



Title: 2023 Draft Budget

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Purpose:

To provide background information on the Draft 2023 budget, for the scheduled public hearing on August 22, 2022.

Background:

Over the last five years, following the Minnehaha Creek Watershed District's (MCWD) strategic planning efforts, the MCWD Board of Managers implemented a series of fiscal measures to carefully manage the District's levy, while maintaining high-quality mission aligned output and service. Those actions included:

- Aligning program budgets with organizational priorities;
- Making strategic reductions and implementing operational efficiencies;
- Right-sizing, aligning and investing in human resources;
- Strengthening partnerships for capital project financing;
- Securing increasing levels of outside funding;
- Restructuring existing capital project debt;
- Reallocating funds from initiatives delivered under budget to capital projects.

That work continues to position MCWD well for the 2023 fiscal year.

2023 Budget Process:

The MCWD 2023 budget planning process began in April and has included the following meetings:

- April 28, Policy and Planning Committee
 - Review 2023 forecast
- May 26, Policy and Planning Committee
 - Review program, operations, capital finance CIP, staffing-personnel
- June 9, Board Meeting
 - Approve human resource changes
- July 14, Operations and Programs Committee
 - Review budget refinement, multi-year CIP and forecast
- July 14, Board Meeting
 - Authorize multi-year CIP for distribution
- July 20, Citizen Advisory Committee
 - Review draft budget and levy
- August 11, 2022
 - Receive final draft budget

2023 Budget-Levy Projection - Overview:

The Board of Managers and Citizen Advisory Committee have shaped the proposed 2023 budget and levy through the process, by providing critical feedback and strategic direction. No major changes have been made to the proposed 2023 budget since July.

The 2023 Draft Budget includes \$14,309,193 in expenditures, supported with a \$9,869,513 levy, \$3,924,680 in project and program fund balances, and \$445,000 in grant revenue. After five consecutive years of maintaining a flat levy, this represents a 2% increase in MCWD’s levy (Table 1).

Top Level 2022 Budget Summary:

At the top level (Table 1), the District’s budget is organized into: Capital Improvement Projects; Programs; Capital Finance and Debt Service; and Operations

Capital Projects:

MCWD maintains a strategic focus on delivering capital improvements within the watershed that deliver a measurable change in water quality and flood reduction. The 2023 capital project budget is proposed to decrease 44.2% or \$2,283,044, due in part to the natural cycle between capital project planning and construction. The Six Mile Marsh Prairie Trail project and the Wassermann Internal Load projects will be completed in 2022 contributing to a projected reduction in budgeted expenditures for 2023. Additionally, other projects have gained a refined level of detail regarding the multi-year need for expenditures. Specifically, the 325 Blake Road project has progressed through design in 2022 which has generated additional clarity on construction sequencing. Total estimated costs for this project have been broken out over three years, resulting in a projected reduction of 2023 budgeted expenditures as compared to 2022.

Programs:

MCWD programs work to support the District’s strategic focus on delivering high-impact capital projects that improve the watershed and policy development at the nexus of water and land use. The 2023 Program budget is currently projected down 7.7% or \$441,250 from 2022. This is largely due to refined estimates for the Preserve Boardwalk, which see the 2023 budget for this work lower than 2022. Details on changes across programs are provided later in this memo and in attachments.

Capital Finance & Debt Service:

MCWD’s capital finance sub-fund is used strategically to maximize the organization’s capacity for project implementation while minimizing levy volatility. Capital Finance and Debt Service shows a scheduled increase of 52.7% or \$1,454,250 in 2023. This is due to a final payment on property acquired at 325 Blake Road for regional stormwater management and critical connections in the Minnehaha Creek Greenway. Debt service is scheduled to stabilize in 2024 with a 74% reduction. *Proceeds from pending land sales are not accounted for until closing. Pursuant to Board direction, in July, MCWD closed on Phase 1A receiving \$996,345 on final settlement. This amount is shown in Capital Finance and Debt Service as a 2022 receipt.

Operations:

MCWD Operations, representing general District operations, information technology, and facility improvements, shows a projected 5.0% increase of \$90,713. This is due in part to the Board approved addition of a new position within Operations. Initial costs for interior space improvements have been removed since July, based on assessment of needs.

Table 1 - DRAFT 2023 Budget-Revenue Summary

| EXPENSES | 2022 | 2023 | 2022-2023 Δ | % Change |
|--------------------------------------|---------------------|---------------------|-----------------------|--------------|
| Operations | \$1,808,491 | \$1,899,204 | \$ 90,713 | 5.0% |
| Programs | \$5,752,500 | \$5,311,250 | \$ (441,250) | -7.7% |
| Debt Service | \$2,758,468 | \$4,212,718 | \$ 1,454,250 | 52.7% |
| Capital projects | \$5,169,066 | \$2,886,022 | \$ (2,283,044) | -44.2% |
| TOTAL | \$15,488,525 | \$14,309,193 | \$ (1,179,332) | -7.6% |
| REVENUE | 2022 | 2023 | 2022-2023 Δ | % Change |
| Preliminary levy | \$9,675,993 | \$9,869,513 | \$ 193,520 | 2.0% |
| Projects fund balance | \$3,799,794 | \$2,299,090 | \$ (1,500,704) | -39.5% |
| Programs fund balance | \$1,284,300 | \$1,625,590 | \$ 341,290 | 26.6% |
| Grants and partner funds | \$647,218 | \$445,000 | \$ (202,218) | -31.2% |
| Interest, permit fees, reimbursement | \$81,220 | \$70,000 | \$ (11,220) | -13.8% |
| TOTAL | \$15,488,525 | \$14,309,193 | \$ (1,179,332) | -7.6% |

2023 Budget Alignment – Overview:

High Impact Capital Improvements:

In 2023, MCWD will remain focused on cultivating public and private partnerships to deliver capital projects that measurably improve the watershed, by improving water quality and reducing impacts from flooding, while also providing broader social and economic benefit to communities.

This will involve advancing projects within the District’s focal-geography pipeline, as well as finalizing the Land and Water Partnership Program (L&WP) and Permitting Program as on-ramps into MCWD’s capital improvement program, to deliver benefit across the entire watershed. Projects being planned and/or in queue include work within the Minnehaha Creek Greenway at 325 Blake Road, Minneapolis, Six Mile Creek – Halsted Bay, and a L&WP project with the City of Plymouth in the Gleason Lake sub-watershed, and a potential retrofit of the County Road 6 Pond in the Long Lake Creek sub-watershed.

Data Analytics to Improve Planning, Decision Making and Communications:

In 2023 and beyond, MCWD programs will continue to align to support high impact capital project planning. This includes efforts to continue augmenting MCWD’s data-analytic capabilities. Over the last several years, investments have been made to acquire technology solutions to help the MCWD gather, store, retrieve and integrate watershed data – with other data sets for the built environment – to better inform planning, decision making and communications

MCWD recently completed the build of its new permitting data management system, which includes an online portal for more efficient customer service and the ability to evaluate the effects of land use change and regulation over space and time. Technology investments like these will continue to be integrated in 2023 and beyond, ultimately pushing data sets to a rebuilt website for broader public consumption.

Climate Action Planning:

In 2022, MCWD developed its Climate Action Framework (CAF). Behind this policy framework, progress continues to be made building out a real time sensor network (RESNET) with regional, state and federal partners, to enhance a granular understanding of how watershed hydrology is evolving in the face of climate change. In 2023, ongoing efforts will focus to leverage these new data sets to improve the MCWD’s ability to use short term weather forecasts from the National Oceanic and Atmospheric Administration (NOAA) to predict and manage water level responses in partnership with federal, state, and local emergency managers.

Complementing short-term predictive capabilities, the District has obtained support from member communities, Hennepin County, the DNR, EQB, and USGS, to develop a 2D watershed model which will generate longer-term predictions of hydrologic scenarios. This deeper understanding of system changes over time will allow MCWD and communities to partner in planning and implementing adaptations that increase watershed resilience.

2023 Budget Breakdown:

Below is a breakdown of the major components of the District’s 2023 budget.

- 2023 Budget-Revenue Summary – Attachment 1
- Programs and Operations – Attachment 2
 - Operations – Attachment 3
 - Permitting – Attachment 4
 - Project Planning – Attachment 5
 - Policy Planning – Attachment 6
 - Project Maintenance – Attachment 7
 - Outreach – Attachment 8
 - Research & Monitoring – Attachment 9
- Capital Improvement Projects – Attachment 10
- Capital Finance and Debt Service – Attachment 11

Programs and Operations – (Attachment 2 – Attachment 9):

Overall (Attachment 2):

In 2023, Programs and Operations are currently projecting a net decrease of 4.6% of \$350,358, from \$7,560,991 in 2022 to \$7,210,453 in 2023.

Operations (Attachment 3):

The operations category contains sub-funds for operations, information technology, and facility maintenance, and is projecting a 5.0% increase in 2023, or \$90,713, from a 2022 budget of \$1,808,491 to a 2023 budget of \$1,899,204.

General operations is projected to show a \$148,713 or 13.7% increase in 2023, from \$1,087,491 to \$1,236,204. This is due to the Board approved addition of a new operations manager position which would exist as dedicated support for the development of systems to scale MCWD's impact by making it easier for mission focused staff to implement their duties. Also driving change in this area are planned expenditures to complete a scheduled market analysis of compensation.

Information technology is projecting a reduction of 58,000 or 17.3% in 2023. This is largely due to the completion of the website build in 2022, which results in a 2023 budgeted reduction of \$60,000.

Facility maintenance shows a no change between 2022 and 2023. The 2023 facility maintenance budget continues to carry budgeted expenditures for improving the MCWD campus which were not implemented in 2021 due to COVID, and made slow progress in 2022 due to negotiations with adjacent landowners and turnover in project management staff. Initial expenditures for interior space improvements have been removed since July based on an assessment of needs. Emphasis will be placed between 2022 and 2023 on modest adjustments to floor plan to accommodate new staff positions, focused replacements of office equipment that has reached useful life, and branding MCWD's office space with high quality photography and art, to reflect the organization's emphasis on high impact capital improvements within the watershed.

Programs (Attachments 4-9):

MCWD's 2023 total budget for programs is projected down 7.7% in 2023 at \$5,311,250.

MCWD Permitting (Attachment 4) contains two sub-funds, base permitting and rule revisions. These show a net increase of 3.3% in 2023 from \$825,894 to \$852,789. This \$26,895 increase is due largely to a proposed increase in engineering and legal, based on a review of a five-year average of permit review costs. Contract services are also proposed to increase from \$10,000 to \$25,000 to provide consulting support for potential partnership projects that might be advanced through the L&WP program.

MCWD Project Planning (Attachment 5) shows a projected reduction of \$324,392 or 26.4%. This is predominantly due to the proposed relocation of Policy Planning out of Project Planning, for purposes of budget clarity. Moving forward, Policy Planning will be shown as a separate sub-fund. Project Planning includes costs in 2023 for the Board approved addition of another planner-project manager. Emphasis in 2023 within this sub-fund is placed on planning and project development for the Minnehaha Creek and Six Mile Creek – Halsted Bay subwatersheds.

A new sub-fund, Policy Planning (Attachment 6) has a 2023 proposed budget of \$602,935. In addition to costs for a Board approved policy-planner position, \$75,000 is proposed to support concept development and feasibility work for capital improvement partnerships that fall under the Land and Water Partnership program. In addition, \$70,000 is proposed for policy development, including \$25,000 for consultant support with climate action planning, \$5,000 for advisory committee expenses and consulting support, and \$40,000 in proposed consulting support for work developing MCWD policy focused on equity, diversity and inclusion. As with all programs, personnel costs are included in the total program budget.

Project Maintenance and Land Management (PMLM, Attachment 7) is projecting a reduction in expenditures for 2023 of \$1,003,669, from a 2022 budget of \$1,974,212 to a 2023 budget of \$970,543. This fluctuation in Project Maintenance is attributed to the Preserve boardwalk repair and litigation. Reconstruction costs for the boardwalk, estimated based on recent design work at \$1,600,000 are split between 2022 and 2023, with \$1,365,430 and \$234,570, respectively.

