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May 29, 2009

Mayors
Member Cities
West Mississippi Watershed Management Commission
Hennepin County, Minnesota

RE: West Mississippi Watershed Management Commission
2010 Operating Budget

At its May 14, 2009 meeting, the West Mississippi 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 two percent **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 (macroinvertebrate and wetland monitoring) are increasing 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 Upper Mississippi bacteria and Lake Pepin nutrient TMDLs move toward completion and implementation, it will become more important to have assembled a record of these activities. Therefore, the Commission will contribute \$2,000 to the annual production of the report.

Management Planning. The Commission annually budgets \$5,000 for management planning. In the past, these funds have been used to complete the stream corridor study for Oxbow Creek and Mattson Brook and Phase I of the Wetland Management Plan. In 2009 these funds are being used to start development of a P8 model for the watershed, supplemented by \$9,870 reallocated from other line items on a one-time basis. For 2010 the Management Planning funds are targeted for the completion of the Wetland Management Plan. In the 2008 budget, the Commission designated that \$5,000 be “saved” for the Wetland Management Plan. Therefore, West Mississippi’s share of the Wetland Management Plan is \$10,000, funded from \$5,000 in the 2010 budget and \$5,000 contributed from reserve funds budgeted in 2008.



In April 2008, the Commissioners discussed long term planning, including the major activities to be considered to ramp up to the Third Generation Plan. Most of these are Shingle Creek activities, but several are relevant to West Mississippi. 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 3-4 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 4.

Budget		REVENUE	
Line		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 does appear to be recovering a greater share. Applications have been decreasing in West Mississippi and, with the number of undeveloped lots still on the market in northern Brooklyn Park, a continued lower level of applications is expected in 2010. While it can be difficult to predict the number of project reviews that will be completed in a particular year, Staff recommended that the Commission continue the expected income budget for application fees at \$3,000.
6			The proposed assessment of \$128,000 is a two percent decrease from 2009. There was a four percent increase from 2008 to 2009 and no increase from 2007 to 2008.
7			Commission technical and administrative staff have been providing services to the Joint EPOC for the past few years. Starting in 2010 Bassett, Elm, and Pioneer-Sarah Creek WMOs will be requested to help fund those services.

Budget		EXPENDITURES	
Line		Line	Explanation
10			This line item provides administrative support (scheduling, minutes, etc) for regular TAC meetings and any special TAC or other meetings that require administrative support.
16			While project reviews have been fewer, this line item also funds review of Local Water Management Plans and Comprehensive Plan amendments and updates.
23			At this time no changes are recommended to the volunteer stream monitoring budget. This may change based on discussions with Hennepin County staff as they consider changes to the RiverWatch program.



24	Two wetland sites are monitored in the Shingle Creek watershed and two in the West Mississippi watershed through the volunteer Wetland Health Evaluation Program managed by Hennepin County. Hennepin County charges \$1,500 per site.
25	This line is the Commission's contribution to the Annual Water Quality Monitoring Report.
26	The cost of the Education program is split 50/50 between Shingle Creek and West Mississippi. A modest increase in the budget to reflect a greater emphasis on education and outreach in TMDL implementation was approved.
27	The cost of maintaining the Website (www.shinglecreek.org serves both Shingle Creek and West Mississippi) has been rolled into the general education program budget (line 26).
30	The Commission budgets \$5,000 annually to prepare management plans. The Wetland Management Plan is scheduled for 2010. The Commission contributed \$5,000 to reserves in 2008 to fund this plan. The Wetland Management Plan will be funded from \$5,000 in the 2010 budget and the \$5,000 contributed to reserves in 2008 for this purpose, for a total of \$10,000
31	The excess expected revenues over expected costs will be contributed to an account to start accumulating funds for the 2011 Third Generation Plan.

Table 1. West Mississippi Watershed Management Commission 2010 Budget.

