



MINNEHAHA CREEK
WATERSHED DISTRICT
QUALITY OF WATER, QUALITY OF LIFE

Meeting: Board of Managers
Meeting date: 4/10/2025
Agenda Item #: 7.1
Board Consent Item

Title: Authorization to Submit Annual Activity Report to the Board of Water and Soil Resources and Department of Natural Resources

Resolution number: 25-022

Prepared by: Name: Kate Moran
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Reviewed by: Name/Title: Becky Christopher, Director of Policy Planning

Summary:

The attached report has been prepared to satisfy the District's annual reporting requirement to the Board of Water and Soil Resources (BWSR) and Department of Natural Resources (DNR).

Minnesota Statutes Chapter 103D.351 requires watershed districts to file an annual report with BWSR and the DNR, and for metro watershed districts, the report must meet the requirements described in Minnesota Rules 8410.0150. The annual activity report includes information on Board members and staff, the previous and current years' work plans, biennial progress toward goals, water quality trends, communication activities, solicitation of consultant services, local plan adoption and implementation, and permits and violations. The annual activity report is due to BWSR and the DNR within 120 days of the end of each calendar year.

The District is also required to submit a copy of its annual audit report to BWSR, the DNR, and the state auditor's office within 180 days of the end of the District's fiscal year. The District's audit is submitted directly to these agencies by the District's auditor.



Resolution number: 25-022

WHEREAS, Minnesota Statutes 103D.351 requires that an annual report be submitted to the Board of Water and Soil Resources (BWSR) and Department of Natural Resources (DNR) regarding 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; and

WHEREAS, Minnesota Rule 8410.0150 further defines the reporting requirements and deadlines for metropolitan watershed districts, including the submittal of an annual activity report within 120 days of the end of the calendar year and an annual audit report within 180 days of the end of the watershed district's fiscal year; and

WHEREAS, Minnehaha Creek Watershed District (District) staff has prepared a 2024 Annual Activity Report meeting these requirements; and

WHEREAS, District's audit report will be submitted directly to these agencies by the District's auditor;

NOW, THEREFORE, BE IT RESOLVED, that the District's Board of Managers accepts the 2024 Annual Activity Report and authorizes its release to BWSR and DNR.

Resolution Number 25-022 was moved by Manager _____, seconded by Manager _____. Motion to adopt the resolution _____ ayes, _____ nays, _____ abstentions. Date: April 10, 2025

Secretary _____ Date: _____



MINNEHAHA CREEK

QUALITY OF WATER



WATERSHED DISTRICT

QUALITY OF LIFE

MINNEHAHA CREEK WATERSHED DISTRICT 2024 ANNUAL ACTIVITY REPORT

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INTRODUCTION

This report has been prepared to satisfy the Minnehaha Creek Watershed District's (MCWD or District) annual reporting requirements set forth in Minnesota Statutes Chapter 103D.351, which requires watershed districts to file an annual report with the Board of Water and Soil Resources and the Department of Natural Resources. Metropolitan watershed districts are required to follow reporting requirements described in MR 8410.0150.

BOARD MEMBERS

Below is a list of the District's current Board of Managers, including the designated officers and the county that appointed each member.

Table 1 Current Board of Managers		
Manager	County	Contact Information
Sherry Davis White, President	Hennepin	swhite@minnehahacreek.org
Bill Olson, Vice President	Carver	bolson@minnehahacreek.org
Jessica Loftus, Treasurer	Hennepin	jloftus@minnehahacreek.org
Eugene Maxwell, Secretary	Hennepin	emaxwell@minnehahacreek.org
Richard Miller	Hennepin	rmiller@minnehahacreek.org
Arun Hejmadi	Hennepin	ahejmadi@minnehahacreek.org
Steve Sando	Hennepin	ssando@minnehahacreek.org

STAFF CONTACT INFORMATION

The District currently employs 22 staff. The names, job titles, and contact information for all staff can be found on the District website at <https://minnehahacreek.org/about-the-district/our-people/>. The contact information for the District Administrator is provided below.

James Wisker, District Administrator
Minnehaha Creek Watershed District
15320 Minnetonka Blvd.
Minnetonka, MN 55345
Phone: 952-641-4509
Email: jwisker@minnehahacreek.org

ASSESSMENT OF 2024 WORK PLANS

In 2024, the majority of activities identified in the work plan were completed or work was initiated and continues into 2025. Expenditures for each of the District's programs and projects are included in the audit report (provided separately by the District's auditor).

Many of the District's capital improvements span multiple years to plan and implement, due to their complexity. The ongoing development and use of MCWD's Multi-Year CIP Program (MYCIP), a key step in MCWD's continuous improvement model, creates close coordination with its public and private partners, aligning plans and resources prior to advancing implementation.

SIX MILE CREEK-HALSTED BAY SUBWATERSHED

In the Six Mile Creek-Halsted Bay Subwatershed, the below work was conducted in 2024.

The [Wassermann Lake Alum Treatment](#) continues to undergo ongoing monitoring of the alum applications on Wassermann Lake and the Wassermann West Pond. Additionally the [Wassermann Lake Preserve](#) completed the project warranty phase, including ongoing site management and vegetation improvements.

In addition to stormwater treatment and habitat restoration, the Wassermann Lake Preserve provides new recreation space for the community.



The [East Auburn Wetland Restoration Project](#) was ordered and initiated project design, with final plans and specifications scheduled to be complete in early 2025, allowing for bid and construction to take place in 2025-2026.

The East Auburn Wetland Restoration, located in Victoria, MN, is anticipated to reduce nutrients in East Auburn Lake and restore wildlife habitat.



The [Turbid-Lundsten Corridor](#) continues small area planning and management unit planning efforts. MCWD has initiated a feasibility effort for the first project opportunity, which is exploring a 44-acre wetland complex restoration draining directly to Turbid Lake.



MCWD removed 284,000 pounds of carp through the management program.

The [Six Mile Creek-Halsted Bay Habitat Restoration](#) Program's Carp Management Project continues ongoing efforts to maintain minimal carp populations and monitor the efficacy of carp management.

