



MINNEHAHA CREEK
WATERSHED DISTRICT

2026 MCWD BUDGET & WORKPLAN

Pursuing a balanced urban ecology with capital projects and policy

2026 BUDGET & WORKPLAN

At the Minnehaha Creek Watershed District (MCWD), we are committed to the belief that clean water and a healthy natural environment are essential for creating and maintaining thriving communities. To realize this vision, we partner with others to deliver meaningful capital projects and develop policies that integrate land use with water resource planning.

Impactful projects that benefit both the watershed and our communities often require multi-year efforts to plan, develop, and implement. Each budget cycle, therefore, presents an opportunity to align strategic priorities, assess upcoming investments, and plan for the future. This work plan outlines our 2026 annual budget and highlights progress being made throughout the watershed.

CONTENTS

2	2026 Budget Breakdown
3	2027 Watershed Management Plan Update
5	Focal Geography Approach
6	Expanding Our Focal Geographies
7	Six Mile Creek – Halsted Bay Subwatershed Overview
8	Six Mile Creek – Halsted Bay Subwatershed 2026 Activities
9	Minnehaha Creek Subwatershed Overview
10	Minnehaha Creek Subwatershed 2026 Activities
11	Land and Water Partnerships
13	Watershed-Wide Services

OUR APPROACH: IN PURSUIT OF A BALANCED URBAN ECOLOGY

We believe sustainable, thriving communities are built on a balanced relationship between the natural and built environments. Within the Minnehaha Creek Watershed, natural resources create a strong sense of place—contributing to local identity, enhancing economic value, and improving quality of life.

To bring this to life, we collaborate with our communities to integrate natural systems into the fabric of the built environment. Working with our partners, we target areas of high need to deliver meaningful, measurable impacts, while staying responsive to opportunities throughout the watershed.



Balanced Urban Ecology in action at the Methodist Hospital in St. Louis Park: Park Nicollet and MCWD partnered to remeander a degraded section of Minnehaha Creek and restore floodplain wetlands, improving water quality and flood storage in an urbanized corridor. The hospital installed a boardwalk to provide access to the restored creek, allowing patients to connect with nature as they heal.

2026 BUDGET BREAKDOWN

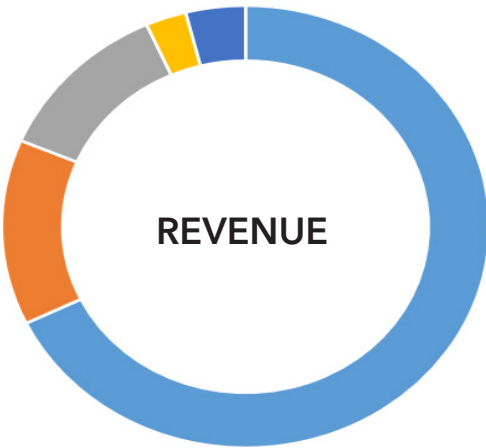
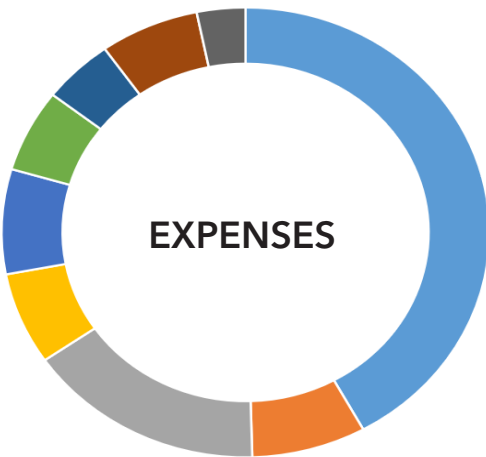
Projects, activities, and services highlighted in this publication are derived from the listed expenses below. Our work is supported by an annual tax levy, funds levied in past years for multi-year capital projects (projects fund balance), funds reallocated from programs delivered under budget (programs fund balance), grants and partner funds, interest, and permit fees.

EXPENSES	2025	2026
Capital Projects	\$6,053,478	\$6,100,256
Debt Service	\$1,098,218	\$1,100,668
Operations & Support Services	\$2,147,337	\$2,287,828
Research & Monitoring	\$1,372,103	\$962,872
Project Planning	\$1,031,505	\$1,097,847
Policy Planning	\$643,884	\$857,920
Project & Land Maintenance	\$677,441	\$685,673
Permitting	\$925,663	\$947,431
Outreach	\$470,817	\$466,193
TOTAL	\$14,420,445	\$14,506,688

REVENUE	2025	2026
Levy	\$9,869,513	\$9,869,513
Projects Fund Balance	\$3,332,992	\$1,973,572
Programs Fund Balance	\$0	\$1,695,664
Grants & Partner Funds	\$692,940	\$392,940
Interest & Fees	\$525,000	\$575,000
TOTAL	\$14,420,445	\$14,506,688

FISCAL RESPONSIBILITY

MCWD is maintaining a flat levy in 2026. MCWD has increased the levy only 2% over the past seven years. Grants and partner funds have provided significant contributions to District expenses in recent years: MCWD has secured over \$6.7 million in grants and partner funds since 2020, supporting 6.5% of expenditures.



