



**Title:** 2021 Budget Discussion

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**Purpose:**

At the July 7, 2020 Citizen Advisory Committee, staff will provide an overview of the status of the 2021 budget and workplan development.

**Background:**

In 2015, the Minnehaha Creek Watershed District (MCWD or District) initiated a strategic planning process to focus and align the organization. Through this process, the Board of Managers implemented a series of fiscal measures to carefully manage the District's levy, while maintaining high quality mission aligned output and service. Those actions include:

- Aligning program budgets with organizational priorities
- Making strategic reductions and implementing operational efficiencies
- Right-sizing, aligning and investing in human resources
- Strengthening partnerships for capital project financing
- Securing increasing levels of outside funding
- Restructuring existing capital project debt
- Reallocating funds from initiatives delivered under budget to capital projects

That work has positioned MCWD well for the 2021 fiscal year, in the face of economic uncertainties related to COVID-19.

**2021 Budget Alignment – Overview:**

Capital Improvement Projects

In 2021 the District will remain focused on cultivating public and private partnerships to deliver capital projects that measurably improve the watershed. That work will involve continuing to refine the District's focal geography project pipeline as well as the responsive model and permitting program as pathways to project implementation. Projects in queue include work within the Minnehaha Creek Greenway, Minneapolis and the Six Mile Creek – Halsted Bay subwatershed.

Data-Analytics

Other areas of emphasis for MCWD in 2021 include the ongoing buildout of its data-analytical capabilities. Continued investment will be made in the acquisition of technology solutions that help the District gather, store, retrieve and integrate watershed data – to better inform planning, decision making and communication with partners and the public.

Refocused Outreach

A final area of emphasis in 2021 will be implementing the District's new outreach strategy. Building off a new program focus, with investments in the website and recalibrated staff positions, the District will emphasize telling data-driven, graphically rich stories about the work that is needed, and the positive effects of the work that has been completed by MCWD and its partners.

**2021 Budget-Levy Projection - Overview:**

Current projections for 2021 show a balanced budget of \$14,01269, supported by a flat District levy of \$9,675,993.

Relative to 2020, the current 2021 projection represents a decrease in budgeted expenditures of (\$648,908) or (4%), and a 0% change in the District’s levy (*Table 1*).

The projected 2021 budget reduction is largely attributed to reductions within Operations (-22%) and Programs (-4%). Reductions in Operations are associated with the completion of one-time investments in 2020, such as information technology and maintaining the District’s office building, which are being reduced or eliminated in 2021. Reductions in Programs are attributed to sun-setting strategic initiatives and improved program focus.

Following Board discussion on May 28, 2020, scheduled debt service for the previously constructed Richfield Taft-Legion project was relocated from the capital improvement plan into capital finance. This reallocation, or change in accounting for budgeted expenditures, results in an apparent increase in debt service of 6%, and a reduction in the capital improvement plan of (-3%). However, this change has no overall impact on the fiscal bottom line.

*Table 1*

<b>EXPENSES</b>	<b>2020</b>	<b>2021</b>	<b>2020-2021 Δ</b>	<b>% Change</b>
Operations	\$2,037,889	\$1,580,698	\$ (457,191)	-22%
Programs	\$4,600,757	\$4,405,171	\$ (195,586)	-4%
Capital finance	\$2,750,000	\$2,914,974	\$ 164,974	6%
Capital projects	\$5,961,531	\$5,800,425	\$ (161,106)	-3%
<b>TOTAL</b>	<b>\$15,350,177</b>	<b>\$14,701,269</b>	<b>\$ (648,908)</b>	<b>-4%</b>

<b>REVENUE</b>	<b>2020</b>	<b>2021</b>	<b>2020-2021 Δ</b>	<b>% Change</b>
Preliminary 2021 levy	\$9,675,993	\$9,675,993	\$ -	0%
Projects fund balance	\$2,371,820	\$3,544,786	\$ 1,172,966	49%
Programs fund balance	\$917,938	\$493,050	\$ (424,888)	-46%
Grants and partner funds	\$2,215,206	\$818,220	\$ (1,396,986)	-63%
Interest, permit fees, reimbursemer	\$169,220	\$169,220	\$ -	0%
<b>TOTAL</b>	<b>\$15,350,177</b>	<b>\$14,701,269</b>	<b>\$ (648,908)</b>	<b>-4%</b>

**2021 REVENUE - EXPENDITURES Δ** **\$0**

**2021 Budget Breakdown:**

Below is a breakdown and additional detail for the major components of the District’s 2021 budget.

- Programs and Operations – (*Attachment 2*)
  - Operations – (*Attachment 3*)
  - Permitting – (*Attachment 4*)
  - Planning and Projects – (*Attachment 5*)
  - Outreach – (*Attachment 6*)
  - Research & Monitoring – (*Attachment 7*)
- Capital Improvement Projects – (*Attachment 8*)
- Capital Finance (debt service) – (*Attachment 9*)
- Workplan – (*Attachment 10*)

Programs and Operations – (Attachment 2 – Attachment 7):

As part of a realigned workflow, the District's operations and programs work in synchrony to support the strategic priorities of building capital projects and developing new policies that integrate land use and water planning.

Programs and Operations are showing a net decrease of (10%) in 2021.

Operations is down (22%), due to reductions in information technology spending and completion of one-time investments in the District's office campus and parking lot.

Programs are down (4%), due primarily to the net effect of the following adjustments:

- Reduction in rule revision spending within Permitting
- Reduction in program expenses and wages in Outreach
- Sunset of AIS watercraft inspection program within Research and Monitoring
- Final year of LSOHC grant for SMCHB carp management within Research & Monitoring
- Sunset of diagnostic work, and reduced RESNET expenditures, within Research & Monitoring
- Increase in PMLM wages due to projected addition of 1 FTE – PMLM Technician
- 2D modeling and machine learning for enhanced watershed planning capabilities

Capital Improvement Projects – (Attachment 8):

Working with partners to build capital projects that manage and improve the quality and quantity of water within the watershed is at the heart of the District's mission.

The District's 2021 capital improvement budget of \$5,800,425 projects a decrease of 3% or (\$161,106) over 2020. This is principally due to the reallocation of debt-service for the previously constructed Richfield Taft-Legion project from the capital improvement plan into capital finance

As the District concludes work in 2020 on a series of projects, the CIP has three (3) projects moving from construction into warranty phase in 2021 – Arden Park, Wassermann West, and FEMA Flood Damage Repairs

Emphasis in 2021 will be placed on moving projects through pipeline from design to construction. The queue includes:

*Six Mile Creek – Halsted Bay:*

- Six Mile Marsh Prairie Restoration Trail Construction:
  - Design and construction of a trail and interpretive element at the Prairie Restoration that connects to the Dakota Regional Trail.
- Wassermann Internal Load Management:
  - Alum dosing in Wassermann Lake, to complement preceding work by MCWD and partners to manage carp, and reduce external loading through Wassermann Park.

*Minnehaha Creek:*

- 325 Blake Road Stormwater & Cottageville Park:
  - Partnership with the City of Hopkins for the integrated design and construction of regional stormwater facilities and open space at 325 Blake and residual Cottageville Park parcels.
- SWLRT Stream Enhancement & Trail Connection:
  - Partnership with the City of St. Louis Park and private landowners for streambank improvements and trail connection to Cedar Regional Trail between Minnehaha Preserve, Japs Olson, and 325 Blake Road.

- Meadowbrook Golf Course:
  - Partnership with the Minneapolis Park and Recreation Board to redesign a portion of the course for stream and wetland enhancements and trail connection between Edina’s Todd Park and Methodist Hospital.
  
- Minneapolis Stormwater:
  - Partnership with the City of Minneapolis and Minneapolis Park and Recreation Board to integrate regional stormwater management solutions into the reenvisioned Minnehaha Creek Regional Trail system.

Capital Finance – (Attachment 9):

The District’s Capital Finance sub-fund is used as a strategic tool to maximize the organization’s capacity for project implementation by (1) servicing debt issued by MCWD partners for capital improvements – distributing capital costs over time and future tax paying beneficiaries, (2) providing flexible and strategic reserves for unplanned opportunities to improve the watershed, and (3) minimizing levy volatility by supporting short term cash flow needs.

In 2021 the District will be servicing \$2,914,974.25 in scheduled debt payments on three (3) Hennepin Bond series (2010B, 2011A, 2013B), a privately placed note with Wells Fargo, and the Richfield 2013B bond series.

Human Resource Adjustments:

At the May Operations and Programs Committee the Board of Managers discussed a [staffing analysis](#), regarding the following potential changes.

- Reduction in Outreach by one (1) FTE – Education Coordinator
- Reclassification of two (2) Research & Monitoring positions
- Addition of one (1) FTE in Project Maintenance and Land Management – PMLM Technician
- Reclassification of existing GIS position
- \*Potential elimination of Operations Manager position, and reclassification of remaining operations position

At the July 7 CAC Meeting, staff will provide an overview of these changes and the projected fiscal impact in 2021 to the personnel budget, which was reviewed by the Board of Managers at the May Planning and Policy Committee Meeting.

**Conclusion and Next Steps:**

At the July 7, 2020, CAC Meeting, staff will provide an overview of the status of the 2021 budget and workplan development and the next steps in the process.

If there are questions in advance of the meeting, please contact James Wisker at [Jwisker@minnehahacreek.org](mailto:Jwisker@minnehahacreek.org).