MCWD continues to explore partnership opportunities with the City of Victoria, to target additional natural resource restoration planning in conjunction with future land use planning. These efforts

were memorialized in a new Memorandum of Understanding. MCWD also initiated project opportunity exploration with a private landowner north of Piersons Lake, aiming to identify and assess a water quality improvement project at the headwaters of Six Mile Creek.

In addition, MCWD continues to evaluate the next phase of capital project work in two project areas: the Mud Lake watershed load reduction area and Six Mile Marsh-Halsted Bay on Lake Minnetonka.

MINNEHAHA CREEK SUBWATERSHED

In the Minnehaha Creek Subwatershed, the below work continued in 2024.

The [325 Blake Road Restoration and Redevelopment](#) (325 Blake Road) Project reached 100% design, plans, and specifications, and is ready for construction, in coordination with MCWD's development partner.

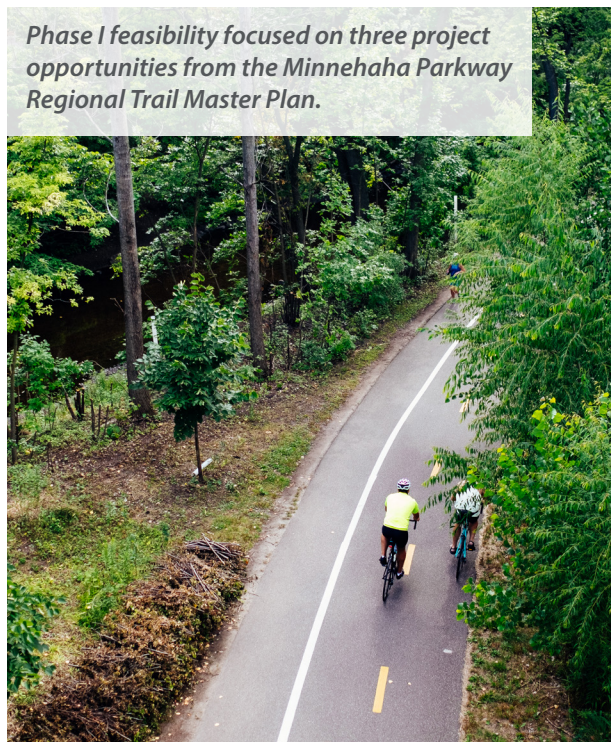
The [Cottageville Park Phase II Project](#) also reached 100% design, plans, and specifications, and is ready for construction, in coordination with the City of Hopkins.



In coordination with the City of St. Louis Park and Met Council's SWLRT project, the [Greenway to Cedar Trail Connection and Streambank Restoration Project](#) completed feasibility. The project was formally ordered and project design was initiated, with final plans and specifications scheduled to be complete in late 2025, allowing for bid and construction to begin in 2026.

In partnership with the City of Minneapolis and the Minneapolis Park and Recreation Board (MPRB), MCWD initiated feasibility for the [Minnehaha Parkway Phase I project opportunities](#), which focused on the first three projects partners identified from the MPRB's Minnehaha

Phase I feasibility focused on three project opportunities from the Minnehaha Parkway Regional Trail Master Plan.



Parkway Regional Trail Master Plan. Feasibility will be complete in early 2025, with design of the first project opportunity expected to begin in late 2025.

Additionally, MCWD executed a cooperative agreement with the City of Minneapolis and MPRB in April. The cooperative agreement memorialized a joint effort between the three agencies to explore opportunities to align capital improvement programs and develop project implementation plans for natural and water resource improvements along the Minnehaha Parkway and Minneapolis Chain of Lakes, including the Minnehaha Parkway Phase I project opportunities. In conjunction, the partners will explore the next wave of capital project investment through the development of a long-range plan with aligned goals and capital investments.

WATERSHED-WIDE WORK

Long Lake Creek Subwatershed

MCWD continues its work with the Cities of Orono, Long Lake, and Medina and the Long Lake Waters Association around the common goal of improving water quality in the Long Lake Creek Subwatershed. The completion of the [Long Lake Creek Roadmap](#), released in January 2023, includes findings of a subwatershed assessment, an evaluation of costs and benefits of project opportunities, and a coordinated implementation strategy.

The [County Road 6 Pond Retrofit Project](#), a priority project identified in the Roadmap, was ordered and initiated project design in 2024. Final plans and specifications are scheduled to be completed in early 2025, allowing for bid and construction in 2025-2026.

MCWD initiated scoping for a feasibility study to create additional stormwater treatment in the City of Long Lake's downtown area, which was identified as a priority need in the Roadmap. Feasibility work is expected to begin in 2025.



The County Road 6 Pond Retrofit is anticipated to improve water quality in impaired Long Lake

MCWD also continued to explore creek restoration and site contamination mitigation opportunities with a private landowner in the City of Orono as well as a wetland restoration and banking opportunity with a private landowner in the City of Medina.

Land & Water Partnership Program

In 2024, MCWD formally launched its [Land and Water Partnership \(LWP\) Program](#), which is designed to provide technical and financial support to public or private partner-led projects that provide significant, regional water resource benefits. The LWP Program was created to complement MCWD's focused project approach by operating as a flexible program that is responsive to partner needs and opportunities throughout the watershed. MCWD has worked collaboratively with multiple partners through the LWP Program.

During the Program's pilot phase in 2023, the City of Deephaven and MCWD worked together to identify opportunities for significant, regional stormwater management throughout the city to benefit Lake Minnetonka. In 2024, the City advanced feasibility work for the most cost-effective of these opportunities, and the project was added to MCWD's CIP for funding support.

In the Painter Creek Subwatershed, MCWD worked collaboratively with the City of Medina to design a project that provides regional stormwater management and stabilizes eroding ravines. Funding support for this project was approved in early 2025.

