

Capitol Region Watershed District

ANNUAL REPORT 2010



Letter to Stakeholders

:: Dear Stakeholders

June 2011

The Board Managers and staff of Capitol Region Watershed District (CRWD) would like to share with you a review of its 2010 accomplishments, the Capitol Region Watershed District Annual Report.

2010 was another outstanding year for CRWD. Major work was completed on the Trout Brook Stormwater Interceptor, which was transferred to CRWD from the Metropolitan Council in 2006. The CRWD Permitting Program completed its fourth year of implementation. The Permitting Program ensures compliance of the Watershed Rules which were adopted in 2006 to establish water quality standards for developments within the watershed. In 2010, 33 permit applications were received and processed. Of the 358 acres covered in the applications, approximately 173 of those acres were impervious surfaces on which stormwater runoff is treated to the 1" standard specified in the Watershed Rules.

CRWD's Monitoring program expanded to include 30 stormwater and BMP (Best Management Practice) monitoring sites in 2010. Fifteen of these sites were full monitoring stations that record flow and take water quality samples. Major subwatershed monitoring stations are located near four outlets to the Mississippi River.

CRWD's Stewardship Grant Program made 39 grant awards totaling nearly \$30,000. Four Partner Grants totaling nearly \$35,000 helped make possible a volunteer stewardship program, a rain barrel distribution program to citizens, an environmental intern program and a water celebration event serving Latino youth.

One of the most significant accomplishments in 2010 was the completion of CRWD's 2010 Watershed Management Plan. The Plan, which guides District initiatives through 2020, was approved by the Board of Water and Soil Resources and adopted by CRWD Board of Managers on September 1, 2010.

Another milestone in 2010 was the retirement of Board Manager Marylyn Deneen. A founding Manager of the CRWD Board, Manager Deneen has been active since 1998, and her commitment throughout the years has been outstanding. In addition to her foundational work with CRWD, Manager Deneen served on the Ramsey Conservation Board of Supervisors from 1974 to 1985. In the early 1980s, Manager Deneen was instrumental in the procurement of an Environmental Protection Agency grant to address water quality problems at Como Lake, and was a charter member of the St. Paul Chapter of the League of Women Voters. As a member of that organization, she helped establish what is now Willow Park Reserve near Loeb Lake. Manager Deneen's dedication has inspired many of us in our work to improve the District's water quality. She will be missed by us all.

More details of our accomplishments follow in this report. For this successful year, CRWD Board of Managers would like to express appreciation to CRWD's Citizen Advisory Committee, St. Paul District Planning Councils, the cities of St. Paul, Falcon Heights, Maplewood, Roseville and Lauderdale, Ramsey County, Ramsey Conservation District, District consultants, and most importantly, the citizens of CRWD for their continued support in helping improve our water quality.

Respectfully,



Robert P. Piram, President



Mark Doneux, Administrator

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:: Capitol Region Watershed District

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Cover photo: Crosby Lake



:: Green roof



:: Como walkers



:: Rain garden tour

Our Organization

:: Mission

To protect, manage, and improve the water resources of the Capitol Region Watershed District.

:: Vision

The Capitol Region Watershed District achieves cleaner waters through strategic initiatives and partnerships, using:

- ◆ research-based, informed decision making,
- ◆ effective water quality rules, and
- ◆ education and outreach to promote changed attitudes toward water quality stewardship.



:: Mississippi River

:: What is a Watershed District?

A watershed district is a special purpose unit of local government in charge of managing water resources within designated watershed boundaries. Watershed districts work to protect and improve water quality in the lakes, rivers, and wetlands within the district, and to protect residents against flooding.

Because Minnesota is the Land of 10,000 Lakes, it was one of the very first states to establish watershed districts as legal entities through the Minnesota Watershed Act of 1955. Minnesota has 48 watershed districts, including 13 in the metro area, all working to protect our lakes, streams, wetlands, and natural habitat.

:: Background

Capitol Region Watershed District (CRWD) originated from a small group of dedicated citizens who wanted to protect Como Lake. They petitioned Minnesota's state Board of Water and Soil Resources (BWSR) to create a new watershed district, and in 1998 CRWD was formed. CRWD is a special purpose local unit of government created to manage and protect part of the Mississippi River Basin, along with the lakes and wetlands that drain to the river.

The District covers 40 square miles and includes portions of the cities of Falcon Heights, Lauderdale, Maplewood, Roseville, and St. Paul. Located within Ramsey County, it has a population of 245,000 people, thus one in twenty Minnesotans live within CRWD boundaries. The District drains to the Mississippi River, also its primary water resource. Como Lake, Crosby Lake, Loeb Lake, and Lake McCarrons are also located in the District.

A Board of five managers appointed by the Ramsey County Board of Commissioners guides the work of the CRWD. Meetings are held on the first and third Wednesdays of the month and are open to the public. Officers are elected at the annual meeting, which is generally held in December. CRWD works with other government units, partner cities, and neighboring watershed districts to protect, manage, and improve surface

water and groundwater. The CRWD also undertakes and cooperates on studies and projects to protect and improve the District's lakes, wetlands, and the Mississippi River.

CRWD Watershed Management Plan was adopted on September 1, 2010. The Plan is the work blueprint for CRWD and will guide its activities through 2020. The Plan is available through the CRWD office or the District website, capitolregionwd.org.



:: Flynn green roof

:: Finances

State statutes 103B and 103D provide watershed districts the authority to levy property taxes and this amount is included on property tax statements. A budget is developed annually and approved after comments are received and a public hearing is held. The funds received through the property tax levy can be used for projects, grants, programs, and administration as recommended in the Watershed Management Plan.

More specific information on the District's finances and a copy of the 2010 Financial Statement and Audit can be found in Appendix A.

:: District Map



:: The Capitol Region Watershed District is home to more than 245,000 people — one in twenty Minnesotans — and is 42% impervious surfaces.

Our People

:: Board of Managers

The Capitol Region Watershed District is led by a five-person Board of Managers that guides the District in the implementation of goals and objectives set forth in the CRWD Watershed Management Plan. Board Managers are appointed by the Ramsey County Board of Commissioners and serve a three-year term.



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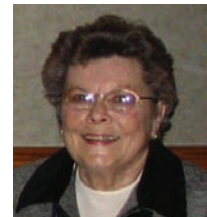
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:: 2010 Citizen Advisory Committee

The Citizen Advisory Committee (CAC) assists the Board of Managers by strengthening connections between the District and its citizens. CAC meetings are held the second Wednesday of each month and are open to the public. 2010 members are:

David Arbeit; Bill Barton; Janna Caywood;
James Cotner; Steven Duerre; Karen Eckman;
Jerry Kafka; Paul Kamueller, Co-chair; Michael
MacDonald; Ted McCaslin; Ole Olmanson;
Shirley A. Reider, Co-chair; Michelle Ulrich;
Jerome Wagner

:: 2010 Consultant Engineers

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TKDA Engineers & Architects 444 Cedar Street,
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Seasonal Water Resource Interns

Andrea Bolks; Peter Brumm; Chris Lundeen;
Selina Pradham

Gordon Parks High School Interns

Carlos Pratt; Demetrius Russell

Minnesota GreenCorps Member

Kat McCarthy

Our Work

:: CRWD Water Resources

The Capitol Region Watershed District is comprised of numerous important water resources that all eventually discharge to the Mississippi River. The four major lakes in the District are Como Lake, Crosby Lake, and Loeb Lake in St. Paul, and Lake McCarrons in Roseville. All four lakes serve important recreational needs for District residents and visitors including fishing, boating, and swimming. Water quality is monitored by Ramsey County.

Groundwater underneath the land surface of the District provides non-drinking water for businesses and institutions in Ramsey County. Few natural wetlands in the District remain because they were removed or altered during urbanization and development over the past century. Woodview Marsh located off Larpenteur Avenue in Roseville, Willow Reserve located off Maryland Avenue in St. Paul, and Villa Park wetland located northwest of Lake

McCarrons in Roseville are the largest tracts of wetlands in the District.

Como Lake

Located in the City of St. Paul, Como Lake is a relatively shallow (approximately 16 feet deep), 72-acre lake located in a highly urbanized watershed. Como Lake and its associated parkland are a major regional recreational amenity within the metro. The lake drains 1,680 acres of land in St. Paul, Roseville, and Falcon Heights.

Nonpoint source or stormwater runoff is the most serious threat to the water quality of Como Lake because it carries excessive quantities of nutrients, specifically phosphorus and sediment, to the lake. Como Lake does not meet water quality standards for nutrients and is therefore listed as an impaired water body by the Minnesota Pollution Control Agency.



:: Como Lake algae blooms, August 2010.

Arlington Pascal Stormwater Improvement Project

Algae overgrowth in Como Lake has caused problems with water clarity and quality, and has periodically created an unpleasant odor in the area around the lake. Elsewhere in the Como Lake watershed, excessive stormwater runoff causes intercommunity flooding problems. CRWD, along with the cities of St. Paul, Falcon Heights, Roseville, and Ramsey County, has worked cooperatively to evaluate, design, construct, and fund several stormwater facilities to address these problems. The Arlington Pascal Stormwater Improvement Project has resulted in a number of important and effective efforts including rain gardens, infiltration trenches, a large underground infiltration/storage facility, a regional stormwater pond, and storm drain improvements.

In 2002, CRWD developed a strategic management plan that describes water-related issues facing the lake and identifies the management strategies and implementation activities to address the priority issues. This plan serves as a guide for CRWD, the City of St. Paul, and others for Como Lake's improvement projects. The plan identified four priority areas of concern: water quality, aesthetics, recreation/lake use, and natural resources. One of the key management goals from the plan is to reduce by 60% phosphorus loading of the lake.

Loeb Lake

Loeb Lake is a nine-acre lake with an average depth of nine feet and maximum depth of 28 feet. It is located in Marydale Park, at the intersection of Maryland Avenue and Dale Street in St. Paul. Loeb Lake is stocked with fish and designated

as a *Fishing in the Neighborhood* lake by the Minnesota Department of Natural Resources. The most common species found in the lake are black bullhead and bluegill. Water quality is considered generally very good given its location in a highly urbanized subwatershed. While nutrients are relatively low to moderate year-round, they are a pollutant of concern.

In 2009, the CRWD board approved the Loeb Lake-Willow Reserve Management Plan which defines the critical water-related issues of Loeb Lake listed above and recommends management goals and implementation activities to address these issues. The Plan also considers goals and activities for Willow Reserve — a wetland and wildlife preserve located just northeast of Loeb Lake.



:: Como Lake



:: Fishing off the dock at Loeb Lake.

Our Work

Crosby Lake

Crosby Lake is located within the floodplain of the Mississippi River and is part of a complex of wetland and forested areas associated with the Mississippi River Valley. Crosby Lake is 48 acres in size with a maximum depth of 19 feet. Because the lake receives only a small amount of local drainage, the lake's water quality is generally good with very good lake clarity. CRWD analyzes and reports the Ramsey County monitoring data to evaluate and track water quality in the lake. The Crosby Lake Farm Park is managed by the City of St. Paul Division of Parks and Recreation.

