



Yahara WINS 2024 Budget as Approved by the Yahara WINS Group

Background

The Yahara WINS Executive Committee is tasked with preparing a detailed annual budget for 2024 and presenting it to the Yahara WINS Group no later than September 30th for review and comment.

Per the Intergovernmental Agreement (IGA), the annual budget shall be approved no later than October 31st by a majority of the Member Representatives present at the meeting in which action on the annual budget is taken. The budget approval meeting for the 2024 annual budget is was held on October 17th, 2023.

The 2024 annual budget as presented passed unanimously and the accompanying budget and budget narrative reflect the 2024 approved annual budget by the Yahara WINS IGA Member Representatives.

2024 Draft Proposed Budget (Rounded to the nearest \$100)

Unencumbered carryover from 2023 \$0

Revenue

IGA participants	\$1,524,920
Income from grants, MOUs, etc.	\$0
MGE Foundation	\$5,000
Savings account interest	\$4,000
Total Revenue	\$1,533,920
Total Revenue plus unencumbered carryover	\$1,533,920

Expenditures

Phosphorus reduction

Dane County phosphorus reduction services agreement	\$540,000
Rock County phosphorus reduction services agreement	\$150,000
Yahara Pride Farms phosphorus reduction services agreement	\$425,000
Phosphorus Reduction Subtotal	\$1,115,000

Water Quality Monitoring/Modeling

MMSD water quality analytical services	\$65,000
USGS water quality monitoring joint funding agreement	\$75,000
Rock River Coalition water quality monitoring agreement	\$40,000
Cost Model Update	\$58,000
Water Quality Monitoring/Modeling Subtotal	\$180,000

Supporting Services

MMSD Service Agreement	\$60,000
Financial audit	\$11,000
Communications	\$5,000
Legal services agreement	\$4,000
Supporting Services Subtotal	\$80,000

Transfer of funds to designated operating reserve \$100,000

Total Expenditures **\$1,533,000**

Revenue minus expenditures \$920
(potential unencumbered carryover)

Budget Narrative for the 2024 Yahara WINS Budget

A. Carryover from 2023

Unencumbered carry over.

Actual 2023 expenses are on track as anticipated in several budget categories and resulting in no anticipated unencumbered carryover to 2024. **Therefore, unencumbered carryover to 2024 is estimated at approximately \$0**

Encumbered carry over

The 2023 approved budget shows an agreement with Rock County for \$150,000. The 2023 budget also shows an encumbered carry over amount for Rock county to pay for projects that were committed and ready to install in 2022, but timing issues pushed project implementation into 2023. Actual 2023 expenses for Rock County are expected to be lower than anticipated due to staffing vacancies resulting in delays in project implementation. Project implementation is anticipated to continue to occur in 2023 and 2024 and expenses will be encumbered at that time within the budgeted amount. **Therefore, encumbered carry over as part of the Rock County Service agreement to 2024 is estimated at approximately \$0.**

B. Revenue

Sources of revenue include:

- Charges to IGA members (including those having Memoranda of Understanding)
 - Charges to IGA members in 2024 are projected to be approximately \$10,450 more than the amount received in 2023. Charges to IGA members were \$1,514,470 in 2023 and anticipated charges in 2024 will be \$1,524,920.
- Income from grants, other MOUs, agreements, etc.
 - There is no anticipated revenue in 2024 derived from grants or other MOUs (i.e., MOUs with non-IGA members).
 - The level of funding received from the MG&E Foundation remains unchanged from 2023 to 2024 at \$5,000.
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- Interest income
 - Interest income is anticipated to remain stable and we are estimating no change from 2023 to 2024 at \$4,000.

If grants or MOUs are received during 2024 and the revenue generated in this category is greater than anticipated, this could allow for increased funding for phosphorus reduction efforts

The combined revenue from all the above sources (including unencumbered carryover) projected for 2024 is \$1,533,920. This is approximately \$10,450 more than total revenue available in 2023.

Adjustments in charges to IGA members in 2023 that will impact 2024 revenue:

The Wisconsin DNR (WDNR), as an IGA signatory, began fulfilling their Yahara WINS contribution through in-kind monitoring services from 2018-2022 in lieu of a cash payment. WDNR shifted their contribution to cash payment as IGA member in 2023 and will continue to do so in 2024.

Past Adjustments in charges to IGA members that will impact 2024 revenue:

City of Stoughton submitted updated stormwater modeling information in 2022 because of updated data generated from the continued monitoring of stormwater ponds resulting in their allocated costs being reduced. Per the IGA, the City of Stoughton will receive credits for overpayments through 2025

City of Monona submitted leaf collection modeling information in 2020 resulting in their allocated costs being reduced. Per the IGA, City of Monona will receive credit for overpayments made in 2017-2020 over a 4-year term starting in 2021 and going through 2024.

Town of Cottage Grove submitted updated stormwater modeling information in 2020 due to annexations resulting in their allocated costs being reduced. Per the IGA, Town of Cottage Grove will receive credit for overpayments made in 2017-2020 over a 4-year term starting in 2021 and going through 2024.

