MINNEHAHA CREEK
WATERSHED DISTRICT

2025 MCWD BUDGET & WORKPLAN

Pursuing a balanced urban ecology with capital projects and policy

2025 BUDGET & WORKPLAN

At the Minnehaha Creek Watershed District (MCWD), we believe clean water and a healthy natural environment are essential to creating and sustaining vibrant communities. To achieve this vision, MCWD implements high-impact projects with our partners and develops policy that integrates land use and water planning to improve our water resources and build thriving communities.

Delivering projects that significantly benefit the watershed and our communities takes years. For this reason, each budget cycle presents the opportunity to both plan the fiscal year ahead and strategically prepare for new, impactful work in the years to come. This workplan provides an overview of our 2025 annual budget and summarizes progress occurring across the watershed.

CONTENTS

OUR APPROACH: IN PURSUIT OF A BALANCED URBAN ECOLOGY

We believe sustainable, thriving communities require balance between the natural and built environments. The Minnehaha Creek Watershed's natural resources create a sense of place that provides communities a local identity, adds economic value, and increases well-being.

To realize this belief, we partner with our communities to integrate the natural and built environments across the watershed. In pursuing these partnerships, we focus on areas of high need to achieve significant, measurable benefits, while remaining responsive to needs and opportunities watershed-wide.

Final construction for the Six Mile Marsh Prairie Restoration in Minnetrista was completed in 2023.

2025 BUDGET BREAKDOWN

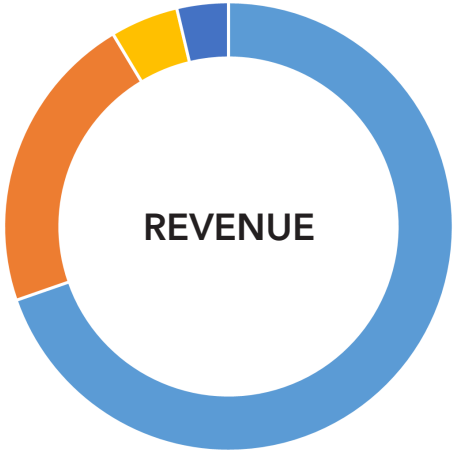
Our work is supported by an annual tax levy, funds levied in past years for multi-year capital projects (projects fund balance), funds reallocated from programs delivered under budget (programs fund balance), grants and partner funds, interest, and permit fees.

FISCAL RESPONSIBILITY

MCWD is maintaining a flat levy in 2025. MCWD has increased the levy by only 2% over the past six years. Grants and partner funds have supported District expenses in recent years: MCWD has secured over $5.6 million in grants and partner funds since 2020, supporting 7.4% of expenditures.

EXPENSES	2024	2025
Capital Projects	$6,293,411	$6,053,478
Debt Service	$1,099,868	$1,098,218
Operations & Support Services	$1,927,575	$2,147,337
Research & Monitoring	$1,493,634	$1,372,103
Project Planning	$955,636	$1,031,505
Policy Planning	$620,151	$643,884
Project & Land Maintenance	$689,926	$677,441
Permitting	$898,299	$925,663
Outreach	$507,757	$470,817
TOTAL	**$14,486,255**	**$14,420,445**

REVENUE	2024	2025
Levy	$9,869,513	$9,869,513
Projects Fund Balance	$2,142,408	$3,332,992
Programs Fund Balance	$1,213,144	$0
Grants & Partner Funds	$1,081,190	$692,940
Interest & Fees	$180,000	$525,000
TOTAL	**$14,486,255**	**$14,420,445**



LAND & WATER PARTNERSHIPS

CREATING SHARED BENEFITS

We believe that we can best achieve our mission of protecting and improving water resources when we collaborate with partners to integrate water and land use planning. MCWD started the Land and Water Partnership Initiative in 2022 to integrate planning efforts and strengthen our relationships with the watershed's communities.

From 2022-2023, MCWD convened a Technical Advisory Committee – which included representatives from partner agencies such as cities, counties, soil and water conservation districts, and park agencies from across the watershed – to provide feedback on MCWD's permitting experience, refine the Land and Water Partnership (LWP) program, and build relationships for continued collaboration.

2025 BUDGET: $921,384

This funding supports partner-led capital projects through the Land & Water Partnership program, as well as related planning and outreach efforts.