MCWD Outreach (Attachment 8) continues to make progress in aligning its program outputs to support capital project and policy planning. In 2022, the program directly supported community engagement surrounding 325 Blake Road, the development of the Climate Action Framework, and finalizing and rolling out the Nokomis White Paper. While the program continues to calibrate its work and hire staff, under new leadership, the 2023 budget is proposed to be close to flat at \$527,826, and provide direct support for MCWD's priority policy and capital project initiatives. *Contained within the Outreach category are sub-funds for now discontinued grant programs. Efforts will be made in 2023 through a focused process to connect with awarded grant recipients and make awarded disbursements, with the remainder of funds being reallocated to the 2024 District's capital project budget.

Research and Monitoring (R&M, Attachment 9) is projecting a 24.9% increase in 2023 of \$290,032, from a 2022 budget of \$1,164,580 to a 2023 budget of \$1,454,612. This change is due in large part to two specific areas of change. The first, with the scheduled completion of the Lessard Sams Outdoor Heritage Council (LSOHC) funded Six Mile Creek Halsted Bay Carp Management work, R&M is proposing \$75,000 in spending. This includes \$25,000 to continue managing carp removals in 2023, and \$50,000 to conduct an analysis of the effectiveness of the three years of implementation driven by the UMN developed strategy for Six Mile. This analysis is expected to provide a capstone to over six years of effort and identify if and how MCWD might carry carp management forward as a watershed management strategy. The second area of budgetary change is focused on R&M's development of a 2-dimensional watershed wide model for purposes of project and climate adaptation planning. Since, due to a procedural issue during the most recent legislative session, MCWD was not awarded LCCMR funds, staff have adjusted the workplan for the 2D model to shift costs from 2022 into 2023 while a new application to the LCCMR is processed. Proposed expenditures in 2023 for the construction of the 2D model are now shown as \$516,000.

Capital Improvement Projects – (Attachment 10):

Working with partners to build capital projects that manage and improve the quality and quantity of water within the watershed, while delivering broader value to communities, is at the heart of the District's mission. The District's 2023 capital improvement budget (Attachment 10) of \$2,886,022 represents a decrease of 44.2% or \$2,283,044 over 2022.

In 2022, three projects are proposed to be completed and closed, the Six Mile Marsh Prairie Restoration Trail, FEMA Flood Damage Repairs, and Wassermann Internal Load Management. The 2023 capital implementation program (CIP) budget, summarized below, includes projects that will continue work in the District's two focal geographies, Six Mile Creek-Halsted Bay, and Minnehaha Creek, as well as budgeted expenditures for the Maple Creek Pond in partnership with Plymouth, and a potential retrofit of the County Road 6 ponds, both Land and Water Partnership project.

Six Mile Creek – Halsted Bay:

Following significant focus and investment within the Wassermann Lake area of the Six Mile Creek – Halsted Bay focal geography, project planning work is turning to wetland and corridor restoration work, and initial feasibility analysis of the Lake Minnetonka-Halsted Bay Alum Dosing facility.

- Turbid-Lundsten Wetland Restoration:
 - Work is planned between 2022 and 2023 to evaluate a suite of wetland, stream, and corridor restoration opportunities between Turbid and Lundsten Lakes, which represent a significant component of the Six Mile – Halsted Bay system. Pending planning, and landowner/stakeholder engagement, \$250,000 is budgeted for capital project design in this corridor.
- East Auburn Wetland Restoration:
 - The East Auburn Wetland complex has been identified as a significant source of nutrient export within the Six Mile – Halsted Bay subwatershed. Pending final diagnostic work in 2022 and 2023, \$68,000 is budgeted in the CIP for design of a wetland restoration to address this nutrient source.

- Halsted Bay Alum Dosing Facility:
 - No dollars are budgeted within the CIP for this project in 2023. However, \$80,000 in funds are contained within the Project Planning program, under the Six Mile Creek-Halsted Bay planning line item, to support early technical exploration and partnership development for this project.

Minnehaha Creek:

Work within the Minnehaha Creek subwatershed is split between projects in the Minnehaha Creek Greenway, and planning work in coordination with the City of Minneapolis and the Minneapolis Park and Recreation Board.

- 325 Blake Road Stormwater & Cottageville Park:
 - Partnership with the City of Hopkins for the integrated design and construction of regional stormwater facilities and open space at 325 Blake and residual Cottageville Park parcels. Supported with \$445,000 in grant funding, budgeted expenditures planned for 2023 are \$1,632,285 for first phase stormwater management and greenway construction at 325 Blake. \$650,000 in expenditures are budgeted for Cottageville Phase II parcels in 2023.
- SWLRT Stream Enhancement & Trail Connection:
 - Partnership with the City of St. Louis Park and private landowners for streambank improvements and trail connection to the Cedar Lake Regional Trail between Minnehaha Preserve, Japs Olson, and 325 Blake Road. Planning work expected to advance late in 2022, with construction potentially aligned in 2024. The CIP contains \$65,000 in 2023 for design.
- Meadowbrook Golf Course:
 - Partnership with the Minneapolis Park and Recreation Board to redesign a portion of the course for stream and wetland enhancements and trail connection between Edina's Todd Park and Methodist Hospital. \$200,673 in funds remain assigned to this project for out years, pending ongoing dialog with the City of Minneapolis and the Minneapolis Park and Recreation Board around strategically aligning inter-agency CIPs.
- Louisiana Trail Greenspace and Stormwater
 - This potential regional stormwater and greenway expansion project was identified through earlier planning efforts conducted between the MCWD and City of St. Louis Park. Pending additional community planning work underway by the City of St. Louis Park, \$300,000 in MCWD CIP funds remains assigned to future years.
- Minneapolis Stormwater:
 - Partnership with the City of Minneapolis and Minneapolis Park and Recreation Board to integrate regional stormwater management, floodplain and ecological solutions into the re-imagined Minnehaha Creek Parkway Regional Trail system. Work in 2022 and 2023 will focus on partnership development. Funding is contained within the Planning program budget to support this work. Currently, \$1,500,000 is being held assigned in MCWD's CIP for future capital work in this area.

Long Lake Creek Subwatershed:

As part of MCWD's strategy to protect and improve Lake Minnetonka, and in efforts to remain responsive to community-based planning initiatives, the District partnered with the Cities of Medina, Long Lake and Orono, as well as Long Lake Waters Association and the State of MN, to complete a data driven diagnostic of the subwatershed and an implementation roadmap.

- County Road 6 Pond Retrofit:
 - A project identified within the Long Lake subwatershed includes a potential retrofit to an existing MCWD owned stormwater pond at County Road 6, to further reduce pollutant loading to Long Lake. Pending completion of pre-project monitoring, the 2023 CIP includes \$110,000 in design costs.

Land and Water Partnership Program:

The Land and Water Partnership program is actively being developed and shaped by community input in 2022, intended to strengthen dialog and collaboration at the interface of land and water to identify watershed improvements that can be integrated into MCWD's CIP.

- Maple Creek Pond Improvements
 - A partnership with the City of Plymouth to integrate water quality and resilience benefits into planned capital improvements within the Gleason Lake subwatershed. The project includes \$100,000 of funds within the 2023 CIP.

2023 Capital Finance and Debt Service Budget – (Attachment 11):

The District's Capital Finance sub-fund is used strategically to maximize the organization's capacity for project implementation by (1) servicing debt issued by MCWD partners for capital improvements – distributing capital costs over time and future tax paying beneficiaries, (2) providing flexible and strategic reserves for unplanned opportunities to improve the watershed, and (3) minimizing levy volatility by supporting short term cash flow needs. As the District's capital improvement plan is improved each year in its ability to provide longer range predictions, beyond servicing scheduled debt for past projects, the capital finance fund will play a critical role in supporting ongoing implementation. Following the 2022 budget process this sub-fund is proposed to be bifurcated into a fund for debt service, and a capital finance fund assigned for long range capital improvements or emerging project opportunities.

In 2023, the District will be servicing \$4,212,718 in scheduled debt payments for prior property acquisitions and capital improvements on two Hennepin Bond series (2013B and 2020A), Richfield Bond Series 2020A, and a privately placed note with Wells Fargo. Following 2023, subsequent years will be reduced to an annual debt service of approximately \$1,100,000. Proceeds from land sales are shown within this sub-fund following closing. Pursuant to Board direction, MCWD recently closed on Phase 1A receiving \$996,345 on final settlement. This amount is shown in Capital Finance and Debt Service as a 2022 receipt.

2023 Personnel Budget:

2023 Personnel Budget:

As the team that works directly with the Board to drive the MCWD mission forward, staff represent one of the organization's most important resources. Accordingly, as part of a comprehensive reorganization, the Board has developed and adopted a systematic pay plan and total compensation policy to strategically guide investment in MCWD's people. This policy framework is used to guide annual budgeting.

In addition to this framework's influence on the 2023 personnel budget, which guides for total compensation adjustments benchmarked against the marketplace and federal indices, during May budget discussions the Board reviewed and approved a suite of strategic human resource recommendations including the addition of three new positions. A Planner-Project Manager, a Policy Planner, and an Operations Manager. Following the restructuring and contraction of staff, which saw MCWD's staffing reduced from a high of 36 in 2017 to current levels of 27, the addition of three new positions will increase MCWD staffing levels to 30.

Following Board approval of these new positions, alongside base adjustments in wages, employee benefits, PERA and payroll tax, these changes have been incorporated into the refined personnel budget of \$3,274,829. Due in large part to the addition of these three new positions, this represents a 20% increase from 2022. Changes since July reflect adjusted assumptions based on the currently changing census due to new hires and staff turnover.

2023 Classification and Compensation Study:

In 2023, consistent with MCWD policy, a study of job classification and market grounded compensation will be completed. Ordinarily, MCWD would complete the study, and then use the findings to inform the subsequent fiscal year's budget planning. However, given volatility in the labor market, the Board indicated interest in maintaining some flexibility to respond to study findings within the 2023 fiscal year.

Making these adjustments in 2023 would draw on existing reserves, and then be factored into the 2024 budget. To bracket for this contingency, staff evaluated MCWD’s existing salary grid against 168 positions within the League of Minnesota Cities compensation database. These positions were correlated to 14 of MCWD’s 19 positions. Findings from this analysis show that there are instances where MCWD’s minimum salary range for a position is below market average. However, the analysis also shows several positions where maximum salary range for a position is above market average. This indicates that, in general, MCWD may have broader salary ranges and greater opportunity for movement within a range than the market. Average deviation below minimum was found to be 3% or \$2,000. Average deviation above maximum was found to be 4% or \$4,000. Based on this coarse grain analysis and limited data set, it is recommended that approximately \$2,000 per MCWD position be set aside as contingency for potential implementation of the classification and compensation study in 2023, at the Board of Managers discretion.

August 22, 2022 Public Hearing and Next Steps:

At the August 22, 2022 Meeting, the Draft 2023 Budget will be presented as part of a duly noticed and scheduled public hearing.

Following the public hearing, the Board of Managers will consider adoption of the budget and certification of the levy on September 8, 2022.

If there are questions in advance of the meeting, please contact James Wisker at Jwisker@minnehahacreek.org.

Attachments:

- 2023 Budget-Revenue Summary – Attachment 1
- Programs and Operations – Attachment 2
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 - Project Planning – Attachment 5
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MINNEHAHA CREEK
WATERSHED DISTRICT

2023 MCWD BUDGET & WORKPLAN

Pursuing a balanced urban ecology through capital projects and policy

2023 BUDGET & WORKPLAN

January 2023 marks the mid-point in our 10-year cycle for watershed management planning at Minnehaha Creek Watershed District (MCWD). We can clearly see the progress achieved, with the help of partners, from the foundation laid in our 2017 Watershed Management Plan. From this vantage point we understand that delivering high-impact projects that measurably improve our treasured waters, while supporting the broader goals of building thriving communities, takes years. For this reason, each budget cycle represents not just an opportunity to look at the next fiscal year, but to strategically prepare to take on new impactful work in the years to come.

This workplan provides an overview of our 2023 annual budget and summarizes progress occurring throughout our watershed through strong partnerships.

- 2023 Budget Breakdown (page 2)
- Working to Create Land & Water Partnerships (page 3)
- Six Mile Creek – Halsted Bay Subwatershed Overview (page 4)
- Six Mile Creek – Halsted Bay 2023 Activities (page 5)
- Minnehaha Creek Subwatershed Overview (page 6)
- Minnehaha Creek Subwatershed 2023 Activities (page 7)
- Activity Spotlight: Creating a Data-Driven Planning Tool to Guide Climate Action (page 8)
- Additional Watershed-Wide Services (page 9)



OUR APPROACH: IN PURSUIT OF A BALANCED URBAN ECOLOGY

We believe that clean water and a healthy natural environment are essential to creating and sustaining vibrant, thriving communities. The beauty, green space, and recreational opportunities found in the Minnehaha Creek watershed create a sense of place that provides a local identity, adds economic value, and increases well-being.

