement or repair by the managers or by an assessment may appeal as provided in sections 103D.535 and 103D.541.

History: *1990 c 391 art 4 s 48; 1995 c 199 s 36*

103D.625 DRAINAGE SYSTEMS IN WATERSHED DISTRICT.

Subdivision 1. **Duty to assume drainage systems.** (a) The managers shall take over a joint county or county drainage system within the watershed district and the right to repair and maintain the drainage system if directed by a joint county drainage authority or a county board. The transfer may be initiated by:

(1) the joint county drainage authority or county board;

(2) a petition from a person interested in the drainage system; or

(3) the managers.

(b) The transfer may not be made until the joint county drainage authority or county board has held a hearing on the transfer. Notice of the proposed transfer with the time and place of hearing must be given by two weeks' published notice in a legal newspaper of general circulation in the area where the transfer is to occur. All interested persons may appear and be heard.

(c) After the hearing, the joint county drainage authority or county board shall order the watershed district to take over the joint county or county drainage system, unless it appears that the takeover would not serve the purpose of this chapter and would not be for the public welfare or be in the public interest.

Subd. 2. **Status of assumed drainage systems.** A joint county or county drainage system that is taken over in whole or in part is part of the works of the watershed district to the extent taken over.

Subd. 3. **Procedure for repair or improvement.** After the transfer is ordered, all proceedings for repair and maintenance must conform to chapter 103E, except for repairs and maintenance done pursuant to section 103D.621, subdivision 4.

Subd. 4. **Construction or improvement.** Construction of new drainage systems or improvements of existing drainage systems in the watershed district must be initiated by filing a petition with the managers. The proceedings for the construction or improvement of drainage systems in the watershed district must conform to chapter 103E, except for repairs and maintenance done pursuant to section 103D.621, subdivision 4.

History: *1990 c 391 art 4 s 49; 1995 c 199 s 37,38*

PROJECT REPAIRS AND IMPROVEMENTS

103D.631 MAINTAINING PROJECTS.

Subdivision 1. **Maintenance required.** The managers are responsible for maintaining the projects of the watershed district in a condition so that they will accomplish the purposes for which they were constructed.

Subd. 2. **Maintenance fund.** (a) The cost of normal or routine maintenance of the projects of the watershed district, and the cost of removing obstructions and accumulations of foreign substances from a drainage system, shall be paid from the maintenance fund on the order of the managers.

(b) The managers may assess all the parcels of property and municipal corporations previously assessed for benefits in proceedings for the construction or implementation of the project, to establish a maintenance fund for the project. The assessment must be made pro rata according to benefits determined. An assessment for the benefit of the maintenance fund may not be made when the fund exceeds 20 percent of the original cost of construction or implementation of the project. The auditors of the affected counties shall file a tabular lien statement covering the assessment in the office of the county recorder for the county when the assessment order from the managers is received.

(c) The assessment shall be collected as provided in the order in the same manner as provided in section 103E.731.

(d) Before ordering the levy of an assessment for the benefit of the maintenance fund, the managers may give notice of a hearing on making the assessment and establishing the maintenance fund.

History: *1990 c 391 art 4 s 50; 1995 c 199 s 39*

103D.635 REPAIRS AND IMPROVEMENTS EXCEEDING NORMAL MAINTENANCE.

Subdivision 1. **Technical and cost specifications.** The managers shall order the engineer to prepare and submit to the managers technical and cost specifications on the work necessary to restore or improve the project to the desired level of operating efficiency before ordering repairs other than normal and routine maintenance if the engineer certifies to the managers, in the annual report or otherwise, that:

(1) a project of the watershed district is in such a state of disrepair that the project cannot be restored by normal and routine maintenance to the same condition as when it was originally constructed or subsequently improved;

(2) a ditch or channel must be widened or deepened; or

(3) a project of the watershed district must be altered or improved to attain the level of operating efficiency contemplated at the time of the original construction or implementation.

Subd. 2. **Hearing.** The managers shall set a date for a hearing on the report and give notice of the hearing in the same manner as in the original proceeding on the construction of the improvement after receiving the engineer's report.

Subd. 3. **Assessment.** (a) The managers may order the repair or improvement and assess the cost against the benefited properties if, after a hearing, the managers find that the repair or improvement is in compliance with the plan, is necessary to accomplish the purposes of this chapter, and that the cost of the repair or improvement will not exceed its benefits. The cost of the repair or improvement shall be apportioned and assessed pro rata upon all property that was assessed for the construction or implementation of the project.

(b) A single levy for the repair or improvement may not exceed the amount of benefits originally determined. The managers shall file a copy of the order for levy with the auditor of each affected county. The auditor shall extend the levy against affected properties as in proceedings for the levy, assessment, and collection of assessments in drainage proceedings conducted under sections 103E.601 to 103E.631.

History: *1990 c 391 art 4 s 51; 1995 c 199 s 40,41*

103D.641 WORK WITHOUT BID.

If the managers find that the estimated cost of repair, including all fees and costs incurred for proceedings relating to it, is less than $25,000, the managers may have the work done by contract without advertising for bids.

History: *1990 c 391 art 4 s 52; 1998 c 312 s 3; 2019 c 50 art 1 s 28*

GENERAL PROCEDURE TO ESTABLISH PROJECTS

103D.701 PROJECT INITIATION.