Village of Maple Bluff submitted leaf collection modeling information in 2020 resulting in their allocated costs being reduced. Per the IGA, Village of Maple Bluff will receive credit for overpayments made in 2017-2020 over a 4-year term starting in 2021 and going through 2024.

City of Stoughton submitted updated stormwater modeling information in 2021 due to leaf collection, enhanced street sweeping, and the installation of a wet stormwater pond resulting in their allocated costs being reduced. Per the IGA, the City of Stoughton is receiving credits for overpayments through 2025.

C. Expenditures

Dane County Phosphorus Reduction Service Agreement

Yahara WINS and Dane County are nearing the completion of a three-year service agreement that started in 2022 and goes through 2024. This continues Dane County's support for Yahara WINS after a successful initial five-year service agreement (2017-2021). The three-year agreement calls for Dane County to leverage Yahara WINS funding to identify locations where agricultural best management practices can be implemented to achieve phosphorus reductions in the Yahara Watershed, provide practice implementation assistance to landowners, and to calculate phosphorus reductions towards the phosphorus reduction goals. **The 2024 budget reflects the \$540,000 expenditure associated with the Dane County Service Agreement.**

Rock County Service Agreement

Yahara WINS and Rock County have entered into a five-year service agreement starting in 2021 and going through 2025. **The 2024 budget reflects the annual maximum available under the service agreement of \$150,000.**

Yahara Pride Farms Phosphorus Reduction Agreement

Yahara WINS enters into annual service agreements with Yahara Pride Farms to provide financial support that allows the implementation of phosphorus reduction cost share programs. **The 2024 budget reflects the \$425,000 expenditure to Yahara Pride Farms for the annual service agreement,** the same amount that was approved as part of the 2023 budget and also in line with the 5-year budget approved in 2023.

Note: The service agreement budget increase that occurred in 2023 and keeps the same capacity for 2024 better reflects the growth and increased membership in these cost-share programs that Yahara Pride Farms has been able to achieve over the past few years. Adjusting the 2023 budget and 5-year budgets with increased budget capacity to better supporting the cost increase observed in these programs the last three years allows for better fiscal management instead of trying to find budget capacity mid-year for additional funding requests.

USGS Joint Funding Agreement

Yahara WINS and USGS entered into a five-year Joint Funding Agreement (JFA) starting in 2022 and going through 2026. This continues USGS support for Yahara WINS after a successful initial five-year JFA (2017-2021). The five-year agreement calls for continued operation and sampling at the USGS gaging stations installed in the Dorn Creek/Six Mill Creek watershed, plus sampling at two other locations (Spring Harbor and Fulton) that provide important information for the Yahara WINS effort. The total annual cost for the current JFA is \$100,000, with USGS contributing \$25,000 and WINS providing the remaining \$75,000. **The 2024 budget reflects the \$75,000 expenditure associated with the 2022-2026 USGS Joint Funding Agreement.**

Rock River Coalition Volunteer Citizen Monitoring

The monitoring done by USGS has been coupled by monitoring conducted throughout the Yahara Watershed by citizen volunteer monitors coordinated and administered by the Rock River Coalition (RRC). Funds provided to the RRC support equipment purchase, training, planning, and other related administrative services. **The 2024 budget reflects a \$40,000 expenditure associated with the 2024 contract with the RRC.**

Cost Model Update

Yahara WINS plans to hire a third part consultant in 2024 to update the cost model and ensure that the most up to date information around cost of practices is being used in decision making so that the program will have enough revenue moving forward to meet adaptive management pound reduction goals. **The 2024 budget reflects a \$58,000 expenditure associated with the anticipated 2024 contract to update the cost model.**

MMSD Laboratory Analytical Services

The water quality monitoring samples that are collected by USGS and the RRC citizen volunteer monitoring program are analyzed by the Madison Metropolitan Sewerage District (MMSD) laboratory, with MMSD being reimbursed for laboratory analytical services costs each quarter. **The 2024 budget reflects a \$65,000 expenditure to support MMSD contract laboratory services.**

Madison Metropolitan Sewerage District (MMSD) Service Agreement

Yahara WINS and MMSD have entered into a five-year service agreement starting in 2020 and going through the end of 2024 to provide services supporting Yahara WINS administratively as well as supporting Yahara WINS partners as needed on technical assistance and helping with getting projects implemented on the ground. **The 2024 budget reflects the \$60,000 expenditure for the service agreement.**

Legal Services Agreement

Yahara WINS and Stafford Rosenbaum LLP entered into a three-year legal service agreement starting in 2020 and going through 2023 with an option to extend through 2025. This continues Stafford Rosenbaum's support for Yahara WINS after previously successful legal services agreements (2016-2020). The agreement contains an annual cap of \$20,000, which cannot be exceeded without the express authorization of the Executive Committee. **The 2024 budget reflects a \$4,000 expenditure for the legal services agreement.**