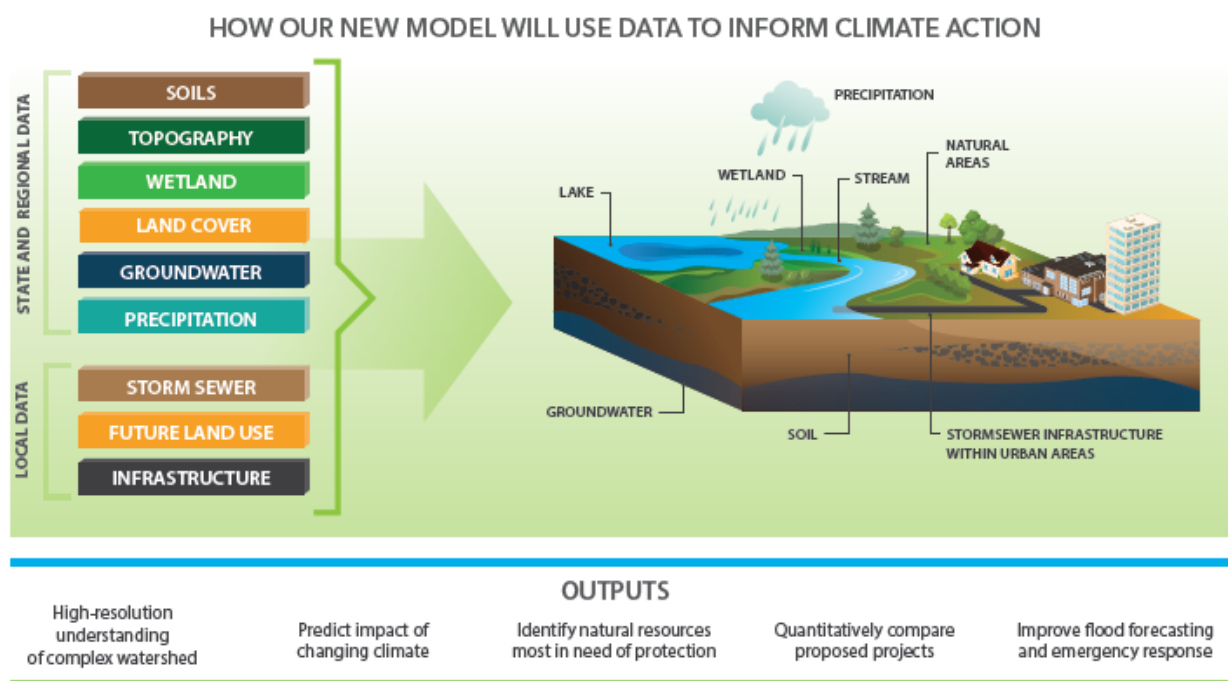
Statewide Carp Management Study

In 2024, MCWD initiated a partnership with the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, and the University of Minnesota Aquatic Invasive Species Research Center to [study statewide carp management efforts](#), to further collective understanding of where carp management is most effective. A final report is expected in 2025.

Climate Action

MCWD's [Climate Action Framework](#) guides its climate action work leading up to the 2027 Watershed Management Plan.

MCWD initiated the 2D watershed-wide model build in May 2024, and it is anticipated to be completed in late 2025. The model will help MCWD characterize and quantify vulnerabilities within the watershed and support scenario planning as part of the engagement process to develop MCWD's 2027 Watershed Management Plan.



Throughout 2024, MCWD also continued to refine its network of remote sensors, known as RESNET, which provides real-time data on water levels, flow, and pollutant loading throughout the watershed.

2025 WORK PLANS

For 2025, the District prepared one comprehensive work plan encompassing activities in its two focal subwatersheds, Six Mile Creek-Halsted Bay and Minnehaha Creek, as well as its watershed-wide programming to promote land and water partnerships. This document includes a summary of the District's 2025 budget and can be found on the District website and is also attached as Appendix A.



2025 Budget and Work Plan: <https://minnehahacreek.org/wp-content/uploads/2024/09/2025-Budget-Workplan.pdf>

EVALUATION OF PROGRESS ON GOALS AND IMPLEMENTATION ACTIONS

In January 2018, the District adopted its [2017-2027 Watershed Management Plan](#). Section 3.7 of the Plan describes the District's framework for setting goals and evaluating progress through a sequential process that begins with strategic goals and long-range targets before transitioning to subwatershed and then project-specific targets, performance measurements, and evaluation.

MR 8410.0150 requires the District provide, at a minimum of every two years, an evaluation of progress toward the goals and implementation actions identified in its Watershed Management Plan. This evaluation was provided in the 2023 annual report and will be updated for the 2025 annual report. As a data-driven organization, MCWD is constantly seeking ways to improve the District's ability to comprehensively track and report on progress toward its goals across all of its programs and projects.



2023 Annual Report: <https://minnehahacreek.org/wp-content/uploads/2024/04/2023-MCWD-Annual-Activity-Report.pdf>

TRENDS IN MONITORING DATA

The Research and Monitoring program evaluates trends for long-term (“anchor”) lake and stream monitoring stations throughout the District. Data for these anchor lakes is largely sourced from and collected by MCWD, the Minneapolis Park and Recreation Board, and Three Rivers Park District.

LAKES

In total, 22 lake stations were assessed for trends in surface water quality for the past 10 years (2015-2024). Sampling events outside the growing season of June through September were not included in the analysis, since the Minnesota Pollution Control Agency’s water quality standards apply to the growing season average.

Trends were computed using the Mann-Kendall test on total phosphorus (TP), water clarity (secchi disk), and algal abundance (chlorophyll-a) in the lake surface water to determine if an increasing or decreasing trend exists for each lake. The lake trends are displayed in Table 2.

STREAMS

For streams, 11 anchor monitoring sites were assessed with the Mann-Kendall test to compute stream trends on flow-corrected concentrations for both TP and total suspended solids (TSS). To minimize the impact of sampling duration changes, sampling events outside April through October were not included. A locally weighted scatterplot smoothing (LOWESS) residual was calculated between the parameter of interest (TSS or TP concentrations) and flow. MCWD staff used the Mann-Kendall test to determine if a significant trend existed for TSS or TP at each of the anchor monitoring sites.

