

Watershed Management Commission

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May 29, 2009

Mayors
Member Cities
Shingle Creek Watershed Management Commission
Hennepin County, Minnesota

RE: Shingle Creek Watershed Management Commission
2010 Operating Budget

At its May 14, 2009 meeting, the Shingle Creek Watershed Management Commission adopted its general fund budget for calendar year 2010. Details of the budget are outlined below.

Article VIII, Subdivision 4 of the Joint Powers Agreement that established the Commission provides that a member city may object to the budget by giving written notice to the Commission before August 1, 2009. If any objection is received, the Commission will hear the objections and may modify the budget.

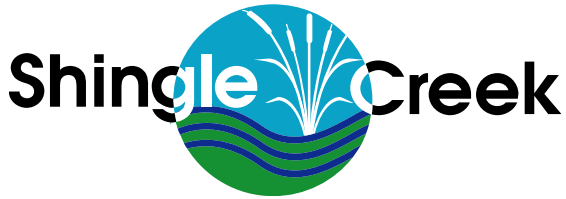
An amendment to the Joint Powers Agreement also sets an “assessment cap” on the Commission’s administrative budget. The budget cap can only be exceeded if the city councils of a majority of the Commission members adopt resolutions approving the higher assessment prior to September 1, 2009. The 2010 budget adopted by the Commission **DOES NOT** exceed the budget cap. In fact, the 2010 budget includes a slight decrease in total assessments to the member cities. A spreadsheet showing each member’s share of the annual assessment is attached.

The 2010 budget continues existing activities while adding two new items:

Water Quality Monitoring Report. The Shingle and West Mississippi Watershed Management Commissions annually publish a Water Quality Monitoring Report, which has been funded entirely by Shingle Creek since, in the past, West Mississippi activities have been minor. However, activities are increasing, the Commission is taking on responsibility for evaluating progress toward TMDL goals, and the annual report is being revised to be more comprehensive and to also include a record of Best Management Practices undertaken in the watersheds. As the lake and stream TMDLs move toward completion, implementation, and adaptive management, it will become more important to have assembled a record of these activities. In the past this report has been written from funds remaining in the stream monitoring budget at the end of the year.

Because of the importance of this report in the coming years, the Commission has approved a new budget line item specifically for this report, both to highlight its prominence and to establish reliable funding. \$5,000 budgeted for the chloride TMDL annual report and \$5,000 from the stream monitoring budget, or a total of \$10,000, were reallocated to fund this line item. The West Mississippi WMC added a new \$2,000 line item for its share of the report.

Management Planning. The Commission annually budgets \$15,000 for management planning. In the past, these funds have been used to complete the Water Quality Plan; Shingle Creek and Shingle Creek/



West Mississippi tributaries corridor studies; lake implementation and management plans; and development of an updated and refined P8 model for the watershed. In 2010 Management Planning funds are targeted for completion of the Wetland Management Plan.

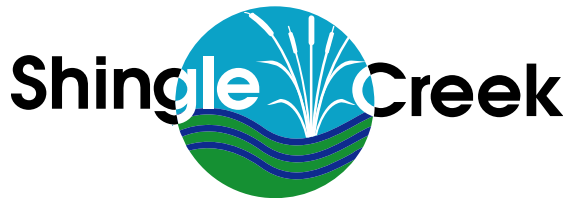
In April 2008, the Commissioners discussed long term planning, including the major activities to be considered to ramp up to the Third Generation Plan. These are:

- 2009 -** Cities complete wetland functions and values assessments
 Complete Wetland 639W feasibility study and plans and specifications
 DO/Biotic Integrity TMDL and Implementation Plan development
 Begin development of P8 models for the two watersheds
- 2010 -** Wetland Management Plan, including identification of wetland restoration opportunities
 DO/Biotic Integrity TMDL and Implementation Plan approval
 Lake vegetation/fish surveys
 Wetland 639W restoration
- 2011 -** Third Generation Plan development and Rules and Standards update
- 2012 -** Third Generation Plan approval process
 Chloride TMDL Implementation Plan Five Year Review
 In-depth lake monitoring

Pages 4-6 of this letter contain the 2010 Operating Budget approved by the Commission. The line items included in the budget are discussed below: A further explanation of the activities undertaken by the Commission may be found beginning on page 6.

Revenue.