STREAMLINED RULES

During our permitting process, MCWD engages with cities, developers, and others who implement changes on the landscape, and we believe the permitting process is an opportunity to grow collaborative relationships. To facilitate these partnerships and provide better customer service, we updated our permitting rules to align with other regulatory agencies, simplify language, and streamline processes. The revised rules went into effect in April 2024.

A PATHWAY FOR INTEGRATED PLANNING

The LWP program began accepting requests for assistance in January 2024. Shaped with feedback from the TAC, the LWP program provides technical and financial support for partner-led projects that provide regional water resource benefits by integrating these projects into MCWD's Capital Improvement Plan (CIP). Eligible partners include cities, counties, developers, and others who implement large-scale projects across the watershed. The program has two submittal deadlines to promote early coordination and integration with MCWD's CIP: April 1st for feasibility assistance, and February 1st for project implementation support.

A retrofit of the County Road 6 Pond in Orono will improve water quality in downstream Long Lake.

LEARN MORE ABOUT THE LWP PROGRAM

minnehahacreek.org/partnerships/land-water-partnership-program

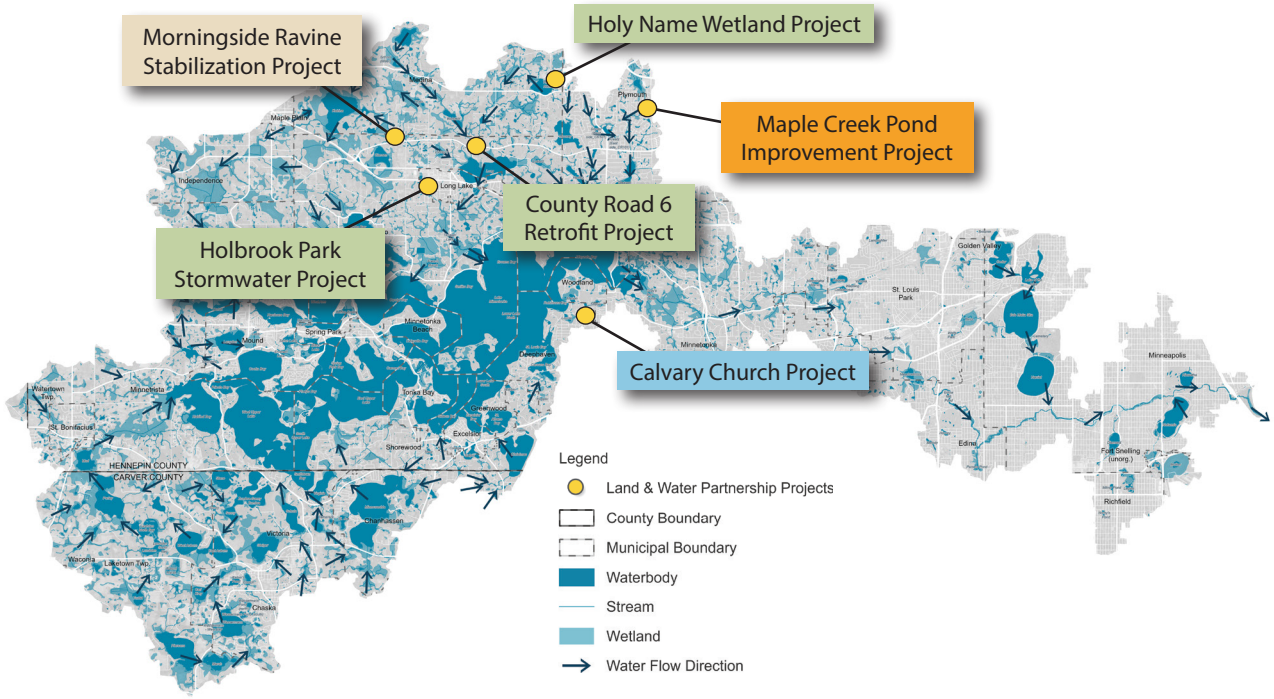
A MODEL FOR EARLY COORDINATION

The LWP program complements MCWD's focused implementation approach to capital projects by remaining responsive to project opportunities and community needs across the watershed. Through early coordination with our partners, the LWP program is already supporting several project opportunities.

