



Program Update: Grants & Financing

May 11, 2023 Regular Board Meeting

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Three-Legged Stool of Funding



Levy (Taxes)

- CLFLWD Board can choose the amount
- Dependable cash flow
- Conscious of public priorities



Grants

- Multiple sources
- Awards are uncertain
- Must complete work according to contract
- Most grants prioritize projects



CWP Loan

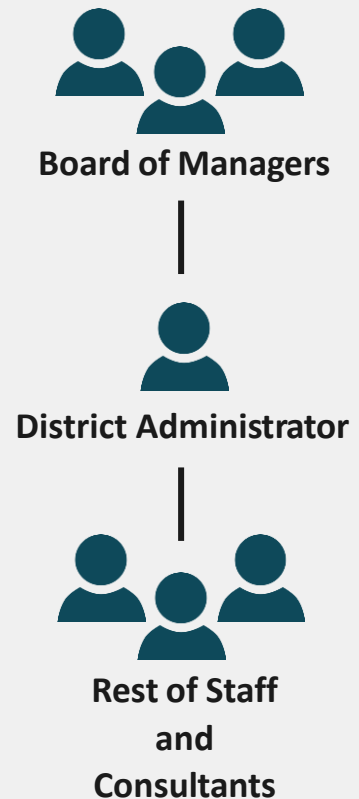
- Clean Water Partnership (CWP) = 0% interest
- Clean water activities only
- Awards and cash flow not guaranteed
- Debt must be repaid

Other potential funding/financing sources include partner contributions, permit fees, stormwater impact fund, interest, bonds, bank loans, special assessments, water management charges, emergency projects, sales tax.