Line	Explanation
1	The Commission increased its application fee structure for 2006 with the intent to recover a greater share of the cost of project reviews. While the revised structure does not fully fund that activity, it appears to be recovering a greater share. Given the economy and the lesser rate of development and redevelopment, project review activity in 2010 is expected to be less than past years and no change to the fee structure or expected revenue for 2010 was approved.
3	The Commission uses the 4M fund to manage its funds. Interest rates are very low and likely to remain so. Expected interest income was reduced to \$3,000.
4	The approved assessment of \$304,400 is slightly less than the 2009 assessment of \$304,470.
6	Commission technical and administrative staff have been providing services to the Joint EPOC for the last few years. Starting in 2010 Elm, Bassett, and Pioneer-Sarah Creek will be requested to help fund those services.
7-19	Grant and other funds received, generally for special studies or projects. Grants are often reimbursement grants, so revenues and expenses may not always “match up.”
20-22	These lines are the Commission share of capital projects listed in the CIP for public hearing in 2009 for construction and levy pay in 2010. These projects must be considered through the public hearing process prior to being ordered. The Commission must take additional affirmative action to order these projects and expend these funds.



Expenditures.

Line	Explanation
24-26	These line items are to provide administrative support (scheduling, minutes, etc) for regular TAC meetings and any special TAC, TMDL or other meetings that require administrative support, as well as general administrative duties such as notices, mailings, and correspondence.
28	This line item includes general engineering support. As the Commission continues to be successful in obtaining grant funds and TMDL funding, there is an increasing amount of work involved in managing the projects that is not included in the grant funding. Activities such as developing work plans, biennial reporting, and negotiations with granting agencies are funded from the general engineering budget, and that level of activity is expected to continue. Actual expenditures have exceeded the budget in 2007 and 2008. The budget increase proposed for 2010 would more closely align with the current level of activity.
34	This line item also funds review of Local Water Management Plans and Comprehensive Plan amendments and updates, as well as general inquiries about upcoming projects.
43	This line item is the cost of collecting and analyzing the road salt application data provided by road authorities in the watershed as part of the chloride TMDL implementation progress evaluation. In 2010 this will be rolled into line 49, Annual Monitoring Report.
44	The Commission will conduct an evaluation of the prewetting equipment's effectiveness at reducing chloride loading as part of the prewetting grant activities.
45-47	No adjustments to the volunteer lake, wetland, and stream monitoring budgets are anticipated.
49	This new line item is funded by reallocating budgets from the stream monitoring line item and the annual chloride TMDL report (see above).
50	The cost of the Education program is split 50/50 between Shingle Creek and West Mississippi. A modest increase in the budget reflects a greater emphasis on education and outreach in TMDL implementation.
54	The cost of private salt applicator workshops. The Commission's share was funded from a grant match fund.
60	The Commission budgets funds annually to prepare management plans, such as the Shingle Creek Corridor Study, Phase II Stream Assessment, Chloride TMDL Implementation Plan, Lake Management Plans, and the P8 model. Funding will be continued at the same level in 2010 for the Wetland Management Plan (see above.)
61-65	The costs associated with grant-funded studies and special projects.
66-71	These line items are the Commission share for capital projects certified to the county levy. These projects must be considered through the public hearing process prior to being ordered. The Commission must take additional affirmative action to order these projects and expend these funds. This action includes: adopting the Major Plan Amendment that includes the revised CIP; receiving a request from the affected member city(ies) to consider the project; providing public notice, a holding a hearing; and ordering the project.
73	For 2009 this line is the reserves reimbursement of the Commission's share of the Wetland 639W Feasibility Study that was expended in 2008 and certified for collection in 2009. For 2010 this line is the reserves reimbursement of the cost of the Board of Water and Soil Resources Performance Review and Assessment Program (PRAP) expended in 2009.

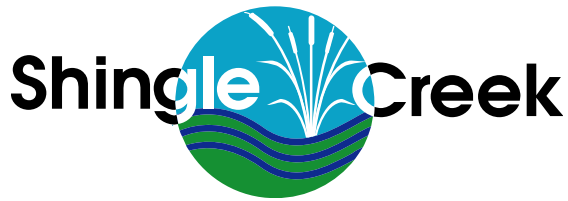
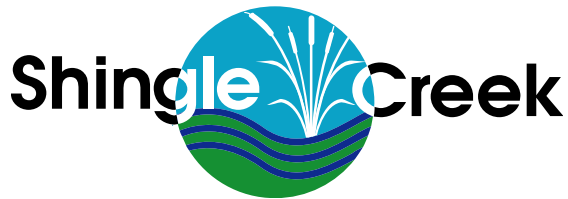


Table 1. Shingle Creek Watershed Management Commission 2010 Budget.