LONG LAKE CREEK ROADMAP OPPORTUNITIES

Since 2018, MCWD has partnered with the cities of Medina, Long Lake, and Orono, and the Long Lake Waters Association to identify water quality improvement opportunities in the Long Lake Creek Subwatershed. The partners are advancing three opportunities in 2025:

- MCWD is leading the retrofit of the County Road 6 Pond in Orono to improve the pond's stormwater treatment capacity. The project entered the design phase in 2024 and is expected to begin construction in 2025.
- MCWD is collaborating with a private developer to restore a wetland near Holy Name Lake in Medina, while generating regional wetland banking credits.
- The City of Long Lake and MCWD are coordinating on a feasibility study for a regional stormwater management project in Holbrook Park.



PLYMOUTH'S MAPLE CREEK POND IMPROVEMENT PROJECT

Supported through the LWP program's pilot phase, this project retrofitted a stormwater pond to improve water quality in Gleason Lake. MCWD collaborated with the City to identify this opportunity and contributed $100,000 to the site's water resource features.

MEDINA'S MORNINGSIDE RAVINE STABILIZATION PROJECT

MCWD helped the city secure $243,200 from the Board of Water and Soil Resources Watershed-Based Implementation Funding program for a project that improves water quality in the Painter Creek Subwatershed. MCWD will be administering the funding from 2024-2025.

DEEPHAVEN'S CALVARY CHURCH STORMWATER MANAGEMENT PROJECT

The City contacted MCWD in 2022 to identify partner opportunities. MCWD provided technical support to evaluate potential projects and helped the city secure Hennepin County grant funds to implement stormwater management at Calvary Church. MCWD will contribute $125,000 toward the project's water resource elements.

SIX MILE CREEK - HALSTED BAY SUBWATERSHED OVERVIEW

2025 BUDGET: $821,559

This funding supports the implementation of capital projects in the Six Mile Creek-Halsted Bay (SMCHB) Subwatershed.

The SMCHB Subwatershed is a water resource-rich system that forms the headwaters of Lake Minnetonka and the Minnehaha Creek Watershed. Halsted Bay is the most degraded bay on Lake Minnetonka and five lakes within the SMCHB Subwatershed are impaired with excess nutrients.

PARTNERSHIPS

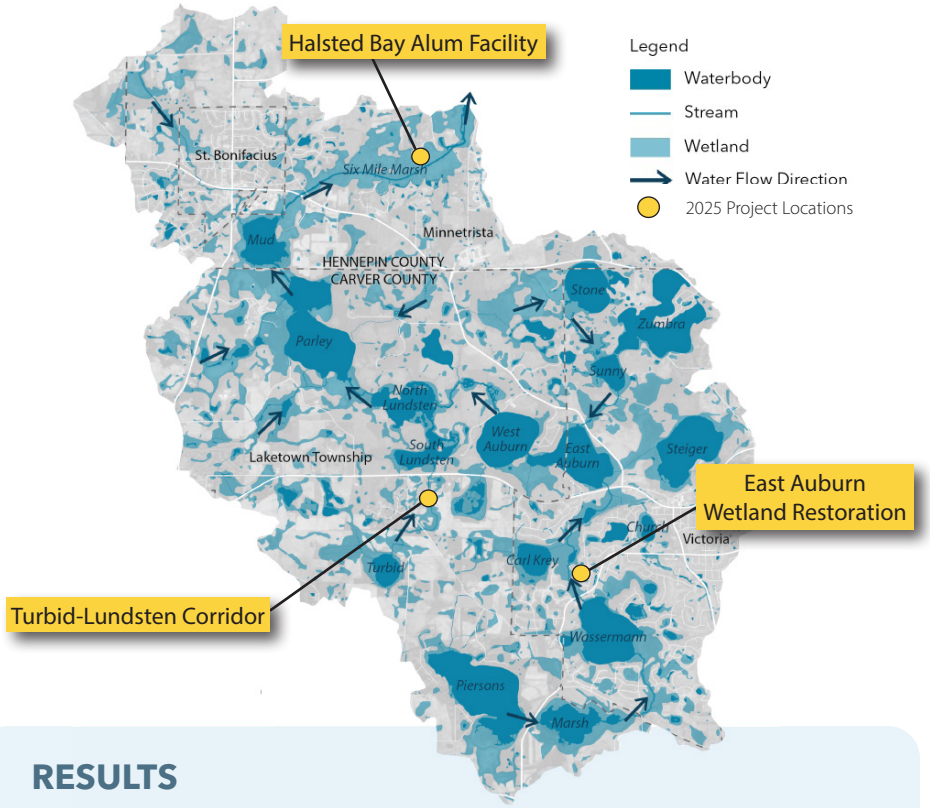
In the past several years, MCWD has worked with the subwatershed's communities to develop the SMCHB Plan, a collaborative vision to improve water quality and natural resources, while integrating local infrastructure, community development, parks and recreation, and open space planning goals.

