



MEMORANDUM

To: MCWD Board of Managers
From: Becky Christopher
Date: August 8, 2017 (UPDATED)
Re: 2018 Work Plans – Planning and Permitting

Purpose:

This memorandum provides a summary of work plans for the Planning and Permitting Division and an outline of what will be presented at the August 10, 2017 Planning and Policy Committee Meeting. The individual work plans are attached.

Background:

On February 9, 2017 the Board of Managers adopted a strategic direction for the organization to guide the District's 2017 Watershed Management Plan, Human Resources Plan, Information Technology Plan, and Budget planning. As defined in this document, the District organizational priorities to accomplish its mission are:

- The development of high-impact capital improvement projects
- Changing the land-use / water policy environment to increase early, value-added public and private partnership in planning, policy, development, and infrastructure investment

All MCWD programs will be developed in support of these priorities, as discussed at the July 27 PPC Meeting. Following is a summary of the Project and Policy priorities that will guide the development of work plans for the organization for 2018.

Planning-Projects:

1. Minnehaha Creek
 - a. Greenway
 - b. Arden – Edina
 - c. Minneapolis
2. Six Mile – Halsted Bay
3. Painter Creek – Jennings Bay
4. Responsive Projects and Incentive Grants

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Land-Use / Water Policy Priorities:

A 24-36 month goal of enhancing early, value-added coordination with public and private partners in areas of planning, policy, development and infrastructure investments.

1. Watershed Management Plan roll-out and marketing as MCWD policy umbrella to support this goal
2. Review and coordinate Local Surface Water Management Plan development to create municipal policy umbrella to support this goal
3. Promoting MCWD as preferred partner and MCWD Permitting as value-add through early coordination
4. Developing Incentive Program/Opportunity Grant to work with public and private partners on development and infrastructure improvements that are funneled into MCWD through early coordination.

PPC Presentation:

At the August 10, 2017 Planning and Policy Committee Meeting, Planning staff will kick off the review of 2018 work plans by first providing an overview of the strategic priorities for 2018 and how programs are being aligned to support those priorities. Staff will then provide an overview of the primary activities and proposed budgets for the Planning and Permitting Division, which includes the following work plans:

- Programs:
 - Permitting (2001)
 - Planning and Projects (2002)
 - Project Maintenance and Land Management (2003)
 - Habitat Restoration Initiative (2006)
- Capital Projects:
 - Taft/Legion Improvements (3140)
 - 325 Blake Rd (3145)
 - Arden Park Stream Restoration (3147)
 - FEMA Flood Repairs (3148)
 - Highway 101 Causeway (3149)
 - Meadowbrook Golf Course (3150)
 - Minnehaha Preserve Enhancement (3151)
 - Wasserman West (31XX)
- Capital Finance Account (2004)

Finally, staff will walk through the proposed capital budget and levy in more detail, including assumptions, proposed cuts or postponements, implications for the 2019 capital budget and levy, and decisions for Board consideration. The following table summarizes the proposed budget and levy for these programs and projects, as compared to 2017.

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Program	2017 Budget	2017 Levy	2018 Budget	2018 Levy
Permitting	\$631,651	\$443,657	\$661,129	\$516,154
Planning & Projects	\$1,114,973	\$1,080,353	\$849,873	\$731,547
Project Maint. & Land Mgmt	\$683,310	\$439,302	\$715,092	\$439,302
Habitat Restoration Initiative	\$15,113	\$13,356	\$11,818	\$11,844
Programs Subtotal	\$2,445,047	\$1,976,668	\$2,237,912	\$1,698,847
Capital Projects	\$3,177,776	\$1,212,998	\$6,468,720	\$1,445,880
Capital Finance Account	\$4,064,169	\$3,159,412	\$6,195,119*	\$3,159,412
Total	\$9,686,992	\$6,349,078	\$14,901,751	\$6,304,139

*The budget for the Capital Finance Account is dependent on the refinance of the debt payment for the 325 Blake Road property and will be discussed at the PPC Meeting. Staff is proposing to keep the levy flat for this fund in 2018.

The total combined levy for these programs and projects for 2018 represents a decrease of \$44,939 compared to 2017.

If there are questions in advance of the meeting, please contact Becky Christopher at 952-641-4512 or bchristopher@minnehahacreek.org.

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MINNEHAHA CREEK WATERSHED DISTRICT 2017 RECOMMENDED WORK PLAN

PREPARED BY: Katherine Sylvia

DATE: August 10, 2017

<u>Program</u>	Permitting Program (2001)
<u>Summary</u>	The Permitting Program protects and enhances natural resources within the Minnehaha Creek watershed through the administration of District rules, monitoring field compliance, and the development of policy, programmatic, and project solutions through strategic partnership across sectors.
<u>Location</u>	District-wide
<u>Description</u>	<p>Background:</p> <p>The Minnehaha Creek Watershed District’s permitting program protects and enhances natural resources through the administration of rules, monitoring construction for compliance, and through partnership to achieve greater natural resource outcomes than can be achieved solely through regulation.</p> <p>In addition to its own regulations, the District’s Permitting Program is also responsible for the implementation of the state Wetland Conservation Act (WCA) in 18 of its 29 communities, in close coordination with the Department of Natural Resources, the United States Army Corps of Engineers (USACE), the Board of Water and Soil Resources (BWSR) and Hennepin/Carver Counties.</p> <p>As the Program operates in these core functions, the Program also works to serve the District’s mission through supporting the Organization’s strategic priorities to achieve Balanced Urban Ecology:</p> <ul style="list-style-type: none"> • The development of high-impact capital improvement projects, and • Changing the land-use/water policy environment to increase early, value-added public and private partnership in planning, development, and infrastructure investments. <p>The Program plans to support these priorities through providing comprehensive regulatory guidance for District capital improvement projects, and also engaging in added-value early coordination with the land-use community to develop partnerships and projects that achieve greater natural resource benefit than the rules provide.</p> <p>Through Strategic Planning, Staff identified that an integral first step towards providing this support is to streamline the Program’s rules and processes to alleviate staff time and resources while maintaining the same level of natural resource protection.</p> <p>In 2018, the Permitting Program proposes to perform its background functions of</p>

permit administration and enforcing field compliance while initiating the process for streamlining the Program's rules. As the Program develops rule and process efficiencies, Staff will be able to support the Organization's Balanced Urban Ecology strategies through early coordination and partnership development.

Rules Administration & Field Compliance (\$230,000):

The Permitting Program processes over 600 permits and performs over 750 site inspections per year. Baseline administration of District Rules and enforcing field compliance are core functions of the program and consists of the following:

- Technical and legal analysis of permits for public and private projects District-wide. Engineering and legal cost associated with public projects are non-reimbursable and consist of approximately \$170,000 annually.
- Track and monitor land-use change through building formal relationships with Cities
- Administration of Wetland Conservation Act (WCA) for 18 communities within the MCWD, including agency coordination with the Corps. Of Engineers, Board of Water and Soil Resources, Counties, and local communities
- Management of financial assurances, declarations, and invoices
- Refinement and reconfiguration of permitting processes to improve administrative efficiency and streamline the permit application process
- Inspection and enforcement of active sites requiring a District permit
- Identification of opportunities to partner with developers and municipalities to achieve a greater degree of compliance
- Increase awareness of District requirements through outreach programs targeting City staff, developers, and builders
- Staff training.

Streamline Program Rules and Process (\$40,000):

In 2018, as part of the Strategic Planning process, staff will be focusing on forming policies and practices that simplify the permit administration process for staff and applicants. These policies and practices will be implemented with the goal in mind that the intent of the rule is met and the level of protection provided appropriately addresses the risk of natural resource impact. The intent is that these simplified policies and practices will allow staff to devote time and resources to proactive natural resource protection through compliance and partnerships as well as provide improved customer service. These recommendations are provided in the following priority:

- Work with District Engineer and Legal counsel to prioritize and simplify requirements for permit administration
- Streamline internal processes as the Organizational IT Plan is implemented
- Increase internal and external coordination in shared efforts to maximize effectiveness

Balanced Urban Ecology Support (\$25,000):

In efforts to support the Organizations strategic priorities and bridge the land-use water governance gap, the department has invested in achieving greater natural resource outcomes through collaboration and partnership. Development of partnerships and policies aimed at strengthening links between water management and land-use development will position the department and the District as a cooperative and competent partner, delivering outstanding natural resource improvements and protection while maintaining prosperous relationships with various entities, agencies, and groups.

Funds allocated to this component of the department are be utilized to:

- Provide comprehensive regulatory guidance for District Capital Projects through concept, feasibility, design, and construction
- Engage with Land-Use community for early coordination and added-value guidance
- Identify areas sensitive to natural resource impact
- Pursue opportunities presented through the Permitting process
- Develop partnerships

The department will, therefore, be focusing on the creation of public and private partnerships and strengthening relationships with local land-use authorities through yearly meetings, formal agreements and on-going coordination. This will be done in an effort to track and monitor land-use change and identify opportunities for program efficiency through information sharing.

Activity/Expense	Budget
Rule Administration & Field Compliance	\$230,000
Streamline Program Rules and Process	\$40,000
Early coordination and Partnership Development	\$25,000
Personnel Cost	\$366,129
Total	\$661,129

**Goals/
Outcomes**

The over-arching goal of the Permitting Department is the promotion of effective planning to minimize the impact of development and land use change on water resources, while simultaneously achieving MCWD goals. Pursuit of these goals has led the department to identify key focal initiatives that provide the means to achieve a greater degree of natural resource protection and benefit than strict adherence to District rules alone. The focal initiatives include the efficient administration of permits; improved field compliance; and achievement of greater natural resource benefits through partnership. Working within these focal initiatives, the Permitting Program will be working towards increased prioritization and coordination in order to align with the Organization’s Strategic Priorities for Balanced Urban Ecology.

Schedule	Ongoing
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Budget/Levy History

Year	Budget	Tax Revenue	Grants & Other Rev.	Expenditures	Transfer in/out	Carryover	Assigned Funds
2014	\$230,000	\$180,385	\$93,610	(\$389,137)	\$115,142	\$0	
2015	\$265,000	\$361,992	\$41,673	(\$433,191)	\$0	(\$29,526)	
2016	\$631,846	\$602,910	\$58,462	(\$621,846)	\$0	\$216,045	
2017	\$631,651	\$443,657		(\$631,651)		\$85,513	
2018	\$661,129	\$516,154	\$58,462				

Recommended 2017 Budget and Levy

Budget: \$661,129
 Levy: \$516,154

DRAFT

Detailed Budget:

Activity Code	Activity Name	Amount
4010	Wages	\$366,129
4011	Wages-Overtime	
4018	Salary – Insurance Reimbursement	
4020	Payroll Tax Expense	
4035	Unemployment Reimbursement	
4040	PERA Expense	
4050	Benefits	
4060	Staff Mileage/Expenses	\$2,500
4065	Staff Training	\$5,000
4066	Staff Tuition Benefit	
4110	Manager Per Diems	
4120	Manager Expenses	
4125	Manager Computer/Software	
4130	Manager Dues/Subscriptions/Internet	
4210	Office Supplies	
4215	Meeting Expense	
4220	Furniture & Fixtures	
4222	Vehicle Expense	
4230	Printing/Publishing/Postage	\$5,000
4240	Telecommunications -Cell/internet	
4245	Special Events	
4247	High Water Restoration	
4248	FEMA Expense	
4250	Dues & Subscriptions	
4265	Rentals-Building & Equipment	
4280	Insurance	
4292	Bank/Agency Fees	
4295	Other/Miscellaneous (Balanced Urban Ecology Support)	\$25,000
4320	Contract Services (Streamline Program Rules and Process)	\$40,000
4330	Accounting & Auditing	
4340	Engineering/Consulting	\$165,000
4350	Legal Expense	\$50,000
4390	CAC Expense	
4520	Monitoring/Lab Analysis/Inventories	
4530	Permit Acquisition	
4540	Property/Easement Acquisition	
4550	Construction	
4565	Property Management - CBRE	
4566	Tenant Relocation - CBRE	
4570	Equipment/Supplies	\$2,500
4575	Repairs/Maintenance	
4594	Debt Service-Principal	
4595	Debt Service-Interest	
4600	Grants/Awards/Loans - Given by MCWD	
4651	Issuance Cost	
4962	Office Bldg. Maintenance	
4963	Office Building Utilities	
	TOTAL	\$661, 129

MINNEHAHA CREEK WATERSHED DISTRICT 2018 RECOMMENDED WORK PLAN

PREPARED BY: Becky Christopher, Michael Hayman, Anna Brown, Laura Domyancich
DATE: August 7, 2017

<u>Program</u>	Planning and Projects (2002)
<u>Summary</u>	Ongoing project, program and policy development
<u>Location</u>	District-wide program
<u>Description</u>	<p>Background: On February 9, 2017 the Board of Managers adopted a strategic direction for the organization to guide the District’s 2017 Watershed Management Plan, Human Resources Plan, Information Technology Plan, and Budget planning. As defined in this document, the District organizational priorities to accomplish its mission are:</p> <ul style="list-style-type: none"> • The development of high-impact capital improvement projects • Changing the land-use / water policy environment to increase early, value-added public and private partnership in planning, policy, development, and infrastructure investment <p>All MCWD programs will be developed in support of these priorities. Following is a summary of the Project and Policy priorities that will guide the development of work plans for the organization for 2018.</p> <p><u>Planning-Projects:</u></p> <ol style="list-style-type: none"> 1. Minnehaha Creek <ol style="list-style-type: none"> a. Greenway b. Arden – Edina c. Minneapolis 2. Six Mile – Halsted Bay 3. Painter Creek – Jennings Bay 4. Responsive Projects and Incentive Grants <p><u>Land-Use/Water Policy Priorities:</u> A 24-36 month goal of enhancing early, value-added coordination with public and private partners in areas of planning, policy, development and infrastructure investments.</p> <ol style="list-style-type: none"> 1. Watershed Management Plan roll-out and marketing as MCWD policy umbrella to support this goal. 2. Review and coordinate Local Water Management Plan development to create municipal policy umbrella to support this goal. 3. Promoting MCWD as preferred partner and MCWD Permitting as

value-add through early coordination.

4. Developing Incentive Program/Opportunity Grant to work with public and private partners on development and infrastructure improvements that are funneled into MCWD through early coordination.

Planning staff will be working with the other District programs throughout 2017-18 to improve program coordination and alignment to support these District priorities. Throughout the remainder of 2017, staff will be working to develop project-specific Communications, Monitoring, and Permitting plans that will guide program support activities in 2018 and beyond. Staff will provide quarterly updates to the Board as these plans are developed.

Land Use/Water Policy Program (\$0):

A suite of integrated programming must be developed to achieve the policy objective of enhancing early, value-added collaboration with public and private partners in areas of planning, policy, development and infrastructure investments.

The District's Watershed Management Plan will be approved in December 2017, formally establishing the District's new approach and framework for working with public and private partners to improve integration of land-use and water planning. The Plan includes requirements for Local Water Management Plans (LWMP) which will be submitted to MCWD for approval throughout 2017-2018. The District will also be restructuring its grant program to serve as a responsive tool for supporting partner-led projects that align with District goals and priorities. The District needs to develop a multi-pronged strategy for getting cities and developers to coordinate early with the District in areas of planning, policy, development, and infrastructure investments.