We put this belief into action by partnering with our communities to integrate the natural and built environments across the watershed. In pursuing these partnerships, we focus in areas of high need to achieve significant, measurable improvements, while remaining responsive to needs and opportunities watershed-wide.

2023 BUDGET BREAKDOWN

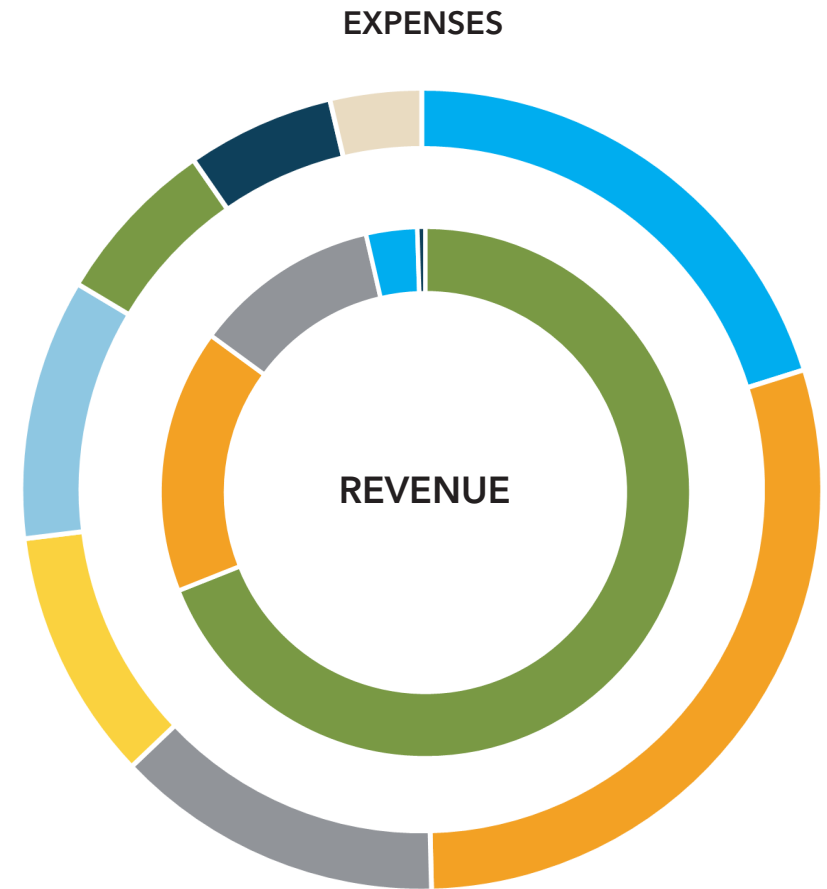
FISCAL RESPONSIBILITY

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

After five years of maintaining a flat levy, we are proposing a 2 percent increase in the 2023 levy, or \$193,520, to support growth in project implementation in coming years as we take on more impactful and larger-scale capital work.

| EXPENSES | 2022 | 2023 |
|-------------------------------|---------------------|---------------------|
| Capital Projects | \$5,169,066 | \$2,886,022 |
| Capital Finance | \$2,758,468 | \$4,212,718 |
| Operations & Support Services | \$1,808,491 | \$1,899,204 |
| Research & Monitoring | \$1,208,792 | \$1,454,612 |
| Planning | \$1,226,937 | \$1,505,479 |
| Project & Land Maintenance | \$1,974,212 | \$970,543 |
| Permitting | \$825,894 | \$852,789 |
| Outreach | \$516,665 | \$527,826 |
| TOTAL | \$15,488,525 | \$14,309,193 |

| REVENUE | 2022 | 2023 |
|------------------------|---------------------|---------------------|
| Levy | \$9,675,993 | \$9,869,513 |
| Projects Fund Balance | \$3,799,794 | \$2,299,090 |
| Programs Fund Balance | \$1,284,300 | \$1,625,590 |
| Grants & Partner Funds | \$647,218 | \$445,000 |
| Interest & Fees | \$81,220 | \$70,000 |
| TOTAL | \$15,488,525 | \$14,309,193 |



WORKING TO CREATE LAND & WATER PARTNERSHIPS

CREATING SHARED BENEFITS

We've learned that we can best achieve our mission of protecting natural resources by working with land use partners, whether it's through a private development, park improvement, or municipal infrastructure project. As a regional agency, we've developed new ways to support our partners' goals and projects by applying our expertise in concept design, planning, permitting, and project management.



EARLY PARTNERSHIP COMES TO LIFE IN PLYMOUTH

The City of Plymouth (Plymouth) engaged early with MCWD to explore partnership opportunities for projects in Plymouth's capital improvement plan. Together, we identified a shared project to improve regional water quality within the Gleason Lake subwatershed. The project will be built in early 2023, and is a cost-effective partnership that provides an estimated 19 pounds of total phosphorus removal to the impaired Gleason Lake (pictured above). MCWD is providing financial assistance of up to \$100,000 in design and construction costs by integrating Plymouth's project into our Capital Improvement Plan.

ESTABLISHING A CLEAR PATHWAY FOR PUBLIC & PRIVATE PARTNERSHIP

In 2023 we will officially launch MCWD's new Land and Water Partnership (LWP) program. We're designing this program with partners in 2022 to support projects that advance community goals and enhance the watershed's resources. The LWP program will create opportunities for partners to connect with us early in their project planning and budgeting processes. We're ready to work creatively to provide technical and financial support on public and private projects by integrating qualifying projects into our Capital Improvement Plan in future years.

REIMAGINING THE PERMITTING PROCESS

MCWD's permit review is key to ensuring natural resources continue to be sources of value for communities. By engaging early and collaboratively, MCWD leverages the permit process as an opportunity to provide service, grow relationships, and find mutual value in partnership. We're improving our permitting process to be simpler, more streamlined, better integrated with other agencies, and able to catalyze partnership opportunities.

*Learn more about these exciting updates
and how to participate at*

minnehahacreek.org/partnership



SIX MILE CREEK - HALSTED BAY SUBWATERSHED

OVERVIEW

The Six Mile Creek - Halsted Bay Subwatershed (SMCHB) is a water resource rich system that forms the headwaters of Lake Minnetonka and Minnehaha Creek. Five lakes within SMCHB are impaired by excess nutrients and Halsted Bay is the most degraded in Lake Minnetonka.

PARTNERSHIPS

With our priority to create value-added partnerships, MCWD joined with communities to develop the Six Mile Creek - Halsted Bay Subwatershed Plan, a collaborative vision to improve water quality and natural resources while integrating local goals around infrastructure, community development, and parks, recreation, and open space planning.

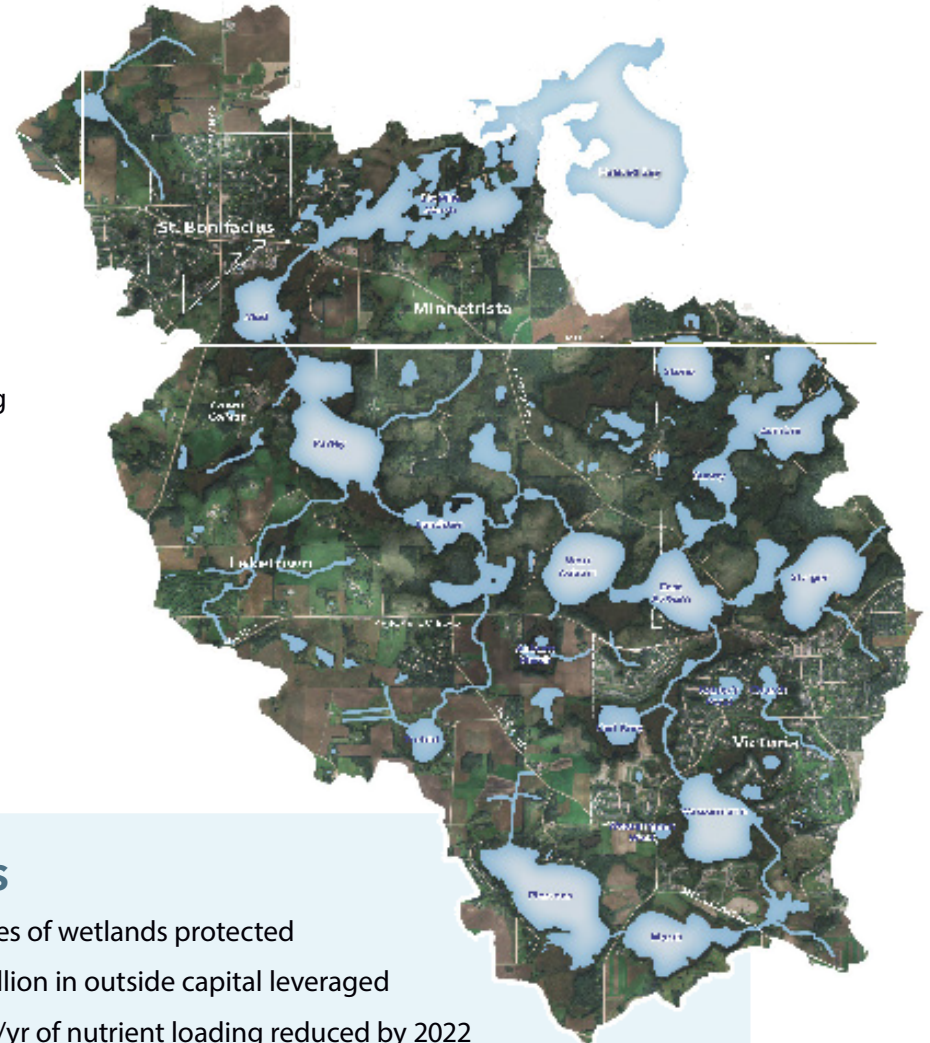
STRATEGY

- Restore lake habitat by managing carp populations
- Restore wetlands to reduce phosphorus and improve habitat
- Reduce phosphorus released from lake bottoms by controlling in-lake nutrients
- Implement stormwater management with cities & developers

WORK TO DATE

We have worked closely with the City and Victoria and other partners to restore Wassermann Lake, an impaired waterbody. 2022 marks the final year of this project work, as we look to continue restoration efforts downstream. Completed projects include a system wide carp management program, restoration of a 20-acre wetland in partnership with a private developer, and alum treatment of Wassermann Lake and an adjacent pond.

The restored lake can be enjoyed from the Wassermann Lake Preserve, a flagship project completed in 2021. This park, situated on the Wassermann shoreline, features restored native upland, shoreline, and stream channel habitat while providing unique nature-based amenities and creating the first waterfront park and preserve in Victoria, the "City of Lakes and Parks."



RESULTS

- 124 acres of wetlands protected
- \$1.2 million in outside capital leveraged
- 545 lbs/yr of nutrient loading reduced by 2022
- 190 acres of publicly accessible green space created
- 275,000 lbs of common carp reduced across 14 lakes
- 2,488 acres of deep and shallow lake habitat restored
- 25 percent improvement of nutrient concentrations at Six Mile Creek/Lake Minnetonka outlet over 10 years
- Wasserman Lake on track to be removed from State impaired list

SIX MILE CREEK - HALSTED BAY SUBWATERSHED 2023 ACTIVITIES

EAST AUBURN WETLAND RESTORATION

MCWD's Research and Monitoring team is collecting data in the wetland system between Wassermann and East Auburn Lakes. East Auburn is impaired for nutrients, and this wetland system has been identified as a major source. The data collection will help us identify innovative solutions to reduce nutrient loading to East Auburn by up to 135 lbs/yr. The monitoring effort will be complete in 2022, with feasibility and project design following in 2023.

TURBID-LUNDSTEN CORRIDOR

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



Above: Six Mile Creek flows into Halsted Bay on Lake Minnetonka.

LAKE MINNETONKA - HALSTED BAY ALUM FACILITY

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

Below: Construction in 2022 added new trails and site interpretation to Six Mile Marsh Prairie, where agricultural land has been restored to native plantings to benefit the waters nearby.



