



Watershed Management Commission

3235 Fernbrook Lane N • Plymouth, MN 55447
Phone (763) 553-1144 • Fax (763) 553-9326
www.shinglecreek.org

June 23, 2022

City Clerks

Member Cities

Shingle Creek Watershed Management Commission
Hennepin County, Minnesota

via email

RE: Shingle Creek Watershed Management Commission
2023 Operating Budget and Member Assessments

At its May 12, 2022, meeting, the Shingle Creek Watershed Management Commission adopted its operating budget for calendar year 2022. The budget is in the amount of \$385,250 and can be viewed in Table 1 on pages 2 and 3 of this letter. The 2023 budget continues the same activities at the same level of effort as in 2022. 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. The Commission also serves as the fiscal agent for the West Metro Water Alliance (WMWA), a consortium of four watersheds that jointly provide education and outreach in western Hennepin County, and those expenses and contributions from other WMOs are shown at the end of Table 1.

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 2023 assessments to the member cities are shown in Table 3. The 2023 budget assumes an assessment of \$370,000, which is a 1.8% increase, well below the current inflation rate. Under the JPA assessment cap, the Commission could have increased the annual assessments to cities over the years by 56.8% over the baseline year of 2004. However, the total assessment increase has been only 40.8%, which shows that the Commission has been careful to steward the cities' resources over the years.

Article VIII, Subd. 4 of the Joint Powers Agreement (JPA) establishing the Commission provides that a member city may object to the budget by giving written notice to the Commission before August 1, 2022. If any objections are received, the Commission will hear the objections at its August 11, 2022, meeting and may modify the budget.

The Shingle Creek Watershed Management Commission requests approval of its 2023 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. Shingle Creek WMC 2022 Operating Budget.

		Approved 2021 Budget	Approved 2022 Budget	Approved 2023 Budget
REVENUE				
1	Application Fees	\$20,000	\$20,000	\$15,000
2	Member Assessments	363,590	363,590	370,000
3	Blue Line Extension	0	0	0
4	Interest	20,000	5,000	250
TOTAL REVENUE		\$403,590	\$388,590	\$385,250
EXPENSES				
ADMINISTRATION				
5	Administrative Services	\$71,000	\$71,000	\$70,000
6	Engineering Support	17,000	17,000	15,000
7	Project Reviews/WCA	1,500	1,500	1,500
8	Blue Line Extension			
Subtotal		\$89,500	\$89,500	\$86,500
ENGINEERING				
9	Engineering Services	75,000	75,000	77,000
10	Grant Application Writing	12,000	12,000	11,000
11	Project Reviews/WCA	43,000	43,000	30,000
12	Blue Line Extension	0	0	0
13	TMDL 5 Year Reviews	5,000	5,000	5,000
Subtotal		\$135,000	\$135,000	\$135,000
LEGAL				
14	Legal Services	\$5,500	\$5,500	\$6,000
MISCELLANEOUS				
15	Bookkeeping	8,000	8,000	8,000
16	Audit	6,500	6,500	7,500
17	Insurance & Bonding	3,200	3,200	3,200
18	Meeting Expense	5,000	5,000	5,000
Subtotal		\$22,700	\$22,700	\$23,700
PROGRAMS				
<i>Monitoring</i>				
19	Stream Monitoring	35,000	35,000	34,000
20	Stream Monitoring-USGS	4,200	4,200	4,200
21	Commission Lake Monitoring	28,000	28,000	28,000
22	Citizen Assisted Lake Monitoring	4,800	4,800	5,200
23	Vol Wetland Monitoring	2,000	2,000	0
24	Vol Stream Monitoring	1,000	1,000	2,000
25	Annual Monitoring Report	16,000	16,000	17,500
Subtotal		\$91,000	\$91,000	\$90,900
<i>Water Quality Education</i>				
26	Education Program	16,500	16,500	17,000
27	Education Grants	0	0	0
28	WMWA Admin/Tech: SC Share	5,000	5,000	5,000
29	WMWA Impl Activities: SC Share	2,000	2,000	2,000
30	Rain Garden Workshops: SC Share	0	0	0
31	WMWA Educators: SC Share	4,500	4,500	4,500
Subtotal		\$29,000	\$28,000	\$28,500