**Attachments:**

- Programs and Operations – *(Attachment 2)*
  - Operations – *(Attachment 3)*
  - Permitting – *(Attachment 4)*
  - Planning and Projects – *(Attachment 5)*
  - Outreach – *(Attachment 6)*
  - Research & Monitoring – *(Attachment 7)*
- Capital Improvement Projects – *(Attachment 8)*
- Capital Finance (debt service) – *(Attachment 9)*
- Workplan – *(Attachment 10)*

## Attachment 1 - DRAFT Budget-Revenue Summary

EXPENSES	2020	2021	2020-2021 Δ	% Change	Notes
Operations	\$2,037,889	\$1,580,698	\$ (457,191)	-22%	Includes General Operations, IT Plan Implementation, and Facility Improvements
Programs	\$4,600,757	\$4,405,171	\$ (195,586)	-4%	Costs and sources detailed in programs summary
Capital finance	\$2,750,000	\$2,914,974	\$ 164,974	6%	Scheduled debt service detailed in capital finance
Capital projects	\$5,961,531	\$5,800,425	\$ (161,106)	-3%	Costs and sources detailed in capital improvement plan
<b>TOTAL</b>	<b>\$15,350,177</b>	<b>\$14,701,269</b>	<b>\$ (648,908)</b>	<b>-4%</b>	

REVENUE	2020	2021	2020-2021 Δ	% Change	Notes
Preliminary 2021 levy	\$9,675,993	\$9,675,993	\$ -	0%	Flat levy
Projects fund balance	\$2,371,820	\$3,544,786	\$ 1,172,966	49%	Funds levied in past years for multi-year projects
Programs fund balance	\$917,938	\$493,050	\$ (424,888)	-46%	Funds reallocated from programs delivered under budget or deprioritized activities
Grants and partner funds	\$2,215,206	\$818,220	\$ (1,396,986)	-63%	Includes only secured funds (LSOHC, BWSR)
Interest, permit fees, reimbursements	\$169,220	\$169,220	\$ -	0%	Estimated based on previous fiscal years
<b>TOTAL</b>	<b>\$15,350,177</b>	<b>\$14,701,269</b>	<b>\$ (648,908)</b>	<b>-4%</b>	

2021 REVENUE - EXPENDITURES Δ \$0

Attachment 2 - DRAFT 2021 Operations and Programs Summary by Fund

Fund Code	Program/Fund	Past Expenditures				2020 Carryover Detail							2021 Budget and Revenue			2020-2021 Budget Change		
		2018 Budget	2018 Actual	2019 Budget	2019 Actual	2019 EOY Balance	2020 Budget	2020 Estimated Expenditures	2020 Levy	2020 External Revenue <sup>1</sup>	Assigned (carried to future years)	2020 Carryover (transferred to CIP)	2021 Budget	2021 External Revenue <sup>1</sup>	2021 Revenue Needs	\$ Change	% Change	
1002	General Operations <sup>2</sup>	\$ 1,226,730	\$ 1,243,611	\$ 1,205,802	\$ 1,098,544	\$ 1,242,907	\$ 1,158,557	\$ 1,030,796	1,088,557	\$ 70,000	\$ 1,778,850	\$ (408,182)	\$ 1,156,448	\$ 70,000	\$ 1,086,448	\$ (2,109)	0%	Scheduled vehicle replacement and personnel assumptions
1003	Information Technology	\$ 176,700	\$ 124,942	\$ 265,000	\$ 302,276	\$ 82,713	\$ 465,332	\$ 407,000	465,332	\$ -	\$ -	\$ 141,045	\$ 339,250	\$ -	\$ 339,250	\$ (126,082)	-27%	Reduction due to removal of website, budgeted for in 2020; and reduction in strategic IT plan
1005	Facility Improvements						\$ 414,000	\$ 414,000	\$ 414,000	\$ -	\$ -	\$ -	\$ 85,000	\$ -	\$ 85,000	\$ (329,000)	-79%	Reduction due to one-time expenditures for campus improvements completed in 2020
	<b>Operations Subtotal</b>	<b>\$ 1,403,430</b>	<b>\$ 1,368,553</b>	<b>\$ 1,470,802</b>	<b>\$ 1,400,820</b>	<b>\$ 1,325,620</b>	<b>\$ 2,037,889</b>	<b>\$ 1,851,796</b>	<b>\$ 1,967,889</b>	<b>\$ 70,000</b>	<b>\$ 1,778,850</b>	<b>\$ (267,137)</b>	<b>\$ 1,580,698</b>	<b>\$ 70,000</b>	<b>\$ 1,510,698</b>	<b>\$ (457,191)</b>	<b>-22%</b>	
2001	Permit Administration	\$ 663,607	\$ 622,287	\$ 609,966	\$ 674,400	\$ -	\$ 700,822	\$ 687,618	612,822	\$ 88,000	\$ -	\$ 13,204	\$ 728,617	\$ 88,000	\$ 640,617	\$ 27,795	4%	Change due to net effect of reduction in contract services and increased wages
2007	Rule Revisions	\$ -	\$ -	\$ 40,000	\$ 17,953	\$ 22,047	\$ 65,000	\$ 65,000	65,000	\$ -	\$ -	\$ 22,047	\$ -	\$ -	\$ -	\$ (65,000)	-100%	Reduction due to rule revisions budgeted for in 2020.
	<b>Permitting Subtotal</b>	<b>\$ 663,607</b>	<b>\$ 622,287</b>	<b>\$ 649,966</b>	<b>\$ 692,353</b>	<b>\$ 22,047</b>	<b>\$ 765,822</b>	<b>\$ 752,618</b>	<b>\$ 677,822</b>	<b>\$ 88,000</b>	<b>\$ -</b>	<b>\$ 35,251</b>	<b>\$ 728,617</b>	<b>\$ 88,000</b>	<b>\$ 640,617</b>	<b>\$ (37,205)</b>	<b>-5%</b>	
2002	Planning & Projects	\$ 912,310	\$ 869,226	\$ 1,024,491	\$ 975,160	\$ 17,487	\$ 1,080,804	\$ 1,030,603	1,080,804	\$ 20,000	\$ -	\$ 87,688	\$ 1,127,145	\$ -	\$ 1,127,145	\$ 46,341	4%	Change due to net effect of reduction in targeted planning expenditures and increased wages
2003	Project Maint. & Land Mgmt	\$ 754,198	\$ 488,121	\$ 814,296	\$ 624,764	\$ 179,676	\$ 854,762	\$ 747,312	854,762	\$ -	\$ -	\$ 287,126	\$ 957,807	\$ -	\$ 957,807	\$ 103,045	12%	Due to addition of 1 FTE - PMLM Technician, and base wage increases
	<b>Planning &amp; Projects Subtotal</b>	<b>\$ 1,666,508</b>	<b>\$ 1,357,347</b>	<b>\$ 1,838,787</b>	<b>\$ 1,599,924</b>	<b>\$ 197,163</b>	<b>\$ 1,935,566</b>	<b>\$ 1,777,915</b>	<b>\$ 1,935,566</b>	<b>\$ 20,000</b>	<b>\$ -</b>	<b>\$ 374,814</b>	<b>\$ 2,084,952</b>	<b>\$ -</b>	<b>\$ 2,084,952</b>	<b>\$ 149,386</b>	<b>8%</b>	
4001	Cynthia Krieg	\$ -	\$ 1,250	\$ -	\$ 1,000	\$ 5,721	\$ -	\$ -	0	\$ -	\$ 5,721	\$ -	\$ -	\$ -	\$ -	\$ -	0%	Sunset - carrying assigned funds for existing encumbered grant awards
4002	Outreach	\$ 624,257	\$ 426,655	\$ 767,797	\$ 458,638	\$ 89,991	\$ 701,320	\$ 520,264	\$ 701,320	\$ -	\$ -	\$ 271,047	\$ 519,344	\$ -	\$ 519,344	\$ (181,976)	-26%	Due to eliminatinon of 1 FTE - Education Coordinator, and refocusing of new Outreach Program
4005	Cost Share	\$ -	\$ 256,465	\$ -	\$ 119,966	\$ 496,702	\$ -	\$ -	0	\$ -	\$ 496,702	\$ -	\$ -	\$ -	\$ -	\$ -	0%	Sunset - carrying assigned funds for existing encumbered grant awards
	<b>Outreach Subtotal</b>	<b>\$ 624,257</b>	<b>\$ 684,370</b>	<b>\$ 767,797</b>	<b>\$ 579,604</b>	<b>\$ 592,414</b>	<b>\$ 701,320</b>	<b>\$ 520,264</b>	<b>\$ 701,320</b>	<b>\$ -</b>	<b>\$ 502,423</b>	<b>\$ 271,047</b>	<b>\$ 519,344</b>	<b>\$ -</b>	<b>\$ 519,344</b>	<b>\$ (181,976)</b>	<b>-26%</b>	
5001	Research & Monitoring	\$ 841,462	\$ 801,257	\$ 711,018	\$ 662,178	\$ 73,849	\$ 1,017,049	\$ 941,996	961,049	\$ 56,000	\$ -	\$ 148,902	\$ 849,759	\$ -	\$ 849,759	\$ (167,290)	-16%	Reduction due to sunset of Long Lake diagnostic work, and 1-time expenditures for RESNET in 2020
5005	AIS	\$ 132,000	\$ 91,707	\$ 80,000	\$ 69,827	\$ 10,173	\$ 80,000	\$ 80,000		\$ -	\$ -	\$ (69,827)	\$ -	\$ -	\$ -	\$ (80,000)	-100%	Sunset of AIS watercraft inspection program
5007	Six Mile Creek-Halsted Bay Carp Mgmt	\$ 126,500	\$ 57,562	\$ 132,000	\$ 249,485	\$ -	\$ 101,000	\$ 101,000		\$ 101,000	\$ -	\$ -	\$ 51,000	\$ 51,000	\$ -	\$ (50,000)	-50%	Last year of LSOHC grant for SMCHB carp
500X	LCCMR Watershed Model Grant												\$ 171,500	\$ -	\$ 171,500	\$ 171,500	100%	Budgeted expenditures for year 1 of LCCMR modeling and machine learning grant
	<b>Research &amp; Monitoring Subtotal</b>	<b>\$ 1,099,962</b>	<b>\$ 950,526</b>	<b>\$ 923,018</b>	<b>\$ 981,490</b>	<b>\$ 84,022</b>	<b>\$ 1,198,049</b>	<b>\$ 1,122,996</b>	<b>\$ 961,049</b>	<b>\$ 157,000</b>	<b>\$ -</b>	<b>\$ 79,075</b>	<b>\$ 1,072,259</b>	<b>\$ 51,000</b>	<b>\$ 1,021,259</b>	<b>\$ (125,790)</b>	<b>-10%</b>	
	<b>Operations and Programs Total</b>	<b>\$ 5,457,764</b>	<b>\$ 4,983,083</b>	<b>\$ 5,650,370</b>	<b>\$ 5,254,191</b>	<b>\$ 2,221,266</b>	<b>\$ 6,638,646</b>	<b>\$ 6,025,589</b>	<b>\$ 6,243,646</b>	<b>\$ 335,000</b>	<b>\$ 2,281,273</b>	<b>\$ 493,050</b>	<b>\$ 5,985,869</b>	<b>\$ 209,000</b>	<b>\$ 5,776,869</b>	<b>\$ (652,777)</b>	<b>-10%</b>	

