

MEMORANDUM
Lower St. Croix Partnership – Watershed Based Implementation Funding

To: Policy Committee **Date:** July 18, 2022
From: Steering Committee
Subject: WBIF Project Requests: Trout Brook and Sunrise River Projects

Background/Discussion

At its July 13th meeting, the Steering Committee discussed two Watershed Based Implementation Funding project requests exceeding \$50,000. According to the process discussed at the April 25th Policy Committee meeting, all WBIF grant requests exceeding \$50,000 will come to the Policy Committee for recommended approval to the fiscal agent. The purpose of this agenda item is to consider acting on these two requests. Both projects result in multiple benefits, including water quality improvements to priority watercourses identified in the Lower St. Croix Comprehensive Watershed Management Plan (CWMP).

The Steering Committee recommends fully funding both requests. Given that the combined dollar amount of these two requests exceeds the remaining FY21 WBIF grant balance, the Steering Committee recommends funding the Sunrise River Project request partially using *FY21* WBIF grant dollars and partially using *FY23* WBIF grant dollars. This memo provides a summary of each project, three options for funding, and one recommendation.

Project Summaries

- **Sunrise River Wetland Restoration – Comfort Lake-Forest Lake Watershed District** WBIF request: \$300,449. This project will divert flow from an existing drainage ditch system out of Heims Lake at the Highway 61 culvert and then diffuse the flow into a multi-cell wetland complex located on the Tax Forfeit property owned by the Comfort Lake-Forest Lake Watershed District. The proposed project will result in annual phosphorus reductions of approximately 81 lb/yr to the Sunrise River, a LSC CWMP priority watercourse. Construction requires frozen conditions and is estimated to occur January/February 2023. [More information on the project can be downloaded here.](#)
- **Trout Brook Project – South Washington Watershed District** WBIF request: \$350,000. South Washington Watershed District (SWWD) proposes to work with to Minnesota DNR, Great River Greening, and Afton Alps to complete a stream restoration project along Trout Brook in Afton. This project will restore cold-water aquatic habitat within the stream channel, in addition to reducing phosphorus loading by 177 lbs/yr and TSS loading by 154 tons/yr to Trout Brook, a tributary of the St. Croix River, a LSC CWMP priority watercourse. Tree work to occur fall 2022 and main construction to occur spring 2023. More information on the project can be downloaded here: 1) [Project request form](#); 2) [Project proposal](#); 3) [Technical memo - water quality benefits](#); 4) [60% Design Report](#)

Funding Options Discussed at July 13th Steering Committee

1. **Option 1:** Fund neither request. The Policy Committee may choose to simply recommend not funding either request. This is not recommended, as both projects would be considered high priority under the LSC CWMP.
2. **Option 2:** Partially fund both requests. If the Policy Committee wishes to only consider FY21 WBIF requests at this time, it may wish to somehow divide remaining FY21 WBIF balance between the two projects. Total requested dollars: \$650,449. Remaining unencumbered FY21 WBIF grant dollars: \$431,160 (note that \$100,000 of FY21 WBIF A4 funds has been allocated

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towards the nonstructural agricultural BMP projects which is part of the LSC nonstructural policy that was approved unanimously at the May 25th Steering Committee).

3. **Option 3 (Recommended):** Recommend fully funding both requests by utilizing both FY21 and FY23 WBIF grant dollars.
 - a. Allocate \$350,000 of FY21 WBIF to the Trout Brook Project
 - b. Allocate \$300,449 of total WBIF to the Sunrise River Project composed of:
 - i. A minimum of \$80,449 of FY21 WBIF to the Sunrise River Project
 - ii. A maximum of \$220,000 of FY23 to the Sunrise River Project

Option 3 would require a FY21 WBIF grant work plan revision in order to shift budget dollars to A5 Structural Urban BMP Implementation for the Trout Brook Project (required shift = \$160,000 added to A5) and to shift budget dollars to A6 Wetland Restoration Implementation for the Sunrise River Project (required shift = \$66,326 added to A6). See attached budget table. The revision must be approved by 2/3 of the partners prior to submitting it to the Board of Water and Soil Resources for approval. The grant work plan revision must be approved by BWSR before the associated funds are expended. Staff estimates the grant work plan revision can be completed by this September.

Option 3 also requires the FY23 WBIF grant agreement be executed prior to the Sunrise River Project's construction beginning (estimated for January/February 2023). This also requires the approval of 2/3 of the partner boards. Staff estimates this can be completed by end of this December.

Recommended Action

Policy Committee roll call vote to allocate \$300,449 in WBIF funding to the Sunrise River Wetland Restoration Project and \$350,000 in WBIF to the Trout Brook Project, including the following:

- Recommend to partner entities that the FY21 work plan be amended to shift \$160,000 added to A5 and \$66,326 added to A6;
- Direct that the FY21 work plan amendment be submitted to the entities' governing bodies and to BWSR for approval at the earliest opportunity;
- Approve \$350,000 in WBIF funds for the Trout Brook Project and \$300,449 in WBIF funds for the Sunrise River Wetland Restoration Project;
- Direct that \$350,000 in FY21 funds be applied first to the Trout Brook Project, and a minimum of \$80,449 in FY21 funds to the Sunrise River Wetland Restoration Project;
- As to that part of approved Sunrise River Wetland Restoration Project funding not met by FY21 funds, provide in the proposed FY23 work plan for a maximum of \$220,000 in FY23 WBIF disbursement to be applied to the project;
- Find that the commitment of FY23 funds to the Sunrise River Wetland Restoration Project is prudent and justified to establish sufficient funding certainty for the project to commence in early 2023.

