

## Elm Creek Watershed Management Commission

### Cost Share Policy

To facilitate implementation of improvement projects within the watershed, the Elm Creek Watershed Management Commission's Joint Powers Agreement (JPA) and Section V of its Second Generation Watershed Management Plan provide for a Capital Improvement Program (CIP). The JPA also describes how the costs of capital projects shall be allocated.

The Management Plan proposes to share the cost of high-priority watershed capital improvements and demonstration projects through the CIP. High-priority watershed capital improvements are those activities that go above and beyond general city management activities and are intended to provide a significant improvement to the water resources in the watershed. To be considered for inclusion in the CIP, projects must be identified in a Commission-adopted management plan, approved TMDL, or member local stormwater plan or CIP.

In order to identify projects for inclusion on its Capital Improvement Program, the Elm Creek Watershed Management Commission will accept city proposals for cost-share projects until March 15 of every year. Following that date, the Commission's Technical Advisory Committee will review and score the submittals and make a recommendation regarding additions and revisions to the Commission's existing CIP at their regular May meeting.

The Commission has developed a set of criteria by which proposed projects will be scored, with those projects scoring a certain minimum number of points on the submittal form screening questions advancing to a prioritization stage. (Refer to the Commission's Capital Improvement Program Standards and Guidelines.)

Prior to consideration for funding, a feasibility study or engineering report must be written for the proposed project. The city acting as the lead agency for a proposed project will be responsible for the development of and the costs associated with the feasibility study/engineering report.

The Commission has elected to fund capital projects through an ad valorem tax levy. Under the authority provided by MN Stat 103B.251, Subd. 5, the Commission has the authority to certify for payment by the county all or part of the cost of an approved capital improvement. The Commission will pay up to 25 percent of the cost of qualifying projects. This amount will be shared by all taxpayers in the watershed, with the balance of the project cost being shared by the local government(s) participating in or benefiting from the improvement.

- a. The Commission's maximum annual share of an approved project is up to \$250,000.
  - 1) The Commission's share will be funded through the ad valorem tax levy – spread across all taxpayers within the watershed.
  - 2) The Commission will use a maximum annual levy of \$500,000 as a working guideline.
- b. The cities' share will be a minimum of 75% of the cost of the project. The basis of this apportionment will likely be unique to each project. The 75% share will be apportioned to the cities in the following manner or in some other manner acceptable to them. For example,
  - 1) The area directly benefiting from the project will be apportioned 25% of the cost of the project. This will be apportioned to cities based on the proportion of lake or stream frontage
  - 2) 50% of the cost of the project will be apportioned based on contributing/benefiting area.
- c. The cities will each decide the funding mechanism that is best suited to them for payment of their share, for example through special assessments, storm drainage utility, general tax levy, or watershed management taxing district.
- d. Funding from grant sources may also be used to help pay the costs of the capital projects.

IV. PROCEDURE FOR USE OF ACCOUNTS

The Account may be used for any lawful purpose upon a majority vote of the Commissioners present at any meeting at which a quorum of the Commission is present.

V. TARGET ACCOUNT BALANCE

The Commission does not intend to accumulate unreasonable balances in the Account. Because the Account could be used to fund projects in advance of receipt of tax settlement from the County, and because projects in the CIP could reasonably be expected to have total costs, or annual project costs, of approximately \$100,000, the Commission finds that an accumulation of up to \$100,000 is reasonable. Money will not be accumulated to an amount in excess of \$100,000 unless a specific use for such funds has been identified. The Account balances may be kept within this amount by expending funds for any of the purposes identified in this policy.

VI. PERIODIC REVIEW

Each year the Commission will consider the status of the Account prior to certification to Hennepin County of requests for tax levies for capital projects.

ADOPTED NOVEMBER 14, 2018