**Attachment 3 - DRAFT 2021 Operations & Support Services Budget Summary**

<b>General Operations</b>						
<b>2020 Activity/Expense</b>	<b>2020 Budget</b>	<b>2020 Estimated Expenditures</b>	<b>2020 Generated Carryover</b>	<b>2021 Activity/Expense</b>	<b>2021 Budget</b>	<b>2020-2021 Budget Change</b>
Staff Expenses	\$ 12,000	\$ 12,000	\$ -	Staff Expenses	\$ 12,000	\$ -
Manager Expenses	\$ 50,500	\$ 50,500	\$ -	Manager Expenses	\$ 52,000	\$ 1,500
Building and Operating Expenses	\$ 131,000	\$ 131,000	\$ -	Building and Operating Expenses	\$ 130,000	\$ (1,000)
Vehicles	\$ 10,000	\$ 10,000	\$ -	Vehicles	\$ 35,000	\$ 25,000
Contracted Services	\$ 58,000	\$ 58,000	\$ -	Contracted Services	\$ 30,000	\$ (28,000)
Accounting & Auditing	\$ 89,000	\$ 89,000	\$ -	Accounting & Auditing	\$ 92,000	\$ 3,000
Engineering/Consulting	\$ 62,000	\$ 62,000	\$ -	Engineering/Consulting	\$ 64,000	\$ 2,000
Legal	\$ 95,000	\$ 95,000	\$ -	Legal	\$ 95,000	\$ -
Insurance	\$ 85,000	\$ 85,000	\$ -	Insurance	\$ 85,000	\$ -
Debt Service	\$ 155,000	\$ 104,924	\$ 50,076	Debt Service	\$ 104,924	\$ (50,076)
Other/Misc Expenses	\$ 42,800	\$ 42,800	\$ -	Other/Misc Expenses	\$ 45,000	\$ 2,200
Personnel	\$ 368,257	\$ 290,572	\$ 77,685	Personnel	\$ 411,524	\$ 43,267
<b>Total</b>	<b>\$ 1,158,557</b>	<b>\$ 1,030,796</b>	<b>\$ 127,761</b>		<b>\$ 1,156,448</b>	<b>\$ (2,109)</b>
<b>Information Technology</b>						
<b>2020 Activity/Expense</b>	<b>2020 Budget</b>	<b>2020 Estimated Expenditures</b>	<b>2020 Generated Carryover</b>	<b>2021 Activity/Expense</b>	<b>2021 Budget</b>	<b>2020-2021 Budget Change</b>
Strategic IT Plan	\$ 181,332	\$ 150,000	\$ 31,332	Strategic IT Plan	\$ 120,000	\$ (61,332)
Website redesign	\$ 100,000	\$ 100,000	\$ -	Website redesign	\$ -	\$ (100,000)
Contracted Services	\$ 100,000	\$ 100,000	\$ -	Contracted Services	\$ 100,000	\$ -
IT Equipment	\$ 27,000	\$ 27,000	\$ -	IT Equipment	\$ 38,500	\$ 11,500
Licenses	\$ 57,000	\$ 30,000	\$ 27,000	Licenses	\$ 80,750	\$ 23,750
<b>Total</b>	<b>\$ 465,332</b>	<b>\$ 407,000</b>	<b>\$ 58,332</b>		<b>\$ 339,250</b>	<b>\$ (126,082)</b>
<b>Facility Improvements</b>						
<b>2020 Activity/Expense</b>	<b>2020 Budget</b>	<b>2020 Estimated Expenditures</b>	<b>2020 Generated Carryover</b>	<b>2021 Activity/Expense</b>	<b>2021 Budget</b>	<b>2020-2021 Budget Change</b>
Engineering/Consulting	\$ 50,000	\$ 50,000.00	\$ -	Engineering/Consulting	\$ -	\$ 50,000
Facilities Improvements	\$ 364,000	\$ 364,000	\$ -	Facilities Improvements	\$ 85,000	\$ (279,000)
<b>Total</b>	<b>\$ 414,000</b>	<b>\$ 414,000</b>	<b>\$ -</b>		<b>\$ 85,000</b>	<b>\$ (329,000)</b>

Normal expenses + replace 2013 truck per approved vehicle replacement schedule

Contract for Government Relations consultant moved to Outreach program

Adjusted debt service due to refinance

Assumes reclassification of Operations Coordinator, and Ops Mgr in budget for now hired at midpoint

New software acquisition, consultant implementation services (70k software, 25k consulting, 25k contingency)

Phase I and Phase II website redesign

Base managed services (MSP, website hosting, etc.)

Lifecycle replacement of IT equipment (firewall, access points, computers)

IT system licenses & new IT equipment licenses (firewall, backup, GIS, WISKI, Elements XS, Bluebeam)

Engineering services for campus improvement, completed in 2020

\*Interior office redesign - pending needs assessment, and potential replacement of 1 furnace

**Attachment 4 - DRAFT 2021 Permitting Budget Summary**

<b>Permit Administration</b>						
<b>2020 Activity/Expense</b>	<b>2020 Budget</b>	<b>2020 Estimated Expenditures</b>	<b>2020 Generated Carryover</b>	<b>2021 Activity/Expense</b>	<b>2021 Budget</b>	<b>2020-2021 Budget Change</b>
Engineering	\$ 165,000	\$ 190,000	\$ (25,000)	Engineering	\$ 170,000	\$ 5,000
Legal Expense	\$ 55,000	\$ 35,000	\$ 20,000	Legal Expense	\$ 55,000	\$ -
Contract Services	\$ 15,000	\$ 7,500	\$ 7,500	Contract Services	\$ 10,000	\$ (5,000)
Staff Mileage/Expenses	\$ 5,000	\$ 4,500	\$ 500	Staff Mileage/Expenses	\$ 5,000	\$ -
Staff Training	\$ 10,000	\$ 7,500	\$ 2,500	Staff Training	\$ 10,000	\$ -
Printing/Postage	\$ 5,000	\$ 3,000	\$ 2,000	Printing/Postage	\$ 5,000	\$ -
Equipment & Supplies/Other	\$ 5,000	\$ 1,500	\$ 3,500	Equipment & Supplies/Other	\$ 5,000	\$ -
Personnel	\$ 440,822	\$ 438,618	\$ 2,204	Personnel	\$ 468,617	\$ 27,795
<b>Total</b>	<b>\$ 700,822</b>	<b>\$ 687,618</b>	<b>\$ 13,204</b>		<b>\$ 728,617</b>	<b>\$ 27,795</b>
<b>Rule Revisions</b>						
<b>2020 Activity/Expense</b>	<b>2020 Budget</b>	<b>2020 Estimated Expenditures</b>	<b>2020 Generated Carryover</b>	<b>2021 Activity/Expense</b>	<b>2021 Budget</b>	<b>2020-2021 Budget Change</b>
Program Alignment	\$ 65,000	\$ 65,000	\$ -	Program Alignment	\$ -	\$ (65,000)
<b>Total</b>	<b>\$ 65,000</b>	<b>\$ 65,000</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ (65,000)</b>

Increased based on past and year-to-date expenditures

Planning and technical assistance for project opportunities. Reduced based on past spending.

Consultant support for policy development and rule revisions. To be completed in 2020.