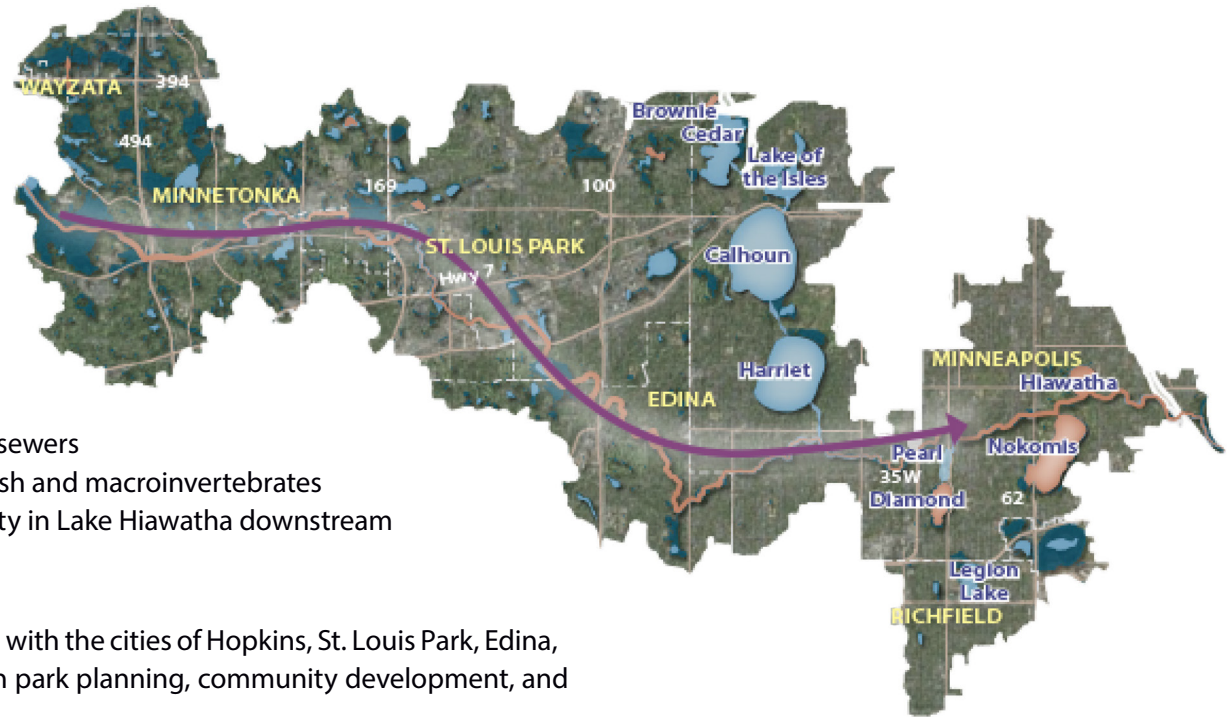
MINNEHAHA CREEK SUBWATERSHED

OVERVIEW

Minnehaha Creek flows nearly 23 miles from Lake Minnetonka and collecting stormwater from Minnetonka, Hopkins, St. Louis Park, Edina, Richfield, and Minneapolis, through the chain of lakes and into the Mississippi River.

The creek suffers from:

- A fragmented riparian corridor
- Altered stream channels with flashy water levels and flooding
- Polluted stormwater runoff from hundreds of storm sewers
- Impairments for E. coli, chloride, dissolved oxygen, fish and macroinvertebrates
- Transportation of nutrients that degrade water quality in Lake Hiawatha downstream



PARTNERSHIPS

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

STRATEGY

- Manage regional stormwater to slow down water, reduce runoff and pollution entering the creek, and decrease flood risk
- Restore the creek to reduce bank erosion, slow down water, and improve habitat and buffers while increasing opportunities for public access and economic development
- Restore and connect ecological corridors to maximize green space, improve habitat and flood storage, and strengthen resilience

WORK TO DATE

- Re-meandering sections of the creek in St. Louis Park and Edina
- Implementing stormwater management in Hopkins, St. Louis Park, and Edina
- Repairing eroded streambanks in Minneapolis
- Revitalizing Cottageville Park in Hopkins and Arden Park in Edina
- Creating new trail systems and public access to the creek in St. Louis Park

RESULTS

- 19 percent reduction in phosphorus levels in Lake Hiawatha
- Creek concentrations of chlorophyll-a that now meet state standards
- 60 acres of newly accessible green space
- 30 acres of restored wetlands
- 150+ lbs of phosphorus removed per year
- 3.2 acre-feet of floodplain storage
- 1.5 miles of restored creek/banks

MINNEHAHA CREEK SUBWATERSHED 2023 ACTIVITIES

325 BLAKE ROAD RESTORATION AND REDEVELOPMENT

Our project at this former industrial site bordering Minnehaha Creek will feature riparian restoration, open space amenities, and regional stormwater treatment. In partnership with the City of Hopkins and private development partner Alatus, approximately 12 acres of the site will be transformed into an integrated, transit-oriented mixed-use development. The completed site will treat polluted runoff from 270 acres of the surrounding region and reduce phosphorus levels by up to 385 pounds per year. MCWD has received \$2.4 million from Hennepin County, Met Council, Public Facilities Authority, and Clean Water Legacy Fund in project support.

The initial phase of the development is set to begin construction fall 2022 and continue throughout 2023 and will result in over 100 affordable housing units. This marks a major milestone that furthers our partners' (Hopkins, Hennepin County, Met Council) affordable housing goals, and is a powerful example of what our vision of a balanced urban ecology truly looks like in action.



Design drawing from consultants HDR and Damen/Farber of the fully restored and redeveloped 325 Blake Road, including recreational access to the creek and ponds to support regional stormwater management and cleaning.

COTTAGEVILLE PARK EXPANSION & GREENWAY CONNECTIONS

In 2023, we will invest capital funds to create a connection to the Minnehaha Creek Greenway trail system between Cottageville Park and the Minnehaha Creek Preserve. Additions at 325 Blake Road and Lake Street will include a Gateway Plaza and a new nature play area.

STREAM ENHANCEMENT & TRAIL CONNECTION

The Southwest Light Rail Transit (LRT) line will provide another important community connection to this revitalized corridor. In partnership with the City of St. Louis Park and the Metropolitan Council, a key connection will link investments along the Minnehaha Creek Greenway trail system to the Cedar Regional Trail and restore the streambank along the construction corridor. Project design work will begin in 2023 following completion of feasibility in 2022.

MINNEHAHA CREEK PARKWAY WATER RESOURCE IMPROVEMENTS

The Minneapolis Park and Recreation Board, in coordination with the City of Minneapolis and MCWD, adopted a new 30-year vision and plan for the Minnehaha Creek Regional Trail in 2020. Conversations continue among the partner agencies to set a shared framework for implementation to transform this critical natural space in south Minneapolis, including regional stormwater management solutions and creek restoration to make water quality, infrastructure, and ecological improvements.

ACTIVITY SPOTLIGHT: CREATING A DATA DRIVEN TOOL FOR CLIMATE ACTION

CHANGING OUR APPROACH

Water systems throughout Minnesota were built for stable, predictable precipitation patterns. New extreme swings in precipitation are stressing our natural and built environments, impacting water quality, wildlife habitat, and the safety of homes, public infrastructure, and businesses.

At a regional level, MCWD is well-positioned to understand how changing weather patterns will impact water issues in communities by building a high-resolution model of our watershed. This new model will leverage advancements in data science, and combine state land surface information with local infrastructure to provide a more detailed understanding of surface and groundwater flows in the watershed. This tool will help identify cost-beneficial projects.

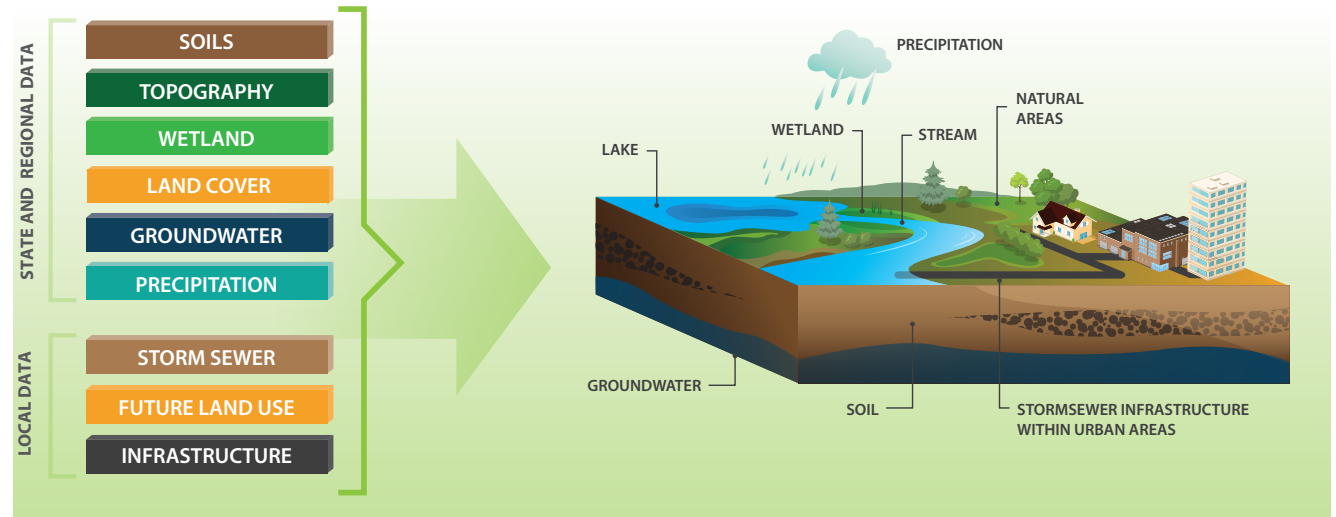
PARTNERSHIP FUELS PILOT WORK IN 2022

In 2022, we are partnering with the City of Edina and City of Victoria to develop a pilot model, an important first step as we seek to best serve our communities in their climate adaptation.

FULL WATERSHED BUILD & ENGAGEMENT BEGINS IN 2023

2023 will see our modeling work expand toward a fully built high-resolution model to serve the whole watershed and improve our understanding of how all surface and groundwater flows in the system. This new tool will help identify natural resources and public assets in need of protection.

HOW OUR NEW MODEL WILL USE DATA TO INFORM CLIMATE ACTION



High-resolution understanding of complex watershed

Predict impact of changing climate

OUTPUTS

Identify natural resources most in need of protection

Quantitatively compare proposed projects

Improve flood forecasting and emergency response

DEFINING OUR ROLE IN CLIMATE ACTION

Our Climate Action Framework, to be finalized in fall 2022, sets a direction for how we will engage with local, regional, and state partners over the next five years, leading to our 2027 Watershed Management Plan.



ADDITIONAL WATERSHED-WIDE SERVICES

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

SERVICE IN ACTION

Research and Monitoring staff, shown here, pump shallow groundwater from a monitoring well to collect water samples. Monitoring at varying depths and spatial locations throughout the wetland helps MCWD understand where phosphorus loading is coming from, which informs the design of water quality improvement projects.



SERVICES

- **Research and Monitoring:** Collecting and analyzing data across the watershed to identify resource needs to inform planning and implementation.
- **Permitting:** Reviewing and overseeing construction activities, in coordination with our communities, to protect natural resources from degradation as a result of land use change.
- **Outreach:** Connecting people to information they value and engaging residents, agencies, and private sector partners to ensure that our work is integrated with the goals of our communities.
- **Project Maintenance and Land Management:** Maintaining our projects and land to ensure their continued function and value and managing the operation of Gray's Bay Dam to balance the water budget throughout our 178-square miles and reduce the risk of flooding.

Find contact information for MCWD Board of Managers and staff across our programs at our website, www.minnehahacreek.org. We're excited to have a brand-new website to help share information our residents and partners value in 2023—keep an eye out for the launch in fall 2022!