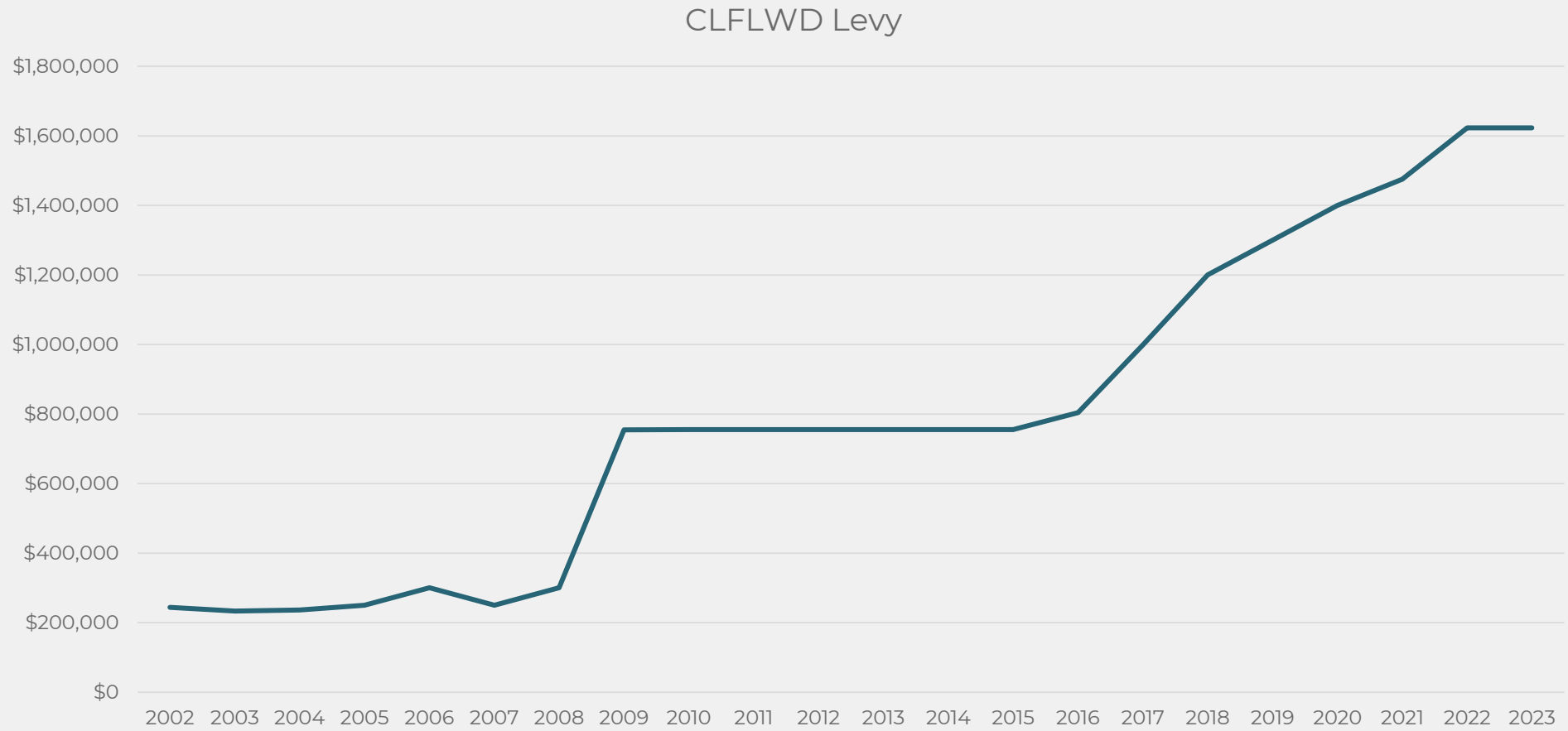
Funding Decision-Making

- Board of Managers: Decision-Making Body
 - Decides expense budget and levy amount
 - Authorizes grant commitments >\$40,000
 - Decides how much debt to take on
- District Administrator
 - Reports to and makes recommendations to Board
 - Makes management decisions within granted authorities
 - Delegates tasks to staff and consultants
- Rest of Staff and Consultants
 - Reports to and makes recommendations to Administrator
 - Compiles data and presents facts in order to make an informed recommendation
 - Use professional judgement on small-scale, day-to-day decisions



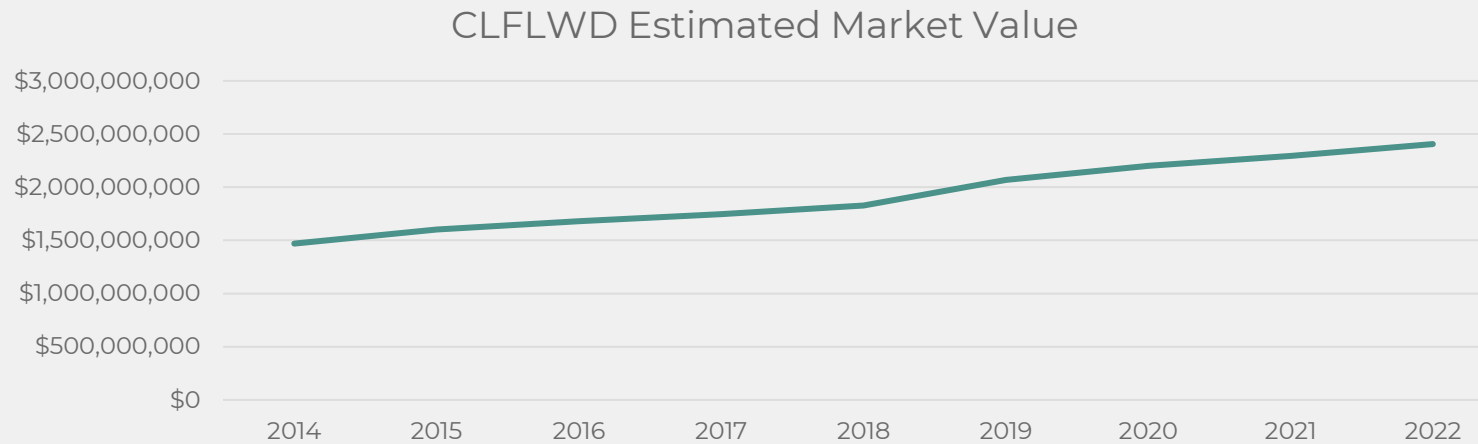
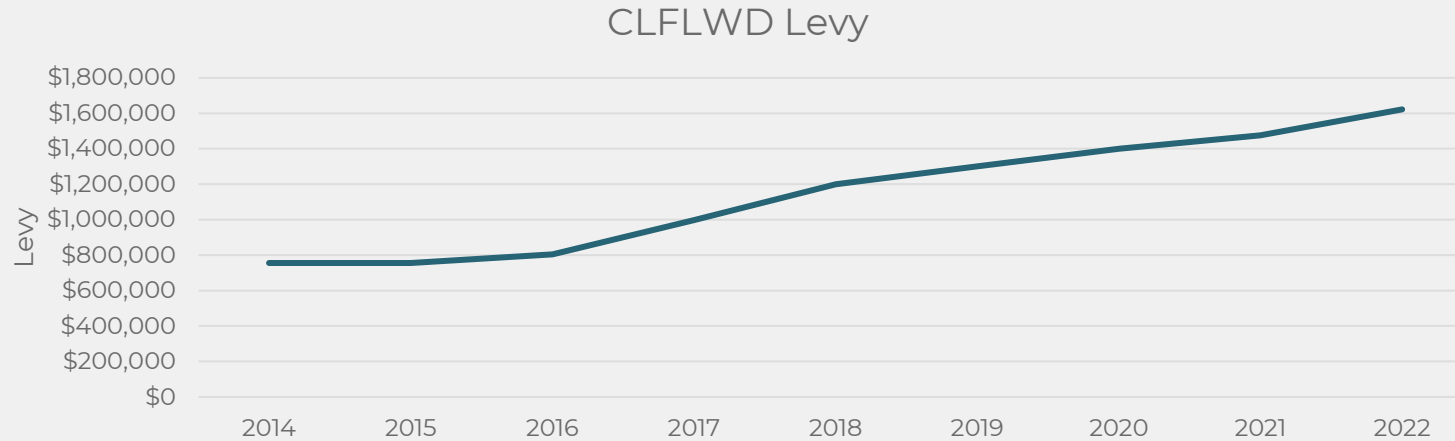