**Attachment 5 - DRAFT 2021 Planning & Projects Budget Summary**

<b>Planning &amp; Projects</b>							
<b>2020 Activity/Expense</b>	<b>2020 Budget</b>	<b>2020 Estimated Expenditures</b>	<b>2020 Generated Carryover</b>	<b>2021 Activity/Expense</b>	<b>2021 Budget</b>	<b>2020-2021 Budget Change</b>	
Policy analysis/development	\$ 10,000	\$ 10,000	\$ -	Policy analysis/development	\$ 5,000	\$ (5,000)	Legal and engineering services for policy analysis/development
Minnehaha Creek Planning	\$ 125,000	\$ 125,000	\$ -	Minnehaha Creek Planning	\$ 125,000	\$ -	
Six Mile Creek-Halsted Bay Planning	\$ 100,000	\$ 100,000	\$ -	Six Mile Creek-Halsted Bay Planning	\$ 100,000	\$ -	
Painter Creek Planning	\$ 10,000	\$ 10,000	\$ -	Painter Creek Planning	\$ -	\$ (10,000)	Painter Creek deprioritized in 2021. Work to be done by staff in coordination with USACE if needed
Responsive Planning	\$ 75,000	\$ 30,000	\$ 45,000	Responsive Planning	\$ 75,000	\$ -	Consultant (e.g. engineering, legal, landscape architect) services for opportunity-driven projects
General Engineering and Legal	\$ 25,000	\$ 25,000	\$ -	General Engineering and Legal	\$ 25,000	\$ -	Consultant services for non-project work (e.g. high water, boundary change, state policy review)
Training	\$ 6,300	\$ 6,300	\$ -	Training	\$ 6,300	\$ -	
Expenses/Mileage	\$ 7,700	\$ 7,700	\$ -	Expenses/Mileage	\$ 7,700	\$ -	
Printing/Publishing/Postage	\$ 2,500	\$ 2,500	\$ -	Printing/Publishing/Postage	\$ 2,500	\$ -	
Other/Miscellaneous	\$ 3,000	\$ 3,000	\$ -	Other/Miscellaneous	\$ 3,000	\$ -	
Personnel	\$ 716,304	\$ 711,103	\$ 5,201	Personnel	\$ 777,645	\$ 61,341	
<b>Total</b>	<b>\$ 1,080,804</b>	<b>\$ 1,030,603</b>	<b>\$ 50,201</b>		<b>\$ 1,127,145</b>	<b>\$ 46,341</b>	
<b>Project Maintenance and Land Management</b>							
<b>2020 Activity/Expense</b>	<b>2020 Budget</b>	<b>2020 Estimated Expenditures</b>	<b>2020 Generated Carryover</b>	<b>2021 Activity/Expense</b>	<b>2021 Budget</b>	<b>2020-2021 Budget Change</b>	
Vegetation Maintenance	\$ 175,000	\$ 175,000	\$ -	Vegetation Maintenance	\$ 175,000	\$ -	No increase, actual contracted amount
Great River Greening Grant Match	\$ 25,000	\$ 25,000	\$ -	Great River Greening Grant Match	\$ 25,000	\$ -	Grant match for SMMPR, Preserve, Diercks, Broin
Stormwater Facility Maintenance	\$ 250,000	\$ 140,650	\$ 109,350	Stormwater Facility Maintenance	\$ 250,000	\$ -	40K+ for sediment survey + engineering, Amelia and Gleason possible dredge for either 2021 or 2022
Infrastructure Maintenance	\$ 160,000	\$ 160,000	\$ -	Infrastructure Maintenance	\$ 160,000	\$ -	
Property Surveys	\$ 5,000	\$ 5,000	\$ -	Property Surveys	\$ 5,000	\$ -	
Routine and Unplanned Maintenance	\$ 10,000	\$ 10,000	\$ -	Routine and Unplanned Maintenance	\$ 10,000	\$ -	
Engineering and Legal Expenses	\$ 20,000	\$ 20,000	\$ -	Engineering and Legal Expenses	\$ 20,000	\$ -	
Printing and Publishing Materials	\$ 2,000	\$ 2,000	\$ -	Printing and Publishing Materials	\$ 2,000	\$ -	
Staff Expenses, Trainings, and Mileage	\$ 4,000	\$ 4,000	\$ -	Staff Expenses, Trainings, and Mileage	\$ 4,000	\$ -	
Equipment and Supplies	\$ 500	\$ 500	\$ -	Equipment and Supplies	\$ 500	\$ -	
Personnel	\$ 203,262	\$ 205,162	\$ (1,900)	Personnel	\$ 306,307	\$ 103,045	Due to addition of 1 FTE - PMLM Technician, and base wage increases
<b>Total</b>	<b>\$ 854,762</b>	<b>\$ 747,312</b>	<b>\$ 107,450</b>		<b>\$ 957,807</b>	<b>\$ 103,045</b>	

**Attachment 6 - DRAFT 2021 Outreach Budget Summary**

Outreach						
2020 Activity/Expense	2020 Budget	2020 Estimated Expenditures	2020 Generated Carryover	2021 Activity/Expense	2021 Budget	2020-2021 Budget Change
<b>Minnehaha Creek Subwatershed</b>						
Greenway	\$ 54,081	\$ 41,481	\$ 12,600			\$ (54,081)
Arden	\$ 9,300	\$ 9,300	\$ -			\$ (9,300)
Minneapolis	\$ 13,000	\$ -	\$ 13,000			\$ (13,000)
Gray's Bay signage	\$ 8,000	\$ -	\$ 8,000			\$ (8,000)
<b>Six Mile Creek-Halsted Bay Subwatershed</b>						
Communications	\$ 39,000	\$ 34,000	\$ 5,000			\$ (39,000)
Engagement	\$ 19,000	\$ 19,000				\$ (19,000)
Signage	\$ 12,000	\$ 16,000				\$ (12,000)
				<b>Supporting High-Impact Interpersonal Outreach</b>		
				Communications advisors	\$ 30,000	\$ 30,000
				Subject matter experts	\$ 5,000	\$ 5,000
				Creators	\$ 30,000	\$ 30,000
				Government relations	\$ 30,000	\$ 30,000
				<b>Campaigns for Key Initiatives</b>		
				Events	\$ 15,000	\$ 15,000
				Producing and distributing materials	\$ 20,000	\$ 20,000
				Programming	\$ 20,000	\$ 20,000
				Data collection	\$ 5,000	\$ 5,000
				Volunteer Engagement	\$ 3,000	\$ 3,000
<b>Watershed wide programming</b>				<b>Broad-based Outreach</b>		
District-wide communications	\$ 17,950	\$ 10,950	\$ 7,000	District-wide publications	\$ 10,000	\$ (7,950)
Website copywriter/photographer	\$ 28,000	\$ -	\$ 28,000	Website copywriter/photographer	\$ 28,000	\$ -
				Broad-based engagement	\$ 10,000	\$ 10,000
Stormwater education	\$ 24,400	\$ 16,800	\$ 7,600			\$ (24,400)
Watershed Association Initiative	\$ -	\$ -	\$ -			\$ -
Master Water Stewards program	\$ 5,000	\$ 5,000	\$ -			\$ (5,000)
Volunteer support	\$ 3,100	\$ 3,100	\$ -			\$ (3,100)
Strategic communications plan	\$ -	\$ 53,500	\$ (53,500)			\$ -
BUE Policy Program Support	\$ 48,350	\$ 48,350	\$ -			\$ (48,350)
Strategic Advisor Consultants	\$ -	\$ 30,000	\$ (30,000)			\$ -
<b>Program Administration</b>				<b>Program Administration</b>		
				Analytics and tracking	\$ -	\$ -
Staff mileage & expenses	\$ 1,999	\$ 2,000	\$ (1)	Staff mileage & expenses	\$ 2,000	\$ 1
Staff training	\$ 11,000	\$ 11,000	\$ -	Staff training	\$ 15,000	\$ 4,000
Legal fees	\$ 7,500	\$ 7,500	\$ -	Legal fees	\$ 3,000	\$ (4,500)
Dues & subscriptions	\$ 3,901	\$ 3,901	\$ -	Dues & subscriptions	\$ 4,000	\$ 99
Personnel	\$ 395,739	\$ 208,382	\$ 187,357	Personnel	\$ 289,344	\$ (106,395)
<b>Total</b>	<b>\$ 701,320</b>	<b>\$ 520,264</b>	<b>\$ 181,056</b>		<b>\$ 519,344</b>	<b>\$ (181,976)</b>

The strategic outreach plan approved by the Board in February establishes a new set of guiding principles, priorities, and staffing for the Outreach program. The budget has been restructured to reflect the implementation plan.

The Strategic Outreach Plan recognizes that MCWD's most impactful outreach activities are interpersonal, context-specific, and delivered by MCWD relationship managers. The plan calls for the Outreach program to prioritize time and resources to ensuring the success of these high-impact outreach events through preparation, supporting materials, de-brief, and tracking.

As-needed consultation on matters such as crisis communications, media relations, grant: Engineers, hydrologists, etc., to inform messaging and strategy for critical outreach event: Consultant support to create high-impact outreach items (e.g. design, video, animation, 3D printing, VR Relocated from General Operations fund

The program will continue to use traditional Outreach tools to support MCWD. These activities will be dictated by custom outreach plans developed to directly support the strategic context of a number of key initiatives. In 2021, we anticipate those key initiatives to be: Permitting program improvements; 2D model and machine learning build (pending LCCMR funding); 325 Blake Road; Long Lake Creek implementation roadmap; Minnehaha Creek Parkways visioning in south Minneapolis; and an overall campaign in the Six Mile Creek-Halsted Bay subwatershed.

Input sessions, open houses, tours, media events

Publications, fact sheets, videos, storymaps  
Signage, branding, activities (includes planned signage for Gray's Bay dam and Six Mile-Halsted)  
Community surveys, power mapping, usage tracking  
Trainings, materials, supplies

The program will maintain some limited broad-based Outreach in order to maintain brand awareness, connect people to information they value, and provide transparency and customer service.

Annual newsletter, mid-year highlights, budget publication  
Copywriting for website re-build (carried over from 2020)  
Metro Watershed Partners/Adopt a Drain, District-wide training

The new strategic Outreach approach will require changing what is tracked and how this data is used to drive decision making. This will be implemented in 2022 after the program implements more pressing aspects of its new work approach.

Based on previous years' expenditures, pro-rated for 3 staff members instead of 4

Enhancing skill sets required by new Outreach strategy. Front-loaded at the outset of the new strategic direction, these intensive training: will be more than one-off workshops. They will be frameworks the Outreach program staff will adopt that will form the basis of how staff support critical outreach events, including: presentation coaching, engagement facilitation, and data visualization.

