



# LOWER MINNESOTA RIVER WATERSHED DISTRICT

## Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting

Wednesday, July 15, 2020

### Agenda Item

#### Item 5. A. - 2022 Draft Preliminary Budget

#### Prepared By

Linda Loomis, Administrator

#### Summary

The 2022 proposed Preliminary budget is attached for review by the Board. An explanation of certain individual line items is also attached.

The 2022 budget is straight-forward and follows the implementation plan presented in Table 4-1, Section 4 of the LMRWD Watershed Management Plan

Administrative costs are allocated across the different programs of the District by percentage. Currently, expenses are allocated across the different programs of the District as follows:

- Administration 29%
- Cooperative Project 10%
- 509 Plan 46%
- 9' Foot Channel 15%

This means that expenses such as rent and other costs of the LMRWD's operations are divided across the various cost centers according to the split shown above.

The Board is asked to call a public hearing for August 18, 2021, to approve the Preliminary Budget and authorize preliminary certification of the levy for taxes payable 2022. (The deadline for preliminary certification to the counties is September 30, 2021.) The Board will then be asked to call a public hearing for December 15, 2021, to adopt the Final Budget and Certification of Levy. The Board can make changes to the Budget at the August meeting, or if necessary continue the public hearing to September.

A spreadsheet of Capital Improvement Projects will be sent to Board members between the July and August Board meetings, once it has been updated. Additionally, the LMRWD has not received the Notice of Net Tax Capacities to Use to Apportion Payable 2022 Property Tax Levies.

Item 5. A. - 2022 Draft Preliminary Budget

Executive Summary

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**Attachments**

2022 draft proposed budget

2022 proposed budget explanation

[Table 4.1 Lower Minnesota River Watershed District - Implementation Program Budget for 2018-2027](#)

**Recommended Action**

Motion to Call for public hearing August 18, 2021 to certify tax levy payable 2022 and approve preliminary 2022 budget.

Any action the Board wishes to take regarding the 2022 Budget should be made by a motion during the Board meeting.