In 2010, with a grant from the Minnesota Clean Water Partnership Program, CRWD began work on the Crosby Lake Management Plan. Plan goals are to assess the current conditions of the lake, identify issues of concern, and determine activities for protecting and improving the ecological, aesthetic, and recreational aspects of the lake. In 2010, CRWD convened both technical and citizen advisory groups to ensure broad input for the

plan's development. Crosby Lake Management Plan will be completed in 2011.

Lake McCarrons

Starting in 2008, CRWD partnered with Ramsey Conservation District (RCD) to design and construct restored shorelines along Lake McCarrons in Roseville. By the end of 2010, 13 lakeshore residents with eroding shorelines completed restoration projects with joint cost-share funds from CRWD and Minnesota Board of Water and Soil Resources (BWSR), who have assigned administration of the funds to RCD. Nearly 1,200 feet of shoreline with an area of 27,260 square feet has been restored. CRWD, RCD, and BWSR will continue to foster and support additional shoreline restoration projects in 2011.

Villa Park Intensive Monitoring Project

In 2009, CRWD completed the Villa Park Wetland Management Plan, which identifies why the system has not functioned to reduce



:: Crosby Lake.

nutrient loading to Lake McCarrons, and determines management actions to restore system function. The study recommends a dual approach: 1) remove sediment in the wetland system to restore treatment capacity; and 2) increase treatment in the subwatershed that drains to the Villa Park Wetland. The District was awarded a \$430,000 loan from the State of Minnesota to complete sediment removal from the wetland treatment cells. In 2010, preliminary planning for this sediment removal project was completed. The District plans to begin the project in 2011.

Cleveland-Randolph Area Groundwater Study

Many property owners in the area near Cleveland and Randolph Avenues in St. Paul routinely experience high groundwater issues resulting in reports of wet basements, constantly running sump pumps, property damage, and street and utility damage.

In 2009, CRWD and the City of St. Paul began a study to better understand the scope of high

groundwater levels and identify areas unsuitable for infiltration. In the study area, information was collected regarding soil types, and 12 groundwater monitoring wells were installed to measure the depth to groundwater.

Although it was beyond the study scope to diagnose individual property issues, a resident survey within the study area shows most of the reported wet basements are located above the water table. Future development projects will be evaluated based on individual site characteristics, but 2010 study results give CRWD a general understanding of hydrogeologic conditions and best groundwater management approaches. The District used the study results to determine where infiltration is acceptable and, when infiltration is used, to ensure water level problems are not created or exacerbated.



:: Checking groundwater levels.



:: Groundwater study well installation.

Our Work

:: Watershed Management Plan

In 2010, the CRWD Board approved its 2010-2020 Watershed Management Plan.

The Plan was initiated in September 2008. During the next two years CRWD convened 24 meetings with multiple stakeholder groups to guide and review content. The Plan was adopted by the Board of Managers in September 2010 and details more than \$43 million in water quality improvement investments over the next ten years. The plan can be found on the District's website, capitolregionwd.org.

Plan activities are organized according to the following goal categories:

Education and Outreach

The purpose of education and outreach is to inform residents of the issues related to water quality and stormwater management, to help them understand the role of the District, and to encourage them to change their behaviors related to water. The District disseminates information about the state of local resources while delivering the message that residents are a key part of the solution. The District's "Bringing Water Back to St. Paul" campaign aims to reconnect people who live, work, and recreate in the District with water resources, and to create a sense of ownership. The District is unique in that it has the most diverse population of residents within the state of Minnesota. Such diversity requires watershed education to be delivered in a way that meets the needs of the varying populations.

Urban Stormwater Management

The watershed is fully developed, which means the landscape is dominated by impervious surfaces. Urban stormwater management is necessary to reverse the impact of increased stormwater runoff and pollutant loading to

District water bodies caused by these impervious surfaces. The District's urban stormwater management will primarily focus on the protection of the water quality of the District's water resources. It will also investigate new stormwater management techniques, promote green infrastructure, and address storm sewer infrastructure capacity and corresponding flooding problems.

Monitoring and Data Assessment

Data collected through the District's monitoring program provide valuable information on the state of water resources and the effectiveness of stormwater management BMPs. In addition, the data guide decision-making on stormwater management projects and are used in education and outreach programs to tell the public about stormwater. The District's monitoring efforts will continue to focus on the subwatersheds draining to the Mississippi River, and specific water resources and BMPs throughout the District, while exploring additional monitoring opportunities with wetlands, groundwater, soils, and BMPs. The District will also focus on ensuring that collected data and assessments are in a format that is understandable and available to the public.

Future Trends

Changes in watershed management and emerging issues such as climate change impact the District's management decisions. The District recognizes the importance of staying up-to-date on new and innovative stormwater management approaches given the highly developed nature of the watershed and the limits of traditional practices. In addition, the District will need to have a role in addressing changes in watershed management due to climate change.

Funding and Organization

The District funds programs, projects, and capital improvements through levied taxes, grants, bonds, and other outside sources of funding. Partnering with the county, municipalities, and other governmental entities to implement watershed management projects results in cost savings for the District and in turn, the residents. The District plans to continue to encourage and coordinate such partnerships and facilitate joint projects, as well as continuing to offer grant programs for projects benefiting the water resources.

Regulations and Enforcement

The District currently implements rules that address water quality and quantity, erosion control, wetland protection, the Trout Brook Storm Sewer Interceptor, and floodplain management. The District will focus on keeping these rules clear and up-to-date as needed, improving compliance and inspections, and coordinating District rules with other local and state and federal regulatory requirements.

Ecosystem Health

In addition to protecting and improving water quality, the District is dedicated to promoting healthy and viable ecosystems throughout the watershed. The District is highly developed and most natural areas no longer exist. The “Bringing Water Back to St. Paul” campaign focuses on restoring historic wetlands, streams, and other natural areas as well as completing ecological restoration of degraded natural areas.

The following themes highlight individual Plan goals:



Bring Water Back to St. Paul

From the beginning of this planning effort, the theme “Bring Water Back to St. Paul” has been a centerpiece. The concept

applies to both the physical restoration of water resources within the urban watershed as well as bringing water back into the consciousness of the community.



Partnership and Community Connections

During the public input process of the Plan, developing and engaging partnerships was a recurring theme. Partnerships and community connections are vital to successful implementation of the Plan since the District is so diverse.



Innovation and Emerging Trends

As new technologies develop and the water resources management and engineering fields continue to evolve, the District is responsible for staying aware of trends in science, design, and climate, and interpreting those trends for practical application. It is a priority of the District that programs and projects in the Plan be innovative and that the District anticipate emerging technological trends.



Adaptive Management

Adaptive management refers to the feedback loop of performance evaluation and update of management strategies. Adaptive management initiatives are those that incorporate monitoring, evaluation, and assessment followed by revisions in process, design, or management.



New Information Technology

The District plans new initiatives notable for their use of technologically advanced information management systems. Use of new information technology is necessary for the District to maintain a leadership role in urban water resource management and effectively implement the Plan.

Our Work

:: Watershed Rules and Permitting

Watershed Rule Adoption

In 2002, CRWD adopted Development Review Criteria addressing stormwater runoff control, flood protection, wetland protection, and erosion control. During 2003-2005, CRWD assumed an advisory role to District cities on development and redevelopment proposals. The role consisted of review and comment in reference to the District's Development Review Criteria. The District reviewed 71 developments and tracked implementation with all of the criteria, finding marginal compliance.

After completing a study to assess the impact of non-compliance with the Development Review

Criteria, the District found that the water quality goals established in the Watershed Management Plan were not being met. CRWD then set a goal to develop and adopt science-based watershed rules to improve water quality. This process was initiated in 2005, and in January of 2006, the Board of Managers established a joint Technical Advisory Committee (TAC) with Ramsey Washington Metro Watershed District to make recommendations on the standards in the draft rules. After revision of the rules to reflect the recommendations of the TAC, the rules were adopted in September, effective October 1, 2006.

Permitting Program

The adoption of District Watershed Rules in 2006 required a permitting program to ensure that developments of more than one acre were in compliance with standards set forth in the Rules.



:: Crest gauge in rain garden.



:: Friends School pervious pavement project.

By working with the District's consultant engineer, Wenck Associates, and permit applicants, the permit coordinator processes applications and presents staff recommendations to CRWD's Board of Managers. The Board votes on permit applications and approves or denies them based on their compliance with the Rules.

During construction, sites are inspected for compliance with erosion and sediment control regulations. When vegetation and topsoil are removed by construction equipment, the bare soil is exposed and prone to erosion by rain, creating a major source of pollution in our waterways. To ensure that the proper BMPs are installed and maintained, the District verifies that construction supervisors comply with permit conditions, to minimize the impact of sediment-laden discharge.

Permitted sites are also inspected to ensure that permanent stormwater BMPs are correctly installed. It is particularly important that infiltration practices are protected from turbid runoff and soil compaction during construction, and that vegetation is properly established.

The Technical Advisory Committee (TAC) convenes regularly to discuss rules and potential changes to the permitting process. In 2010, the TAC met to discuss updates to the Wetland Management Rule. In November, CRWD adopted amended Rules to ensure that all wetlands within the District were protected from impacts due to developments.

2010 CRWD Permit Summary By Year

	2007	2008	2009	2010
Applications Received	30	33	31	33
Acres Disturbed	94	85	110	358
Acres Impervious	68	64	65	194
Alternative Compliance Sites	12	13	5	15
Standard Compliance Sites	15	18	26	18
Linear Projects	4	5	9	9
Total Linear Impervious (ac)	37	34	32	156
Total Linear Treatment (cf)	72,180	20,969	75,201	431,597
Volume Infiltrated (cf)	120,349	148,131	163,297	425,289
Volume Filtrated (cf)	73,861	65,959	35,649	198,844
Variances Requested	2	2	2	2
Variances Approved	1	2	1	2
Applications Withdrawn	3	2	0	0



Our Work

:: Education and Outreach

Stop the Rain Drain



In 2010, CRWD carried out the Stop the Rain Drain gutter downspout redirection program, a goal expressed in the 2009 CRWD Education Plan. LaBreche Communications was selected to design the program logo and materials, and to assist with

promotion. The program was originally scheduled to begin in summer 2010, but was delayed until October due to program partner changes.

Pollutant reduction and BMP cost comparisons

Thirty-three garages of varying sizes were redirected in 2010: twenty-one one-sided projects (average size 200 sq. ft.), ten two-sided projects (average size 400 sq. ft.), and two hip-roofed or four-sided projects (average size 600 sq. ft.). This totals 9,400 square feet of garage roof, nearly a quarter acre. The volume reduction benefits for this program are most significant since volume reduction prevents runoff from picking up additional pollutants from the alley. The cost per pound of phosphorus and cost per pound of total suspended solids are increased due to the lower pollutant concentration of roof runoff as compared to street concentrations. The 20-year volume reduction, total phosphorus and total suspended solids for 2010 projects were 510,000 cubic feet (3,815,000 gallons), 5.4 pounds and 1170 respectively. Thus, Stop the Rain Drain was the most cost effective BMP at \$1,636/#TP compared to other CRWD BMPs (see table at right).

