Yahara WINS

1610 Moorland Road • Madison, WI 53713-3398 • P: (608) 222-1201 • F: (608) 222-2703

Yahara WINS 2027 Budget As Approved By The Yahara WINS Group

Background

The Yahara WINS Executive Committee is tasked with preparing a detailed annual budget for 2027 and presenting it to the Yahara WINS Group no later than September 30th for review and comment.

Per the Intergovernmental Agreement, 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 2027 annual budget was held on October 20th, 2026.

The 2027 annual budget as presented passed unanimously and the accompanying budget and budget narrative reflect the 2027 approved annual budget by the Yahara WINS IGA Member Representatives

2027 Adopted Budget (Rounded to the nearest $100)

Projected unencumbered carryover from 2026	$0
Revenue	
IGA participants	$1,689,660
Income from grants, MOUs, etc.	$0
MGE Foundation	$5,000
Savings account interest	$4,000
Total Revenue	**$1,698,660**
Total Revenue plus unencumbered carryover	**$1,698,660**
Expenditures	
Phosphorus reduction	
Dane County phosphorus reduction services agreement	$640,000
Rock County phosphorus reduction services agreement	$150,000
Yahara Pride Farms phosphorus services agreement	$625,000
Phosphorus Reduction Subtotal	**$1,415,000**
Water Quality Monitoring/Modeling	
Water quality monitoring analytical services (MMSD)	$30,000
USGS joint funding agreement	$120,000
Rock River Coalition water quality monitoring	$47,500
Watershed Prioritization Project Contract	$15,000
Phosphorus Accounting Matrix Contract	$15,000
Water Quality Monitoring/Modeling Subtotal	**$227,500**
Supporting Services	
Financial audit	$11,000
Communications	$5,000
Legal services agreement	$4,000
Supporting Services Subtotal	**$20,000**
Transfer of funds to designated operating reserve	**$36,160**
Total Expenditures	**$1,698,660**
Revenue minus expenditures (potential unencumbered carryover for 2028)	**$0**

Budget Narrative for the 2027 Adopted Yahara WINS Budget

A. Carryover from 2026

Unencumbered carry over.
Actual 2026 expenses are on track as anticipated in several budget categories and resulting in no anticipated unencumbered carryover to 2027. **Therefore, unencumbered carryover to 2027 is estimated at approximately $0.** This will be revised if needed after the end of the year reconciliation process.

B. Revenue

Sources of revenue include:

- Charges to IGA members (including those having Memoranda of Understanding)
    - Charges to IGA members in 2027 are projected to be approximately $160,440 more than the amount received in 2026. Charges to IGA members were $1,529,220 in 2026 and anticipated charges in 2027 will be $1,689,660.

- Income from grants, other MOUs, agreements, etc.
    - There is no anticipated revenue in 2027 derived from grants or other MOUs (i.e., MOUs with non-IGA members).
    - The MG&E foundation has committed to a 3-year funding agreement with Yahara WINS starting in 2025 and ending in 2027 for a total of $15,000 over the three years. The revenue line for 2027 will be $5,000.

  If grants or funding MOUs are received during 2027 and the revenue generated in this category is greater than anticipated, this could allow for increased funding for phosphorus reduction efforts

- Interest income
    - Interest income is expected to remain stable and we are estimating no change from 2026 to 2027 at $4,000.

The combined revenue from all the above sources (including unencumbered carryover) projected for 2027 is $1,698,660. This is approximately $160,440 more than total revenue available in 2026. This increase in total revenue is due to changes in charges for IGA members. (see next section).

Adjustments in charges to IGA members that will impact 2027 revenue:
City of Stoughton. WDNR's approval of the City's WinSLAMM (stormwater) modeling and an internal water quality trade from Reach 67 to 68 brought the City of Stoughton into full compliance with the Rock River TMDL Phosphorus and Total suspended solids (TSS) load reduction requirements. This resulted in updated Yahara WINS contribution calculations per the intergovernmental agreement (IGA) changing the City's annual Yahara WINS buy-in amount from $2,051 to $0 starting in 2027.

