



# LOWER MINNESOTA RIVER WATERSHED DISTRICT

## Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting

Wednesday, September 11, 2024

### Agenda Item

#### Item 4. A. – Presentation of the proposed 2025 LMRWD Budget

#### Prepared By

Linda Loomis, Administrator

#### Summary

On September 3, 2024, the LMRWD Finance Committee, consisting of President Barisonzi and Managers Lammers met with the LMRWD administrator to determine adjustments to the LMRWD proposed 2025 Budget and preliminary certification of the levy for taxes payable in 2025.

The Finance Committee is recommending an 8.5% increase in the proposed levy from the budget that was presented at the August 21, 2024, meeting. This represents an increased levy from 2024 of \$100,000 and a reduction from the recommended levy of \$525,000.

The proposed budget has projected revenues of \$1,549,500 and total expenses of \$2,049,500. The Finance Committee recommends using \$500,000 of fund balance to balance the budget.

In addition to the recommended proposed levy, the Finance Committee recommends reducing the total expenses to \$91,250. Expenses were reduced as follows:

- Administrative Expenses were reduced by eliminating dues to MN Watersheds (\$12,500) and moving \$65,000 of engineering expenses from the administrative Budget into the Programs and projects budgets.
- The budget for cooperative projects was reduced by reducing the budget for the Eagle Creek Bank Restoration Town & Country RV Park Study from \$69,800 to \$16,050.
- The budget for the 509 Plan was reduced by eliminating the budget for the Fen Private Land Acquisition Study.

The reductions to the Eagle Creek Bank Restoration Project and the Fen Private land Acquisition Study doesn't mean the LMRWD won't pursue these projects. It means that additional funding will need to be secured from grants or that partners will need to contribute a larger share.

This brings the proposed 2025 LMRWD budget into balance. The Finance Committee also recommends that the Board adopt a fund reserve policy which will be presented to the Board at a future meeting.

Item 4. A. – Presentation of the proposed 2025 LMRWD Budget  
Executive Summary  
September 11, 2024  
Page 2

**Attachments**

- 2025 Draft Budget – Total
- 2025 Draft Administrative Budget
- 2025 Levy Allocation table
- Line-item explanation of 2025 draft budget

2025 LMRWD Budget for Administration Operations  
2023 Adopted Budget/2023 Actuals/2024 Adopted/ 2024 YTD/2024 Projected/2025 Proposed

