



Shingle Creek Watershed Management Commission

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June 26, 2017

City Clerks
Member Cities via email
Shingle Creek Watershed Management Commission
Hennepin County, Minnesota

RE: Shingle Creek Watershed Management Commission
2018 Operating Budget and Member Assessments

At its June 8, 2017 meeting, the Shingle Creek Watershed Management Commission adopted its operating budget for calendar year 2018. The budget is in the amount of \$379,710 and can be viewed in Table 1 on pages 3 and 4 of this letter. Table 2 describes the line items in more detail.

The budget is separated into operating and project budgets. The operating budget revenue source is primarily city assessments and funds the Commission's core activities. Projects and studies are funded through a variety of grants and other sources, most of which do not proceed on an annual fiscal year basis. Tracking these budgets separately provides more clarity as to the activities the cities are funding directly from their annual budgets.

The 2018 budget continues the same activities at the same level of effort as in 2017 with the following exceptions:

USGS Site Monitoring (line 23): In the past the USGS monitoring site has been funded from the general stream monitoring line item. In this budget it is shown as a separate line item to acknowledge the partnership more clearly. Real-time information for the site is at waterdata.usgs.gov/mn/nwis/uv?05288705.

Stream Biomonitoring (line 24): The Commission's Monitoring Plan includes periodic fish and invert monitoring to evaluate biotic integrity in the streams and to measure progress towards meeting the Biotic TMDL goals. The 2018 budget includes funding to conduct fish and invertebrate surveys at the three Shingle Creek and one Bass Creek sites. The proposed \$6,000 expense is partially offset by reducing the volunteer stream monitoring to two sites (-\$1,000) and by foregoing volunteer wetland monitoring (-\$2,000) in 2018. The results will be used in the Biotic TMDL Five Year Review in 2019.

WMWA Programs (lines 32-40): Shingle Creek is the fiscal agent for the West Metro Water Alliance (WMWA). Until now the accounting for WMWA has been shown on the Commission's budget. As part of the overall effort to make the operating budget simpler, WMWA will be established as a segregated fund. The Commission's budget will show Shingle Creek's contributions to WMWA programs (lines 32, 34, and 38), but the accounting for WMWA activities will be in a separate fund. The exception is for the rain garden workshops, which are funded by cities and invoiced through Shingle Creek as a convenience.

Contribution to Fourth Generation Plan (line 44): As of the end of 2017 the Commission is projected to have accumulated \$50,000 in reserves dedicated to completing the next watershed plan. The next draft plan is due in 2023 and the reserve target is \$85,000. West Mississippi is recommended to reserve \$25,000 for the joint plan.



DO Aeration System Operations (line 45): This new line item is the electrical costs for operating the aeration structures at three locations on Shingle Creek. This does not reflect the expected rebate for reselling excess solar power to the grid, which would be credited toward those costs.

The 2018 assessments to the member cities are shown in Table 3 on page 6. The assessment cap in the JPA limits the annual city assessment increase to the June-to-June increase in the Consumer Price Index-Urban (CPI-U), using the 2004 assessment as a base. The June 2016 to March 2017 CPI-U (most recent information available) change is 1.2%. Because of the accumulated inflation lag, the Commission could assess up to \$348,710. The 2018 budget assumes an assessment of \$348,710, which is an increase of \$8,100, or 2.4%. There was no assessment increase in 2015 or 2016 and a 0.8% increase in 2017.

Article VIII, Subdivision 4 of the Joint Powers Agreement (JPA) that established the Commission provides that a member city may object to the budget by giving written notice to the Commission before August 1, 2017. If any objections are received, the Commission will hear the objections at its August 10, 2017 meeting and may modify the budget.