		Approved 2007	Actual 2007	Approved 2008	Unaudited 2008	Approved 2009	Approved 2010
REVENUE							
1	Application fees	\$12,000	\$14,750	\$15,000	\$16,550	\$15,000	\$12,000
2	Wetland reviews	0	1,500				
3	Interest income	1,000	12,267	5,000	6,763	10,500	3,000
4	Assessment	299,000	298,999	292,760	292,761	304,470	304,400
5	Misc income		3,137				
6	Education reimbursement						3,700
7	Corridor study grant		6,549	-			
8	DO/Biotic integrity 1	94,100	15,722		45,261		
9	DO/Biotic integrity 2				8,601	118,900	
10	Chloride TMDL prewetting grant	228,400			56,425		
11	Chloride TMDL eval grant	4,800		4,800			
12	639W Feas Study grant					60,000	
13	639W Feas Study from cities					30,000	
14	639W Feas Study from reserve			30,000	30,000		
15	Channel design – reach 7B				16,025		
16	Rain garden workshops				6,500		
17	Crystal Twin Oak Pond grant				73,080		
18	Paired Intersectn grant					134,750	116,160
19	Paired Intersectn comm. contrib					14,550	15,000
20	Ad Valorem - previous	73,543	73,543	322,500			
21	Ad Valorem - Twin Oak Pond					77,500	
22	Ad Valorem - 639W Wetland					30,000	
23	From reserves					5,000	
	TOTAL REVENUE	\$818,743	\$426,467	\$670,060	\$551,966	\$800,670	\$454,260
EXPENSES							
OPERATIONS							
<i>Administration:</i>							
24	Administrative Services	\$56,900	\$61,725	\$57,160	\$71,321	\$59,150	\$59,500
25	TAC/Engineering Support	0	16,786	5,000	21,176	15,000	15,000
26	PRAP					2,000	0
27							
<i>Engineering:</i>							
28	Administration	39,900	49,639	41,000	51,833	44,150	47,200
29	Management Plan	5,000		3,000	3,998	3,000	3,000
30	Grant Writing	6,000	9,179	6,000	6,677	7,500	8,500
31	TMDL/CIP Engineering	8,000	8,082	8,000	10,029	8,000	10,000
32	PRAP					3,000	
<i>Legal:</i>							
33	Legal Services	13,000	6,939	12,000	8,991	10,000	9,000
<i>Project Reviews:</i>							
34	Engineering	32,000	27,221	32,000	31,701	32,000	20,000
35	Administration	4,300	1,833	4,300	2,960	2,500	1,000



		Approved 2007	Actual 2007	Approved 2008	Unaudited 2008	Approved 2009	Approved 2010
	<i>Miscellaneous:</i>						
36	Bookkeeping	3,000	5,130	4,000	6,892	4,000	4,500
37	Audit	5,000	4,500	5,000	4,500	5,000	4,500
38	Contingency	5,000		5,000		5,000	7,000
39	Insurance & Bonding	2,800	2,581	3,000	2,257	3,000	3,000
40	Meeting Expense	2,800	2,497	2,800	2,724	2,800	2,700
	<i>SUBTOTAL OPERATIONS</i>	\$183,700	\$196,112	\$188,260	\$225,059	\$206,100	\$194,900
	MONITORING AND INFO GATHERING						
41	Commission stream monitoring	\$38,800	\$35,374	\$42,300	\$48,575	\$41,570	\$36,500
42	USGS site monitoring	3,200	7,000	(in above)	(in above)	(in above)	(in above)
43	Chloride TMDL annual report	5,000	5,507	5,000	4,044	5,000	0
44	TMDL prewetting evaluation	4,800		4,800	165	4,800	0
45	Vol lake monitor (CAMP)	6,500	6,454	6,500	6,964	6,500	6,500
46	Vol stream monitor (Riverwatch)	3,000		3,000	3,000	3,000	3,000
47	Vol wetland monitor (WHEP)	2,000		3,000	2,000	3,000	2,000
48	Vol aquatic monitoring	2,100		-		-	0
49	Annual Monitoring Report						10,000
	<i>SUBTOTAL MONITORING</i>	\$65,400	\$54,335	\$64,600	\$64,748	\$63,870	\$58,000
	EDUCATION AND PUBLIC OUTREACH						
50	Education program	25,700	20,148	25,700	29,765	26,000	28,200
51	Education and impl grants	6,000	922	3,000	808	3,000	2,000
52	Rain garden workshops				6,820		0
53	Chl TMDL annual workshop	1,000		1,000		1,000	0
54	Salt workshops		17,757		4,309	-	0
	<i>SUBTOTAL EDUCATION</i>	\$32,700	\$38,827	\$29,700	\$41,702	\$30,000	\$30,200
	MANAGEMENT PLANS						
	<i>TMDLs:</i>						
55	Lakes Phase II		3,070		402	-	
56	Shingle Cr DO/Biotic Integrity	94,100	17,918		83,157	118,900	
	<i>Management plans:</i>						
57	Lake phase II TMDL impl plan	15,000			3,459		
58	Management Plans/Monitoring		18,555	15,000	15,577		
59	P8 Model					15,000	
60	Wetland Management Plan				4,623		15,000
	<i>SUBTOTAL MGMT PLANS</i>	\$109,100	\$39,543	\$15,000	\$107,218	\$133,900	\$15,000
	<i>Projects</i>						
61	Paired intersection study					149,300	131,160
62	Channel design-Reach 7B				28,075		
63	Wetland 639W Feas Study			30,000	30,559	90,000	
64	Contribution to constr/grant match	20,000		20,000		20,000	20,000
65	Chl TMDL prewetting subgrants	228,400			11,050		
	<i>SUBTOTAL PROJECTS</i>	\$248,400	\$0	\$50,000	\$69,684	\$259,300	\$151,160
	TOTAL OPERATING EXPENSE	\$745,200	\$328,817	\$347,560	\$508,411	\$693,170	\$449,260