	Account	Adopted 2023	2023 Actuals (unaudited)	2024 Adopted	2024 Actual YTD (Through 8/31/24)	Projected 2024	Proposed 2025
	<b>Revenues:</b>						
	General Property Tax						
1	Carver County	\$ 42,871.43	\$ 46,558.34	\$ 76,691.08	\$ 39,745.95	\$ 76,691.08	\$ 79,526.85
2	Dakota County	\$ 72,959.65	\$ 76,518.99	\$ 112,757.70	\$ 61,635.39	\$ 112,757.70	\$ 121,314.98
3	Hennepin County	\$ 318,293.13	\$ 286,572.54	\$ 473,452.15	\$ 253,134.66	\$ 473,452.15	\$ 494,144.10
4	Scott County	\$ 290,875.80	\$ 332,061.92	\$ 512,099.08	\$ 263,729.67	\$ 512,099.08	\$ 580,014.08
	<b>Total Levy:</b>	<b>\$ 725,000.01</b>	<b>\$ 741,711.79</b>	<b>\$ 1,175,000.01</b>	<b>\$ 618,245.67</b>	<b>\$ 1,175,000.01</b>	<b>\$ 1,275,000.00</b>
5	Interest Income	\$ -	\$ 61,326.62	\$ -	\$ 33,663.73	\$ 33,663.73	\$ -
6	MCES WOMP Grant	\$ 5,000.00	\$ 4,500.00	\$ 4,500.00	\$ 5,500.00	\$ 5,500.00	\$ 4,500.00
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	\$ -	\$ 96,866.00	\$ 96,866.00	\$ -
9	License Revenue from placement of dredge	\$ 25,000.00	\$ 20,513.00	\$ 25,000.00	\$ 11,979.00	\$ 25,000.00	\$ 25,000.00
10	Revenues from sale of dredge material	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 109,778.00	\$ 109,778.00	\$ 5,000.00
11	Permit Fees	\$ -	\$ 7,400.00	\$ -	\$ 7,125.00	\$ 7,125.00	\$ -
12	Miscellaneous Income	\$ -	\$ 11,279.44	\$ -	\$ -	\$ -	\$ -
	<b>Total Revenues:</b>	<b>\$1,000,000.01</b>	<b>\$ 1,177,751.85</b>	<b>\$1,449,500.01</b>	<b>\$883,157.40</b>	<b>\$ 1,692,932.74</b>	<b>\$ 1,549,500.00</b>
	<b>Expenses:</b>						
13	<b>Administration</b> (from Administrative Budget Page)	\$ 250,000.00	\$ 297,304.50	\$ 377,838.00	\$ 218,903.55	\$ 377,838.00	\$ 373,450.00
	<b>Cooperative Projects</b>						
14	Eden Prairie Bank Stabilization -Area #3	\$ -	\$ 154,736.24	\$ 100,000.00	\$ 115,365.73	\$ 115,365.73	\$ 100,000.00
15	Gully Erosion Contingency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Seminary Fen Ravine C-2	\$ 20,000.00	\$ -	\$ 90,000.00	\$ -	\$ 90,000.00	\$ 80,000.00
17	Eagle Creek Bank Restoration Town & Country RV Park Study	\$ -	\$ -	\$ 30,000.00	\$ -	\$ 30,000.00	\$ 16,050.00
18	Shakopee River bank Stabilization Project	\$ -	\$ -	\$ 50,000.00	\$ -	\$ 50,000.00	\$ 50,000.00
	<b>509 Plan Budget</b>						
	Resource Plan Implementation						
19	Watershed Resource Restoration Fund	\$ 100,000.00	\$ -	\$ 82,500.00	\$ -	\$ 82,500.00	\$ 100,000.00
20	Fen Private Land Acquisition Study	\$ -	\$ -	\$ 50,000.00	\$ -	\$ 50,000.00	\$ -
21	Gully Inventory	\$ 90,500.00	\$ 81,264.54	\$ 150,000.00	\$ 21,483.25	\$ 150,000.00	\$ 160,000.00
22	Minnesota River Corridor Management Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23	Gun Clun Fen Intrusion Investigation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24	Assumption Creek Hydrology Restoration Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Groundwater Screening Tool Model	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Minnesota River Floodplain Model Feasibility Study	\$ 75,000.00	\$ 9,547.85	\$ -	\$ 5,385.50	\$ -	\$ -
27	Schroeder's Acres Park/Savage Fen Stormwater Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28	Downtown Shakopee Stormwater BMPs	\$ 50,000.00	\$ -	\$ 50,000.00	\$ -	\$ 50,000.00	\$ -