Projects may not be initiated until the board approves a watershed management plan for the watershed district. A project of the watershed district must be initiated:

(1) by a project petition filed with the managers;

(2) by resolution of a majority of the members of the board of managers; or

(3) as otherwise prescribed by this chapter.

History: *1990 c 391 art 4 s 53; 2024 c 90 art 3 s 45*

103D.705 PROJECTS INITIATED BY PETITION.

Subdivision 1. **Requirements.** (a) A project within the watershed district that generally conforms with the watershed management plan may be initiated by a project petition. A project petition must contain:

(1) a description of the proposed project and the purpose to be accomplished;

(2) a description of the property where the proposed project passes over or is located;

(3) a general description of the part of the watershed district that will be affected, if less than the entire watershed district;

(4) the necessity for the proposed project;

(5) a statement that the proposed project will be conducive to public health, convenience, and welfare; and

(6) a statement that the petitioners will pay all costs and expenses that may be incurred if the proceedings are dismissed or a construction or implementation contract is not awarded for the proposed project.

(b) A petition may request that the managers adopt a resolution according to section 103D.707, subdivision 1, to allow sources of funding other than assessment to be used in whole or in part for the project. Upon adopting a requested resolution, the managers must release the deposit or bond required under subdivision 3.

Subd. 2. **Signatures.** (a) The project petition must be signed by:

(1) at least 25 percent of the property owners or the owners of more than 25 percent of the property within the limits of the area proposed to be improved, unless the project consists of the establishment of a new drainage system as defined in section 103E.005, subdivision 12, or the improvement of an existing drainage system;

(2) if the project consists of the establishment of a new drainage system as defined in section 103E.005, subdivision 12, a majority of the owners of the property that the proposed project passes over or is located on, or the owners of at least 60 percent of the area of the property that the proposed project passes over or is located on;

(3) if the project consists of the improvement of an existing drainage system as defined in section 103E.215, subdivision 2, at least 26 percent of the owners of the property proposed to be improved by the project or that the proposed project passes over, or the owners of at least 26 percent of the area proposed to be improved by the project or that the proposed project passes over;

(4) a county board of a county affected by the watershed district; or

(5) the governing body of a city entirely or partly within the area proposed to be improved.

(b) If a proposed project improves property entirely within a city, a petition must originate from the governing body of the city.

(c) For a signature on a project petition, holders of easements for electric or telephone transmission or distribution lines are not considered owners.

Subd. 3. **Petitioner deposit or bond.** (a) When a project petition is filed and before the managers take action on the project petition, one or more of the petitioners must deposit at least $2,000 with the managers. The deposit must be conditioned to pay all costs and expenses incurred if the project petitioned for is not constructed.

(b) Alternatively, with the approval of the managers, one or more of the petitioners may make and file a bond payable to the watershed district named in the petition. The bond must be for at least $2,000 with adequate sureties, subject to the approval of the managers of the watershed district where the bond is filed. The bond must be conditioned to pay all costs and expenses incurred if the proceedings are dismissed or a contract is not entered into to construct the project petitioned for.

(c) If, before a project is established, the petitioner's deposit or bond is insufficient to protect the watershed district from loss from the costs or expenses incurred or to be incurred, the watershed district must require an additional deposit or bond. Further proceedings must be stopped until an adequate deposit or bond is furnished. If the additional deposit or bond is not furnished within a time set by the managers, the proceedings may be dismissed.

(d) In proceedings to establish a project, the expenses incurred before the project is established may not exceed the deposit or the bond furnished by the petitioners. A claim in excess of the amount of the petitioners' deposit or bond may not be audited or paid by the watershed district unless the petitioners file an additional deposit or bond within a time and in an amount directed by the managers.

(e) If a project petition is signed by a county board or governing body of a city, a bond is not required.

Subd. 4. **Petitioners may dismiss petition.** The petitioners may dismiss the petition upon payment of costs and expenses.

Subd. 5. **Determination.** If the managers determine that a proper project petition has been filed and that the proposed project promotes the public interest and welfare, is practicable, and conforms with the watershed management plan of the watershed district, the managers must:

(1) identify the project by name and number; and

(2) designate an engineer to make surveys, maps, and a report on the proposed project.

History: *1990 c 391 art 4 s 54; 1995 c 199 s 42; 2024 c 90 art 3 s 46,47*

103D.707 PROJECTS INITIATED BY MANAGERS.

Subdivision 1. **Resolution.** A majority of the members of the board of managers may initiate a project by a resolution finding that the project generally conforms with the watershed management plan of the watershed district. The resolution must:

(1) identify the project by name and number;

(2) identify intended sources of project funding; and

(3) designate an engineer to make surveys, maps, and a report on the proposed project.

Subd. 2. **Funding.** (a) A project initiated under this section may be funded from one or more sources of funds available to the watershed district, including but not limited to levy, assessment, a water management district charge, and external sources. The availability and use of a source of funding must be as specified in applicable law.

(b) The finding under subdivision 1 as to intended sources of funding is not binding on the managers. However, the procedures of this chapter must be afforded to property owners affected by any subsequent decision of the managers to expand the use of assessment.

Subd. 3. **Determining benefits.** Procedures in section 103D.715 for appointing resident appraisers and determining benefits apply to a project initiated by resolution of the managers only if and to the extent that a project is to be funded in whole or part by assessment.