MINNEHAHA CREEK
WATERSHED DISTRICT

Attachment 1 - DRAFT 2023 Budget-Revenue Summary

| EXPENSES | 2022 | 2023 | 2022-2023 Δ | % Change | Notes |
|---------------------------------------|---------------------|---------------------|-----------------------|--------------|--|
| Operations | \$1,808,491 | \$1,899,204 | \$ 90,713 | 5.0% | Includes General Operations, IT Plan Implementation, and Facility Improvements |
| Programs | \$5,752,500 | \$5,311,250 | \$ (441,250) | -7.7% | Costs and sources detailed in programs summary |
| Debt Service | \$2,758,468 | \$4,212,718 | \$ 1,454,250 | 52.7% | Scheduled debt service detailed in capital finance |
| Capital projects | \$5,169,066 | \$2,886,022 | \$ (2,283,044) | -44.2% | Costs and sources detailed in capital improvement plan |
| TOTAL | \$15,488,525 | \$14,309,193 | \$ (1,179,332) | -7.6% | |
| | | | | | |
| REVENUE | 2022 | 2023 | 2022-2023 Δ | % Change | Notes |
| Preliminary levy | \$9,675,993 | \$9,869,513 | \$ 193,520 | 2.0% | 2% Levy Increase |
| Projects fund balance | \$3,799,794 | \$2,299,090 | \$ (1,500,704) | -39.5% | Funds levied in past years for multi-year projects |
| Programs fund balance | \$1,284,300 | \$1,625,590 | \$ 341,290 | 26.6% | Funds reallocated from programs delivered under budget or deprioritized activities |
| Grants and partner funds | \$647,218 | \$445,000 | \$ (202,218) | -31.2% | Includes only secured funds |
| Interest, permit fees, reimbursements | \$81,220 | \$70,000 | \$ (11,220) | -13.8% | Estimated based on previous fiscal years |
| TOTAL | \$15,488,525 | \$14,309,193 | \$ (1,179,332) | -7.6% | |

Attachment 2 - DRAFT 2023 Operations and Programs Summary by Fund

| Fund Code | Program/Fund | 2022 Carryover Detail | | | | | | | 2023 Budget and Revenue | | | 2022-2023 Budget Change | | |
|---|--------------------------------------|-----------------------|---------------------|-----------------------------|---------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------|------------------------------------|---------------------|-------------------------|---------------|--|
| | | 2021 EOY Balance | 2022 Budget | 2022 Estimated Expenditures | 2022 Levy | 2022 External Revenue ¹ | Assigned (carried to future years) | 2022 Carryover (transferred to CIP) | 2023 Budget | 2023 External Revenue ¹ | 2023 Revenue Needs | \$ Change | % Change | |
| 1002 | General Operations | \$ 2,236,671 | \$ 1,087,491 | \$ 1,020,438 | \$ 1,148,051 | \$ 10,000 | \$ 2,336,003 | \$ 38,281 | \$ 1,236,204 | \$ 10,000 | \$ 1,226,204 | \$ 148,713 | 13.7% | Addition of a staff position |
| 1003 | Information Technology | \$ 122,006 | \$ 335,000 | \$ 322,500 | \$ 335,000 | | | \$ 134,506 | \$ 277,000 | | \$ 277,000 | \$ (58,000) | -17.3% | Due to the 2022 completion of the MCWD website |
| 1005 | Facility Maintenance Plan | \$ 385,253 | \$ 386,000 | \$ - | \$ - | | | \$ 385,253 | \$ 386,000 | | \$ 386,000 | \$ - | 0.0% | Campus improvements |
| Operations Subtotal | | \$ 2,743,930 | \$ 1,808,491 | \$ 1,342,938 | \$ 1,483,051 | \$ 10,000 | \$ 2,336,003 | \$ 558,040 | \$ 1,899,204 | \$ 10,000 | \$ 1,889,204 | \$ 90,713 | 5.0% | |
| 2001 | Permit Administration | \$ - | \$ 738,644 | \$ 767,223 | \$ 678,644 | \$ 60,000 | | \$ (28,579) | \$ 852,789 | \$ 60,000 | \$ 792,789 | \$ 114,145 | 15.5% | Increased engineering fees based on five year average |
| 2007 | Rule Revisions | \$ 45,778 | \$ 87,251 | \$ 87,251 | \$ - | | | \$ (41,473) | \$ - | | \$ - | \$ (87,251) | -100.0% | Project concluding 2022-2023 |
| Permitting Subtotal | | \$ 45,778 | \$ 825,894 | \$ 854,474 | \$ 678,644 | \$ 60,000 | \$ - | \$ (70,052) | \$ 852,789 | \$ 60,000 | \$ 792,789 | \$ 26,895 | 3.3% | |
| 2002 | Project Planning | \$ 144,808 | \$ 1,226,937 | \$ 1,196,030 | \$ 1,226,937 | | | \$ 175,715 | \$ 902,544 | | \$ 902,544 | \$ (324,392) | -26.4% | Reduction due to splitting out Policy Planning for clarity |
| 2003 | Project Maint. & Land Mgmt | \$ 456,979 | \$ 1,974,212 | \$ 2,146,682 | \$ 1,974,213 | | | \$ 284,510 | \$ 970,543 | | \$ 970,543 | \$ (1,003,669) | -50.8% | 2 part levy for boardwalk construction costs. Year 2 lower |
| 200X | Policy Planning | | | | | | | | \$ 602,935 | | \$ 602,935 | \$ 602,935 | 100.0% | Splitting out Policy Planning from Projects in 2023 |
| Planning & Projects Subtotal | | \$ 601,787 | \$ 3,201,149 | \$ 3,342,712 | \$ 3,201,149 | \$ - | \$ - | \$ 460,224 | \$ 2,476,023 | \$ - | \$ 2,476,023 | \$ (725,127) | -22.7% | |
| 4001 | Cynthia Krieg (discontinued program) | \$ 8,129 | \$ - | \$ - | \$ - | | \$ 8,129 | \$ - | \$ - | | \$ - | \$ - | 0.0% | |
| 4002 | Outreach | \$ 140,922 | \$ 516,665 | \$ 464,689 | \$ 516,665 | | | \$ 192,898 | \$ 527,826 | | \$ 527,826 | \$ 11,161 | 2.2% | |
| 4005 | Cost Share (discontinued program) | \$ 405,799 | \$ - | \$ - | \$ - | | \$ 405,799 | \$ - | \$ - | | \$ - | \$ - | 0.0% | |
| Outreach Subtotal | | \$ 554,850 | \$ 516,665 | \$ 464,689 | \$ 516,665 | \$ - | \$ 413,928 | \$ 192,898 | \$ 527,826 | \$ - | \$ 527,826 | \$ 11,161 | 2.2% | |
| 5001 | Research & Monitoring | \$ 323,675 | \$ 1,164,580 | \$ 1,003,775 | \$ 1,164,580 | | | \$ 484,480 | \$ 1,454,612 | | \$ 1,454,612 | \$ 290,032 | 24.9% | Due to year 2 in the 2D Model Build |
| 5007 | Six Mile Creek-Halsted Bay Carp Mgmt | \$ - | \$ 44,212 | \$ 44,212 | \$ - | \$ 44,212 | | \$ - | \$ - | | \$ - | \$ (44,212) | -100.0% | Project concluded |
| Research & Monitoring Subtotal | | \$ 323,675 | \$ 1,208,792 | \$ 1,047,987 | \$ 1,164,580 | \$ 44,212 | \$ - | \$ 484,480 | \$ 1,454,612 | \$ - | \$ 1,454,612 | \$ 245,820 | 20.3% | |
| Operations and Programs Total | | \$ 4,270,020 | \$ 7,560,991 | \$ 7,052,801 | \$ 7,044,089 | \$ 114,212 | \$ 2,749,931 | \$ 1,625,590 | \$ 7,210,453 | \$ 70,000 | \$ 7,140,453 | \$ (350,538) | -4.6% | |

Attachment 3 - DRAFT 2023 Operations & Support Services Budget Summary

| General Operations (1002) | | | | | | |
|----------------------------------|---------------------|-----------------------------|--------------------------|---------------------------------|---------------------|-------------------------|
| 2022 Activity/Expense | 2022 Budget | 2022 Estimated Expenditures | 2022 Generated Carryover | 2023 Activity/Expense | 2023 Budget | 2022-2023 Budget Change |
| Staff Expenses | \$ 10,000 | \$ 7,500 | \$ 2,500 | Staff Expenses | \$ 7,500 | \$ (2,500) |
| Manager Expenses | \$ 52,000 | \$ 54,000 | \$ (2,000) | Manager Expenses | \$ 58,500 | \$ 6,500 |
| Building and Operating Expenses | \$ 183,400 | \$ 130,000 | \$ 53,400 | Building and Operating Expenses | \$ 130,000 | \$ (53,400) |
| Office Building Debt Service | \$ 104,924 | \$ 104,924 | \$ - | Office Building Debt Service | \$ 104,924 | \$ - |
| Vehicles | \$ 37,000 | \$ 22,000 | \$ 15,000 | Vehicles | \$ 35,000 | \$ (2,000) |
| Contracted Services | \$ 36,000 | \$ 30,000 | \$ 6,000 | Contracted Services | \$ 35,000 | \$ (1,000) |
| Accounting & Auditing | \$ 99,500 | \$ 110,000 | \$ (10,500) | Accounting & Auditing | \$ 114,000 | \$ 14,500 |
| Engineering/Consulting | \$ 66,000 | \$ 66,000 | \$ - | Engineering/Consulting | \$ 69,600 | \$ 3,600 |
| Legal | \$ 95,000 | \$ 85,000 | \$ 10,000 | Legal | \$ 90,000 | \$ (5,000) |
| Insurance | \$ 81,000 | \$ 75,000 | \$ 6,000 | Insurance | \$ 77,000 | \$ (4,000) |
| Other/Misc Expenses | \$ 10,000 | \$ 10,000 | \$ - | Other/Misc Expenses | \$ 10,000 | \$ - |
| Class and Comp Study | \$ - | \$ - | \$ - | Class and Comp Study | \$ 40,000 | \$ 40,000 |
| Personnel | \$ 312,667 | \$ 326,014 | \$ (13,347) | Personnel | \$ 464,680 | \$ 152,013 |
| Total | \$ 1,087,491 | \$ 1,020,438 | \$ 67,053 | | \$ 1,236,204 | \$ 148,713 |
| Information Technology (1003) | | | | | | |
| 2022 Activity/Expense | 2022 Budget | 2022 Estimated Expenditures | 2022 Generated Carryover | 2023 Activity/Expense | 2023 Budget | 2022-2023 Budget Change |
| Strategic IT Plan | \$ 50,000 | \$ 48,000 | \$ 2,000 | Strategic IT Plan | \$ 45,000 | \$ (5,000) |
| Website redesign | \$ 75,000 | \$ 75,000 | \$ - | Website redesign | \$ 15,000 | \$ (60,000) |
| Contracted Services | \$ 90,000 | \$ 87,000 | \$ 3,000 | Contracted Services | \$ 95,000 | \$ 5,000 |
| IT Equipment | \$ 30,000 | \$ 27,500 | \$ 2,500 | IT Equipment | \$ 30,000 | \$ - |
| Licenses | \$ 90,000 | \$ 85,000 | \$ 5,000 | Licenses | \$ 92,000 | \$ 2,000 |
| Total | \$ 335,000 | \$ 322,500 | \$ 12,500 | | \$ 277,000 | \$ (58,000) |
| Facility Maintenance Plan (1005) | | | | | | |
| 2022 Activity/Expense | 2022 Budget | 2022 Estimated Expenditures | 2022 Generated Carryover | 2023 Activity/Expense | 2023 Budget | 2022-2023 Budget Change |
| Engineering/Consulting | \$ 10,000 | \$ - | \$ 10,000 | Engineering/Consulting | \$ 10,000 | \$ - |
| Facility Improvements | \$ 376,000 | \$ - | \$ 376,000 | Facility Improvements | \$ 376,000 | \$ - |
| Interior Space Reconfiguration | \$ - | \$ - | \$ - | Interior Space Reconfiguration | \$ - | \$ - |
| Total | \$ 386,000 | \$ - | \$ 386,000 | | \$ 386,000 | \$ - |

Notes

Increased number of Manager and Liaison meetings
 Aligning budget to actual over past several years (Utilities, Cleaning, Grounds, Inspections, Maintenance)
 Principal of \$1,311,540 with final payment due Nov 2034
 Includes a new vehicle purchase or lease in 2023 plus usual and routine fleet expenses
 Payroll, Temp Services, Staff Trainings, Shredding, Facilities Management
 New contract rates set after 2022 budget was established
 Refining to better align with actuals for the past several years which resulted in lowering the budget
 Covers P&C and workers' compensation insurance; renewals are under budget so adjusting accordingly
 Classification and Compensation Study, recommended every five years per policy

20K for for continued implementation consulting, 25K for operational software acquisition (invoice automation, budgeting, accounting)
 80 hours of additional website feature development (e.g. data integrations). Will be refined through development of website future roadmap (July).
 Base managed services (MSP, website hosting, special technology projects, etc.)
 Lifecycle replacement of IT equipment (workstations, peripherals)
 IT system/software licenses & annual maintenance, increased slightly due to potential new software implemented in 2022