2027 WATERSHED MANAGEMENT PLAN UPDATE

OUR PATH FORWARD

Every ten years, MCWD updates its Watershed Management Plan (Plan) to guide our work over the coming decade.

Over the next two years, MCWD will engage its 29 communities and other partners, aligning local goals with water resource priorities, to guide future implementation.

BALANCED URBAN ECOLOGY

Our Balanced Urban Ecology policy was foundational to our 2017 Plan, which emphasized partnerships that deliver high-impact capital projects in focal geographies and advance policy initiatives to integrate land and water planning across the watershed.

Since then, MCWD has put this integrated approach into action, investing in projects that generate regional water resource improvements, expand access to greenspace, and support broader community goals in economic development, transportation, housing, and other areas.

Recognizing the success of this approach, MCWD’s 2027 Plan will build on the foundation of partnership and integrated planning central to the 2017 Plan, to meet the needs of the future.

2026 BUDGET: \$225,000

Funding from the Policy Planning and Outreach program budgets supports the Plan convening process, analysis and planning, as well as public outreach efforts in 2026.

BUILDING RESILIENCE WITH NATURE-BASED SOLUTIONS

To continue advancing MCWD’s vision of Balanced Urban Ecology, the primary focus of the 2027 Plan update will be the development of a strategy to build flood resilience as our communities experience the impacts of climate change.

We’ve learned from past projects that when we work with our partners to integrate the built environment with restored natural systems, we can provide a range of benefits for our communities, including flood resilience; water quality improvements; recreation opportunities; as well as contribute to a sense of place. As we plan for the future, we’ll work alongside our communities to find new ways to integrate nature-based solutions into the watershed’s built environment.



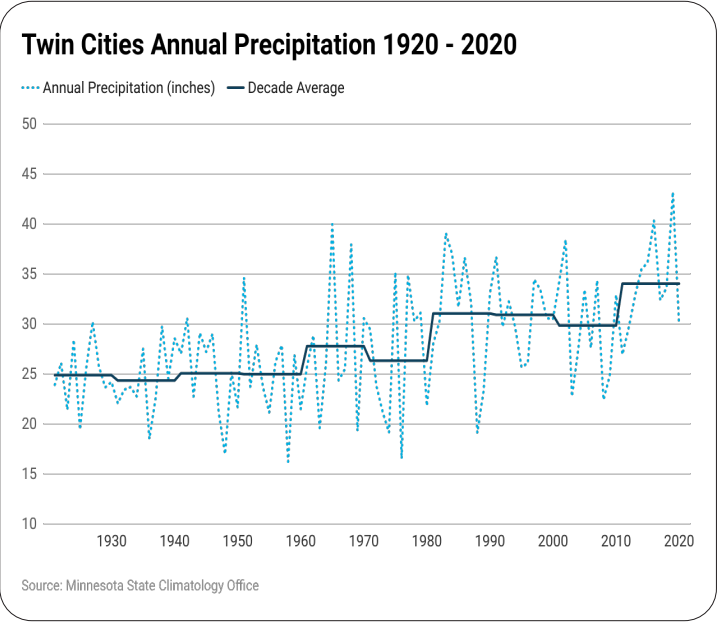
2027 WATERSHED MANAGEMENT PLAN UPDATE

FROM PAST TO PRESENT

MCWD was established in 1967 in response to a series of extreme flood events that impacted communities along Minnehaha Creek. As the lower watershed developed, historic land use decisions left these areas highly vulnerable to flooding.

Since our inception, these events have increased in both intensity and frequency, driven by changing precipitation patterns. According to the MN Department of Natural Resources Climatology Office, both Minnesota and the Minnehaha Creek Watershed are projected to continue becoming warmer and wetter.

Record-setting rainfall in 2014, combined with the wettest seven-year period on record from 2013 to 2019, followed by subsequent drought cycles, highlight that the watershed is already experiencing disruptions to precipitation patterns, increasing flood risk.



Between 1940 and 2020, Twin Cities annual rainfall has been increasing.

REGIONAL PLANNING

Due to a range of factors, the effects of changing precipitation patterns can impact communities differently. Water does not follow political boundaries, and upstream decisions can have downstream implications. This complex interplay underscores the benefits of a coordinated watershed-scale approach to build resilience in ways that generate shared benefits.

As a regional water resource agency, MCWD is committed to bringing communities together to build a data-driven understanding of natural systems, align priorities, and collaborate with partners to integrate improvements into the changing landscape.



LOOKING AHEAD

Working with our partners, over the next two years, we will develop a shared implementation framework that supports our communities as they work to adapt and respond to a changing climate. MCWD will leverage a new 2-D model that incorporates current and projected precipitation, land surface, and municipal stormwater data to support this effort.

