



SOUTH WASHINGTON WATERSHED DISTRICT

Thursday, October 6, 2021

SWWD 2022 Proposed Budget
Washington County Board Commissioners Update

Agenda

1. SWWD 2022 Activities: Priority Programs and Projects
2. SWWD Financing
3. Upcoming Projects, Revenue, Expenditures and Budgeted Fund Reserves
4. 2022 Budget Summary

South Washington Watershed District 2022 Budget Overview

SWWD 2022 Activities

Priority Programs and Projects:

Projects	Programs
1) Regional Water Quality BMP's	1) Resiliency & Climate Adaptation
2) Targeted Sub-watershed Retrofit	2) Watershed Modeling
3) Learning Center	3) Coordinated CIP
4) Watershed Resiliency	4) Education & Information

2021 is the fifth full year of implementation of the 2017 Watershed Management Plan. The SWWD has expanded planning work completed in 2021 to project identification, feasibility stages and preliminary design.

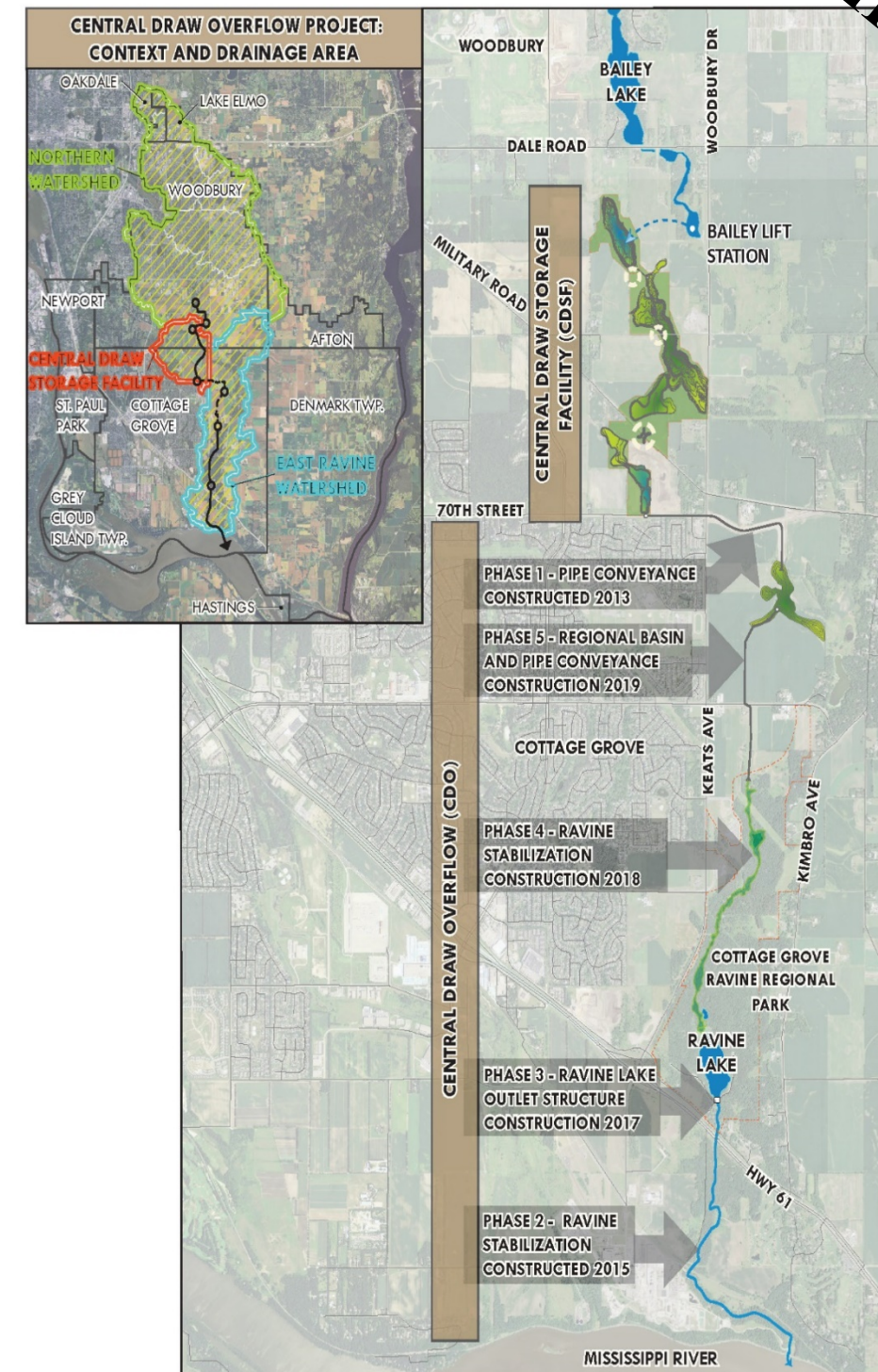
Phase V of the Watershed Overflow project final phase of construction is complete. The overflow system is fully functional at this time. Phase V is approximately one-mile of stormwater pipe that made the final connection of the Watershed Overflow system. The SWWD work plan will now begin to transition from the overflow to regional BMP implementation, targeted sub-watershed retrofits/restoration, and coordinated capital