Reduced from \$7,500 due to a reduction in contracted engagement programs that required annual contract review

Professional organizations (e.g., MAGC); subscriptions to tools (e.g., news clippings, survey software

**Attachment 7 - DRAFT 2021 Research & Monitoring Budget Summary**

<b>Research &amp; Monitoring</b>						
2020 Activity/Expense	2020 Budget	2020 Estimated Expenditures	2020 Generated Carryover	2021 Activity/Expense	2021 Budget	2020-2021 Budget Change
<b>Watershed-wide Monitoring</b>				<b>Watershed-wide Monitoring</b>		
Assessing long-term change in streams & lakes	\$ 40,600	\$ 40,600	\$ -	Assessing long-term change in streams & lakes	\$ 52,400	\$ 11,800
USGS gauge management & stormwater analysis	\$ 22,200	\$ 25,230	\$ (3,030)	USGS gauge management & stormwater analysis	\$ 25,230	\$ 3,030
Responsive monitoring/analysis	\$ 33,500	\$ 33,500	\$ -	Responsive monitoring/analysis	\$ 33,500	\$ -
Dutch Lake inlet monitoring	\$ -	\$ -	\$ -	Dutch Lake inlet monitoring	\$ 800	\$ 800
Lake Minnetonka zebra mussel assessment	\$ 900	\$ -	\$ 900	Lake Minnetonka zebra mussel assessment	\$ -	\$ (900)
Long Lake Creek subwatershed monitoring	\$ 59,400	\$ 59,400	\$ -	Long Lake Creek subwatershed monitoring	\$ 3,100	\$ (56,300)
Painter Creek subwatershed monitoring	\$ 8,000	\$ 8,000	\$ -	Painter Creek subwatershed monitoring	\$ -	\$ (8,000)
<b>Minnehaha Creek Subwatershed Monitoring</b>			\$ -	<b>Minnehaha Creek Subwatershed Monitoring</b>		
Cottageville Park Project Monitoring	\$ 500	\$ -	\$ 500	Cottageville Park Project Monitoring	\$ -	\$ (500)
325 Blake Road Project Monitoring	\$ 2,000	\$ 7,000	\$ (5,000)	325 Blake Road Project Monitoring	\$ 2,000	\$ -
Arden Park Project Monitoring	\$ 3,000	\$ -	\$ 3,000	Arden Park Project Monitoring	\$ 2,000	\$ (1,000)
Minneapolis Project Monitoring	\$ 10,000	\$ 2,000	\$ 8,000	Minneapolis Project Monitoring	\$ 5,000	\$ (5,000)
<b>Six Mile Creek-Halsted Bay Monitoring</b>				<b>Six Mile Creek-Halsted Bay Monitoring</b>		
Six Mile Carp Project Monitoring	\$ 20,000	\$ 20,000	\$ -	Six Mile Carp Project Monitoring	\$ 20,000	\$ -
District match for LSOHC grant	\$ 30,920	\$ 30,920	\$ -	District match for LSOHC grant	\$ 11,500	\$ (19,420)
Wetland Diagnostic/Project Support	\$ 10,000	\$ 10,000	\$ -	Wetland Diagnostic/Project Support	\$ 10,000	\$ -
Wassermann West Project Monitoring	\$ 1,000	\$ 1,000	\$ -	Wassermann West Project Monitoring	\$ 15,000	\$ 14,000
Wasserman Lake Alum Study	\$ 20,000	\$ -	\$ 20,000	Wasserman Lake Alum Study	\$ -	\$ (20,000)
Contract Services	\$ 20,000	\$ 20,000	\$ -	Contract Services	\$ 50,000	\$ 30,000
East Auburn Stormwater Pond Monitoring	\$ 1,000	\$ -	\$ 1,000	East Auburn Stormwater Pond Monitoring	\$ -	\$ (1,000)
<b>Program Administration</b>				<b>Program Administration</b>		
Equipment/Supplies	\$ 220,000	\$ 182,500	\$ 37,500	Equipment/Supplies	\$ 60,500	\$ (159,500)
Repairs/maintenance	\$ 5,000	\$ 5,000	\$ -	Repairs/maintenance	\$ 5,000	\$ -
Utilities	\$ 5,000	\$ 5,000	\$ -	Utilities	\$ 5,000	\$ -
Boat Expenses	\$ 5,000	\$ 5,000	\$ -	Boat Expenses	\$ 5,000	\$ -
Publishing/Postage	\$ 2,000	\$ 2,000	\$ -	Publishing/Postage	\$ 2,000	\$ -
Engineering/Consulting	\$ 30,000	\$ 30,000	\$ -	Engineering/Consulting	\$ 15,000	\$ (15,000)
Legal	\$ 5,000	\$ 5,000	\$ -	Legal	\$ 5,000	\$ -
Staff Training	\$ 10,000	\$ 10,000	\$ -	Staff Training	\$ 10,000	\$ -
Staff/meeting expenses	\$ 2,650	\$ 2,650	\$ -	Staff/meeting expenses	\$ 8,000	\$ 5,350
Dues/subscriptions	\$ 4,000	\$ 4,000	\$ -	Dues/subscriptions	\$ 4,000	\$ -
Personnel	\$ 445,379	\$ 433,196	\$ 12,183	Personnel	\$ 499,729	\$ 54,350
<b>Total</b>	<b>\$ 1,017,049</b>	<b>\$ 941,996</b>	<b>\$ 75,053</b>		<b>\$ 849,759</b>	<b>\$ (167,290)</b>
<b>AIS</b>						
2020 Activity/Expense	2020 Budget	2020 Estimated Expenditures	2020 Generated Carryover	2021 Activity/Expense	2021 Budget	2020-2021 Budget Change
AIS Watercraft Inspection Cost-Share Agmts	\$ 80,000	\$ 80,000	\$ -	AIS Watercraft Inspection Cost-Share Agmts	\$ -	\$ (80,000)
<b>Total</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>	<b>\$ -</b>		<b>\$ -</b>	<b>\$ (80,000)</b>
<b>Six Mile Creek-Halsted Bay Carp Management</b>						
2020 Activity/Expense	2020 Budget	2020 Estimated Expenditures	2020 Generated Carryover	2021 Activity/Expense	2021 Budget	2020-2021 Budget Change
Lessard-Sams OHC funded activities	\$ 101,000	\$ 101,000	\$ -	Lessard-Sams OHC funded activities	\$ 51,000	\$ (50,000)
<b>Total</b>	<b>\$ 101,000</b>	<b>\$ 101,000</b>	<b>\$ -</b>		<b>\$ 51,000</b>	<b>\$ (50,000)</b>
<b>LCCMR Watershed Model Grant</b>						
2020 Activity/Expense	2020 Budget	2020 Estimated Expenditures	2020 Generated Carryover	2021 Activity/Expense	2021 Budget	2020-2021 Budget Change
LCCMR Watershed Model Grant	\$ -	\$ -	\$ -	LCCMR Watershed Model Grant	\$ 171,500	\$ 171,500
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ 171,500</b>	<b>\$ 171,500</b>

Cost increase due to increased lab costs and additional stormwater sampling

Cost for water quality sampling of Dutch Lake filter for project effectiveness monitoring

No longer conducting zebra mussel monitoring

2020 included system-wide monitoring for the subwatershed assessment. 2021 is effectiveness monitoring of the County Rd 6 pond.

Painter Creek will only include anchor monitoring in 2021

2020 costs for stormwater particulate analysis

5K for supplies/permits/equipment, 5K for operation of aeration, and 1.5K in monitoring support

Collect follow up sediment cores to inform 2021 alum treatment

Pilot 2D model in the western growth area to inform small area planning

Carrying over \$37,500 of RESNET equipment to install in 2021. Also real-time phosphorus sensors to inform the alum injection facility design.

This fund has decreased since it is being reserved for general consulting services

Due to reclassification of Assistant to Technician, and Coordinator to Hydrologist, and base wage increases

Sunset of AIS watercraft inspection program

Final year in LSOCH grant

Year 1 of LCCMR Project - includes \$83,000 of requested funds and \$88,000 in cash match for groundwater equipment

**Attachment 8 - DRAFT 2021 Capital Improvement Plan Budget**

Project/Phase for 2021		2020 Carryover Detail							2021 Budget and Revenue		
Fund Code	Project Name	2019 EOY Balance	2020 Budget	2020 Estimated Expenditures	2020 Levy	2020 External Revenue	Assigned (carried to future years)	2020 Carryover	2021 Budget	2021 External Revenue (secured)	2021 Revenue Needs
<b>Responsive CIP</b>											
3500	Responsive CIP	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ -
<b>Debt Service</b>											
3140	Taft-Legion	\$ 4,237	\$ 171,905	\$ 171,905	\$ 171,905	\$ -	\$ -	\$ 4,237	\$ -	\$ -	\$ (4,237)
<b>Completed (to be closed)</b>											
3154	East Auburn Stormwater Enhancement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Warranty Phase</b>											
3147	Arden Park Stream Restoration	\$ 245,290	\$ 41,898	\$ 417,663	\$ 6,381	\$ 112,604	\$ 15,350	\$ (68,738)	\$ 35,898	\$ -	\$ 104,637
3148	FEMA Flood Repairs	\$ 202,631	\$ 9,000	\$ 40,000	\$ -	\$ -	\$ -	\$ 162,631	\$ 9,000	\$ -	\$ (153,631)
3153	Wasserman West	\$ 208,894	\$ 2,387,728	\$ 2,264,000	\$ 62,302	\$ 2,002,000	\$ 19,475	\$ (10,279)	\$ 87,500	\$ -	\$ 97,779
<b>Design/Construction</b>											
3106	Six Mile Marsh Prairie Restoration (Trail)	\$ 125,000	\$ 175,000	\$ 17,500	\$ 67,500	\$ -	\$ -	\$ 175,000	\$ 175,000	\$ -	\$ -
3145	325 Blake Stormwater and Demo	\$ 2,647,308	\$ 2,500,000	\$ 133,500	\$ -	\$ 12,500	\$ -	\$ 2,526,308	\$ 3,871,500	\$ 482,500	\$ 862,692
3146	Cottageville Park Phase II	\$ 55,854	\$ 276,000	\$ 6,900	\$ 276,000	\$ -	\$ -	\$ 324,954	\$ 324,954	\$ -	\$ -
3150	Meadowbrook Golf Course Restoration	\$ 513,353	\$ 400,000	\$ -	\$ -	\$ -	\$ 312,680	\$ 200,673	\$ 200,673	\$ -	\$ -
3155	Minneapolis Stormwater	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ -
3152	SWLRT Trail Connection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 510,000	\$ -	\$ 510,000
31XX	Wassermann Internal Load Management	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ (20,000)	\$ 335,900	\$ 284,720	\$ 71,180
<b>CIP Total</b>		<b>\$4,502,567</b>	<b>\$ 5,961,531</b>	<b>\$ 3,071,468</b>	<b>\$ 584,088</b>	<b>\$ 2,127,104</b>	<b>\$ 597,505</b>	<b>\$ 3,544,786</b>	<b>\$ 5,800,425</b>	<b>\$ 767,220</b>	<b>\$ 1,488,420</b>
2004	Capital Finance Account	\$ 8,496,887	\$ 2,750,000	\$ 2,280,069	\$ 2,738,780	\$ 11,220	\$ 8,966,818	\$ -	\$ 2,914,974	\$ 11,220	\$ 2,903,754
<b>Total</b>		<b>\$12,999,454</b>	<b>\$ 8,711,531</b>	<b>\$ 5,351,537</b>	<b>\$ 3,322,868</b>	<b>\$ 2,138,324</b>	<b>\$ 9,564,323</b>	<b>\$ 3,544,786</b>	<b>\$ 8,715,400</b>	<b>\$ 778,440</b>	<b>\$ 4,392,174</b>