CRWD will carry out the Stop the Rain Drain program again in summer 2011.

Outreach

CRWD also continued outreach to students and adults in 2010 through direct work with organizations and community groups. CRWD staff and volunteers reached 875 watershed residents through public events, trainings, presentations, resource assistance, and field trips within the District. This included a summer evening lake study attended by 40 residents of all ages, illicit discharge and winter maintenance trainings for municipal staff, and a walking tour of Como rain gardens cohosted with Friends of the Mississippi River.

Educational Signage

CRWD staff cowrote text and helped with the design of 10 educational signs on the St. Paul Fire Department Headquarters Green Roof. Staff adapted green roof classroom education resources for teachers and students to be used by city of Saint Paul Fire Department staff. CRWD staff also created educational signage for seven Como neighborhood rain gardens.

Rain Barrel Construction Workshop Grants

Using \$1,200 rain barrel construction workshop grants from CRWD, 11 community organizations hosted a total of 394 participants. Workshops were held by City of Falcon Heights Environment Committee, St. Paul Community Education (3), City of St. Paul District Planning Councils 4, 6, 8, 12, and 13, City Academy, and Mississippi Market food cooperative.

Cost Benefit Comparison between Stop the Rain Drain and other CRWD BMPs

	\$/ft ³	\$/lbs P	\$/lbs TSS
Downspout Program (av. \$269 per garage)	\$0.02	\$1,636	\$7.58
Como Park Pond	n/a	\$714	\$0.21
Infiltration Trenches	\$0.03	\$1,909	\$0.60
Arlington Hamline Stormwater Facility	\$0.05	\$1,828	\$0.54
Rain Gardens	\$0.04	\$2,791	\$0.39

Minnesota GreenCorps

In 2010, CRWD hosted its first Minnesota GreenCorp member. Kat McCarthy joined CRWD to assist in the implementation of the District's Education Plan. During October through December 2010, Kat designed and administered a participant satisfaction evaluation of the Stop the Rain Drain program, coordinated winter salt application trainings for snowplow drivers and parking lot maintenance workers, updated District printed materials, and assisted with community education events.

Metro WaterShed Partners

CRWD was an active member of WaterShed Partners (WSP) in 2010 by hosting and attending monthly meetings. WSP is a coalition of more than 50 public, private, and nonprofit organizations in the metro area formed to educate people about how their actions affect the watershed. The Partners collaborate on outreach projects, share resources, and maintain the WaterShed exhibits, which are portable, interactive, educational tools about metropolitan watersheds and their connection to human activities. A program of WSP, the *Minnesota Water — Let's Keep It Clean!* media campaign uses media placements on radio and cable television to educate the public about preventing polluted runoff.



:: Green garage roof.



PLANTING FOR CLEAN WATER

The Blue Thumb Partners are a group of professionals from local governmental units (watershed and conservation districts, cities, counties), non-profit and community organizations, and nursery and landscape professionals. Blue Thumb partners advocate for clean water through the use of native plant rain gardens, native plant gardens, and shoreline restoration projects. Since 2007, CRWD has participated as a Blue Thumb partner, sharing print materials, and maintaining a website of clean water gardening resources for resident use. Blue Thumb partners work to cultivate consistent clean water planting messages for watershed residents.

Visit bluethumb.org.

2010 *Minnesota Water — Let's Keep It Clean!* media campaign highlights include:

- 12 Twin Cities metro area billboards and 22 State Fair bathroom stall ads featured fertilizer, dog waste pickup, and car washing messages.
- More than 2,600 30-second “Rubber Ducks” and “Fish Bowl” PSAs played on Comcast cable channels with a “keep stormwater clean — rake up, sweep up, pick up” message.
- “Gateway” public service announcements (PSAs) streamed on Minnesota Public Radio during the month of June sharing a “streets connect to streams” stormwater pollution prevention message.
- Nearly 100 PSAs were shown during St. Paul Saints baseball games urging listeners to “keep stormwater clean — rake up, sweep up, pick up.”
- More than 200 public service announcements aired on Channel 45 sharing a nutrient reduction message.
- 35 ads played on the Twins Radio Network with a “clippings out of the street to prevent algae overgrowth” message.

Our Work

:: Stewardship and Partner Grants

CRWD values collaboration with individuals and organizations, and sees the involvement of all citizens as important to improving the water resources in the District. Through our grants we hope to encourage a strong ethic of water resource stewardship among citizens.

Goals of the Stewardship and Partner Grants program are:

1. Improve water quality
2. Increase groundwater recharge
3. Protect plant and wildlife communities
4. Raise stormwater awareness

Grant requests are reviewed and approved by the CRWD Board of Managers. Grants include cost-share funding for residential water quality improvement projects, as well as funding for water quality education activities and events. Grants are available to residents of the District and government agencies, businesses, schools, and nonprofit organizations who are located and/or conduct work in the District. CRWD offers free technical assistance for rain garden and shoreline restoration projects and reimburses project expenses up to 50% of the approved project budget.

In 2010, 39 grants were awarded, totaling nearly \$30,000. These grants helped make possible 27 rain gardens including the city's first boulevard rain garden constructed by a resident, two green roofs, and seven rain barrel construction work-

shops. In addition, the grants provided support for the District's watershed artist-in-residence and a community clean up at Como Lake.

Partner Grants

Partner Grants fund the development and delivery of collaborative programs that increase resident knowledge of water quality issues in order to affect behaviors that decrease stormwater runoff. All grantees are required to track and report general information about the number of program activities and participants. Priority is given to applicants who propose to also measure program outcomes and/or impacts to residents, for example:

- meaningful actions taken
- knowledge increased
- behavior changes committed to or made.

2010 Partner Grants included funding for a water quality education event designed for Latino youth, stipends for environmental education internships for East Side youth, a rain barrel education and distribution program, and support for a volunteer program with Friends of Mississippi River, an organization whose mission is to protect the water quality of the Mississippi River. The four grants totaled \$34,900.00 of funding.

2010 Grants

Thirty-nine Stewardship Grant awards (up to \$2,000) totaled nearly \$30,000

Four Partner Grant awards (\$2,000 to \$20,000.00) totaled \$34,900

:: Community Design Center
environmental interns.

:: Leaf cleanup volunteers.



:: Environmental Explorers Camp.



:: Above top: City Academy rain barrel raffle. Above bottom: Rain barrel
workshop in District 13.

Our Work

:: Trout Brook

The Trout Brook Storm Sewer Interceptor (TBI) consists of 6.5 miles of pipes that drain 5,054 acres from the cities of St. Paul, Roseville, Falcon Heights, and Maplewood. It has been owned, operated, and maintained by CRWD since 2006 when ownership was transferred to the District from the Metropolitan Council.

Constructed between the 1880s and the 1950s, Trout Brook once served as a combined sanitary and storm sewer. During the 1980s metro area sewer separation program, the Trout Brook Sanitary Interceptor was constructed nearly parallel to the old Trout Brook Sewer to carry sanitary sewage only to the Metropolitan Council Environmental Services treatment plant. Once completed, the old Trout Brook Sewer continued to convey stormwater only.

In 2007, CRWD completed one of two major rehabilitation projects for the TBI system when a 200-foot section of the storm sewer adjacent to Willow Reserve in St. Paul was replaced. In 2008 and 2009, CRWD rehabilitated a second section of TBI, a 5,000-foot section near Maryland Avenue and I-35E, that suffered from severe cracking and settlement.

Between November 2008 and February 2009, CRWD replaced a 200-foot section of TBI underneath L'Orient Street Bridge; reinforced a 260-foot section of TBI underneath Maryland Avenue with foundation supports; and conducted concrete repairs inside another 4,000 feet of TBI. The project timeline was short, and the storm sewer needed to be dry for contractors to complete their work.

A minimum of six inches of water flows through TBI year round because of groundwater and other water sources, so to dry out TBI, Minger Construction installed a large pump at the upper

end of the project and connected it to two 3,000-foot six-inch pipes placed above ground along the bike trail that returned the water back to TBI at the end of the project. Additionally, a series of small dikes and pumps were also used inside the tunnel.

The section of TBI in most urgent need of repair necessitating full replacement had very tight working conditions because of its location underneath the L'Orient Street Bridge, which could not be removed for this project. To excavate around and demolish TBI, a slide-shoring system was installed to prevent movement of soils and protect the bridge. The bridge also had a low clearance from its bottom to the base of TBI, which required some ingenuity: Minger Construction used plastic pool liners and the slightly icy winter conditions on top of the TBI



:: Trout Brook Interceptor Outfall at the Mississippi River.

grade beam foundation to push each section into place with skid steer loaders. Restoration of the site was completed in June 2009 with revegetation of construction areas, restoration of small adjacent wetlands, and creation of a pervious access road for CRWD monitoring staff.

The success of the TBI Repair Project at Maryland Avenue and I-35E was acknowledged with two engineering awards in 2010. CRWD, with its design engineer, Barr Engineering of Minneapolis, and construction contractor, Minger Construction of Chanhassen, received an Engineering Excellence award from the American Council of Engineering Companies of Minnesota and one of the 2010 Seven Wonders of Engineering by the Minnesota Society of Professional Engineers.



:: Street sediment from a poorly secured construction site.

Stormwater Pollution Prevention Program

2010 was the fourth year of implementation of CRWD's Stormwater Pollution Prevention Program (SWPPP), a federal and state requirement for controlling stormwater discharges from urbanized areas. CRWD's comprehensive, multi-faceted program involves six minimum control measures to improve water quality and minimize stormwater runoff: education and outreach, public involvement, illicit discharge detection and elimination, construction site erosion and sedimentation control, post-construction stormwater management, and pollution prevention/good house-keeping of municipal operations. In the annual report to the Minnesota Pollution Control Agency, CRWD reported its 2010 activities and programming in pursuit of permit compliance and the planned activities for 2011. The 2010 Annual Report highlights the Illicit Discharge Detection and Elimination Stormwater Measure (Minimum Control Measure #3). In Spring 2010, an illicit discharge identified through CRWD's stormwater monitoring data was eliminated from the City of St. Paul's Storm Sewer System. Since 2008, CRWD consistently measured high bacteria levels during dry weather in this storm sewer system. CRWD notified the City of St. Paul, which eventually tracked the source to a commercial business and had it removed. Additionally in 2010, 43 written warnings were issued by CRWD for violations to the erosion and sediment control rule.



:: Construction site runoff in a natural area.

Our Work

:: Stormwater Quality Monitoring

Stormwater Quality Monitoring

Since 2005, CRWD has monitored quality and quantity of stormwater runoff to identify water quality areas of concern, determine water quality trends over time, and to season and calibrate computer models. Virtually all stormwater runoff in CRWD drains to the Mississippi River via a storm drain system.