STRATEGY

- Restore wetlands to reduce phosphorus and improve habitat
- Control in-lake nutrients to reduce phosphorus
- Implement stormwater management with cities & developers
- Improve lake habitat by managing carp populations

WORK TO DATE

We have worked closely with the City of Victoria and other partners to restore Wassermann Lake and other impaired waterbodies within the SMCHB Subwatershed. Completed projects include a systemwide carp management program, restoration of a 20-acre wetland in partnership with a private developer, restoration of 250+ acres of prairie and marshland upstream of Halsted Bay, and alum treatments of Wassermann Lake and an adjacent pond. The restored Wassermann Lake can be enjoyed from the Wassermann Lake Preserve, a flagship park project situated on the Wassermann shoreline.



RESULTS

- 124 acres of wetlands protected
- $1.2 million in outside capital leveraged
- 545 lbs/yr of nutrient loading reduced
- 190 acres of publicly accessible greenspace created
- 284,000 lbs of common carp reduced across 14 lakes
- 2,488 acres of deep and shallow lake habitat restored
- 25% improvement of nutrient concentrations at Six Mile Creek/Lake Minnetonka outlet over 10 years
- Wassermann Lake on track to be removed from state impaired list

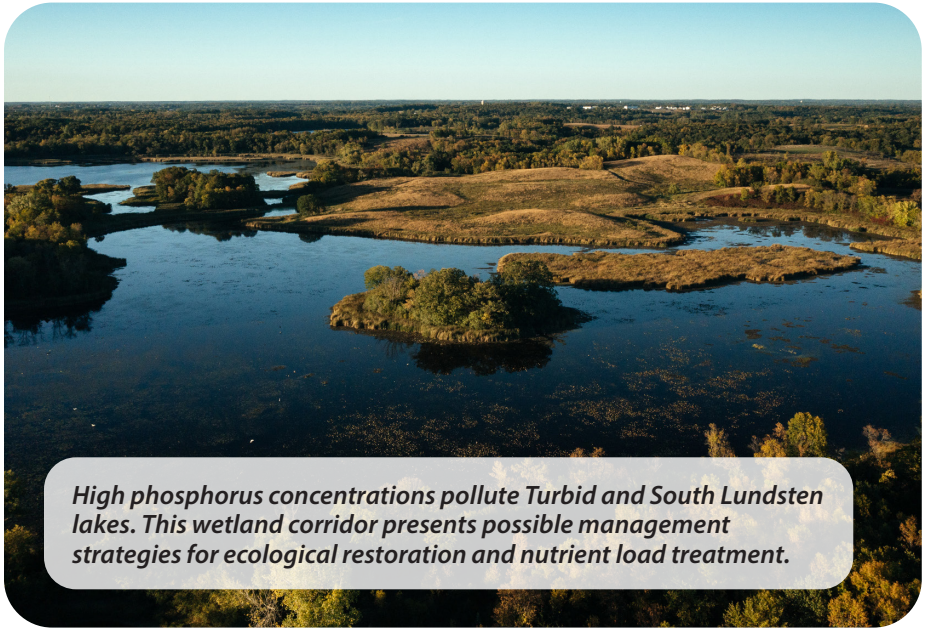
Learn more about MCWD's work in the subwatershed: minnehahacreek.org/projects/focal-geographies/six-mile-creek-halsted-bay

SIX MILE CREEK - HALSTED BAY SUBWATERSHED 2025 ACTIVITIES

EAST AUBURN WETLAND RESTORATION

MCWD recently started the design phase of this wetland restoration between Wassermann and East Auburn lakes. East Auburn Lake is impaired for nutrients, and this wetland system has been identified as a major source. Restoring the wetland could address the system's legacy pollution by reducing up to 95 pounds of phosphorus annually. This project will also inform the design of future wetland restoration projects to improve the watershed's resources.

The East Auburn Wetland complex, located between Wassermann and East Auburn lakes, is a major source of nutrients in the Six Mile Creek-Halsted Bay Subwatershed.



High phosphorus concentrations pollute Turbid and South Lundsten lakes. This wetland corridor presents possible management strategies for ecological restoration and nutrient load treatment.