Attachment 9 - MCWD Capital Finance

Year	Hennepin 2010B	Hennepin 2011A	Hennepin 2013B	Richfield 2013B	Wells Fargo Note 2018 (Replaced 2011/2013 Note)	Total Capital Finance Debt Service	Land Conservation Receipts	Transfer In/ Reimbursement	Transfer Out/ Expenditure	Land Conservation Fund	Debt Coverage
						2010B + 2011A + 2013B + Wells Note	Levy	See notes for source	See notes for destination	Where <i>n</i> = current year: ( <i>n</i> -1) balance + <i>n</i> receipts - <i>n</i> debt service + <i>n</i> net transfer	Where <i>n</i> = current year: [( <i>n</i> - 1) balance + <i>n</i> receipts + <i>n</i> net transfers] / <i>n</i> total debt service
2011	\$ 215,736.81	\$ -	\$ -		\$ -	\$ 215,736.81	\$ 2,500,000.00	\$ -	\$ -	\$ 7,732,216.00	35.84
2012	\$ 218,562.50	\$ 319,141.81	\$ -		\$ 648,825.00	\$ 1,186,529.31	\$ 2,500,000.00	\$ -	\$ -	\$ 6,654,292.00	5.61
2013	\$ 216,062.50	\$ 333,718.75	\$ 386,182.00		\$ 580,250.00	\$ 1,516,213.25	\$ 2,500,000.00	\$ -	\$ -	\$ 9,706,099.00	6.40
2014	\$ 217,312.50	\$ 338,768.75	\$ 461,938.00	\$ 154,847.38	\$ 580,125.00	\$ 1,752,991.63	\$ 2,500,000.00	\$ -	\$ 1,349,156.00	\$ 9,089,010.00	5.18
2015	\$ 218,412.50	\$ 341,768.75	\$ 463,538.00	\$ 177,255.00	\$ 1,535,500.00	\$ 2,736,474.25	\$ 2,765,423.00	\$ 510,921.00	\$ -	\$ 9,646,722.00	4.52
2016	\$ 219,362.50	\$ 339,368.75	\$ 459,838.00	\$ 174,855.00	\$ 1,999,800.00	\$ 3,193,224.25	\$ 2,795,204.00	\$ -	\$ -	\$ 9,287,628.00	3.90
2017	\$ 220,162.50	\$ 336,768.75	\$ 460,988.00	\$ 177,405.00	\$ 2,946,250.00	\$ 4,141,574.25	\$ 3,159,412.00	\$ -	\$ 25,000.00	\$ 8,447,852.00	3.00
2018	\$ 215,812.50	\$ 338,968.75	\$ 461,838.00	\$ 174,905.00	\$ 2,357,000.00	\$ 3,548,524.25	\$ 3,159,412.00	\$ -	\$ 452,096.00	\$ 7,776,677.00	3.14
2019	\$ 216,462.50	\$ 340,768.75	\$ 462,388.00	\$ 172,405.00	\$ 1,299,200.00	\$ 2,321,543.00	\$ 3,041,753.00	\$ -	\$ -	\$ 8,496,887.00	4.66
2020	\$ 218,462.50	\$ 337,168.75	\$ 462,638.00	\$ 169,905.00	\$ 1,261,800.00	\$ 2,449,974.25	\$ 2,750,000.00	\$ -	\$ -	\$ 8,796,912.75	4.59
2021	\$ 217,262.50	\$ 338,368.75	\$ 462,588.00	\$ 172,355.00	\$ 1,724,400.00	\$ 2,914,974.25	\$ 2,903,754.25	\$ -	\$ -	\$ 8,785,692.75	4.01
2022	\$ 217,462.50	\$ 339,168.75	\$ 462,238.00	\$ 169,755.00	\$ 1,668,300.00	\$ 2,856,924.25	\$ 2,750,000.00	\$ -	\$ -	\$ 8,678,768.50	4.04
2023	\$ 217,512.50	\$ 339,568.75	\$ 460,138.00	\$ 172,105.00	\$ 3,112,200.00	\$ 4,301,524.25	\$ 2,750,000.00	\$ -	\$ -	\$ 7,127,244.25	2.66
2024	\$ 217,412.50	\$ 337,068.75	\$ 462,938.00	\$ 169,405.00	\$ -	\$ 1,186,824.25	\$ 2,750,000.00	\$ -	\$ -	\$ 8,690,420.00	8.32
2025	\$ 217,162.50	\$ 339,418.75	\$ 460,538.00	\$ 171,655.00	\$ -	\$ 1,188,774.25	\$ 2,750,000.00	\$ -	\$ -	\$ 10,251,645.75	9.62
2026	\$ 216,762.50	\$ 341,137.50	\$ 463,038.00	\$ 168,750.00	\$ -	\$ 1,189,688.00	\$ 2,750,000.00	\$ -	\$ -	\$ 11,811,957.75	10.93
2027	\$ 216,212.50	\$ 337,200.00	\$ 459,375.00	\$ 170,686.25	\$ -	\$ 1,183,473.75	\$ 2,750,000.00	\$ -	\$ -	\$ 13,378,484.00	12.30
2028	\$ 220,512.50	\$ 337,750.00	\$ 460,600.00	\$ 172,365.00	\$ -	\$ 1,191,227.50	\$ 2,750,000.00	\$ -	\$ -	\$ 14,937,256.50	13.54
2029	\$ 219,012.50	\$ 337,600.00	\$ 461,600.00	\$ 168,840.00	\$ -	\$ 1,187,052.50	\$ 2,750,000.00	\$ -	\$ -	\$ 16,500,204.00	14.90
2030	\$ 217,350.00	\$ 340,600.00	\$ 464,300.00	\$ 170,101.25	\$ -	\$ 1,192,351.25	\$ 2,750,000.00	\$ -	\$ -	\$ 18,057,852.75	16.14
2031	\$ -	\$ 338,000.00	\$ 461,550.00	\$ 171,085.00	\$ -	\$ 970,635.00	\$ 2,750,000.00	\$ -	\$ -	\$ 19,837,217.75	21.44
2032	\$ -	\$ -	\$ 463,500.00	\$ 171,817.50	\$ -	\$ 635,317.50	\$ 2,750,000.00	\$ -	\$ -	\$ 21,951,900.25	35.55
2033	\$ -	\$ -	\$ -	\$ 172,295.00	\$ -	\$ 172,295.00	\$ 2,750,000.00	\$ -	\$ -	\$ 24,529,605.25	



# 2021 BUDGET & WORKPLAN

## IN PURSUIT OF A BALANCED URBAN ECOLOGY

We believe that clean water and a healthy natural environment are essential to creating and sustaining vibrant, thriving communities. The beauty, green space, and recreational opportunities found in the Minnehaha Creek watershed create a sense of place that provides a local identity, adds economic value, and increases well-being.

We put this belief into action by partnering with our communities to integrate the natural and built environments across the watershed. In pursuing these partnerships, we focus in areas of high need to achieve significant, measurable improvements, while remaining responsive to needs and opportunities watershed-wide.

This approach allows us to remain focused for greater effectiveness while maintaining the flexibility to respond to significant opportunities created through land use change.



**MINNEHAHA CREEK**  
WATERSHED DISTRICT

## OUR 2021 PRIORITIES

- **High-impact capital projects:** A majority of the budget will fund projects that improve natural resources, provide economic value, and support thriving communities
- **Ecological balance:** Our work throughout the watershed will continue to support ecological integrity and balance the natural and built environments to improve water quality, water quantity, and resiliency
- **Responsiveness:** MCWD will continue to provide added value to communities across the watershed by gathering robust data, providing technical assistance, and identifying opportunities to support the projects and initiatives of our partners for mutual benefit.
- **Improved customer service and efficiency:** Improvements to our permitting process, technology, and facilities will help improve staff's ability to provide excellent customer service to our residents

# 2021 BUDGET BREAKDOWN

## FISCAL RESPONSIBILITY

Our work is supported by an annual tax levy, funds levied in past years for multi-year projects (assigned funds), funds reallocated from projects and programs delivered under-budget, grants and partner funds, interest, and reimbursement of permit fees.