Programming in this area could target a broad range of audiences through a variety of tactical approaches, resulting in a diffuse and sprawling effort. The challenge will be to focus and align programming in the most cost-effective impactful manner, around a relatively narrow set of refined objectives.

For example, marketing material promoting the incentives of early coordination could be developed and distributed to the development community and their consulting teams, workshops and seminars could be developed for the same audience. Education programming could target municipal officials with goals of influencing land-use development processes – inserting the District earlier into the process. Similar efforts could target planning commissions. Municipal staff could be targeted to change procedures and checklists, requiring MCWD coordination and comment on proposed development prior to advancing preliminary plat. Efforts could be taken to involve MCWD in the feasibility stages of developing or distributing municipal CIPs for road reconstruction, to be scanned for partnership opportunity. Programming in this area will need to be iteratively developed, revisited, and refined over the coming year.

Minnehaha Creek Subwatershed Planning (\$80,000):

In 2017, staff continued efforts to investigate opportunities throughout the Minnehaha Creek subwatershed and Minnehaha Greenway (urban corridor). We have continued building and maintaining strong relationships with our partner

Cities of Edina, Hopkins, Minneapolis and St. Louis Park, as well as continuing to build momentum with private partners throughout the region. The continued partnership with Japs Olson integrated a regional stormwater solution with wetland and upland restoration and Minnehaha Creek Greenway trail connections, all of which were completed in 2017. The District has also been working collaboratively with the City of Hopkins and Hennepin County to conduct a master development strategy that frames and layers the keystone 325 Blake Road site with other critical projects and sites throughout the Blake Road and Southwest Light Rail Corridors. Following record flooding in 2014, Park Nicollet and the District renewed their partnership by entering into a Memorandum of Understanding (MOU) to collaboratively investigate a range of flood solutions for the Methodist Campus. This collaboration resulted in a flood protection strategy, including a wetland restoration to address flood issues and a site master plan to further improve visitor experience at Methodist Hospital.

The District continued collaborations with the Minneapolis Park and Recreation Board and the City of Minneapolis to investigate conceptual design options for Hiawatha Golf Course, and advance restoration opportunities on Meadowbrook Golf Course. Grant processes continued throughout 2017 to secure outside funding sources for stormwater infrastructure projects, Minnehaha Creek Greenway enhancements throughout the urban corridor, and demolition and environmental remediation funding for the 325 Blake Road site (Hennepin County Opportunity grant, Hennepin ERF, Met Council LCA-TOD grants, MPCA-PFA, BWSR CWF). 2017 also saw the continuation of road infrastructure-greenway connectivity planning, in which District staff continued collaboration with the Cities of St. Louis Park and Hopkins to analyze pedestrian mobility under bridge crossings throughout the Greenway and move residents throughout the area in a safe and enjoyable way. This includes the West Blake Road Corridor (Hwy 7), West 37th St bridge replacement, Louisiana Avenue bridge replacement, and SWLRT-Cedar Regional connections.

District initiatives within the Minnehaha Creek Subwatershed and Minnehaha Greenway corridor will continue in 2018 with the extension of various projects as well as the investigation of new opportunities that have been identified. Ongoing planning efforts include:

- **Redevelopment of 325 Blake Road:** The portion of the 16.9 acre site not slated for creek corridor restoration and stormwater facilities is planned for redevelopment. The District has been working with Hennepin County and the City of Hopkins to advance transit-oriented development at the Blake Road Station, thus working to generate feasible development scenarios and an implementation road map for sites throughout the station area, including 325 Blake Road. This work has resulted in a cooperative agreement framework to create the foundation for the District and City of Hopkins to work through various outstanding questions related to site zoning, infrastructure, and other community elements. The partnership has also influenced the District's draft Request for Qualifications (RFQ) for a master developer on the site. It is anticipated that, beginning late-2017 – early-2018, the District will be working with a master developer to plan the future disposition of the 325 Blake Road site in an integrated and

comprehensive manner. Lastly, it is anticipated that a significant effort will occur throughout the year to finalize demolition planning and site environmental remediation, including efforts to secure outside funding sources to clear and prep the site for restoration and redevelopment.

- **Minnehaha Creek Corridor Planning with the City of Minneapolis (City) and Minneapolis Park and Recreation Board (MPRB):** Using the flood impacts in 2014 as an opportunity to address various impairments in the lower portion of the Minnehaha Creek subwatershed, the District began a strategic transition of focus into City of Minneapolis and the Minnehaha parkway corridor. Based on planned infrastructure investment that the MPRB and the City are undertaking, the District, MPRB and the City are investigating opportunities for collaboration to integrate stormwater management, recreation improvements, stormwater improvements, and natural resource improvements along the Minnehaha Creek corridor. In 2017, to memorialize this integrated approach, the three agencies executed a Memorandum of Understanding (MOU) which outlines shared priorities and investment strategies to improve the natural and built environments within the Minnehaha Creek subwatershed in Minneapolis.
- **Blake Road Corridor:** Upon completion of the Blake Road Corridor study, the District remains committed to partnering with the City of Hopkins and Hennepin County in design development for a reimagined Blake Road. The reconstruction of Blake Road will greatly influence multiple District initiatives throughout the Minnehaha Creek Greenway including Cottageville Park, SW LRT planning, and 325 Blake Road redevelopment.
- **Louisiana Avenue Study Area:** Building on past investigations throughout the Louisiana drainage area, the District continues collaboration with the City of St. Louis Park, and local private businesses, in planning for future regional stormwater treatment opportunities of the redevelopment area near Louisiana Avenue and the future Louisiana Station. The City is also planning the replacement of the Louisiana Avenue Bridge over Minnehaha Creek. The District and City are coordinating safe passage for the Minnehaha Preserve and Methodist trail users under the newly designed bridge, which is slated for replacement in 2019.
- **South West Light Rail Transit (SW LRT):** Staff continues to work closely on the likely reconstruction of the LRT crossing over Minnehaha Creek to ensure issues such as hydraulic capacity, wildlife passage and trail connections through this area are addressed. The District is also well represented in planning of Transportation Station Area Action Plans (TSAAP) and SW Community Works steering processes.
- **Greenway Expansion – West Blake Road:** A catalyst for much of the work that has occurred throughout the Minnehaha Greenway is the lack of community connections and safe passageways in the heavily urbanized corridor. The District will continue investigating opportunities to build upon our successful greenway transformation, particularly in the area west

of Blake Road, where Minnehaha Creek remains hidden and pedestrian connections north and west across Highway 7 remain difficult.

- Minneapolis Park and Recreation Board (MPRB) Golf Course Partnership: Catalyzed by past analyses of golf operations and the 2014 flood damages, the District partnered with MPRB to conduct conceptual master planning for Meadowbrook Golf Course and Hiawatha Golf Course to explore a potential range of golf and non-golf uses, their respective revenue generation models and flood resilience. District and MPRB staff will continue working closely to evaluate flood resilience, golf operations, ecological improvement and connectivity through design development and course reconstruction.
- Unplanned Study Areas: As opportunities to integrate with public infrastructure or private development reveal themselves, staff will present opportunities to the Board of Managers.

Six Mile Creek-Halsted Bay Planning (\$150,000):

In 2017, staff continued the work of plan and project development within the Six Mile-Halsted Bay (SMHB) subwatershed. Staff met routinely with our subwatershed partners from Victoria, St. Bonifacius, Minnetrista, Laketown Township, Carver County, Hennepin County, Carver County Soil and Water Conservation District, and Three Rivers Park District. In March of 2017, the participating agencies adopted a resolution of support which formally established the group as the SMHB Subwatershed Partnership, and affirmed the Partnership's commitment to share plans and resources across agencies, to develop and adopt a framework to implement the SMHB plan, to support the District in its pursuit of funding to implement the plan, and to work with the District as they develop their own plans and establish priorities.

With support from the Partners, the Draft SMHB Subwatershed Plan was completed in the beginning of June and will be finalized by the end of the calendar year. The plan identifies three broad strategies that will guide implementation through the next comprehensive plan cycle:

- Carp management including removal and recruitment suppression
- External load management through wetland restoration and stormwater management
- Alum treatment for in-lake restoration and treatment of Halsted Bay

In 2018, the subwatershed plan will be complete and staff will continue to work with the Subwatershed Committee to coordinate plan implementation. Staff will reconvene the committee on a routine basis to provide updates on plan progress, seek support on grant and financing applications, and discuss other agencies' coming plans and projects to identify possible opportunities for coordination.

Some of the focal areas for implementation in 2018 will include:

Halsted Bay Alum Treatment

The District has executed a cooperative agreement with Three Rivers Park District

for the acquisition of land along Six Mile Marsh in Minnetrista that would facilitate the development of an alum treatment facility to improve water quality in Halsted Bay. Closing is anticipated to occur in the first quarter of 2018. Priorities for 2018 for this project include:

- Developing a funding and financing plan that identifies possible grants and cost share and establishes a possible schedule for implementation based on available sources.
- Working with education and communications to develop an outreach plan to address developing local (neighborhood & community) support, developing partnerships and support with other benefitting lake communities, hosting informational meetings with aforementioned parties, and memorializing and maintaining support over what could be a 3-8 year implementation timeline.

Wetland Restoration Prioritization Framework

MCWD staff are working in partnership with the US Army Corps of engineers to develop a wetland prioritization tool for the Six Mile-Halsted Bay subwatershed. The tool is a GIS-based analysis that allows the user to evaluate wetlands across multiple criteria and will be developed with input from partners and the local, state, and federal level. The tool should help guide implementation of wetland restorations in the subwatershed, and will help identify projects eligible for various grant activities.

Planning staff will work with Research and Monitoring who will help ensure that the outputs incorporate the best District information, including E-Grade where relevant. R&M will also support the tool on an ongoing basis through strategic wetland sampling to verify tool outputs in advance of implementing a restoration.

Carp Management

R&M staff have developed a carp management plan for the SMHB subwatershed based on the data gathered through the U of M Six Mile Carp Assessment. Staff have submitted a funding request to Lessard Sams Outdoor Heritage Council that would provide funding to implement the management plan from 2018-2021. The program is being developed as the first phase of the broader SMHB implementation strategy. This work will require strong coordination amongst all District programs, including but not limited to:

- Grant implementation is anticipated to rely heavily on R&M staff for implementation and effectiveness monitoring as detailed in the work plan for fund 5001
- External communications in the form of newspaper articles, press releases, and publications to highlight project and its significance in order to cultivate support for subsequent phases of implementation
- Routine website and email updates

Grant and Funding Planning

Implementation of the SMHB Subwatershed plan will require the District to strategically identify and apply for external funding that can be applied towards both project-specific implementation and components of implementation that are

more programmatic in nature (i.e. carp management, large scale wetland restorations). District staff will also work with SMHB partners to strategically leverage local match as appropriate, such as when a project is partnered with infrastructure or parkland development. Staff also anticipate some project funding may be leveraged through Carver County financing, pending the adoption of a finance agreement.

Ongoing Project Development

The SMHB subwatershed plan identifies a number of likely projects as well as broad implementation strategies that will need to be continually evaluated for ripeness. Factors such as available funding, willing seller relationships, political support, and new scientific information can quickly elevate any given opportunity to a higher implementation priority. The project manager will work with the SMHB partners and internal staff teams to continuously develop new project opportunities or advance those that have undergone some level of feasibility. Those that may advance within the 2018-2019 timeframe include (but are not limited to):

- Pierson Lake headwaters restoration
- Mud Lake study implementation
- Turbid-South Lundsten wetland and corridor restoration

Painter Creek Planning (\$0):

Throughout 2018, project work within the Painter Creek subwatershed will be focused on planning and coordination with the U.S. Army Corps of Engineers (USACE) and planning for targeted land and easement acquisitions within the geography in support of four discrete wetland restorations to be built over the next 5-6 years.

As milestones are reached in the District's coordination with the USACE, Education – Communications program support needed during this project phase will include assistance in stakeholder communication and directed community outreach regarding land acquisition. This planning and coordination phase will likely progress over the next 24 months.

Although this subwatershed is well-studied, and it is known that Jennings Bay, the outlet of Painter Creek, is the second-most degraded bay of Lake Minnetonka, finer scale metrics will be needed to inform selection of District projects that will supplement and link the USACE projects. Program support from Research and Monitoring, including synthesizing existing data, will help to key in on these specific load-reduction projects.

Responsive Planning (\$100,000):

Under the District's new implementation framework, the District has committed to remain responsive to opportunities created by land use change or partner initiatives. As opportunities arise, the District will evaluate them based on resource needs, alignment with District priorities, and available staff capacity and funding to determine the appropriate response. Recent examples of responsive planning efforts include the Stonegate Farm and Rechelbacher properties in Medina, and the Johnson and Katrina Marsh properties in Independence. Staff is budgeting \$100,000 for the evaluation and development of such opportunities in 2018.

Land Conservation Planning (\$100,000):

Planning for land conservation and restoration – whether related to acquisition for a potential District capital project or protection of natural resources in a strategic focal area – requires soft costs for elements such as engineering, appraisals and legal fees. Historically, these initiatives are conducted during the site investigation and due diligence process, and have been funded through the Land Conservation program. Being that the primary purpose of the Land Conservation fund is to service debt associated with acquisitions, the District has determined that costs associated with planning and investigation efforts for the Land Conservation and Restoration Program should be funded via a separate account, thus avoiding the use of debt service capital on planning and due diligence. Based on past costs associated with such tasks, staff is budgeting \$100,000 in the Planning Department fund to conduct Land Conservation planning efforts.

Programmatic Needs (\$62,000):

In addition to the work described above, the Planning Department is also budgeting for ongoing programmatic expenses including general engineering and legal services, staff training and expenses, and printing and publishing.

Personnel Costs (\$357,873):

Salary, payroll tax, PERA, and 3% estimated salary increase for Planning staff.

2018 Budget Summary:

In summary, the Planning Department is requesting a total of \$849,873 in 2018 to complete the activities described above. Staff is anticipating a budget carry-over of approximately \$118,326, reducing the requested levy for the Planning Department to \$731,547.

Activity/Expense	Budget
Land Use Planning Coordination	\$0
Minnehaha Creek Greenway Planning	\$80,000
Six Mile Creek Subwatershed Planning	\$150,000
Painter Creek Subwatershed Planning	\$0
Responsive Planning	\$100,000
Land Conservation Planning	\$100,000
General Engineering & Legal	\$50,000
Training/Conferences	\$4,500
Expenses/Mileage	\$2,500
Printing/Publishing/Postage	\$2,000
Other/Miscellaneous	\$3,000
Personnel Costs	\$357,873
Total	\$849,873

**Goals/
Outcomes**

Lead planning and project initiatives to promote and improve ecological integrity; preserve and improve surface water and groundwater resources; address negative effects of stormwater runoff and bounce from existing and proposed development and identify opportunities to augment low flow conditions in surface waters; and continue developing a deeper understanding of community needs and desires in order to design watershed projects that enhance social and economic viability as well as environmental benefit.

Schedule	Project development in MC, SM-HB, and PC subwatersheds: Ongoing Responsive track planning and project development: Ongoing Development of Land Use/Water Policy Program: 2017-2018
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Budget/Levy History

Year	Budget	Tax Revenue	Grants & Other Rev.	Expenditures	Transfer in/out	Carryover	Assigned Funds
2015	\$591,000	\$121,702	\$0	\$(463,887)	\$307,343	\$266,691	\$0
2016	\$863,897*	\$671,013	\$0	\$(723,145)	\$12,310	\$225,801	\$0
2017	\$1,114,973**	\$1,080,353	\$0	\$(1,228,983)	\$41,155	\$118,326	\$0
2018	\$849,873	\$731,547	\$0				

*2016 budget increase due to the relocation of personnel expenses from General Fund to program funds.

