

Resolution

Establishment and Use of a Designated Operating Fund Reserve for the Yahara Watershed Improvement Network (Yahara WINS)

Objective

The Yahara WINS Designated Operating Fund Reserve is intended to ensure that Yahara WINS has adequate working capital to meet expenditures throughout the 20 year anticipated life of the Adaptive Management Project for the Yahara Watershed.

Background

Certain municipalities within the Yahara Watershed are jointly participating in an Adaptive Management Plan as an approach to meet phosphorus TMDL obligations. These municipalities have created and executed an intergovernmental agreement (IGA) that among other things assigns an annual charge to each participating member. At the request of IGA participants, the annual charge to participating members will be relatively constant over the 20 year Adaptive Management project period. However, the annual project costs will escalate over the 20 year project life. This will result in funds being accumulated above annual budgeted expenses in early years of the project, with the accumulated funds being used to accomplish phosphorus reductions and meet other project expenses in future years when annual budgeted expenses are greater than the annual charge to members. The revenue resulting from charges to IGA participants and contributions from other sources is currently approximately \$1,485,000 per year, but could change in future years based on updated stormwater modeling or other factors.

Creation of a Designated Operating Fund Reserve

Yahara WINS will establish a designated operating reserve account that is separate from the general operating account and will place a minimum of the following amounts in a designated operating reserve during the first five years of the IGA:

<u>Year</u>	<u>Amount</u>
2017	\$480,000
2018	\$315,000
2019	\$262,000
2020	\$184,000
2021	\$197,000

Use of the Designated Operating Fund Reserve Balances

Funds accrued in the designated operating reserve account may be used to invest in phosphorus reduction practices that are expected to remain in place and be effective for at least five years following installation of the practice. Funds accrued in the designated operating reserve account may also be for other purposes to that meet the long-term needs of the adaptive management project. Use of designated operating reserve funds will require approval by a majority of the Executive Committee.

Annual Review

This resolution will be reviewed annually by the Executive Committee as part of the annual budgeting process to determine whether revisions are needed. Any revisions will require approval a majority of the Executive Committee.

Resolution adopted by the Yahara WINS Executive Committee on October 10, 2016