FOCAL GEOGRAPHY APPROACH

MCWD covers 178 square miles across 29 communities, serving more than 300,000 residents. To effectively manage water resources across the watershed, MCWD takes a focused and strategic approach, targeting geographies of highest need to deliver measurable results for the region as a whole.

Within focal geographies, we build partnerships to identify water resource issues, understand local needs, and deliver projects that improve our environment while supporting community goals.

A DECADE OF PROGRESS

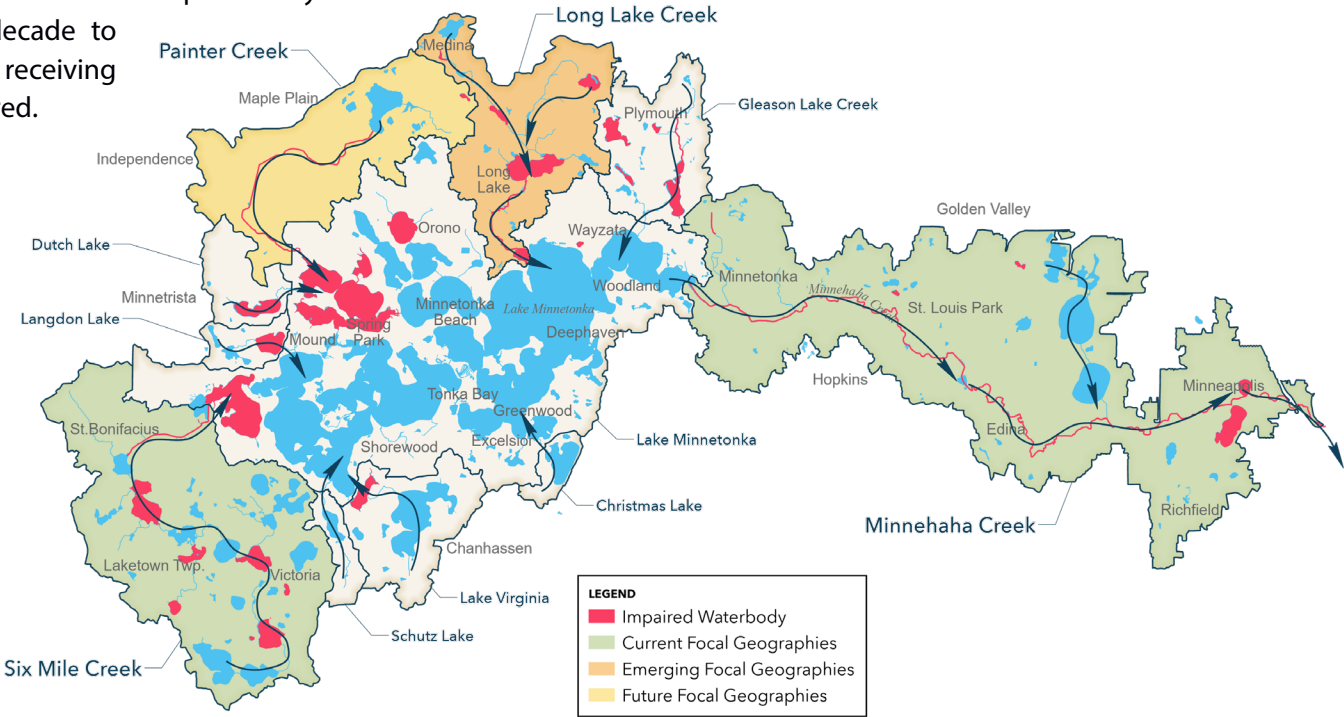
MCWD’s 2017 Plan introduced this focal geography approach, leveraging a data-driven understanding of the watershed to identify two key areas for project implementation: the Six Mile Creek-Halsted Bay Subwatershed and the Minnehaha Creek Subwatershed.

To generate regional benefits, in the upper watershed, MCWD focuses on the largest tributaries to Lake Minnetonka, which drain to impaired bays.

Downstream, MCWD has worked for over a decade to improve its namesake, Minnehaha Creek, and its receiving water body, Lake Hiawatha, which are both impaired.

By focusing in these two areas, MCWD has made measurable improvements for the region’s water, resulting in:

- 300 acres of new greenspace
- 695 pounds/year nutrient pollution reduction
- 154 acres of restored wetlands
- 2.5 miles of restored streambank
- De-listing of Brownie Lake
- Wassermann Lake on track to be removed from state impaired waters list
- Minnehaha Creek Chlorophyll-a concentrations that meet state standards



See pages 7-10 for more information on our work in these geographies.

For more information on our focal geography approach: minnehahacreek.org/projects/focal-geographies/

EXPANDING OUR FOCAL GEOGRAPHIES

As MCWD outlines priorities and project opportunities for the 2027 Plan, we are preparing to expand our portfolio of focal geographies to implement high-impact projects in new areas, magnifying regional water resource benefits. Over the next two years, we will bring partners together in two new geographies to guide long-range implementation.

LONG LAKE CREEK SUBWATERSHED 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, resulting in the Long Lake Creek Roadmap.