29	PLOC Realignment/Wetland Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Spring Creek Project	\$ 90,000.00	\$ 54,396.52	\$ 100,000.00	\$ 9,909.85	\$ 100,000.00	\$ 110,000.00
31	West Chaska Creek Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32	Sustainable Lakes Management Plan (Trout Lakes)	\$ -	\$ -	\$ 50,000.00	\$ -	\$ 50,000.00	\$ 55,000.00
33	Geomorphpic Assessments (Trout Streams)	\$ -	\$ -	\$ 100,000.00	\$ 61,565.24	\$ 100,000.00	\$ -
34	Fen Stewardship Program	\$ 75,000.00	\$ 51,540.00	\$ 75,000.00	\$ 56,033.07	\$ 75,000.00	\$ 85,000.00
35	District Boundary Modification Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36	East Chaska Creek Bank Stabilization Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
37	Minnesota River Sediment Reduction Strategy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
38	Local Water Management Plan reviews	\$ 5,000.00	\$ 31.25	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 5,000.00
39	Project Reviews	\$ 50,000.00	\$ 108,379.50	\$ 50,000.00	\$ 74,194.60	\$ 74,194.60	\$ 110,000.00
40	Monitoring	\$ 75,000.00	\$ 48,750.94	\$ 75,000.00	\$ 6,020.75	\$ 75,000.00	\$ 75,000.00
41	Watershed Management Plan						
42	Legal expense related to rule enforcement & implementation	\$ -	\$ -	\$ -	\$ 1,869.00	\$ 1,869.00	\$ -
43	Technical expense related to plan & rule development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
44	Municipal Coordination	\$ -	\$ -	\$ -	\$ 4,305.75	\$ 4,305.75	\$ -
45	Rule Enforcement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00
46	Public Education/Citizen Advisory Committee/Outreach Program	\$ 85,000.00	\$ 78,753.95	\$ 115,000.00	\$ 48,457.95	\$ 115,000.00	\$ 150,000.00
47	Cost Share Program	\$ 20,000.00	\$ 20,586.50	\$ 20,000.00	\$ 5,469.97	\$ 20,000.00	\$ 20,000.00
	<b>Nine Foot Channel</b>						
48	Dredge site operations	\$ 240,000.00	\$ 305,473.35	\$ 240,000.00	\$ 17,920.98	\$ 240,000.00	\$ 240,000.00
49	Dredge Site Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Bonded Debt Levy</b>						
50	Area #3 Bonds	\$ -	\$ -	\$ 300,000.00	\$ -	\$ 300,000.00	\$ 300,000.00
51	<b>Total Non-administrative Expenses:</b>	\$ 975,500.00	\$ 913,460.64	\$ 1,732,500.00	\$ 427,981.64	\$ 1,478,235.08	\$ 1,676,050.00
52	<b>Total Administrative Expenses (from line 13)</b>	\$ 250,000.00	\$ 297,304.50	\$ 377,838.00	\$ 218,903.55	\$ 377,838.00	\$ 373,450.00
53	<b>Total Expenses</b>	\$ 1,225,500.00	\$ 1,210,765.14	\$ 2,110,338.00	\$ 646,885.19	\$ 2,110,338.00	\$ 2,049,500.00
54	Revenue less Expenses	\$ (225,499.99)	\$ (33,013.29)	\$ (660,837.99)	\$ 236,272.21	\$ (417,405.26)	\$ (500,000.00)
55	Beginning Fund Balance - January 1		\$ 1,953,659.65		\$ 1,376,420.36		\$ 1,612,692.57
56	Total Revenue		\$1,177,751.85		\$883,157.40		\$ 1,549,500.00
57	Total Expenses		\$ (1,210,765.14)		\$ (646,885.19)		\$ (2,049,500.00)
	Fund Balance						\$ 500,000.00
58	Ending Fund Balance - December 31 (bold figures are projected)	<b>\$ 1,953,659.65</b>	<b>\$ 1,920,646.36</b>	\$ 1,376,420.36	<b>\$ 1,612,692.57</b>		<b>\$ 1,612,692.57</b>