The SWWD has completed sub-watershed assessments to identify retrofit opportunities under the Targeted Sub-watershed Retrofit program. Several projects have been identified and forwarded to the feasibility stage with 30% design for grant application. Sub-watershed assessment of regional BMP projects were also conducted and advanced to the feasibility stage.

All municipalities and county agencies were eligible to apply for up to 50% of the total cost of planned capital improvement or infrastructure maintenance projects under the Coordinated Capital Improvement program. SWWD received 9 applications requesting a total of \$578,681. Projects were in the Cities of Cottage Grove, Woodbury and Lake Elmo 2021. A total of \$611,368 was provided to the Cities for de-icing equipment, pond maintenance and the construction of BMP's.

The SWWD will continue efforts relating to lake improvement plans, climate resiliency and sub-watershed water quality improvements. Issues identified in planning and studies the past two years will move forward into project development and design for implementation of solutions.

The SWWD continues to expand the education and information program to promote the SWWD work to improve water quality. A Learning Center is also planned for the Glacial Valley Park stretching between Woodbury and Cottage Grove. This park has been included by Washington County Parks as a regional trail alignment. This will be a unique opportunity to partner with other organizations to bring interpretive information to the prairie restoration on 155 acres.



COMPLETE

South Washington Watershed District 2022 Budget Overview

SWWD Financing

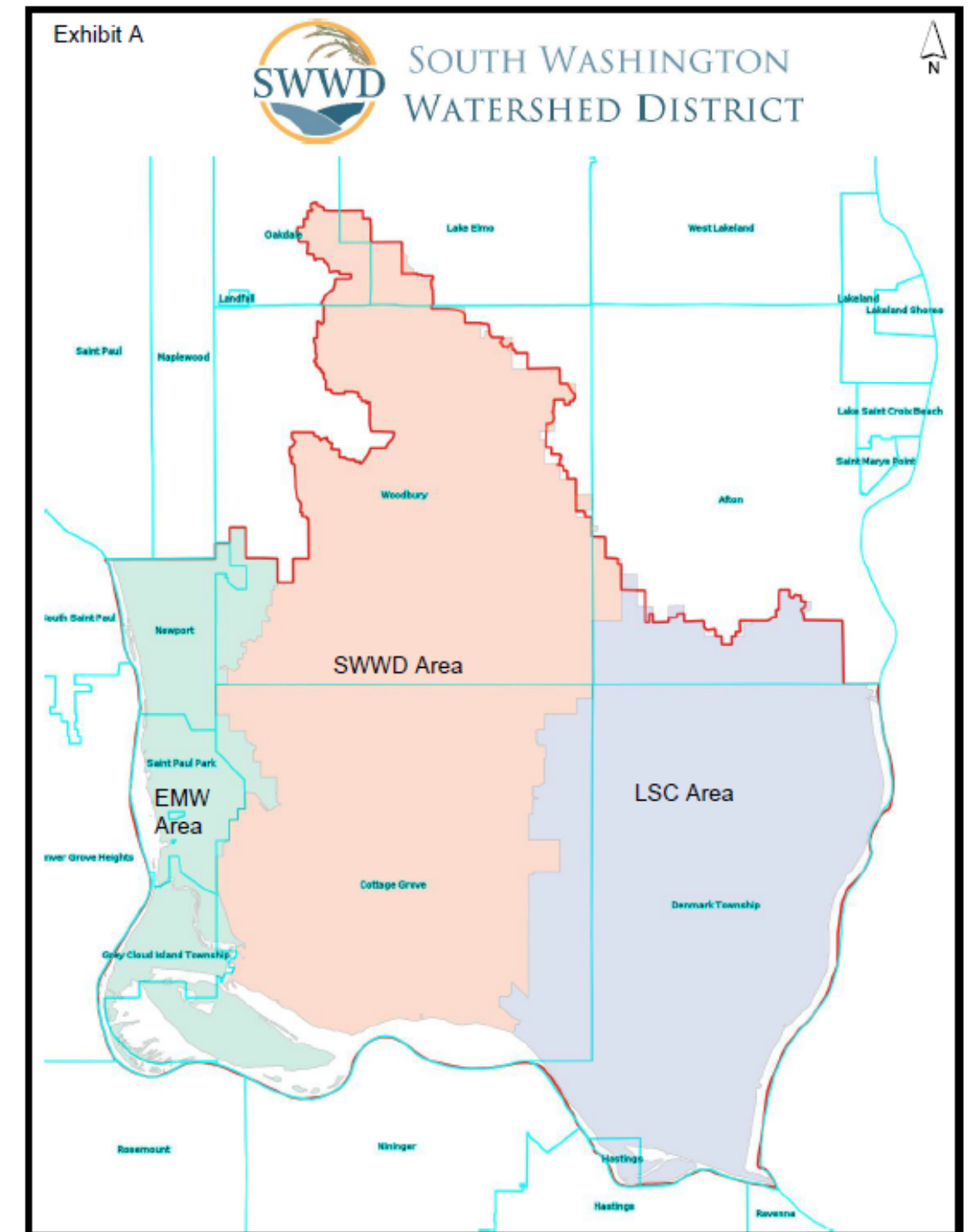