		Approved 2021 Budget	Approved 2022 Budget	Approved 2022 Budget
	MANAGEMENT PLANS			
32	3 rd Gen Plan/Plan Amendments	1,000	1,000	0
33	Subwatershed BMP Assessment	0	0	5,000
	Subtotal	\$1,000	\$1,000	\$5,000
	PROJECTS			
34	Contribution to 4 th Generation Plan	0	0	0
35	To/(From) Reserves	15,890	15,890	21,650
	Subtotal	\$15,890	\$15,890	\$21,650
	TOTAL OPERATING EXPENSE	\$403,590	\$388,590	\$385,250
	WMWA			
	Revenues			
	WMWA Education -partners	33,000	33,000	33,000
	WMWA Rain Garden Workshops-partners	6,000	0	0
	WMWA Education Programming-SC	11,500	11,500	11,500
	Rain Garden Workshops-SC	2,000	0	0
		\$54,500	\$44,500	\$44,500
	Expenditures			
	WMWA Admin-Tech	20,000	20,000	20,000
	WMWA Implementation	6,500	6,500	6,500
	WMWA Educators	18,000	18,000	18,000
	WMWA Rain Garden Workshops	8,000	0	0
		\$52,500	\$44,500	\$44,500

As Table 2 shows, the 2021 annual expenses, **pre-audit**, were an estimated \$63,250 less than the total revenue received. On the revenue side, interest received was significantly less than budgeted due to lower interest rates and the reduced bank balance following reimbursement of cities for projects they've completed. But that was offset by project review expenses that were well below budget. Project review activity was much less than expected. Virtual rather than in-person meetings saved nearly \$5,000. WMWA has a pay-as-you-go approach and bills the WMOs in installments based on activity. COVID-19 greatly reduced outreach and education opportunities. Rather than build up a big account balance, WMWA elected not to invoice for the full amount budgeted. **Once the audit is complete, the actual surplus will be used to replenish the unrestricted cash reserve, which was in a slight negative position at the end of 2020.**

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 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.
2	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. Assessments have not increased for the past 2 years. The proposed 2022 assessment is the same as 2021.

Line	Explanation
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. While currently on hold, the Metropolitan Council will reimburse the Commission for the cost of the Watershed Engineer's participation in planning meetings.

Expenses

Line	Explanation
5-8	These line items are to provide administrative support (scheduling, minutes, etc.) for regular Commission and TAC meetings and any Commission, TAC, or other meetings that require support, as well as general administrative duties such as notices, mailings, and correspondence. The Engineer continues to request the administrator to take on tasks that she can perform more cost effectively.



9, 10, 13	These line items include general engineering support, including preparation for and attendance at Commission and TAC meetings, general technical and engineering assistance, minor special projects, writing and administering grants, etc. The TMDL 5 Year Review budget is reduced since the focus in 2022 will be completing the 4th Generation Plan.
11-12	These line items are for project reviews, review of Local Water Management Plans and Comprehensive Plan amendments and updates, environmental assessments, large projects such as the Blue Line Extension and general inquiries about past and upcoming projects. This activity has noticeably increased in the past few years, as there have been more planning and pre-submittal meetings and reviews. It is difficult to predict what the expense for a coming year will be, as it is based on the number of project reviews, inquiries, etc. received.
14-18	Legal: general counsel: preparing for and attending meetings, drafting policies and variances, reviewing contracts and agreements. Misc: annual audit, bookkeeping services, insurance and bonding, and meeting expenses.
19-20	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. This also includes the Commission's share of operating the USGS real-time monitoring site at Queen Avenue in Minneapolis.
21	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. The lake monitoring cycle and those for 2022 will be reviewed as part of the 4 th Generation Plan.
22-24	Volunteer lake, macroinvertebrate, and wetland monitoring. The lake monitoring is through the Met Council's Citizen Assisted Monitoring Program (CAMP), and the stream macroinvertebrate and wetland monitoring is coordinated by Hennepin County Environmental Services. The lake monitoring cycle and those for 2022 will be reviewed as part of the 4 th Generation Plan. Two wetlands yet to be determined will be monitored in 2022.
25	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. Now that the Commissions has accumulated a long enough data record, more trend analysis is possible.
26-27	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 the West Metro Water Alliance (WMWA) (with Shingle, Bassett, and Elm WMOs); work with area schools; maintain Web site. The cost of the Education program is split 50/50 between Shingle Creek and West Mississippi. No education grants have been awarded for several years despite efforts to market the program. Staff recommends discontinuing the program.
28-31	The Commission participates in the West Metro Water Alliance (WMWA), contributes to funds to support rain garden workshops, classroom activities, and special projects on a regional basis.
32	The Commission reviews its Capital Improvement Program (CIP) annually, and periodically formally revises the CIP through major and minor plan amendments.
33	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. No assessments have been requested for 2022, thus no funds are budgeted.
34	The Commission could but does not at this time make regular contributions to a dedicated 4 th Generation Watershed Management Plan account.
35	When expenses are less than collected revenues, the balance is transferred to the cash reserves.