		Approved 2007	Actual 2007	Approved 2008	Unaudited 2008	Approved 2009	Approved 2010
REVENUE							
1	Application fees	\$12,000	\$ 4,750	\$5,000	\$3,800	\$5,000	\$3,000
2	Wetland reviews		300				
3	Interest income	2,000	12,722	5,000	6,300	12,000	1,200
4	Grants						
5	Reserve						5,000
6	Assessment	126,650	126,651	125,600	125,600	130,620	128,000
7	Education reimbursement						3,700
8	Misc income		351				
9	Assessment above cap	3,950	3,950				
	TOTAL REVENUE	\$144,600	\$148,724	\$135,600	\$135,700	\$147,620	\$140,900
EXPENSES							
OPERATIONS							
<i>Administration:</i>							
10	Administrative Services	27,632	27,793	30,800	27,497	30,800	26,200
11	TAC/Engineering Support	7,249	2,857	5,000	6,159	6,000	6,000
<i>Engineering:</i>							
12	Administration	14,733	14,448	18,000	17,917	18,000	18,000
13	Management Plan	3,058	961	3,000	4,086	3,000	2,000
14	Grant Writing		692	2,150	87	2,000	1,000
<i>Legal:</i>							
15	Legal Services	4,372	4,165	5,500	3,648	5,000	4,500
<i>Project Reviews:</i>							
16	Engineering	8,966	10,597	15,000	15,685	15,000	13,000
17	Administration	2,176	928	2,500	394	2,000	1,000



		Approved 2007	Actual 2007	Approved 2008	Unaudited 2008	Approved 2009	Approved 2010
	<i>Miscellaneous:</i>						
18	Accounting	3,071	2,198	2,250	2,954	2,250	2,250
19	Audit	4,500	4,500	5,000	4,500	5,000	4,500
20	Contingency	1,443		1,500	0	1,500	1,500
21	Insurance & Bonding	2,424	2,535	3,000	2,269	3,000	3,000
22	Meeting Expense	1,028	1,070	1200	1,167	1,200	1,400
	SUBTOTAL OPERATIONS	\$80,652	\$72,744	\$94,900	\$86,363	\$94,750	\$84,350
	MONITORING AND INFO GATHERING						
23	Volunteer stream monitoring			1,000	1,000	1,000	1,000
24	Volunteer wetland monitoring		2,000	1,000	1,000	3,000	2,000
25	Annual Monitoring Report						2,000
	SUBTOTAL MONITORING	-	\$2,000	\$2,000	\$2,000	\$4,000	\$5,000
	EDUCATION AND PUBLIC OUTREACH						
26	Education Program	20,731	18,803	25,700	31,265	26,000	28,200
27	Web site	600					
28	Education Grants	684	921	3,000	808	3,000	2,000
	SUBTOTAL EDUCATION	\$22,015	\$19,724	\$28,700	\$32,073	\$29,000	\$30,200
	MANAGEMENT PLANS						
29	Oxbow Creek/Other Stream Assessment	4,880					
30	Management plans		5,000	5,000	10,290	14,870	10,000
	SUBTOTAL MGMT PLANS	4,880	\$5,000	\$5,000	\$10,290	\$5,000	\$10,000
31	Contribution to constr/grant match		5,000	5,000	5,000	5,000	5,000
32	Contribution to 3d Gen Plan						6,350
	TOTAL OPERATING EXPENSE	\$107,547	\$94,468	\$135,600	\$135,726	\$135,600	\$140,900
	CAPITAL IMPROVEMENT PROJECTS						
33	None						
	TOTAL CIP	-	\$0	\$0	\$0	\$0	\$0



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.

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, and preparing budget.
- 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, and 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.**

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.

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. Monitoring is conducted on Mattson Brook.

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), work with area schools, and 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, and implementation projects that include an education component. Expanded in 2005 to include associations, youth and church groups, nonprofits, and organized groups.

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.

Management Plans:

- 2006 - Phase II Stream Assessment: Oxbow Creek and Mattson Brook
- 2009 - Begin developing a P8 model for the watershed
- 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.

The West Mississippi 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,

A handwritten signature in black ink that reads "Judie A. Anderson".

Judie A. Anderson
Administrator

JAA:tim
Encl: Member Assessments

Cc via email: City Managers
Commissioners

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