Carried over both line items into 2023; don't anticipate expenses to be incurred in 2022

Attachment 4 - DRAFT 2023 Permitting Budget Summary

| Permit Administration (2001) | | | | | | |
|-------------------------------------|--------------------|------------------------------------|---------------------------------|------------------------------|--------------------|--------------------------------|
| 2022 Activity/Expense | 2022 Budget | 2022 Estimated Expenditures | 2022 Generated Carryover | 2023 Activity/Expense | 2023 Budget | 2022-2023 Budget Change |
| Engineering | \$ 175,000 | \$ 230,000 | \$ (55,000) | Engineering | \$ 230,000 | \$ 55,000 |
| Legal Expense | \$ 45,000 | \$ 45,000 | \$ - | Legal Expense | \$ 55,000 | \$ 10,000 |
| Contract Services | \$ 10,000 | \$ 10,000 | \$ - | Contract Services | \$ 25,000 | \$ 15,000 |
| Staff Mileage/Expenses | \$ 5,000 | \$ 5,000 | \$ - | Staff Mileage/Expenses | \$ 5,000 | \$ - |
| Staff Training | \$ 10,000 | \$ 10,000 | \$ - | Staff Training | \$ 10,000 | \$ - |
| Printing/Postage | \$ 5,000 | \$ 5,000 | \$ - | Printing/Postage | \$ 5,000 | \$ - |
| Equipment & Supplies/Other | \$ 2,500 | \$ 2,500 | \$ - | Equipment & Supplies/Other | \$ 2,500 | \$ - |
| Personnel | \$ 486,144 | \$ 459,723 | \$ 26,420 | Personnel | \$ 520,289 | \$ 34,145 |
| Total | \$ 738,644 | \$ 767,223 | \$ (28,580) | | \$ 852,789 | \$ 114,145 |
| Rule Revisions (2007) | | | | | | |
| 2022 Activity/Expense | 2022 Budget | 2022 Estimated Expenditures | 2022 Generated Carryover | 2023 Activity/Expense | 2023 Budget | 2022-2023 Budget Change |
| Program Alignment | \$ 87,251 | \$ 87,251 | \$ - | Program Alignment | \$ - | \$ (87,251) |
| Total | \$ 87,251 | \$ 87,251 | \$ - | | \$ - | \$ (87,251) |

Notes

Adjusted based on five year average

Adjusted based on five year average

Additional expenditures to support partner projects under the L&WP program

Attachment 5 - DRAFT 2023 Project Planning Budget Summary

| Project Planning (2002) | | | | | | | Notes |
|-------------------------------------|---------------------|-----------------------------|--------------------------|--|-------------------|-------------------------|---|
| 2022 Activity/Expense | 2022 Budget | 2022 Estimated Expenditures | 2022 Generated Carryover | 2023 Activity/Expense | 2023 Budget | 2022-2023 Budget Change | |
| Strategic Planning | \$ 25,000 | \$ 44,465 | \$ (19,465) | | | \$ (25,000) | Amended budget to complete historic white papers in 2022 |
| Policy Planning | \$ 30,000 | \$ 30,000 | \$ - | | | \$ (30,000) | Moved to new Policy Planning fund |
| Responsive Planning | \$ 75,000 | \$ 75,000 | \$ - | | | \$ (75,000) | Moved to new Policy Planning fund |
| Minnehaha Creek Planning | \$ 125,000 | \$ 100,000 | \$ 25,000 | Minnehaha Creek Planning | | \$ (25,000) | Support for feasibility exploration in Minnehaha Greenway, Minnehaha Parkway, and early partnership development with MPLS and MPRB (joint CIP efforts, agreements, etc.) |
| | | | | Minnehaha Parkway Stormwater Management | \$ 85,000 | | Partnership development, joint implementation process, and feasibility exploration |
| | | | | Minnehaha Creek Greenway | \$ 15,000 | | Technical exploraiton and partnership engagement for remaining Greenway efforts |
| Six Mile Creek-Halsted Bay Planning | \$ 125,000 | \$ 100,000 | \$ 25,000 | Six Mile Creek-Halsted Bay Planning | | \$ - | Support for visioning and feasibility exploration for Turbid-Lundsten and SMCHB-Minnetonka alum facility (eary technical exploration, partnership development, agreements, concpet visualization, etc.) |
| | | | | Turbid-Lundsten Corridor | \$ 45,000 | | Partner and landowner engagement, feasibilty exploraiton and concept visualization |
| | | | | Halsted Bay Watershed Load Management | \$ 80,000 | | Technical exploration, partnership development, agreements and preliminary concept efforts |
| General Engineering and Legal | \$ 25,000 | \$ 25,000 | \$ - | General Engineering and Legal | \$ 40,000 | \$ 15,000 | Adjusted up as land conservation legal adjustment (in consideration of both potential land review and additional legal costs on real estate transactions like 325 Blake) |
| Training | \$ 6,300 | \$ 6,300 | \$ - | Training | \$ 4,400 | \$ (1,900) | Reduction due to separation of Project Planning and Policy Planning funds |
| Expenses/Mileage | \$ 7,700 | \$ 7,700 | \$ - | Expenses/Mileage | \$ 5,600 | \$ (2,100) | Reduction due to separation of Project Planning and Policy Planning funds |
| Printing/Publishing/Postage | \$ 2,500 | \$ 2,500 | \$ - | Printing/Publishing/Postage | \$ 1,000 | \$ (1,500) | Adjusted based on past years |
| Other/Miscellaneous | \$ 3,000 | \$ 3,000 | \$ - | Other/Miscellaneous | \$ 1,500 | \$ (1,500) | Adjusted based on past years |
| Personnel | \$ 802,437 | \$ 802,065 | \$ 372 | Personnel | \$ 625,044 | \$ (177,392) | Reduction due to separation of Project Planning and Policy Planning funds |
| Total | \$ 1,226,937 | \$ 1,196,030 | \$ 30,907 | | \$ 902,544 | \$ (324,392) | |

Attachment 6 - DRAFT 2023 Policy Planning Budget Summary

| Policy Planning (200X) | | | | | | |
|------------------------|-------------|-----------------------------|--------------------------|--|-------------------|-------------------------|
| 2022 Activity/Expense | 2022 Budget | 2022 Estimated Expenditures | 2022 Generated Carryover | 2023 Activity/Expense | 2023 Budget | 2022-2023 Budget Change |
| | | | \$ - | Policy Planning | \$ 70,000 | \$ 70,000 |
| | | | \$ - | Land & Water Partnership | \$ 75,000 | \$ 75,000 |
| | | | \$ - | General Engineering and Legal | \$ 10,000 | \$ 10,000 |
| | | | \$ - | Staff Expenses, Trainings, and Mileage | \$ 6,000 | \$ 6,000 |
| | | | \$ - | Printing/Publishing/Postage | \$ 500 | \$ 500 |
| | | | \$ - | Personnel | \$ 441,435 | \$ 441,435 |
| Total | \$ - | \$ - | \$ - | | \$ 602,935 | \$ 602,935 |

Notes

New fund created to separate budgets for Project Planning and Policy Planning programs.
 Consultant support for climate and equity, diversity, inclusion planning. Technical Advisory Committee meeting expenses.
 Support for concept development and feasibility work for partner projects under the L&WP program.

Attachment 7 - DRAFT 2023 Project Maintenance & Land Management Budget Summary

| Project Maintenance and Land Management (2003) | | | | | | |
|---|---------------------|------------------------------------|---------------------------------|--|--------------------|--------------------------------|
| 2022 Activity/Expense | 2022 Budget | 2022 Estimated Expenditures | 2022 Generated Carryover | 2023 Activity/Expense | 2023 Budget | 2022-2023 Budget Change |
| Vegetation Maintenance | \$ 170,000 | \$ 170,000 | \$ - | Vegetation Maintenance | \$ 170,000 | \$ - |
| Stormwater Pond Dredging | \$ 82,000 | \$ 50,000 | \$ 32,000 | Stormwater Pond Dredging | \$ 82,000 | \$ - |
| Infrastructure Maintenance | \$ 1,365,430 | \$ 1,365,430 | \$ - | Infrastructure Maintenance | \$ 234,570 | \$ (1,130,860) |
| Property Surveys | \$ 5,000 | \$ - | \$ 5,000 | Property Surveys | \$ - | \$ (5,000) |
| Routine and Unplanned Maintenance | \$ 10,000 | \$ 10,000 | \$ - | Routine and Unplanned Maintenance | \$ 10,000 | \$ - |
| Engineering and Legal Expenses | \$ 20,000 | \$ 300,000 | \$ (280,000) | Engineering and Legal Expenses | \$ 90,000 | \$ 70,000 |
| Printing and Publishing Materials | \$ 500 | \$ 500 | \$ - | Printing and Publishing Materials | \$ 500 | \$ - |
| Staff Expenses, Trainings, and Mileage | \$ 4,000 | \$ 2,000 | \$ 2,000 | Staff Expenses, Trainings, and Mileage | \$ 4,000 | \$ - |
| Equipment and Supplies | \$ 500 | \$ 500 | \$ - | Equipment and Supplies | \$ 500 | \$ - |
| Personnel | \$ 316,782 | \$ 248,252 | \$ 68,530 | Personnel | \$ 378,973 | \$ 62,191 |
| Total | \$ 1,974,212 | \$ 2,146,682 | \$ (172,470) | | \$ 970,543 | \$ (1,003,669) |

Budget remains flat because the program will use the Q4 in 2022 and Q1 in 2023 to reconfigure vegetation contracts based on the revised vegetation management approach. 2023's budet will be impacted by this revised approach.

Budget remains flat because it assumes surveying and bid document development (engineering costs) for pond dredgings would occur in 2023; dredgings (construction) would occur in the 2024 budget year

Est. boardwalk cost is \$1.6 million. Budgeting for \$234,570 in 2023, which will bring the total budgeted number between 2022-2023 to \$1.6 M

2022 Expenditures include \$180k for boardwalk litigation, \$10k for regular legal, and \$110k for SRF to design the boardwalk reconstruction; 2023 budget includes \$60k for boardwalk litigation; \$10k for regular legal, and \$40k for SRF to oversee construction of the boardwalk