	Approved 2007	Actual 2007	Approved 2008	Unaudited 2008	Approved 2009	Approved 2010
CAPITAL IMPROVEMENT PROJECTS						
66	Bklyn Park Stream Restoration	73,543	79,149			
67	New Hope Wincrest Pond		2,099	72,500		
68	Maple Grove Pond P51		1,754	250,000		
69	Crystal Twin Oak Pond Project				1,632	77,500
70	639W Wetland Project				5,801	
71	Crystal Lake Project				350	
72	Twin Oak Pond grant pass-thru				73,080	
73	To reserves					30,000
	SUBTOTAL CIP	\$73,543	\$83,002	\$322,500	\$80,863	\$107,500
						5,000
TOTAL OPERATING+ CAPITAL EXPENSE		\$818,743	\$494,821	\$670,060	\$589,274	\$800,670
						\$454,260

Budget Explanation.

REVENUE

- Assessments: annual assessments to the member cities to pay the operating expenses of the Commission. Assessments are apportioned 50 percent based on land area within the watershed and 50 percent based on tax capacity of land within the watershed.
- Other: project review fees, interest on funds held, grant funds, etc.
- Ad valorem: ad valorem (property tax) revenue levied by Hennepin County to fund the Commission's share of approved capital projects

EXPENSES

OPERATIONS: All activities **mandated** by statute or state administrative rule except where noted.

Administration

- Administrative Services: clerical and office support duties on behalf of the Commission, such as preparing for and attending meetings, preparing minutes and agendas, correspondence, mailings, official records, official publications, annual reporting, preparing budget.
- TAC/Engineering Support: correspondence, official publications, attendance and minutes at TAC and other special meetings, and other support regarding engineering activities.

Engineering

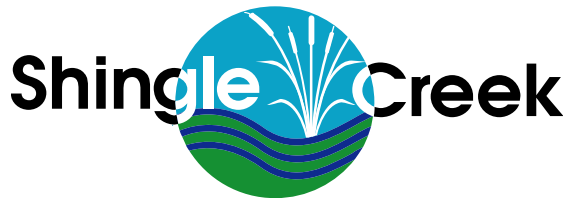
- Administration: technical and administrative duties on behalf of the Commission, such as: investigation and resolution of drainage, flood control, bank stabilization, erosion and water quality problems; research; preparing for and attending meetings; correspondence; responding to inquiries; annual reporting; preparing budget.
- Management Plan: updates and amendments to the management plan or the Rules and Standards.
- Grant Application Writing: researching and writing grant applications to supplement Commission funds.

Not mandated.

- TMDL/CIP Engineering: technical and administrative assistance to the Commission and cities in the ongoing implementation of TMDLs and administration of projects

Legal

- Legal Services: general counsel, preparing for and attending meetings, drafting policies and variances, reviewing contracts and agreements.



Project Reviews

- Engineering: reviewing projects and wetland replacement plans for conformance with Commission requirements.
- Administration: correspondence, official publications, and other support regarding project reviews and Wetland Conservation Act requirements.

Miscellaneous

- Miscellaneous: annual audit, bookkeeping services, insurance and bonding, meeting expenses, contingency. **Contingency not mandated.**

MONITORING AND INFORMATION GATHERING: State administrative rules **mandate** water quantity and quality monitoring programs that are "...capable of producing accurate data to the extent necessary to determine whether water quantity and quality goals are being achieved" but do not specify what those programs should entail.