2022 Proposed Total Budget  
2020 Adopted Budget/Actuals - 2021 Adopted Budget/YTD/Projected - 2022 Proposed

	Account	2020 Adopted	2020 Actual	2021 Adopted	2021 YTD	Projected 2021	Proposed 2022
	<b>Revenues:</b>						
	General Property Tax						
1	Carver County	\$ 42,833.00	\$ 47,147.51	\$ 42,871.42	\$ -	\$ 42,871.42	\$ 42,871.42
2	Dakota County	\$ 70,735.35	\$ 67,616.35	\$ 72,959.65	\$ -	\$ 72,959.65	\$ 72,959.65
3	Hennepin County	\$ 321,491.83	\$ 315,715.12	\$ 318,293.13	\$ -	\$ 318,293.13	\$ 318,293.13
4	Scott County	\$ 289,939.83	\$ 72,725.74	\$ 290,875.80	\$ 112,935.73	\$ 290,875.80	\$ 290,875.80
	<b>Total Levy:</b>	<b>\$ 725,000.01</b>	<b>\$ 503,204.72</b>	<b>\$ 725,000.00</b>	<b>\$ 112,935.73</b>	<b>\$ 725,000.00</b>	<b>\$ 725,000.00</b>
5	Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	MCES WOMP Grant	\$ 5,500.00	\$ 5,500.00	\$ 5,000.00	\$ 4,500.00	\$ 5,000.00	\$ 5,000.00
7	State of MN Grant for Dredge Material Management	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00	\$ -	\$ 240,000.00	\$ 240,000.00
8	Metro-Area Watershed Based funding grants	\$ 91,021.00	\$ -	\$ -	\$ 63,866.00	\$ -	\$ -
9	License Revenue from placement of dredge	\$ 25,000.00	\$ -	\$ 25,000.00	\$ -	\$ 25,000.00	\$ 25,000.00
10	Revenues from sale of dredge material	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 11,406.00	\$ 5,000.00	\$ 5,000.00
11	Permit Fees	\$ -	\$ 5,500.00	\$ -	\$ 13,094.25	\$ 1,000.00	\$ -
12	Miscellaneous Income	\$ -	\$ 5.00	\$ -	\$ -	\$ -	\$ -
	<b>Total Revenues:</b>	<b>\$ 1,091,521.01</b>	<b>\$ 754,209.72</b>	<b>\$ 1,000,000.00</b>	<b>\$ 205,801.98</b>	<b>\$ 1,001,000.00</b>	<b>\$ 1,000,000.00</b>
	<b>Expenses:</b>						
13	<b>Administration</b> (from Administrative Budget Page)	\$ 250,000.00	\$ 233,781.73	\$ 250,000.00	\$ 92,264.07	\$ 250,000.00	\$ 250,000.00
	<b>Cooperative Projects</b>						
14	Eden Prairie Bank Stabilization -Area #3	\$ 35,000.00	\$ 27,045.65	\$ 100,000.00	\$ 27,331.25	\$ 100,000.00	\$ 100,000.00
15	Eagle Creek	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Gully Erosion Contingency	\$ -	\$ 78,657.38	\$ -	\$ -	\$ -	\$ -
17	USGS	\$ 19,700.00	\$ 10,091.50	\$ -	\$ -	\$ -	\$ -
18	Ravine Stabilization at Seminary Fen in Chaska	\$ 55,200.00	\$ -	\$ -	\$ -	\$ -	\$ -
19	Riley Creek Cooperative Project with RPBCWD	\$ 74,565.67	\$ -	\$ -	\$ 150,000.00	\$ 150,000.00	\$ -
20	Seminary Fen Ravine Restoration site A	\$ -	\$ 97.50	\$ 75,000.00	\$ -	\$ 75,000.00	\$ -
21	Seminary Fen Ravine C-2	\$ 20,000.00	\$ -	\$ -	\$ -	\$ 20,000.00	\$ -
	<b>509 Plan Budget</b>						
	Resource Plan Implementation						
22	Watershed Resource Restoration Fund						\$ 120,000.00
23	Gully Inventory	\$ 80,000.00	\$ 51,714.34	\$ -	\$ -	\$ -	\$ -
24	Minnesota River Corridor Management Project	\$ -	\$ -	\$ 75,000.00	\$ 26,423.00	\$ 75,000.00	\$ -
25	TH 101 Ravine/Shakopee	\$ 35,000.00	\$ -	\$ -	\$ -	\$ 350.00	\$ -
26	Assumption Creek Hydrology Restoration Project	\$ -	\$ -	\$ -	\$ 2,125.50	\$ 2,125.50	\$ -
27	Carver Creek restoration Project	\$ 15,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
28	Groundwater Screening Tool Model	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
29	Eagle Creek (East Branch) Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Minnesota River Floodplain Model Feasibility Study	\$ -	\$ 260.00	\$ -	\$ -	\$ -	\$ -
31	Schroeder's Acres Park/Savage Fen Stormwater Management P	\$ 181,055.00	\$ -	\$ -	\$ -	\$ -	\$ -