2024 proposed LMRWD Budget for Administration Operations  
2023 Adopted Budget/2023 Actuals/2024 Adopted/ 2024 YTD/2024Projected/2025 Proposed

Account	Adopted 2023	2023 Actual (unaudited)	Adopted 2024	YTD 2024 (Through 7/31/24)	Projected 2024	Adopted 2025
Expenses:						
59 Wages-General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
60 Severance Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61 Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62 PERA Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63 Payroll Tax (FICA/Medicare)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
64 Unemployment compensation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
65 Manager Per Diem	\$ 11,250.00	\$ 4,500.00	\$ 15,000.00	\$ 5,750.00	\$ 15,000.00	\$ 15,000.00
66 Manager Expense (mileage/food/registrations)	\$ 3,000.00	\$ 549.20	\$ 4,500.00	\$ 539.87	\$ 4,500.00	\$ 4,500.00
67 Telecommunications-Cell-Internet/Phone	\$ 1,000.00	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	\$ 1,000.00
68 Office Supplies	\$ 300.00	\$ 181.68	\$ 300.00	\$ 239.52	\$ 300.00	\$ 300.00
69 Meeting Supplies/Expense	\$ 100.00	\$ 94.25	\$ 100.00	\$ 71.00	\$ 100.00	\$ 300.00
70 Rent	\$ 7,800.00	\$ 6,500.00	\$ 7,800.00	\$ 4,550.00	\$ 7,800.00	\$ 7,800.00
71 Dues	\$ 7,500.00	\$ 1,300.00	\$ -	\$ -	\$ -	\$ -
72 Miscellaneous-General	\$ 3,000.00	\$ 2,086.00	\$ 3,000.00	\$ 1,353.50	\$ 3,000.00	\$ 3,000.00
73 Training & Education	\$ 1,500.00	\$ 330.00	\$ 1,500.00	\$ -	\$ 1,500.00	\$ 1,500.00
74 Insurance & Bonds	\$ 11,000.00	\$ 10,318.00	\$ 12,000.00	\$ 12,186.00	\$ 12,000.00	\$ 12,000.00
75 Postage	\$ 375.00	\$ 21.63	\$ 300.00	\$ -	\$ 300.00	\$ 300.00
76 Photocopying	\$ 875.00	\$ 171.34	\$ 750.00	\$ 2.21	\$ 750.00	\$ 500.00
77 Legal Notices-General	\$ 1,500.00	\$ 800.40	\$ 2,000.00	\$ 67.50	\$ 2,000.00	\$ 2,000.00
78 Subscriptions & License Fees	\$ 250.00	\$ 580.99	\$ 400.00	\$ 162.00	\$ 400.00	\$ 500.00
79 Mileage	\$ 5,000.00	\$ 2,433.80	\$ 5,000.00	\$ 1,167.88	\$ 5,000.00	\$ 4,000.00
80 Taxable meal reimbursement	\$ 500.00	\$ 59.99	\$ 500.00	\$ 7.03	\$ 500.00	\$ 500.00
81 Lodging/ Staff Travel	\$ 1,500.00	\$ -	\$ 1,500.00	\$ -	\$ 1,500.00	\$ 1,500.00
82 Accounting/Financial Services	\$ 5,580.00	\$ 26,436.71	\$ 25,438.00	\$ 16,327.43	\$ 25,438.00	\$ 30,000.00
83 Audit Fees	\$ 15,000.00	\$ 3,279.81	\$ 30,000.00	\$ 3,000.00	\$ 30,000.00	\$ 30,000.00
84 Professional Services-General	\$ 104,970.00	\$ 98,718.75	\$ 153,000.00	\$ 85,500.00	\$ 153,000.00	\$ 175,000.00
85 Legal Fees-General	\$ 10,000.00	\$ 21,634.00	\$ 15,000.00	\$ 6,036.50	\$ 15,000.00	\$ 15,000.00
86 Engineering-General	\$ 35,000.00	\$ 100,290.05	\$ 75,000.00	\$ 70,209.11	\$ 75,000.00	\$ 35,000.00
87 Equipment-Maintenance	\$ 500.00	\$ 3,405.34	\$ 500.00	\$ -	\$ 500.00	\$ 500.00
88 Equipment-Lease	\$ 2,500.00	\$ 1,739.12	\$ 2,500.00	\$ 1,533.98	\$ 2,500.00	\$ 2,500.00
89 Lobbying	\$ 20,000.00	\$ 11,873.44	\$ 20,000.00	\$ 10,000.02	\$ 20,000.00	\$ 30,000.00
90 Bank fees and charges	\$ -	\$ 5,080.01	\$ 750.00	\$ 200.00	\$ 750.00	\$ 750.00
91 Total Expense for Administration:	\$ 250,000.00	\$ 297,304.50	\$ 377,838.00	\$ 218,903.55	\$ 377,838.00	\$ 373,450.00

**Proposed Levy 2025**

General Fund	373,450.00
Planning and Implementation Fund	601,550.00
Debt Service on Bond repayment	<u>300,000.00</u>
<b>Apportioned Payable 2025 Levy</b>	<b>1,275,000.00</b>

<u>County</u>	<u>Net Tax Capacity % Distribution</u>	<u>Apportioned Payable 2025 Levy</u>
Carver	6.2374%	79,526.85
Dakota	9.5149%	121,314.98
Hennepin	38.7564%	494,144.10
Scott	45.4913%	580,014.08
<b>Watershed Total</b>	<b>100.0000%</b>	<b>1,275,000.00</b>

2025 Budget Explanation of line items

5 Project funding proposed in the 2025 Budget is taken from Table 4-1 Implementation Program Budget found in Section 4 of the LMRWD Watershed Management Plan (as revised in 2022).  
 Explanations for certain lines follow.