Monitoring Locations

Throughout 2010, CRWD collected water quality and flow data from storm sewers, stormwater ponds, lakes, and BMPs at 15 stormwater sites. Of the 15 sites, nine were full monitoring stations where both water quality and flow data were collected. Four major subwatersheds in CRWD — East Kittsondale, Phalen Creek, Saint Anthony Park, and Trout Brook — had full monitoring stations. The other full monitoring stations collected data from portions of two major subwatersheds, St. Anthony Park and Trout Brook. Como 7, Villa Park, Trout Brook West Branch, and Trout Brook East Branch are located within Trout Brook subwatershed while Sarita is located within the St. Anthony Park subwatershed. Samples are collected during both baseflow (dry weather) and stormflow (wet weather) and analyzed for a suite of water quality parameters. CRWD also measures water level and water flow at the remaining sites to determine how ponds and lakes respond to rainfall. Ramsey County Public Works Department monitored water quality of the four lakes in CRWD — Como, Loeb and Crosby Lakes in St. Paul and Lake McCarrons in Roseville — monthly or bi-monthly from May through September 2010. The lakes were monitored for water quality parameters including nutrients, sediment, water clarity, and chlorophyll a.

Monitoring Methods

Sites were monitored throughout the year in 2010. During storm events, when the level or velocity reaches a predetermined threshold, flow-weighted water samples are collected. Samples are also taken during dry periods at sites with baseflow. Samples are analyzed for nutrients, solids, metals, bacteria, CBOD (biochemical oxygen demand), and chloride. CRWD results are compared with surface water quality standards, water quality of the Mississippi River, other metro area tributaries' water quality, and stormwater runoff quality from other urbanized areas in the country. These comparisons provide a useful benchmark for interpreting CRWD stormwater runoff data.



:: Stormwater monitoring occurs April through November.

Stormwater Monitoring Results

2010 was a record-breaking year for precipitation based on historical normal averages. Compared to other monitoring years, 2010 had the highest recorded rainfall totals. Five sites were monitored throughout the entire year and collected an average of 355 days of data each. These five sites collected data for three of the four major subwatersheds. Sites not monitored for the entire year collected an average of 205 days of data each.

In general, CRWD major subwatersheds had greater flow and higher phosphorus and sediment loads and yields in 2010 than in previous years. Trout Brook subwatershed generated the highest discharge and TP and TSS loads in CRWD, with Phalen Creek and St. Anthony Park subwatersheds producing the next highest TP and TSS loads. Most of this pollutant loading occurred during storms rather than during dry weather conditions. On a per-acre basis, the water export was highest from Phalen Creek subwatershed compared to the other major subwatersheds. Trout Brook subwa-

tershed had the second highest water yield. In terms of pollutant concentrations and yields, East Kittsondale had the highest flow-weighted average TP and TSS concentrations of all sites in 2010, but the concentrations

were moderate in comparison to other monitoring years. In East Kittsondale, land use and activities produced higher pollutant loading per acre of land and per inch of runoff than other subwatersheds.

For the most part, CRWD was more polluted for TP and TSS than the Mississippi River and minimally impacted streams in this ecoregion, with CRWD monitoring sites having higher flow-weighted average concentrations. While East Kittsondale subwatershed had the highest TP and TSS flow-weighted average concentrations, Trout Brook subwatershed had the lowest flow-weighted concentrations.

Besides phosphorus and sediment being pollutants of concern in CRWD, metals and bacteria issues were identified in 2010. During storm events, the average lead and copper concentrations at all monitoring sites except one were higher than the state standards. Average zinc concentrations during storms at five monitoring sites were higher than the state standard.

Nearly all samples from every site during storm events in 2010 exceeded the maximum standard for E. coli bacteria with many concentrations much higher than the maximum standard, the highest being 72,700 mpn/100mL. Conversely, during dry weather, all monitoring sites except East Kittsondale met the maximum standard for E. coli bacteria. Beginning in late May, however, all dry weather E. coli samples were consistently below the maximum standard. At this time, the source of high bacteria concentrations was identified and eliminated by the city of St. Paul. E. coli concentrations immediately dropped, and no other dry weather bacteria samples have been found to exceed the standard.



:: Monitoring technicians are trained in Confined Space Entry to enter storm sewers.

:: Stormwater Quality Monitoring (cont.)

In comparison to stormwater from other urbanized areas in the country, CRWD had higher median concentrations for numerous pollutants including bacteria, total suspended solids, total phosphorus, total Kjeldahl nitrogen, copper, and lead. Median concentrations of ammonia, nitrate+nitrite, and cadmium were lower in CRWD than in other urban communities.

Because of the extremely wet monitoring season, all four lakes experienced increased total phosphorus and chlorophyll a concentrations, which was especially apparent in Crosby Lake. Only Como Lake did not meet the state eutrophication standard, which is based on total phosphorus and chlorophyll a concentrations and water clarity (Secchi depth).

Based on the results and findings of the 2010 monitoring program, CRWD makes several recommendations for 2011. CRWD will continue to document illicit discharges, collect additional water quality data, and work with the City of St. Paul to eliminate other potential sources of pollution. CRWD will also further investigate the data from the six years of monitoring to better identify relationships between portions of the subwatersheds, the variations from year to year, and the differences in discharge and pollutant loading between baseflow and stormflow. CRWD will begin to identify important portions of unmonitored subwatersheds to consider new long-term monitoring sites.

Biological Monitoring

Wetlands are important ecological systems in the District that provide multiple benefits including treatment of stormwater, flood control, groundwater recharge, and wildlife habitat. CRWD began monitoring wetlands in 2007. The assessment tool used for wetland monitoring is the Index of Biological Integrity (IBI), developed by the Minnesota Pollution Control Agency. The measurement tool includes two scores, one for Invertebrates and another for Aquatic Plants.

Monitoring begins in June when wetland invertebrates and aquatic plants are sampled using traps and dip nets. In July, a survey of plant species and plant coverage within the emergent zone is conducted, and wetlands are scored.

A total of 15 CRWD wetlands were assessed in 2009 and 2010 with the data to be compiled and analyzed in 2011. Results of the 2009 and 2010 wetland assessments will help CRWD and its partners determine best locations and methods for restoration or preservation.



:: Wetland samples.

Our Work

:: BMP Maintenance and Monitoring

Stormwater Best Management Practices (BMPs) include activities and structures that reduce polluted stormwater runoff and volume, improve water quality, and increase groundwater recharge. Known as the Arlington Pascal Stormwater Improvement Project, CRWD maintains and/or owns a treatment train of stormwater BMPs in the Como Lake subwatershed in St. Paul, including an underground stormwater storage and infiltration facility, a regional stormwater pond, eight rain gardens, and eight underground infiltration trenches. CRWD staff regularly inspects the BMPs to make certain that they are operating efficiently and that stormwater is indeed infiltrating back into the soil. The underground stormwater facility and infiltration trenches have pretreatment devices (a hydrodynamic separator and sumped catch basins and manholes), which capture trash, debris, oils,

and sediment and provide treatment of stormwater before it flows into the BMP and infiltrates into the ground. CRWD contracts with St. Paul Public Works to remove accumulated sediment and debris from the pretreatment devices. CRWD staff and volunteers conduct regular maintenance of the rain gardens, including weeding, leaf and debris removal, and plant replacement. In 2010, staff and volunteers spent approximately 197 hours ensuring the effectiveness of BMPs in the District. Approximately 121 staff and 18 volunteer hours were spent on maintenance of the eight rain gardens.

Since 2007, CRWD has collected water quality and/or quantity data from most of these BMP structures as well as the Villa Park Wetland System in Roseville, to assess their overall performance. BMPs are monitored to determine their effectiveness in reducing stormwater runoff volume and pollutant loading.

In early 2010, CRWD published the first iteration of the ***Stormwater BMP Performance Assessment and Cost-Benefit Analysis***. This performance assessment presents actual 2007 and 2008 monitored, modeled, and projected performance results as well as maintenance data and analysis on the 18 Arlington Pascal Stormwater Improvement Project BMPs.



:: Catch basin sediment vacuum.

:: BMP Maintenance and Monitoring (cont.)

The assessment also presents monitoring results for the Villa Park Wetland System. It describes why and how the BMPs were built, determines the total volume and pollutant loads removed and subsequent removal efficiencies (performance) of the BMPs, details the costs to construct, operate, and maintain the BMPs, and determines the costs to infiltrate stormwater runoff and remove pollutants. Overall, the BMPs are performing as expected —

and in many cases better than expected — in infiltrating stormwater runoff and removing nutrients and sediment. Volume reduction and pollutant removal efficiencies ranged between 88% and 100% for most of the Arlington Pascal Stormwater Improvement Project BMPs.



:: Como fishing

2010 District Finance Summary

Capitol Region Watershed District offers this summary overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2010. The complete 2010 Annual Financial Report and Audit can be found in Appendix A.

Operations

2010 budgeted revenue was \$1,832,764 and actual revenue was \$1,800,847. Expenditures in 2010 were under budget from \$1,832,764 to \$1,637,250, or \$195,513. This decrease was largely due to delays in starting planning and engineering studies.

Capital Improvement Program (CIP)

2010 budgeted revenue was \$825,396 and actual revenue was \$712,201. This decrease of \$113,195 in revenue was due mostly to a shift in receipt of inter-governmental payments from partner communities for the Gottfrieds Pit project to 2011. By Board Resolution, the District applied \$113,075 in fund balance towards debt service.

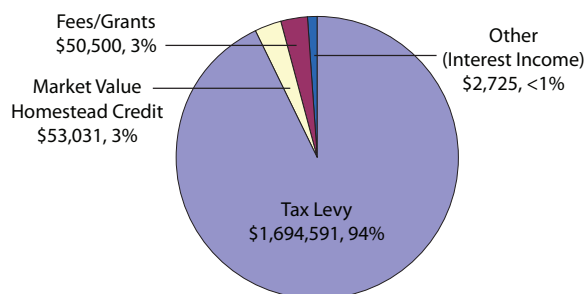
Expenditures in 2010 decreased from the budgeted amount of \$825,396 to \$698,559, or \$126,837. This reduction in expenditures was due largely to the delay of the start of work on the Central Corridor stormwater Best Management Practices (BMPs).

Financial Highlights

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$9,907,411 (net assets). Of this amount, \$4,096,763 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the District's fund designations and fiscal policies. The District's total net assets decreased \$141,872 in 2010. As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance was \$4,024,508 compared to \$3,960,344 the previous year. At the end of the current fiscal year, the District is able to report a positive balance in net assets.