History: *2024 c 90 art 3 s 48*

103D.711 ENGINEER'S REPORT.

Subdivision 1. MS 2022 [Repealed, 2024 c 90 art 3 s 88]

Subd. 2. **Requirements.** (a) The engineer's report must include findings and recommendations about the proposed project. If the engineer finds the project feasible, the engineer must provide a plan of the proposed project as part of the report. The plan must include:

(1) a map of the project area, drawn to scale, showing the location of the proposed improvements, if any;

(2) the estimated total cost of completing the project including construction, operation, implementation, supervision, and administrative costs;

(3) the acreage required as right-of-way listed by each lot and 40-acre tract or fraction of the lot or tract under separate ownership, if required to implement the project; and

(4) other details and information to inform the managers of the practicability and necessity of the proposed project with the engineer's recommendations on these matters.

(b) The map of the area must include:

(1) the location and adequacy of the outlet, if the project is related to drainage;

(2) the watershed of the project area;

(3) the location of existing highways, bridges, and culverts;

(4) the property, highways, and utilities affected by the project with the names of the known property owners;

(5) the location of public land and water affected by the project; and

(6) other physical characteristics of the watershed necessary to understand the area.

Subd. 3. **State and federal projects.** The engineer may adopt, approve, and include as a part of the engineer's report a project of the state or federal government that is pertinent to the project and may accept data, plats, plans, details, or information pertaining to the state or federal project given to the watershed district by the state or federal agency. The engineer may omit the items required in subdivision 2 from the engineer's report if the data given by the state or federal government is sufficient to meet the requirements of subdivision 2.

Subd. 4. **Hearing after unfavorable engineer's report.** (a) If the project has been initiated by petition and the engineer's report is unfavorable, the managers shall, by order, within 35 days set a time and place

within the watershed district for a hearing for the petitioners to demonstrate why the managers should not refer the petition back to the petitioners for further proceedings or dismiss the petition.

(b) The hearing notice must state:

(1) that the engineer's report is unfavorable;

(2) that the engineer's report is on file with the managers and may be reviewed; and

(3) the time and place for the hearing.

(c) The managers shall mail a copy of the notice to each of the petitioners at least 14 days before the hearing.

Subd. 5. **Advisory reports.** (a) When the engineer's report is filed with the managers, the managers shall send a complete copy to the director and to the board.

(b) The director and the board shall examine the engineer's report and by 30 days after receiving the report, the director shall make a director's advisory report and the board shall make a board's advisory report which must include:

(1) a statement on whether the engineer's report is incomplete and not in accordance with this chapter;

(2) a statement of whether the engineer's report is approved as being a practical plan;

(3) if the project as planned does not meet approval, recommendations for changes considered advisable must be stated or an opinion that the proposed project or improvement is not practical; and

(4) a recommendation as to whether a soil survey appears advisable.

(c) The director's advisory report and the board's advisory report shall be directed to and filed with the managers.

(d) The director's advisory report and the board's advisory report shall be considered advisory only.

Subd. 6. **Notice for final hearing; timing.** A notice may not be issued for the final hearing until the board's advisory report and the director's advisory report are filed or the time for filing the reports with the managers has expired. For projects initiated by the managers according to section 103D.707, the managers may decide at any time not to proceed to final hearing.

Subd. 7. **Form.** The findings, recommendations, and content of the engineering report shall conform as nearly as practicable to the requirements of this section.

Subd. 8. **Soil survey.** If a soil survey is recommended to be made in the director's advisory report or the board's advisory report, the engineer shall make the soil survey and a soil survey report. The soil survey report must be submitted to the managers before the final hearing.

History: *1990 c 391 art 4 s 55; 1995 c 199 s 43; 2024 c 90 art 3 s 49-51*

103D.715 APPRAISERS; DETERMINING BENEFITS AND DAMAGES.

Subdivision 1. **Appointment.** After the engineer's report is filed, if the project is proposed to be funded in whole or in part by assessments of benefited land owners, the managers shall, with the least possible delay, appoint three disinterested resident owners of the state as appraisers.

Subd. 2. **Oath.** An appraiser must subscribe to an oath to faithfully and impartially perform the appraiser's duties.

Subd. 3. **Duties.** The appraisers shall with or without the engineer determine the benefits and damages to property affected by the proposed project, including property owned by the state or a state agency, highways, and other property likely to be affected by the proposed project or that may be used or taken for construction, implementation, or maintenance.

Subd. 4. **Benefits and damages to state land.** For all watershed district projects, benefits and damages to property owned by the state or a state agency, held and used for the purposes described in sections 103E.025 and 103E.315, subdivision 1, must be determined using the procedure provided in sections 103E.025 and 103E.315, subdivision 1. If a state permit is required from the commissioner to construct the project, state land may not be taken, damaged, or benefited until the permit is issued.

Subd. 5. **Compensation.** An appraiser may be paid on a per diem basis for each day the appraiser is necessarily engaged in the performance of duties and for actual and necessary expenses. The compensation shall be set by the managers, paid by the watershed district, and included in the cost of the project.

History: *1990 c 391 art 4 s 56; 1995 c 199 s 44,45; 2024 c 90 art 3 s 52*

103D.721 MANAGERS; DETERMINING BENEFITS AND DAMAGES.