Village of Oregon Wastewater Treatment Plant. As a result of updating effluent calculations for wastewater treatment plant point source contributions to the TMDL as part of the Districts Adaptive Management Plan and the Districts 2026 WPDES permit reissuance, Oregon WWTP has reduced the amount of phosphorus being discharged in effluent to the Yahara River Watershed over the last 5-year permit term (from 1524 pounds to

1249 pounds), reducing their Yahara WINS contribution by $13,557. The new contribution amount for Oregon WWTP will be $61,753 starting in 2027.

Madison Metropolitan Sewerage District (MMSD) Nine Springs Wastewater Treatment Plant. As a result of updating effluent calculations for wastewater treatment plant point source contributions to the TMDL as part of the Districts Adaptive Management Plan and the Districts 2026 WPDES permit reissuance, MMSD Nine Springs WWTP has increased the amount of phosphorus being discharged in effluent to the Yahara River Watershed over the last 5-year permit term due to: Consolidated outfall from Badger Mill Creek (Sugar River Watershed) to Badfish Creek (Yahara River Watershed) resulting in an additional 3000 pounds of phosphorus being discharged to Badfish Creek; increased growth in the District's service area over the last permit term resulting in more effluent phosphorus (1920 pounds). These changes combined resulted in an additional 5000 pounds of phosphorus entering Badfish Creek, increasing the District's Yahara WINS contribution by $245,978. The new contribution for MMSD Nine Springs WWTP will be $815,000 starting in 2027.

City of Fitchburg. WDNR's approval of the City's WinSLAMM (stormwater) modeling submitted to Yahara WINS was the City's first update to their stormwater phosphorus and TSS to the TMDL since 2018. This resulted in updated Yahara WINS contribution calculations per the intergovernmental agreement (IGA) changing the City's annual Yahara WINS buy-in amount from $105,000 to $52,034. With the IGA required 4-year credit for overpayment (difference between old and new contribution), the new contribution will be $38,793 annually from 2027-2030. In 2031 the annual contribution goes back to $52,034.

Village of Cottage Grove. WDNR's approval of the City's WinSLAMM (stormwater) modeling submitted to Yahara WINS, resulted in a reduced number of total pounds of stormwater phosphorus and TSS entering the watershed. This resulted in updated Yahara WINS contribution calculations per the intergovernmental agreement (IGA) changing the City's annual Yahara WINS buy-in amount from $12,200 to $9,231. With the IGA required 4-year credit for overpayment (difference between old and new contribution), the new contribution will be $8,489 annually from 2027-2030. In 2031 the annual contribution goes back to $9,231

C. Expenditures

Dane County Phosphorus Reduction Service Agreement
Yahara WINS and Dane County entered into a new three-year service agreement that starts in 2027 and goes through the end of 2029. This continues Dane County's support for Yahara WINS after a successful initial five-year service agreement (2017-2021) and a second three-year agreement (2022-2024) with extensions through 2026. The new agreement continues the partnership model of Dane County LWRD leveraging 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 2027 budget reflects the $640,000 expenditure associated with the Dane County Service Agreement.**

Rock County Service Agreement
Yahara WINS and Rock County have entered into a three-year service agreement that started in 2026 and goes through 2028. This agreement will continue Rock County's support for Yahara WINS. **The 2027 budget reflects a $150,000 expenditure to Rock county for the service agreement.**

Yahara Pride Farms Phosphorus Reduction Agreement
Yahara WINS enters into service agreements with Yahara Pride Farms to provide financial support that allows the implementation of phosphorus reduction cost share programs. **The 2027 budget reflects a $625,000 expenditure to Yahara Pride Farms annually under a three-year service agreement.** Changing from an annual agreement to a multi-year agreement allows Yahara WINS to have certainty in costs over a longer period.