Line #	Cooperative Projects
	<i>Cooperative Projects ate those projects that are intended to be completed by the LMRWD with other partners</i>
14	<p><b>Eden Prairie Bank Stabilization - Area #3</b></p> <p>The timeline for this project has been extended and hopefully this project will be ready to go for bid in late 2024. The LMRWD received state funds to construct this project and will need to match state funds in an amount equal to the state’s contribution. The City of Eden Prairie has indicated it will contribute \$400,000 to the project. The LMRWD applied for and received a \$50,000 grant from Hennepin County. At the August 2023 Board of Manager meeting, it was decided to issue bonds to raise the LMRWD share of the estimated project costs. The LMRWD will wait until bids for construction of the project have been received before a bond sale, however, it was recommended that the 2024 budget include an estimated first payment on the bonds. \$300,000 was included in the 2024 budget as bonded debt levy. \$300,000 is included in the 2025 budget for the same. If the money collected for repayment of debt is not used for that purpose it will be used to pay for direct costs of this project.</p> <p>This project involves stabilizing the eroding banks along the Minnesota River in Eden Prairie to prevent further erosion. It targets erosion that threatens both natural habitats and nearby infrastructure and stabilizes the bank to prevent further erosion and protect infrastructure from damage caused by current and potential bank failure.</p>
16	<p><b>Seminary Fen Ravine B and Ravine C-2</b></p> <p>The City of Chaska provided plans to address several ravines that are actively discharging sediment into the Seminary Fen Wetland Complex. The ravines were labeled A, B and C-2. The costs and schedule to stabilize the ravines shown in Table 4.1 of the LMRWD Watershed Management Plan are based on information provided to the LMRWD by the City. The City developed a feasibility study to stabilize C-2 in 2022 and is now ready to implement the recommendations found in the study.</p> <p>The City of Chaska is ready to move ahead with construction of the project and has applied for and received a \$615,000 Clean Water Fund grant for the project. The estimated total cost of the project is \$1,007,532. The City is looking for additional funds for the project. The City received Watershed Based Implementation Funding of; \$87,742 from the Lower MN River WPA and \$201,325 from the Carver County WPA.</p> <p>The City is asking the LMRWD to redirect funds in the LMRWD implementation plan to this project rather than the projects identified in LMRWD Plan implementation table. Funds for site B will be redirected to site C-2.</p> <p>This project will stabilize two eroding ravines discharging sediment into the Seminary Fen Wetland Complex and protect the fen ecosystem from further sediment deposition and potential degradation.</p>
17	<p><b>Eagle Creek Bank Restoration Town &amp; Country RV Park Feasibility Study</b></p> <p><u>The budgeted amount for this project has been reduced to \$16,050.00 to reduce the proposed levy and balance the budget.</u> This project is a result of the municipal coordination meeting between the LMRWD and the City of Savage. Signs of hillslope failure have been observed near the campground on the Main Branch of Eagle Creek which is an added environmental stressor on Eagle Creek a designated trout stream. Funding to assess this area was included in the 2024 LMRWD budget. Funds in the 2025 budget are for stabilization of the area. The project will reduce sedimentation to the main branch of Eagle Creek.</p>

2025 Budget Explanation of line items

	<p>This feasibility study will assess potential bank restoration solutions along Eagle Creek to prevent further erosion and protect water quality in this sensitive trout stream. As part of strategies will be developed to stabilize the banks, reduce sediment transport, and improve habitat quality for aquatic species.</p>
18	<p><b>Shakopee Riverbank Stabilization Project</b></p> <p>This project proposes stabilizing sections of the Minnesota River riverbank that are eroding along the City of Shakopee’s parallel trunk sanitary sewer line that flows to L-16 and other storm sewer outlets. Funds may be used to complete recommendations from the Shakopee Downtown BMP Study that are part of the MN River Stabilization project. The MN Riverbank stabilization project plans to stabilize the MN Riverbank from Huber Park downstream to The Landing. The City has received funds from the Federal Government and the State of Minnesota. There is a second project planned by the City of Shakopee that was identified in its Downtown BMP study. The City has received Watershed Based Implementation funding for this project from the Scott County WPA (Watershed Planning Area) (\$150,000) and the LMRWD WPA (\$87,743). The project will divert low flows from an existing storm sewer to provide treatment in a pond to allow for settling of sediment to remove TSS and TP. The project would be constructed in 2026 coordinated with the Riverbank Stabilization project. The contributing watershed is 257.3 acres (approximately 2/3 of the watershed currently has no treatment). Project includes diversion structure, grit chamber, pond area, outlet structure, etc. The estimated total cost of this project is \$500,000. The LMRWD may use funds from this line to fund that project.</p>
<b>509 Plan Budget</b>	
19	<p><b>Watershed Resource Restoration Fund</b></p> <p>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 and/or updated.</p> <p>In 2022, the LMRWD Board of Managers accepted a request from the City of Burnsville to partner on the stabilization of a ravine along Willow Creek. \$67,500 of this line was used for that project. This fund was also used to contribute \$75,000 to the City of Carver to develop plans for the City’s levee improvement project, needed to apply for funding from the State of Minnesota. The Board recently approved a request from the City of Eagan to share in the cost to address a ravine that concentrated flows of stormwater have created. Table 4-1 in the revised Plan has allocated \$100,000 to this fund. At the August 2023 Board of Managers meeting, the amount of this line item was reduced to \$82,500. \$17,500 was re-directed to Education and Outreach, to allow the Board flexibility to provide funding for River Watch. In 2024, the LMRWD notified cities of the availability of this fund and solicited projects from cities. One project (although several other cities expressed interest) was submitted by the City of Eden Prairie which was evaluated and approved for \$45,154 funding from this fund dependent on the final cost of the project.</p>
20	<p><b>Fen Private Land Acquisition Study</b></p> <p><u>The budget for this item has been eliminated from the 2025 budget to reduce the proposed levy and to balance the budget.</u> To preserve and protect fens in the District in perpetuity, the District will map and assess the values of adjacent private properties to each fen and work with corresponding municipalities, to consider opportunities to purchase private fen land for conservation. If land acquisition is not feasible, the District will consider opportunities to develop agreements with private property owners to ensure management of each fen is consistent and comprehensive.</p>
21	<p><b>Gully Inventory</b></p> <p><u>The budgeted amount for this project was increased by \$10,000 to offset the reduction in engineering fees in the Administrative Budget.</u> The gully inventory and condition assessment are an ongoing project. In 2023, the LMRWD prioritized gullies based on</p>