The Shingle Creek Watershed Management Commission requests approval of its 2018 Operating Budget. Your support 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

Cc via email: City Managers
Commissioners
TAC Members
Commission Staff



Table 1. Approved Shingle Creek WMC 2018 operating budget

		2016 Budget	Actual 2016	2017 Budget	Approved 2018 Budget
REVENUE					
1	Application Fees	\$25,000	\$19,300	\$25,000	\$22,000
2	Member Assessments	337,970	337,970	340,610	348,710
3	Blue Line Extension	6,595	0	0	2,000
4	Interest and Dividends	100	3,783	100	1,000
5	WMWA Education Reimbursement	30,000	29,585	30,000	0
6	WMWA Rain Garden Workshops	10,000	7,841	8,000	6,000
7	Green Partners Grant	0	408	0	0
8	Miscellaneous Income	0	351	0	0
	TOTAL REVENUE	\$409,665	\$399,238	\$403,710	\$379,710
EXPENSES					
	ADMINISTRATION				
9	Administrative Services	\$72,000	\$63,777	\$71,000	\$71,000
10	Engineering Support	12,500	7,468	12,500	12,500
11	Project Reviews/WCA	1,800	849	1,000	1,000
	Subtotal	\$86,300	72,094	\$84,500	\$84,500
	ENGINEERING				
12	Engineering Services	55,000	55,413	56,410	60,000
13	Grant Application Writing	10,120	8,699	10,000	10,000
14	Project Reviews/WCA	35,000	35,651	35,000	37,000
15	Blue Line Extension	6,595	4,268	0	2,000
16	TMDL 5 Yr Reviews/CIP Engineering	10,000	9,992	12,000	12,000
	Subtotal	\$116,715	\$114,023	\$113,410	\$121,000
	LEGAL				
17	Legal Services	6,000	6,731	6,000	7,000
	Subtotal	\$6,000	\$6,731	\$6,000	\$7,000
	MISCELLANEOUS				
18	Bookkeeping	6,000	4,952	5,500	5,500
19	Audit	5,000	4,500	5,000	5,000
20	Insurance & Bonding	3,000	2,997	2,500	3,100
21	Meeting Expense	3,400	3,267	4,000	4,100
	Subtotal	\$17,400	\$15,716	\$17,000	\$17,700
	PROGRAMS				
	<i>Monitoring</i>				
22	Stream Monitoring	35,200	41,427	35,200	31,220
23	Stream Monitoring-USGS	3,800	3,800	3,800	3,990
24	Stream Biomonitoring	0	0	0	6,000
25	Commission Lake Monitoring	22,000	21,608	22,000	22,000
26	Citizen Assisted Lake Monitoring	3,800	2,846	3,800	3,800
27	Vol Wetland Monitoring	2,000	2,000	2,000	0
28	Vol Stream Monitoring	3,000	2,000	3,000	2,000
29	Annual Monitoring Report	13,450	13,614	14,000	14,000
	Subtotal	\$83,250	\$87,295	\$83,800	\$83,010
	<i>Water Quality Education</i>				
30	Education Program	13,000	12,786	13,000	13,000



		2016 Budget	Actual 2016	2017 Budget	Approved 2018 Budget
41	Education Grants	2,000	0	2,000	2,000
32	WMWA Admin/Tech: SC Share	4,000	17,091	4,000	4,000
33	WMWA Admin/Tech: Partners Share	12,000		12,000	0
34	WMWA Impl Activities: SC Share	1,500	6,000	1,500	2,000
35	WMWA Impl Activities: Partners Share	4,500		4,500	0
36	Rain Garden Workshops: SC Share	3,000	9,594	2,000	2,000
37	Rain Garden Workshops: Partners Share	10,000		8,000	6,000
38	WMWA Educators: SC Share	4,500	15,236	4,500	4,500
39	WMWA Educators: Partners Share	13,500		13,500	0
40	WMWA Educators: Green Partners Grant	0	75	0	0
	Subtotal	\$68,000	\$60,782	\$67,000	\$35,500
	MANAGEMENT PLANS				
41	3 rd Gen Plan/Plan Amendments	2,000	0	2,000	1,000
42	Subwatershed BMP Assessment	20,000	16,549	20,000	20,000
	Subtotal	\$22,000	\$16,549	\$22,000	\$21,000
	PROJECTS				
43	Construction/Grant Matching Fund	0	0	0	0
44	Contribution to 4 th Generation Plan	10,000	0	10,000	7,000
45	DO Aeration System Operations	0	0	0	3,000
	Subtotal	\$10,000	\$0	\$10,000	\$10,000
	TOTAL OPERATING EXPENSE	\$409,665	\$373,190	\$403,710	\$379,710