**2017 budget increase due to relocation of Six Mile planning dollars from Fund 3139 to Planning fund.

Recommended 2018 Budget and Levy

Budget: \$849,873

Levy: \$731,547

Detailed Budget:

Activity Code	Activity Name	Amount
4010	Wages	\$357,873
4011	Wages-Overtime	
4018	Salary – Insurance Reimbursement	
4020	Payroll Tax Expense	
4035	Unemployment Reimbursement	
4040	PERA Expense	
4050	Benefits	
4060	Staff Mileage/Expenses	\$2,500
4065	Staff Training	\$4,500
4066	Staff Tuition Benefit	
4110	Manager Per Diems	
4120	Manager Expenses	
4125	Manager Computer/Software	
4130	Manager Dues/Subscriptions/Internet	
4210	Office Supplies	
4215	Meeting Expense	
4220	Furniture & Fixtures	
4222	Vehicle Expense	
4230	Printing/Publishing/Postage	\$2,000
4240	Telecommunications -Cell/internet	
4245	Special Events	
4247	High Water Restoration	
4248	FEMA Expense	
4250	Dues & Subscriptions	
4265	Rentals-Building & Equipment	
4280	Insurance	
4292	Bank/Agency Fees	
4295	Other/Miscellaneous	\$3,000
4320	Contract Services	\$430,000
4330	Accounting & Auditing	
4340	Engineering/Consulting	\$25,000
4350	Legal Expense	\$25,000
4390	CAC Expense	
4520	Monitoring/Lab Analysis/Inventories	
4530	Permit Acquisition	
4540	Property/Easement Acquisition	
4550	Construction	
4565	Property Management - CBRE	
4566	Tenant Relocation - CBRE	
4570	Equipment/Supplies	
4575	Repairs/Maintenance	
4594	Debt Service-Principal	
4595	Debt Service-Interest	
4600	Grants/Awards/Loans - Given by MCWD	
4651	Issuance Cost	
4962	Office Bldg. Maintenance	
4963	Office Building Utilities	
	TOTAL	\$849,873

MINNEHAHA CREEK WATERSHED DISTRICT 2018 RECOMMENDED WORK PLAN

PREPARED BY: Laura Domyancich

DATE: August 10, 2017

<u>Program</u>	Project Maintenance and Land Management (2003)
<u>Summary</u>	The Project Maintenance and Land Management Program oversees the entirety of the District's project maintenance, land management, and restoration activities.
<u>Location</u>	District-wide
<u>Description</u>	<p>Background: The purpose of the Project Maintenance and Land Management (PMLM) Program is to reinvest in past capital projects and land held in fee title and conservation easement providing for the long-term function of the District's investment. Specific maintenance and management is responsive to the intended outcomes of the project, vegetation condition, adjacent properties, and innovative approaches to infrastructure protection and land management. In addition to routine maintenance, a proactive approach to maintenance of long-term infrastructure will be the utilization of the District's Infrastructure Maintenance Plan, which identifies annual repairs and their associated costs needed to repair and replace District infrastructure as it ages. Currently the Infrastructure Maintenance Plan identifies annual maintenance activities and their associated costs. These annual cost assumptions are being used to assist with long term budgeting to ensure that the PMLM budget has the capacity to account for new District projects and infrastructure as they are built. As part of this, the PMLM budget will aim to have a slow but steady increase in levy each year to ensure the appropriate funds are available to maintain and District projects and infrastructure. As such, carryover from year to year will remain assigned within the PMLM budget and will be used to cyclically reinvent in District projects.</p> <p>In addition to regular inspection and maintenance of projects and lands, tools such as conservation easements, technical assistance, and unique partnerships allow for responsive approaches when opportunities arise. PMLM staff have utilized their unique skillset in natural areas restoration and project and contract management to guide private landowners through various improvement projects. This technical assistance has resulted in the conveyance of several conservation easements and formed new partnerships, which provide more cost-effective project opportunities.</p> <p>Vegetation management and expanded vegetation restoration on four of the District's properties will be undertaken by Great River Greening through funding allocated by a Legislative-Citizen Commission on Minnesota's Resources (LCCMR) Environment and Natural Resources Trust Fund grant. PMLM staff will also directly apply for Conservation Partners Legacy grant funding which can be used for vegetation restoration and enhancement and habitat improvement with a 10% partner match. Successful applications for funding will increase carryover for future fiscal years as funds are dispersed on a reimbursement basis.</p>

Vegetation Maintenance (\$123,439):

Vegetation maintenance of 21 past capital projects and District lands including invasive species treatment, vegetative enhancement through seeding and planting, repair of damage, and prescribed burning. A large capital project, Long Lake Creek Wetland Restoration, will be coming off its three-year warranty maintenance and will be managed under this framework of vegetation management contracts. Sites include stormwater pond buffers at the Gideon Glen, Long Lake, Excelsior, Twin

Lakes, Cedar Meadows, SW Calhoun, and Nokomis (Knoll, Amelia, and Gateway) stormwater ponds. Vegetation management to also occur for ongoing restoration work at Minnehaha Preserve, Steiger Wetland, Independence Wetland, the Johnson / Rolling Hills site, the former Broin and Diercks properties, Our Lady of the Lake rain garden, Minnehaha Creek Headwaters, the MCWD office wetland buffer. The former Waldera-Barkus, Chute, Rye, and Gould properties will receive vegetation management through grant funding received in coordination with Great River Greening. It is anticipated that the Six Mile Marsh Prairie Restoration will also be managed by Great River Greening through grant funding, and MCWD would provide a match of \$25,000 for that work. If this grant funding is not allocated, these dollars would be used for District-funded management of this site.

This program will also be undertaking long-term vegetation management of the Methodist Hospital site in 2018, which will include a significant initial cost in 2018 to complete vegetation installation.

Staff are currently identifying additional opportunities to fund restoration and management through grant funding. Lessard-Sams Outdoor Heritage Fund has allocated funding for Conservation Partners Legacy grants to conduct restoration and habitat enhancement. These grants would potentially fund ongoing vegetation management, which is currently supported by levy.

Contract (Sites)	Acres Managed	Budget
Large Sites (Independence Wetland, Johnson/Rolling Hills Restoration)	51	\$11,405
Pond Buffers (Nokomis, SW Calhoun, Cedar Meadows, Twin Lakes)	15	\$15,935
Small Sites (Broin, MCWD Office Buffer, Headwaters Shoreline, Long Lake Ponds and Shoreline, Diercks, Our Lady of the Lake Rain Garden, Gideon Glen)	30	\$13,475
Steiger Wetland and Minnehaha Greenway	47	\$21,150
Long Lake Creek Wetland Restoration	9	\$5000
Waldera-Barkus, Chute, Rye, and Gould	39	Grant
Six Mile Marsh Prairie Restoration	130	Grant*
Methodist Hospital Wetland Restoration	17	\$56,474
TOTAL	338	\$123,439

* If LCCMR grant funding is not approved, match dollars will be reallocated to fund 2018 vegetation management through an approved contractor.

Matched Grant Funding (\$55,000):

The District will receive LCCMR and Outdoor Heritage Fund grants in partnership with Great River Greening to perform vegetation management on the Minnehaha Creek Greenway, Six Mile Marsh Prairie Restoration, and the Chute, Waldera-Barkus, Gould, and Rye properties. These grants require matched funding from the partnering agency as summarized in the table below. The \$72,500 in MCWD funding will leverage \$291,100 in state grants.

Site	LCCMR	LSOHF	MCWD
Six Mile Marsh Prairie Restoration	\$105,000	--	\$25,000*
Chute	\$22,000	--	--
Waldera-Barkus	\$40,000	--	--
Gould	\$ 6,000	--	--
Rye	\$47,000	--	\$30,000
Total	\$291,100		\$55,000

Stormwater Facility Maintenance (\$149,178):

Stormwater pond facilities require removal of accumulated sediment to function as designed. Results of the 2017 sediment accumulation surveys showed that no ponds will require maintenance dredging this year, but it was determined that since it was last dredged in 2012, the SW Calhoun Pond has accumulated sediment to fill 38% of its built volume. It is anticipated that this pond will reach 50% capacity prior to its next scheduled survey in 2020. The District will re-survey the basin in 2018 to determine if additional sedimentation has occurred and evaluate the need for maintenance. Other ponds to be surveyed in regular rotation include the Pamela Park Ponds 1-3, Deer Hill North and South Ponds, Gleason Lake North Ponds 1-3, Johnson/Rolling Hills Pond, and South Katrina Pond. Of these eleven ponds, it is anticipated that maintenance may be needed at Pamela Park Pond 1 based on the last survey in 2015 showing a 36% loss in volume. This potential first dredging is the maintenance responsibility of the City of Edina. Possible SW Calhoun Cell 1 maintenance is the responsibility of the District, and when it was last dredged in 2011, cost \$116,000 to maintain. Reflected in this budget is the cost to perform sediment sampling at all eleven ponds and the expected sediment analysis that will be needed if SW Calhoun requires maintenance. The need for stormwater pond maintenance funding will be confirmed following the 2018 pond sediment surveys. Unused funding during years when maintenance is not required is utilized as carryover during years when ponds are determined to require maintenance.

Expense	Cost
Stormwater Pond Surveys (11 ponds)	\$29,178
Pond Dredging Construction Estimate	\$120,000
TOTAL	\$149,178

Infrastructure Maintenance (+\$100,000 budget increase from 2016):

In 2018, the Project Maintenance and Land Management Program will begin implementation of the District’s Infrastructure Maintenance Plan to prepare for long-term maintenance of District infrastructure. The 2018 budget includes replacement of select signage, confined space inspections, ditch inspections, and

extensive maintenance of the DL-3 Sand-Iron Filter. It is anticipated that the Reach 20 Boardwalk and Bridge and the Six Mile Marsh Prairie Barn will need general maintenance.

Infrastructure	Cost
Sign Replacement	\$ 5,232
Confined Space Inspections	\$30,000
Ditch Inspections	\$15,000
DL-3 Sand / Iron Filter	\$100,000
Reach 20 Boardwalk and Bridge	\$10,000
Six Mile Marsh Prairie Barn	\$3,000
Gray's Bay Dam Stop Logs	\$8,000
TOTAL	\$171,232

Land Surveying Services (\$5,000)

Surveying, marking, and signing of lands acquired land through fee and easement.

Routine and Unplanned Maintenance (\$20,000):

Restoration and repair needed throughout the District, which allows the program to be responsive to issues that arise outside of typical and planned maintenance.

Engineering Services (\$15,000):

Engineering services required for oversight of and response to unplanned construction and maintenance. This budget also includes monitoring and maintenance of the DL-3 Sand / Iron Filter, which accounts for approximately \$4000 of the total budget.

Legal Services (\$5000):

Legal review of agreements and contract documents associated with cooperative work with other agencies and vegetation and infrastructure maintenance.

Printing and Publishing Materials (\$2,000):

Materials for staff to communicate with the public (i.e., post cards, press releases, and other forms of media) about maintenance projects including prescribed burning and stormwater pond maintenance.

Staff Expenses, Trainings, and Mileage (\$3,000):

Funding provides for staff expenses and mileage reimbursement, and for staff to attend workshops, training, and conferences for continuing education and career advancement.

Equipment and Supplies (\$500):

Funding provides for minor supply purchases associated with project maintenance.

Personnel Costs (\$165,743):

Salary, payroll tax, PERA, and 3% salary increase for PMLM staff.

2018 Budget Summary:	
Activity/Expense	Budget
Vegetation Maintenance	\$123,439
Matched Grant Funds	\$ 55,000
Stormwater Facility Maintenance	\$149,178
Infrastructure Maintenance	\$171,232
Land Surveying Services	\$ 5,000
Routine and Unplanned Maintenance	\$ 20,000
Engineering Services	\$ 15,000
Legal Services	\$ 5,000
Printing and Publishing Materials	\$ 2,000
Staff Expenses, Trainings, and Mileage	\$ 3,000
Equipment and Supplies	\$ 500
Personnel Costs	\$165,743
TOTAL	\$715,092

<u>Goals/Outcomes</u>	The Project Maintenance and Land Management Program will focus its financial and technical resources to support the establishment and long-term function of District capital projects and lands. This focus is complemented by the goal of remaining responsive to inter-department collaboration, new opportunities to partner with external agencies, the pursuit of applicable grant funding, and the use of innovative approaches to land management.
<u>Schedule</u>	Stormwater pond maintenance will be completed from January to March with the following year's pond surveys conducted in April and May. Vegetation-related activities occur primarily during the growing season from May to September.

Budget/Levy History

Year	Budget	Tax Revenue	Grants & Other Rev.	Expenditures	Transfer in/out	Carryover	Assigned Funds
2015	\$466,000	\$156,560	\$223,787	(\$205,012)	(\$209,601) ¹	\$260,988	
2016	\$546,429	\$285,411	\$0	(\$364,702)	\$59,208	\$311,990	
2017	\$683,310	\$439,302	\$0	(\$332,260)	\$25,804	\$444,836	\$169,046
2018	\$715,092	\$439,302	\$0				

¹\$223,787 transferred out to FEMA Flood Repairs fund; \$14,186 transferred in from Land Restoration fund.

