

Information Memo July 30, 2008
Agenda Item: 2

Subject: Filling vacant positions on Executive Steering Council.

Background. The draft Policies & Procedures states that the Executive Steering Council will have 15 members, which may include representatives from a variety of sectors. The current ESC has 13 members leaving 2 vacant positions. One At-Large position and one assigned to a representative from a Town.

Discussion. Two individuals have indicated their interest in becoming a member of the ESC. The individuals are Mr. Neil Palmer, Village Manager of Elm Grove, and Mr. Henry Hamilton, an administrative hearing officer for the EEOC. Both individuals have an outstanding background and their experience will bring valued professional and personal expertise to the Council. Having these two outstanding individuals interested in becoming members of the Council with an open At-Large position and an open Town's position requires the Council to decide a course of action.

Possible Action. Fill the At-Large position and continue to try to find a Town representative. Fill the remaining two open positions on the ESC with these two individuals.

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Agenda Item: 3

Subject: Establish a Technical/Scientific Advisory Committee.

Background. The draft Policies & Procedures describes three types of standing advisory committees that will participate in the ongoing activities of the SWWT. The Technical/Science Advisory Committee's purpose is to advise the ESC on important science and technical issues pertaining to its activities. In fulfilling its roles, the committee will:

1. Ensure that wide ranges of interests are considered in all scientific discussions.
2. Focus on issues of a scientific & technical nature to achieve watershed objectives.
3. Identify & make recommendations on scientific & technical issues.
4. Identify areas where further study is necessary
5. Record meeting notes.
6. Report to the Executive Steering Council.

Discussion. Two, current, major projects are in progress that will require review and understanding of numerous technical and scientific facts, analytical procedures and recommendations. The projects are The Joyce Team work and the development of Watershed Restoration Plans for the Menomonee and KK Rivers. Both projects have recently started and will need initial input from the Trust and will need involvement as their work is completed in the next 12 to 18 months. In addition to these two projects, SWWT will have an opportunity to review several new projects, that by their nature have a scientific basis.

Possible Action. Approve the formation of the Technical / Science Advisory Committee and begin to recruit members.

Potential representatives and possible individuals could be the following;

1. DNR. – Marsha Burzynski*
2. SEWRPC. – Mike Hahn
3. MMSD. – Chris Magruder/Steve Heinz*
4. Counties. – Steve Keith, Milwaukee County
5. Universities (3). – Val Klump UWM, Charles Melching* MU, MSOE
6. Professional Service (Consultants). – Nancy Schultz*, Eric Loucks
7. Great Lakes WATER Institutes. – Dr. Sandra McLellan*
8. U.S. Geological Survey. – Peter Hughes*
9. Non-Gov. Org. – Peter Taglia, Clean Wisconsin, Outside Experts.
10. Others.
 - a. Dr. Jennifer Runquist, League of Women Voters
 - b. Veolia Water.

*** Indicates person was a member of SEWRPC Modeling Subcommittee.**

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Agenda Item: 4

Subject: Establish a Watershed Action Team (WAT) for the Menomonee and the Kinnickinnic River Watersheds.

Background. The draft Policies & Procedures describes three types of standing advisory committees that will participate in the ongoing activities of the SWWT. One type of Advisory committee is the Watershed Action Team whose purpose is to advise the ESC on important watershed-specific issues and projects that pertain to its activities either as a body or its member organizations. In fulfilling their role the Watershed Action Teams will:

1. Ensure that wide ranges of interests are considered in all watershed discussions.
2. Focus on issues that cut across existing lines of authority it achieves watershed objectives.
3. Work with MMSD/SEWPC to develop a Watershed Restoration Plan.
4. Based on the Watershed Restoration Plan, annually prepare a priority list of watershed-specific projects, programs and issues to be supported by the Trust. Submit this list to the ESC for their and approval.
5. Identify and make recommendations on watershed-specific issues.
6. Undertake projects or offer to advise on member projects that have been awarded by the ESC.
7. Record WAT meeting notes.
8. Report to Executive Steering Council.

Discussion. The MMSD is currently preparing Phased Watershed Restoration Plans for the Menomonee and Kinnickinnic Rivers. These plans when implemented will put in place cost effective, science-based water quality improvements for the two watersheds. The plans when completed will contain the following:

- An adaptive, phased implementation approach that focuses on activities that should take place in the near term to meet long-term water quality goals.
- A collaborative stakeholder involvement effort that will be based on interaction with the SWWT and its standing committees.
- Potential additional targeted efforts on green infrastructure, pollutant trading, and social science measures.
- Consideration of Sustainability in the development of the plans.

These efforts will build on the MMSD 2020 Facilities Plan and the SEWRPC Regional Water Quality Management Plan. Important issues to be addressed during development of the plans will be how to best integrate other plans, nonpoint water quality improvements related to stormwater permit requirements, and the impact of implementing NR 151.

Possible Action. Approve the formation of a Watershed Action Team for the Menomonee and KK river watersheds, and request that the Executive Steering Council, SEWRPC, MMSD and DNR identify potential representative stake holders and potential members. The list of potential representative stakeholders and potential members will be presented to the ESC for review and approval.

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Agenda Item: 5

Subject: Formation of SWWT as a 501(c)(3) organization.