32	Downtown Shakopee Stormwater BMPs		\$ -	\$ -	\$ -		\$ 50,000.00
33	PLOC Realignment/Wetland Restoration	\$ -	\$ 162.50	\$ 70,000.00	\$ -	\$ 70,000.00	\$ 30,000.00
34	Spring Creek Project	\$ -	\$ 1,223.62	\$ 75,000.00	\$ -	\$ 75,000.00	
35	West Chaska Creek Project	\$ -	\$ 34,490.96	\$ -	\$ -	\$ -	\$ -
36	Sustainable Lakes Management Plan (Trout Lakes)	\$ 50,000.00	\$ 78,714.21	\$ -	\$ -	\$ -	\$ 50,000.00
37	Geomorphc Assessments (Trout Streams)	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
38	Fen Stewardship Program	\$ 25,000.00	\$ 40,960.90	\$ 25,000.00	\$ 5,642.64	\$ 25,000.00	\$ 25,000.00
39	District Boundary Modification Project	\$ -	\$ -		\$ -	\$ -	\$ -
40	East Chaska Creek Bank Stabilization Project	\$ -	\$ -	\$ -	\$ 58,088.28	\$ 60,000.00	\$ -
41	East Chaska Creek Water Quality Treatment Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	Minnesota River Sediment Reduction Strategy	\$ -	\$ 16,289.96	\$ -	\$ -	\$ -	\$ -
43	Riley Creek Bank Stabilization below CSAH 61	\$ -	\$ 118,581.68	\$ -	\$ -	\$ -	\$ -
44	Local Water Management Plan reviews	\$ 8,000.00	\$ 16,279.80	\$ 15,000.00	\$ 895.50	\$ 15,000.00	
45	Project Reviews	\$ 20,000.00	\$ -	\$ 50,000.00	\$ 42,813.36	\$ 50,000.00	
46	Monitoring	\$ 65,000.00	\$ 16,279.80	\$ 75,000.00	\$ 12,838.00	\$ 75,000.00	\$ 75,000.00
47	Watershed Management Plan		\$ -				
48	Next Generation Watershed Management Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
49	Plan Clarification and proposed rules/Rule implementation	\$ 56,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
50	Plan Amendment	\$ -	\$ -	\$ 10,000.00	\$ 1,037.54	\$ 10,000.00	
51	Vegetation Management Standard/Plan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52	Public Education/Citizen Advisory Committee/Outreach Program	\$ 30,000.00	\$ 50,187.10	\$ 30,000.00	\$ 22,272.70	\$ 30,000.00	\$ 75,000.00
53	Cost Share Program	\$ 20,000.00	\$ 9,043.64	\$ 50,000.00	\$ 5,543.50	\$ 50,000.00	\$ 20,000.00
	<b>Nine Foot Channel</b>						
54	Transfer from General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
55	Dredge site operations	\$ -		\$ -	\$ 102.00	\$ -	\$ -
56	Dredge Site Restoration	\$ 315,000.00	\$ 459,845.30	\$ 240,000.00	\$ -	\$ 240,000.00	\$ 240,000.00
57	<b>Total Non-administrative Expenses:</b>	<b>\$ 1,204,520.67</b>	<b>\$ 1,009,925.84</b>	<b>\$ 890,000.00</b>	<b>\$ 355,113.27</b>	<b>\$ 1,122,475.50</b>	<b>\$ 785,000.00</b>
58	<b>Total Administrative Expenses (from line 13)</b>	<b>\$ 250,000.00</b>	<b>\$ 233,781.73</b>	<b>\$ 250,000.00</b>	<b>\$ 92,264.07</b>	<b>\$ 250,000.00</b>	<b>\$ 250,000.00</b>
59	<b>Total Expenses</b>	<b>\$ 1,454,520.67</b>	<b>\$ 1,243,707.57</b>	<b>\$ 1,140,000.00</b>	<b>\$ 447,377.34</b>	<b>\$ 1,372,475.50</b>	<b>\$ 1,035,000.00</b>
60	Revenue less Expenses	\$ (362,999.66)	\$ (489,497.85)	\$ (140,000.00)	\$ (241,575.36)	\$ (371,475.50)	\$ (35,000.00)
61	Beginning Fund Balance - January 1			\$ 2,570,757.57	\$ 2,570,757.57	\$ 2,570,757.57	\$ 2,570,757.57
62	Total Revenue	\$ 1,091,521.01	\$ 754,209.72	\$ 1,000,000.00	\$ 205,801.98	\$ 1,001,000.00	\$ 1,000,000.00
63	Total Expenses	\$ 1,454,520.67	\$ 1,243,707.57	\$ 1,140,000.00	\$ 447,377.34	\$ 1,372,475.50	\$ 1,035,000.00
64	Ending Fund Balance - December 31 (bold figures are projected)			\$ 2,430,757.57	\$ 2,328,182.21	\$ 2,199,282.07	\$ 2,535,757.57