Attached: WBIF Budget Table and Funding Scenarios

FY21 WBIF - Lower St. Croix Watershed Partners Grant

A		B	C	D	E	F	G	H	I	I
ACTIVITY		WBIF BUDGET (April 1, 2021)	WBIF BUDGET ENCUMBERED (July 1, 2022)	WBIF BUDGET AVAILABLE (July 1, 2022)	ANTICIPATED ADDITIONAL WBIF TO BE ENCUMBERED PRIOR TO 12/31/2023	WBIF BUDGET AVAILABLE (July 13, 2022)	PROPOSED PROJECTS (July 13, 2022)	LSC WP PROJECT SPONSOR AND NAME (Option 3)	FY21 WBIF Change in Budget	FY21 WBIF Revised Budget
A1	Basin Ag Outreach Program	\$ 200,000.00	\$ 200,000.00	\$ -	\$ -	\$ -			\$ -	\$ 200,000.00
A2	Structural Ag BMP Implementation	\$ 160,000.00	\$ 106,462.31	\$ 53,537.69		\$ 53,537.69			\$ (52,826.00)	\$ 107,174.00
A3	Shared Services Educator	\$ 125,000.00	\$ 125,000.00	\$ -	\$ -	\$ -			\$ -	\$ 125,000.00
A4	Non-Structural BMPs	\$ 200,000.00	\$ 100,000.00	\$ 100,000.00	\$ -	\$ 100,000.00			\$ (100,000.00)	\$ 100,000.00
A5	Structural Urban BMP Implementation	\$ 200,000.00	\$ 10,000.00	\$ 190,000.00		\$ 190,000.00	\$ 350,000.00	SWWD Trout Brook Project Construction	\$ 160,000.00	\$ 360,000.00
A6	Wetland Restoration Implmentation	\$ 39,531.00	\$ 25,408.00	\$ 14,123.00		\$ 14,123.00	\$ 80,449.00	CLFLWD Sunrise River Tax Forfeit Project	\$ 66,326.00	\$ 105,857.00
A7	Internal Analysis	\$ 50,000.00	\$ 16,500.00	\$ 33,500.00	\$ -	\$ 33,500.00			\$ (33,500.00)	\$ 16,500.00
A8	Targeting Analysis	\$ 150,000.00	\$ 75,813.40	\$ 74,186.60	\$ 74,186.60	\$ -			\$ -	\$ 150,000.00
A9	Technical/Engineering	\$ 40,000.00	\$ -	\$ 40,000.00	\$ -	\$ 40,000.00			\$ (40,000.00)	\$ -
A10	Administration Coordination	\$ 100,000.00	\$ 88,600.00	\$ 11,400.00	\$ 11,400.00	\$ -			\$ -	\$ 100,000.00
PROJECT BALANCE:		\$ 1,264,531.00	\$ 747,783.71	\$ 516,747.29	\$ 85,586.60	\$ 431,160.69	\$ 430,449.00	\$ 711.69	\$ -	\$ 1,264,531.00

59% 41% Balance

	CLFLWD (\$300,449)		SWWD (\$350,000)		Total		Total	
	FY21 WBIF	FY23 WBIF	FY21 WBIF	FY23 WBIF	FY21 WBIF	FY23 WBIF	FY21+FY23 WBIF	
Option 1 (Fund neither)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Option 2.1 (Karen Kill)	\$ 200,000.00	\$ -	\$ 235,000.00	\$ -	\$ 435,000.00	\$ -	\$ 435,000.00	
Option 2.2 (Mike Isensee)	\$ 136,000.00	\$ -	\$ 300,000.00	\$ -	\$ 436,000.00	\$ -	\$ 436,000.00	
Option 3 RECOMMENDED	\$ 80,449.00	\$ 220,000.00	\$ 350,000.00	\$ -	\$ 430,449.00	\$ 220,000.00	\$ 650,449.00	

ATTACHMENT - RECOMMENDED FUNDING SCENARIO (as discussed at July 13th Steering Committee meeting)
CLFLWD and SWWD Projects

Project	Requested Grant \$	FY21			FY23			Total Recommended Award
		FY21 Remaining Grant Budget	Recommended FY21 Award	Balance After Rec Award	FY23 Preliminary Targeting/CIP Budget	Recommended FY23 Award	Balance After Rec Award	
CLFLWD Sunrise River Wetland Project	\$300,449.00		\$80,449.00			\$220,000.00		\$300,449.00
SWWD Trout Brook Project	\$350,000.00		\$350,000.00					\$350,000.00
TOTAL	\$650,449.00	\$431,160.69	\$430,449.00	\$711.69	\$683,829.00	\$220,000.00	\$463,829.00	\$650,449.00
Comments		Remaining unencumbered \$ amt per Craig Mell's revised program log July 13 2022 (includes Jahnz Wetland). Current unencumbered balance minus anticipated encumbrances (A8 Targeting Analyses, A10 Adm/Coord)		Balance (note that an additional \$100K has been encumbered for yet unidentified non-structural ag practices)	Per Tom Dietrich's 6/22/22 convene meeting presentation*		Balance remaining for additional FY23 WBIF projects	Fully fund both requests by spanning FY21 and FY23 grants and seeking competitive grant awards when feasible.

***Total pooled FY23 WBIF = \$1,278,579.00**