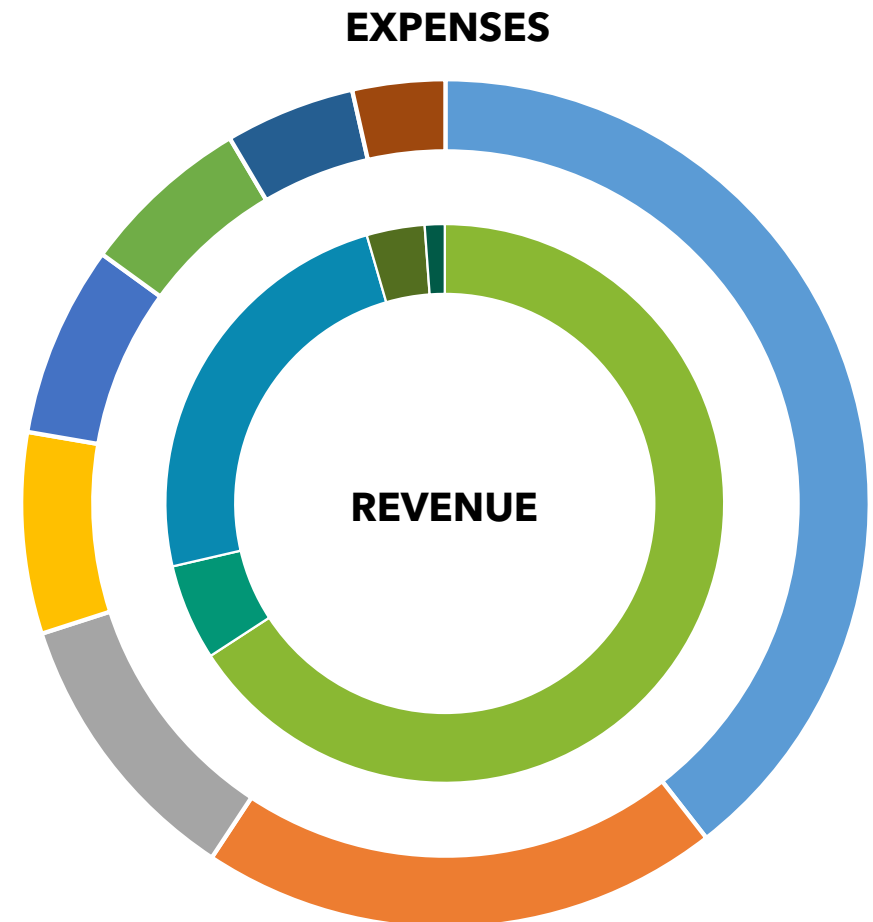
**For the fourth consecutive year, there will be no increase in our tax levy in 2021.** We will receive approximately \$818,000 in grants and partner contributions.

### EXPENSES

	2020	2021
Capital Projects	\$5,961,531	\$5,800,425
Capital Finance	\$2,750,000	\$2,914,974
Operations & Support Services	\$2,037,889	\$1,580,698
Planning	\$1,080,804	\$1,127,145
Research and Monitoring	\$1,198,049	\$1,072,259
Project & Land Maintenance	\$854,762	\$957,807
Permitting	\$765,822	\$728,617
Outreach	\$701,320	\$519,344
<b>TOTAL</b>	<b>\$15,350,177</b>	<b>\$14,701,269</b>

### REVENUE

	2020	2021
Levy	\$9,675,993	\$9,675,993
Grants and partner Funds	\$2,215,206	\$818,220
Projects fund balance	\$2,371,820	\$3,544,786
Programs fund balance	\$917,938	\$493,050
Interest & Fees	\$169,220	\$169,220
<b>TOTAL</b>	<b>\$15,350,177</b>	<b>\$14,701,269</b>



# WATERSHED-WIDE SERVICES

In our commitment to serve partners and residents across the watershed's 178 square mile geography, we provide a variety of services that assist them in our clean water work. We also remain flexible to respond to opportunities to protect and improve natural resources that are created through land use change and partner initiatives.

## SERVICES:

- **Monitoring & Assessment:** Collecting and analyzing data across the watershed to identify resource needs to inform planning and implementation.
- **Planning and Technical Assistance:** Collaborating with cities, landowners, and others to identify the most effective strategies to meet partners' goals and improve water quality and ecological integrity
- **Project Support:** Working with public and private partners to support projects that restore and improve water quality and ecological integrity and that are well coordinated and align with MCWD goals, exceed regulatory requirements, and create mutual benefits.
- **Permitting:** Reviewing and overseeing construction activities, in coordination with our communities, to protect natural resources from degradation that can occur as a result of land use change. In 2021, we will be coordinating with our cities and partners to improve the permitting process, generating opportunities for win-win partnerships and enhancing customer service.
- **Outreach:** Connecting people to information they value and engaging residents, agencies and private sector partners to ensure that our work is integrated with the goals of our communities
- **Project Maintenance and Land Management:** Maintaining our projects and land to ensure their continued function and value, and managing the operation of Gray's Bay Dam to balance the water budget throughout our 178-square miles and reduce the risk of flooding





# SIX MILE CREEK - HALSTED BAY SUBWATERSHED

## OVERVIEW

The Six Mile Creek - Halsted Bay Subwatershed is a complex system of 14 lakes connected by Six Mile Creek and thousands of acres of wetlands that form the headwaters of Lake Minnetonka and the Minnehaha Creek watershed. Five of the lakes are on the state's impaired waters list, and Six Mile Creek flows into Halsted Bay, the most degraded bay in Lake Minnetonka.

This subwatershed is experiencing rapid development, which presents a unique opportunity to join with our partners to plan for sustainable growth. This integration of land-use change and our natural systems is central to our approach.

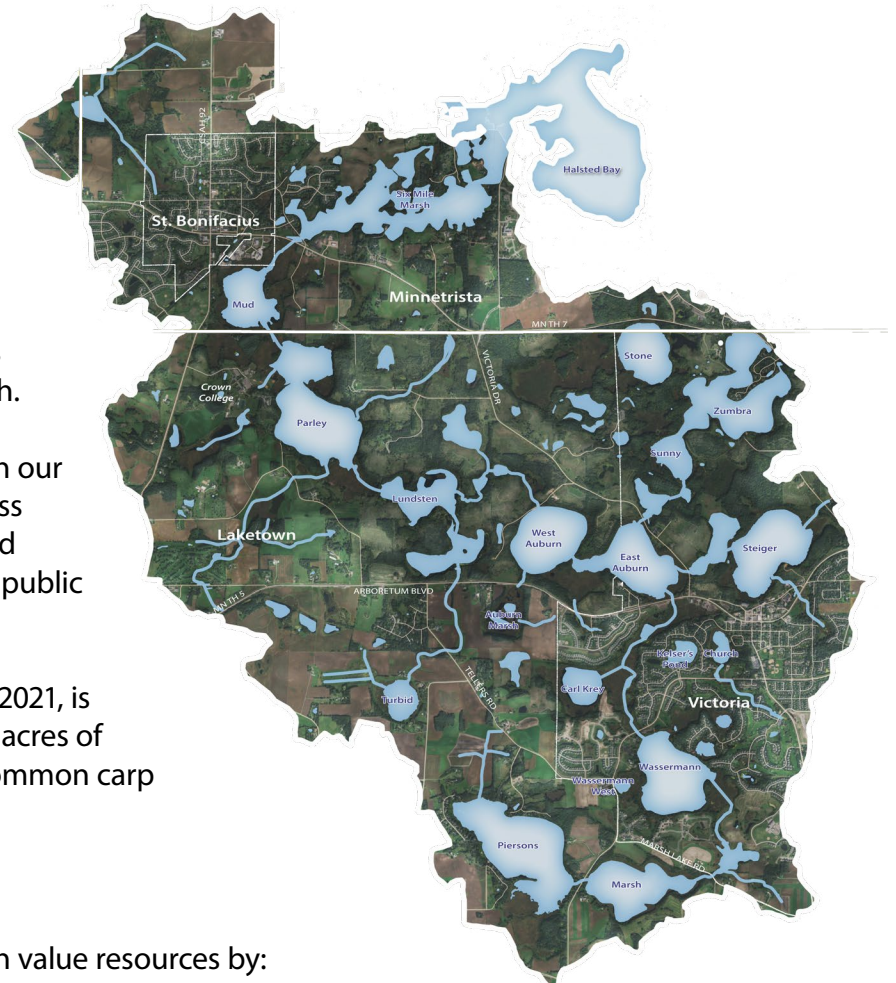
The Six Mile Creek - Halsted Bay Subwatershed Plan, created in collaboration with our partners, is a vision to improve water quality and enhance natural resources across the subwatershed through value-added partnerships. In addition to restoring and protecting natural resources, the plan identifies opportunities for enhancing the public access to the area with trails, signage, and engagement opportunities.

To date our work has leveraged \$1.2 million in outside capital and, by the end of 2021, is projected to have reduced nutrient loading by 545 pounds per year, created 190 acres of publicly accessible green space, protected 124 acres of wetlands, and reduced common carp populations in all 14 lakes in the system by a total of 142,000 pounds.

## STRATEGY

We are addressing subwatershed impairments, improve habitat, and protect high value resources by:

- **Managing carp** to restore 2,488 acres of deep and shallow lake habitat and to set the stage for future restorations
- **Targeted wetland protection and restoration** to address external phosphorus entering lakes, the creek, and Halsted Bay, while establishing habitat corridors that connect to uplands
- **Identifying stormwater management opportunities** in partnership with cities and developers to address pollutants entering Six Mile Creek, lakes, and wetlands
- **Controlling in-lake nutrients** originating from historical impacts to reduce the amount of phosphorus being released from lake bottoms



# SIX MILE CREEK - HALSTED BAY SUBWATERSHED

## WORK TO DATE

Work to date has included restoration of a 20-acre wetland in Victoria in partnership with a private developer, restoration of 160 acres of the Six Mile Marsh Prairie, a rigorous study to identify specific opportunities to decrease phosphorus pollution to Mud Lake and Halsted Bay downstream, invasive carp management strategies throughout the subwatershed, and leveraging Clean Water Funds to retrofit stormwater ponds in the City of Victoria to exceed regulatory standards and address nutrient loading to an impaired waterbody. Most recently, we partnered with the City of Victoria on the design and construction of Wassermann Lake Preserve, a park and restoration project that restores native upland and shoreline habitat, reduces nutrient and sediment loading to Wassermann Lake through alum treatment on a six-acre pond and the restoration of an intermittent stream channel, and creates the City's first nature-based park.

## 2021 ACTIVITIES

### WASSERMANN INTERNAL LOAD MANAGEMENT

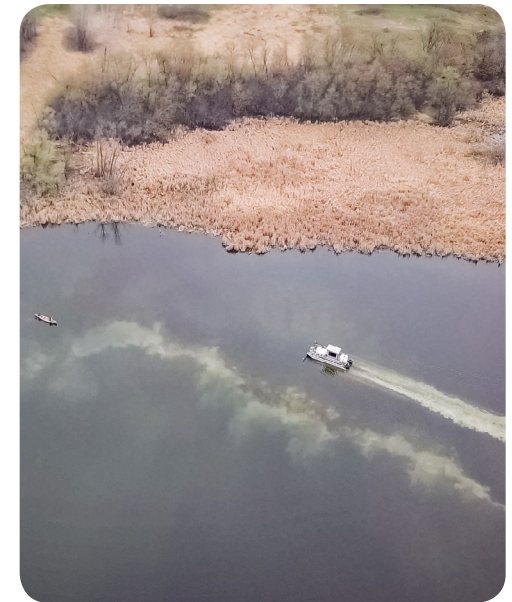
The benefit of sustained focus on a system is that most significant water challenges require multiple solutions. In the case of Victoria's Wassermann Lake, which is considered impaired for nutrient loading, MCWD has worked with land use partners on a multi-year strategy to return the lake to a sustainably healthy state. This work has included wetland restoration, carp management, treatment in a connected pond, and extensive habitat restoration.