LAKE MINNETONKA - HALSTED BAY ALUM FACILITY

MCWD is exploring the feasibility of a water quality treatment facility at the mouth of Six Mile Creek that would remove dissolved phosphorus from the stream before it enters Halsted Bay. This facility could remove up to 1,620 pounds of phosphorus annually, approximately 50% of the nutrient load to Halsted Bay.

TURBID-LUNDSTEN CORRIDOR

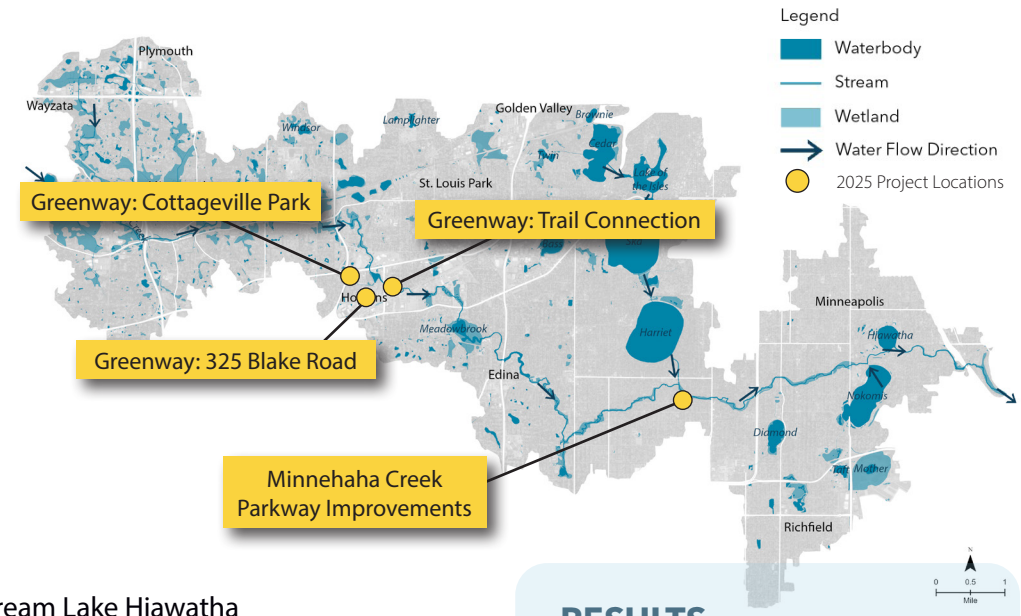
This degraded wetland system presents a unique opportunity to create a contiguous wetland and habitat corridor while reducing nutrient levels in Turbid and Lundsten lakes. The project could restore up to 95 acres of wetland and reduce nutrient loading to Turbid and South Lundsten lakes by 35 and 55 lbs/yr, respectively. This restored corridor would be an asset in the future Victoria Chain of Lakes Greenway, which aims to create a connected system of parks and open space as development progresses south and west.

MINNEHAHA CREEK SUBWATERSHED OVERVIEW

2025 BUDGET: $3,732,535

This funding supports the implementation of capital projects in the Minnehaha Creek Subwatershed.

The Minnehaha Creek Subwatershed makes up the lower watershed and contains several well-known waterbodies, including Minnehaha Creek and the Minneapolis Chain of Lakes. Minnehaha Creek flows nearly 23 miles through the subwatershed, from Lake Minnetonka over Minnehaha Falls and into the Mississippi River, collecting stormwater from the cities of Minnetonka, Hopkins, St. Louis Park, Edina, Richfield, and Minneapolis.



The creek suffers from:

- A fragmented riparian corridor
- Altered stream channels with significant risk of flooding
- Impairments for E. coli, chloride, and dissolved oxygen
- Polluted stormwater runoff, leading to degraded water quality in downstream Lake Hiawatha

PARTNERSHIPS

We have developed strong relationships 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

- Manage regional stormwater to reduce polluted runoff entering the creek
- Restore the creek to reduce bank erosion, slow water flow, and improve habitat, decreasing flood risk while increasing opportunities for access and economic development
- Repair and connect ecological corridors to maximize greenspace, enhance habitat, increase flood storage, and improve resilience

WORK TO DATE

Over the past decade, MCWD has worked with partners to re-meander sections of Minnehaha Creek, implement stormwater management, and create new trail systems and recreation opportunities along the Minnehaha Creek Greenway in Hopkins and St. Louis Park. Following the wettest year on record in the Twin Cities, which led to significant flooding and streambank degradation along the creek, MCWD leveraged funds from the Federal Emergency Management Agency to repair damage along the creek as it flows through Minneapolis. In 2022, MCWD also partnered with the City of Edina to restore Arden Park and improve the health of Minnehaha Creek.

