



MEMORANDUM

To: MCWD Board of Managers
From: Becky Christopher
Date: December 16, 2019
Re: Information Item – Watershed-Based Funding Update

Purpose:

To provide the Board of Managers with an update regarding the Watershed-Based Implementation Funding Program.

Background:

The Board of Water and Soil Resources (BWSR) is moving towards providing more systematic Clean Water Funding for local water management authorities on a watershed basis. The watershed-based funding model is intended to provide local governments throughout the state with efficient, transparent, and stable funding. To achieve this, BWSR envisions transitioning from project by project competitive grants to a coordinated watershed funding approach. This approach will rely on comprehensive watershed management plans developed under the One Watershed, One Plan Program or the Metropolitan Surface Water Management Act to provide assurance that actions are prioritized, targeted, and measurable. The concept of watershed-based funding grew out of the Local Government Water Round Table 2016 Fund Policy Paper.

BWSR ran a pilot Watershed-Based Implementation Funding (WBIF) Program for the Twin Cities metropolitan area for the 2018-2019 biennium through which local government units (LGUs) coordinated at a county scale to develop a collaborative work plan for the funds. Through the pilot, both the Hennepin and Carver County groups opted to use a formula-based approach to allocate the funds with 50 percent of the allocation based on land area and 50 percent based on tax base. The District received \$343,030 which was applied toward the 325 Blake Road, Arden Park, and Wassermann West projects. The Hennepin County group also allocated ten percent of the funding (\$101,800) toward county-wide chloride programming.

Following the development of the collaborative plans for the pilot program, BWSR conducted a stakeholder engagement process to gather input about the future direction of the WBIF Program for the metro area. As part of this process, staff participated in a multi-stakeholder forum group (winter 2018-19) that was charged with developing recommendations regarding geographic

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planning boundaries, allocation approach, and eligible entities and plans. Throughout the pilot program and the subsequent evaluation process, the District has been an active and vocal participant advocating for an approach that is prioritized, targeted, and measurable.

2020-2021 Program:

On September 25, 2019, the BWSR Board approved the WBIF allocation amounts and program policy for the 2020-2021 biennium. For this biennium, funds are being allocated based on hydrologic (8-digit HUC) rather than county boundaries. The District is part of the West Mississippi Metro area, which has been allocated \$874,000 through a formula based 90 percent on private land area and 10 percent on the amount of public waters. The District will need to work with other eligible LGUs within the West Mississippi Metro area, including the counties, soil and water conservation districts, neighboring watershed districts/water management organizations, and cities to develop a collaborative budget request by January 2021.

Next Steps:

BWSR has developed some guidance documents for this process and will be acting as the convener for each group, with meetings expected to begin in late winter-spring 2020. Each group is being charged with developing a budget request that is prioritized, targeted, and measurable. Staff is in the process of evaluating its capital improvement plan as well as responsive project opportunities to determine the best candidate(s) for this round of funding.

Staff will continue to keep the Board informed as this process moves forward. If there are any questions or you would like further information, please contact Becky Christopher at 952-641-4512 or bchristopher@minnehahacreek.org.

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