Recommended 2018 Budget and Levy

Budget: \$ 715,092
 Levy: \$ 439,302

Detailed Budget:

Activity Code	Activity Name	Amount
4010	Wages	\$165,743
4011	Wages-Overtime	
4018	Salary – Insurance Reimbursement	
4020	Payroll Tax Expense	
4035	Unemployment Reimbursement	
4040	PERA Expense	
4050	Benefits	
4060	Staff Mileage/Expenses	\$1,000
4065	Staff Training	\$2,000
4066	Staff Tuition Benefit	
4110	Manager Per Diems	
4120	Manager Expenses	
4125	Manager Computer/Software	
4130	Manager Dues/Subscriptions/Internet	
4210	Office Supplies	
4215	Meeting Expense	
4220	Furniture & Fixtures	
4222	Vehicle Expense	
4230	Printing/Publishing/Postage	\$2,000
4240	Telecommunications -Cell/internet	
4245	Special Events	
4247	High Water Restoration	
4248	FEMA Expense	
4250	Dues & Subscriptions	
4265	Rentals-Building & Equipment	
4280	Insurance	
4292	Bank/Agency Fees	
4295	Other/Miscellaneous	
4320	Contract Services	\$523,849
4330	Accounting & Auditing	
4340	Engineering/Consulting	\$15,000
4350	Legal Expense	\$5,000
4390	CAC Expense	
4520	Monitoring/Lab Analysis/Inventories	
4530	Permit Acquisition	
4540	Property/Easement Acquisition	
4550	Construction	
4565	Property Management - CBRE	
4566	Tenant Relocation - CBRE	
4570	Equipment/Supplies	\$500
4575	Repairs/Maintenance	
4594	Debt Service-Principal	
4595	Debt Service-Interest	
4600	Grants/Awards/Loans - Given by MCWD	
4651	Issuance Cost	
4962	Office Bldg. Maintenance	
4963	Office Building Utilities	
	TOTAL	\$715,092

MINNEHAHA CREEK WATERSHED DISTRICT 2018 RECOMMENDED WORK PLAN

PREPARED BY: James Wisker

DATE: August 10, 2017

<u>Program</u>	Land Acquisition and Capital Project Finance (2004)
<u>Summary</u>	Supports financing of MCWD land conservation and capital project initiatives
<u>Location</u>	District-wide
<u>Description</u>	<p>General Background: The District plans and implements land conservation, restoration and capital improvements in an integrated manner, to conserve and restore land, and to protect and improve water quality throughout the District.</p> <p>Since 2017, soft costs for land conservation planning are located within the Planning Department workplan, to reflect the integration with capital project planning. This workplan/fund (Land Acquisition and Capital project Finance) provides funding and services debt on financed property acquisition and projects.</p> <p>Notes: <u>325 Blake Road Refinance:</u> The District has historically maintained an annual fund balance of at least 100% annual debt obligations. However, in 2018 the MCWD has plans in place to restructure the 2013 Wells Fargo note for 325 Blake Road, which will modify the scheduled 2018 payment of \$10,357,000. For purposes of budget planning and conservatively managing this fund, the restructuring of this debt is shown as two (2) payments of \$5,178,500 in 2018 and 2019, respectively. *This is for planning purposes only and does not constitute a proposed restructure.</p> <p>Proceeds from the sale of this property will be transferred into this fund between 2018 and 2020. Negotiations of the sale have not yet begun, and for purposes of conservatively managing this fund the estimated proceeds from sales are not factored into the future projected fund balance at this time. For these reasons the levy for Land Acquisition and Capital Project Finance fund does not need to increase above the 2017 levy of \$3,159,412.</p> <p><u>2017 and 2018 Transfers Out:</u> The 2017 transfer out of this fund in the amount of \$875,000 is for the approved acquisition of the Wasserman West property, in partnership with the City of Victoria.</p> <p>The 2018 transfer out of this fund in the amount of \$432,365.02 is for the approved acquisition of the Halsted Bay property, in partnership with the Three Rivers Park District.</p> <p><u>2018 – 2022 Transfers In:</u> Pursuant to a cooperative agreement with the City of Victoria, the City will reimburse MCWD between 2018 and 2022 for the acquisition of the Wasserman West property. These payments are reflected in the attached document.</p>

Six Mile Creek-Halsted Bay Master Loan Agreement:

At the direction of the Board of Managers, staff have been negotiating a Master Loan Agreement with Carver County, whereby Carver County would provide long-term permanent placement for land acquisitions and projects financed within the Six Mile – Halsted Bay priority area.

2018 Budget and Levy:

Based on the information provided above, and the attached document detailing debt service, the Land Acquisition and Capital Project Finance 2018 budget is projected to be \$6,195,119.25. The 2018 levy is recommended to be \$3,159,412.

DRAFT

MCWD Land Acquisition and Capital Project Finance (Fund #2004)

Date	Hennepin 2010B	2011 Wells Fargo Note Revised 2013	Hennepin 2011A	Hennepin 2013B	Total Land Conservation Debt Service	Land Conservation Receipts	Transfer In	Transfer Out	Land Conservation Fund
					2010B + 2011A + 2013B + Wells Note	Levy	See notes for source	See notes for destination	Where n = current year: (n-1) balance + n receipts - n debt service + n net transfer
2011	\$ 215,736.81	\$ -	\$ -	\$ -	\$ 215,736.81	\$ 2,500,000.00	\$ -	\$ -	\$ 7,732,216
2012	\$ 218,562.50	\$ 648,825.00	\$ 319,141.81	\$ -	\$ 1,186,529.31	\$ 2,500,000.00	\$ -	\$ -	\$ 6,654,292
2013	\$ 216,062.50	\$ 580,250.00	\$ 333,718.75	\$ 386,182.00	\$ 1,516,213.25	\$ 2,500,000.00	\$ -	\$ -	\$ 9,706,099
2014	\$ 217,312.50	\$ 580,125.00	\$ 338,768.75	\$ 461,938.00	\$ 1,598,144.25	\$ 2,500,000.00	\$ -	\$ 1,349,156.00	\$ 9,089,010
2015	\$ 218,412.50	\$ 1,535,500.00	\$ 341,768.75	\$ 463,538.00	\$ 2,559,219.25	\$ 2,765,423.00	\$ 510,921.00	\$ -	\$ 9,646,722
2016	\$ 219,362.50	\$ 1,999,800.00	\$ 339,368.75	\$ 459,838.00	\$ 3,018,369.25	\$ 2,795,204.00	\$ -	\$ -	\$ 9,287,628
2017	\$ 220,162.50	\$ 2,946,250.00	\$ 336,768.75	\$ 460,988.00	\$ 3,964,169.25	\$ 3,159,412.00	\$ -	\$ 875,000.00	\$ 7,607,871
2018	\$ 215,812.50	\$ 5,178,500.00	\$ 338,968.75	\$ 461,838.00	\$ 6,195,119.25	\$ 3,159,412.00	\$ 425,000.00	\$ 432,365.02	\$ 4,564,798
2019	\$ 216,462.50	\$ 5,178,500.00	\$ 340,768.75	\$ 462,388.00	\$ 6,198,119.25	\$ 3,159,412.00	\$ 42,500.00	\$ -	\$ 1,568,591
2020	\$ 218,462.50	\$ -	\$ 337,168.75	\$ 462,638.00	\$ 1,018,269.25	\$ 3,159,412.00	\$ 42,500.00	\$ -	\$ 3,752,234
2021	\$ 217,262.50	\$ -	\$ 338,368.75	\$ 462,588.00	\$ 1,018,219.25	\$ 3,159,412.00	\$ 42,500.00	\$ -	\$ 5,935,927
2022	\$ 217,462.50	\$ -	\$ 339,168.75	\$ 462,238.00	\$ 1,018,869.25	\$ 3,159,412.00	\$ 255,000.00	\$ -	\$ 8,331,469
2023	\$ 217,512.50	\$ -	\$ 339,568.75	\$ 460,138.00	\$ 1,017,219.25	\$ 3,159,412.00	\$ -	\$ -	\$ 10,473,662
2024	\$ 217,412.50	\$ -	\$ 337,068.75	\$ 462,938.00	\$ 1,017,419.25	\$ 3,159,412.00	\$ -	\$ -	\$ 12,615,655
2025	\$ 217,162.50	\$ -	\$ 339,418.75	\$ 460,538.00	\$ 1,017,119.25	\$ 3,159,412.00	\$ -	\$ -	\$ 14,757,948
2026	\$ 216,762.50	\$ -	\$ 341,137.50	\$ 463,038.00	\$ 1,020,938.00	\$ 3,159,412.00	\$ -	\$ -	\$ 16,896,422
2027	\$ 216,212.50	\$ -	\$ 337,200.00	\$ 459,375.00	\$ 1,012,787.50	\$ 3,159,412.00	\$ -	\$ -	\$ 19,043,046
2028	\$ 220,512.50	\$ -	\$ 337,750.00	\$ 460,600.00	\$ 1,018,862.50	\$ 3,159,412.00	\$ -	\$ -	\$ 21,183,596
2029	\$ 219,012.50	\$ -	\$ 337,600.00	\$ 461,600.00	\$ 1,018,212.50	\$ 3,159,412.00	\$ -	\$ -	\$ 23,324,795
2030	\$ 217,350.00	\$ -	\$ 340,600.00	\$ 464,300.00	\$ 1,022,250.00	\$ 3,159,412.00	\$ -	\$ -	\$ 25,461,957
2031	\$ -	\$ -	\$ 338,000.00	\$ 461,550.00	\$ 799,550.00	\$ 3,159,412.00	\$ -	\$ -	\$ 27,821,819
2032	\$ -	\$ -	\$ -	\$ 463,500.00	\$ 463,500.00	\$ 3,159,412.00	\$ -	\$ -	\$ 30,517,731
2033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,159,412.00	\$ -	\$ -	\$ 33,677,143

MINNEHAHA CREEK WATERSHED DISTRICT 2018 RECOMMENDED WORK PLAN

PREPARED BY: Tiffany Schaufler

DATE: August 8, 2017

<u>Program</u>	Habitat Restoration Cost Share & Incentive (2006)												
<u>Summary</u>	This program provides a 10-year match of federal and state dollars to encourage farm owners to engage in soil conservation and wetland restoration land practices that protect and improve water resources.												
<u>Location</u>	Eligible projects must be in one of the six following sub-watersheds: <ol style="list-style-type: none"> 1. Six-Mile Creek 2. Painter Creek 3. Dutch Lake 4. Long Lake Creek 5. Schutz Lake 6. Lake Virginia 												
<u>Description</u>	<p>Background: This program focuses on the District's more rural sub-watersheds to provide meaningful technical and financial incentives for landowners to restore wetlands, water quality, and other key ecological resources. Existing programs do not always provide sufficient incentive to encourage landowners to enroll. The District has encouraged some landowners to engage in soil conservation and wetland restoration practices on lands of concern to the District by matching existing partner programs (USDA/Natural Resource Conservation District, Soil and Water Conservation Districts, Hennepin County NRICH, US Fish and Wildlife Service, etc.). The program will maintain existing agreements. New agreements will not be signed.</p> <p>Habitat Restoration Cost Share Grants (\$15,863): The 2018 budget will be \$11,918 for the agreements currently in place. See the table below for future budgeting through 2019. There are a total of two agreements in place on two properties. These agreements require yearly certification and rental payments through the fall of 2019 for practices already installed. Additional restoration needs and opportunities may exist in the District, but neither the District nor Carver County staff is aware of new landowner prospects.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Agreements</th> <th style="text-align: center;">2018</th> <th style="text-align: center;">2019</th> </tr> </thead> <tbody> <tr> <td>Six Mile Creek - Brockpahler</td> <td style="text-align: right;">\$2,420.04</td> <td style="text-align: right;">\$2,420.04</td> </tr> <tr> <td>Six Mile Creek - Yetzer Phase II</td> <td style="text-align: right;">\$9,398.44</td> <td style="text-align: right;">\$9,398.44</td> </tr> <tr> <td style="text-align: center;">Yearly Total</td> <td style="text-align: right;">\$11,818.48</td> <td style="text-align: right;">\$11,818.48</td> </tr> </tbody> </table> <p>2018 Budget Summary:</p>	Agreements	2018	2019	Six Mile Creek - Brockpahler	\$2,420.04	\$2,420.04	Six Mile Creek - Yetzer Phase II	\$9,398.44	\$9,398.44	Yearly Total	\$11,818.48	\$11,818.48
Agreements	2018	2019											
Six Mile Creek - Brockpahler	\$2,420.04	\$2,420.04											
Six Mile Creek - Yetzer Phase II	\$9,398.44	\$9,398.44											
Yearly Total	\$11,818.48	\$11,818.48											

	<table border="1"> <thead> <tr> <th>Activity/Expense</th> <th>Budget</th> </tr> </thead> <tbody> <tr> <td>Brockpahler Agreement</td> <td>\$2,420</td> </tr> <tr> <td>Yetzer Phase II Agreement</td> <td>\$9,398</td> </tr> <tr> <td>Total</td> <td>\$11,818</td> </tr> </tbody> </table>	Activity/Expense	Budget	Brockpahler Agreement	\$2,420	Yetzer Phase II Agreement	\$9,398	Total	\$11,818
Activity/Expense	Budget								
Brockpahler Agreement	\$2,420								
Yetzer Phase II Agreement	\$9,398								
Total	\$11,818								
<u>Goals/Outcomes</u>	This program will utilize grant dollars to restore wetlands, water quality, and other key ecological resources.								
<u>Schedule</u>	2018-2019 Maintenance of existing agreements through 2019.								

Budget/Levy History

Year	Budget	Tax Revenue	Grants & Other Rev.	Expenditures	Transfer in/out	Carryover	Assigned Funds
2014	\$17,423	\$35,700	\$0	(\$17,424)	\$0	\$16,382	\$16,382
2015	\$17,423	\$127	\$0	(\$15,662)	\$0	\$842	\$0
2016	\$15,863	\$16,778	\$0	(\$15,863)	\$0	\$1,731	\$0
2017	\$15,113	\$13,356	\$0	(\$15,113)	\$0	(\$26)	\$0
2018	\$11,818	\$11,844	\$0				

Recommended 2018 Budget and Levy

Budget: \$11,818
Levy: \$11,844

Detailed Budget:

Activity Code	Activity Name	Amount
4010	Wages	
4011	Wages-Overtime	
4018	Salary – Insurance Reimbursement	
4020	Payroll Tax Expense	
4035	Unemployment Reimbursement	
4040	PERA Expense	
4050	Benefits	
4060	Staff Mileage/Expenses	
4065	Staff Training	
4066	Staff Tuition Benefit	
4110	Manager Per Diems	
4120	Manager Expenses	
4125	Manager Computer/Software	
4130	Manager Dues/Subscriptions/Internet	
4210	Office Supplies	
4215	Meeting Expense	
4220	Furniture & Fixtures	
4222	Vehicle Expense	
4230	Printing/Publishing/Postage	
4240	Telecommunications -Cell/internet	
4245	Special Events	
4247	High Water Restoration	
4248	FEMA Expense	
4250	Dues & Subscriptions	
4265	Rentals-Building & Equipment	
4280	Insurance	
4292	Bank/Agency Fees	
4295	Other/Miscellaneous	
4320	Contract Services	
4330	Accounting & Auditing	
4340	Engineering/Consulting	
4350	Legal Expense	
4390	CAC Expense	
4520	Monitoring/Lab Analysis/Inventories	
4530	Permit Acquisition	
4540	Property/Easement Acquisition	
4550	Construction	
4565	Property Management - CBRE	
4566	Tenant Relocation - CBRE	
4570	Equipment/Supplies	
4575	Repairs/Maintenance	
4594	Debt Service-Principal	
4595	Debt Service-Interest	
4600	Grants/Awards/Loans - Given by MCWD	\$11,818
4651	Issuance Cost	
4962	Office Bldg. Maintenance	
4963	Office Building Utilities	
	TOTAL	\$11,818