Subdivision 1. **Authority.** The managers may, in their discretion, use the procedure in this section to determine benefits and damages.

Subd. 2. **Determination.** After the engineer's report is filed, the managers, with the assistance of the engineer, shall determine the benefits or damages to the property affected by the proposed project, including property owned by the state or a state agency, highways, and other property likely to be affected by the proposed improvement or that may be used or taken for construction, implementation, or maintenance.

Subd. 3. **State property.** For all watershed district projects, benefits and damages to property owned by the state or a state agency that is held and used for the purposes described in sections 103E.025 and 103E.315, subdivision 1, shall be determined using the procedure provided in sections 103E.025 and 103E.315, subdivision 1. If a state permit is required from the commissioner to construct the project, state land may not be taken, damaged, or benefited until the permit is issued.

Subd. 4. **Water management assessment portion.** The managers must determine the amount to be paid and generally assessed by the watershed district for the basic water management portion of the improvement projects.

History: *1990 c 391 art 4 s 57; 1995 c 199 s 46,47*

103D.725 BENEFITED PROPERTY; DETERMINATION.

Subdivision 1. **Appraiser standards.** If the proposed project includes the construction or improvement of a ditch, stream, river, or watercourse, or structures for the control or alleviation of damages from floodwaters, the appraisers shall be governed by sections 103E.311 to 103E.321.

Subd. 2. **Determining benefits.** In proceedings under this chapter, assessments for benefits shall be made based on the benefits to the property because of the project affecting the property. Benefited property must include:

(1) all property, including property owned by the state or a political subdivision receiving direct benefits, including assessments for drainage, recreation, commercial navigation, disposal of sewage or waste material, bank stabilization, flood control, land reclamation, prevention of siltation, control of erosion, and maintenance of lake levels;

(2) all property that is contributing water or is furnished an improved drainage outlet and all property that contributes waters that are stored, handled, or controlled by the proposed project;

(3) all property that is not receiving but needs drainage and that is furnishing waters handled or controlled by the proposed project;

(4) benefits to the state by reason of the improvement of lakes, streams, or other bodies of water as a place for propagation, protection, and preservation of fish and other forms of wildlife, that are assessable against the state to the extent and in the manner provided in section 84A.55, subdivision 9, and within the available appropriation;

(5) benefits to municipal corporations that occur to the property in the municipality generally and that may be in addition to special benefits to specific property within the municipality; and

(6) benefits that will result to property used for railway or other utility purposes.

History: *1990 c 391 art 4 s 58*

103D.729 WATER MANAGEMENT DISTRICT.

Subdivision 1. **Establishment.** A watershed district may establish a water management district or districts in the territory within the watershed, for the purpose of collecting revenues and paying the costs of projects initiated under section 103B.231, 103D.701, or 103D.730.

Subd. 2. **Procedure.** A watershed district may establish a water management district only by amendment to its plan in accordance with section 103D.401, or 103B.231 for watershed districts in the metropolitan area, and compliance with subdivisions 3 and 4. The amendment must describe with particularity the territory or the area to be included in the water management district, the amount of the necessary charges, the methods used to determine charges, and the length of time the water management district will remain in force. After adoption, the amendment must be filed with the county auditor and county recorder of each county affected by the water management district. Charges must be collected according to section 444.075, subdivision 2a. The water management district may be dissolved by the procedure prescribed for the establishment of the water management district.

Subd. 3. **Notification.** The managers shall, ten days prior to a hearing or decision on projects implemented under this section, provide notice to the city, town, or county within the affected area. The city, town, or county receiving notice shall submit to the managers concerns relating to the implementation of the project. The managers shall consider the concerns of the city, town, or county in the decision on the project.

Subd. 4. **Resolving disputes.** Unresolved differences between local governments and the managers may be brought before the committee on dispute resolution under section 103B.101, subdivision 10. Within 45 days of receiving the request for dispute resolution, the committee must consider the concerns of the local government. The committee has 30 days after meeting to issue a recommendation to the board for final decision.

History: *1996 c 471 art 8 s 1; 2024 c 90 art 3 s 53,54*

103D.730 STORMWATER FACILITIES.

(a) Any watershed district may build, construct, reconstruct, repair, enlarge, improve, or in any other manner obtain stormwater systems, including mains, holding areas and ponds, and other appurtenances and related facilities for the collection and disposal of stormwater, maintain and operate the facilities, and acquire by gift, purchase, lease, condemnation, or otherwise any and all land and easements required for that purpose.

(b) The authority granted is in addition to all other powers with reference to the facilities otherwise granted by the laws of this state or by this chapter.

History: *1996 c 471 art 8 s 2*

103D.731 APPRAISERS' REPORT; EXAMINATION.

(a) The appraisers shall prepare an appraisers' report of the benefits and damages determined and file the report with the managers.

(b) After the appraisers' report is filed, the managers shall examine the report and determine whether:

(1) the report was made in conformity with the requirements of this chapter; and

(2) for each property to be assessed, the benefits are greater than the costs to be assessed.

(c) If the managers determine the appraisers' report is inadequate in any manner, the managers may return the report to the appraisers for further study and report.

History: *1990 c 391 art 4 s 59; 2024 c 90 art 3 s 55*

103D.735 HEARING ON PETITION AND REPORTS.