Table 2. Budget Line Item Descriptions

Income

Line	Explanation
1	The application fee structure is intended to recover the cost of completing current project reviews. While the fees do not fully fund that activity, they are set and periodically reviewed and adjusted so as to recover a majority of the cost. It is difficult to predict and budget for project review revenues and fees because it varies based on the economy. The fees will next be reviewed at the end of 2017.
2	The proposed assessment of \$348,710 is a 2.4% increase over the 2017 assessment. There was no increase from 2015 to 2016 and a 0.1% increase between 2016 and 2017.
3	The Blue Line Extension project will be built through the watershed, and there will be a number of wetland and floodplain impacts and stream crossings. The Metropolitan Council will reimburse the Commission's cost for the Watershed Engineer's participation in planning meetings.
4	The Commission uses the 4M fund to manage its funds, as do many of the member cities. Interest rates are very low and likely to remain so, however, the commission is maintaining a high balance of funds encumbered for capital projects, so the amount of interest earned is rising.
5-7	The Commission is the fiscal agent for WMWA activities, and West Mississippi, Elm Creek, and Bassett Creek reimburse the Commission for those services. For 2018 the WMWA program accounting has been moved out of the operating budget and into a separate account.

Expenses

Line	Explanation
9-11	These line items are to provide administrative support (scheduling, minutes, etc.) for regular Commission and TAC meetings and any special Commission, TAC, or other meetings that require support, as well as general administrative duties such as notices, mailings, and correspondence. The Watershed Engineer continues to request the administrator to take on tasks that she can perform more cost effectively.