MINNEHAHA CREEK WATERSHED DISTRICT 2018 RECOMMENDED WORK PLAN

PREPARED BY: Becky Christopher

DATE: August 10, 2017

<u>Project</u>	Taft-Legion Lake Improvement Project (3140)						
<u>Summary</u>	Volume and load reduction project for Taft and Legion Lakes						
<u>Location</u>	Taft Lake and Legion Lake, City of Richfield						
<u>Description</u>	<p>Background: During the 2010 distribution of the District's Capital Improvement Plan, the City of Richfield requested that an improvement project for Taft and Legion Lakes be included. A project proposal was developed that outlined details of a partnership between MCWD and the City of Richfield to improve water quality within the two lakes through a combination of project elements including the following:</p> <ul style="list-style-type: none"> • Infiltration: Stormwater runoff will be withdrawn from the enhanced basins/ponds and directed to underground infiltration systems in park land surrounding Taft Lake and Legion Lake. • Flocculation of Water from Taft Lake: A flocculation treatment system will treat water withdrawn from Taft Lake, removing dissolved pollutant loads, before it is discharged back into Taft Lake. • Natively Planted Lakeshore Buffers: Native lakeshore buffers will be established in select areas surrounding Legion Lake. • Pre-Treatment of Runoff to Legion Lake: A series of sedimentation ponds and/or enhanced grit-removal chambers will be installed to remove sediment and phosphorus loads prior to being discharged into Legion Lake. <p>In September 2012, following adoption of a major plan amendment, the Board ordered the project and authorized staff to enter into a cooperative agreement with the City of Richfield under which the City would construct, maintain, and finance the project, and the MCWD would make payments to the City on a 20-year payment schedule to cover the costs of design, construction, bond issuance and interest. The total storm water utility charges payable by the MCWD are as follows:</p> <table style="margin-left: 40px;"> <tr> <td>Design and Construction:</td> <td>not to exceed \$2,700,000</td> </tr> <tr> <td>Bond Issuance Costs:</td> <td>\$61,462</td> </tr> <tr> <td>Interest:</td> <td>\$704,662</td> </tr> </table> <p>Annual payments range from approximately \$168,000-\$178,000 and began on February 1, 2014.</p> <p>All elements of the project are completed and operational. The City and District will continue to monitor the performance of the infiltration and flocculation systems and adjust their operation as needed to meet the desired performance goals.</p>	Design and Construction:	not to exceed \$2,700,000	Bond Issuance Costs:	\$61,462	Interest:	\$704,662
Design and Construction:	not to exceed \$2,700,000						
Bond Issuance Costs:	\$61,462						
Interest:	\$704,662						

	<p>2018 Budget Summary: The proposed budget for 2018 is \$174,905 which is entirely for debt service payments owed to the City.</p> <table border="1"> <thead> <tr> <th>Activity/Expense</th> <th>Budget</th> </tr> </thead> <tbody> <tr> <td>Debt service payments</td> <td>\$174,905</td> </tr> <tr> <td>Total</td> <td>\$174,905</td> </tr> </tbody> </table>	Activity/Expense	Budget	Debt service payments	\$174,905	Total	\$174,905
Activity/Expense	Budget						
Debt service payments	\$174,905						
Total	\$174,905						
<u>Goals/ Outcomes</u>	The Taft Legion Project is estimated to achieve between 167 and 413 lbs of phosphorus reduction and 134 to 280 acre-feet of volume reduction annually. The project also presents opportunities to educate park users.						
<u>Schedule</u>	<p>Given the variation in the project elements and their constructability, the City completed construction in multiple phases:</p> <ul style="list-style-type: none"> • 2013 – Frontage road replacement completed • 2014 – Infiltration system completed • 2015 – Legion Lake pretreatment and native buffers completed • 2016 – Flocculation system completed <p>District debt service payments began in 2014 and are scheduled to extend through 2033.</p>						

Budget/Levy History

Year	Budget	Tax Revenue	Grants & Other Rev.	Expenditures	Transfer in/out	Carryover	Assigned Funds
2014	\$217,217	\$0	\$0	(\$158,837)	\$0	\$61,989	\$0
2015	\$189,755	\$77,907	\$0	(\$181,255)	\$204,987	\$163,793	\$0
2016	\$181,855	\$18,227	\$0	(\$174,855)	\$0	\$7,136	\$0
2017	\$177,405	\$177,240	\$0	(\$177,405)	\$0	\$6,971	\$6,971
2018	\$174,905	\$174,905					

Recommended 2018 Budget and Levy

Budget: \$174,905
Levy: \$174,905

Detailed Budget:

Activity Code	Activity Name	Amount
4010	Wages	
4011	Wages-Overtime	
4018	Salary – Insurance Reimbursement	
4020	Payroll Tax Expense	
4035	Unemployment Reimbursement	
4040	PERA Expense	
4050	Benefits	
4060	Staff Mileage/Expenses	
4065	Staff Training	
4066	Staff Tuition Benefit	
4110	Manager Per Diems	
4120	Manager Expenses	
4125	Manager Computer/Software	
4130	Manager Dues/Subscriptions/Internet	
4210	Office Supplies	
4215	Meeting Expense	
4220	Furniture & Fixtures	
4222	Vehicle Expense	
4230	Printing/Publishing/Postage	
4240	Telecommunications -Cell/internet	
4245	Special Events	
4247	High Water Restoration	
4248	FEMA Expense	
4250	Dues & Subscriptions	
4265	Rentals-Building & Equipment	
4280	Insurance	
4292	Bank/Agency Fees	
4295	Other/Miscellaneous	
4320	Contract Services	
4330	Accounting & Auditing	
4340	Engineering/Consulting	
4350	Legal Expense	
4390	CAC Expense	
4520	Monitoring/Lab Analysis/Inventories	
4530	Permit Acquisition	
4540	Property/Easement Acquisition	
4550	Construction	
4565	Property Management - CBRE	
4566	Tenant Relocation - CBRE	
4570	Equipment/Supplies	
4575	Repairs/Maintenance	
4594	Debt Service-Principal	\$125,000
4595	Debt Service-Interest	\$49,905
4600	Grants/Awards/Loans - Given by MCWD	
4651	Issuance Cost	
4962	Office Bldg. Maintenance	
4963	Office Building Utilities	
	TOTAL	\$174,905

MINNEHAHA CREEK WATERSHED DISTRICT 2018 RECOMMENDED WORK PLAN

PREPARED BY: Michael Hayman

DATE: August 10, 2017

<u>Project</u>	325 Blake Road Stormwater Management (3145)
<u>Summary</u>	Stormwater volume and load reduction project at 325 Blake Road
<u>Location</u>	325 Blake Road N, Hopkins MN
<u>Description</u>	<p>Project Background: The Minnehaha Creek Watershed District made a strategic acquisition of land at 325 Blake Road as part of a regional scale effort to establish the Minnehaha Greenway. This effort identified opportunities for area wide stormwater improvement, ecological restoration of the Minnehaha Creek riparian zone and corridor linkage with upstream/downstream restoration projects. Portions of the site not utilized for watershed restoration will be sold for redevelopment to capture a return on the initial investment.</p> <p>In July 2013, the Board of Managers ordered the 325 Blake Road Stormwater Management Project, taking advantage of the opportunity to manage approximately 260 acres of area wide stormwater runoff at 325 Blake Road. The project requires the diversion of surrounding urban watersheds into the property, and construction of on site management facilities to receive the runoff.</p> <p>The project includes two primary stormwater diversions – Powell Road and Lake Street – and construction of the on-site infiltration/filtration facilities. These projects are to be phased over a period of years:</p> <ul style="list-style-type: none"> • Powell Road Stormwater Diversion (St. Louis Park) – Design 2014; Construction 2015 • Lake Street Stormwater Diversion (Hopkins) – Design 2015, Construction 2016-2018 • 325 Blake Road Stormwater Facility (Hopkins) – 2018-2019 <p>Excluding demolition, the estimated cost at the time of ordering for the suite of stormwater management projects was \$2,747,100.</p> <p>On June 30, 2014 the District received formal decision from the MPCA that the 325 Blake Road Stormwater Management Project scored competitively within the 2015 Project Priority List (PPL), and was granted preliminary approval of the District’s Stormwater Project Plan (SWPP).</p> <p>Following placement on the PPL, the District applied for Point Source Implementation Grant (PSIG) funds. The PSIG program provides 50% of eligible project costs up to \$3-million for wastewater or stormwater projects that have been ranked on the PPL. Under the preliminary approval for the 325 Blake Road project, the District is eligible for 50% of approved project costs.</p> <p>Additional funding sources will be sought for site redevelopment elements of the project. See “Redevelopment Planning” section below for more detail.</p>

Stormwater Management Status:

In 2015, the MPCA approved the construction plans and specifications for the Powell Road Stormwater Diversion and committed funds for 50% of the design, construction and land acquisition for Phase I of the project, for a total of \$529,457. Construction of the Powell Road Stormwater Diversion was completed in August of 2015 with the diversion remaining bulk headed until the stormwater management facility is constructed on the 325 Blake Road site.

Design of the Lake Street Stormwater Diversion was completed in 2015 in cooperation with Metropolitan Council as part of their waste water force main project (Hopkins L27 Project). Construction of the project is being conducted in a coordinated effort with Met Council as they complete their lift station and force main work on Lake Street, consequently saving the District significant expense.

Met Council awarded the L27 Project contract in May 2016 and began construction of the lift station portion of the project in June 2016. Construction of the force main and storm sewer infrastructure cannot begin until the lift station site is complete, which is anticipated to take approximately 18 months. It is anticipated that all work on Lake Street and Blake Road, including the District's storm sewer diversion, will be timed with the Blake Road reconstruction and should occur in spring 2018. The projected cost allocated to the District based on the awarded bid is approximately \$250,000. It is anticipated that the District will again receive PSIG funds under the complete 325 Blake Road application, thus projecting a reimbursement of 50% of the allocated cost (~\$125,000). It is projected that this reimbursement will occur in 2018 and is therefore identified as part of the 2018 budget.

Regarding the main stormwater facility to be constructed on the 325 Blake Road site, the District has developed a pre and post project monitoring plan that will inform project design and establish a strong research baseline for future effectiveness monitoring. Pre-project stormwater collection provides the District with valuable data that can both calibrate the model used to estimate volume and nutrient loads coming from the approximately 260 acres being diverted, as well as set the stage for effectiveness monitoring once the future facility has been constructed. Most importantly, these data will inform the design development of the future facility on the site to ensure that the most effective management practices are incorporated to remove particulate and dissolved phosphorus as well as sediment loads.

In order to effectively incorporate the future infrastructure and greenway enhancements on the 325 Blake Road site, the main stormwater facility will be planned and designed as an integrated component of the overall site redevelopment.

Redevelopment Planning:

Over the past 18 months the District has been working collaboratively with the City of Hopkins (City) and Hennepin County to conduct a master development strategy – Blake Road Station TOD Early Implementation – that frames and layers the keystone 325 Blake Road site with other critical projects and sites throughout the Blake Road Corridor. Given the District's investment in 325 Blake Road and the Minnehaha Greenway, a critical component to successful redevelopment and

community transformation is an understanding of corridor interconnectedness.

Throughout numerous past studies and planning efforts, Blake Road was repeatedly identified as an area of great opportunity. With a diverse population base, good light rail transit station access, several underutilized properties, and connections to natural systems through Cottageville Park and the Minnehaha Creek Greenway, the Blake station area has strong redevelopment potential. The Blake Road Station TOD Early Implementation plan advances these efforts by identifying feasible development scenarios for multiple parcels within the corridor, including 325 Blake Road, and creates a shared vision and implementation roadmap for project partners to follow as a means of helping this area reach its full development potential.

The Blake Road Station TOD Early Implementation plan articulates critical next steps for progressing redevelopment on the District's site and in the corridor with a particular focus on the partnership between the District and the City. The District and City have been working to develop a cooperative agreement that addresses and removes barriers to redevelopment, such as site flexibility and zoning, TIF eligibility, site infrastructure, and the potential Blake Road right-of-way acquisition. The agreement also creates a coordinated framework for Request for Qualifications (RFQ) distribution and the process for selecting a Master Developer. It is anticipated that a Master Developer will be selected by the end of 2017, and will become a critical partner in determining all efforts surrounding the 325 Blake Road site in 2018.

Another key element of the Early Implementation plan and the Cooperative Agreement is the identification of grant resources, financing and regulatory tools. This information continues to inform much of the redevelopment planning, demolition planning and site remediation work that has been a major focus in 2017, and will continue throughout 2018.

Much like the stormwater components of the 325 Blake Road project, multiple grant opportunities exist for other elements of the District's planned work. Staff will continue working with Hennepin County on environmental investigation and remediation, and will also be seeking funds through Metropolitan Council for asbestos abatement and site clean-up. The Minnesota Department of Employment and Economic Development (DEED) also administers grant funds for demolition and clean-up, and is an additional resource to explore for financial assistance.

Upon considering issues such as safety, risk, liability, carrying cost, return on investment and site aesthetics, the District initiated draft demolition planning in 2014-2015 in order to be prepared to immediately act in securing and/or clearing the site once the property becomes vacant. Layering in corridor plans for Blake Road, the potential light rail station area, and current tenant agreements, finalizing demolition plans and securing outside funding assistance remained a major priority of the District in 2017, and will continue into 2018. It is anticipated that demolition will occur in 2018, and that the site is positioned well to receive grant funding for demolition and remediation. The 2018 budget reflects the assumption that various outside funding sources will cover the full cost of site clean-up (~\$3,500,000).

These efforts, along with the aforementioned cooperative agreement and RFQ

process, constitutes the main focus throughout the next 12-24 months. Historically, such efforts are not funded through the capital project fund (3145) which is specific to stormwater infrastructure, but are inextricably linked and have been carried forth in concert with natural resource planning. For purposes of 2018 work plan development, demolition and site remediation is being rolled into the capital project fund. It is anticipated that design of the stormwater facilities will be heavily integrated into the redevelopment efforts and collaboratively planned through the RFQ and master development process.

Program Coordination:

As noted above, throughout the next 12-24 months the District will focus efforts on site restoration and redevelopment, including finalizing refinancing plans, demolition plans, and grant funding; formal partnership agreement with Hopkins and Hennepin County; developing and issuing a Request for Qualifications (RFQ) for a Master Developer of the site; engaging community in development planning process; collaboration with a developer on design and implementation of regional stormwater and greenway restoration; and finalizing the sale of the site.

This work will require strong coordination amongst all District programs, including but not limited to:

- Communications and outreach plan that focuses on elements such as community outreach, website and social media, publications, fact sheets, RFQ layout and graphics, public notifications and meetings, and media relations.
- Diagnostic report for stormwater monitoring to influence design and management activities.
- Monitoring plan describing pre-project research and monitoring, post-project monitoring and effectiveness monitoring.
- Integrated permitting approach for restoration and redevelopment, including factors such as site remediation and mitigation, Environmental Assessment Worksheet (EAW), construction permitting, etc.

2018 Budget Summary:

The 2018 budget consists of the as-bid costs of the Lake Street diversion, estimated costs to advance design for the main stormwater facility at 325 Blake Road, and the projected costs for site demolition and environmental remediation (~\$3,500,000). In 2017, the District transferred funds from identified carryover sources, and levied the remaining funds to reach half of the cost of construction of the stormwater facility (see budget/levy history). The remaining apportionment is to be transferred into the capital project fund from the property management capital fund upon the site becoming vacant at the end of 2017 (~\$1,000,000). This multiyear distribution was designed to spread the annual levy impact required to complete the project over multiple years while also ensuring the District has earmarked the required amount of funds to receive grant reimbursement through the PFA PSIG program.