All statistical analyses were computed using R-studio statistical packages to assess for trends (i.e., no trend, improving, or degrading). An alpha of 0.05 was used to determine if the p-value was significant. The stream trends are displayed in Table 3.

SIX MILE CREEK-HALSTED BAY SUBWATERSHED

Water quality conditions in most lakes within the Subwatershed did not show significant trends (improving or degrading) except for Wassermann Lake and Steiger Lake, which did show an improving trend for secchi disk (water clarity). No lake or stream monitoring locations within the Six Mile Creek-Halsted Bay Subwatershed showed any statistical trend for phosphorus.

One of the lakes where significant TP improvements would have been expected is Wassermann Lake, since the implementation of watershed phosphorus load reductions, carp management, and internal load reductions had been implemented. Visualizing the data reveals a general downward trend in phosphorus concentrations in recent years; however, 2024 was an unusual year due to high precipitation in the summer months, which led to an increase in nutrient export to Wassermann Lake. While 2024 is an unusual year, MCWD anticipates a continued downward trend for Wassermann Lake in the long term (as shown in Figure 1).

Six Mile Creek did not demonstrate significant improvements in stream TP or TSS at any of the three monitoring locations (Table 3).

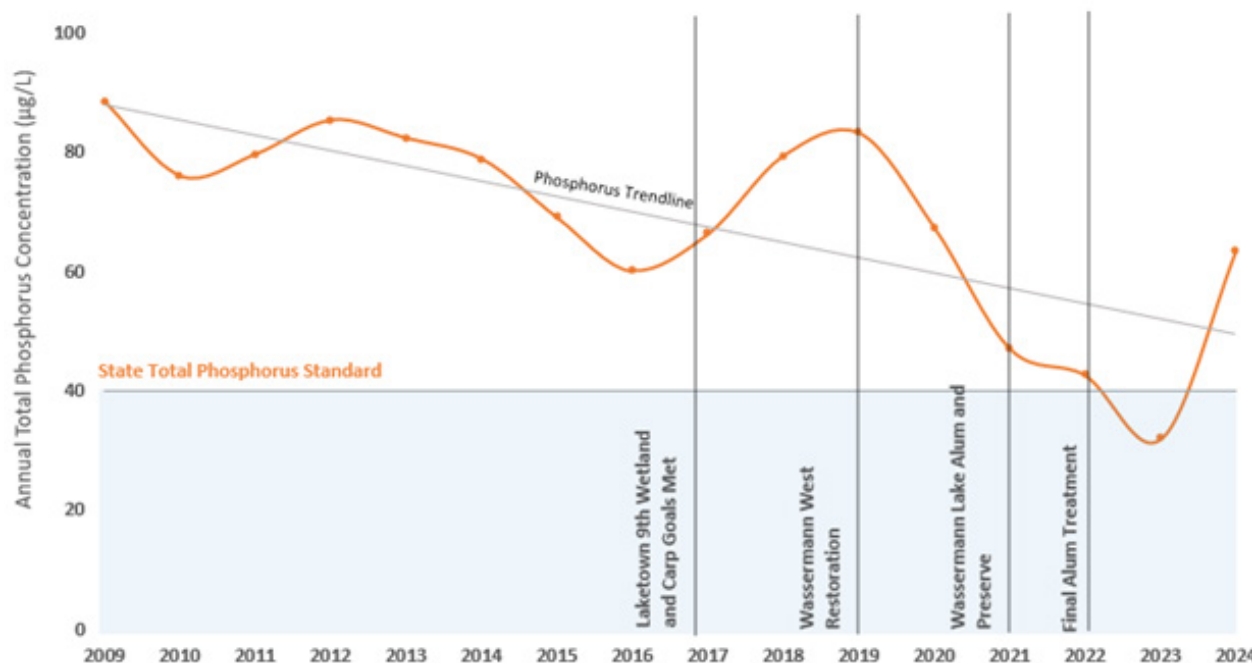


Figure 1. Wassermann Lake's average annual total phosphorus concentration with projects implemented over the past 10 years.



MINNEHAHA CREEK SUBWATERSHED

None of the lakes monitored in the Minnehaha Creek Subwatershed showed any statistical trend for phosphorus. However, degrading trends were observed for lake response variables (chlorophyll-a and Secchi disk) within Lake Hiawatha (Table 2).

The recent increased algae production and decline in water clarity may be correlated with the back-to-back drought conditions MCWD experienced in 2021, 2022, and 2023. The inverse relationship between water quality and flow in the creek is counterintuitive, since most lakes experience poor water quality in years with high stormwater runoff. There is a delicate balance between watershed loading and lake residence time that can greatly impact how a lake cycles nutrients. For example, high phosphorus concentrations have been observed in Lake Hiawatha during 2012, 2021, 2022, and 2023 (drought years) and low phosphorus is observed in high flow years. Furthermore, there has not been a significant increase in stream total phosphorus concentrations in Minnehaha Creek upstream of Lake Hiawatha (Table 3), suggesting that watershed loading is not the primary contributor to elevated phosphorus and chlorophyll-a concentrations in Lake Hiawatha.

Continued refinement of Lake Hiawatha's nutrient budget under low and high flow conditions will help MCWD and partner agencies identify the balance of watershed and internal load reductions to continue progress toward meeting state water quality standards in Lake Hiawatha.

Minnehaha Creek demonstrated no significant trend in stream TSS and only one location downstream of Lake Hiawatha showed a degrading trend for TP. The most likely explanation for the degrading trend in TP concentrations downstream of Lake Hiawatha are likely due to the unusually high phosphorus concentrations in Lake Hiawatha contributing to elevated stream phosphorus concentrations in Minnehaha Creek. In addition, there has not been a significant increase in stream TP in Minnehaha Creek upstream of Lake Hiawatha (Table 3).

OTHER SUBWATERSHEDS

No other subwatersheds experienced significant lake or stream water quality improvements, with the exception of the Langdon Lake Subwatershed. No recent projects have been implemented in the Langdon Lake Subwatershed, which suggests other factors such as variability in annual precipitation may be driving changes in this Subwatershed.