12	This line item includes general engineering support, including preparation for and attendance at Commission and TAC meetings, general technical and engineering assistance, minor special projects, etc. There has been an increasing amount of work including more frequent TAC meetings, technical assistance to the member cities, CIP and grants, etc., so this line item is proposed for increase.
13	The Commission continues to be successful in obtaining grant funds. This line item funds both the development of grant applications and the work necessary to get them under contract, such as developing work plans, budgets, and schedules.
14-15	These line items are for project reviews, review of Local Water Management Plans and Comprehensive Plan amendments and updates, environmental assessments, and general inquiries about past and upcoming projects, and large projects such as the Blue Line Extension. This activity has noticeably increased in the past few years, as there have been more planning and pre-submittal meetings and reviews.
16	The Commission completes reviews of progress toward the TMDLs every five years on a rotating schedule. In previous years, the Shingle Creek Chloride TMDL, Twin and Ryan Lakes and Crystal Lake Nutrient TMDL Five Year Reviews have been completed. In 2017 the Bass-Schmidt-Pomerleau Lakes Nutrient TMDL will be completed and the Cedar Island-Pike-Eagle Lakes TMDL review will be initiated.
17-21	Legal and administrative costs necessary to operate the Commission and hold meetings.
22-23	The Commission's routine stream monitoring program. Flow and water quality are monitored at two sites—SC-0 at Webber Park in Minneapolis and SC-3 at Brooklyn Boulevard in Brooklyn Park, and one site on Bass Creek – BC-1 in Bass Creek Park in Brooklyn Park. In 2017 some monitoring will also be done on Pike Creek to gather data for the Pike Lake TMDL 5 Year Review. This also includes the Commission's share of operating the USGS real-time monitoring site at Queen Avenue in Minneapolis.
24	The Commission periodically performs macroinvertebrate and fish monitoring to evaluate progress toward the biotic TMDL goals. Monitoring will occur at the four routine monitoring sites.
25	This line item is the routine lake water quality monitoring and aquatic vegetation surveys as set forth in the Third Generation Monitoring Program and in the lake TMDLs. In 2018 lakes monitored for water quality and aquatic vegetation will be Ryan and Crystal Lakes.
26-28	Volunteer lake, stream, and wetland monitoring. The lake monitoring is through the Met Council's Citizen Assisted Monitoring Program (CAMP), and the stream invert and wetland monitoring is coordinated by Hennepin County. In 2018 the CAMP lakes will be Cedar Island, Meadow, and Success. No wetland monitoring is proposed for 2018, reallocating that budget to stream biomonitoring.
29	This line item is the annual water quality report, which provides a record of all the monitoring results for the year as well as analysis of water quality trends and an overview of progress toward the TMDLs. West Mississippi also budgets funds for this report.
30-31	The cost of the Education program is split 50/50 between Shingle Creek and West Mississippi. The education grants are targeted to educators and other parties desiring to enhance education and outreach around water. Some past examples are: transportation to the annual Children's Water Fest; materials for a schoolyard rain garden; and interpretive signage at volunteer restoration sites.
32-40	Shingle Creek is the fiscal agent for the West Metro Water Alliance (WMWA). The accounting for WMWA has been moved into a separate account, so the partner's share will no longer be included in the Commission's operating budget.
41	The Commission reviews its Capital Improvement Program (CIP) annually, and periodically formally revises the CIP through major and minor plan amendments.
42	Completion of subwatershed BMP assessments systematically in the areas of the watershed that could benefit from additional treatment as recommended in the Third Generation Plan.
43-44	Contributions to dedicated accounts. The 4 th Generation Plan Account will have a balance of \$60,000 at the end of 2017, with an ultimate target of \$85,000 by 2021. No contribution is proposed to the grant match fund in 2018.
45	This new line item is the electrical costs for operating the aeration structures at three locations on Shingle Creek. This does not reflect the expected rebate for reselling excess solar power to the grid, which would be credited toward those costs

Table 3. 2018 Member Assessments

Community	Acreage	Cost Allocation			Cost Based		Total Cost	
		2016 Tax	Based on Area		On Tax Capacity			
		Capacity	%age	Dollars	%age	Dollars	%age	Dollars
Brooklyn Center	3,720	14,477,632	13.07%	22,789.902	10.38%	18,097.274	11.73%	40,887.18
Brooklyn Park	7,080	32,233,728	24.88%	43,374.329	23.11%	40,292.682	23.99%	83,667.02
Crystal	2,480	10,038,229	8.71%	15,193.268	7.20%	12,547.949	7.96%	27,741.22
Maple Grove	5,020	27,549,564	17.64%	30,754.115	19.75%	34,437.401	18.70%	65,191.52
Minneapolis	1,950	8,636,022	6.85%	11,946.319	6.19%	10,795.167	6.52%	22,741.49
New Hope	2,070	12,441,636	7.27%	12,681.478	8.92%	15,552.246	8.10%	28,233.72
Osseo	300	1,795,750	1.05%	1,837.895	1.29%	2,244.717	1.17%	4,082.61
Plymouth	4,380	24,780,060	15.39%	26,833.271	17.77%	30,975.476	16.58%	57,808.75
Robbinsdale	1,460	7,529,573	5.13%	8,944.424	5.40%	9,412.088	5.26%	18,356.51
Total	28,460	139,482,194	100%	174,355	100%	174,355	100%	348,710

2018 Budget Background

INCOME

- 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.
- WMWA Rain Garden Workshops: Shingle Creek serves as the fiscal agent for the West Metro Water Alliance. As that fiscal agent, Shingle Creek works with individual cities or groups of cities who wish to contract with Metro Blooms for raingarden workshops.

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.
- Project Reviews/WCA: correspondence and other support regarding project reviews and Wetland Conservation Act actions.