A portion of the 2018 budget is attributed to estimated construction contingency and legal expenditures associated with completing the Lake Street diversion

	<p>portion of the stormwater project.</p> <p>It is anticipated that the District will again receive PSIG funds for both the Lake Street diversion and the main stormwater facility under the approved 325 Blake Road application. These funds would be received as a reimbursement (up to 50%) of the total constructed costs once implementation occurs. The Lake Street Diversion will be constructed in spring 2018 and is therefore accounted for in the current budget table. Reimbursement for the main stormwater facility will not occur until project construction – anticipated in 2019 – and is therefore not represented in the budget table.</p> <p>It is also anticipated that the District will receive outside funding sources for demolition and site remediation for the total projected cost of \$3,500,000. The District will seek grant funding through Metropolitan Council, Hennepin County, and other sources to secure full demolition and remediation funding.</p>
<u>Goals/ Outcomes</u>	The site and project represent a critical piece of the District’s larger strategic initiative to (1) improve the quality and manage the quantity of stormwater runoff; (2) enhance the ecological integrity of the stream system; and (3) facilitate broader community goals of economic development and livability by allowing the restored stream system to be integrated into the developed landscape.
<u>Schedule</u>	<ol style="list-style-type: none"> 1. Design and construction of Powell Road Stormwater Diversion – 2014-2015 2. Design of Lake Street Stormwater Diversion – 2015 3. Construction of Met Council L27 Sanitary Sewer Project and Lake Street Diversion – 2016-2018 4. 325 Blake Road Stormwater Management Facility, Greenway Restoration, and Redevelopment – 2018-2020

Budget/Levy History

Year	Budget	Tax Revenue	Grants & Other Rev.	Expenditures	Transfer in/out	Carryover	Assigned Funds
2014	\$1,132,300	\$985,424		(\$228,445)		\$878,645	
2015	\$1,033,700	\$192,510	\$425,635	(\$836,010)		\$660,780	
2016	\$200,000		\$73,485	(\$14,632)	\$745,982	\$1,465,615	
2017	\$1,506,012	\$41,399		(\$12,500)	\$1,000,000*	\$2,494,514	\$2,281,764
2018	\$3,837,750		\$3,625,000**				

Recommended 2018 Budget and Levy

Budget: \$3,837,750
Levy: \$0

* Estimate of transfer into capital project account from property management capital fund

** District will receive grant funds projected for award in 2018 as reimbursement only

Detailed Budget:

Activity Code	Activity Name	Amount
4010	Wages	
4011	Wages-Overtime	
4018	Salary – Insurance Reimbursement	
4020	Payroll Tax Expense	
4035	Unemployment Reimbursement	
4040	PERA Expense	
4050	Benefits	
4060	Staff Mileage/Expenses	\$250
4065	Staff Training	
4066	Staff Tuition Benefit	
4110	Manager Per Diems	
4120	Manager Expenses	
4125	Manager Computer/Software	
4130	Manager Dues/Subscriptions/Internet	
4210	Office Supplies	
4215	Meeting Expense	
4220	Furniture & Fixtures	
4222	Vehicle Expense	
4230	Printing/Publishing/Postage	\$500
4240	Telecommunications -Cell/internet	
4245	Special Events	
4247	High Water Restoration	
4248	FEMA Expense	
4250	Dues & Subscriptions	
4265	Rentals-Building & Equipment	
4280	Insurance	
4292	Bank/Agency Fees	
4295	Other/Miscellaneous	
4320	Contract Services	
4330	Accounting & Auditing	
4340	Engineering/Consulting	\$75,000
4350	Legal Expense	\$12,000
4390	CAC Expense	
4520	Monitoring/Lab Analysis/Inventories	
4530	Permit Acquisition	
4540	Property/Easement Acquisition	
4550	Construction	\$3,750,000
4565	Property Management - CBRE	
4566	Tenant Relocation - CBRE	
4570	Equipment/Supplies	
4575	Repairs/Maintenance	
4594	Debt Service-Principal	
4595	Debt Service-Interest	
4600	Grants/Awards/Loans - Given by MCWD	
4651	Issuance Cost	
4962	Office Bldg. Maintenance	
4963	Office Building Utilities	
	TOTAL	\$3,837,750

MINNEHAHA CREEK WATERSHED DISTRICT 2018 RECOMMENDED WORK PLAN

PREPARED BY: Renae Clark

DATE: August 10, 2017

<u>Project</u>	54 th St. Stream Restoration (3147)
<u>Summary</u>	Stream restoration, creek corridor enhancements, recreational improvements and community connections to Minnehaha Creek, reach 15, through Arden Park.
<u>Location</u>	Minnehaha Creek between Wooddale Ave and West 54 th Street in Edina
<u>Description</u>	<p>Background: The Arden Park stream restoration project aligns with the Minnehaha Creek Watershed’s long term vision to restore the ditched and straightened creek corridor after years of urbanization have neglected its natural resource, recreation, and community values. The project expands on downstream restoration restoring native creek buffers on private properties along Minnehaha Creek and will incorporate planned repairs resulting from the 2014 high water which the District has received FEMA funding to support.</p> <p>In October 2013, the Board authorized staff to investigate alternatives for the removal of the grade control structure at West 54th St. in Edina in coordination with the City’s proposed street reconstruction. The structure was recommended for removal in the District’s 2003 Stream Assessment because it is a barrier to fish passage and creates an impoundment causing accumulation of sediment, degrading upstream aquatic habitat. Additionally, Minnehaha Creek is on the State’s Impaired Waters List for both fish and macroinvertebrate index of biotic integrity.</p> <p>Public input revealed that a standing wave formed at the downstream end of the grade control structure that was a regional attraction for whitewater paddlers, and the Board directed that any alternatives maintain the existing recreational functionality. For this reason, staff recommended a bypass channel alternative that would allow for fish passage but would leave the structure intact. The Board ordered the project in September 2014, and the pipe portion of the bypass channel was incorporated into the City’s bid package for W. 54th St.</p> <p>It was subsequently discovered that, following the record flooding of 2014, the wave is no longer forming and there has been further deterioration of the spillway. In light of this information, in early 2015, the Board authorized staff to pursue plans for removal of the 54th St. grade control structure and restoration of Reach 15 in lieu of the previously ordered fish bypass channel project. The City of Edina and white water paddlers issued letters of support for this approach.</p> <p>The restoration approach was developed through a public engagement process co-lead with the City of Edina. The concept plan and project design will address City goals identified in its Strategic Parks Plan of safety, natural resource restoration and recreation, in addition to District goals to improve aquatic habitat, stormwater management, creek corridor restoration, while integrating our work into broader community goals achieving maximum public benefit.</p>

	2018 Budget Summary:					
	The proposed cooperative agreement provides for cost share for the overall park concept plan with MCWD funding 100% of the stream restoration design component allocated as follows:					
		Description	Cost Estimate	MCWD	City	Grant targets
	Park Facilities	shelter building, lawn grading, utilities, lighting	\$1,119,000.00		\$1,119,000.00	
	Paths	Brookview Ave sidewalk and overlooks, park trails	\$335,000.00		\$335,000.00	
	trails and vegetation restoration	north bridge and boardwalk, floodplain trail along Minnehaha, main arterial bridge, natural resource corridor	\$497,000.00	\$248,500.00	\$248,500.00	
	Creek restoration	Creek remeander, floodplain landscape, canoe landing at 54th and north end of park	\$1,243,600.00	\$1,243,600.00		\$ 350,000.00
	Stormwater Management	3-basins plus LID associated with	\$890,000.00	\$445,000.00	\$445,000.00	\$ 500,000.00
Consultant Services	Design phase 1	\$419,330.00	\$214,870.00	\$204,600.00		
		\$4,503,930.00	\$2,151,970.00	\$2,352,100.00		
	The cost estimates are based on concept level assumptions, and funding through the District levy is proposed over a two-year period of 2018 and 2019. The proposed 2019 levy will be based on final design cost estimates and grant awards.					
Goals/ Outcomes	Improve water quality, stream ecology, habitat connectivity, recreation, safety, community connections to Minnehaha Creek.					
Schedule	2016 - 2017 – Concept development and public outreach 2017-2018 – Project design 2019 – Construction					

Budget/Levy History

Year	Budget	Tax Revenue	Grants & Other Rev.	Expenditures	Transfer in/out	Carryover	Assigned Funds
2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$49,000	\$49,000	\$0	\$0	\$0	\$47,170	\$0
2016	\$51,000	\$53,470	\$0	(\$66,886)	\$0	\$33,754	\$0
2017	\$94,000	\$94,000	\$0	(\$127,754)	\$155,341	\$155,341	\$
2018	\$993,755	838,414	\$0				

Recommended 2018 Budget and Levy

Budget: \$993,755
Levy: \$838,414

Detailed Budget:

Activity Code	Activity Name	Amount
4010	Wages	
4011	Wages-Overtime	
4018	Salary – Insurance Reimbursement	
4020	Payroll Tax Expense	
4035	Unemployment Reimbursement	
4040	PERA Expense	
4050	Benefits	
4060	Staff Mileage/Expenses	
4065	Staff Training	
4066	Staff Tuition Benefit	
4110	Manager Per Diems	
4120	Manager Expenses	
4125	Manager Computer/Software	
4130	Manager Dues/Subscriptions/Internet	
4210	Office Supplies	
4215	Meeting Expense	
4220	Furniture & Fixtures	
4222	Vehicle Expense	
4230	Printing/Publishing/Postage	
4240	Telecommunications -Cell/internet	
4245	Special Events	
4247	High Water Restoration	
4248	FEMA Expense	
4250	Dues & Subscriptions	
4265	Rentals-Building & Equipment	
4280	Insurance	
4292	Bank/Agency Fees	
4295	Other/Miscellaneous	
4320	Contract Services	\$214,870
4330	Accounting & Auditing	
4340	Engineering/Consulting	
4350	Legal Expense	\$2,000
4390	CAC Expense	
4520	Monitoring/Lab Analysis/Inventories	
4530	Permit Acquisition	
4540	Property/Easement Acquisition	
4550	Construction	\$776,885
4565	Property Management - CBRE	
4566	Tenant Relocation - CBRE	
4570	Equipment/Supplies	
4575	Repairs/Maintenance	
4594	Debt Service-Principal	
4595	Debt Service-Interest	
4600	Grants/Awards/Loans - Given by MCWD	
4651	Issuance Cost	
4962	Office Bldg. Maintenance	
4963	Office Building Utilities	
	TOTAL	\$993,755

MINNEHAHA CREEK WATERSHED DISTRICT 2018 RECOMMENDED WORK PLAN

PREPARED BY: Tiffany Schaufler

DATE: August 10, 2017

<u>Project</u>	FEMA Flood Repairs (3148)																																												
<u>Summary</u>	Implement flood damage repairs to District projects and facilities.																																												
<u>Location</u>	District-wide																																												
<u>Description</u>	<p>Background: The spring and early summer of 2014 became the wettest January 1-June 30 period for MCWD since modern-day record keeping began in 1871. This historic precipitation led to record water levels and flows in water bodies throughout the District. After the high water receded in the fall of 2014, staff inspected the major streams across the District to identify damages and began coordinating with Federal Emergency Management Agency (FEMA) on repairs. The District then inspected the damaged sites with FEMA. After these inspections 35 damage sites along Minnehaha Creek and one damage site along Painter Creek were approved by FEMA for grant funding.</p> <p>To date FEMA has approved funding to perform flood damage repairs at 36 sites totaling approximately \$540,019. To date MCWD has received \$357,491 in grant money from FEMA to implement the repairs. The remaining \$173,361 will be granted from FEMA once the projects are implemented. The table below provides a summary of the FEMA approval and funding. MCWD has until July 2018 to complete repairs.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">FEMA Project #</th> <th style="text-align: center;">Site/Locations</th> <th style="text-align: center;"># of Sites</th> <th style="text-align: center;">FEMA Funding Approved</th> <th style="text-align: center;">FEMA Funding Received To Date</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">755</td> <td>Repair below Minnehaha Falls</td> <td style="text-align: center;">3</td> <td style="text-align: right;">\$107,315.56</td> <td style="text-align: right;">\$104,632.67</td> </tr> <tr> <td style="text-align: center;">759</td> <td>Repair on Minnehaha Creek</td> <td style="text-align: center;">11</td> <td style="text-align: right;">\$ 69,267.96</td> <td style="text-align: right;">\$ 67,536.26</td> </tr> <tr> <td style="text-align: center;">764</td> <td>Repair on Minnehaha Creek</td> <td style="text-align: center;">11</td> <td style="text-align: right;">\$ 76,013.98</td> <td style="text-align: right;">\$ 74,113.90</td> </tr> <tr> <td style="text-align: center;">806</td> <td>Repair below Minnehaha Falls</td> <td style="text-align: center;">8</td> <td style="text-align: right;">\$173,361.35</td> <td style="text-align: center;">*</td> </tr> <tr> <td style="text-align: center;">934</td> <td>Repair on Minnehaha Creek</td> <td style="text-align: center;">2</td> <td style="text-align: right;">\$ 86,029.97</td> <td style="text-align: right;">\$ 83,879.22</td> </tr> <tr> <td style="text-align: center;">944</td> <td>Repair on Painter Creek</td> <td style="text-align: center;">1</td> <td style="text-align: right;">\$ 28,030.42</td> <td style="text-align: right;">\$ 27,329.66</td> </tr> <tr> <td colspan="3"></td> <td style="text-align: right;">\$540,019.24</td> <td style="text-align: right;">\$357,497.71</td> </tr> </tbody> </table> <p>* When FEMA approves a project greater than \$125,000 they reimburse on actual costs spent to perform the repairs.</p>					FEMA Project #	Site/Locations	# of Sites	FEMA Funding Approved	FEMA Funding Received To Date	755	Repair below Minnehaha Falls	3	\$107,315.56	\$104,632.67	759	Repair on Minnehaha Creek	11	\$ 69,267.96	\$ 67,536.26	764	Repair on Minnehaha Creek	11	\$ 76,013.98	\$ 74,113.90	806	Repair below Minnehaha Falls	8	\$173,361.35	*	934	Repair on Minnehaha Creek	2	\$ 86,029.97	\$ 83,879.22	944	Repair on Painter Creek	1	\$ 28,030.42	\$ 27,329.66				\$540,019.24	\$357,497.71
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Using the flood impacts in 2014 as an opportunity to address various impairments in the lower portion of the Minnehaha Creek subwatershed, the Board passed resolution 17-017 which authorized the District to enter into Memorandum of Understanding (MOU) with the Minneapolis Park and Recreation Board (MPRB) and the City of Minneapolis (City). Through this MOU the three agencies have agreed to mutually support an effort to create a multijurisdictional concept plan and capital improvement plan to improve the natural and built environments within the Minnehaha Creek subwatershed in the city of Minneapolis. The MOU outlines how the three agencies will work together to identify multi-jurisdictional initiatives to achieve complex goals such as:

- Reducing flooding
- Achieving regional pollutant load reductions identified in TMDLs
- Reducing runoff volumes and peak flows to Minnehaha Creek
- Eliminating combined sewer overflows
- Enhancing the ecology and recreation opportunity of the creek corridor

2018 Budget Summary:

MCWD, Minneapolis and MPRB plan to collaborate over the next two years to develop an integrated concept plan that integrates streambank restoration, stream channel modifications, stormwater management, riparian corridor improvements, flood mitigation, and regional trail and park improvements which will feed into the MPRB’s regional park master planning for the Minnehaha Creek corridor. This information will then be used to develop an implementation roadmap/capital improvement plan that will guide cross-agency plans and investments into the future within the Minnehaha Creek subwatershed in Minneapolis. This work will require strong coordination amongst all District programs, including but not limited to:

- Community engagement process designed in coordination with MPRB
- Routine project updates on website
- Fact sheets
- Media relations strategy
- Ecosystem assessment of the corridor in coordination with MPRB
- Pre-Project Stormwater monitoring plan

During the remainder of 2017 staff plans to bring a contract for Board consideration to contract to design and implement the FEMA flood repairs, carryout a stormwater study, begin to assemble an implementation framework, and identify a community engagement plan. Part of this work will include carrying out a stormwater study in which the District received a BWSR Accelerated Implementation grant to implement.