Levy





Levy





Levy

Summary Table of EMV, NTC, Levy, Impact								
Budget Year	Estimated Market Value (EMV) (Prior Year Basis)*	Net Tax Capacity (NTC) (Prior Year Basis)*	Budget Year Levy	Ratio Levy/Estimated Market Value	Ratio Levy/Net Tax Capacity	Ratio Year/Year Levy Increase	Washington Co. Median Tax Impact	Chisago Co. Median Tax Impact
2017	\$1,679,944,600	\$16,215,018	\$998,000	0.06%	6.15%	24%	\$133.17	\$123.03
2018	\$1,747,607,400	\$18,053,592	\$1,200,000	0.07%	6.65%	20%	\$135.42	\$139.44
2019	\$1,826,385,900	\$18,955,914	\$1,300,000	0.07%	6.86%	8%	\$144.61	\$140.58
2020	\$2,068,377,700	\$20,586,584	\$1,400,000	0.07%	6.80%	8%	\$162.33	\$152.36
2021	\$2,200,044,800	\$21,733,418	\$1,475,000	0.07%	6.79%	5%	\$163.54	\$205.29
2022	\$2,294,312,700	\$22,805,705	\$1,622,500	0.07%	7.11%	10%	\$175.27	\$224.99
2023	\$2,406,482,200	\$24,076,992	\$1,622,500	0.07%	6.74%	0%	\$184.35	\$226.22

*Government Budgets, and the levies needed to support them, are always for the coming (next) year. However, the basis for the levy (i.e., the Estimated Market Value (EMV) and Net Tax Capacity (NTC) data) is from the year prior to the budget year. E.g., the 2023 line above indicates the 2022 EMV and 2022 NTC because the 2023 EMV and 2023 NTC are not yet calculated.

Washington County 2023 median house value in CLFLWD: \$389,400

Chisago County 2023 median house value in CLFLWD: \$418,745



Grants

- Grants = contracts to complete work on behalf of granting agency or entity
 - Must complete your work within the confines of the grant agreement
- Most grant programs prioritize on-the-ground implementation (projects)
 - Most won't fund regulatory requirements, water monitoring, project maintenance, general administration/operations etc.
 - Some foundations offer unrestricted funding, but it is geared more toward non-profits rather than government entities with taxing authority
- Match/in-kind requirements
 - Almost all grants require a minimum match – can't get the grant funds without providing the match
 - In-kind is a common type of match → staff time
 - Staff billing rates determined by BWSR Calculator, which factors in overhead/administration – this is a widely accepted billing rate method





Grants

Grant Program Goals

All are considered high priority for all lake management districts

1. Obtain grant awards in an amount at least equal to 25% of the District's levy, as measured on a 3-year average.
2. Research and apply to at least one new grant program each year.
3. Complete grant reporting in accordance with grant contracts to ensure timely disbursement of funds.