The Long Lake Creek Subwatershed includes a mix of land use, including residential and commercial development, as well as agricultural lands, large wetland complexes, parks, and undeveloped natural spaces. The Subwatershed includes five impaired lakes and ultimately drains to Tanager Bay on Lake Minnetonka. The Long Lake Creek Roadmap outlines an implementation strategy and a suite of projects to restore the Subwatershed’s resources.

In 2026, MCWD is advancing two projects in the subwatershed:

- A retrofit of the County Road 6 Stormwater Pond to improve treatment capacity.
- A feasibility study to identify regional stormwater treatment projects in Long Lake’s downtown area.

“This partnership goes beyond our city, looking at the entire system to determine projects that will improve and protect Long Lake. The feasibility study is a critical next step to identify cost-effective opportunities for measurable, lasting benefits in our community.”

- Charlie Miner, Mayor of Long Lake

2026 BUDGET: \$808,583

Funding from the Capital Projects, Project Planning, Outreach, and Research & Monitoring program budgets supports ongoing diagnostic monitoring and planning efforts in new focal areas.



Painter Creek, flowing into Jennings Bay on Lake Minnetonka.

PAINTER CREEK SUBWATERSHED OPPORTUNITIES

The Painter Creek Subwatershed, a new focal area, is wetland-rich and ultimately drains into impaired Jennings Bay on Lake Minnetonka. The highly agricultural Subwatershed includes portions of Medina, Orono, Maple Plain, Independence, and Minnetrista.

In 2026, MCWD will complete diagnostic work started in 2025, which involved monitoring water quality at key sites across the Subwatershed to identify pollutant sources. Preliminary monitoring data estimates that Painter Creek contributes up to 50% of the total annual phosphorus load to Jennings Bay. Leveraging diagnostic findings, MCWD will engage the Subwatershed’s communities to develop a project implementation plan for the 2027 Plan.

SIX MILE CREEK - HALSTED BAY SUBWATERSHED OVERVIEW

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 listed as impaired for excess nutrients.

CONTINUED PARTNERSHIP

MCWD has been partnering with communities in the SMCHB Subwatershed to support local development, infrastructure, and recreational planning goals while preserving and protecting the area’s unique natural resources. Whether through wetland restoration or innovative stormwater projects, our partnerships with Carver County, Laketown Township, Minnetrista, St. Bonifacius, Victoria, and private developers have resulted in measurable improvements across the Subwatershed.

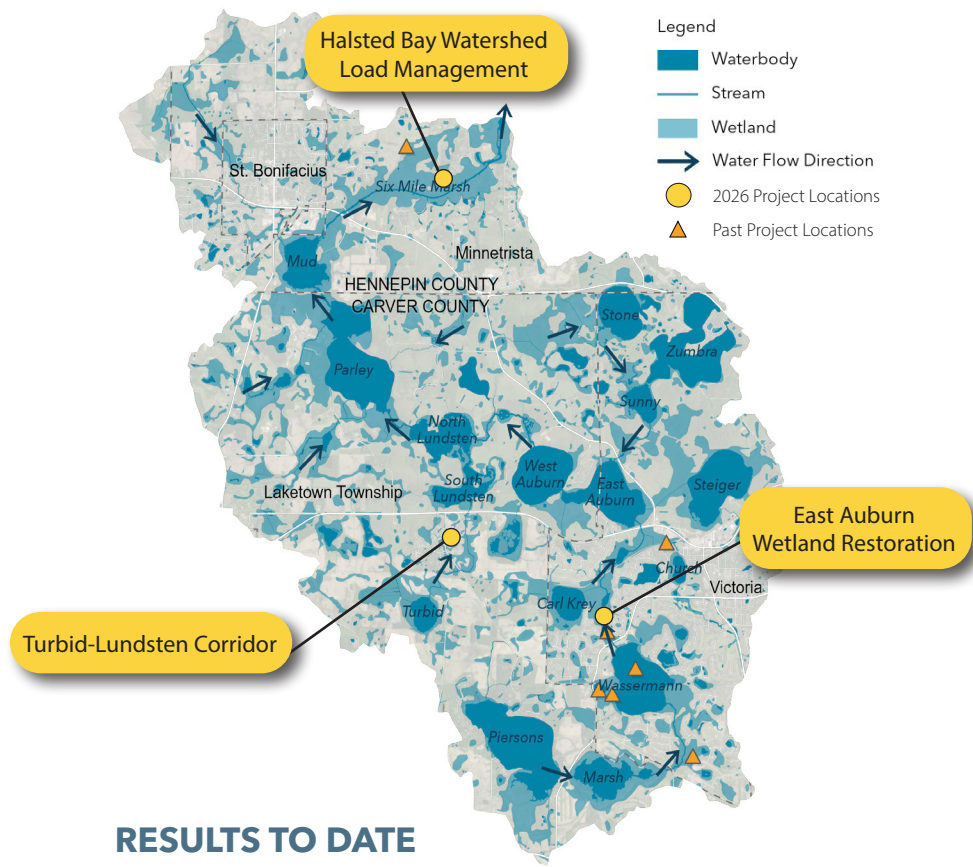
To continue this legacy of meaningful collaboration, MCWD recently signed a new Memorandum of Understanding (MOU) with the City of Victoria, which outlines a shared vision to preserve green space and ecological corridors as the City’s Western Growth Area develops.

