

2026 BUDGET NARRATIVE V2

| Budget Line No. | Item & Description | Budget Amount | Change from '25 increase (decrease) |
|-------------------------------------|---|---------------|--|
| General Fund Budget Summary: | | | |
| 1 | Engineering - Administration Oversight of all District engineering activities, supervising staff assigned to projects, responding to general inquiries of the public and the board, and preparing correspondence and billings. Engineering attendance at meetings of the District- covers Board and related project meetings, mini case studies, data collection, analysis, preparation of reports as requested by the managers, and assisting in District water management planning activities. This also includes preparation for board workshop topics as requested. | 145,000 | 23,000 |
| 2 | Engineering - Review Review and comment on plans and proposals submitted to the District for review relative to District regulations, policies, and concerns. Assist communities and counties with data and information needs related to projects and plans. | 83,000 | 3,000 |
| 3 | Engineering - Permit Application Review and Processing Provides for Engineering assistance in the review of all permit applications, clarifying problems with the developer, meeting with the developer on-site, coordinating permit issues with communities, counties, and other regulatory bodies. | 85,000 | 15,000 |
| 4 | Engineering - Permit Inspection & Enforcement Inspect projects when a designed improvement is involved and requested by District staff. | 10,000 | 0 |
| 5 | Engineering - Project Feasibility Studies This item provides a budget item for annual feasibility studies in preparation for future capital improvement projects. See Program Budget Line Item Breakout table. | 430,000 | 30,000 |
| 6 | Engineering - GIS Maintenance Provides funds for the maintenance and assistance of the District GIS system. | 5,000 | 0 |

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| 8 | Attorney - General Legal advice at meetings, research on various issues for Board consideration, preparation and publication of legal notices, preparation of Board resolutions, and other matters requiring legal counsel. | 40,000 | 0 |
| 9 | Attorney - Permit Enforcement Legal advice on permit sites, including enforcement activities, letters, and legal action as necessary. | 5,000 | 0 |
| 11 | Manager per Diems Manager per diems for regular and special meeting attendance. | 7,000 | 0 |
| 12 | Manager Expenses Manager Expenses incurred in the performance of official manager duties, such as attendance at conferences and meetings, and related expenses. | 3,000 | 0 |
| 14 | Auditor/Accounting Preparation of the District's annual audit and provide monthly accounting services. | 85,000 | 5,000 |
| 16 | Dues & Publications Dues for appropriate organization memberships (MAWD, League of MN Cities, etc.) and for purchase of necessary publications and reference materials. | 20,000 | 0 |
| 17 | Insurance District General Liability, Property/Casualty, Public Official Liability insurance, etc. | 75,000 | 5,000 |
| 18 | Committee & Board Meeting Expenses Budget to cover miscellaneous expenses related to the duties and activities of District advisory committees, such as meeting refreshments, supplies, public information materials, etc. | 4,000 | 0 |

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| 19 | Miscellaneous Expenses Expenses of the District not elsewhere classified. Examples include: miscellaneous financial charges and expenses, District tour expenses, pass-through expenses, etc. | 5,000 | 0 |
| 21 | Staff Salaries, Taxes & Benefits Includes salary, taxes, insurance, and benefits for existing full-time staff plus summer interns. This budget includes an allowance for salary increases and increased benefit costs. Also includes the additional cost of the state Paid Family Leave program. | 2,200,000 | 100,000 |
| 22 | Employee Expenses This includes mileage, parking, and supply expenses incurred by the District's staff. | 10,000 | 0 |
| 23 | Janitorial/Trash Services/Snow Removal Contract services are required for the office building and winter snow removal. | 30,000 | 0 |
| 24 | Building Maintenance Building repairs, equipment, and landscape maintenance expenses. | 80,000 | 0 |
| 25 | Utilities (gas, electric, water, sewer) Provides for office building utility expenses. | 20,000 | 0 |
| 26 | Office Supplies Office supply costs for district operations. | 7,000 | 0 |
| 27 | Copying/Printing Photocopying and commercial printing expenses. | 5,000 | 0 |
| 28 | Postage/Delivery District postage and delivery expenses. | 2,000 | 0 |
| 29 | Office Furniture and Computer Equipment Acquisition of necessary new and replacement office equipment and furniture. | 50,000 | 0 |

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| 30 | Training/Education Training and education expenses for the District staff, including pursuing equity/inclusion work. | 75,000 | 0 |
| 31 | Telephone District telephone expenses. Includes office phone system and support costs. The increase is due to the addition of district staff cell phone plans. | 13,000 | 11,000 |
| 32 | Vehicle Replacement, Equipment and Maintenance Provides for fleet maintenance and equipment as well as a new vehicle purchase. | 75,000 | 15,000 |
| 33 | Database & GIS Maintenance and Equipment Provides for a new district database system for permit program, stewardship grant program, inspections and timesheets. Also includes GIS system needs. | 80,000 | 60,000 |
| 34 | IT Services/Internet/Web Site/Software Licenses Provides for maintenance and upgrades to computer network and software upgrades. | 120,000 | 10,000 |
| 35 | Outside Program Support Provides budget for financial support of programs that provide support to the District and its goals. See attached list. | 44,000 | 2,000 |
| 36 | Outside Consultant Services Provides funds for contracting special services with outside consultants as needs arise in the year. This includes DEIA work consultants. | 25,000 | (15,000) |
| 38 | WMP, Lakes, TMDLs, Grants This item is for the plan update as well as various water body studies and related topics. See Program Budget Line Item Breakout table. | 195,000 | (185,500) |