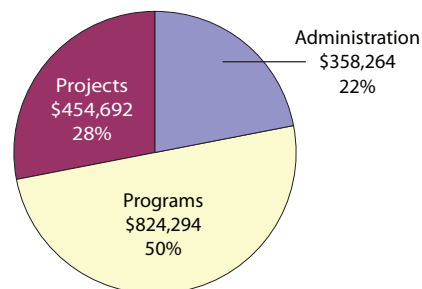
2010 Operations Revenue (actual)

Total \$1,800,847



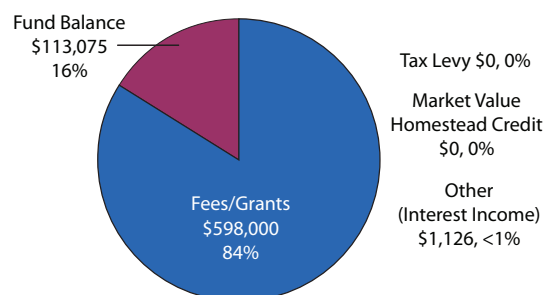
2010 Operations Expenditures (actual)

Total \$1,637,250



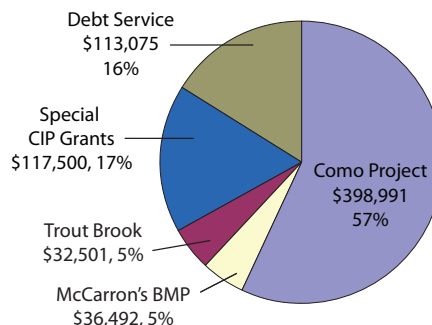
2010 CIP Revenue (actual)

Total \$712,201



2010 CIP Expenditures (actual)

Total \$698,559



Our Plans

:: 2010 Workplan Goals & Initiatives

Goals

1. Successfully own, operate and maintain the Trout Brook Storm Sewer Interceptor System.
2. Implement Trout Brook Storm Sewer Interceptor Capital Improvement Project (CIP) Planning, Design and Construction and complete all major repairs by December 2010.
3. Continue to implement an efficient and equitable Permitting Program.
4. Continue to operate District in a fiscally sound manner though an annual audit.
5. Provide watershed education to the members of the general public, elected officials, community groups and municipal and agency staff.
6. Accurately monitor, maintain and report the status of the District water resources and Best Management Practices (BMPs).
7. Continue work on 2010 Watershed Management Plan to be completed, state approved and adopted in 2010.
8. Incorporate Geographic Information System technology in all major program areas.
9. Continue to encourage public input through the Citizen's Advisory Committee, project meetings, workshops and other public events.
10. Provide safe working conditions through training, education and proper equipment.

Initiatives

1. Critical

320 - Trout Brook — Project Planning, Maintenance, Inspection, & Monitoring

- A) Conduct inspection of system consistent with 10Yr CIP
- B) Complete maintenance repairs from station 59+45 to 88+00.

C) Comply with the requirements of NPDES Stormwater Phase II MS4 Program and implement the BMPs for the six Minimum Control Measures for TBI.

1. Public Education & Outreach
2. Public Participation/Involvement
3. Illicit Discharge Detection and Elimination
4. Construction Site Stormwater Runoff Control
5. Post Construction Stormwater Management
6. Pollution Prevention/Good Housekeeping for Municipal Operations

D) Incorporate TBI Management Plan as part of the Watershed Management Plan update.

E) In conjunction with Monitoring program implement a joint illicit discharge detection monitoring program with the cities.

415 - Trout Brook BMP Fund

A) Complete repairs of the Maryland Avenue/I 35E portion of the Trout Brook Storm Sewer.

305 - Como Lake - Project Planning, Maintenance, Inspection & Monitoring

A) Arlington Pascal Storm Water Improvement Project

1. Continue monitoring the rain gardens, infiltration trenches, underground infiltration facility and golf course pond.

2. Continue to maintain 8 rain gardens, 8 infiltration trenches, Arlington-Hamline underground infiltration facility and golf course pond.

B) Collaborate with the Cities to perform street maintenance consistent the with good house-keeping practices for water quality.

C) Develop BMP database system to record inspections and maintenance activities.

D) Implement a trash net demonstration site on Como Lake

313 - Lake McCarrons - Project Planning, Maintenance, Inspection & Monitoring

- A) Villa Park Wetland Project - Monitor operation and performance of the Villa Park weirs.
- B) Complete the first phase of implementation of the Villa Park Management Plan.

208 - Permitting Program

- A) Continue to implement an efficient and equitable permitting program
- B) Complete Technical Advisory Committee meetings to evaluate and discuss revisions to the adopted rules and the permitting process by October 1, 2010.
- C) Evaluate amounts approved for permit fees, surety, cap on cost, and Stormwater Impact Fund Contribution.
- D) Develop an electronic permit/fee tracking system that integrates database functions with GIS capabilities
- E) Assess project compliance rates with District rules during the review and construction phases
- F) Create post-construction inspection process for assessing BMP function and surety funds.

211 - Monitoring and Data Collection

- A) Operate and maintain 20 full water quality monitoring stations, 6 lake/pond stations, 2 BMP level stations and 3 precipitation stations. Establish baseline monitoring stations for Como 3 and McCarrons 4 subwatershed feasibility studies.
- B) Continue to monitor the Villa Park project.
- C) Complete 2009 Water Monitoring Report by May 1, 2010.
- D) Develop and implement a plan to address issues identified in the 2009 Monitoring Report.
- E) Partner with other metro agencies to develop a database for long term storage of monitoring data, in order to facilitate further analysis of monitoring data.

- F) Implement a joint illicit discharge detection monitoring program with the cities.

220 - Education and Outreach

- A) Provide resource support to citizens and partner organization staff.
- B) Provide classroom support to District classrooms and partner groups.
- C) Sustain and enhance relationship and resource links with district planning councils and community groups, schools, municipal employees and citizens.
- D) Develop and distribute education materials including materials related to NPDES Stormwater Phase II Six Minimum Control Measures.

370 - Watershed Management Planning

- A) Continue development of the Second Generation Watershed Management Plan to be completed in 2010.

330 - Other Subwatershed - Project Planning, Maintenance, Inspections and Monitoring

- A) Actively participate in the review, comment and coordination of stormwater management planning for the Central Corridor, Ford Plant site and other large projects.

101 - Administration

- A) 2010 Budget and Levy - The 2010 budget process began in the spring of 2009. A Budget calendar will be prepared that will include an annual review of work programs and the CIP.
- B) Conduct annual audit that receives an unqualified opinion that our financial statements conform to applicable accounting standards and the Government Accounting Standards Board (G.A.S.B.).
- C) Annually levy funds to meet the full requirements of our debt service.

Our Plans

:: 2010 Workplan (cont.)

2. Important

405 - Como Lake BMP Fund

A) Begin implementation of the recommendations from the Subwatershed #3 feasibility study. Start preliminary engineering for project(s) identified in the plan.

313 - Lake McCarrons - Project Planning, Maintenance, Inspection & Monitoring

A) Lake McCarron's Alum Treatment Project
As part of the Monitoring and Data Collection Program, monitor Lake McCarrons to determine post project water quality benefits. Include a report on the water quality data to stakeholders as part of the 2008 Monitoring Report.

401 - Shoreline and Streambank Restoration (Lake McCarrons)

A) Lake McCarron's Shoreline Restoration Project
In cooperation with the Ramsey Conservation District (RCD), continue the Lake McCarron's Shoreline Restoration project. Utilize shoreline erosion inventory and analysis to prioritize shoreline restoration projects.

410 - Lake McCarrons BMP Fund

A) Subwatershed #4

Begin implementation of the recommendations from the Subwatershed #4 feasibility study. Start preliminary engineering for project(s) identified in the plan.

380 - Subwatershed Management Planning

A) Begin implementation of the Lake Management Plan for Loeb Lake and Willow Reserve.
B) Track Loeb Lake Small Area Plan implementation.

211 - Monitoring and Data Collection

A) Lake Monitoring-Continue lake level monitoring on Como, McCarron's, Loeb and Crosby Lakes and continue to support Ramsey County Public Works staff conducting the water quality monitoring on these lakes.

B) Continue to assist the City of St. Paul with their NPDES monitoring requirements.

C) Complete macrophyte and macroinvertebrate indices of biological integrity for 10 wetlands.

D) Monitor Loeb Lake and Willow Reserve as identified in the Loeb Lake/Willow Reserve Management Plan.

E) Incorporate a quality assurance project plan for the water quality and flow monitoring into the Standard Operating Procedures.

210 - Grant Programs

A) Sustain and enhance relationship and resource links with community groups through promotion and administration of Stewardship and Partner Grant Programs.

B) Annually inspect Stewardship Grant projects to ensure the proper function and intended benefit of each project.

C) Conduct pre-application site visits of potential grant projects.

2. Important (cont.)

220 - Education & Outreach

A) Sponsor annual educational events and training opportunities for District citizens.

B) Further develop program using citizen volunteers for BMP maintenance assistance, classroom presentation, and stewardship programs.

C) Continue and evaluate further develop of an internship program.

D) Participate actively in Metro WaterShed Partners with financial and staff resources

E) Participate actively in Blue Thumb Partners with financial and staff resources

F) Produce and distribute newsletters, an annual report, and regular press releases related to District education goals

230 - Geographic Information Systems (G.I.S.)

A) Purchase and/or update software and hardware to incorporate GIS into major program areas.
B) Provide and ensure staff training to stay current on GIS technology.

101 - Citizen's Advisory Committee (CAC)

A) Continue to use CAC as the "eyes and ears" of the CRWD with regards to new developments and opportunities for collaboration.
B) Invite 3-4 speakers to give presentations to CAC.

430 - Land Conservation

A) Actively participate and support Trillium/Trout Brook Greenway Planning efforts.
B) Develop Wetland Conservation Policy and Funding method based on Wetland Management Plan.

320 - Trout Brook - Project Planning, Maintenance, Inspection & Monitoring

A) Complete the subwatershed analysis of Center/Rice Street area.
B) Participate in the development of the Upper Mississippi River Bacteria TMDL as a stakeholder.

101 - Administration

A) Annual Report for 2009
The Annual Report and audit for 2009 was completed on April 30, 2010.

3. Beneficial

305 - Como Lake - Project Planning, Maintenance, Inspections & Monitoring

A) Sponsor a Natural Resources intern with the City of St. Paul to help maintain rain gardens, restored shorelines and other natural areas.

401 - Shoreline and Streambank Restoration

A) Como Lake Shoreline Restoration - Fund a portion the shoreline restoration work with the City of St. Paul in 2010. Complete shoreline restoration program.

208 - Permitting

A) Explore correlations between District monitoring data and volume reduction and water quality improvement efforts
B) Present program overview and experiences at water resource conferences.
C) Collaborate with permit holders to monitor the effectiveness of a filtration BMPs.

330 - Other Subwatershed - Project Planning, Maintenance, Inspections & Monitoring

A) Continue to identify opportunities and collaborate with the U of M and the State Fair Board on additional projects.
B) Assist the State Fair Board with the maintenance of the rain garden at the Progress Building on State Fairgrounds.
C) Participate on U of M Stormwater Steering Committee.
D) Continue to observe operation of the U of M sheep pasture infiltration basin project.
E) Continue to identify opportunities and collaborate with the City of Saint Paul and the Ramsey Conservation District on additional projects within the Crosby Lake subwatershed.

Our Plans

:: 2010 Workplan (cont.)

211 - Monitoring and Data Collection

A) Inventory non-CRWD stormwater BMPs as part of the 2010 Watershed Management Plan.

201 - Groundwater (Well Sealing)

A) Continue to offer well sealing cost share program.

B) Complete the Cleveland Randolph Groundwater Study.

220 - Education & Outreach

A) Unify appearance of District display and printed materials.

B) Develop education pages for new web site.

210 - Grant Programs

A) Continue partnership with the Ramsey Conservation District's technical services for Grant Programs.

