



Capital Improvements

Supporting information for Section III.F.2 of the 1W1P Plan Content Requirements

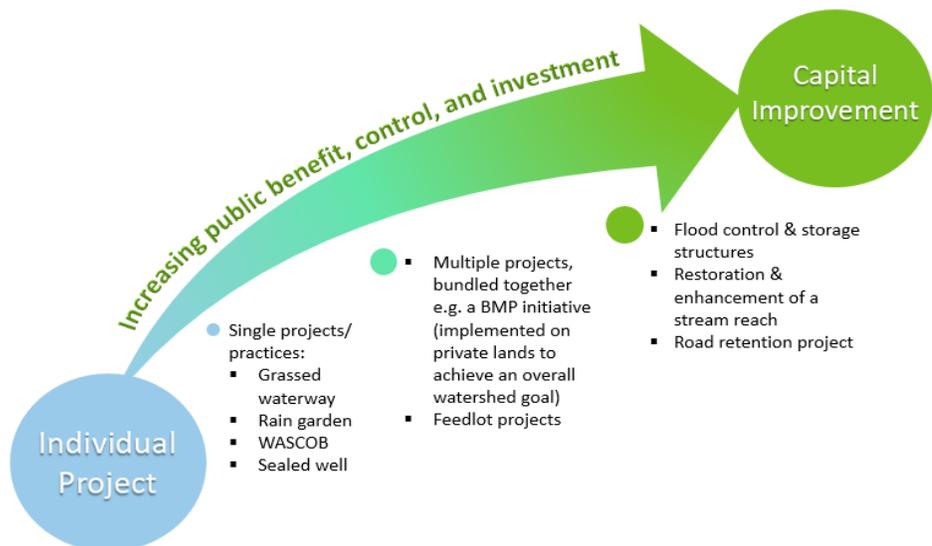
The capital improvements section of your plan will describe physical or structural projects with an extended life. Local governments have legal authorities to levy local funds to make a public investment that will have a public benefit. Your plan should describe opportunities to leverage those authorities to work toward your water management goals. Working together in a partnership presents a unique opportunity to focus multiple funding sources on work that is larger, more complex, and more impactful.

Definitions and Concept

“Capital improvements” in One Watershed, One Plan refers to making a public investment in a single large project or a grouping of smaller projects and practices focused on a single goal and funded with public dollars. A number of terms may apply, depending on the type of local government (see statutes for **definitions**):

- **Capital Improvement Programs** by counties ([§373.40](#)) and watershed management organizations within the seven-county metro area ([§103B.205](#) and [Minnesota Rule part 8410.0020](#))
- **Projects**
 - watershed district projects by watershed districts outside the seven county metro area ([§103D.011](#))
 - drainage projects by drainage authorities ([§103E.005](#)),
 - infrastructure projects including roads, drinking water supply, and wastewater treatment by counties ([§373.40](#)), municipalities ([§475.521, Subd. 3](#)), and townships.
- **Watershed Projects/Works of Improvement** by soil and water conservation districts ([§103C.101](#)).
- **Long-term and/or Permanent Land Protection:** easements or fee title acquisition by local governments, sometimes in partnership with state, federal or nongovernmental partners.

The **concept** of capital improvements goes beyond individual best management practices to larger practices or a “package” of smaller practices that are intentionally focused on a particular water body or issue. Thinking about watershed work in terms of capital improvements also opens the door to



authorities for local governments to create special taxing districts and other funding mechanisms to achieve a public benefit.

The One Watershed, One Plan program encourages groups to take a big picture, comprehensive approach to achieving watershed goals and to consider public investments in larger, more ambitious projects. There are several benefits to doing so:

- Allows for a systematic evaluation of multiple potential projects at the same time
- Fosters cooperation among units of government and communication about local priorities
- Ensures that public funds are used efficiently
- Serves as a public relations and community engagement tool
- Opens doors to additional funding authorities (see “funding,” below)

Multi-Purpose Drainage Management and Road Projects

In Minnesota, drainage projects are typically managed by counties and watershed districts under Minnesota statutes §103D and §103E. Planning on watershed boundaries provides an opportunity to incorporate multiple benefits associated with drainage and road projects. These include enhancing habitat for fish and wildlife, water quality and reducing damage to land and infrastructure from floods, proper sizing of culverts for current and future precipitation, and enhancing stormwater management opportunities in the road right of way. These projects often are completed through partnerships at the local, state, and federal level and they use funds generated by local taxes. Because of the costs associated with design, engineering, construction, and perpetual maintenance, these projects should be discussed in Capital Improvement section of the plan.

Watershed District Projects and Capital Improvement Programs

If there is a watershed district within the planning boundary, the plan should include or reference the watershed district’s **project** list or **capital improvement program**. See “Considerations for Watershed Management Organizations” below for more on meeting statutory requirements for these types of organizations.