Table 3. 2021 and 2022 Member Assessments

2021 Community	Acreage	2020 Tax Capacity	Cost Allocation		Cost Based		Total Cost	
			Based on Area		on Tax Capacity			
			%age	Dollars	%age	Dollars	%age	Dollars
Brooklyn Center	3,720	19,082,171	13.07%	23,762.382	10.55%	19,174.501	11.81%	42,936.88
Brooklyn Park	7,080	41,288,026	24.88%	45,225.179	22.82%	41,487.799	23.85%	86,712.99
Crystal	2,480	13,455,117	8.71%	15,841.588	7.44%	13,520.220	8.08%	29,361.81
Maple Grove	5,020	35,903,298	17.64%	32,066.441	19.84%	36,077.017	18.74%	68,143.46
Minneapolis	1,950	12,300,200	6.85%	12,456.087	6.80%	12,359.715	6.83%	24,815.80
New Hope	2,070	16,231,998	7.27%	13,222.616	8.97%	16,310.537	8.12%	29,533.15
Osseo	300	2,201,981	1.05%	1,916.321	1.22%	2,212.635	1.14%	4,128.96
Plymouth	4,380	30,147,065	15.39%	27,978.289	16.66%	30,292.932	16.03%	58,271.22
Robbinsdale	1,460	10,309,759	5.13%	9,326.096	5.70%	10,359.643	5.41%	19,685.74
Total	28,460	180,919,615	100%	181,795	100%	181,795	100%	363,590

2022 Community	Acreage	2021 Tax Capacity	Cost Allocation		Cost Based		Total Cost	
			Based on Area		on Tax Capacity			
			%age	Dollars	%age	Dollars	%age	Dollars
Brooklyn Center	3,720	20,453,640	13.07%	23,762.382	10.58%	19,230.292	11.82%	42,992.67
Brooklyn Park	7,080	44,158,668	24.88%	45,225.179	22.84%	41,517.503	23.86%	86,742.68
Crystal	2,480	14,200,096	8.71%	15,841.588	7.34%	13,350.777	8.03%	29,192.37
Maple Grove	5,020	38,788,473	17.64%	32,066.441	20.06%	36,468.504	18.85%	68,534.94
Minneapolis	1,950	13,204,556	6.85%	12,456.087	6.83%	12,414.781	6.84%	24,870.87
New Hope	2,070	17,617,989	7.27%	13,222.616	9.11%	16,564.243	8.19%	29,786.86
Osseo	300	2,345,474	1.05%	1,916.321	1.21%	2,205.189	1.13%	4,121.51
Plymouth	4,380	31,478,480	15.39%	27,978.289	16.28%	29,595.727	15.83%	57,574.02
Robbinsdale	1,460	11,112,638	5.13%	9,326.096	5.75%	10,447.982	5.44%	19,774.08
Total	28,460	193,360,014	100%	181,795	100%	181,795	100%	363,590

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.
- Blue Line Extension: The Met Council reimburses the Commission for work the Engineer and WCA administrators undertake as part of planning for the Blue Line Extension.
- WMWA Education and Rain Garden Workshops: Shingle Creek serves as the fiscal agent for the West Metro Water Alliance. As that fiscal agent, Shingle Creek invoices the other three watersheds for general WMWA work and also 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 \$4.3 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 TMDL 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 BCP 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:* 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 several areas within the watershed.

CONSTRUCTION/MATCHING GRANT FUND: A 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.