“As Victoria grows, we’re committed to ensuring our natural systems remain central to our identity as the City of Lakes and Parks. This partnership with MCWD strengthens our ability to integrate green space, water resources, and sustainable infrastructure into every step of our planning.”

- **Dana Hardie, Victoria City Manager**

WORK TO DATE

Thanks to our strong partnership with the region’s communities, we have made major strides in improving Wassermann Lake and surrounding waterbodies in the SMCHB Subwatershed. Together, we have restored a 20-acre wetland with a private developer, revitalized over 210 acres of prairie and marshland, treated both Wassermann Lake and a nearby pond with alum, and implemented a systemwide carp management plan.



RESULTS TO DATE

124 ACRES of restored wetland	1 MALL OF AMERICA worth of wetland restored
545 POUNDS of Phosphorus removed	272,500 POUNDS of algae prevented
306,958 POUNDS of Common Carp removed	2,488 ACRES of lake habitat restored
190 ACRES of accessible greenspace	144 FOOTBALL FIELDS of new greenspace

SIX MILE CREEK - HALSTED BAY SUBWATERSHED 2026 ACTIVITIES

2026 BUDGET: \$1,081,000

Funding from the Capital Projects, Project Planning, Outreach, and Research & Monitoring program budgets supports the implementation of capital projects in the Six Mile Creek-Halsted Bay (SMCHB) Subwatershed.

TURBID-LUNDSTEN CORRIDOR PLANNING

MCWD is exploring restoration efforts in the Turbid-Lundsten Corridor, which includes Turbid and South Lundsten Lakes. This corridor contains a degraded wetland system, which presents significant nutrient reduction opportunities. Wetland restoration and in-lake treatment projects in the corridor could reduce phosphorus by up to 95 pounds per year. However, the scope and scale of projects will be shaped through collaboration with local landowners and informed by comprehensive feasibility studies.



EAST AUBURN WETLAND RESTORATION

MCWD recently completed the design of the wetland restoration between Wassermann and East Auburn Lakes. Construction of this project in 2026 will restore the wetland’s hydrology with the installation of a sheet-pile weir, which is expected to reduce annual phosphorus loads to East Auburn Lake by 50 percent.

HALSTED BAY WATERSHED LOAD MANAGEMENT

MCWD is exploring a range of nutrient reduction methods to improve water quality in Halsted Bay on Lake Minnetonka, including a water treatment facility, upstream wetland restorations, and in-lake nutrient reduction treatments, among others. MCWD is conducting diagnostic monitoring to inform future project identification.

MINNEHAHA CREEK SUBWATERSHED OVERVIEW

2026 BUDGET: \$3,979,273

Funding from the Capital Projects, Project Planning, Outreach and Research & Monitoring program budgets supports the implementation of capital projects in the Minnehaha Creek Subwatershed.

The Minnehaha Creek Subwatershed, or lower watershed, contains several iconic 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 Edina, Hopkins, Minneapolis, Minnetonka, Richfield, and St. Louis Park.