2025 Budget Explanation of line items

	<p>several factors. In 2025, funds will be used to develop feasibility studies for high priority gullies so that they can be stabilized. Erosion from gullies contributes to landscape degradation and sediment transport into water bodies. The ongoing gully inventory project prioritizes and stabilizes high-risk gullies contributing to erosion in the district.</p>
30	<p><b>Spring Creek Project</b>  <u>The budgeted amount for this project was increased by \$10,000 to offset the reduction in engineering fees in the Administrative Budget.</u> Site 1 and Site 2 along Spring Creek will be stabilized using the Carver SWCD’s designs (increased riprap size and standard gradation recommended). Erosion along the creek banks contributes to landscape instability and environmental degradation. The LMRWD is preparing to bid this project in 2024. These funds will be used to pay for the construction of the project.</p>
32	<p><b>Sustainable Lakes Management Plan (Trout Lakes) Implementation</b>  <u>The budgeted amount for this project was increased by \$5,000 to offset the reduction in engineering fees in the Administrative Budget.</u> In 2019, the District developed Sustainable Lake Management Plans (SLMPs) for trout lakes within its boundary. In 2025, the LMRWD will reassess the Trout Lakes. Reassessing the trout lakes will help maintain the water quality necessary to support cold-water species. The implementation of management plans helps protect these high-value resources from pollution and degradation.</p>
34	<p><b>Fen Stewardship Program</b>  <u>The budgeted amount for this project was increased by \$10,000 to offset the reduction in engineering fees in the Administrative Budget.</u> The District, in partnership with the DNR and Metropolitan Council, has developed a fen stewardship program for the District’s fens. This work will continue in 2025 to map recharge areas and begin implementation of the stewardship plans. Mapping recharge areas and implementing stewardship plans for fens will protect these rare ecosystems by ensuring that their water sources are maintained, contributing to biodiversity preservation and groundwater quality</p>
38	<p><b>Local Water Management Plan Reviews</b>  The LMRWD is responsible for reviewing and approving local surface water management plans for all cities within the boundaries of the LMRWD. The LMRWD also reviews the plans to ensure they are in conformance with the LMRWD standards.</p>
39	<p><b>Project Reviews</b>  <u>The budgeted amount for this project was increased by \$20,000 to offset the reduction in engineering fees in the Administrative Budget.</u> LMRWD initiated a permitting program and facilitates the review of development projects to ensure the projects meet water and natural resources protection, preservation and restorative standards.  This item includes costs incurred by the LMRWD to review non-LMRWD projects. Cities have been encouraged to apply for Municipal LGU permits.  Eden Prairie has opted to have the LMRWD review projects within the boundaries of the LMRWD. The Cities of Chanhassen and Savage are working toward but have not yet received LGU permits. The LMRWD reviews projects in some cities that are within the 100-year floodplain or high value resource areas because they do not have official controls that reflect the standards of the LMRWD rules, even though they have Municipal LGU permits.  The LMRWD is also responsible for reviewing MNDOT, and MAC (Metropolitan Airport Commission) projects, County projects and for the unincorporated areas of the District. The LMRWD collects permit fees on private projects, but fees do not entirely offset the cost of reviews. The LMRWD is not able to collect a permit review fee on public projects. There have been so many public projects that the LMRWD has projected an increase in this line item in the Budget.  An increase in the permit review fees for private projects was approved at the August 2024 Board Meeting.</p>