USGS Joint Funding Agreement
Yahara WINS and USGS entered into a five-year Joint Funding Agreement (JFA) starting in 2027 and going through 2031. This continues USGS support for Yahara WINS after a successful initial five-year JFA (2017-2021), and a second five-year JFA (2022-2026). The new five-year agreement that starts in 2027 continues to call for continued operation and sampling at the USGS gaging stations installed in the Dorn Creek/Six Mill Creek watershed, plus sampling at other locations (Spring Harbor, etc) that provide the required water quality information for the Yahara WINS effort. The total annual cost for the JFA that starts in 2027 is $143,000, with USGS contributing $23,000 and Yahara WINS providing the remaining $120,000. **The 2027 budget reflects the $120,000 annual expenditure associated with the 2027-2031 USGS Joint Funding Agreement.**

Rock River Coalition Volunteer Citizen Monitoring
The monitoring done by USGS has been coupled with 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 2027 budget reflects a $47,500 expenditure associated with the 2027 agreement with the RRC.**

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 2027 budget reflects a $30,000 expenditure to support MMSD contract laboratory services.**

Watershed Prioritization Contract
Yahara WINS has approved a contract to hire Agrograph to conduct a multi-year watershed prioritization study. This study will use field-scale geospatial analyses to evaluate phosphorus reduction practice implementation throughout the watershed by providing field specific information about crop type, percent residue, presence of cover crops, runoff risk, and other information. This data about the extent of current implementation and the remaining opportunities for phosphorus reducing practices in the watershed is necessary to target the Yahara WINS implementation strategy to ensure we continue to meet reduction goals in all stream reaches moving forward. 2027 completes the final year of study. **The 2027 budget reflects a $15,000 expenditure associated with the anticipated contract for work in 2027. The 2027 budgeted expenditure allows for the completion of the multi-year study of all stream reaches in the watershed.**

Phosphorus Accounting Matrix Contract
There is a desire by Yahara WINS implanting partners to also have a more efficient way to calculate phosphorus reductions in the Yahara watershed by develop a matrix of standard phosphorus reduction values specific to the conservation practices and the areas of the watershed they're applied. This contract would develop this matrix for all implementing partners to use once approved by WDNR as part of the Adaptive Management Plan. **The 2027 budget reflects a $15,000 expenditure associated with contract for work to develop the matrix.**

Legal Services Agreement
Yahara WINS and Stafford Rosenbaum LLP entered into a three-year legal service agreement starting in 2025 and going through 2028 with an option to extend through the end of 2030. This continues Stafford Rosenbaum's support for Yahara WINS after previously successful legal services agreements. The agreement contains an annual cap of $20,000, which cannot be exceeded without the express authorization of the Executive Committee. **The 2027 budget reflects a $4,000 anticipated expenditure under 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 2027 budget reflects $11,000 expenditure to support a financial audit in 2027.**

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 2027 budget reflects a $5,000 expenditure for communications support in 2027.**

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 2026 budget is $36,160. The current Designated Operating Reserve balance as of Quarter 3, 2026 is approximately $1.8 million, or one year of revenue.**

Operating Surplus
As required by the IGA, Yahara WINS undergoes a financial audit administered by a third-party auditor

annually. In 2025 the Yahara WINS Executive Committee were informed that the budget to actual reports being provided to Yahara WINS was not calculating the correct amount of unencumbered/underspend funds due to the type of account that the underspent funds automatically went into at the end of each fiscal year. This created a situation where unencumbered funds were being accumulated without being reported to Yahara WINS. It was only after discovering that the numbers used to calculate the reports were not pulled from the correct accounts that the issue of underspending was discovered. *In this situation there were no mistakes identified in the audit as the underspent money was being recorded properly; the issue was that the account the money was moving into was not reported correctly to WINS staff*. Now that Yahara WINS and District accounting staff are aware of the reporting omissions it has been corrected and unencumbered revenue will be tracked separately as part of the annual budget process. While the operating surplus is not part of the Yahara WINS annual budget, it is part of the available resources that Yahara WINS must invest in activities that help meet Yahara WINS goals, just like the operating reserves. The Yahara WINS executive committee will make all decisions on how the operating surplus will be spent. The executive committee has made decisions in 2025 and 2026 to use operating surplus to fund projects. The current operating surplus balance is approximately $400,000 at the time of the 2027 budget preparation.