SWWD collects revenue through two primary sources authorized under MN Statutes—ad valorem levy and water management district fees or stormwater utility fees. SWWD also collects fees for permit reviews; however those fees are limited and used only to support the review. Rates are set annually by the Board.

Ad valorem levy revenues are used to support District-wide programs and administrative and operational expenses as authorized under MN Statutes 103B.241 and 103D.905. The District strives to maintain low administrative costs by developing partnerships with other agencies and participating in shared services opportunities.

Stormwater Utility Fees are used to support District projects as authorized under MN Statutes 103D.729 and 444.075.

A stormwater utility fee is a property charge based on stormwater characteristics for a type of land use. The SWWD calculates the fee based on computed runoff volumes for a typical single family residential property. The computed runoff volume defines a unitless Residential Equivalency Factor (REF). The REF values are assigned to individual parcels based on their computed runoff volumes compared to a typical single family residential property. Fees are established and collected by water management districts and expended only for projects within the management district the revenue originates. SWWD currently includes three water management districts. The South Washington and East Mississippi management districts were established in 2002 and 2003, respectively, as described in the 2007 WMP. The Lower St. Croix management district was established in 2011. This plan maintains those management districts.

Anticipated funding needs through the life of SWWD's plan are identified in the Long Range Workplan. Annual budgeting and corresponding Levy and Utility Fees are established through a process beginning in June of each preceding year. The budgeting process occurs during regular public meetings of the District's Board of Managers.