2022 proposed LMRWD Budget for Administration Operations  
2020 Adopted Budget/Actuals - 2021 Adopted Budget/YTD/Projected - 2022 Proposed

Account	Adopted 2020	2020 Actual	Adopted 2021	YTD 2021 (Through 6/30/21)	Projected 2021	Adopted 2022
Expenses:						
65 Wages-General	\$ -		\$ -	\$ -	\$ -	\$ -
66 Severance Allowance	\$ -					
67 Benefits	\$ -		\$ -	\$ -	\$ -	\$ -
68 PERA Expense	\$ -		\$ -			
69 Payroll Tax (FICA/Medicare)	\$ -		\$ -	\$ -	\$ -	\$ -
70 Unemployment compensation	\$ -		\$ -			
71 Manager Per Diem	\$ 11,250.00	\$ 4,875.00	\$ 11,250.00	\$ -	\$ 11,250.00	\$ 11,250.00
72 Manager Expense (mileage/food/registrations)	\$ 3,000.00	\$ 256.83	\$ 3,000.00	\$ -	\$ 3,000.00	\$ 3,000.00
73 Telecommunications-Cell-Internet/Phone	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	\$ 1,000.00
74 Office Supplies	\$ 300.00	\$ 76.54	\$ 300.00	\$ 86.75	\$ 300.00	\$ 300.00
75 Meeting Supplies/Expense	\$ 100.00	\$ -	\$ 100.00	\$ -	\$ 100.00	\$ 100.00
76 Rent	\$ 7,800.00	\$ 8,450.00	\$ 7,800.00	\$ 3,250.00	\$ 7,800.00	\$ 7,800.00
77 Dues	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ -	\$ 7,500.00	\$ 7,500.00
78 Miscellaneous-General	\$ 3,000.00	\$ 1,870.50	\$ 3,000.00	\$ 561.00	\$ 3,000.00	\$ 3,000.00
79 Training & Education	\$ 1,500.00	\$ 285.00	\$ 1,500.00	\$ -	\$ 1,500.00	\$ 1,500.00
80 Insurance & Bonds	\$ 10,000.00	\$ 9,399.00	\$ 11,000.00	\$ 180.00	\$ 11,000.00	\$ 11,000.00
81 Postage	\$ 500.00	\$ 96.86	\$ 375.00	\$ 18.00	\$ 375.00	\$ 375.00
82 Photocopying	\$ 1,000.00	\$ 34.41	\$ 875.00	\$ 2.43	\$ 875.00	\$ 875.00
83 Legal Notices-General	\$ 1,500.00	\$ 2,707.20	\$ 1,500.00	\$ 42.00	\$ 1,500.00	\$ 1,500.00
84 Subscriptions & License Fees	\$ -	\$ 475.42	\$ 250.00	\$ 162.00	\$ 250.00	\$ 250.00
85 Mileage	\$ 5,000.00	\$ 1,696.12	\$ 5,000.00	\$ 368.99	\$ 5,000.00	\$ 5,000.00
86 Taxable meal reimbursement	\$ 500.00	\$ 52.86	\$ 500.00	\$ -	\$ 500.00	\$ 500.00
87 Lodging/ Staff Travel	\$ 1,500.00	\$ -	\$ 1,500.00	\$ -	\$ 1,500.00	\$ 1,500.00
88 Accounting/Financial Services	\$ 5,500.00	\$ 5,215.70	\$ 5,382.00	\$ 1,373.50	\$ 5,382.00	\$ 5,580.00
89 Audit Fees	\$ 15,000.00	\$ 14,525.00	\$ 15,000.00	\$ -	\$ 15,000.00	\$ 15,000.00
90 Professional Services-General	\$ 121,050.00	\$ 97,931.25	\$ 120,168.00	\$ 33,750.00	\$ 120,168.00	\$ 104,970.00
91 Legal Fees-General	\$ 10,000.00	\$ 6,878.50	\$ 10,000.00	\$ 3,248.50	\$ 10,000.00	\$ 10,000.00
92 Engineering-General	\$ 20,000.00	\$ 49,930.10	\$ 20,000.00	\$ 34,615.81	\$ 20,000.00	\$ 35,000.00
93 Equipment-General	\$ -	\$ -	\$ -	\$ -	\$ -	
94 Equipment-Maintenance	\$ 500.00	\$ 334.37	\$ 500.00	\$ 157.24	\$ 500.00	\$ 500.00
95 Equipment-Lease	\$ 2,500.00	\$ 2,857.70	\$ 2,500.00	\$ 840.50	\$ 2,500.00	\$ 2,500.00
96 Newsletter Expense(Web Articles)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
97 Lobbying	\$ 20,000.00	\$ 18,333.37	\$ 20,000.00	\$ 8,333.35	\$ 20,000.00	\$ 20,000.00
98 Total Expense for Administration:	\$ 250,000.00	\$ 233,781.73	\$ 250,000.00	\$ 86,990.07	\$ 250,000.00	\$ 250,000.00