Activity/Expense	Budget
Planning & Design	\$44,940
Construct Repairs with FEMA Grant Money	\$540,000
Total	\$584,940

Goals/Outcomes

Maintain District project and facilities to ensure they are operating as designed to protect the District’s investment.

Schedule	2017-2018: Design repairs, permit repairs, acquire land rights, begin implementing repairs; develop an integrated concept plan 2018: Implement repairs, coordinate with MPRB on master planning effort
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Budget/Levy History

Year	Budget	Tax Revenue	Grants & Other Rev.	Expenditures	Transfer in/out	Carryover	Assigned Funds
2014							
2015				(\$80,830)	\$223,787	\$142,957	\$142,957
2016	\$140,000	\$0	\$30,000	(\$399)	(\$223,388)	\$0	\$0
2017	\$60,000	\$60,000	\$0	(\$60,000)	\$49,960 ¹	\$0	\$0
2018	\$584,940	\$8,988	\$575,917				

¹Transfer in from 3120 – Minnehaha Creek Gorge

Recommended 2018 Budget and Levy

Budget: \$584,940
Levy: \$8,988

Detailed Budget:

Activity Code	Activity Name	Amount
4010	Wages	
4011	Wages-Overtime	
4018	Salary – Insurance Reimbursement	
4020	Payroll Tax Expense	
4035	Unemployment Reimbursement	
4040	PERA Expense	
4050	Benefits	
4060	Staff Mileage/Expenses	
4065	Staff Training	
4066	Staff Tuition Benefit	
4110	Manager Per Diems	
4120	Manager Expenses	
4125	Manager Computer/Software	
4130	Manager Dues/Subscriptions/Internet	
4210	Office Supplies	
4215	Meeting Expense	
4220	Furniture & Fixtures	
4222	Vehicle Expense	
4230	Printing/Publishing/Postage	
4240	Telecommunications -Cell/internet	
4245	Special Events	
4247	High Water Restoration	
4248	FEMA Expense	
4250	Dues & Subscriptions	
4265	Rentals-Building & Equipment	
4280	Insurance	
4292	Bank/Agency Fees	
4295	Other/Miscellaneous	
4320	Contract Services	\$584,940
4330	Accounting & Auditing	
4340	Engineering/Consulting	
4350	Legal Expense	
4390	CAC Expense	
4520	Monitoring/Lab Analysis/Inventories	
4530	Permit Acquisition	
4540	Property/Easement Acquisition	
4550	Construction	
4565	Property Management - CBRE	
4566	Tenant Relocation - CBRE	
4570	Equipment/Supplies	
4575	Repairs/Maintenance	
4594	Debt Service-Principal	
4595	Debt Service-Interest	
4600	Grants/Awards/Loans - Given by MCWD	
4651	Issuance Cost	
4962	Office Bldg. Maintenance	
4963	Office Building Utilities	
	TOTAL	\$ 584,940

MINNEHAHA CREEK WATERSHED DISTRICT 2018 RECOMMENDED WORK PLAN

PREPARED BY: Tiffany Schaufler

DATE: August 10, 2017

<u>Project</u>	Highway 101 Causeway Reconstruction Project (3149)
<u>Summary</u>	Vegetated shoreline bioengineering along the Highway 101 Causeway in Wayzata to provide erosion control and enhance shoreline habitat along Lake Minnetonka. Flood volume replacement through restoration of a wetland along Jennings Bay in Minnetrista.
<u>Location</u>	Lake Minnetonka Subwatershed along the Highway 101 Causeway and east of Orchard Cove road along Jennings Cove in Minnetrista.
<u>Description</u>	<p>Project Background: The MCWD Comprehensive Plan identifies a lakeshore bioengineering restoration project along Lake Minnetonka. Following review of Hennepin County’s proposed improvements to CSAH 101, in October 2013 the Board of Managers expressed support for working with Hennepin County to develop a vegetated solution to the Grays/Wayzata Bay Causeway shoreline. The Board of Managers reinforced their support for developing a partnership with Hennepin County in December 2013, when they resolved to communicate their commitment to identify shoreline enhancements beyond current regulatory requirements. Pursuant to Board resolution, District staff worked closely with the District engineer and counsel to engage with Hennepin County in exploration of feasible enhancements to the Grays/Wayzata Bay shoreline.</p> <p>The District and Hennepin County developed a cooperative agreement that allows the District to install and maintain vegetated reinforced soil slopes and related bioengineering and vegetation features along the Grays/Wayzata Bay causeway, with a \$30,000 reimbursement from Hennepin County. The District’s bioengineering element brought the design into conformance with the requirements of the District’s shoreline rule and allowed the District to approve the work without the need to consider a variance. For that reason, staff’s recommended conditions on MCWD permit 13-460 included a condition requiring that the County enter into an agreement with the District affording the District the ability to do the bioengineering work.</p> <p>In January 2014, Hennepin County as a co-applicant with MCWD applied, and was issued, a permit for the linear reconstruction of CSAH 101 between Minnetonka Boulevard and Wayzata Boulevard. Through the cooperative agreement between Hennepin County and MCWD, the County provided for the District to implement a shoreline restoration project within the corridor, following road construction. This planned work to stabilize Lake Minnetonka shoreline with vegetated reinforced soil slopes (VRSS) will fill some of the 100 year floodplain. Consequently, as a condition of MCWD permit 13-460, MCWD obligated itself to provide “compensatory storage for floodplain fill along the causeway due to vegetative slope construction.”</p>

The District Engineer performed preliminary floodplain fill calculations based on concepts advanced at the time the permit and Hennepin County cooperative agreement were approved, in January 2014. Based on those calculations, Wenck Associates has estimated approximately 2,000 cubic yards of fill may be placed within the 100 year floodplain of Lake Minnetonka.

Following MCWD permit 13-460 issuance, District staff began evaluating parcels connected to Lake Minnetonka that would be suitable to provide the necessary floodplain mitigation. The 3.26 acre Sun Valley Tax Forfeit property located in Minnetrista was preliminarily found to meet the District's floodplain mitigation needs.

Following several discussions with City of Minnetrista Staff, an August 11, 2014 letter of support from the city administrator for the District's CIP restated the August 4, 2014 City Council vote to "explore the possibility of transferring 3.26 acres of tax forfeited land to the District for purposes of floodplain and wetland restoration." Subsequently, the property was investigated in more detail. Following a preliminary wetlands investigation, the District Engineer, Wenck Associates, reaffirmed the feasibility of creating floodplain storage at this location primarily through site grading and soil scraping that would create a wetland and restore an existing degraded wetland and the natural hydrologic connection of the riparian land to the lake.

In October 2014, MCWD and the City of Minnetrista executed a cooperative agreement under which the parties will cooperate to obtain legislative approval of a fee transfer to the District. In the event property transfer is infeasible, the City would grant the District the right to construct and perpetually maintain the work on the City parcel. In exchange, the District will explore including additional flood volume storage in the design to meet the City's requirement for the Enchanted Lane improvement and will incorporate such storage as feasible, with an allocation of costs as stated in the agreement.

In March 2015, the Board ordered the Highway 101 Causeway Reconstruction Project which includes both the causeway shoreline restoration work ("causeway element") and the independent but associated flood storage replacement work ("flood storage element"). The District's engineer estimates the cost (including design, construction and construction oversight) at \$1,604,308.

The Highway 101 Causeway Reconstruction Project and the Jennings Bay Wetland Restoration/Floodplain Mitigation Project were constructed throughout the winter of 2016-2017, with final vegetation plantings completed throughout early 2017. The Highway 101 Causeway Reconstruction Project resulted in approximately 900 feet of the Wayzata Bay shoreline being reconstructed through the installation of vegetated reinforced soil slopes, and the planting of over 380 trees, shrubs, livestakes and vines. The Jennings Bay Wetland Restoration/Floodplain Mitigation Project resulted in the creation of 1,364 cubic yards of floodplain volume and the installation of 1,120 trees, shrubs, and livestakes.

2018 Budget Summary:

Three years of vegetation maintenance and plant warranty are included as part of the construction contract for each project. 2018 will serve as the second year of maintenance and warranty under each contract.

	<table border="1"> <tr> <th>Activity/Expense</th> <th>Budget</th> </tr> <tr> <td>Vegetation Maintenance & Plant Warranty</td> <td>\$18,000</td> </tr> <tr> <td>Total</td> <td>\$18,000</td> </tr> </table>	Activity/Expense	Budget	Vegetation Maintenance & Plant Warranty	\$18,000	Total	\$18,000
Activity/Expense	Budget						
Vegetation Maintenance & Plant Warranty	\$18,000						
Total	\$18,000						
<u>Goals/Outcomes</u>	Promotion of bioengineering techniques for application to other highway and roadway projects and water quality and ecological benefits by using vegetates slopes rather than hard armoring.						
<u>Schedule</u>	2018-2019 – Construction & Vegetation Warranty/Maintenance						

Budget/Levy History

Year	Budget	Tax Revenue	Grants & Other Rev.	Expenditures	Transfer in/out	Carryover	Assigned Funds
2014							
2015	\$0	\$0	\$0	\$	\$753,377	\$753,377	
2016	\$758,949	\$3,077	\$0	(\$1,067,178)		(\$310,724)	
2017	\$845,359	\$815,359	\$30,000	(\$183,065)		\$351,570	
2018	\$18,000	\$0	\$0	\$18,000		\$335,750	\$38,000

Recommended 2018 Budget and Levy

Budget: \$18,000
Levy: \$0

Detailed Budget:

Activity Code	Activity Name	Amount
4010	Wages	
4011	Wages-Overtime	
4018	Salary – Insurance Reimbursement	
4020	Payroll Tax Expense	
4035	Unemployment Reimbursement	
4040	PERA Expense	
4050	Benefits	
4060	Staff Mileage/Expenses	
4065	Staff Training	
4066	Staff Tuition Benefit	
4110	Manager Per Diems	
4120	Manager Expenses	
4125	Manager Computer/Software	
4130	Manager Dues/Subscriptions/Internet	
4210	Office Supplies	
4215	Meeting Expense	
4220	Furniture & Fixtures	
4222	Vehicle Expense	
4230	Printing/Publishing/Postage	
4240	Telecommunications -Cell/internet	
4245	Special Events	
4247	High Water Restoration	
4248	FEMA Expense	
4250	Dues & Subscriptions	
4265	Rentals-Building & Equipment	
4280	Insurance	
4292	Bank/Agency Fees	
4295	Other/Miscellaneous	
4320	Contract Services	
4330	Accounting & Auditing	
4340	Engineering/Consulting	
4350	Legal Expense	
4390	CAC Expense	
4520	Monitoring/Lab Analysis/Inventories	
4530	Permit Acquisition	
4540	Property/Easement Acquisition	
4550	Construction	\$18,000
4565	Property Management - CBRE	
4566	Tenant Relocation - CBRE	
4570	Equipment/Supplies	
4575	Repairs/Maintenance	
4594	Debt Service-Principal	
4595	Debt Service-Interest	
4600	Grants/Awards/Loans - Given by MCWD	
4651	Issuance Cost	
4962	Office Bldg. Maintenance	
4963	Office Building Utilities	
	TOTAL	\$18,000

MINNEHAHA CREEK WATERSHED DISTRICT 2018 RECOMMENDED WORK PLAN

PREPARED BY: Michael Hayman

DATE: August 10, 2017

<u>Project</u>	Meadowbrook Golf Course Ecological Restoration Project (3150)
<u>Summary</u>	Strategic partnership with the Minneapolis Park and Recreation Board to reconfigure and enhance Meadowbrook Golf Course to improve the ecological integrity of the Minnehaha Creek stream corridor and connect the Minnehaha Creek Greenway through MPRB land to the City of Edina parks and trails system.
<u>Location</u>	Minnehaha Creek Greenway - Meadowbrook Golf Course: St. Louis Park, Hopkins and Edina.
<u>Description</u>	<p>Project Background: In December, 2013 the Board directed staff to seek partnership with the Minneapolis Park and Recreation Board (MPRB) and initiate a preliminary exploration of Minnehaha Creek restoration and re-meandering through the Meadowbrook Golf Course area.</p> <p>In March, 2015 – following nearly a year of communication with MPRB and the historic flooding that occurred throughout 2014 – the Board authorized the execution of a cooperative agreement with the MPRB to collaboratively develop conceptual master plans for capital investment in the Meadowbrook Golf Course.</p> <p>The Cooperative Agreement between MCWD and MPRB identified the following water resource goals:</p> <ul style="list-style-type: none"> • Improve ecological integrity of the stream corridor through this reach; • Improve ecological integrity of upland within the golf course; • Improve wetland function and value on site, and water quality leaving the site; • Maintain or increase flood storage capacity, reducing flood severity for surrounding communities; and • Connect Minnehaha Creek Greenway trails through MPRB land to City of Edina parks and trails system in a manner that respects adjoining landowners’ interests. <p>In October 2015 the District executed the First Amendment to the Cooperative Agreement with the MPRB – detailing a collaborative design process – and initiated an expedited timeline for design of the golf course reconstruction and ecological restoration.</p> <p>Following four months of accelerated design effort, MPRB received favorable bids for the golf course portion of the reconstruction project in March 2016. Approximately two months later, bids for reconfiguring and restoring the golf course were rejected by MPRB, deciding to redirect efforts towards a plan better aligned with available funding from defined sources.</p> <p>MPRB has indicated that a key constraint to the original plan was clarity on a</p>

previous misinterpretation – the fact that FEMA funds for restoration are not, as previously thought, a one-time opportunity. This means that a future flood could potentially be addressed with FEMA reimbursements. In addition, the need to align green fee pricing with area competition precludes the golf course from being able to finance the restoration as previously envisioned.

Throughout 2016-2017 the golf course went through restoration repairs – roto tilling, seeding and bunker repair – in preparation for reopening the golf course. MPRB has indicated that all other elements of the previous reconstruction plans will be compartmentalized as separate capital improvements and completed as funding is available. This includes projects such as a new clubhouse, the addition of the driving range, and the natural resource components.

Due to MPRB’s decision to move forward with site repairs absent of the overall restoration, a certain economy of scale that would have otherwise been realized through layered construction efforts was lost. As noted earlier, the natural resource restoration and ecological improvements must now be addressed as separate efforts from the golf course repair. MPRB continues to voice support for the District’s vision of Minnehaha Creek restoration and has indicated their willingness to continue partnering to complete the project.

As the District moves into the lead role for design and implementation, this work will require strong coordination amongst all District programs, including but not limited to:

- A communications and outreach plan that focuses on elements such as community outreach, website and social media, publications, fact sheets, public notifications and meetings, and media relations.
- A monitoring plan describing pre-project research and monitoring, post-project monitoring and effectiveness monitoring.
- An integrated permitting approach for restoration, including Environmental Assessment Worksheet (EAW) process and construction permitting.

The District and MPRB continue working through the challenges surrounding the site with the anticipated design process commencing in early-2018, and restoration efforts taking place in winter 2018-2019.

2018 Budget Summary:

Due to the dynamic situation surrounding project opportunities at Meadowbrook Golf Course, preliminary capital cost estimates for natural resource elements of the project – stream corridor, riparian area, wetlands, golf course impact, etc. – are estimated at \$2,200,000. District and MPRB staff worked to develop cost projections based on golf impacts and natural resource improvements. These preliminary discussions resulted in a projected District cost of \$1,472,285, which is the assumed budget for purposes of work plan development.

