



Shingle Creek Watershed Management Commission

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June 27, 2019

City Clerks

Member Cities

Shingle Creek Watershed Management Commission

Hennepin County, Minnesota

via email

RE: Shingle Creek Watershed Management Commission
2020 Operating Budget and Member Assessments

At its May 9, 2019 meeting, the Shingle Creek Watershed Management Commission adopted its operating budget for calendar year 2020. The budget is in the amount of \$443,590 and can be viewed in Table 1 on pages 2 and 3 of this letter. The 2020 budget continues the same activities at the same level of effort as in 2019. 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 included in this budget.

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 2020 assessments to the member cities are shown in Table 3 on page 5. 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 2018 to March 2019 CPI-U (most recent information available) change is 0.9%. Because of the accumulated inflation lag, the Commission could assess up to \$363,590 in 2020. The 2020 budget assumes an assessment of \$363,590, which is an increase of 1.9%. This is greater than the current rate of inflation, however, in the prior four years the assessment increased an average of 0.258%, less than inflation.

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, 2019. If any objections are received, the Commission will hear the objections at its August 8, 2019 meeting and may modify the budget.

The Shingle Creek Watershed Management Commission requests approval of its 2020 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 2020 operating budget

		2018 Budget	Actual 2018 Audit	Approved 2019 Budget	Proposed 2020 Budget
REVENUE					
1	Application Fees	\$22,000	\$22,100	\$22,000	\$23,000
2	Member Assessments	348,710	348,710	356,900	363,590
3	Blue Line Extension	2,000	0	0	1,000
4	Interest	1,000	22,637	3,000	15,000
5	WMWA Education Reimbursement	30,000	16,334	33,000	33,000
6	WMWA Rain Garden Workshops	6,000	11,773	6,000	8,000
7	Miscellaneous Income	0	0	0	0
TOTAL REVENUE		\$409,710	\$421,554	\$420,900	\$443,590
EXPENSES					
ADMINISTRATION					
8	Administrative Services	\$71,000	\$63,256	\$71,000	\$71,000
9	Engineering Support	12,500	12,548	17,000	17,000
10	Project Reviews/WCA	1,000	1,139	1,700	1,500
11	Blue Line Extension		0		500
Subtotal		\$84,500	\$76,943	\$89,700	\$90,000
ENGINEERING					
12	Engineering Services	60,000	63,564	62,000	62,000
13	Grant Application Writing	10,000	10,538	10,000	11,500
14	Project Reviews/WCA	37,000	40,732	37,000	45,000
	Local Plan Reviews		22,840	0	0
15	Blue Line Extension	2,000	1,273	0	500
16	TMDL 5 Year Reviews	12,000	12,007	12,000	12,000
Subtotal		\$121,000	150,954	\$121,000	\$131,000
LEGAL					
17	Legal Services	7,000	5,015	6,000	6,000
Subtotal		\$7,000	\$5,015	\$6,000	\$6,000
MISCELLANEOUS					
18	Bookkeeping	5,500	6,279	7,000	7,000
19	Audit	5,000	6,000	6,000	6,500
20	Insurance & Bonding	3,100	2,564	3,100	3,100
21	Meeting Expense	4,100	4,493	4,700	5,000
Subtotal		\$17,700	19,336	\$20,800	\$21,600
PROGRAMS					
<i>Monitoring</i>					
22	Stream Monitoring	31,220	37,953	33,000	35,000
23	Stream Monitoring-USGS	3,990	3,800	4,100	4,500
24	Monitoring Equipment			3,000	0
25	Stream Biomonitoring	6,000	(incl above)	0	0
26	Commission Lake Monitoring	22,000	21,213	22,500	24,000
27	Citizen Assisted Lake Monitoring	3,800	0	3,800	3,800
28	Vol Wetland Monitoring	0	0	2,000	2,000
29	Vol Stream Monitoring	2,000	2,000	2,000	1,000
30	Annual Monitoring Report	14,000	14,137	14,000	16,000
Subtotal		\$83,010	\$79,103	\$84,400	\$86,300