(a) The managers shall order a final hearing by 35 days after:

(1) the engineer's report is filed;

(2) the appraisers' report is filed; and

(3) the director's advisory report and the board's advisory report are filed or the time for that filing has expired.

(b) The order for a final hearing must set a time and place within the watershed district for a hearing upon the petition or resolution and reports.

History: *1990 c 391 art 4 s 60*

103D.741 FINAL HEARING NOTICE.

Subdivision 1. **Published final hearing notice.** The managers shall give notice by publication of the final hearing. The final hearing notice must contain:

(1) a statement of the pendency of the petition or resolution;

(2) the time and place for hearing;

(3) a statement that the engineer's report and appraisers' report, including the plans, have been filed with the managers and are subject to inspection;

(4) a brief description of the proposed project;

(5) a description of the properties benefited or damaged, the names of the owners of the properties, the public and other corporations affected by the project as shown by the engineer's report and appraisers' report or may include a map of the affected area in lieu of the names of the owners and of the descriptions of the properties affected by the project; and

(6) a statement requiring all parties interested in the proposed project to appear before the managers at the time and place designated in the final hearing notice to present objections, and to show why an order should not be made by the managers granting the petition, confirming the reports of the engineer and appraisers, and ordering the establishment and construction or implementation of the project.

Subd. 2. **Mailed final hearing notice.** (a) The managers shall give the final hearing notice by mail, within one week after the beginning of publication, to the director and to each person, corporation, and public body that owns property benefited or damaged by the proposed project as shown by the engineer's and appraisers' report.

(b) The mailed final hearing notice must contain:

(1) a brief description of the proposed project;

(2) a statement that the engineer's report and appraisers' report are on file with the managers and available for public inspection;

(3) the time and place of hearing; and

(4) a statement that the addressee's name appears as an affected party.

Subd. 3. **Acquiring property; notice.** (a) If the watershed district must acquire the ownership of real property, the managers must record a notice of pendency of the watershed district's proceeding to acquire property in the office of county recorder of the county where the property is located before the appraisers' report is filed. The pendency notice must state the purpose for which the property is to be acquired.

(b) By 20 days before the final hearing, the final hearing notice, in addition to being given in the manner required in subdivisions 1 and 2, must be served on the owners of the property to be acquired, in the same manner as a summons in a civil action. In addition to the other requirements of the final hearing notice, the notice to property owners must:

(1) describe the property to be acquired;

(2) state by whom and for what purpose it is to be taken;

(3) give the names of all persons appearing of record or known to the managers to be the owners;

(4) state that benefits and damages have been determined; and

(5) state that the final hearing will be held by the managers at the time and place specified in the notice.

Subd. 4. **Final hearing notice in more than one county.** If a project affects the property in more than one county, separate final hearing notices must be prepared and published in each county affected showing only the general description of the proposed project and the names and descriptions of the property affected in the county or, instead of the names and descriptions, a map of the area affected in the county.

History: *1990 c 391 art 4 s 61; 1995 c 199 s 48*

103D.745 FINAL HEARING.

Subdivision 1. **Hearing.** (a) At the time and place specified in the final hearing notice, the managers must hear all parties interested for and against the establishment of the proposed project and confirm the engineer's report and the appraisers' report.

(b) Questions about the proposed project including jurisdiction, sufficiency of the petition or resolution, practicability, and necessity shall be determined by evidence presented at the hearing. Findings made by the managers before the final hearing are not conclusive but are subject to further investigation, consideration, and determination at the final hearing.

Subd. 2. **Modifying reports.** (a) The managers may order and direct the modification of:

(1) the engineer's report within the scope of the watershed management plan for the watershed district;

(2) the assessment of benefits and damages; and

(3) amendment or change of the list of property reported as assessable for construction or implementation and maintenance.

(b) If the amended engineer's report and appraisers' report includes property not included in the original reports, the managers shall adjourn the hearing and have an amended notice published and mailed with the proper reference to all property as amended by the managers.

Subd. 3. **Establishing project.** (a) The managers shall make findings, order and direct construction or implementation of the project, and confirm the engineer's report and the findings of the appraisers and the appraisers' report if, at the end of the final hearing, the managers find that the project will:

(1) be conducive to public health;

(2) promote the general welfare;

(3) be in compliance with this chapter; and

(4) for each property to be assessed, result in benefits that will be greater than the cost to be assessed.

(b) The order may authorize the construction or implementation of the project as a whole or authorize different parts of the project to be constructed separately.

(c) The managers shall order the engineer to proceed with making the necessary surveys and preparing plans and specifications that are needed to construct the project and report the results of the surveys and plans to the managers.

Subd. 4. **Recess until awarding contract.** The final hearing shall be recessed until the engineer's report and the bids are received. The hearing may be recessed to allow compliance with section 103D.801 if it becomes applicable.

History: *1990 c 391 art 4 s 62; 1995 c 199 s 49,50; 2024 c 90 art 3 s 56*

CONSTRUCTING AND IMPLEMENTING PROJECTS

103D.801 PROCEDURE WHEN CONTRACT IS NOT LET.

If all of the bids received are for a price more than 30 percent greater than the engineer's estimate in the engineer's report, or for a price in excess of the benefits less damages and other costs, the managers shall follow the procedure described in section 103E.511.

History: *1990 c 391 art 4 s 63*

103D.805 FILING MANAGERS' ORDER ESTABLISHING PROJECT.