2022 Budget Explanation of line items

Project funding proposed in the 2022 Budget is taken from Table 4-1 Implementation Program Budget found in Section 4 of the LMRWD Watershed Management Plan. Explanations for certain lines follow.	
<b>Line #</b>	<b>Cooperative Projects</b>
	<i>Cooperative Projects are those projects that are intended to be completed by the LMRWD with other partners</i>
14	<b>Eden Prairie Bank Stabilization - Area #3</b> The LMRWD received a Clean Water grant for this project under BWSR's Watershed Based Funding Program. The LMRWD has allocated \$100,000 in 2022 for this project.
	<b>509 Plan Budget</b>
22	<b>Watershed Resource Restoration Fund</b> This fund implements Goals 2 and 3, which are to protect, improve and restore surface water and ground water quality within the District. This program will fund projects sponsored by LGUs and were not identified at the time the Plan was adopted.
32	<b>Downtown Shakopee Stormwater BMPs</b> This project received a Watershed Based Funding Grant. The project is to study the stormwater of downtown Shakopee, which currently drains untreated to the Minnesota River. The purpose of the study is to identify BMPs to treat storm water before it reaches the River.
33	<b>Prior Lake Outlet Channel re-alignment</b> This project also received a Watershed Based Funding Grant. The project will create meanders in the Prior Lake Outlet Channel (PLOC) in an attempt to reduce the amount of sediment carried to the Minnesota River.
36	<b>Sustainable Lakes Management Plan (Trout Lakes)</b> This project will study the trout lakes within the LMRWD and develop a management plan for the lakes.
38	<b>Fen Stewardship Program</b> This project is a partnership between the LMRWD, the MN DNR and the Metropolitan Council. The effort will develop a management plan to protect, preserve and possibly restore calcareous fens within the LMRWD.
44	<b>Local Water Management Plan Reviews</b> The LMRWD has not yet approved the Local Water Management Plans for Savage and Mendota. Some Cities' Plans are in the process of being updated due to LMRWD rules, which required cities to amend their official controls to conform to the rules.
45	<b>Project Reviews</b> This item includes costs incurred by the LMRWD to review non-LMRWD projects in cities that have either opted to have the LMRWD review projects or have not yet received a Municipal permit.  Eden Prairie and Chaska have opted to have the LMRWD review projects within the boundaries of the LMRWD. The LMRWD is also responsible for reviewing MNDOT, and MAC (Metropolitan Airport Commission) projects and for the unincorporated areas of the District. Burnsville, Savage and Shakopee intend to apply for a municipal permit, but permits have not been approved for these cities yet.
46	<b>Monitoring</b> The LMRWD intends to conduct a comprehensive review of its monitoring program to evaluate whether monitoring is providing the information needed to manage resources within the District.

2022 Budget Explanation of line items

47-51	<b>Watershed Management Plan Amendment</b> Staff is planning an update to the Watershed Management Plan; primarily to update Table 4-1 Implementation Program Budget for 2018 - 2027. \$10,000 was included in the budget 2021 for amending the Plan. This amount should be enough to cover any Plan Amendment.
52	<b>Public Education/CAC/Outreach Program</b> More detail for this line will be provided with the August meeting packet. <b>TOTAL:.....\$75,000.00</b>
Line #	<b>Nine Foot Channel</b>
54-56	<b>Transfer from General Fund</b> The deficit that was built up in the Channel Fund was eliminated in 2019. All expenses incurred for managing dredge and maintenance of the dredge site are covered by the grant from the state of Minnesota. The transfer that was budgeted in 2020 was not necessary and a mid-year budget adjustment was done in August 2020 to reassign the money allocated for a transfer to the Channel Fund. \$80,000 was reassigned to the Gully Inventory.
Line #	<b>Administrative Budget</b>
71	<b>Manager Per Diem</b> This figure is calculated for 5 Managers, using a per diem of \$125/meeting and 1.5 meetings per month per manager.
77	<b>Dues</b> MAWD dues were included at \$7,500. Staff is recommending that the MAWD dues be included in the budget.
88	<b>Accounting /Financial Services</b> The agreement for financial services with Carver County will expire at the end of 2021. A new agreement is being prepared. This line includes an increase in fees to Carver County of 3.7%.
92	<b>Engineering</b> This line has been increased to better reflect the actual cost of general engineering expenses. Costs incurred by the District that are charged to this line include preparation for monthly board meeting, Board meeting attendance of technical consultant. To offset the increase to this line, line 86 was reduced. Line 86 is the line that administrative services (Naiad Consulting) are charged to. More administrative service fees can be charged to directly to project budgets than has been done in the past.