Grants

Goal 1: Obtain grant awards in an amount at least equal to 25% of the District's levy, as measured on a 3-year average.

Fiscal Year	Grant Awards	Levy	Grant/Levy
3-Year Average	\$1,076,129	\$1,499,167	72%
2020	\$1,299,068	\$1,400,000	93%
2021	\$573,400	\$1,475,000	39%
2022	\$1,355,919	\$1,622,500	84%

- Latest 3-yr average grant awards exceed goal
- CLFLWD applied for 101 grants from 2014-2022; won 82
- Grant-funded projects: 3,235 lb/yr P reduction plus sediment reductions, wetland restoration, flood storage creation, groundwater protection, and wildlife habitat improvement.



Grants

CLFLWD has been successful in grants overall, especially in **Clean Water Fund Projects & Practices**

	Organization	Grant Dollars Awarded Total Projects and Practices (FY 2014-2023)	Application Points Total Projects and Practices (FY2014-2023)
1	Comfort Lake-Forest Lake WD	\$5,067,334	1,197.4
2	Becker SWCD	\$4,433,710	867.7
3	Benton SWCD	\$3,658,210	1,009.8
4	Crow Wing SWCD	\$3,335,000	518.8
5	Chisago SWCD	\$2,702,500	1,251.4
6	Vermillion River JPB/JPO	\$2,666,950	838.4
7	Stearns SWCD	\$2,369,737	591.9
8	Pope SWCD	\$2,361,300	756.9
9	Bois de Sioux WD	\$2,355,010	414.8
10	Anoka Conservation District	\$2,255,825	777.8



Grants

Goal 2: Research and apply to at least one new grant program each year.

- Repeat programs yield the largest awards and the highest success rate
 - Clean Water Fund Projects & Practices
 - Conservation Partners Legacy/Expedited Conservation Projects
- Success with new grant programs:
 - Lessard-Sams Outdoor Heritage Fund
 - Section 319 Small Watershed Focus
 - Esri GIS Conservation Grant
 - PCA's GreenCorps Program
- Nature of grants will shift as new priorities come into focus in coming years





Grants

Goal 3: Complete grant reporting in accordance with grant contracts to ensure timely disbursement of grant funds.

- Grant award is just the start
- Grant work plan approval, project assurances
- Track expenses against budget
- Report on accomplishments and outcomes
- Grant extensions/amendments





Grants are critical to project success

Sunrise River/Highway 61 Wetland Enhancement

- Original lifetime project cost: \$670,000
- Final lifetime project cost: \$1,670,000
- Design changes, unexpected onsite conditions, rising material costs
- Added benefits compared to original design
- Obtained an additional \$400,449 in grant funding within <1 year of project construction
- Financed remainder with loan
- Cost-benefit still good at \$600/lb P





Loan

Clean Water Partnership Loan

- Reimbursement basis
 - Unlike most loans, we do not receive a lump sum
 - Need to expend dollars first in order to receive the disbursement
- MPCA can process disbursements within a few days
- Most District expenses are eligible, but not all (e.g., regulatory, O&M)
 - Staff tracks expenses carefully in order to ensure compliance
- Critical to implementing large capital projects while maintaining pace on multiple programs
- Extends investment costs out to future residents and homeowners who will also enjoy the improvements rather than placing all the levy burden on current residents.





Loan

Clean Water Partnership Loan

- 3 to 4-year disbursement period
- 10-year repayment schedule w/ zero interest
- \$2.5 million disbursed to date
- \$750,000 currently awarded, not yet disbursed
- Current annual repayment = \$150,000 (9% of 2023 levy)
- Future annual repayments = \$325,000-\$450,000+ (20-28+% of 2023 levy)
- Board can decide whether to take on more debt vs reduce expenditures





2024 Budget Process

- Establish high-level priorities to decide what can be funded vs what isn't feasible to fund
- Check if priorities are aligned with 10-year Watershed Management Plan
- Budget workshop on **Wednesday, May 24th, 3-5 pm**