An order of the managers establishing the project and authorizing construction must immediately be filed with the secretary or administrator of the watershed district, and a certified copy of the order must be filed with the auditor of each county affected, the board, the commissioner, the director, the Pollution Control Agency, and the commissioner of health.

History: *1990 c 391 art 4 s 64; 2024 c 90 art 3 s 57*

103D.811 BIDS FOR CONSTRUCTION.

Subdivision 1. **Call for bids.** After an establishment order has been made by the managers directing the establishment of a project, the managers shall call for bids for the construction or implementation of the work and give notice by publication specifying the time and place when the bids will be opened for awarding a contract for the construction or implementation of the project. The contract may be awarded in sections or as a whole, as directed by the managers.

Subd. 2. **Bid notice.** A bid notice shall be published in at least one of the newspapers in the state where notices are usually published.

Subd. 3. **Awarding contract.** (a) At a time and place specified in the bid notice, the managers may accept or reject any or all bids and may award the contract to the lowest responsible bidder. The bidder to whom the contract is to be awarded must give a bond, as required by section 574.26, conditioned by satisfactory completion of the contract.

(b) Bids must not be considered which in the aggregate exceed by more than 30 percent the total estimated cost of construction or implementation.

(c) As an alternative to the procurement method described in paragraph (a), the managers may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

(d) The contract must be in writing and be accompanied by or refer to the plans and specifications for the work to be done as prepared by the engineer for the watershed district. The plans and specifications shall become a part of the contract.

(e) The contract must be approved by the managers.

History: *1990 c 391 art 4 s 65; 1995 c 199 s 51,52; 2007 c 148 art 3 s 9; 2024 c 90 art 3 s 58*

103D.815 CONTROLLING CONTRACTS.

Subdivision 1. **Manager control of contracts.** The managers have full control of contracts of the watershed district and matters pertaining to the contracts.

Subd. 2. **Extending contracts.** If a contractor fails to complete a project within the time or in the manner specified in the contract, the managers may:

(1) extend the time for completion;

(2) refuse an extension of time;

(3) cancel the contract, readvertise, and award a new contract;

(4) require surety for the contractor to complete the project;

(5) proceed to have the contract otherwise completed at the expense of the contractor and the surety; or

(6) take other action with reference to the contract in the interest of the watershed district.

Subd. 3. **Engineer authority over contractor.** Applicable provisions of chapter 103E govern the relations between the engineer and the contractor, including the examination and report of the engineer and the amount and time of payment.

Subd. 4. **Expense record.** (a) The managers shall keep an accurate account of all expenses incurred, including:

(1) the compensation of the engineer and the engineer's assistants;

(2) the compensation and expenses of the appraisers as provided in section 103D.715, subdivision 5;

(3) the compensation of the petitioners' attorney;

(4) the cost of petitioners' bond;

(5) the fees of all county officials necessitated by the project, which are in addition to all fees otherwise allowed by law; and

(6) the time and expenses of all employees of the watershed district, including the expenses of the managers, while engaged in an authorized project.

(b) Fees and expenses shall be audited, allowed, and paid upon the order of the managers and shall be charged to and be treated as a part of the cost of the project.

History: *1990 c 391 art 4 s 66*

103D.821 BRIDGE OR GRADE REMOVAL; PASSAGE OF EQUIPMENT.

Subdivision 1. **Notice.** If it is necessary to pass a dredge or other equipment through a bridge or grade of a highway or railroad owned by a corporation, county, town, or municipality, the managers shall give notice to the owner of the bridge or grade by 20 days before the removal so the bridge or grade may be removed temporarily to allow the passage of the equipment, or an agreement may be immediately entered into to allow the passage.

Subd. 2. **Cost paid by watershed district.** The owner of the bridge or grade shall keep an itemized account of the cost of removal and if necessary, of replacing of the bridge or grade. The actual cost must be paid by the watershed district.

Subd. 3. **Managers may remove bridge or grade.** If the owner of the bridge or grade refuses to provide for the passage of the equipment, the managers may remove the bridge or grade at the expense of the

watershed district, interrupting traffic in the least degree consistent with good work and without delay or unnecessary damage.

Subd. 4. **Owners liable for delay.** If the managers are prevented from moving the equipment, the owner of the bridge or grade is liable for the damages resulting from the delay.

History: *1990 c 391 art 4 s 67*

FUNDING WATERSHED DISTRICT AND PROJECTS

103D.901 ASSESSMENTS; LEVIES.

Subdivision 1. **Assessment.** (a) After the managers file an approved assessment statement listing the property and corporations benefited or damaged or otherwise affected by a project with the auditor of an affected county, the auditor shall assess the amount specified in the assessment statement against the property, municipalities, or other corporations as specified in the pertinent provisions of chapter 103E.

(b) For a watershed district entirely within the metropolitan area, the auditor must mail an assessment notice to property owners and corporations benefited and damaged before the assessment is made under paragraph (a). The assessment notice must include:

(1) the amount to be specially assessed against the property;

(2) the right of the property owner to prepay the entire assessment and to whom prepayment must be made;

(3) whether partial prepayment of the assessment is authorized;

(4) the time within which prepayment may be made without interest being charged; and

(5) the rate of interest to be charged if the assessment is not prepaid within the required time period.