<p>40</p>	<p><b>Monitoring</b>                  The District will continue to perform water quantity and quality monitoring of resources within the boundaries of the District. The District's Monitoring Plan will be updated to include the geochemistry recommendations from the Fens Sustainability Gaps Analysis report and the monitoring parameter recommendations from the Quarry Lake Sustainable Lake Management Plan report.</p> <p>Over the past few years, the District has collected a large quantity of water quality data. The Plan includes a preliminary assessment of lake water quality data. However, the last comprehensive data evaluation was completed in 2000. Periodic data evaluations are necessary to convert data into information that decision makers can use. Data collected for each water resource will be evaluated on a 3-year or 5-year cycle. As part of Strategy 1.3.1, all water resources within the watershed will be evaluated. An outcome of Strategy 1.3.1 will be groupings of water resources into High, Medium, and Low categories for detailed data assessments and timetables formulated for each category.</p>
<p>45</p>	<p><b>Rule Enforcement</b>                  \$20,000 has been added to this line to account for inspections of permits issued by the LMRWD and to offset the reduction in engineering fees in the Administrative Budget.</p>
<p>46</p>	<p><b>Public Education/CAC/Outreach Program</b>                  The 2025 projected costs the LMRWD plans to spend on public education include:</p> <ul style="list-style-type: none"> <li>• Citizen Advisory Committee (CAC).....\$26,750.00</li> <li>• District Signage.....\$10,000.00</li> <li>• School Engagement/Mini-grant Program .....\$15,000.00</li> <li>• Community Outreach &amp; Engagement..... \$15,000.00</li> <li>• Scott County Water Education Program.....\$7,500.00</li> <li>• Project Management &amp; Coordination w/Board.....5,000.00</li> <li>• LMRWD website update/maintenance.....\$17,700.00</li> <li>• Sponsor Minnesota River Congress.....\$400.00</li> <li>• MN River Boat Tour/engagement activity.....\$10,500.00</li> <li>• Sponsorship of Salt Symposium and Water Summit.....\$500.00</li> <li>• Sponsor Metro Children’s Water Festival..... \$1,650.00</li> <li>• Social Media.....\$10,000.00</li> <li>• Friends of the MN Valley River Watch.....\$20,000.00</li> <li>• Printing Postage, and other expenses.....\$5,000.00</li> <li>• Coalition for a clean MN River.....<u>\$5,000.00</u></li> </ul> <p><b>TOTAL:.....\$150,000.00</b>LMRWD’s public education and outreach program aims to increase public awareness of environmental protection efforts. Public awareness of the importance of natural resource protection is often limited, which can hinder preservation and protection efforts. Educating the public on the impacts of development and land use on natural resources, encourages sustainable practices.</p>
<p>47</p>	<p><b>Cost Share and Water Quality Restoration Program</b>                  Table 4-1 of the LMRWD Watershed Plan Implementation Program show \$20,000 for this program. This program offers financial incentives to local governments, landowners, and community organizations to implement best management practices aimed at improving water quality and protecting natural resources. The program targets pollution from stormwater runoff, erosion, and nutrient loading, which negatively impact water quality in local water bodies. These pollutants often originate from agricultural, urban, and residential areas, contributing to issues such as sedimentation, excess nutrients (e.g., Total Phosphorus), and habitat degradation. The goals of the program are to</p> <ul style="list-style-type: none"> <li>• Water Quality Improvement: Support projects that implement BMPs, such as rain gardens, permeable pavements, and wetland restoration, to reduce stormwater runoff and pollutants entering local water bodies.</li> </ul>