Now, "internal loading" — the release of nutrients from the lake bottom into the water — remains the final significant source of nutrient pollution in the lake. To address this, we secured a \$284,720 competitive grant from the Board of Water and Soil Resources Clean Water Fund to prevent this internal loading through a process known as "alum treatment," which uses aluminum sulfate to bind to phosphorus particles and trap them in the lake bottom. The project will reduce internal phosphorus loading by an estimated 90 percent, significantly increasing the health and clarity of the lake while moving it close to the required reduction needed to remove it from the state's impaired waters list.

### SIX MILE MARSH PRAIRIE RESTORATION TRAIL

In 2013, we restored 160 acres of steeply-sloped agricultural land in Minnetrista into prairie and oak savanna — keeping 180 pounds of phosphorus per year from draining into Six Mile Creek just before it enters Halsted Bay.

Now known as the Six Mile Marsh Prairie, this property has transformed into a beautiful natural amenity dotted with wetlands, wildlife, and scenic views overlooking the creek and Lake Minnetonka. To further enhance the site, we're working with the Three Rivers Park District to create a public access trail connection to the nearby Dakota Rail Trail and provide educational programming about the restored land and its role in the larger Six Mile Creek-Halsted Bay system.



*An alum treatment occurring at Wasserman West pond, connected to Wasserman Lake, in 2019. In 2021 we will treat Wassermann Lake itself with alum to address internal nutrient pollution.*

# MINNEHAHA CREEK SUBWATERSHED

## OVERVIEW

Minnehaha Creek is the outlet for the entire watershed, flowing nearly 23 miles from Lake Minnetonka and collecting stormwater from Minnetonka, Hopkins, St. Louis Park, Edina, Richfield, and Minneapolis, through the chain of lakes and into the Mississippi River.

The creek suffers from a number of issues, including:

- flashy water levels and flooding
- ditched, straightened, and fragmented stream channel
- lost, impacted, and fragmented riparian corridor
- polluted stormwater runoff from hundreds of storm sewers
- impairments for *E. coli*, chloride, dissolved oxygen, fish and macroinvertebrates
- transports nutrients that degrade water quality in Lake Hiawatha (impaired) downstream

To improve water quality and resiliency, we have developed strong relationships and momentum with the cities of Hopkins, St. Louis Park, Edina, and Minneapolis to integrate natural resource goals with park planning, community development, and infrastructure improvements.

## STRATEGY

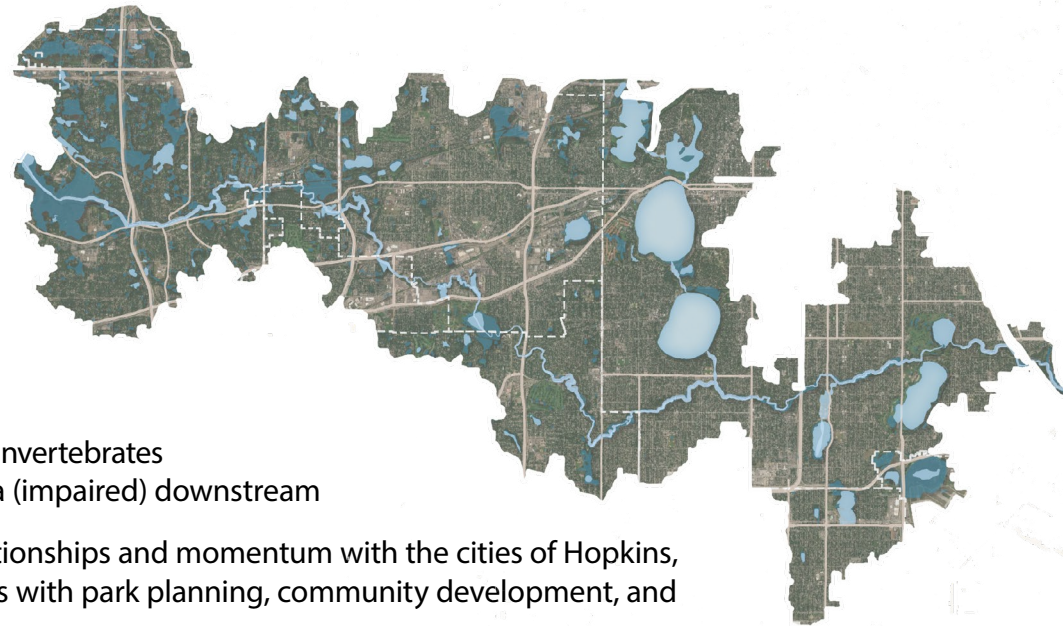
We will address subwatershed impairments, reduce regional flooding, and improve habitat by:

- **Managing regional stormwater** to slow down water, reduce runoff and pollution entering the creek, and decrease flood risk
- **Restoring the creek** to stabilize streambanks, slow down water, and improve in-stream habitat and buffers, while increasing opportunities for public access and economic development
- **Restoring and connecting ecological corridors** to maximize green space, improve habitat and flood storage, and strengthen resiliency

## WORK TO DATE

2021 activities will build on past work to restore what had been the most degraded section of Minnehaha Creek in St. Louis Park and Hopkins, an area now known as the Minnehaha Creek Greenway. Working in partnership, we are restoring the creek to reconnect people to this valued resource and improve water quality and resiliency throughout the corridor.

Past projects include re-meandering sections of the creek that were previously ditched and straightened, creating new public access, implementing stormwater management in St. Louis Park, revitalizing Cottageville Park in Hopkins, restoring the creek through Arden Park in Edina, and repairing eroded stream banks in Minneapolis. This work has resulted in 60 acres of newly accessible green space, 28.7 acres of restored wetlands, over 150 pounds of phosphorus removed per year, 3.2 acre feet of floodplain storage, and 1.4 miles of restored creek.



# MINNEHAHA CREEK SUBWATERSHED

## 2021 ACTIVITIES

### 325 BLAKE ROAD STORMWATER FACILITIES

A former industrial site along 1,000 feet of Minnehaha Creek, the property at 325 Blake Road is a key piece of the Minnehaha Creek Greenway. In 2021 we will begin converting four-to-six acres of the property into a series of stormwater treatment features that will treat polluted runoff from 270 acres of the surrounding region, reduce phosphorus loading by 181 pounds per year, and connect the Minnehaha Creek Greenway trail system between Cottageville Park and the Minnehaha Creek Preserve. The remainder of the 17-acre site will be redeveloped in partnership with the City of Hopkins. The project is supported by \$2.4 million in outside funds from Hennepin County, Metropolitan Council, Public Facilities Authority, and Clean Water Legacy Fund.

### STREAM ENHANCEMENT AND TRAIL CONNECTION

When completed, the Southwest LRT line will run through the heart of the Minnehaha Creek Greenway and provide yet another important community connection to this revitalized corridor. We're taking advantage of the construction period to make a key connection in the Minnehaha Creek Greenway trail system that will link upstream and downstream investments together and connect them to the Cedar Regional Trail, as well as streambank improvements along the construction corridor.

### MINNEHAHA CREEK PARKWAY WATER RESOURCE IMPROVEMENTS

The Minneapolis Park and Recreation Board, in coordination with the City of Minneapolis and MCWD, is leading an ambitious 30-year envisioning of the Minnehaha Creek Regional Trail system through the parklands of south Minneapolis. We're working closely with these agencies and community members to integrate regional stormwater management solutions and creek restoration into this once-in-a-generation overhaul, a rare opportunity to make significant water quality infrastructure and ecological improvements in a developed area.



# ACTIVITY SPOTLIGHT: HARNESSING DATA ANALYTICS

## OVERVIEW

MCWD is a science-driven organization: a trusted broker of scientific information and using data and insight to drive decisions about where to focus and how to make improvements.

Like many other fields, advances in data science and computing technology have radically reshaped the ways watershed data can be collected, analyzed, and shared. In 2021 we are continuing a multi-year investment in our data analytical tools to take advantage of these advances to better inform planning, decision making, and communication with partners and the public.

## COLLECTING DATA WITH REMOTE SENSING

In 2021 we will continue to build out our network of remote sensors, known as RESNET, which provide real-time data on water level, flow, and pollutant loading throughout the watershed. These sensors will provide 1.3 million data points per year on our water system, up from about 520 data points produced by traditional in-person monitoring.

## ANALYZING DATA WITH ADVANCED MODELING

*[NOTE for publication draft: This grant application is pending. This section may change based on the grant award decision.]* Real-time sensor data is one of several important new data sets that have become recently available for helping understand and predict how water moves through the complex watershed system. Statewide investment in mapping topography and soils allows for a new understanding of how water moves across the landscape and infiltrates into groundwater, and the widespread digitization of storm sewer networks shows how water flows through developed pipe systems.

With an \$883,000 grant from the Legislative-Citizen Commission on Minnesota Resources, we are integrating these newly-available datasets into a first-of-its-kind planning tool that will use advanced modeling and machine learning to predict and understand our watershed system in unprecedented detail. This will allow MCWD and our partners to better implement projects, manage flooding, and become more resilient in the face of changing precipitation patterns.

## COMMUNICATING DATA WITH A REDESIGNED WEBSITE

In 2021 we will release a new website, re-built from the ground up to provide excellent customer service for residents and partners. Planned features include an online permitting portal, real-time water conditions, and information about the District's past, current, and future work that matters to users.