Table 2
Significant Trends for Lakes within Minnehaha Creek Watershed District

Subwatershed	Lake	Total Phosphorus	Chlorophyll-a	Secchi Disk
Long Lake	Long	No Trend	No Trend	No Trend
	Tanager	No Trend	No Trend	No Trend
Six Mile Creek	Parley	No Trend	No Trend	No Trend
	Wassermann	No Trend	No Trend	Improving
	Steiger	No Trend	No Trend	Improving
	West Auburn	No Trend	No Trend	No Trend
	Zumbra	No Trend	No Trend	No Trend
Minnehaha Creek	Bde Maka Ska	No Trend	No Trend	No Trend
	Cedar	No Trend	No Trend	No Trend
	Lake of the Isles	No Trend	No Trend	No Trend
	Powderhorn	No Trend	No Trend	No Trend
	Nokomis	No Trend	No Trend	No Trend
	Harriet	No Trend	No Trend	No Trend
	Hiawatha	No Trend	Degrading	Degrading
Lake Minnetonka	Carman Bay	No Trend	No Trend	No Trend
	Crystal Bay	No Trend	No Trend	No Trend
	Forest	No Trend	No Trend	No Trend
	Grays Bay	No Trend	No Trend	No Trend
	Halsteds Bay	No Trend	No Trend	No Trend
	Jennings Bay	No Trend	No Trend	No Trend
	Lower Lake South	No Trend	No Trend	No Trend
	Stubbs Bay	No Trend	No Trend	No Trend

Table 3
Significant Trends for Streams within Minnehaha Creek Watershed District

Subwatershed	Stream Station	Total Phosphorus	Total Suspended Solids
Dutch Lake	Dutch Lake: Lake Outlet	No Trend	No Trend
Langdon Lake	Langdon Lake Outlet	Degrading	Degrading
Minnehaha Creek	Minnehaha Creek I-494 Ramp	No Trend	No Trend
	Minnehaha Creek W. 34 St.	No Trend	No Trend
	Minnehaha Creek Excelsior Blvd	No Trend	No Trend
	Minnehaha Creek: 21st/Minnehaha Pkwy	No Trend	No Trend
	Minnehaha Creek: Hiawatha Ave	Degrading	No Trend
Painter Creek	Painters Creek: W. Branch Rd	No Trend	No Trend
Six Mile Creek	Six Mile Creek: Auburn Lk East Inlet	No Trend	No Trend
	Six Mile Creek: Lundsten Lk - North Outlet	No Trend	No Trend
	Six Mile Creek: Mud Lake Outlet	No Trend	No Trend

ANNUAL COMMUNICATIONS

MCWD's outreach is guided by its 2017 Watershed Management Plan. The goal of MCWD's communication efforts is to increase integration of land use and water planning by raising awareness within the land use community about the benefits of partnering with MCWD.

This includes an [annual budget publication](#) (Appendix A), customized communications with policymakers, media relations, print and digital publications, and MCWD's website. MCWD also issues regular communications to its partners and interested residents through email updates and newsletters. These include [water level email updates](#), through which the District provides timely information and resources on flood risk, recreation conditions, and operation of the Gray's Bay Dam, and project e-newsletters, which include updates on projects, events, and upcoming opportunities within key focal areas of the watershed.

2024 COMMUNICATIONS ACTIVITIES

In 2024, MCWD conducted several outreach efforts to raise awareness of the benefits of increased integration between land use and water planning, as well as share information about the District's key projects and initiatives.

MCWD produced factsheets and informational materials to support the District's new [Land & Water Partnership Program](#) and rule revisions, both of which were designed to improve coordination between land use and water planning. Staff also produced a [publication to support engagement](#) with key land use decision-makers in the Long Lake Creek Subwatershed, which is an emerging focal area for the District.

Staff engaged with the District's 14-member Citizens Advisory Committee (CAC) throughout the year, to review and provide input on several of MCWD's initiatives, including the District's capital improvement plan, annual budget, policy initiatives, and the scope of the 2027 Watershed Management Plan, which will be developed with the watershed's communities.



The District worked with local news media to profile key projects and initiatives advanced with partners. Some examples include:

- ▶ Announcing a new partnership with the City of Minneapolis and the Minneapolis Park & Recreation Board to improve water resources: [City, Park Board and Minnehaha Watershed District launching new partnership to repair water problems in south Minneapolis, clean up Lake Hiawatha](#)
- ▶ Connecting with local policymakers to provide an update on projects in the Six Mile Creek-Halsted Bay Subwatershed: [Minnetrista updated on watershed projects](#)

MCWD staff across programs presented for or connected with several community and regional organizations throughout the year to share MCWD's integrated approach to watershed planning and investment. Additionally, MCWD convened multi-agency meetings and events to advance collaborative projects between MCWD, staff and policymakers at other public agencies, and private developers.



At the end of the year, staff produced a [Year in Review newsletter](#), which was distributed to partners and members of the public, to build awareness of MCWD's approach and showcase project highlights from 2024.

SOLICITATION OF SERVICES

In accordance with MN Statutes 103B.227, the District solicits proposals for legal, professional, or technical consultant services at least every two years. Below are the solicited proposals, including upcoming associated RFPs:

- ▶ *Accounting Services* – Current contract solicited in September 2023
 - Contract expires December 31, 2025
 - RFPs will be requested September 2025
- ▶ *Audit Services* – Existing contract, solicited September 2024
 - Contract expires April 30, 2026
 - RFPs will be requested September 2026
- ▶ *Engineering Services* – Current contract solicited in October 2023
 - Contract expires December 31, 2025
 - RFPs will be requested September 2025
- ▶ *Government Relations Services* – Current contract solicited in October 2023
 - Contract expires December 31, 2025
 - RFPs will be requested September 2025
- ▶ *IT Managed Services* – Existing contract solicited, November 2022
 - Contract expires February 28, 2025
 - RFPs were requested December 2024
- ▶ *Legal Services* – Existing contract, solicited July 2024
 - Contract expires August 31, 2026
 - RFPs will be requested June 2026

STATUS OF LOCAL PLANS

MN Statutes § 103B.235 and MN Rules § 8410.0160 grant watershed districts the authority to review and approve local water management plans (LWMPs). Under this framework, watershed districts can assign responsibilities to local government units (LGUs) for carrying out implementation actions defined in the watershed plan. The LWMP is a required element of the LGU comprehensive land use management plan, which LGUs were required to update by the end of 2018.