Engineering

- Engineering Services: 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.
- Grant Application Writing: researching and writing grant applications to supplement Commission funds, preparing work plans and contracts for awarded grants. The Commission started funding grant applications in 2003 and has received grants totaling just over \$3.3 million from various sources. **Not mandated.**

- Project Reviews/WCA: reviewing projects and wetland replacement plans for conformance with Commission and WCA requirements; reviewing local plans and comprehensive plan amendments; consultation on upcoming projects; reviewing environmental assessments.
- TMDL 5 Year Reviews/CIP Engineering: technical assistance to the Commission and cities in the ongoing implementation of TMDLs and projects and completion of TMDL Five Year Reviews. Each Five Year Review is published as a stand-alone report. **Not mandated.**

Legal

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

Miscellaneous

- Miscellaneous: annual audit, bookkeeping services, insurance and bonding, and meeting expenses.

MONITORING AND INFORMATION GATHERING: State administrative rules **mandate** 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. The Commission lake, stream, and biomonitoring are in accordance with the ongoing monitoring committed to by the Commission in the lake and stream TMDLs Implementation Plans.

- *Commission Stream Monitoring*: Field data collection, equipment maintenance, sample lab analysis, and data analysis for flow monitoring and water quality sampling at three sites (SC-0 Webber Park, SC-3 Brooklyn Boulevard, and BC-1 Bass Creek Park).
- *Stream Monitoring-USGS*: The Commission's share of the cost of operating the USGS site at Queen Avenue (SC-1). Real-time data can be found at waterdata.usgs.gov/mn/nwis/uv?05288705.
- *Commission Stream Biomonitoring*: The Commission periodically performs fish and macroinvertebrate sampling at the water quality monitoring stations.
- *Commission Lake Monitoring*: Bimonthly water column water quality monitoring, aquatic vegetation surveys, and sediment core sampling (where necessary) to obtain a more robust assessment of lake water quality and biotic health.
- *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. The Commission provides equipment, training, and sample collection. Lakes are monitored on a rotating schedule set forth in the Third Gen Plan.
- *Volunteer Wetland Monitoring*: In partnership with Hennepin County Environment and Energy. 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. Two to three sites are monitored each year.
- *Volunteer Stream Monitoring*: In partnership with Hennepin County Environment and Energy, high school and college students are trained to sample streambeds for macroinvertebrates and to classify the sampled organisms as an indicator of stream health. Various sites on Shingle Creek.
- *Annual Monitoring Report*: Information gathered through the various monitoring programs is presented and interpreted in an Annual Water Quality Report. This report also includes an analysis of water quality trends

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 West Metro Water Alliance (WMWA) (with West Mississippi, Bassett, and Elm 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.

- *3rd Gen Plan/Plan Amendments:* Management Plans have been completed for water resources in the watershed, including approved TMDLs* for each Impaired Water. Each year the Commission reviews the Capital Improvement program (CIP), and if necessary modifies it through a major or minor plan amendment.
- *Subwatershed BMP Assessments:* Using a method developed by the Metro Conservation District and the Center for Watershed Protection, these analyses evaluate and model smaller subwatersheds for possible small Best Management Practice implementation, including rain gardens, bioinfiltration and filtration basins, pond expansions and iron-enhanced filter retrofits, pervious pavement, tree trenches, capture and reuse, and other practices. Such assessments have been completed in Robbinsdale in the drainage area to Crystal Lake, the commercial node at Bass Lake Road and West Broadway in Crystal, and the area in Plymouth tributary to Pike Lake is being assessed. In 2017 the area in Minneapolis within the Shingle Creek watershed is being assessed.

CONSTRUCTION/MATCHING GRANT FUND: An annual capital contribution towards a fund to be used to match grants or for high-priority projects as designated by the Commission. **Not mandated**

CONTRIBUTION TO 4TH GENERATION MANAGEMENT PLAN: The Commissions are required by statute to update their plans at least every ten years. The commissions are accumulating funds in a dedicated account to pay for this plan, expected in 2021-2022. **Not mandated**

*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