Background. As the Southeastern Wisconsin Watersheds Trust (SWWT) develops, it must evaluate different type of organizational structures that will help it meet its goals and objectives. As a broad-based partnership, independent control and authority of SWWT may eventually become desirable.

As the Trust aggressively seeks public/private funds to facilitate implementing cost effective projects it may be helpful to become a registered tax-exempt organization. This memo describes the benefits of SWWT becoming a recognized 501(c)(3) organization.¹ Section 501(c)(3) of the Internal Revenue Service Code is a tax provision that grants an exemption from federal income tax to nonprofit organizations.

Discussion. In order to become and remain a 501(c)(3) organization there is a two-part test that an organization such as SWWT must meet. The parts of the test include an organizational test and an operational test:

- **Organizational test:** The organizing documents of SWWT must limit its purposes to one or more of the IRS's exempt purposes and not permit the organization to engage in certain nonexempt activities (for instance, participating in political campaigns). Also, assets of the organization must be permanently dedicated to an exempt purpose.
- **Operational test:** SWWT must show that its activities will further its exempt purposes.

The benefits of SWWT becoming a 501(c)(3) include:

- Exemption from federal income tax, if the Trust was formed for one or more of the following: scientific, educational, public safety or charitable purposes.
- Eligibility to receive tax-deductible charitable contributions, providing individual and corporate donors with tax-deductions.
- Assurance to grant or sponsorship agencies that SWWT is a permitted beneficiary.
- Potential exemption from certain employment taxes.
- Potential state-level exemption from income, sales and property taxes.
- Reduced postal rates from the US Postal Service.

Responsibilities of SWWT becoming a 501(c)(3) include:

- Keeping books and records detailing financial and non-financial activities.
- Filing an annual information return.
- Making the application and three most recent annual returns available to the public, upon request and without charge.

Possible Actions. Wait or move forward to organize the Trust as a 501(c)(3).

¹ The advice provided herein should not take the place of legal advice.

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Agenda Item: 7

Subject: The Greater Milwaukee Watershed's Stream Buffer Program

Background: The recently completed update to the Regional Water Quality Management Plan for the Greater Milwaukee Watersheds has identified polluted storm water runoff from urban and agricultural sources as the leading pollution source to these waterways. Currently, the Wisconsin Department of Natural Resources (DNR) is promulgating a statewide standard for phosphorous and also has existing legislation, NR 151, which limits the amount of sediment runoff from properties. These two legislative acts will place significant financial strains on the region.

Discussion: In order to meet the requirements of this legislation, it is proposed that the Southeastern Wisconsin Watersheds Trust (SWWT) develop a long-term stream buffer program that will provide an alternative for municipalities. The program would consist of allowing municipalities to purchase buffers along the rivers that transverse their municipal boundaries with a goal of meeting their regulative requirements.

Assumptions

- For each river mile of buffer purchased, the municipality would receive a credit for an agreed upon amount of phosphorus reduction and for an agreed upon amount of sediment (TSS) reduction.
- The buffers would have to be at least 75 feet wide, but could be variable widths beyond this minimum requirement.
- The buffers would have to be placed into conservation easements for perpetuity.
- The buffers could be turned over to land trusts for long term maintenance.
- The buffers may need to be revegetated or improved with stormwater management systems in order to provide a reduction on pollutants.
- SWWT would seek out grants to revegetate these buffers.

Possible Action. Refer to Technical/Science Advisory Committee and request that the development of pollutant credit criteria for TSS and phosphorus per length and width of buffer. This might include identifying the types of stormwater management systems necessary for the buffers to enhance the pollutant capture. The deliverable for this effort would be a guidance document identifying buffer removal criteria and a recommendation to the Executive Steering Council (ESC) on the effectiveness of such a program to improve water quality.

After review and approval of the Executive Steering Council, and agreement that the program is feasible; the Policy Committee could then be asked to identify policy and legal issues that need to be addressed.

Concurrent to the Policy Committee's work, the Executive Steering Council might also form a subcommittee that would develop the programmatic steps to implement this program.

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Agenda Item: 8

Subject: Preparation of a Business Plan.

Background. The Southeastern Wisconsin Watershed Trust (SWWT) has developed draft policies and procedures, job descriptions and a memorandum of understanding. The content of these documents serve as a framework for the initial operation of the SWWT. However to move the SWWT into the future it is necessary to have a business plan. The Business Plan will describe the fundamental elements of the SWWT's business and will provide the Executive Steering Council with a tool to establish and monitor short-term performance measures and long term objectives.

Discussion. The following is a draft outline of major sections of the proposed SWWT Business plan:

1. Executive Summary.
2. Introduction. History, Mission, Primary Purpose, Organization
3. Strength, Weakness, Threats. Opportunities
4. Services Provided. *Specifically what we do.*
5. Market Analysis. *Specifically who we serve*
6. Membership – Recruiting/ Retention.
 - a. Founding Members
 - b. Corporate Members
 - c. Government Members
 - d. Organization Members
 - e. General Members
7. Watershed Action Team Projects and Programs
8. Communications Plan
 - a. Audience, Delivery, Media
 - b. Communication Tools / Methods
 - c. Messages
 - d. Timing
 - e. Branding
9. Human Resources
10. Financial
 - a. Operation costs
 - b. Project and Program funding
 - c. Audited financials.

Possible Action. Provide critical review of outline and provide input and recommendations.