D. Expenditures Additional Changes (2027 Budget Compared to 2026 Budget)

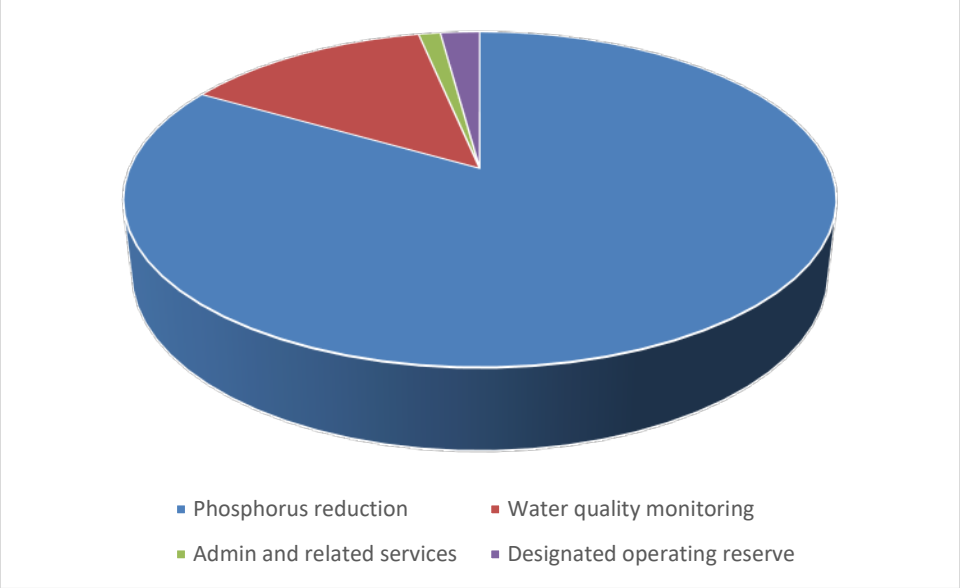
The following are areas of the proposed 2027 budget that were modified as compared to the 2026 budget and previous budgets

- The phosphorus reduction service agreements with Dane County and Yahara Pride Farms each increased in the 2027 budget as compared to the 2026 budget
- The water quality monitoring agreement with USGS increased in the 2027 budget as compared to the 2026 budget.
- The water quality analytical services decreased in the 2027 budget as compared to the 2026 budget.
- Watershed Prioritization project budget capacity continued in the 2027 budget from the 2026 budget but a lower amount
- Phosphorus account matrix project budget capacity added in the 2027 budget and was not in the 2026 budget.
- The amount designated for the operating reserve shows a lower contribution in 2027 compared to the amount designated for 2026.

E. Expenditures Summarized By Category

The chart below summarizes proposed expenditures by category. Almost eighty-four percent of the 2027 expenditure will be used to directly support phosphorus reduction activities. This percentage would be significantly higher if one considered that most funds temporarily placed in the designated operating reserve fund (two percent) will ultimately be used to support future phosphorus reduction activities and the fact that the operating surplus will be used to support future phosphorus reduction activities. Thirteen percent of the expenditure will support water quality monitoring, modeling, and related activities, while around one percent will support administrative and related services.

Yahara WINS 2027 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 is anticipated to be updated as part of the 2028 budget process that will occur in 2027.

The five-year budget can be found as part of the 2023 approved budget materials on the website here https://yaharawins.org/wp-content/uploads/2022/10/20221018-YWINS-2023-Budget-Final.pdf

It should be noted that revenue projections for the 5-year budget are based on 2023 payment calculations and as MS4's submit updated modeling information, changes in contribution calculations will impact future revenue amounts.

The status of the following service agreements during the current span of the five-year budget should be noted, as changes to partner agreements impact future expenditure amounts within the 5-year time frame:

- Dane County Service Agreement – 2027-2029
- Rock County Service Agreement - 2026-2028
- Rock River Coalition Agreement – Annual
- USGS Joint Funding Agreement – 2027-2031
- Yahara Pride Farms Service Agreement – 2027-2029
- Legal Services Agreement – 2025 —2028 (with option to extend to 2030)
- MMSD Supporting Services Agreement – 2020-2025 (ended in 2025)