- **Example: Minnehaha Creek Greenway.** Minnehaha Creek Watershed District set out to restore Minnehaha Creek via a series of intentional, organized projects including: reshaping the creek, creating additional green space, channel and wetland restoration, and building new trails and educational signage. The watershed district leveraged its authority, programs, and funding to secure over two dozen partners and nearly \$5,000,000 in contributions to the project.
- **Example: Wolverton Creek Restoration Project.** This project restores water quality and reduces flooding by acquiring land easements, installing structural BMPs such as side-inlets, restoring part of the channel, and installing required vegetated buffers on the legal drainage systems. The total cost of the project is just over \$3.7 million dollars from multiple sources including the Clean Water Fund, Outdoor Heritage Fund, Enbridge, and local landowners. The Buffalo-Red River Watershed District used their authority under §103D to set up the Wolverton Creek Watershed Management District. They own the project and will manage and maintain it.

Permanent Land Protection

Protecting watersheds from land disturbances or contaminants that can lead to degraded surface or drinking water is an important watershed management strategy. Local governments can work in partnership with private landowners as well as state, federal, and non-governmental partners using a combination of tools including private forest management, temporary tax incentives, permanent easements, and fee title acquisition. Key target areas for protection include wellhead areas that have soils at risk of contamination and watersheds of clean and healthy lakes and rivers at risk of land conversion.

- **Example: Crow Wing County Minor Watersheds.** Crow Wing County’s water plan identified a minor watershed of the Mississippi River just north of Crosby as a priority for land protection based the fact that only 37% of the land was in “protected status,” significantly less than the goal of 75% needed to keep lakes and streams clean and healthy. The county worked with the Mississippi Headwaters Board, who received funding from the Outdoor Heritage Fund for fee title acquisition of key riparian parcels (9%) and conservation easements (5%). They also worked with landowners to enroll property in the Sustainable Forest Incentive Act (14%). All told they were able to protect 65% of land in the watershed, dramatically increasing the chances for keeping this area clean and healthy long into the future.

Incorporating Capital Improvements in Your Plan

A key concept in the 1W1P program is to think about watershed management comprehensively, rather than as a series of individual practices or programs. Capital improvement programs are a great way to package a series of watershed management actions in your comprehensive watershed management plan as a focused and intentional initiative designed to reach your water management goals for a specific resource.

Questions to Ask

In thinking about the design and implementation capital improvements, ask the following questions:

- Who initiates?
- Who builds?
- Who owns, manages, and maintains?
- Who pays? (see below)

Funding

A key consideration for capital improvements is the degree to which the partnership is committed to using their existing funding authorities. Rolling individual projects up into an initiative in order to leverage specific funding authorities could be your key to success. Funding authorities specifically related to capital improvements are below. See also BWSR’s summary of [Local Funding Authorities](#).

- Metropolitan Watershed Management Organizations (includes Watershed Districts) – [103B.245](#)
- Watershed Districts – [103D.601](#)

When to call it a capital improvement in 1W1P?

There’s no test for whether implementation items should be considered capital improvements in your comprehensive watershed management plan. Use the definitions and questions in this document to help think about how to classify of projects and programs. Key elements:

- Project size, cost, funding source, partnerships required, lead entity
- Degree to which projects and programs are packaged as a comprehensive approach to address a particular priority issue or resource in your plan.

- Counties – [103B.331](#)

Elements of a Capital Improvement Program or Project List

Descriptions of large projects that will require substantial local public investment should contain the following:

- Justification/purpose of the program or project
- A list of the individual capital improvements or projects, ranked in order of preference
- Project costs and funding sources
- Explanation of expenses for the project
- A timetable for the construction or completion of the projects

Process for Developing a Capital Improvement (CI) Program or Project List

The process is very similar to the overall process of developing a comprehensive watershed management plan:



Considerations for Watershed Management Organizations

If there is a watershed management organization or watershed district within the planning boundary, the plan should include or reference the organization’s capital improvement program or project list.

Individual local governments, especially watershed districts with a different geographic boundary than the planning area, may want to maintain a separate chapter in the plan or a separate document for projects that will be implemented by individual local governments and not the planning partnership. You may wish to add something to your plan that describes how the planning partnership could be involved in updating these individual capital improvement programs or project lists. Involvement could include a courtesy review or notification when a project is being initiated.

For those watershed management organizations that are located in the metro area: if you wish to replace your existing plan with the comprehensive watershed management plan and you have a capital improvement program, you will need to maintain documents pertaining specifically to your organization separately in order to meet the requirements of MN Rule 8410.

Getting to a Quality Plan

Your comprehensive watershed management plan should at a minimum identify capital improvements that address priorities for the watershed as a whole. This section of your plan should outline a multi-year plan of expenditures that guides local governments’ long-term watershed management investment and infrastructure improvement. It may include a prioritized list of all individual capital improvements, along with construction and completion schedules and an estimation of project costs and potential sources of funding.