Commission Stream Monitoring (Shingle Creek)

- Field data collection, equipment maintenance, sample lab analysis, and data analysis for flow monitoring and water quality sampling at two sites (45th Avenue and Brooklyn Boulevard), and the cost of the annual Water Quality Report.

USGS site monitoring (Shingle Creek)

- Commission's share of the cost of operating the USGS site at Queen Avenue. Real-time data can be found at <http://waterdata.usgs.gov/mn/nwis/uv?05288705>. Starting in 2008 this was incorporated into the stream monitoring line item.

Volunteer Lake Monitoring

- Citizen Assisted Lake Monitoring Program (CAMP): in partnership with the Metropolitan Council, volunteers are trained to take lake water samples and make observations. Met Council provides sample analyses and data compilation. Commission provides equipment, training, and sample collection.

Volunteer Stream Monitoring

- Macroinvertebrate monitoring: in partnership with Hennepin County Environmental Services, high school and college students are trained to sample streambeds for macroinvertebrates and to classify the sampled organisms as an indicator of stream health.

Volunteer Wetland Monitoring

- Macroinvertebrate and vegetation monitoring: in partnership with Hennepin County Environmental Services, adults are trained to monitor and sample wetlands for plants and macroinvertebrates and to classify the sampled organisms and plants as an indicator of wetland health.

EDUCATION AND PUBLIC OUTREACH: A public information program is **mandated** by state administrative rules. The Commission also provides at the member cities' request NPDES Phase II education and public outreach programs **mandated** by the federal and state governments.

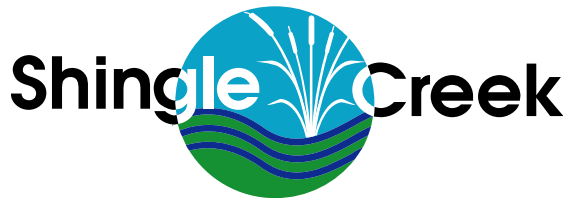
Education

- General public information and NPDES education program: target one or two messages per year; coordinate messages with cities; prepare materials for distribution by member cities; work with lake associations; Great Shingle Creek Watershed Cleanup; work with Watershed Partners; coordinate Education and Public Outreach Committee (EPOC); coordinate with Joint EPOC (with West Mississippi, Bassett, Elm, and Pioneer-Sarah Creek WMOs); work with area schools; maintain Web site.

Education Grants:

- Financial assistance for activities such as classes or programs to improve water quality education; curriculum and educational materials for use in the classroom; expenses for field trips or fieldwork related to water quality education; implementation projects that include an education component.

MANAGEMENT PLANS: The Commission is **mandated** by state statute and administrative rule to pursue an Implementation Program that consists of nonstructural, structural, and programmatic solutions to problems, issues, and management goals. The approved Second Generation Management Plan and the Water Quality Plan set forth a



program of Resource Management Plans, including Lake Management Plans, Stream Assessments, and a Wetland Protection and Preservation Plan to identify those solutions. The Commission has also been proactive in cooperatively preparing Third Party TMDLs* for each waterbody and impairment listed as an Impaired Water by the Environmental Protection Agency (EPA) and the Minnesota Pollution Control Agency (MPCA).

TMDLs:*

- The lake and stream TMDLs to date have been entirely funded by the MPCA.

Management Plans:

- Management Plans will be completed for each water resource in the two watersheds in accordance with the following schedule:
 - 2004 - Shingle Creek Corridor Study
 - 2005 - Chloride TMDL Implementation Plan and preliminary lake management plans
 - 2006 - Phase II Stream Assessment: Bass, Eagle, Pike, Twin, and Oxbow Creeks and Mattson Brook
 - 2007 - Twin and Ryan Lake TMDL Implementation Plan, aquatic vegetation surveys (Twin and Ryan)
 - 2008 - Balance of lake management plans, wetland functions and values
 - 2009 - P8 model
 - 2010 - Wetland Management Plan

CONSTRUCTION/MATCHING GRANT FUND: Not mandated

An annual capital contribution towards a fund to be used to match grants or for high-priority projects as designated by the Commission.

*Total Maximum Daily Load - A TMDL or Total Maximum Daily Load is a calculation of the maximum amount of a pollutant that a waterbody can receive and still meet water quality standards, and an allocation of that amount to the pollutant's sources.

The Shingle Creek Watershed Management Commission requests approval of its 2010 Operating Budget. Your cooperation in continuing the important work of the Commission is greatly appreciated. Questions may be directed to this office or to your representative.

Sincerely,

Judie A. Anderson
Administrator

JAA:tim

Encl: Member Assessments

Cc via email: City Managers
Commissioners

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