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| 39 | Natural Resources Program This item includes funding for a project to enhance ecological diversity within the District – habitat restoration projects, site maintenance, studies, and research. See Program Budget Line Item Breakout table. | 176,000 | 15,000 |
| 40 | Water Quality Monitoring Includes lab costs and equipment for lake sampling, BMP monitoring, and performance monitoring. Budgets decrease due to new, lower lab costs as well as the removal of this year's intensive Battle Creek monitoring. See Program Budget Line Item Breakout table. | 371,500 | (141,500) |
| 41 | Research Projects This account provides funds for conducting research into various water and resource management issues and problems. The budget includes contributions to the Minnesota Stormwater Research (MSR) program as well as the potential projects shown in the attached Program Budget Line Item Breakout table. | 107,000 | (18,000) |
| 42 | Project Operations This budget provides funds for the ongoing operational costs for District projects that incur utility or supply costs. Some examples include the auto lake level monitoring systems, as well as the Keller Channel Weir and Phalen Outlet modification operations. An increase is proposed this year for the addition of the Beltline and Battle Creek tunnel system to the Gopher State One Call utility locations. | 200,000 | 50,000 |
| 43 | Education, Communication Events Production of materials and programs designed to improve the understanding and knowledge of the school children, general public, city and county staff, developers, and others of the District's programs and watershed management. This will be used to support our communications and marketing plan, including updates to printed materials and signage. Provide funds for the annual WaterFest program and Watershed Excellence Awards program. | 161,000 | (5,000) |
| 44 | Health & Safety Program/Staff In-house Training Provides funds to support the District staff safety program, training costs, and equipment. | 7,000 | 0 |

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| Capital Improvement Budget Summary: | | | |
| 46 | Maplewood Mall SRF Loan Debt Service Annual payment for the State Revolving Fund (SRF) loan for Maplewood Mall Phase IV project. | 96,654 | 4,201 |
| 47 | 2016 Beltline and Battle Creek Tunnel Repair Debt Service This is the principal and interest payment for a bond issue approved in 2016. | 323,047 | 5,041 |
| 48 | Targeted Retrofit Projects This budget is to fund projects that have been targeted by the District as a priority project for water quality and natural habitat. Projects are vetted in the current year, and potential project implementations are planned for 2026. Projects with the most potential at this time are planned for. Other projects identified to meet the goals for targeted retrofits may also present themselves over the next year. Staff will manage projects within the proposed Targeted Retrofit Projects budget and present them to the board as they develop. See Program Budget Line Item Breakout table. | 581,000 | (604,000) |
| 49 | Stewardship Grant Fund Provide funds for cost-share assistance to local partners, churches, public and private developers, and homeowners for funding of volume reduction, habitat restoration, and other practices above the requirements of District rules. The proposed increase would include the inclusion of chloride reduction projects as well as a new partner grant program. | 1,500,000 | 250,000 |
| 50 | Fish Creek Tributary Improvements This is a water quality and native habitat restoration project in the Fish Creek subwatershed, targeting sediment impairment. Most of this was budgeted for in past years, and grant opportunities are also available. | 1,300,000 | (100,000) |
| 51 | Kohlman In-Lake Alum Treatment This is a new fund that will address the internal phosphorus load of Kohlman Lake using an in-lake alum treatment. Grants have been applied for this expense. | 385,000 | 385,000 |

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| 52 | Wakefield Lake Aeration Implementation This new fund will support a research project aimed at adding aeration to Wakefield Lake to mitigate its internal phosphorus load. | 565,000 | 565,000 |
| 53 | Project Repair and Maintenance Provides funds for the maintenance of District projects and our trunk conveyor systems. Additional funds are proposed this year to complete updates on the District office parking lot and exterior. Also includes funds for the continuation of a BMP and NR maintenance program, as well as a contingency fund. See Program Budget Line Item Breakout table. | 2,285,000 | 105,000 |
| 54 | Wetland Restoration Projects Provides funds for wetland restoration work throughout the district. With the completion of the Cottage Place wetland restoration project, this fund will be used to finalize that project. Feasibility study money will be used to plan a future project. | 10,000 | (340,000) |
| 55 | Flood Risk Reduction Fund Provides funds for flood risk reduction projects. Assistance to cities to reduce flood risks in areas identified by the District modeling of Atlas 14 storm events could also be included. Funds are held in reserves for other project opportunities that may arise. See the Program Budget Line Item Breakout table. | 655,000 | (600,000) |