2025 Budget Explanation of line items

	<ul style="list-style-type: none"> <li>• Erosion Control: Provide funding to projects that stabilize soil, reducing erosion and sediment deposition in streams and rivers.</li> <li>• Community Engagement: Encourage local participation in water resource protection by providing financial support for initiatives that foster greater environmental stewardship and awareness of water quality issues.</li> <li>• Long-term Sustainability: Promote the adoption of sustainable practices that ensure ongoing protection and restoration of water quality, benefiting both current and future generations.</li> </ul> <p>These general benefits reflect how the program supports the district's broader goals of improving water quality and reducing negative environmental impacts.</p>
	<b>Nine Foot Channel</b>
48/49	<p><b>Dredge Operations/Restoration</b></p> <p>The District will continue its role as the local sponsor responsible for providing placement sites for the Army Corps of Engineers. The purpose is to place dredge material from the Minnesota River and maintain a 9-foot-deep river channel. This program includes the identification of locations to temporarily store dredge material from the river, private dredge spoil disposal and transfer, and other beneficial uses of the dredge material. The LMRWD is planning to a project for maintenance and repair of Vernon Avenue in 2024 and a culvert under the access road. This project will cost more than the LMRWD can cover using state funds. The Board has authorized the sale of bonds to finance the project and anticipates using state funds to repay the debt. Once the project has been bid, the LMRWD will know how much money is needed to fund the project.</p> <p>There will need to be some repairs made to the dredge material placement site. A section of the containment area blew out and several sink holes developed in the internal road system. Scott County is not eligible for Disaster relief funds.</p>
Line #	<b>Administrative Budget</b>
Note	<p>The 2023 Legislature increased the amount that can be levied to cover administrative expenses. The new formula is calculated as follows:</p> <ul style="list-style-type: none"> <li>• Multiply the estimated market value listed in the enclosed table for the watershed district by 0.096 percent (0.00096)</li> <li>• Compare that calculated value to the maximum general fund levy limit of \$500,000.</li> <li>• Use whichever value is less.</li> </ul> <p>See the attached memo and Estimated &amp; Taxable Market Values (EMV) table Payable 2024</p>
65	<p><b>Manager Per Diem</b></p> <p>This amount is calculated for 5 Managers, using a per diem of \$125/meeting and 2 meetings per month per manager. If the Board intends to hold more meetings with standing committees this number may need to be increased.</p>
71	<p><b>Dues</b></p> <p>The budget for this item has been eliminated to reduce the levy. In 2023, MN Watershed dues, \$12,500, was re-directed to the Education and Outreach budget, as directed by the Board at the August 16, 2023, Board of Managers meeting.</p>
72	<p><b>Miscellaneous-General</b></p> <p>This line includes fees paid to the recording secretary for preparation of minutes of Board of Manager meetings.</p>
82	<p><b>Accounting /Financial Services</b></p> <p>In 2022, Clifton Larson Allen began providing financial/accounting services to the LMRWD. The amount in this line item reflects the amount in the Professional Services Agreement between the LMRWD and CLA. Services with CLA were recently renewed.</p>
83	<p><b>Audit Fees</b></p> <p>In 2022, the LMRWD retained the services of Global Portfolio Consulting to provide audit services. Global Portfolio Consulting withdrew from the engagement in 2023, without completing the 2021 or 2022 financial audits. Redpath and Company has agreed to perform</p>

2025 Budget Explanation of line items

	<p>a two-year audit covering FY 2021 and 2022 at a price of \$25,000 per year. Redpath has said that is the going rate for audits currently. Redpath informed the LMRWD that its fees have increased since receiving the quote of \$25,000 for the 2022 audit. The LMRWD issued a Request for Proposal for audit services to conduct the 2023 audit but received no responses. CLA said that was likely because the 2022 audit was not complete.</p>
84	<p><b>Professional Services General</b>                  This line is for administrative services provided to the LMRWD by Naiad Consulting LLC and occasionally other consultants retained by the LMRWD. Naiad Consulting is contracted for 150 hours per month. Naiad’s hourly rate is \$95/hour. The Board should consider what it will do to replace Naiad Consulting. I plan to retire some time in 2025. It is doubtful that the LMRWD will find a replacement this rate. If the Board plans to hold more committee meetings there will be more staff support necessary. The LMRWD will either have to hire staff, which will engender more expense, because of payroll tax, FICA/Medicare, PERA, Unemployment compensation, health care and other required benefits, like safe and sick time and PTO. The LMRWD has not had to pay any of these expenses since it contracted with Naiad Consulting. Some firms in the area contract for administrative services, but it will be more expensive than \$95/hour that the LMRWD currently pays.</p>
86	<p><b>Engineering</b>  <u>The budget for this item has been reduced from \$100,000 to \$35,000 to reduce the amount of administrative expenses. Engineering costs incurred by technical staff attendance at Board meetings will be charged to the projects that are discussed at Board meetings.</u> Costs incurred by the District that are charged to this line include preparation for monthly board meeting, and Board meeting attendance by technical and engineering staff.</p>
89	<p><b>Lobbying</b>                  The line has increased to reflect the fact that the LMRWD is looking for a new lobbyist. This number may be too low, depending on who the LMRWD retains.</p>
92	<p><b>Bank Fees and Charges</b>                  This line was added to the Budget in 2024 to better reflect the fees charged by US Bank and the 4M Fund for banking services.</p>