101 - Administration

A) Evaluate staff roles in implementation of the work plan.

B) In the fall of 2008 begin early planning and discussions regarding one time option to terminate current lease by October 31, 2009. Be prepared to notify Wellington Management by May 31, 2009 if District will exercise its one time option to terminate current lease.

320 - Trout Brook - Project Planning, Maintenance, Inspection & Monitoring

A) Develop projects, activities or measures that utilize the Trout Brook Storm Sewer Interceptor as a tool for education and water quality improvement.

360 - Aquatic Plant Management

A) Evaluate the Aquatic Plant Management as part of an overall lake-wide strategy to improve water quality, aesthetics and navigability. If appropriate, fund a portion of the 2nd Aquatic Plant Harvest consistent with overall lake-wide effort to improve the water quality, aesthetics and navigability.

440 - Special Grants

A) Implement Special Grant program, protocols and guidance.

B) Award grants that improve water quality, leverage additional funding and encourage partnerships.

C) Work with partners to implement water quality practices.

:: 2011 Workplan

Fund Name	Project Name	Priority	Project Description
	ADMINISTRATION		
Administration	General Administration	Critical	Administration initiatives include ongoing activities that recur annually to satisfy Minnesota Rules for watershed districts and those that pertain to the organization, administration and coordination of programs, services and facilities provided by the District. Administration initiatives also include organization and coordination of the Citizen Advisory Committee and its activities.
	Program Effectiveness Audit	Important	Develop protocols for and perform cost/benefit evaluations of District programs and projects at least every 5 years. Protocols will include industry accepted indices and benchmarks. Programs and projects will be evaluated and described in terms of their benefit to the District and their potential to improve or protect water quality.
	Complete BWSR's Performance Review and Assistance Program (PRAP) and Achieve the High Performance Standards.	Important	Achieve and maintain the PRAP high performance standards. Develop and annually conduct an objective performance evaluation of District programs and projects to be included in the District's annual report.
	PROGRAMS		
Groundwater Protection			
	Well Sealing	Beneficial	Groundwater and well sealing initiatives that were begun prior to this Plan will continue. The well sealing cost share program will continue to be implemented in 2011.
	Groundwater Studies		
	Local Groundwater Protection		
Rulemaking			
	Evaluate Rules & Conduct Annual Technical Advisory Committee Meeting	Critical	The District regularly reviews its Rules with support from the Technical Advisory Committee (TAC) to satisfy both the spirit and letter of State statute 103D, described above. The District strives to implement progressive Rules that are effective, practical and economically reasonable.

Our Plans

:: 2011 Workplan (cont.)

Permitting			
	Implement Effective, Efficient and Equitable Permit Program	Critical	Continue to implement an effective, efficient and equitable permitting program. Evaluate amounts approved for permit fees, surety, cap on cost, and Stormwater Impact Fund Contribution.
	Permit Tracking Database and Information Management	Critical	Continue the development of an electronic permit/fee tracking system which integrates database functions with GIS and web-based capabilities
	Construction Inspection	Critical	Inspection active permitted construction sites for permit and erosion/sediment control compliance.
	Permit Closure and Post Construction Inspection and Maintenance	Important	Annually assess post project compliance with District rules after the construction phase.
Stewardship Grants			
	Grant Promotion and Outreach	Important	Promote and conduct outreach on Stewardship and Partner Grant Programs that will sustain and enhance relationship and resource links with residents, schools, businesses and community groups.
	Project Inspection	Important	Annual inspection of Stewardship Grant projects to ensure the proper function and intended benefit of each project.
	Project Design and Assistance	Important	Partner with Ramsey Conservation District to prepare raingarden, shoreline restoration, and erosion control project designs.
	Application Processing and Grant Administration	Important	Conduct pre-application site visits of potential grant projects. Review and make recommendations on proposed projects and grant applications.
Monitoring and Data Collection			
	Baseline Monitoring and Data Collection	Critical	Continue to collect baseline stormwater data and monitor improvements. Operate and maintain 18 full water quality monitoring stations, 7 lake/pond stations, 1 BMP level station and 5 precipitation stations. Continue to operate monitoring station for the Como 3 subwatershed feasibility study. Develop and implement a plan to address issues identified in the 2009 Monitoring Report. Complete 2010 Water Monitoring Report by May 2011. Assist the City of St. Paul with their NPDES monitoring requirements.
	Lake Monitoring and Data Collection	Important	Continue lake level monitoring on Como, McCarron's, and Loeb Lakes and continue to support Ramsey County Public Works staff conducting the water quality monitoring on these lakes.

	Villa Park Monitoring and Data Collection	Critical	Continue to monitor the Villa Park wetland system
	Wetland Biological Monitoring	Important	Complete macrophyte and invertebrate indices of biological integrity for 10 wetlands.
	Long Term Monitoring Database Development	Critical	Data Continue partnership with other metro agencies in the development of a database for long term storage of monitoring data, to facilitate further analysis of monitoring data.
	Willow Reserve and Loeb Lake Monitoring and Data Collection	Important	Monitor Loeb Lake and Willow Reserve as identified in the Loeb Lake/Willow Reserve Management Plan
	Filtration BMP Monitoring	Beneficial	Collaborate with permit holders to monitor the effectiveness of filtration BMPs.
Education and Outreach			
	General Education and Outreach	Critical	Provide staff, equipment and material support for general watershed outreach and education programing.
	Homeowner Outreach - Downspouts	Critical	In partnership with CCM, conduct Stop the Rain Drain campaign in two phases, 1) District-wide, and 2) to a focused geographic area.
	Homeowner Outreach - Community Clean-up	Critical	In partnership with Freshwater Society promote to organizations in the District CRWD grants in combination w/ Community Clean Ups for Water Quality leaf litter education toolkit.
	Municipal Outreach	Important	Develop a municipal outreach effort to build potential for clean water partnership between the District and municipal staff and increase the use of education as a way of affecting decisions regarding land use planning.
	Website	Important	Maintain and improve CRWD website for effective use as a tool for educating and informing the public.
	Landscape Contractor Outreach	Important	"Participate as a Blue Thumb partner to facilitate outreach of clean water planting techniques.
	Partnerships	Beneficial	Sponsor rain garden or other water quality protection workshops for homeowners in partnership w/ RCD, District Planning Councils, and other organizations.
	Homeowner Outreach - Events	Beneficial	Provide water quality education field events for the general public, schools and student groups.
	Homeowner Outreach - Watershed Heroes	Beneficial	Develop a Watershed Heroes program to recognize citizens working for water quality protection in the community that can be used to make a statement about CRWD's values

Our Plans

:: 2011 Workplan (cont.)

Technical Resources and Information Sharing			
	Strategic Project Preparation	Important	In response to several grant programs preferring to fund implementation rather than planning activities, take selected projects through design to a level where they are ready for bidding in advance of available funding.
	Joint BMP Inspection and Maintenance Program	Important	Develop a program with District partners to identify consistent, reasonable BMP inspection and maintenance protocols.
Future Trends: Research and Positioning			
	Innovative BMPs Research	Important	Select and begin research on innovative BMPs with a focus on their performance, applicability under different conditions, and long-term maintenance needs.
Geographic Information System			
	GIS Program Development	Important	Purchase and/or update software and hardware to incorporate GIS into major program areas. Provide and ensure staff training to stay current on GIS technology.
	Data Acquisition	Critical	Purchase district wide data layers and data updates necessary to support accurate calibrations of water quality models, subwatershed analysis, and other District projects and programs.
	Internal Mapping System	Beneficial	Research a more user-friendly internal web based mapping system for use by District staff.
Safety Program			
	Safety Training	Critical	The District's commitment to facilitating safe working conditions is ensured through provision of proper field operations equipment and routine equipment maintenance and calibration. Safety training is an equally vital program element.
	Safety Program Updates/Audits	Critical	The District will conduct a safety audit every three years or more frequently if District activities or operations change. The audit will include equipment and operational inspections, status of staff safety training, and a review of working conditions. This initiative includes rectifying all issues identified as a result of the audit.
	CSE Equipment	Critical	The District's commitment to facilitating safe working conditions is ensured through provision of proper field operations equipment and routine equipment maintenance and calibration.

	PROJECTS		
Shoreline and Streambank Maintenance			
	Lake McCarrons Shoreline Restoration Project	Important	Promote shoreline restoration projects around Lake McCarrons.
	Saint Paul Natural Resources Intern Program	Important	Sponsor a natural resources intern with the City of St. Paul to help maintain rain gardens, restored shorelines and other natural areas.
Como Lake Subwatershed			
	BMP Inspection, Maintenance and Monitoring	Critical	Continue to monitor the BMPs from the Arlington Pascal Stormwater Improvement Project. Complete 2009 & 2010 BMP Performance Assessment by May 31, 2010.
	Como Lake Implementation Reporting & Audit	Important	When approximately half the subwatershed plans are implemented an audit will be conducted to: use monitoring data to evaluate performance, review which project types are most cost effective, track if load reduction goals are being met, and update cost estimates for future work.
	Como Lake Trash Net Demonstration Site	Beneficial	Implement a trash net demonstration site on Como Lake.
	Settleable Solids Accumulation Sampling and Investigation	Important	Sample and monitor the debris accumulation, pollutants removed, and pollutant load removal capacity of the sumped catch basins and manholes connected to the infiltration trenches, 8 rain gardens, 8 infiltration trenches, Arlington-Hamline Facility, and Como Park Regional Pond.
	Arlington-Hamline Facility Modifications	Important	Investigate methods for monitoring the performance of the Vortech pretreatment System connected to the Arlington-Hamline Facility and investigate potential modifications to the bypass weirs.
Lake McCarrons Subwatershed			
	Lake McCarrons Subwatershed	Important	Complete the Villa Park Subwatershed Plan.
Loeb Lake Subwatershed			
	Willow Reserve Restoration Plan	Critical	Develop a restoration plan for Willow Reserve with input from stakeholder group.
	Stormwater Pond Performance Investigation	Important	Investigate the performance of the stormwater pond at the southeast corner of Loeb Lake.

Our Plans

:: 2011 Workplan (cont.)

Crosby Lake Subwatershed			
	Crosby Lake Management Plan	Critical	Develop a lake management plan for Crosby Lake with input from federal, state and local agencies, citizens and other interested parties.
	Highland Ravine		
Trout Brook Subwatershed			
	Inspection and Minor Maintenance	Critical	Inspection and minor maintenance of TBI as needs arise.
	TBI Easement Verification and Documentation	Critical	Complete easement verification work for TBI and work towards correcting errors in location and filling gaps where there are no easements.
	TBI Hydraulic/Hydrologic Model Calibration and Update	Critical	Identify undersized and over-capacity pipe sections and implement pipe upgrades. Investigate the function of the TBI stormwater ponds.
	Center Street/Rice Street Subwatershed Analysis	Important	Conduct three studies within the Trout Brook subwatershed to evaluate conditions and develop appropriate management strategies and implementation plans for water quality improvement and flood reduction for implementation by the District and its partners.
	NPDES MS4 Stormwater Program	Critical	Coordinate District MS4 requirements in cooperation with District partners.
	Illicit Discharge Detection and Elimination Program	Critical	Develop a web-based system for citizen reporting of potential illicit discharges. Include in the application specific definition of District authorities and improved rules for responding to illicit discharge complaints.
	TBI Televised Inspection	Important	Stormwater – Related Stakeholder Participation. Conduct surveys of the upper portion of Trout Brook that is not buried to identify restoration opportunities. Land use, property ownership, grades, hydrologic impacts, and existing soil contamination are a few of the criteria to determine feasibility. Final recommendations will also be based upon the projected environmental and water resource benefits of daylighting each stream segment analyzed.