		2018 Budget	Actual 2018 Audit	Approved 2019 Budget	Proposed 2020 Budget
	<i>Water Quality Education</i>				
31	Education Program	15,000	13,048	15,000	15,000
32	Education Grants	2,000	0	500	500
33	WMWA Admin/Tech: SC Share	4,000	10,222	5,000	5,000
34	WMWA Admin/Tech: Partners Share	15,000		15,000	15,000
35	WMWA Impl Activities: SC Share	2,000	5,976	2,000	2,000
36	WMWA Impl Activities: Partners Share	4,500		4,500	4,500
37	Rain Garden Workshops: SC Share	2,000	11,697	2,000	2,000
38	Rain Garden Workshops: Partners Share	6,000		6,000	6,000
39	WMWA Educators: SC Share	4,500	14,622	4,500	4,500
40	WMWA Educators: Partners Share	13,500		13,500	13,500
	Subtotal	\$65,500	\$55,565	\$68,000	\$68,000
	MANAGEMENT PLANS				
41	3 rd Gen Plan/Plan Amendments	1,000	1,451	1,000	1,000
42	Subwatershed BMP Assessment	20,000	507	0	20,000
	Subtotal	\$21,000	\$1,958	\$1,000	\$21,000
	PROJECTS				
43	Flood Modeling and Mapping	0	937	25,000	0
44	Contribution to 4 th Generation Plan	10,000	0	5,000	0
45	To (from) Restricted Fund Balances		(152,250)		
46	To/From Reserves	0	183,993	0	19,690
	Subtotal	\$10,000	\$32,680	\$30,000	\$19,690
	TOTAL OPERATING EXPENSE	\$409,710	\$421,554	\$420,900	\$443,590

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.
2	The proposed assessment of \$363,590 is a 1.9% increase over the 2019 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, which recently have been on hold.
4	The Commission uses the 4M fund to manage its funds, as do many of the member cities. Interest rates are 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.
5-6	The Commission is the fiscal agent for WMWA activities, and West Mississippi, Elm Creek, and Bassett Creek reimburse the Commission for those services. Participating cities reimburse the Commission for Metro Blooms workshops.

Expenses

8-11	These line items are to provide administrative support (scheduling, minutes, etc.) for regular Commission and TAC meetings and any special 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.
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Expenses

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 may most likely increase in the future.
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. Where possible grant administration is rolled into the grant project costs and is an eligible grant activity.
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. 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. In 2019 the Commission reviewed nine local water management plans.
16	In the lake and stream TMDLs, the Commission took on completing reviews of progress every five years on a rotating schedule. In 2019 the Meadow and Magda Lakes review will be completed, and the Shingle and Bass Creeks Biota and DO TMDL review will be completed in 2019-2020.
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. This also includes the Commission's share of operating the USGS real-time monitoring site at Queen Avenue in Minneapolis.
24	No monitoring equipment is proposed for replacement in 2020.
26	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 2020 lakes monitored for water quality and aquatic vegetation will be Eagle and Pike Lakes.
27-29	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. In 2020 the CAMP lakes will be Upper, Middle, and Lower Twin Lakes and Ryan Lake. Two wetlands yet to be determined will be monitored in 2020.
30	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 Commission has accumulated a sufficient data record, more trend analysis is possible, and the budget is proposed to be increased.
31-32	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.
33-40	Shingle Creek is the fiscal agent for the West Metro Water Alliance (WMWA). These lines show the Commission's share as well as the partners' share.
41	The Commission reviews its Capital Improvement Program (CIP) annually, and formally revises the CIP through periodic 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	A 2019 special project to update flood modeling and mapping that was last updated decades ago. The 2019 budget included funding to supplement \$50,000 contributed by the DNR. The unspent balance is carried over to 2020 to complete this work.
44-45	Contributions to dedicated accounts: a reserve for the 4th Generation Management Plan; and a grant match reserve. The 4th Generation Plan Account will have a balance of \$65,000 at the end of 2019. No contribution is proposed to either the 4th Gen Plan or the grant match fund in 2020.
46	Net of funds received and costs expended in the restricted accounts for CIPs, Gants, Projects, and Closed Projects.

Table 3. 2020 Member Assessments

2020 Community	Acreage	2018 Tax Capacity	Cost Allocation		Cost Based		Total Cost	
			Based on Area		on Tax Capacity			
			%age	Dollars	%age	Dollars	%age	Dollars
Brooklyn Center	3,720	17,466,627	13.07%	23,762.382	10.42%	18,943.731	11.75%	42,706.11
Brooklyn Park	7,080	40,905,072	24.88%	45,225.179	24.40%	44,364.299	24.64%	89,589.49
Crystal	2,480	11,980,781	8.71%	15,841.588	7.15%	12,993.962	7.93%	28,835.55
Maple Grove	5,020	32,567,463	17.64%	32,066.441	19.43%	35,321.602	18.53%	67,388.04
Minneapolis	1,950	11,207,087	6.85%	12,456.087	6.69%	12,154.839	6.77%	24,610.93
New Hope	2,070	14,486,344	7.27%	13,222.616	8.64%	15,711.413	7.96%	28,934.03
Osseo	300	2,082,122	1.05%	1,916.321	1.24%	2,258.201	1.15%	4,174.52
Plymouth	4,380	27,889,515	15.39%	27,978.289	16.64%	30,248.053	16.01%	58,226.34
Robbinsdale	1,460	9,034,849	5.13%	9,326.096	5.39%	9,798.901	5.26%	19,125.00
Total	28,460	167,619,860	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 \$3.6 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