Attachment 8 - DRAFT 2023 Outreach Budget Summary

| Outreach (4002) | | | | | | | Notes |
|--|-------------------|-----------------------------|--------------------------|--|-------------------|-------------------------|---|
| 2022 Activity/Expense | 2022 Budget | 2022 Estimated Expenditures | 2022 Generated Carryover | 2023 Activity/Expense | 2023 Budget | 2022-2023 Budget Change | |
| Supporting High-Impact Interpersonal Outreach | | | | Strategic Approach | | | |
| Communications advisors | \$ 30,000 | \$ 30,000 | \$ - | Communications advisors | \$ 30,000 | \$ - | |
| Subject matter experts | \$ 5,000 | \$ 5,000 | \$ - | Subject matter experts | \$ 5,000 | \$ - | |
| Creators | \$ 30,000 | \$ 30,000 | \$ - | | | \$ (30,000) | Relocated within the outreach budget |
| Government relations | \$ 30,000 | \$ 30,000 | \$ - | | | \$ (30,000) | Relocated to Public Engagement |
| Campaigns for Key Initiatives | | | | Campaigns for Key Initiatives | | | |
| Events | \$ 15,000 | \$ 15,000 | \$ - | | | \$ (15,000) | For clearer workplanning and to best facilitate better project-based budgeting in future years, the Outreach budget has evolved to focus on budgeting by key campaign, instead of a higher-level focus on activity across all campaigns. Campaign needs should drive selection of tactics; tactics should not guide campaign planning. Further analysis also found a lack of clear meaning in the categories as previously set for this section of the Outreach budget. Each Campaign is defined as supporting an on-going organizational program (Program), a specific policy initiative (Policy), or targeted capital project in focal geography (SMCHB or Minnehaha) to identify connection to overall organizational mission and priorities. |
| Producing and distributing materials | \$ 20,000 | \$ 20,000 | \$ - | | | \$ (20,000) | |
| Programming | \$ 20,000 | \$ 20,000 | \$ - | | | \$ (20,000) | |
| Data collection | \$ 5,000 | \$ 5,000 | \$ - | | | \$ (5,000) | |
| Volunteer Engagement | \$ 3,000 | \$ 1,000 | \$ 2,000 | | | \$ (3,000) | |
| | | | | Land & Water Partnership Program Communications & Outreach (Program) | \$ 8,000 | \$ 8,000 | Print and digital communications pieces, infographic design, printing, mailing. Costs based on past projects of similar scope. |
| | | | | Rules Revision Communications & Outreach (Program) | \$ 8,000 | \$ 8,000 | Print and digital communications pieces, infographic design, printing, mailing. Costs based on past projects of similar scope. |
| | | | | Long Lake Creek Roadmap Engagement (Policy) | \$ 5,000 | \$ 5,000 | Events, materials, design |
| | | | | Climate Action Engagement (Policy) | \$ 15,000 | \$ 15,000 | Relates to both Framework rollout and 2D Model Watershed Wide development; Events, outreach and communications materials, possible consulting contract |
| | | | | Turbid Lundsten Corridor Communications & Engagement (SMCHB) | \$ 15,000 | \$ 15,000 | Engaging landowners in the corridor to assess potential interest in some level of land sale (easement or fee), or longer-term interest in partnership with the District; materials, events, possible community partnership contract |
| | | | | Halsted Alum Facility Communications & Engagement (SMCHB) | \$ 15,000 | \$ 15,000 | Support for discussions around facility permitting and long-term operations; opportunities for state funding, which would necessitate a lobbying/policy maker engagement plan; materials, events, possible consulting |
| | | | | Southwest Light Rail trail connection project Outreach (Minnehaha) | \$ 5,000 | \$ 5,000 | Minimal, likely event. TBD extent in 2023. Possible support from consultant given related work in corridor with 325 Blake Road. |
| | | | | 325 Blake Road Communications and Outreach (Minnehaha) | \$ 15,000 | \$ 15,000 | Continued work with HDR for targeted outreach as construction begins and community updates continue. Could include photography, communications materials & design, printing, events (rentals, food) |
| | | | | Minnehaha Creek Parkway Communications & Engagement (Minnehaha) | \$ 10,000 | \$ 10,000 | Events, communications materials, design |
| | | | | Baseline SMCHB engagement / comms needs | \$ 5,000 | \$ 5,000 | Saved for specific presentation / event needs, whether consulting, meeting materials, comms product development, etc. for long-term benefit in focal geography |
| | | | | Baseline Minnehaha Creek engagement / comms needs | \$ 5,000 | \$ 5,000 | Saved for specific presentation / event needs, whether consulting, meeting materials, comms product development, etc. for long-term benefit in focal geography |
| Broad-based Outreach | | | | Broad-based Communications | | | |
| District-wide publications | \$ 10,000 | \$ 10,000 | \$ - | District-wide communications creation | \$ 10,000 | \$ - | Use of "communications" deemed more appropriate to characterize this section of the budget and align with overall direction of implementation for Outreach strategic direction. |
| Website copywriter/photographer | \$ 28,000 | \$ 28,000 | \$ - | | | \$ (28,000) | To support implementation of Communications Plan staff will create in Q4 2022/Q1 2023 (could be design, video, printing, data viz, etc.); communications activities deemed necessary may be in media beyond publications |
| Broad-based engagement | \$ 10,000 | \$ 10,000 | \$ - | | | \$ (10,000) | |
| | | | | Signage & interpretation maintenance and creation | \$ 3,000 | \$ 3,000 | To explicitly plan for this aspect of our communications a existing sites annually. |
| | | | | Strategic Public Engagement | | | |
| | | | | Citizens Advisory Committee | \$ 1,000 | \$ 1,000 | New category to better reflect nature of Outreach work and direction of program to best support continued implementation of program strategic direction and on-going support and development. To support activities related to the CAC (event, meeting materials, recruitment activities) |
| | | | | Clean Water Outreach & Education | \$ 15,000 | \$ 15,000 | A clearer definition of how those activities most familiar with former EdComm programming focus now show up and will be managed under new strategic direction implementation, and more clearly delineating how such activities are distinct from public participation, campaign support, and general organizational communications as described above. Funding supports leveraging third-party partners to meet MS4 permit requirements and allows for initial work to rebase connection with key stakeholders in the area as directed in program strategy. Programming to be developed in Q3 and Q4 2022 with fully staffed Outreach program. \$6000 annually for Metro Water Partners, one non-profit membership deemed valuable to maintain during program strategic planning. |
| | | | | Government relations | \$ 30,000 | \$ 25,000 | Moved into new category here to show how policymaker engagement and policy lobbying will show up in implementation of program strategic direction and continued development going forward. |
| Program Administration | | | | Program Administration | | | |
| | | | | Operations implementation | \$ 5,000 | \$ 5,000 | For consulting and tool/equipment acquisition as we develop new systems + refine our collection of resources for effective interpersonal and event engagement (for example, equipment for effective public event) |
| Staff mileage & expenses | \$ 2,000 | \$ 2,000 | \$ - | Staff mileage & expenses | \$ 2,000 | \$ - | |
| Staff training | \$ 10,000 | \$ 10,000 | \$ - | Staff training | \$ 15,000 | \$ 5,000 | IAP2 Foundations in Public Participation (\$1500 per person for registration plus related costs); data visualization training; state/national planning conferences. This budget line was \$15,000 in 2021 and got reduced given reduced staffing. With 3 full staff we can utilize this better now to best support the framework and direction of the program. |
| Legal fees | \$ 3,000 | \$ 5,000 | \$ (2,000) | Legal fees | \$ 3,000 | \$ - | |
| Dues & subscriptions | \$ 4,000 | \$ 4,000 | \$ - | Dues & subscriptions | \$ 4,000 | \$ - | |
| Personnel | \$ 291,665 | \$ 239,689 | \$ 51,976 | Personnel | \$ 298,826 | \$ 7,161 | |
| Total | \$ 516,665 | \$ 464,689 | \$ 51,976 | | \$ 527,826 | \$ 11,161 | Reflects fully staffed program and related activities / support |

Attachment 9 - DRAFT 2023 Research & Monitoring Budget Summary

| Research & Monitoring (5001) | | | | | | |
|--|------------------|-----------------------------|--------------------------|--|--------------|-------------------------|
| 2022 Activity/Expense | 2022 Budget | 2022 Estimated Expenditures | 2022 Generated Carryover | 2023 Activity/Expense | 2023 Budget | 2022-2023 Budget Change |
| Watershed-wide Monitoring | | | | Watershed-wide Monitoring | | |
| Stream, Lake, and stormwater laboratory budget | \$ 58,300 | \$ 58,300 | \$ - | Stream, Lake, and stormwater laboratory budget | \$ 58,300 | \$ - |
| USGS gauge management & stormwater analysis | \$ 25,230 | \$ 25,230 | \$ - | USGS gauge management & stormwater analysis | \$ 25,230 | \$ - |
| Responsive monitoring/analysis | \$ 33,500 | \$ 33,500 | \$ - | Responsive monitoring/analysis | \$ 33,500 | \$ - |
| Dutch Lake inlet monitoring | \$ 800 | \$ 800 | \$ - | Dutch Lake inlet monitoring | \$ - | \$ (800) |
| Minnehaha Creek Subwatershed Monitoring | | | \$ - | Minnehaha Creek Subwatershed Monitoring | | |
| Arden Park Project Monitoring | \$ 2,000 | \$ - | \$ 2,000 | Arden Park Project Monitoring | \$ 2,000 | \$ - |
| Six Mile Creek-Halsted Bay Monitoring | | | | Six Mile Creek-Halsted Bay Monitoring | | |
| District match for LSOHC grant | \$ 5,788 | \$ 5,788 | \$ - | Ongoing maintenance of Carp Management Project | \$ 75,000 | \$ 69,212 |
| Wassermann West Project Monitoring | \$ 15,000 | \$ 15,000 | \$ - | Wassermann West Project Monitoring | \$ 15,000 | \$ - |
| Contract Services | \$ 30,000 | \$ 30,000 | \$ - | Contract Services | \$ 30,000 | \$ - |
| Dam Optimization & 2D Modeling | | | | Dam Optimization & 2D Modeling | | |
| Pilot Model Build to inform Watershed Model | \$ 121,050 | \$ 242,100 | \$ (121,050) | Pilot Model Build to inform Watershed Model | \$ - | \$ (121,050) |
| District Engineer Support for 2D Model | \$ 15,000 | \$ 15,000 | \$ - | District Engineer Support for 2D Model | \$ 15,000 | \$ - |
| Legal Support for 2D model | \$ 35,000 | \$ 5,000 | \$ - | Legal Support for 2D model | \$ 30,000 | \$ (5,000) |
| 2D Watershed Model | \$ 171,000 | \$ 68,200 | \$ 102,800 | Build 2D Watershed Model | \$ 516,000 | \$ 345,000 |
| Watershed Machine Learning Modeling | \$ - | \$ 10,000 | \$ (10,000) | Watershed Machine Learning Modeling | \$ - | \$ - |
| Dam Optimization | \$ 34,900 | \$ 10,000 | \$ 24,900 | Dam Optimization | \$ - | \$ (34,900) |
| Program Administration | | | | Program Administration | | |
| Equipment/Supplies | \$ 30,000 | \$ 30,000 | \$ - | Equipment/Supplies | \$ 30,000 | \$ - |
| Repairs/maintenance | \$ 15,000 | \$ 15,000 | \$ - | Repairs/maintenance | \$ 15,000 | \$ - |
| Utilities | \$ 10,000 | \$ 10,000 | \$ - | Utilities | \$ 10,000 | \$ - |
| Boat Expenses | \$ 5,000 | \$ 5,000 | \$ - | Boat Expenses | \$ 5,000 | \$ - |
| Publishing/Postage | \$ 2,000 | \$ 2,000 | \$ - | Publishing/Postage | \$ 2,000 | \$ - |
| Engineering/Consulting | \$ 15,000 | \$ 15,000 | \$ - | Engineering/Consulting | \$ 15,000 | \$ - |
| Legal | \$ 5,000 | \$ 5,000 | \$ - | Legal | \$ 5,000 | \$ - |
| Staff Training | \$ 10,000 | \$ 10,000 | \$ - | Staff Training | \$ 15,000 | \$ 5,000 |
| Staff/meeting expenses | \$ 8,000 | \$ 8,000 | \$ - | Staff/meeting expenses | \$ 8,000 | \$ - |
| Dues/subscriptions | \$ 4,000 | \$ 4,000 | \$ - | Dues/subscriptions | \$ 4,000 | \$ - |
| Personnel | \$ 513,012 | \$ 380,857 | \$ 132,155 | Personnel | \$ 545,582 | \$ 32,570 |
| | \$ 1,164,580 | \$ 1,003,775 | \$ 130,805 | | \$ 1,454,612 | \$ 290,032 |
| Six Mile Creek-Halsted Bay Carp Management (5007) | | | | | | |
| 2022 Activity/Expense | 2022 Budget | 2022 Estimated Expenditures | 2022 Generated Carryover | 2023 Activity/Expense | 2023 Budget | 2022-2023 Budget Change |
| Lessard-Sams OHC funded activities | \$ 44,212 | \$ 44,212 | \$ - | Lessard-Sams OHC funded activities | \$ - | \$ (44,212) |
| Total | \$ 44,212 | \$ 44,212 | \$ - | | \$ - | \$ (44,212) |

Laboratory budget for monitoring stormwater, stream, and lake samples.

Budget for continuous level and flow monitoring by USGS at Grays Bay and the outlet of Minnehaha Creek. This budget also includes technical support for R&M on various tasks such as developing rating curves for RESNET sites.

Budget in the event that R&M needs to quickly support a project assessment. The 2022 budget will be split between the east auburn wetland and county road 6 assessment.

Note: This task includes two items. 1) Potential ongoing maintenance for removals (25k) and 2) analysis report for the entire SMCHB project by a consultant (50k)

Pilot model will be finalized in 2022.

Engineering support on scenario analysis, model due diligence, model development guidance.

Legal support for developing data sharing agreements with cities for the 2D model build.

The 2D model budget timeline was shifted so that less work would occur in 2022 since MCWD did not receive the LCCMR grant. The carryover will be shifted towards work in 2023 based on an updated LCCMR application.

R&M will work with a consultant to identify how the machine learning model can be utilized with existing dam optimization frameworks.

Increased budget to accommodate professional development for data science training to support new R&M departmental direction.