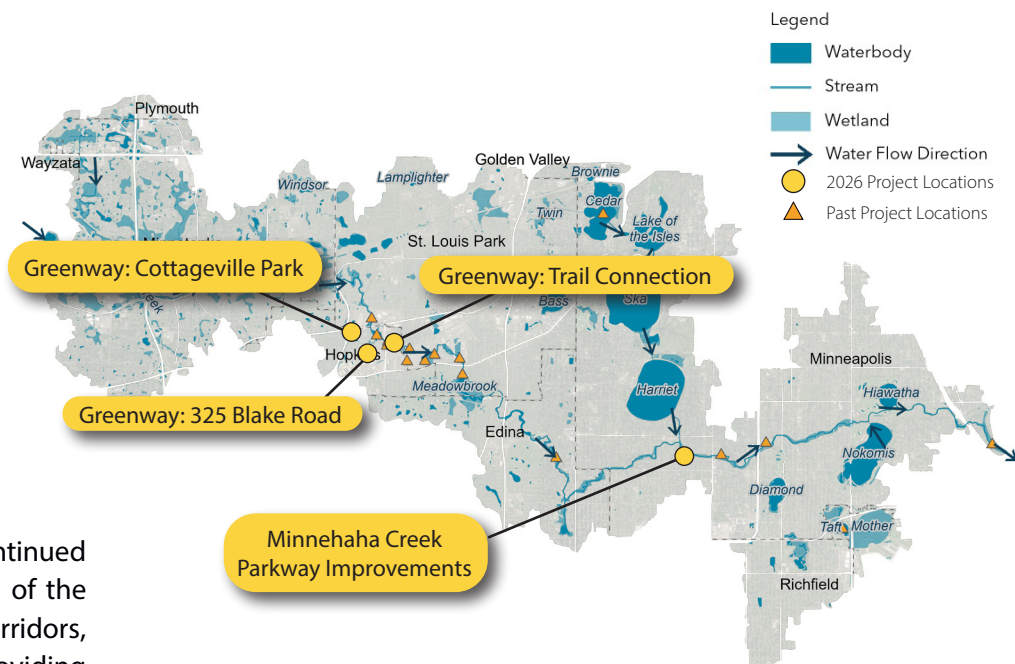
CONTINUED PARTNERSHIP

Partnerships with the lower watershed communities have facilitated continued improvements across the Subwatershed. As an urban, developed portion of the watershed, project efforts have been focused on restoring riparian corridors, mitigating flooding, managing pollution from stormwater runoff, and providing new access to greenspace.

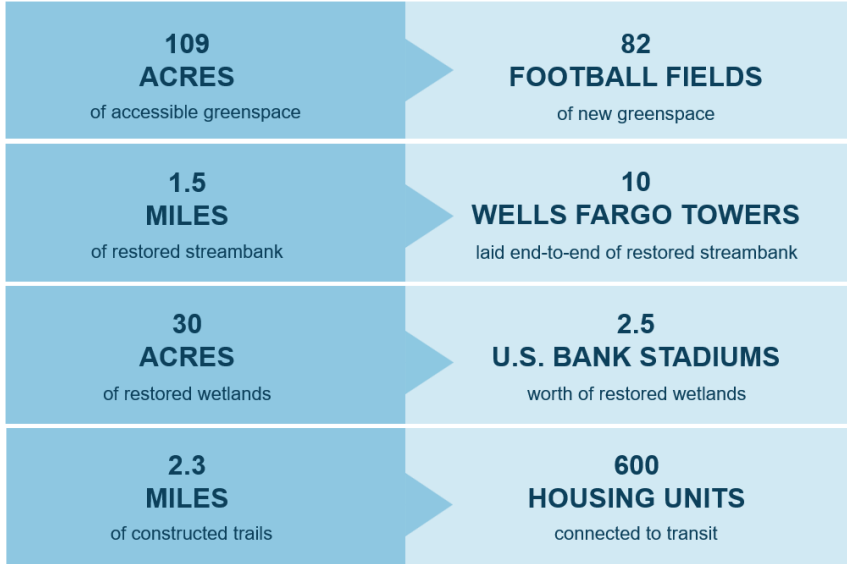
In this subwatershed, MCWD has been advancing projects in the Minnehaha Creek Greenway along the most degraded stretch of the Creek between Hopkins and St. Louis Park. A new partnership between the City of Minneapolis and the Minneapolis Park and Recreation Board (MPRB) will expand investments downstream in the Minneapolis segment of the Minnehaha Creek corridor, to improve the Creek and downstream Lake Hiawatha.

WORK TO DATE

Over the past decade, MCWD has collaborated with local partners to restore and enhance sections of Minnehaha Creek, while meeting the unique demands of a highly urbanized subwatershed. MCWD has partnered to remeander Minnehaha Creek at Methodist Hospital, restore streambank and floodplain wetlands at the Minnehaha Creek Preserve with Japs-Olson, resulting in the creation of 150 skilled labor jobs, and integrated stormwater management solutions into park expansions at Arden Park in Edina, and Cottageville Park in Hopkins.



RESULTS TO DATE



MINNEHAHA CREEK SUBWATERSHED 2026 ACTIVITIES

A PARTNERSHIP FOR THRIVING WATERS IN MINNEAPOLIS

Working with the City of Minneapolis and MPRB, MCWD is developing a shared implementation framework for the Minnehaha Parkway Regional Trail Master Plan, a 30-year vision to enhance recreation, restore the ecological function of the Creek, address flooding, and improve water quality in Minneapolis.

The partners identified three projects from the Parkway Master Plan to provide significant, cost-effective water resource benefits in the Minnehaha Creek Corridor. The first priority project, located west of Cedar Avenue, will advance into design in 2026. The project will capture and treat stormwater runoff from 115 acres, restore streambanks to enhance water quality and reduce localized flooding, as well as provide new recreation opportunities along Minnehaha Creek.

As the first project progresses in 2026, the partners will also be working to analyze water resource issues, restoration strategies, and project opportunities across the Minneapolis Chain of Lakes to develop a long-range implementation plan that can support future investment to improve water quality, flood resilience, and ecosystems in the City of Lakes.