Annual Financial Audit

Section 10a of the Intergovernmental Agreement (IGA) requires that an audit of the Yahara WINS financial records be conducted on an annual basis by an independent accounting firm using generally accepted accounting principles. **The 2024 budget reflects \$11,000 expenditure to support a financial audit in 2024.**

Communications

The Adaptive Management Plan has a communications component that includes outreach to several different stakeholder groups. A variety of communication tools and approaches are being used to accomplish this including the development of an annual report. **The 2024 budget reflects a \$5,000 expenditure for communications support in 2024.**

Designated Operating Reserves

The Yahara WINS Designated Operating Fund Reserves Policy was developed by the Executive Committee through resolution in 2016 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. **Per the policy, the total amount allocated for the designated operating reserve fund in the 2024 budget is \$100,000. This is \$47,000 less than 2023 as approved by the 2023 5-year budget.**

D. Expenditures Additional Changes (2024 Budget Compared to 2023 Budget)

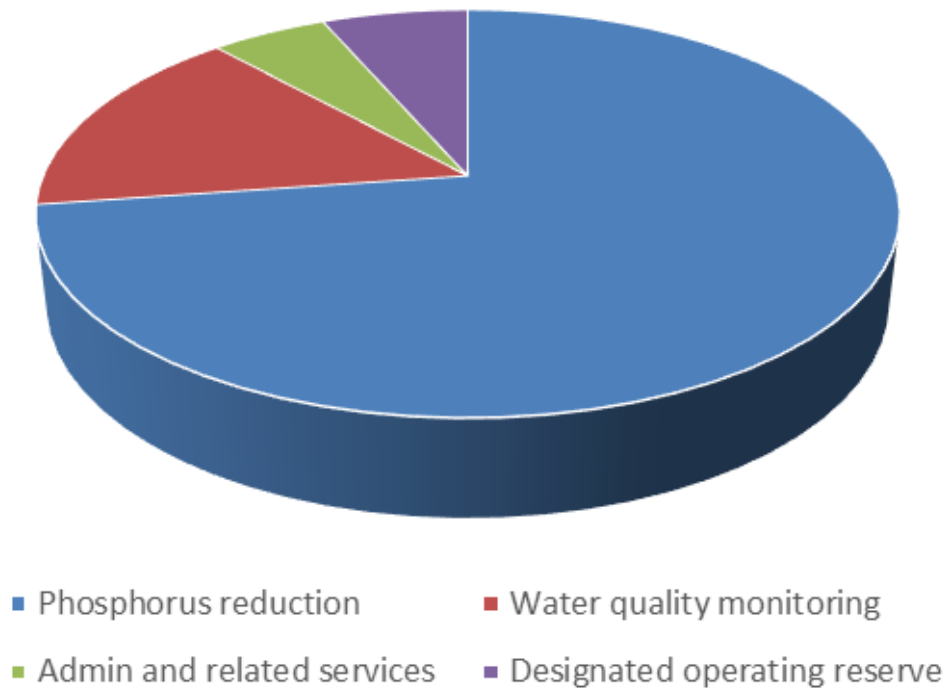
The following are areas of the proposed 2024 budget that were modified as compared to the [2023 budget](#) and previous budgets

- General P reduction Funding expenditure was removed for the 2023 budget and remains removed for the 2024 budget.
- Innovative grant program expenditure was removed for the 2023 budget and remains removed for the 2024 budget.
- Cost Model update budget capacity was added for the 2024 budget.
- Designated Operating reserved contribution is less in 2024 than 2023 as reflected in the 2023 5-year budget

E. Expenditures Summarized By Category

The chart below summarizes proposed expenditures by category. Over seventy percent of the 2024 expenditures will be used to directly support phosphorus reduction activities. This percentage would be significantly higher if one considers that most funds temporarily placed in the designated operating reserve fund will ultimately be used to support future phosphorus reduction activities. fifteen percent of the expenditures will support water quality monitoring and related activities, while five percent will support administrative and related services.

Yahara WINS 2024 Expenses by Category



F. Five Year Budget

The Intergovernmental Agreement states that the five-year budget shall be updated no less frequently than once every five years, the five-year budget was last reviewed as a part of the 2023 annual budget cycle resulting in a new five-year budget projection from 2023-2027.

The five year budget can be found as part of the 2023 approved budget materials on the website here <https://yaharawins.org/resources/documents-agreements/#financials> (Direct link - <https://yaharawins.org/wp-content/uploads/2022/10/20221018-YWINS-2023-Budget-Final.pdf>)

It should be noted that revenue projections are based on payment calculations and there may be some MS4's who may submit updated modeling information in the future which could impact future revenue amounts.

It should also be noted that the following service agreements end during the current span of the five-year budget, so changes to future partner agreements could impact future expenditure amounts:

- Dane County Service Agreement - 2022-2024
- MMSD Supporting Services Agreement – 2020-2025
- Rock County Service Agreement - 2021-2025
- Rock River Coalition Agreement – Annual
- USGS Joint Funding Agreement – 2022-2026
- Yahara Pride Farms Service Agreement – Annual