Wetland & Stream Restoration			
	Wetland Reestablishment Feasibility Study	Important	This initiative will investigate the feasibility of specific reestablishment projects identified in the wetland management plan. The District refers to this process as wetland 'reestablishment' in an effort to distinguish it from the terms 'restoration' or 'creation' which have specific definitions in MN Rules 8420 Wetland Conservation Act. T
	Stream Corridor Restoration Feasibility Study	Important	As part of the Bringing Water Back to St. Paul campaign, the District will explore the feasibility and value of restoring a number of stream corridors during years 1-6 of the plan.
Mississippi River Subwatershed			
	Implement Green Infrastructure along the Central Corridor--Planning	Critical	"The District intends to partner with the City of St. Paul, Ramsey County, and the Metropolitan Council to recreate and redevelop with sustainable stormwater management as a focus.
	Large Scale Redevelopment Stormwater Planning	Important	The City of St. Paul is on the verge of one of the biggest redevelopment projects in decades. The Central Corridor Light Rail Transit Project and the associated redevelopment that is expected to occur bisects the entire District.
Watershed Management Plan			
	Third Generation Watershed Management Plan	Important	Maintain an up to date plan that reflects the activities and initiatives of the District.
Special Projects and Grants			
	Green Infrastructure Incentive Program	Important	Work with member communities to develop an incentive program designed to improve the quantity and quality of environmentally sensitive landscaped areas while allowing greater flexibility for developers and designers to meet open space requirements and federal, state, and local stormwater regulations (e.g. Seattle Green Factor Program).

Our Plans

:: 2011 Workplan (cont.)

	CAPITAL IMPROVEMENT PROJECTS		
Shoreline and Streambank Restoration			
	Lake McCarrons Shoreline Restoration Project	Important	"In cooperation with the Ramsey Conservation District (RCD), continue the Lake McCarrons Shoreline Restoration project. Facilitate completion and follow-up inspection of shoreline restoration projects.
Como Lake BMPs			
	Como Park Pool BMPs	Important	The St. Paul Park and Recreation Department is considering a major renovation of the Como Park swimming pool. Additionally, St. Paul Public Works identified this location as a prime location to treat the largest stormwater subcatchment area due to the large trunk line under Lexington. Obtain additional soil borings and determine the water table location to further evaluate the site for infiltration.
Lake McCarrons BMPs			
	Villa Park Performance Improvement Project	Critical	Implement Villa Park Management Plan improvement project.
Loeb Lake BMPs			
	Stormwater Pond Retrofit	Beneficial	Install a skimmer structure on the pipe connecting the southeast stormwater pond to Loeb Lake.
Trout Brook BMPs			
	TBI Repair Station 136+16 to 168+73	Critical	Complete engineering for TBI repairs from Station 136+16 to 168+73
	TBI Repair Station 185+82 to 186+94	Critical	Complete engineering for TBI repairs from Station 185+82 to 186+94
Safety Program	TBI Repair West Tunnel Station 0+00 to 17+62	Critical	Complete engineering for TBI West Tunnel repairs from Station 0+00 - 17+62
	TBI Repair Station 23+00 to 23+15	Critical	Complete engineering for TBI repairs from Station 23+00 to 23+15
	TBI Repair Station 0+00 to 33+34	Important	Design TBI engineering for repairs for Station 0+00 to 33+34

Wetland, Stream, and Ecosystem Restoration-- Implementation			
	Wetland Improvement	Important	Conduct wetland improvements as identified in the Wetland Management Plan which is included as Appendix F. Improvements will include vegetation and hydrologic improvements that will be conducted through a program that engages residents of the District.
	Wetland, Stream, and Ecosystem Restoration - Implementation	Important	Implementing feasible reestablishment projects identified in Wetland and Ecosystem Restoration -Planning (325 C), including key potential redevelopment sites such as the Ford Plant, will be implemented in years 4-10 of the plan. Wetland Banking and projects identified in subwatershed analysis will be included for implementation.
Mississippi River Subwatershed - Implementation			
	CCLRT BMP Implementation	Critical	Implement 15 - 20 green infrastructure practices in the CCLRT area to reduce stormwater runoff, improve water quality in the Mississippi River and enhance landscaping and aesthetics of the corridor. These projects will also raise public awareness of stormwater and its management.
Special Projects and Grants			
	Program Initiatives	Critical	Implement Special Grant program, protocols and guidance. Award grants that improve water quality, leverage additional funding and encourage partnerships. Work with partners to implement innovative water quality practices.
Debt Service			
	Program Initiatives	Critical	Annually meet the full requirements of the Districts past debt service.

Appendix A

:: Financial Statement and Audit



May 25, 2011

Capitol Region Watershed District
Mr. Mark Doneux
1410 Energy Park Drive
St. Paul, MN 55108

Dear Mark:

Enclosed are ten copies of the Annual Financial Report for the Capitol Region Watershed District for the year ended December 31, 2010.

We have also forwarded copies of the Annual Financial Report to the Office of the State Auditor (via e mail) and the Board of Water and Soil Resources. (Transmittal enclosed)

Thank you for the opportunity to be of service. If you would like to discuss any topics in these reports, we are available at your convenience.

Sincerely,

HLB TAUTGES REDPATH, LTD.

Nancy Martinson

NMM/bms

Enclosures



May 25, 2011

Minnesota Board of Water and Soil Resources
520 Lafayette Road North
St. Paul, MN 55155

Enclosed is the Annual Financial Report for the Capitol Region Watershed District for the year ended December 31, 2010.

If you have any questions, please call the undersigned.

Sincerely,

HLB TAUTGES REDPATH, LTD.

Nancy Martinson

NMM/bms

Enclosures

ANNUAL FINANCIAL REPORT

Year Ended December 31, 2010

Capitol Region Watershed District

Ramsey County, Minnesota

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CAPITOL REGION WATERSHED DISTRICT
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I. INTRODUCTORY SECTION

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Board of Managers

Robert Piram, Board President
Joseph Collins, Vice President
Marylyn Deneen, Public Information and Education (January – November 2010)
Seitu Jones, Secretary
Mary Texer, Public Information and Education (December 2010)
Michael Thienes, Treasurer

Watershed District Staff

Mark Doneux, Administrator
Melissa Baker, Water Resource Technician
Elizabeth Beckman, Education and Outreach Coordinator
Andrea Bolks, Seasonal Water Resource Intern
Peter Brumm, Seasonal Water Resource Intern
Anna Eleria, Water Resource Specialist
Bob Fossum, Water Resource Project Manager
Liz Hutter, Receptionist
Forrest Kelley, Permit Coordinator
Matt Loyas, Water Resource Technician
Chris Lundeen, Seasonal Water Resource Intern
Kat McCarthy, Minnesota GreenCorps Member
Dawn Nelson, Office Manager
Selina Pradham, Seasonal Water Resource Intern
Carlos Pratt, Gordon Parks High School Intern
Carrie Robertson, Water Resource Technician
Demetrius Russell, Gordon Parks High School Intern
Britta Suppes, Water Resource Technician

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II. FINANCIAL SECTION

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REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA

OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

INDEPENDENT AUDITOR'S REPORT

Board of Managers
Capitol Region Watershed District

We have audited the accompanying financial statements of the governmental activities and each major fund of the Capitol Region Watershed District as of and for the year ended December 31, 2010, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Capitol Region Watershed District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Capitol Region Watershed District as of December 31, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

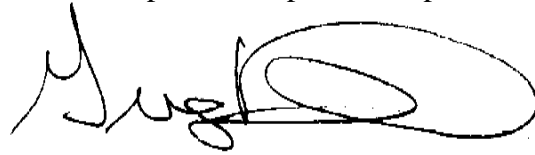
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the

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basic financial statements in an appropriate operational, economic, or historical context. In accordance with auditing standards generally accepted in the United States of America, we have applied certain limited procedures to the required supplementary information, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



REBECCA OTTO
STATE AUDITOR



GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

May 23, 2011

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Capitol Region Watershed District (the District) we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2010.

Financial Highlights

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$9,907,411 (Net assets). Of this amount, \$4,096,763 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the District's fund designations and fiscal policies.

The District's total net assets decreased by \$141,872.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance was \$4,024,508 compared to \$3,960,344 the previous year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Management's Discussion and Analysis

Fund Financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the District are governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and change in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Operations Fund and the Capital Improvement Fund, which are considered to be major funds.

The District adopts an annual appropriated budget for the Operations Fund and the Capital Improvement Fund.

A budgetary comparison schedule has been provided for these funds to demonstrate compliance with this budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Management's Discussion and Analysis

Following is a comparison of the District's net assets between 2010 and 2009.

	2010	2009
Current and other assets	\$4,628,247	\$4,584,608
Capital assets	7,219,241	7,493,555
Total assets	<u>\$11,847,488</u>	<u>\$12,078,163</u>
Payables	\$504,441	\$533,378
Other liabilities	1,435,636	1,495,502
Total liabilities	<u>\$1,940,077</u>	<u>\$2,028,880</u>
Net assets:		
Invested in capital assets, net of related debt	\$5,810,648	\$6,029,457
Unrestricted	4,096,763	4,019,826
Total net assets	<u>\$9,907,411</u>	<u>\$10,049,283</u>

At the end of the current fiscal year, the District is able to report positive balances in net assets.

Governmental Activities

Governmental activities resulted in a decrease of the District's net assets by \$141,872. The details of the increase are as follows:

Capitol Region Watershed District's Changes in Net Assets

	2010	2009
Revenues:		
Program revenues:		
Charges for services	\$20,000	\$23,300
Operating grants and contributions	628,500	-
Capital grants and contributions	-	2,999,013
General revenues:		
Property taxes	1,700,250	1,627,702
Grants and contributions not restricted to specific programs	53,031	51,613
Unrestricted investment earnings	1,746	9,710
Miscellaneous other	2,105	2,835
Total revenues	<u>2,405,632</u>	<u>4,714,173</u>
Expenses:		
General	1,962,020	342,221
Programs	585,484	725,718
Projects	-	701,773
Capital improvement	-	348,953
Total expenses	<u>2,547,504</u>	<u>2,118,665</u>
Change in net assets	(141,872)	2,595,508
Net assets - January 1	<u>10,049,283</u>	<u>7,453,775</u>
Net assets - December 31	<u>\$9,907,411</u>	<u>\$10,049,283</u>

Management's Discussion and Analysis

The decrease in net assets in 2010 is mainly due to the decrease in grant revenue received in 2010.