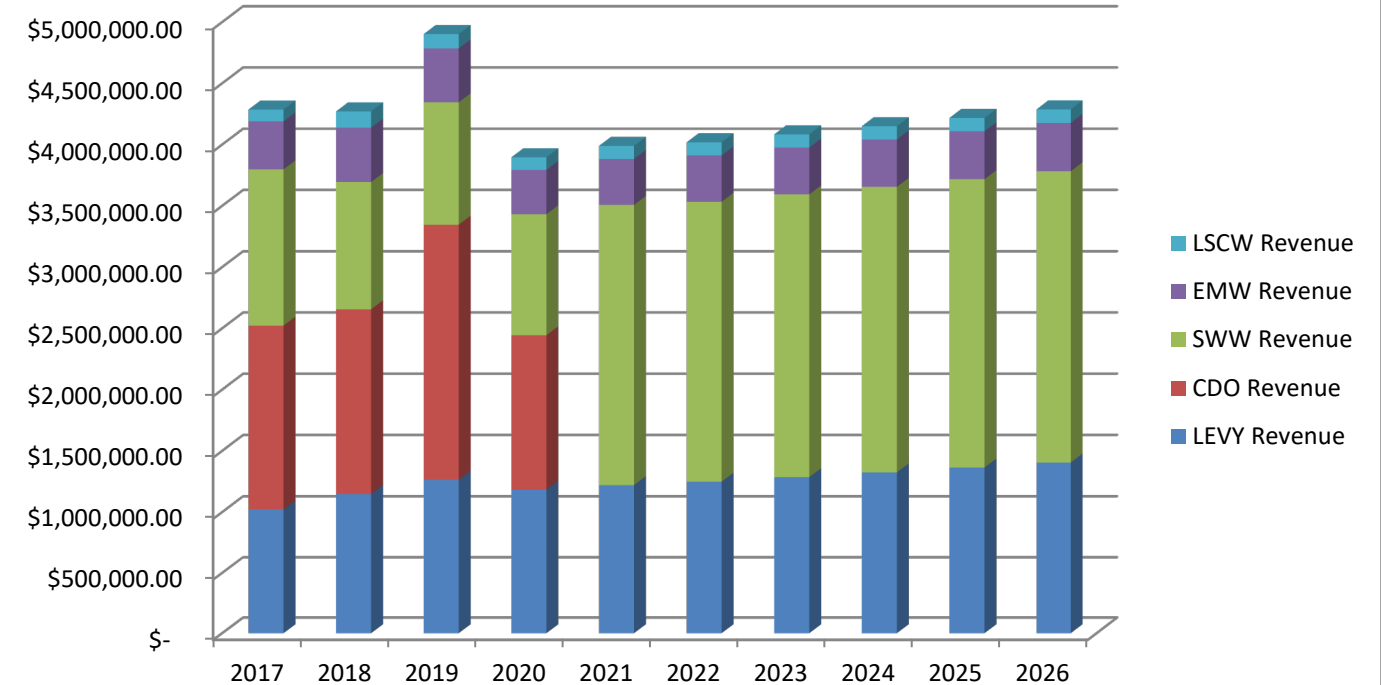


South Washington Watershed District 2022 Budget Overview

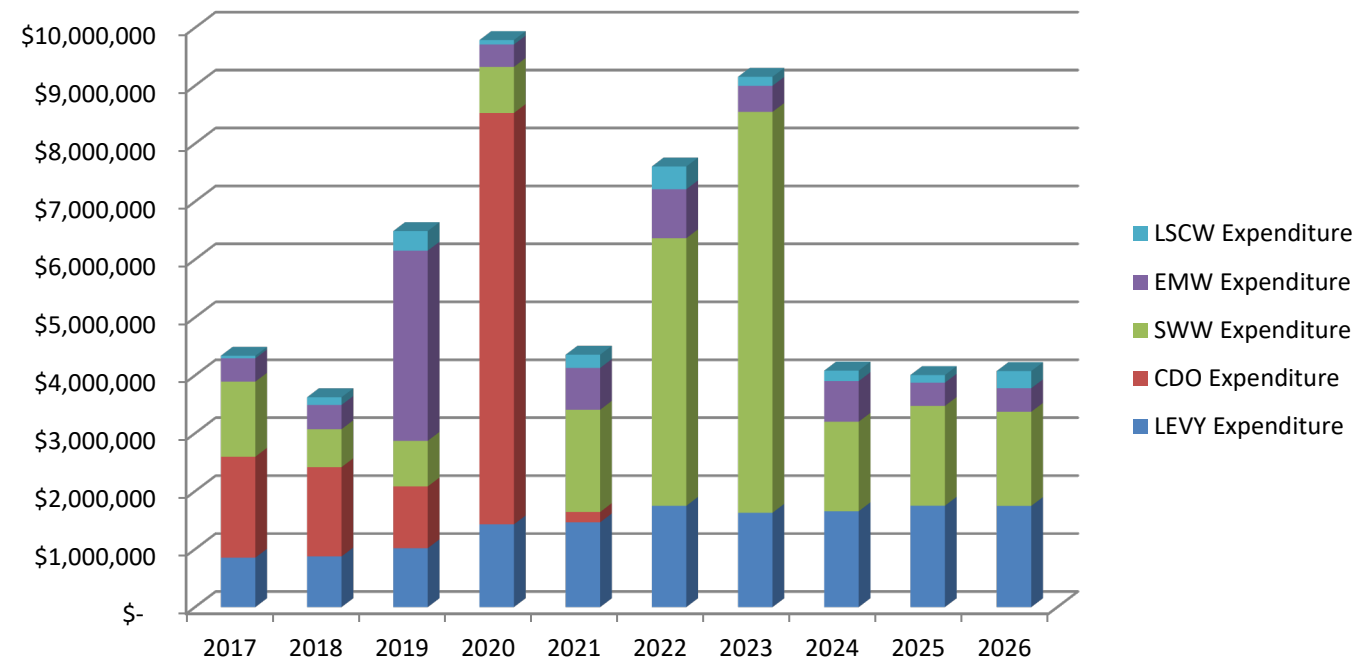
Upcoming Projects

- Seasons Park Stormwater Filter (\$400,000 SWW, 2021)
- Glacial Valley Open Space and Learning Center (\$2,300,000 SWW, 2021-2023)
- McQuade Ravine Stabilization (\$345,000 LSC, 2021)
- Nuevas Fronteras Underground Treatment BMP (\$400,000 EMW, 2021)
- Wilmes Alum Treatment Facility (\$3,000,000 SWW, 2022-2023)
- Powers Stormwater Filter (\$4,000,000 SWW, 2022-2023)
- Colby Lake In-lake Alum Treatment (\$450,000 SWW, 2025-2026)
- Campus Greening – Lake and Middleton, CG Middle and Grey Cloud, Crestview, Valley Crossing (\$450,000 ISD833 Funds, ongoing)
- Infrastructure Resiliency (\$1,000,000 District-wide, ongoing)
- In-lake Vegetation Control (\$500,000 SWW, 2022)