Subd. 2. **County funding.** After the assessment statement is filed with the auditor, the county board of each affected county shall provide funds to meet its proportionate share of the total cost of the project, as shown by the engineer's report and order of the managers. The county may issue bonds of the county in the manner provided by section 103E.635.

Subd. 3. **Levy and collection.** (a) The respective county auditors and county treasurers shall levy and collect the amount shown in the tabular statement and lien as provided in sections 103E.601 to 103E.631.

(b) For a watershed district entirely within the metropolitan area, the auditor must mail an assessment notice to the owners of affected property as provided in subdivision 1, paragraph (b), before the assessment is levied. The assessment may be prepaid as provided in paragraphs (c) and (d).

(c) For a watershed district entirely within the metropolitan area, a property owner or corporation may prepay the entire assessment at any time before the first installment of the assessment is entered on the tax lists for the year with the interest that has accrued to the date of payment, except that interest may not be charged on an assessment that is prepaid within 30 days after the assessment notice is mailed.

(d) After the first installment of an assessment is entered on the tax list, a property owner or corporation may prepay the entire assessment remaining due before November 15 with interest accrued to December 31 of the year in which the prepayment is made.

(e) The money received by the treasurer of a county from the sale of bonds, assessments, or otherwise, for the benefit of the watershed district shall be accounted for by the auditor and paid to the treasurer of the watershed district.

Subd. 4. **Assessment not to exceed benefits.** (a) An assessment may not be levied against property or corporations benefited under this chapter in excess of the amount of benefits received as set by the order of the managers authorizing the construction or implementation of the project or subsequently determined on appeal.

(b) If the damages for a project financed by special assessment are awarded and confirmed, the managers must determine that the project's benefits exceed the total costs, including damages awarded.

(c) The managers shall amend the project's statement filed with the county auditor to reflect the amount of damages awarded.

Subd. 5. **Damages paid before entering property.** Before entering property for which damages were awarded to begin construction or implementation of the project, the managers shall pay the amount of damages awarded less any assessment against the property from the funds provided by the county board under subdivision 3. If the amount of damages is appealed, damages may not be paid until the final determination of the appeal.

History: *1990 c 391 art 4 s 68; 1995 c 199 s 53-55; 2024 c 90 art 3 s 59*

103D.905 FUNDS OF WATERSHED DISTRICT.

Subdivision 1. **Generally.** The money of a watershed district consists of the funds established in this section.

Subd. 2. **Organizational expense fund.** (a) An organizational expense fund, consisting of an ad valorem tax levy, shall not exceed 0.01596 percent of estimated market value, or $60,000, whichever is less. The money in the fund shall be used for organizational expenses and preparation of the watershed management plan for projects.

(b) The managers may borrow from the affected counties up to 75 percent of the anticipated funds to be collected from the organizational expense fund levy, and the counties affected may make the advancements.

(c) The advancement of anticipated funds shall be apportioned among affected counties in the same ratio as the net tax capacity of the area of the counties within the watershed district bears to the net tax capacity of the entire watershed district. If a watershed district is enlarged, an organizational expense fund may be levied against the area added to the watershed district in the same manner as provided in this subdivision.

(d) Unexpended funds collected for the organizational expense may be transferred to the administrative fund and used for the purposes of the administrative fund.

Subd. 3. **General fund.** A general fund, consisting of an ad valorem tax levy, may not exceed 0.096 percent of estimated market value, or $500,000, whichever is less. The money in the fund shall be used for general administrative expenses and for the construction or implementation and maintenance of projects of common benefit to the watershed district. The managers may make an annual levy for the general fund as provided in section 103D.911. In addition to the annual general levy, the managers may annually levy a tax not to exceed 0.00798 percent of estimated market value for a period not to exceed 15 consecutive years to pay the cost attributable to the basic water management features of projects initiated by petition of a political

subdivision within the watershed district or by petition of at least 50 resident owners whose property is within the watershed district.

Subd. 4. **Bond fund.** A bond fund consists of the proceeds of special assessments, stormwater charges, loan repayments, and ad valorem tax levies pledged by the watershed district for the payment of bonds or notes issued by the watershed district. The bond fund is to be used for the payment of the principal of, premium or administrative surcharge, if any, and interest on the bonds and notes issued by the watershed district and for payments required to be made to the federal government under section 148(f) of the Internal Revenue Code of 1986, as amended through December 31, 1996.

Subd. 5. **Construction or implementation fund.** (a) A construction or implementation fund consists of:

(1) the proceeds of watershed district bonds or notes or of the sale of county bonds;

(2) construction or implementation loans or grants from the state or from any agency of the federal government; and

(3) special assessments, stormwater charges, loan repayments, and ad valorem tax levies levied or to be levied to supply funds for the construction or implementation of the projects of the watershed district, including reservoirs, ditches, dikes, canals, channels, stormwater facilities, sewage treatment facilities, wells, and other works, and the expenses incident to and connected with the construction or implementation.

(b) Construction or implementation loans or grants from the state or from an agency of the federal government may be repaid from the proceeds of watershed district bonds or notes or from the collections of stormwater charges, loan repayments, ad valorem tax levies, or special assessments on properties benefited by the project.

Subd. 6. **Preliminary fund.** A preliminary fund consists of funds authorized to be provided. The preliminary fund is to be used for preliminary work on proposed works of the watershed district.

Subd. 7. **Repair and maintenance funds.** Repair and maintenance funds are established under section 103D.631, subdivision 2.