Attachment 10 - DRAFT 2023 Capital Improvement Plan Budget

| Project/Phase for 2023 | | 2022 Carryover Detail | | | | | | | 2023 Budget and Revenue | | | Notes |
|---|--|-----------------------|--------------------|-----------------------------|--------------------|-----------------------|------------------------------------|--------------------|-------------------------|---------------------------------|--------------------|--|
| Fund Code | Project Name | 2021 EOY Balance | 2022 Budget | 2022 Estimated Expenditures | 2022 Levy | 2022 External Revenue | Assigned (carried to future years) | 2022 Carryover | 2023 Budget | 2023 External Revenue (secured) | 2023 Revenue Needs | |
| Land & Water Partnership Program | | | | | | | | | | | | |
| 3500 | Maple Creek Pond Improvement Project | \$ 250,000 | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ 250,000 | \$ 100,000 | \$ - | \$ (150,000) | City's construction schedule postponed to winter 2022-2023. |
| Completed (to be closed) | | | | | | | | | | | | |
| 3106 | Six Mile Marsh Prairie Restoration (Trail) | \$ 306,242 | \$ 371,889 | \$ 370,889 | \$ - | | | \$ (64,647) | \$ - | \$ - | \$ 64,647 | All final design, oversight and construction in 2022. Budget reflects approved bid (amended) and estimated minor design changes |
| 3148 | FEMA Flood Repairs | \$ 17,489 | \$ 8,745 | \$ 8,745 | \$ - | | | \$ 8,744 | \$ - | \$ - | \$ (8,744) | Close project. Moving to PMLM |
| 3156 | Wassermann Internal Load Management | \$ 2,968 | \$ 189,186 | \$ 189,186 | \$ - | \$ 158,006 | \$ - | \$ (28,212) | \$ - | \$ - | \$ 28,212 | |
| Warranty Phase | | | | | | | | | | | | |
| 3153 | Wasserman West | \$ 95,894 | \$ 13,000 | \$ 13,000 | \$ - | | \$ 10,738 | \$ 72,156 | \$ 10,737 | | \$ (61,419) | Also known as Wassermann Lake Preserve. Two years warranty remain on construction contract (\$21,475 for two years) |
| Design/Construction | | | | | | | | | | | | |
| 3145 | 325 Blake Stormwater and Demo | \$ 3,024,888 | \$ 3,264,570 | \$ 500,000 | \$ - | \$ 50,000 | \$ 1,632,285 | \$ 942,603 | \$ 1,632,285 | \$ 445,000 | \$ 244,682 | Developing construction sequencing process with partners. Construction likely to occur over approximately three years as development proceeds (using a 50-40-10 cost estimate over three years). PFA certification award anticipated in July 2023. |
| 3146 | Cottageville Park Phase II | \$ 326,679 | \$ 248,400 | \$ 13,000 | \$ - | | \$ 650,000 | \$ (336,321) | \$ 650,000 | \$ - | \$ 986,321 | 2022 expenditures to finish design effort as part of 325 Blake. Assume three year construction starting in 2023 (50-40-10 ratio over three years). 2023 revenue needs based on newest dsign estimates. |
| 3150 | Meadowbrook Golf Course Restoration | \$ 200,673 | \$ 135,026 | \$ - | \$ - | \$ - | \$ 200,673 | \$ - | \$ - | \$ - | \$ - | 2023 expenditures would be in planning fund (early partnership and feasibility work) |
| 3155 | Minneapolis Stormwater | \$ 1,500,000 | \$ 250,000 | \$ - | \$ - | \$ - | \$ 1,500,000 | \$ - | \$ - | \$ - | \$ - | 2023 expenditures would be in planning fund (early partnership and feasibility work) |
| 3152 | SWLRT Stream Enhancement | \$ 510,000 | \$ 38,250 | \$ - | \$ - | | \$ 510,000 | \$ - | \$ 65,000 | \$ - | \$ 65,000 | Anticipate 2022 exenditures being planning costs (MC sub). Design 2023, construct 2024 |
| 3157 | Louisiana Trail Greenspace and Stormwater | \$ 300,000 | \$ 300,000 | \$ - | \$ - | | \$ 300,000 | \$ - | \$ - | \$ - | \$ - | Future partnership opportunity with St. Louis Park. Expenditures in 2023 would be planning dollars (early partnership and feasibility work) |
| 3158 | Turbid-Lundsten Wetland Restoration | \$ 250,000 | \$ 250,000 | \$ - | \$ - | | | \$ 250,000 | \$ 250,000 | | \$ - | 2022 expenditures in planning fund. Carry \$250K forward for initiation of design in 2023 based on identified opportunities. |
| 31xx | County Road 6 Retrofit | | | | | | | | \$ 110,000 | | \$ 110,000 | Current estimate for design/permitting. Could potentially advance pending additional monitoring and modeling in 2022. |
| 31xx | East Auburn Wetland Restoration | | | | | | | | \$ 68,000 | | \$ 68,000 | Projected design effort in 2023 (10% of CIP costs). Would be likely constructon project in 2024. |
| CIP Total | | \$6,784,833 | \$5,169,066 | \$1,094,820 | \$0 | \$208,006 | \$4,803,696 | \$1,094,323 | \$2,886,022 | \$445,000 | \$1,346,699 | |
| 2004 | Capital Finance/Debt Service | \$ 9,077,469 | \$ 2,758,468 | \$ 2,758,468 | \$ 2,631,904 | \$ 996,345 | \$ 8,742,483 | \$ 1,204,767 | \$ 4,212,718 | \$ - | \$ 3,007,951 | 2022 revenue is from 325 Blake phase 1 sale |
| Total | | \$15,862,302 | \$7,927,533 | \$3,853,288 | \$2,631,904 | \$1,204,351 | \$13,546,179 | \$2,299,090 | \$7,098,740 | \$445,000 | \$4,354,650 | |

Attachment 11 - MCWD Capital Finance/Debt Service (2004)

| Year | Hennepin 2010B | Hennepin 2011A | Hennepin 2013B | Hennepin 2020A (REFI 2010B & 2011A) | Richfield 2013B | Richfield 2020A (REFI 2013B) | Wells Fargo Note 2018 (REFI 2011/2013) | Total Capital Finance Debt Service | Capital Finance Receipts | Transfer In/ Reimbursement | Transfer Out/ Expenditure | Actual/Projected Fund Balance |
|------|----------------|----------------|----------------|-------------------------------------|-----------------|------------------------------|--|------------------------------------|--------------------------|----------------------------|---------------------------|-------------------------------|
| 2011 | \$ 215,736.81 | \$ - | \$ - | | | | \$ - | \$ 215,736.81 | \$ 2,500,000.00 | \$ - | \$ - | \$ 7,732,216.00 |
| 2012 | \$ 218,562.50 | \$ 319,141.81 | \$ - | | | | \$ 648,825.00 | \$ 1,186,529.31 | \$ 2,500,000.00 | \$ - | \$ - | \$ 6,654,292.00 |
| 2013 | \$ 216,062.50 | \$ 333,718.75 | \$ 386,182.00 | | | | \$ 580,250.00 | \$ 1,516,213.25 | \$ 2,500,000.00 | \$ - | \$ - | \$ 9,706,099.00 |
| 2014 | \$ 217,312.50 | \$ 338,768.75 | \$ 461,938.00 | | \$ 154,847.38 | | \$ 580,125.00 | \$ 1,752,991.63 | \$ 2,500,000.00 | \$ - | \$ 1,349,156.00 | \$ 9,089,010.00 |
| 2015 | \$ 218,412.50 | \$ 341,768.75 | \$ 463,538.00 | | \$ 177,255.00 | | \$ 1,535,500.00 | \$ 2,736,474.25 | \$ 2,765,423.00 | \$ 510,921.00 | \$ - | \$ 9,646,722.00 |
| 2016 | \$ 219,362.50 | \$ 339,368.75 | \$ 459,838.00 | | \$ 174,855.00 | | \$ 1,999,800.00 | \$ 3,193,224.25 | \$ 2,795,204.00 | \$ - | \$ - | \$ 9,287,628.00 |
| 2017 | \$ 220,162.50 | \$ 336,768.75 | \$ 460,988.00 | | \$ 177,405.00 | | \$ 2,946,250.00 | \$ 4,141,574.25 | \$ 3,159,412.00 | \$ - | \$ - | \$ 8,447,852.00 |
| 2018 | \$ 215,812.50 | \$ 338,968.75 | \$ 461,838.00 | | \$ 174,905.00 | | \$ 2,357,000.00 | \$ 3,548,524.25 | \$ 3,159,412.00 | \$ - | \$ 452,096.00 | \$ 7,776,677.00 |
| 2019 | \$ 216,462.50 | \$ 340,768.75 | \$ 462,387.50 | | \$ 172,405.00 | | \$ 1,299,200.00 | \$ 2,321,543.00 | \$ 3,041,753.00 | \$ - | \$ - | \$ 8,496,887.00 |
| 2020 | \$ 218,462.25 | \$ 337,168.75 | \$ 462,637.50 | | \$ 169,905.00 | | \$ 1,261,800.00 | \$ 2,263,552.00 | \$ 2,731,600.00 | \$ - | \$ - | \$ 8,942,248.00 |
| 2021 | \$ - | \$ - | \$ 462,587.50 | \$ 471,843.75 | \$ - | \$ 172,918.50 | \$ 1,724,400.00 | \$ 2,833,164.00 | \$ 2,968,385.00 | \$ - | \$ - | \$ 9,077,469.00 |
| 2022 | \$ - | \$ - | \$ 462,237.50 | \$ 479,000.00 | \$ - | \$ 148,930.00 | \$ 1,668,300.00 | \$ 2,758,467.50 | \$ 2,631,904.00 | \$ 996,345.00 | \$ - | \$ 9,947,250.50 |
| 2023 | \$ - | \$ - | \$ 460,137.50 | \$ 479,000.00 | \$ - | \$ 161,380.00 | \$ 3,112,200.00 | \$ 4,212,717.50 | \$ 3,007,950.50 | \$ - | \$ - | \$ 8,742,483.50 |
| 2024 | \$ - | \$ - | \$ 462,937.50 | \$ 478,250.00 | \$ - | \$ 158,680.00 | \$ - | \$ 1,099,867.50 | \$ 2,750,000.00 | \$ - | \$ - | \$ 10,392,616.00 |
| 2025 | \$ - | \$ - | \$ 460,537.50 | \$ 476,750.00 | \$ - | \$ 160,930.00 | \$ - | \$ 1,098,217.50 | \$ 2,750,000.00 | \$ - | \$ - | \$ 12,044,398.50 |
| 2026 | \$ - | \$ - | \$ 463,037.50 | \$ 479,500.00 | \$ - | \$ 158,130.00 | \$ - | \$ 1,100,667.50 | \$ 2,750,000.00 | \$ - | \$ - | \$ 13,693,731.00 |
| 2027 | \$ - | \$ - | \$ 459,375.00 | \$ 476,250.00 | \$ - | \$ 160,280.00 | \$ - | \$ 1,095,905.00 | \$ 2,750,000.00 | \$ - | \$ - | \$ 15,347,826.00 |
| 2028 | \$ - | \$ - | \$ 460,600.00 | \$ 482,250.00 | \$ - | \$ 162,330.00 | \$ - | \$ 1,105,180.00 | \$ 2,750,000.00 | \$ - | \$ - | \$ 16,992,646.00 |
| 2029 | \$ - | \$ - | \$ 461,600.00 | \$ 477,000.00 | \$ - | \$ 159,330.00 | \$ - | \$ 1,097,930.00 | \$ 2,750,000.00 | \$ - | \$ - | \$ 18,644,716.00 |
| 2030 | \$ - | \$ - | \$ 464,300.00 | \$ 481,000.00 | \$ - | \$ 157,005.00 | \$ - | \$ 1,102,305.00 | \$ 2,750,000.00 | \$ - | \$ - | \$ 20,292,411.00 |
| 2031 | \$ - | \$ - | \$ 461,550.00 | \$ 288,750.00 | \$ - | \$ 160,250.00 | \$ - | \$ 910,550.00 | \$ 2,750,000.00 | \$ - | \$ - | \$ 22,131,861.00 |
| 2032 | \$ - | \$ - | \$ 463,500.00 | \$ - | \$ - | \$ 163,280.00 | \$ - | \$ 626,780.00 | \$ 2,750,000.00 | \$ - | \$ - | \$ 24,255,081.00 |
| 2033 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 161,120.00 | \$ - | \$ 161,120.00 | \$ 2,750,000.00 | \$ - | \$ - | \$ 26,843,961.00 |