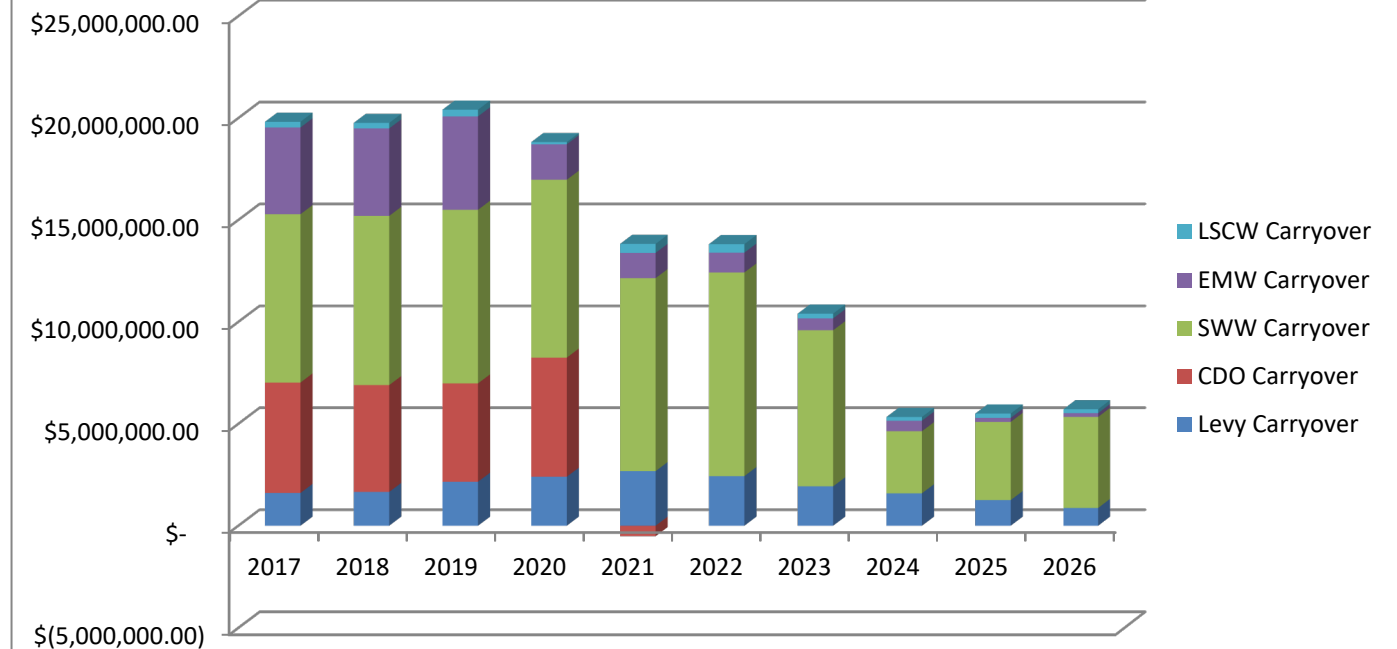
Revenue Collected



Expenditures



Budgeted Fund Reserve



South Washington Watershed District 2022 Budget Overview

2022 Budget

	2022 Proposed Budget
Ad Valorem Levy	
2022 Ad Valorem Levy Expenditures	\$1,748,621.00
2022 Ad Valorem Levy Revenue	\$1,247,861.00
2022 Ad Valorem Levy Budgeted Fund Reserve	\$500,760.00
Total 2022 Ad Valorem Levy Certification	\$1,247,861.00
Stormwater Utility Fees	
SWW Expenditures	\$4,618,250.00
EMW Expenditures	\$595,150.00
LSC Expenditures	\$393,000.00
Debt Service Expenditures	\$250,000.00
Total 2022 Utility Fees Expenditures	\$5,856,400.00
2022 Utility Fees Revenue	\$2,770,086.00
2022 Utility Fees Budgeted Fund Reserve	\$3,086,314.00
Total Utility Fees Revenue Certification	\$2,770,086.00
Proposed 2022 Budget Expenditures	\$7,605,021.00
Proposed 2022 Budget Revenue	\$4,017,947.00
Budgeted Fund Reserves Expended	\$3,587,074.00

Tax Impact

2022 Proposed Levy

The Ad valorem levy revenues are used to support District-wide programs and operational expenses. The levy tax is based on the market values of residential homesteads. Washington County provides the residential homestead market values each year. The market value change from 2021-2022 has increased by 2.3%. SWWD applied the 2.3% increase to the levy to generate revenue of **\$1,247,861** with the goal of keeping the tax impact flat while using budgeted fund reserves for 2022.

2022 Levy Expenses	\$1,748,621.00	
2022 Levy Revenue	\$1,247,861.00	
Difference	\$500,760.00	Budgeted Fund Reserve

Tax Impact

\$250K home	-0.16
\$300K home	-0.22
\$400K home	-0.32

2022 Proposed Stormwater Utility Fee

Stormwater Utility fees are used to support District projects. The fees are collected by water management districts (**SWW, EMW, LSC**) and are expended only for projects within the management district the revenue originates.

2022 Utility Fee Expenses	\$5,856,400.00	
2022 Utility Fee Revenue	\$2,770,086.00	
Difference	\$3,086,314.00	Budgeted Fund Reserve

Tax Impact

		Charge per REU	Total Annual Charge	Change from 2021
Total \$ Amount SWW Project Area	\$2,285,036.00	\$52.00	\$52.00	-\$1.00
Total \$ Amount East Miss Project Area	\$378,750.00	\$50.00	\$50.00	\$0.00
Total \$ Amount Lower St. Croix Project Area	\$106,300.00	\$50.00	\$50.00	\$0.00
Utility Revenue	\$2,770,086.00			