The primary focus of the LWMP requirements set forth in the District's 2017 Watershed Management Plan is on improving the integration of land use and water planning. To effectively integrate the goals of MCWD and its LGUs in a way that maximizes community benefits and effectively leverages public funds, the District has invited a partnership framework with its communities.

In addition to the legally required elements of LWMPs, as defined in State statute and rules, the Watershed Management Plan requires communities to develop a coordination plan that describes how the LGU and MCWD will share information and work together to integrate land use and water planning. To date, 27 of the District's 29 communities have received approval of their LWMP. The two remaining communities are Laketown and Watertown Townships, which rely on Carver County as the land use planning authority.

STATUS OF LOCALLY ADOPTED ORDINANCES

The District's 2017 Watershed Management Plan did not establish any requirements for local ordinances.

PERMITS, VARIANCES, AND VIOLATIONS

In 2024, MCWD reviewed and processed 597 permit applications. One variance request was denied, two variance requests were approved, and three exceptions were approved. Through these 2024 exceptions, MCWD gained approximately 0.4 acres of additional wetland buffer and stormwater treatment for an additional 1.0 acre.

Approximately 200 field inspections were completed in 2024, and noncompliant sites were resolved through MCWD inspection reports to permittees, onsite meetings to discuss corrections, and solutions to site-specific issues. MCWD issued three Notices of Probable Violation in 2024, one of which was resolved through voluntary compliance, while the other two remain in the process of being resolved. Three Wetland Conservation Act violations occurred in 2024, two of which were resolved voluntarily. One violation is in the process of being resolved through a Restoration Order. The MCWD Board of Managers did not issue any formal enforcement actions in 2024.

APPENDIX A - MCWD 2025 BUDGET AND WORK PLAN



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.

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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

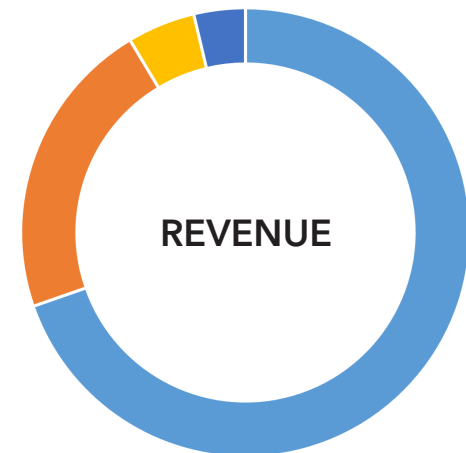
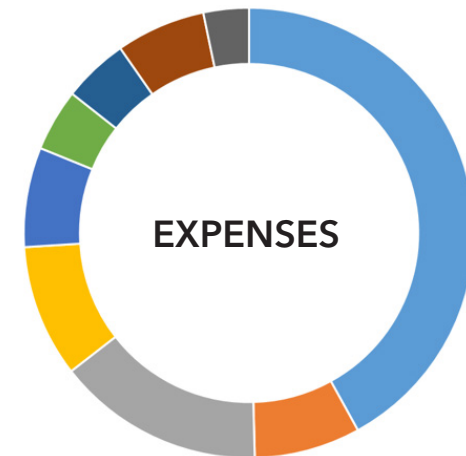
Our work is supported by an annual tax levy, funds levied in past years for multi-year capital projects (projects fund balance), funds reallocated from programs delivered under budget (programs fund balance), grants and partner funds, interest, and permit fees.

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.

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.

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.



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

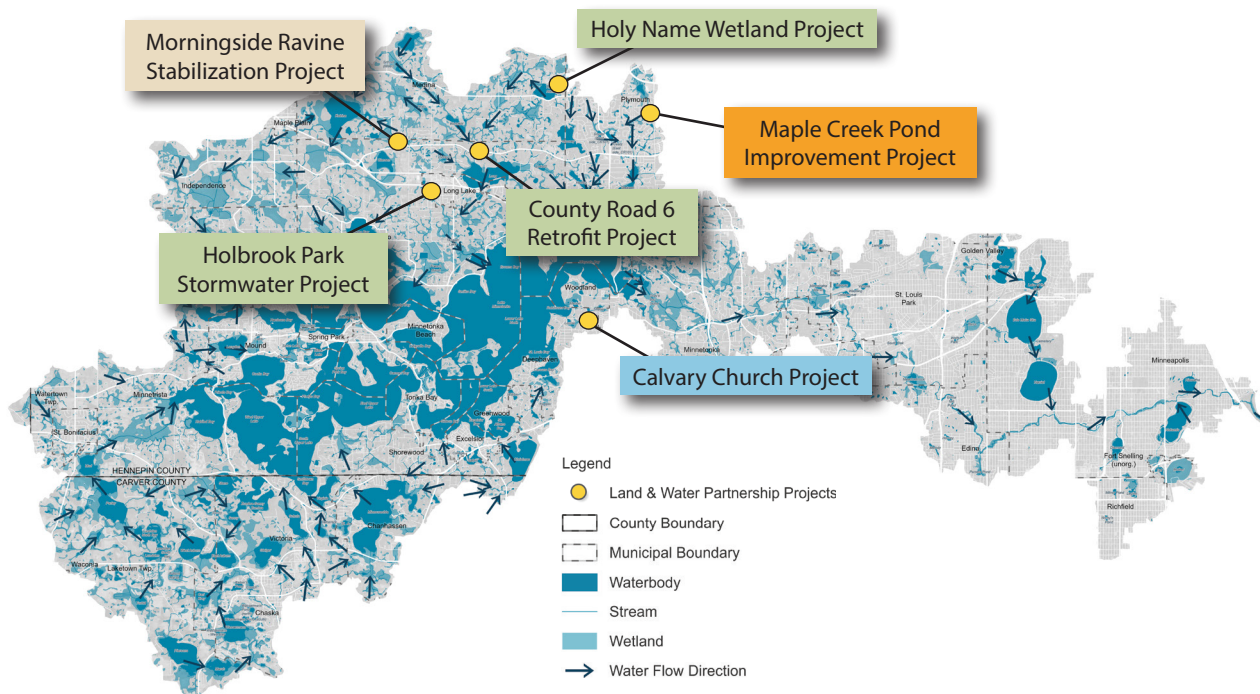
Supported through the LWP program's pilot phase, this project retrofitted a stormwater pond to improve water quality in Gleason Lake. MCWD collaborated with the City to identify this opportunity and contributed \$100,000 to the site's water resource features.