PROGRESS IN THE GREENWAY

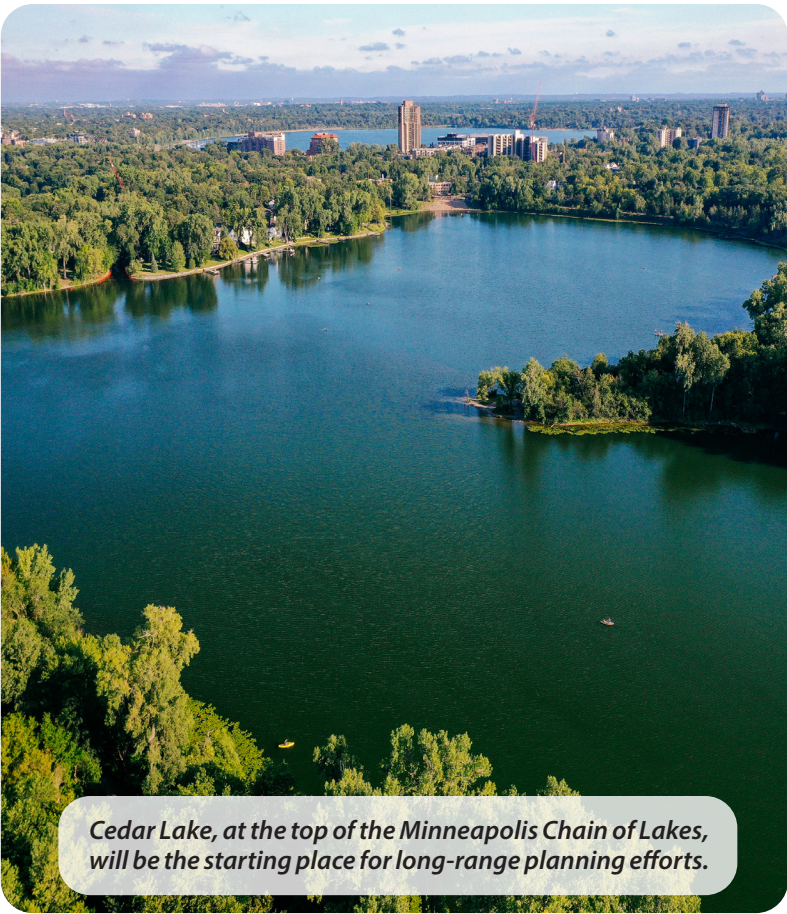
Over the past decade, MCWD has implemented a series of projects in the Minnehaha Creek Greenway, a 2-mile stretch of continuous green space between Hopkins and St. Louis Park.

In 2026, MCWD will be leading a project to connect the Greenway to the Cedar Lake LRT Regional Trail, in partnership with Hennepin County, the Metropolitan Council, the City of St. Louis Park, and Three Rivers Park District. The project will establish a 1,000-foot trail connection linking Minnehaha Creek Preserve, the Cedar Lake LRT Regional Trail, and planned investments at 325 Blake Road, while repairing riparian buffers and restoring 1,000 feet of streambank along Minnehaha Creek.

While work advances to connect investments on the Minnehaha Creek Greenway, MCWD remains committed to delivering significant water quality benefits and recreation opportunities at 325 Blake Road. Despite delays in the development, in 2026, MCWD plans to advance its improvements on the adjacent parcel near Cottageville Park, creating a Gateway to the Minnehaha Creek Greenway.

"This partnership unites our agencies for a stronger, coordinated approach to water resource stewardship. By aligning efforts, we're making smart investments to protect water quality, reduce flood risk, and deliver lasting community benefits. Minnehaha Creek, a vital community asset, will get the attention it deserves."

- Cathy Abene, P.E., MPRB President



LAND AND WATER PARTNERSHIPS

OUR COMMITMENT TO SHARED BENEFITS

MCWD launched the Land & Water Partnership (LWP) Program in 2024, grounded in the belief that meaningful, early coordination with the land use community leads to better outcomes for our water resources.

The LWP Program provides technical and financial assistance for partner-led projects that provide regional water resource benefits by adding these projects into MCWD’s Capital Improvement Plan (CIP). Eligible partners include cities, counties, developers, and others who implement large-scale capital projects within the watershed. By strengthening relationships with partners across the watershed and working together to integrate land and water planning, we are supporting regional water resource improvements that contribute to thriving, sustainable communities.