RESULTS

- Creek concentrations of chlorophyll-a that now meet state standards
- 109 acres of newly accessible greenspace
- 30 acres of restored wetlands
- 150+ lbs of phosphorus removed per year
- $4.6 million in outside capital leveraged
- 2.3 miles of new trails and boardwalk
- 1.5 miles of restored creek/banks

Learn more: minnehahacreek.org/projects/focal-geographies/minnehaha-creekgreenway

MINNEHAHA CREEK SUBWATERSHED 2025 ACTIVITIES

STITCHING THE MINNEHAHA CREEK GREENWAY TOGETHER

Over the past decade, MCWD has implemented a series of projects in the Minnehaha Creek Greenway to improve water quality and create a sense of place along the most degraded stretch of Minnehaha Creek. MCWD's 325 Blake Road Project will be the capstone of the Greenway, a 2-mile stretch of continuous greenspace between Hopkins and St. Louis Park. This project will transform approximately 12 acres of a former industrial site bordering Minnehaha Creek into an integrated, transit-oriented, and mixed-use development, complete with stormwater treatment features, streambank restoration, and recreational amenities.

In 2023, project partners finished construction on 325 Blake Road's first building, a multi-family, 100% affordable housing development.

The completed 325 Blake Road Project is expected to treat stormwater from 270 acres of the surrounding communities and reduce phosphorus by up to 385 lbs/year. In partnership with the City of Hopkins and a private developer, MCWD plans to begin the early phases of construction on the 325 Blake Road Project in 2025, along with the expansion of nearby Cottageville Park, which will include a gateway plaza and a new nature play area.

The Metropolitan Council's Southwest Light Rail Transit (SWLRT) line provides another opportunity to connect communities in this revitalized corridor. A key trail connection, implemented in partnership with the City of St. Louis Park and the Metropolitan Council, will link investments along the Minnehaha Creek Greenway trail system to the Cedar Lake LRT Regional Trail and the SWLRT, as well as restore streambank along the corridor.

COORDINATED IMPROVEMENTS IN THE MINNEAPOLIS AREA

In 2024, MCWD established a partnership with the City of Minneapolis and the Minneapolis Park and Recreation Board (MPRB) to improve the City's water resources by committing to coordinated planning and long-term investment. Following adoption of the partnership's cooperative agreement, MCWD began the feasibility process for three Phase 1 partnership projects in April 2024.

The Phase 1 projects were selected from MPRB's 2020 Minnehaha Creek Regional Trail Master Plan, which was created in collaboration with MCWD and the City. The projects aim to restore floodplain and reduce nutrients in three segments of Minnehaha Creek, improving water quality and flood resilience in both the creek and its receiving waterbody, impaired Lake Hiawatha.

Partnership projects along Minnehaha Parkway will improve water resources in Minneapolis, including Minnehaha Creek and Lake Hiawatha.