Subd. 8. **Survey and data acquisition fund.** (a) A survey and data acquisition fund is established and used only if other funds are not available to the watershed district to pay for making necessary surveys and acquiring data.

(b) The survey and data acquisition fund consists of the proceeds of a property tax that can be levied only once every five years. The levy may not exceed 0.02418 percent of estimated market value.

(c) The balance of the survey and data acquisition fund may not exceed $50,000.

(d) In a subsequent proceeding for a project where a survey has been made, the attributable cost of the survey as determined by the managers shall be included as a part of the cost of the work and the sum shall be repaid to the survey and data acquisition fund.

Subd. 9. **Project tax levy.** (a) In addition to other tax levies provided in this section or in any other law, a watershed district may levy a tax:

(1) to pay the costs of projects undertaken by the watershed district that are funded, in whole or in part, with money appropriated by law for grants or loans to the district;

(2) to pay the principal of, or premium or administrative surcharge, if any, and interest on bonds or notes issued by the watershed district to repay such loans; or

(3) to repay such loans.

(b) Taxes levied with respect to payment of bonds and notes must comply with section 475.61.

History: *1990 c 391 art 4 s 69; 1995 c 199 s 56,57; 1997 c 231 art 2 s 2-4; 1Sp2001 c 5 art 3 s 4; 2011 c 107 s 107; 2013 c 143 art 14 s 11-13; 1Sp2019 c 6 art 4 s 1,2; 2023 c 64 art 3 s 1; 2025 c 20 s 74*

103D.911 BUDGET.

Subdivision 1. **Hearing.** (a) Before adopting a budget, the managers shall hold a public hearing on the proposed budget.

(b) The managers shall publish a notice of the hearing with a summary of the proposed budget in one or more newspapers of general circulation in each county consisting of part of the watershed district. The notice and summary shall be published once each week for two successive weeks before the hearing. The last publication shall be at least two days before the hearing.

Subd. 2. **Adoption.** On or before September 15 of each year, the managers shall adopt a budget for the next year and decide on the total amount necessary to be raised from ad valorem tax levies to meet the watershed district's budget.

History: *1990 c 391 art 4 s 70; 1994 c 416 art 1 s 2*

103D.915 TAX LEVY.

Subdivision 1. **Certification to auditor.** After adoption of the budget and no later than September 15, the secretary of the watershed district shall certify to the auditor of each county within the watershed district the county's share of the tax, which shall be an amount bearing the same proportion to the total levy as the net tax capacity of the area of the county within the watershed bears to the net tax capacity of the entire watershed district. The maximum amount of a levy may not exceed the amount provided in section 103D.905.

Subd. 2. **Levy.** The auditor of each county in the watershed district shall add the amount of a levy made by the managers to the other tax levies on the property of the county within the watershed district for collection by the county treasurer with other taxes. The county treasurer shall make settlement of the taxes collected with the treasurer of the watershed district in the same manner as other taxes are distributed to the other political subdivisions. The levy authorized by this section is in addition to other county taxes authorized by law.

History: *1990 c 391 art 4 s 71; 1994 c 416 art 1 s 3*

103D.921 DISTRICT COURT TO CREATE PRELIMINARY FUND.

Subdivision 1. **Petition.** (a) If a petition has been filed with the managers for the construction or implementation of a project within the watershed district, the managers may file a petition with the district court in the county where the watershed district has its principal place of business asking that a preliminary expense fund be created for the watershed district.

(b) The managers may subsequently amend or supplement the petition if necessary. At least ten days' notice of a petition or amended or supplementary petition must be given to the auditor of each county affected by the proposed project.

(c) The preliminary fund must be of a size that is proportionate to the needs of the watershed district for preliminary work on the proposed project.

Subd. 2. **Court order of amount.** The district court after the hearing may designate the amount of the fund and set the proportionate amount that each county affected by the improvement shall pay, in proportion to the area in the county affected by the proposed project. The court shall order the auditor of each county to draw a warrant on the treasurer of the county for the payment of the amount specified in the order, payable to the treasurer of the watershed district. The sum advanced by the county shall be charged to the watershed district and must be repaid with interest as soon as the watershed district has funds for that purpose.

Subd. 3. **Using fund.** The preliminary fund must be used by the managers for preliminary work. If the managers incur expenses for surveys or other preliminary work on a proposed project, all expenses connected with the work shall be included in the cost of construction or implementation of the proposed project. If construction or implementation of the project is authorized by the managers, the money advanced from the preliminary fund shall be repaid from assessments for the project.

Subd. 4. **Appropriations from governmental bodies.** The state, state agencies, and political subdivisions may appropriate money necessary to pay their proportionate share of the preliminary expenses, determined by the managers according to the benefits that will probably accrue from the proposed project.

Subd. 5. **Preliminary fund.** The district court may order a preliminary fund for all works of the watershed district instituted under section 103D.701.

History: *1990 c 391 art 4 s 72; 1995 c 199 s 58,59*

103D.925 WARRANTS.

The managers may issue warrants of the watershed district to pay contracts for the construction or implementation of projects, ordinary general expenses, and expenses incurred in making repairs that have been approved by the managers, only if there are sufficient funds available for payment in the watershed district treasury.

History: *1990 c 391 art 4 s 73; 1995 c 199 s 60*