SUPPORTING PARTNER PROJECTS

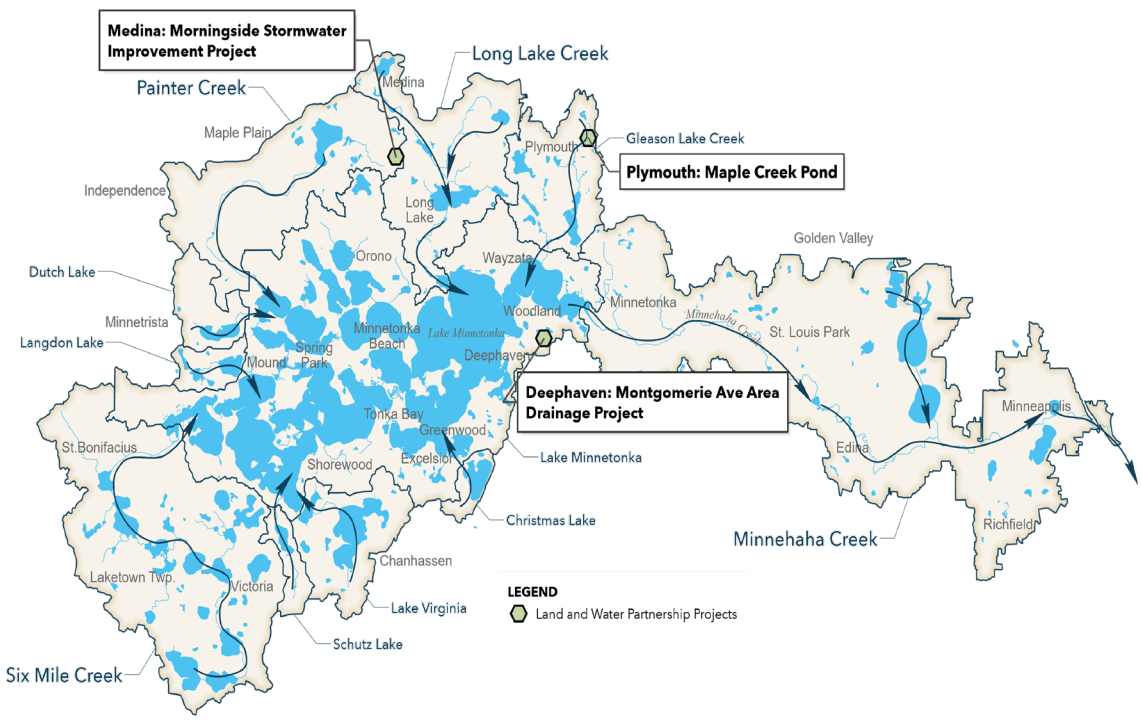
In its first year, the LWP Program has improved early coordination, resulting in projects that provide significant water resource benefits. Currently, three capital projects supported by the program are projected to remove 62.8 pounds of phosphorus per year in three communities across three subwatersheds.

In 2026, the LWP Program is supporting the Morningside Stormwater Improvement Project, led by the City of Medina. The project includes the stabilization of three eroding ravines and the construction of a stormwater pond to remove 30 pounds of pollutants annually, improving water quality in Lake Katrina and downstream Jennings Bay.

MOVING FORWARD

As MCWD advances planning for the 2027 Plan, we will be working with our partners to build new tools and systems that support land use and water integration and early coordination.

MCWD is developing a map of regional opportunity areas to better support LWP project identification, as well as an interactive mapping tool to allow partners to highlight upcoming projects, planning efforts, and initiatives, enabling MCWD and its partners to align priorities for shared investment outside of the District’s focal geographies.



2026 BUDGET: \$109,500

Funding from the Policy Planning and Outreach program budgets supports partner-led capital projects through the Land & Water Partnership Program, as well as related technical anlysis, planning, and outreach efforts.

LAND AND WATER PARTNERSHIPS

BUILDING PARTNERSHIPS THROUGH PERMITTING

MCWD’s permitting program also provides unique opportunities to build innovative partnerships, shape land use changes, and identify creative pathways to protect and improve water resources. By proposing innovative water resource solutions, MCWD has been able to shape projects that achieve greater water resource benefits than those achieved with regulation alone.

When Burl Oaks Golf Club in Minnetrista applied for a permit to redesign its golf course, it initiated a cooperative process to align the redesign with both state and MCWD regulations. MCWD staff worked closely with the Golf Club’s team, helping them navigate regulatory requirements, while advancing the Club’s vision, resulting in a course design that achieves greater water resource benefits than what would have been realized solely through compliance.

“Our plan review and permitting process with the MCWD team was a truly collaborative effort, focused on finding solutions that supported both our golf course design goals and MCWD’s objectives for water quality management and wetland restoration. Through close coordination with our Architect Jason Blasi, Course Superintendent Nathan Peters, Construction committee and Anderson Engineering, we successfully delivered an outstanding golf course design that also enhances water quality, habitat, native vegetation, and flood storage—ultimately benefiting our members and the broader Lake Minnetonka area community for generations to come.”

- **Dave Link, Burl Oaks Board Vice President & Construction Committee Chairman**

Whether it’s through our permitting or LWP Program, when MCWD is at the table early, we can work to understand our partners’ goals and identify mutually-beneficial solutions that benefit the environment and the community.



PLANNED WATER RESOURCE BENEFITS

3.93 ACRES of restored wetland	3 FOOTBALL FIELDS worth of restored wetland
1.51 ACRES of wetland buffers	10 SUBURBAN HOME LOTS of wetland buffers
3,266 CUBIC YARDS of floodplain storage	651,702 GALLONS of water storage

WATERSHED-WIDE SERVICES

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.

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 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.

2026 BUDGET: \$1,467,180

Funding from the Capital Projects, Permitting, Policy Planning, Outreach, Project Maintenance & Land Management, and Research & Monitoring program budgets supports the delivery of critical services across the watershed.



MINNEHAHA CREEK
WATERSHED DISTRICT
QUALITY OF WATER, QUALITY OF LIFE



Residents paddling on Cedar Lake in Minneapolis.

CONNECT WITH US



www.minnehahacreek.org



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