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

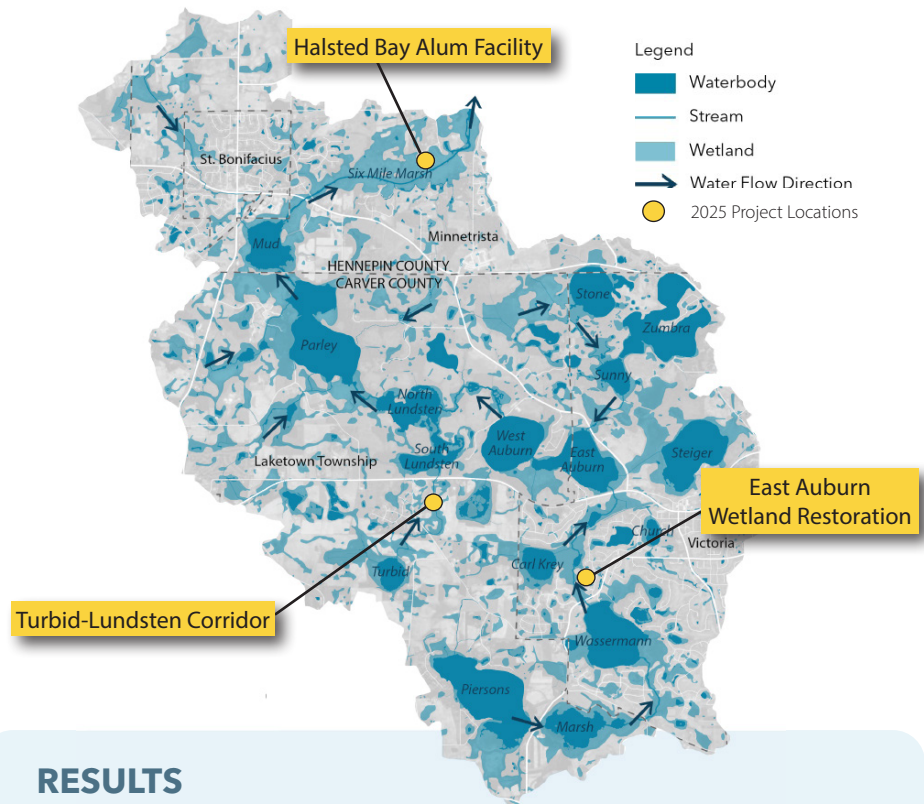
In the past several years, MCWD has worked with the subwatershed's communities to develop the SMCHB Plan, a collaborative vision to improve water quality and natural resources, while integrating local infrastructure, community development, parks and recreation, and open space planning goals.