A DATA-DRIVEN STRATEGY FOR RESILIENCE

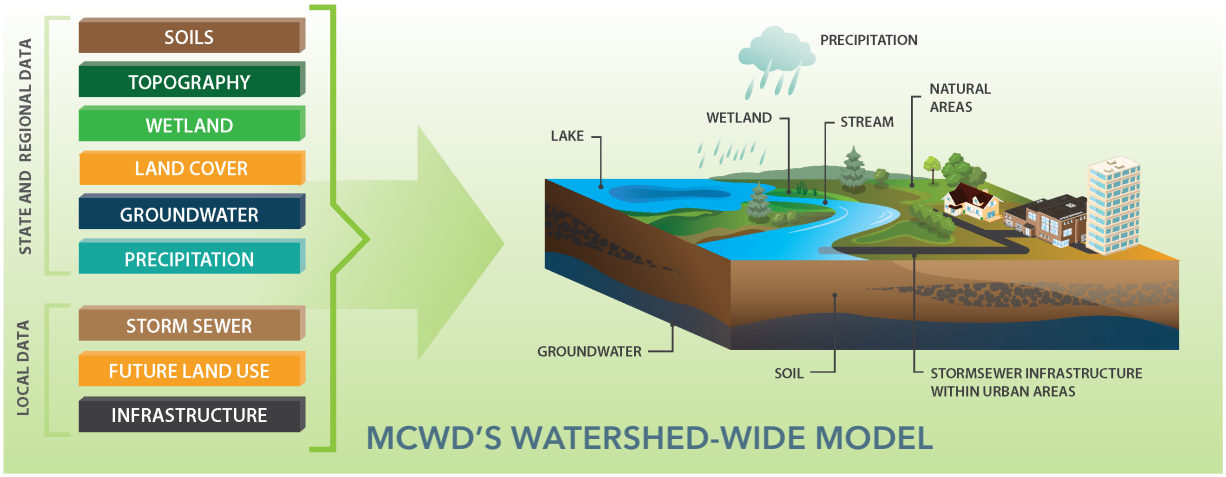
ADAPTING TO A CHANGING CLIMATE

Water systems throughout Minnesota have historically been built for stable, predictable precipitation patterns. New extreme swings in precipitation are stressing our natural and built environments; cycles of flooding and drought in recent years have impacted water quality, wildlife habitat, and the safety of homes, businesses, and public infrastructure. In 2023, MCWD adopted our Climate Action Framework (CAF), a roadmap for addressing these risks and building resilience across the watershed. The CAF identifies three pillars for our approach: Understand & Predict, Convene & Plan, and Implement, Measure, & Adapt.

MCWD'S CLIMATE ACTION FRAMEWORK

Understand & Predict | **Convene & Plan** | **Implement, Measure, & Adapt**

Explore the full CAF: minnehahacreek.org/our-approach/climate-action-framework



MCWD'S WATERSHED-WIDE MODEL

OUTPUTS

- High-resolution understanding of complex watershed
- Predict impact of changing climate
- Identify natural resources most in need of protection
- Quantitatively compare proposed projects
- Improve flood forecasting and emergency response

A COLLABORATIVE APPROACH

With a foundation built on sound science, MCWD will engage technical experts, policymakers, and communities in 2025 to help shape our next Watershed Management Plan, which will identify strategies to address the impacts of climate change in the watershed.

In 2025, MCWD will also advance our understanding of how changing weather patterns will impact water issues in communities with a high-resolution, 2D model of the watershed. This model will leverage advancements in data science and combine state land surface information with local infrastructure to provide a detailed understanding of surface and groundwater flows in the watershed, which will help MCWD and our partners assess vulnerabilities in built and natural systems.

2025 BUDGET: $428,000

This funding supports climate action planning and engagement efforts, as well as the development of a 2D watershed model.

WATERSHED-WIDE SERVICES

EXPANDING OUR FOCUS

In 2025, MCWD has allocated $65,000 to grow our data-driven approach to project implementation in focal geographies by performing diagnostic work in the Painter Creek Subwatershed. This subwatershed is a wetland-dominated system largely surrounded by agricultural land. Painter Creek runs through the subwatershed and drains into impaired Jennings Bay on Lake Minnetonka. Preliminary monitoring data estimates that Painter Creek contributes 33-50% of the total annual phosphorus load to Jennings Bay.

Further monitoring efforts will be used to evaluate opportunities to implement projects that will provide significant, regional benefits. Following additional diagnostic work, MCWD will engage with the subwatershed's communities to explore high-impact project and partnership opportunities.

In the 1990s, MCWD invested in improvements to the Katrina Marsh in Mound.

To serve partners and residents across the watershed's 178-square miles, we provide a variety of services that complement our work in focal geographies and through land and water partnerships.

2025 BUDGET: $1,879,481

This funding supports the delivery of critical services like monitoring, permitting, and outreach across the watershed.

SERVICES

- **Research and Monitoring:** collecting and analyzing data across the watershed to identify resource needs to inform project planning and implementation
- **Permitting:** reviewing and overseeing construction activities, in coordination with our partners, to protect natural resources and build positive relationships with the watershed's communities
- **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, as well as operating Gray's Bay Dam to reduce the risk of flooding and balance the water budget throughout the watershed

Learn more about the Minnehaha Creek Watershed, our partners and projects, and volunteer opportunities on our website.

Stay informed on MCWD's work and get involved:
minnehahacreek.org/get-involved

MINNEHAHA CREEK
WATERSHED DISTRICT
QUALITY OF WATER, QUALITY OF LIFE

CONNECT WITH US

Find contact information for MCWD's Board of Managers and program staff on our website: www.minnehahacreek.org