The 2018 budget consists of one-half of the projected costs for design and construction, including grant funds (see below), with the remaining project cost anticipated for levy in 2019.

	The District received a \$100,000 Hennepin County Natural Resources Opportunity grant in 2016, with funds to be disbursed upon implementation. Staff continues dialog with the County to discuss schedule and reimbursement. For purposes of budget projections the reimbursement is assumed to occur in 2018.
<u>Goals/ Outcomes</u>	Improve ecological integrity of the stream corridor through this reach; improve ecological integrity of upland within the golf course, improve wetland function and value on site; improve water quality for Minnehaha Creek and downstream Lake Hiawatha; maintain or increase flood storage capacity to improve golf course resilience and reduce flood severity of adjacent neighborhoods; connect Minnehaha Creek Greenway trails through MPRB land to City of Edina parks and trails system in a manner that respects adjoining landowners' interests.
<u>Schedule</u>	2017 – Complete amendment to cooperative agreement for design/construction 2018 – Finalize design activities for golf course and ecological restoration 2018-2019 – Construction of ecological restoration and golf course improvements

Budget/Levy History

Year	Budget	Tax Revenue	Grants & Other Rev.	Expenditures	Transfer in/out	Carryover	Assigned Funds
2015					\$191,264	\$191,264	
2016	\$280,000	\$87,798		\$349	(\$34,202)	\$244,511	
2017	\$130,000					\$244,511	\$244,511
2018	\$786,143		\$100,000*				

*District will receive grant funds awarded in 2018 as reimbursement only.

Recommended 2018 Budget and Levy

Budget: \$786,143
Levy: \$686,143

Detailed Budget:

Activity Code	Activity Name	Amount
4010	Wages	
4011	Wages-Overtime	
4018	Salary – Insurance Reimbursement	
4020	Payroll Tax Expense	
4035	Unemployment Reimbursement	
4040	PERA Expense	
4050	Benefits	
4060	Staff Mileage/Expenses	\$250
4065	Staff Training	
4066	Staff Tuition Benefit	
4110	Manager Per Diems	
4120	Manager Expenses	
4125	Manager Computer/Software	
4130	Manager Dues/Subscriptions/Internet	
4210	Office Supplies	
4215	Meeting Expense	
4220	Furniture & Fixtures	
4222	Vehicle Expense	
4230	Printing/Publishing/Postage	\$500
4240	Telecommunications -Cell/internet	
4245	Special Events	
4247	High Water Restoration	
4248	FEMA Expense	
4250	Dues & Subscriptions	
4265	Rentals-Building & Equipment	
4280	Insurance	
4292	Bank/Agency Fees	
4295	Other/Miscellaneous	
4320	Contract Services	\$171,285
4330	Accounting & Auditing	
4340	Engineering/Consulting	
4350	Legal Expense	\$6,000
4390	CAC Expense	
4520	Monitoring/Lab Analysis/Inventories	
4530	Permit Acquisition	\$7,035
4540	Property/Easement Acquisition	
4550	Construction	\$601,073
4565	Property Management - CBRE	
4566	Tenant Relocation - CBRE	
4570	Equipment/Supplies	
4575	Repairs/Maintenance	
4594	Debt Service-Principal	
4595	Debt Service-Interest	
4600	Grants/Awards/Loans - Given by MCWD	
4651	Issuance Cost	
4962	Office Bldg. Maintenance	
4963	Office Building Utilities	
	TOTAL	\$786,143

MINNEHAHA CREEK WATERSHED DISTRICT 2018 RECOMMENDED WORK PLAN

PREPARED BY: Michael Hayman

DATE: August 10, 2017

<u>Project</u>	Minnehaha Preserve Enhancement Project (3151)
<u>Summary</u>	Strategic partnership with Japs-Olson Company to optimize redevelopment opportunities, collaborate to creatively address stormwater management requirements, and expand green space, community connectivity and regional stormwater management in the Minnehaha Creek Greenway.
<u>Location</u>	Powell Road and Meadowbrook Road, St. Louis Park
<u>Description</u>	<p>Project Background: In 2013 the District and Japs-Olson Company began collaboratively planning for landscape changes related to redevelopment desires of the regional printing firm. Japs-Olson owns approximately 30.5 acres of land in the Powell/Meadowbrook Road area, bordered by the District’s Powell Road stormwater diversion, Minnehaha Creek, and the Minnehaha Preserve stream and trail restoration – part of the strategically focused efforts around the creation of the Minnehaha Creek Greenway.</p> <p>Following nearly two years of partnership development, integrated planning efforts, and the identification of natural resource improvements and stormwater management opportunities, in August 2015 the District executed a cooperative agreement with Japs-Olson Company and the City of St. Louis Park for stormwater management related to the proposed redevelopment of the Japs-Olson Company. The collaboratively developed stormwater management agreement includes a framework that:</p> <ul style="list-style-type: none"> • Optimizes Japs-Olson’s parking, providing regulatory required treatment for runoff from approximately 24 acres of Japs-Olson’s planned expansion and runoff from approximately 4 acres of non-regulatory required drainage on the former ApplianceSmart site; • Obligates Japs-Olson to convey about 3.67 acres of land on the former ApplianceSmart site, in fee, to MCWD, which through vegetative enhancement and other measures the MCWD will integrate with its contiguous restored Minnehaha Preserve properties; • Enables Japs-Olson to divert approximately 7 acres of runoff from its planned expansion to the District’s planned regional facility at 325 Blake Road. <p>Following transfer of the 3.67-acre parcel from Japs-Olson, the District initiated design development to complete enhancement of the constructed basins in an effort to improve the wetland and ecologic qualities and to integrate the site into the adjacent ecologically restored Minnehaha Preserve. The District also completed design and construction documents to install a dedicated trail connection to</p>

	<p>Excelsior Boulevard and associated trailhead parking.</p> <p>In 2016 the District initiated vegetation management for the site that includes upland plantings to enhance the site and screen the adjacent industrial parcel, herbaceous plantings to improve the filtration basins, site mowing and spraying to control weeds during this critical growth phase, invasive species management and three years of maintenance for the entire project area.</p> <p>In 2017 the District initiated construction of the trail and parking elements to integrate the restored property to the adjacent Minnehaha Preserve. Implementation includes site clean up to remove rubble and debris, a small trailhead parking area for enhanced access, and asphalt and boardwalk trail segments to provide access from Excelsior Boulevard to the Minnehaha Preserve.</p> <p>As the project transitions into warranty and maintenance, continued coordination amongst District programs will be essential. Beyond the site moving into Project Maintenance and Land Management (PMLM) in 2019, Communications and Education will play a critical role in elements such as community outreach, signage, website and social media presence, and media relations.</p> <p>2018 Budget Summary: Warranty period maintenance will continue through 2018 and accounts for the projected budget. These are expenditures which are part of the construction contract(s).</p>
<u>Goals/ Outcomes</u>	Continue partnership surrounding creative stormwater management opportunities and expand regional stormwater management in the area; improve wetland function and value on site by restoring historic wetland areas; improve ecological integrity of wetland and upland areas; improve water quality for Minnehaha Creek and downstream Lake Hiawatha; connect Minnehaha Creek Greenway trails to Excelsior Boulevard.
<u>Schedule</u>	<p>2015 – Complete project design</p> <p>2016 – Initiate vegetation management activities</p> <p>2017 – Construct trail connection and trail head parking area</p> <p>2018-2019 – Ongoing warranty and vegetative maintenance</p>

Budget/Levy History

Year	Budget	Tax Revenue	Grants & Other Rev.	Expenditures	Transfer in/out	Carryover	Assigned Funds
2015				(\$2,250)		(\$2,250)	
2016	\$325,000	\$324,484		(\$45,460)	\$(51,344)	\$225,430	\$26,211*
2017	\$203,000			(\$226,759)	\$16,556	\$15,227	
2018	\$15,227						

Recommended 2018 Budget and Levy

Budget: \$15,227

Levy: \$0

* indicates funds obligated for construction contracts or maintenance agreements

Detailed Budget:

Activity Code	Activity Name	Amount
4010	Wages	
4011	Wages-Overtime	
4018	Salary – Insurance Reimbursement	
4020	Payroll Tax Expense	
4035	Unemployment Reimbursement	
4040	PERA Expense	
4050	Benefits	
4060	Staff Mileage/Expenses	
4065	Staff Training	
4066	Staff Tuition Benefit	
4110	Manager Per Diems	
4120	Manager Expenses	
4125	Manager Computer/Software	
4130	Manager Dues/Subscriptions/Internet	
4210	Office Supplies	
4215	Meeting Expense	
4220	Furniture & Fixtures	
4222	Vehicle Expense	
4230	Printing/Publishing/Postage	
4240	Telecommunications -Cell/internet	
4245	Special Events	
4247	High Water Restoration	
4248	FEMA Expense	
4250	Dues & Subscriptions	
4265	Rentals-Building & Equipment	
4280	Insurance	
4292	Bank/Agency Fees	
4295	Other/Miscellaneous	
4320	Contract Services	
4330	Accounting & Auditing	
4340	Engineering/Consulting	
4350	Legal Expense	
4390	CAC Expense	
4520	Monitoring/Lab Analysis/Inventories	
4530	Permit Acquisition	
4540	Property/Easement Acquisition	
4550	Construction	\$15,227
4565	Property Management - CBRE	
4566	Tenant Relocation - CBRE	
4570	Equipment/Supplies	
4575	Repairs/Maintenance	
4594	Debt Service-Principal	
4595	Debt Service-Interest	
4600	Grants/Awards/Loans - Given by MCWD	
4651	Issuance Cost	
4962	Office Bldg. Maintenance	
4963	Office Building Utilities	
	TOTAL	\$ 15,227

**MINNEHAHA CREEK WATERSHED DISTRICT
2018 RECOMMENDED WORK PLAN**

PREPARED BY: Anna Brown

DATE: August 10, 2017

<u>Project</u>	Wassermann West Wetland Restoration and Park Improvement (New Fund)
<u>Summary</u>	Reduction of landscape phosphorus loading through the use of aluminum sulphate, vegetation restoration and/or hydrologic alteration; preservation and restoration of vegetation in the wetland and upland areas; programmed public access to Lake Wassermann for public use and enjoyment.
<u>Location</u>	East of and adjacent to Lake Wassermann in Victoria, Carver County, MN.
<u>Description</u>	<p>Background: In March of 2015 the City of Victoria and the District executed a Memorandum of Understanding (MOU) which identifies the mutual value both agencies find in cooperative planning, coordination across agencies on priority water resource issues, and increasing regulatory coordination to support and foster integrated water and natural resources management. One of the priority water resource management areas identified for increased collaboration is Lake Wassermann, an impaired waterbody within the City of Victoria. As identified in the Draft 2017 Comprehensive Plan, Lake Wassermann's poor water quality is driven by a mix of internal and external phosphorus loading and exacerbated by high densities of common carp.</p> <p>In August of 2016, the District identified two parcels for sale adjacent to Lake Wassermann in the City of Victoria. The 33.5 acre site encompasses a 22 acre wetland and 6 acre pond which is known to export phosphorus into Lake Wassermann. The District identified an opportunity to address phosphorus export to Lake Wassermann through the use of alum within the degraded pond and partner with the City to develop a park design providing passive recreation and access to the Lake. On May 11, 2017, the District and City executed a cooperative agreement memorializing both parties' commitment to water quality treatment, wetland enhancement, and park development on the Wassermann West Property. Following the execution of that agreement, the District closed on July 7, 2017.</p> <p>In accordance with the cooperative agreement, the City and District are currently engaged in a collaborative design process that will conclude in November or December of 2017. Design costs will be shared with the City. The design will include such elements as water quality treatment of the pond and wetland, trail and boardwalk alignment and specs, programmed elements potentially including a fishing pier, other lake access points, shelters, and an educational plaza, and all associated costs. During the design phase, staff will also develop a phased implementation plan that details possible funding mechanisms including levy (both City and District), revenue from City land sales and levied fees, and grants.</p>

2018 Budget Summary:

With final design still pending, the project costs are tentative and based upon preliminary feasibility of pond treatment, standardized cost estimates for wetland vegetation enhancement, and a schematic park design developed in concert with City staff. The total anticipated project cost today is \$2,307,160. This includes upland park improvements (\$1,941,600), the cost of the first two alum treatments (\$55,000 per treatment), and the estimated cost of wetland vegetation enhancement (\$255,560).

The implementation framework outlined in the cooperative agreement tasks the District with implementation of water quality improvements and wetland restoration and the City with the park improvements. Through the 2017 design process, the District and City will endeavor to secure financing that will allow implementation of both wetland and park improvements in 2018/2019. However, if financing is not available, the 2018 budget includes estimated costs for the first phase of water quality improvements - the initial application of alum to the pond. The second application will need to occur in either 2019 or 2020.

With final design still pending, this budget amount is tentative. The implementation schedule for the upland park improvements and remaining wetland and vegetation enhancement will be developed as part of the design process.

Activity/Expense	Budget
Initial application of aluminum sulphate	\$55,000
Total	\$55,000

Goals/ Outcomes	Reduction of nutrient export to Lake Wassermann; enhanced recreation access to Lake Wassermann; preservation and enhancement of shoreline, upland, and wetland buffers; vegetative wetland restoration
Schedule	December 2017: Park design adoption January 2018: Transfer of title to City; District retains easement Spring or Fall 2018: First alum treatment 2019 (all): Wetland restoration; being upland improvements Fall 2019: Second alum treatment

Budget/Levy History

Year	Budget	Tax Revenue	Grants & Other Rev.	Expenditures	Transfer in/out	Carryover	Assigned Funds
2017	N/A						

Commented [BH1]: You can use the Excel template for automatic calculation of carryover and levy, then copy and paste into Word template.

Recommended 2018 Budget and Levy

Budget: \$ 55,000
Levy: \$ 55,000

Detailed Budget:

Activity Code	Activity Name	Amount
4010	Wages	
4011	Wages-Overtime	
4018	Salary – Insurance Reimbursement	
4020	Payroll Tax Expense	
4035	Unemployment Reimbursement	
4040	PERA Expense	
4050	Benefits	
4060	Staff Mileage/Expenses	
4065	Staff Training	
4066	Staff Tuition Benefit	
4110	Manager Per Diems	
4120	Manager Expenses	
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4130	Manager Dues/Subscriptions/Internet	
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4265	Rentals-Building & Equipment	
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4292	Bank/Agency Fees	
4295	Other/Miscellaneous	
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4390	CAC Expense	
4520	Monitoring/Lab Analysis/Inventories	
4530	Permit Acquisition	
4540	Property/Easement Acquisition	
4550	Construction	\$55,000
4565	Property Management - CBRE	
4566	Tenant Relocation - CBRE	
4570	Equipment/Supplies	
4575	Repairs/Maintenance	
4594	Debt Service-Principal	
4595	Debt Service-Interest	
4600	Grants/Awards/Loans - Given by MCWD	
4651	Issuance Cost	
4962	Office Bldg. Maintenance	
4963	Office Building Utilities	
	TOTAL	\$ 55,000

Commented [BH2]: You can use the Excel template for automatic calculation of total, then copy and paste into Word template.

Table matches chart of accounts so it can be copied and pasted into master budget spreadsheet. Do not edit or delete rows.