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

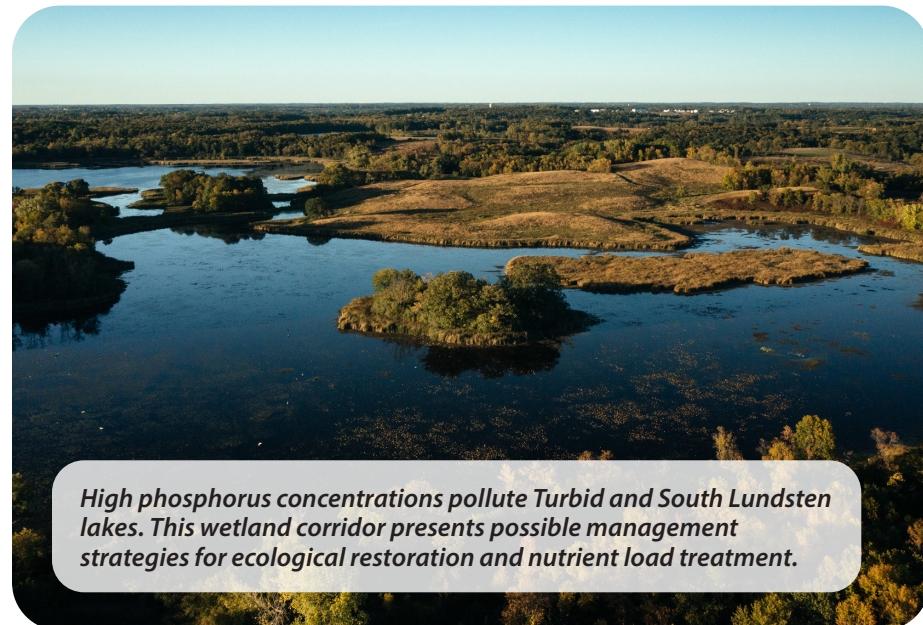
SIX MILE CREEK - HALSTED BAY SUBWATERSHED 2025 ACTIVITIES

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

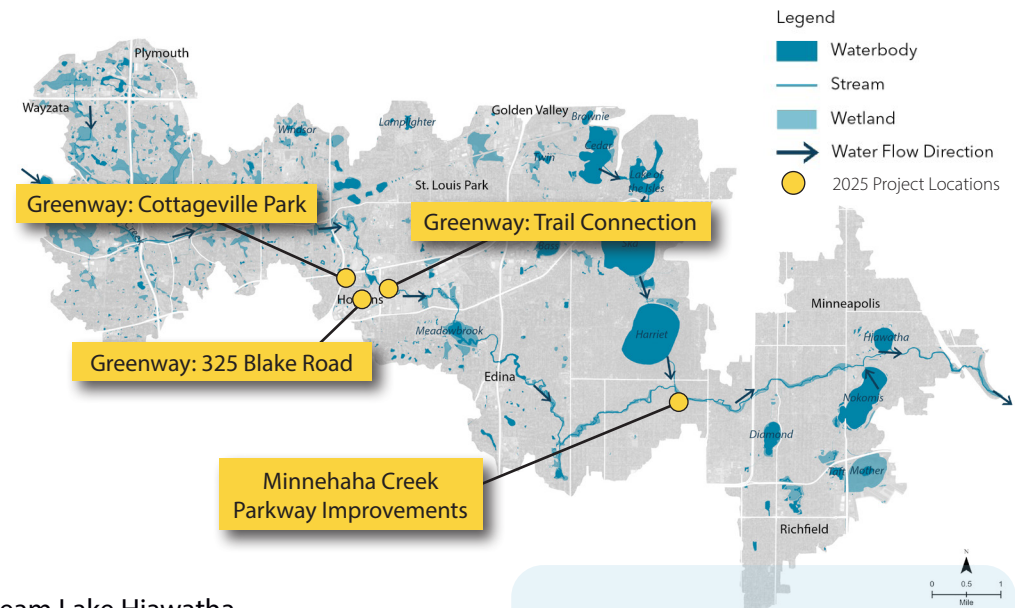
We have developed strong relationships with the cities of Hopkins, St. Louis Park, Edina, and Minneapolis to integrate natural resource goals with park planning, community development, and infrastructure improvements.

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.

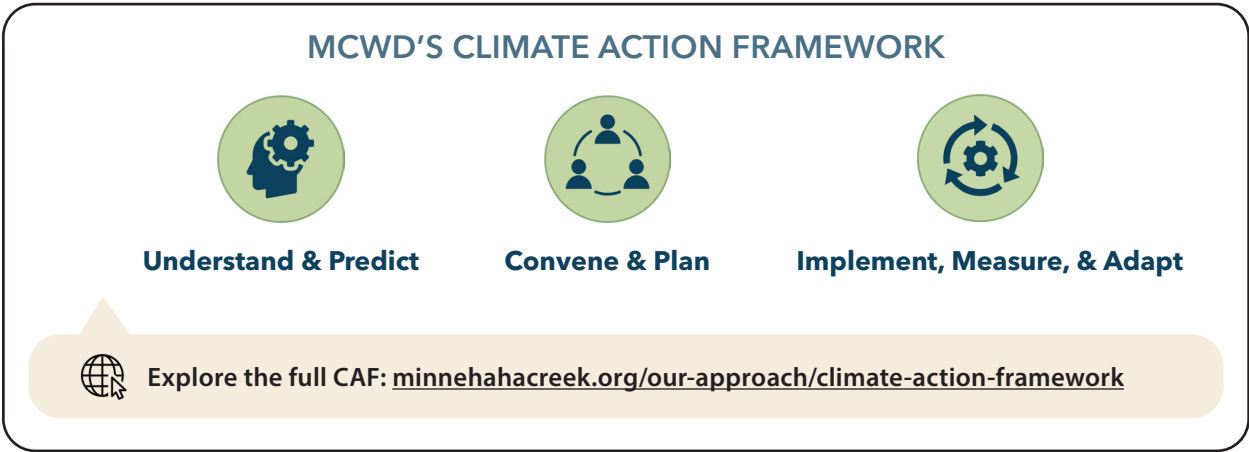


Partnership projects along Minnehaha Parkway will improve water resources in Minneapolis, including Minnehaha Creek and Lake Hiawatha.

A DATA-DRIVEN STRATEGY FOR RESILIENCE

ADAPTING TO A CHANGING CLIMATE

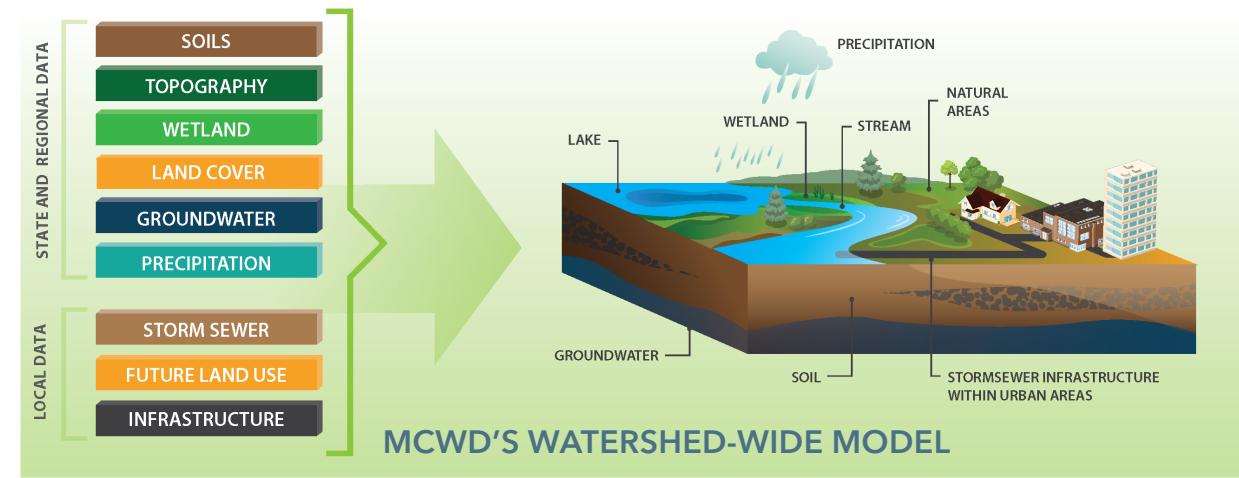
Water systems throughout Minnesota have historically been built for stable, predictable precipitation patterns. New extreme swings in precipitation are stressing our natural and built environments; cycles of flooding and drought in recent years have impacted water quality, wildlife habitat, and the safety 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.



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.

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

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