Financial Analysis of the Government's Funds

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Operations fund balance increased by \$761,597 in 2010, which was due to revenues over budget.

The Capital Improvement fund balance decreased by \$697,433 in 2010, which was due to expenditures for the Gottfried Pit Lift Station Renovation.

Budgetary Highlights

Operations

The operations revenues were over budget by \$566,083. This was due in part to a grant from the State of Minnesota.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of December 31, 2010, amounts to \$7,219,241. This investment in capital assets is in infrastructure. Accumulated depreciation was \$850,511 with current depreciation charges of \$274,314.

Capitol Region Watershed District's Capital Assets (Net of Depreciation)

	December 31,	
	2010	2009
Infrastructure	<u>\$7,219,241</u>	<u>7,493,555</u>

Debt administration. In 2007, Capitol Region Watershed District issued \$1,555,000 in Watershed District Tax Supported Bonds, Series 2007A for the capital improvement fund for project costs.

Management's Discussion and Analysis

2011 Financial Highlights

In 2011, the District will complete the Williams Street Pond Project. Engineering design was completed in 2010. Total construction cost is approximately \$90,000. The Met Council will begin construction of the Central Corridor Light Rail Transit Stormwater Best Management Practices (BMPs). Some BMPs are part of the permit requirement for the project while others are being built through a grant from the State of Minnesota. The District anticipates awarding approximately \$150,000 in special grants to our partners for capital projects in the District. The District will also be starting the design of the Trillium Site Water Resource Features with its Partner, the City of St. Paul.

Requests for information. This financial report is designed to provide a general overview of Capitol Region Watershed District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Capitol Region Watershed District, 1410 Energy Park Drive, Suite 4, St. Paul, MN, 55108, 651-644-8888.

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BASIC FINANCIAL STATEMENTS

CAPITOL REGION WATERSHED DISTRICT**STATEMENT OF NET ASSETS**

December 31, 2010

Statement 1

	Primary Government Governmental Activities
	<u>2010</u>
Assets:	
Cash and short term investments	\$4,482,236
Property taxes receivable:	
Due from county	13,463
Delinquent	73,296
Due from other governments	19,087
Accounts receivable - net	-
Prepaid items	11,375
Deferred charges	28,790
Capital assets - net:	
Non-depreciable	-
Depreciable	7,219,241
Total assets	<u>11,847,488</u>
Liabilities:	
Accounts payable	242,039
Contracts payable	10,000
Deposits payable	230,527
Accrued interest payable	21,875
Bonds payable:	
Due within one year	60,000
Due in more than one year	1,348,593
Compensated absences payable:	
Due within one year	27,043
Total liabilities	<u>1,940,077</u>
Net assets:	
Invested in capital assets, net of related debt	5,810,648
Unrestricted	4,096,763
Total net assets	<u>\$9,907,411</u>

The accompanying notes are an integral part of these financial statements.

CAPITOL REGION WATERSHED DISTRICT**STATEMENT OF ACTIVITIES**

For The Year Ended December 31, 2010

Statement 2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets 2010</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$1,632,384	\$20,000	\$ -	\$ -
Conservation of natural resources	915,120	-	628,500	-
Total governmental activities	<u>\$2,547,504</u>	<u>\$20,000</u>	<u>\$628,500</u>	<u>\$0</u>
General revenues:				
Property taxes				1,700,250
Grants and contributions not restricted to specific programs				53,031
Unrestricted investment earnings				1,746
Miscellaneous other				2,105
Total general revenues				<u>1,757,132</u>
Change in net assets				(141,872)
Net assets - beginning				<u>10,049,283</u>
Net assets - ending				<u>\$9,907,411</u>

The accompanying notes are an integral part of these financial statements.

CAPITOL REGION WATERSHED DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2010

Statement 3

	Operations	Capital Improvement	Total Governmental Funds 2010
Assets			
Cash and short-term investments	\$1,824,988	\$2,657,248	\$4,482,236
Due from other governments	-	19,087	19,087
Accounts receivable	-	-	-
Taxes receivable:			
Delinquent	73,296	-	73,296
Due from county	13,463	-	13,463
Prepaid items	11,375	-	11,375
Total assets	\$1,923,122	\$2,676,335	\$4,599,457
Liabilities and Fund Balance			
Liabilities:			
Accounts payable	\$187,350	\$54,689	\$242,039
Contracts payable	-	10,000	10,000
Deposits payable	230,527	-	230,527
Deferred revenue	73,296	19,087	92,383
Total liabilities	491,173	83,776	574,949
Fund balance:			
Unreserved:			
Designated:			
Special Revenue Fund	-	2,592,559	2,592,559
Undesignated:			
Operations	1,431,949	-	1,431,949
Total fund balance	1,431,949	2,592,559	4,024,508
Total liabilities and fund balance	\$1,923,122	\$2,676,335	\$4,599,457
Fund balance reported above			\$4,024,508
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.			7,219,241
Long-term liabilities, including compensated absences and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.			(1,428,721)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			92,383
Net assets of governmental activities			\$9,907,411

The accompanying notes are an integral part of these financial statements.

CAPITOL REGION WATERSHED DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2010

Statement 4

	Operations	Capital Improvement	Total Governmental Funds 2010
Revenues:			
General property taxes	\$1,694,591	\$ -	\$1,694,591
Intergovernmental:			
Market value homestead credit	53,031	-	53,031
Grants and reimbursements	628,500	-	628,500
Interest income	620	1,126	1,746
Permit fees	20,000	-	20,000
Miscellaneous	2,105	-	2,105
Total revenues	2,398,847	1,126	2,399,973
Expenditures:			
Current:			
General government:			
Other services and charges	147,005	92,809	239,814
Salaries & benefits	178,586	-	178,586
Supplies	45,811	-	45,811
Noncapitalized equipment	18,211	-	18,211
Legal	15,766	3,014	18,780
Engineering	119,295	35,813	155,108
Projects and studies	1,112,576	453,848	1,566,424
Debt services:			
Principal	-	55,000	55,000
Interest	-	58,075	58,075
Total expenditures	1,637,250	698,559	2,335,809
Revenues over (under) expenditures	761,597	(697,433)	64,164
Fund balance - January 1	670,352	3,289,992	3,960,344
Fund balance - December 31	\$1,431,949	\$2,592,559	\$4,024,508

The accompanying notes are an integral part of these financial statements.

CAPITOL REGION WATERSHED DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2010

Statement 5

	<u>2010</u>
Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:	
Net changes in fund balances - total governmental funds (Statement 4)	\$64,164
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over the estimated lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:	
Capital outlay	-
Depreciation expense	(274,314)
Accrued interest payable:	
At December 31, 2010	(21,875)
At December 31, 2009	24,628
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items:	
Principal payment	55,000
Amortization of deferred charges	-
Amortization of premium	505
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Deferred revenue:	
At December 31, 2010	92,383
At December 31, 2009	(86,724)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Compensated absences payable:	
At December 31, 2010	(27,043)
At December 31, 2009	31,404
Change in net assets of governmental activities (Statement 2)	<u><u>(\$141,872)</u></u>

The accompanying notes are an integral part of these financial statements.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Capitol Region Watershed District conform to generally accepted accounting principles (GAAP).

A. FINANCIAL REPORTING ENTITY

The Capitol Region Watershed District (the District) was organized in September 1998 under the provisions of Minnesota Statutes Chapter 103D. Additional powers and duties are contained in Minnesota Statutes Chapters 103B and 103E. A watershed district is a “special purpose” unit of local government, which has taxing authority and can promulgate and implement rules that have the effect and force of law.

The purpose of the District is to provide for surface and groundwater management within the District’s geographic boundaries. The District is approximately 42 square miles in size and contains portions of the cities of Falcon Heights, St. Paul, Maplewood, Roseville, and Lauderdale. The University of Minnesota St. Paul Campus and Minnesota State Fair Grounds are also within this district.

The District is governed by a board of managers that are appointed by the Ramsey County Board of Commissioners. Managers serve three-year terms.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported. There are no *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured.

Property taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

Operations Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in the Capital Improvements Fund.

Capital Improvements Fund is established to account for expenditures related to the preparation and implementation of the watershed management plan.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, that are similarly treated when they involve other funds of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. General revenues include all taxes.

When both restricted and unrestricted resources are available for an allowable use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. BUDGETS

Budgets are legally adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are legally adopted for the Operations Fund and Capital Improvements. Budgeted expenditure appropriations lapse at year end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the District because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management.

E. LEGAL COMPLIANCE – BUDGETS

The District prepares annual revenue and expenditure budgets for the District's Operations Fund. The District monitors budget performance on the fund basis. All amounts over budget have been approved by the Board through the budget extension process. The modified accrual basis of accounting is used by the District for budgeting data. All appropriations end with the fiscal year for which they were made.

F. CASH AND INVESTMENTS

Cash and investments are stated at fair value, based upon quoted market prices, and consist of amounts in demand deposit, savings, and a pooled investment fund organized under Minn. Stat. 471.59, the Joint Powers Act.

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Investment income is allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

G. MARKET VALUE HOMESTEAD CREDIT

Property taxes and homestead property (as defined by State Statutes) are partially reduced by market value homestead credit. This credit is paid to the District by the State in lieu of taxes levied against homestead property. The State remits this credit through installments each year. The credit is recognized as revenue by the District at the time of collection.

H. PROPERTY TAX REVENUE RECOGNITION

The Board of Managers annually adopts a tax levy and certifies it to the County in October (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the City, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the District at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Delinquent collections for November and December are received the following January. The District has no ability to enforce payment of property taxes by property owners. The County possesses this authority.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District recognizes property tax revenue in the period for which the taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The District recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the District in July, December and January, are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the District the following January) and taxes and credits not received at the year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the District in January is fully offset by deferred revenue because it is not available to finance current expenditures.

I. INVENTORIES

The original cost of materials and supplies has been recorded as expenditures at the time of purchase. The District does not maintain material amounts of inventories.

J. LONG-TERM OBLIGATIONS

In the government-wide financial statements long-term debt is reported as a liability in the statement of net assets. Material bond premiums and discounts, as well as issuance costs, are amortized over the life of the bond.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

K. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

L. CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., storm sewer, manholes, control structures, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of one year.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Rain gardens	20 years
Trenches	20 years
Other Infrastructure	30 years

The District implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010. GASB Statement No. 51 required the District to capitalize and amortize intangible assets. Intangible assets include easements and computer software. For governmental entities with total annual revenues of less than \$10 million for the fiscal year ended December 31, 1999, the retroactive reporting of intangible assets is not required under the provision of GASB Statement No. 51. The District has elected not to report intangible assets acquired in years prior to 2010. The District did not acquire any intangible assets for the year ending December 31, 2010.

M. COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay benefits that are vested as severance pay are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured: for example, as a result of employee resignations and retirements. In accordance with the provisions of Statement of Government Accounting Standards No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

N. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

O. REVENUES AND EXPENDITURES

REVENUES

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, revenues for nonexchange transfers are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs. The modified accrual basis of accounting is used by the Operations and Capital Improvements Funds. Under this basis, revenue is not recognized in the financial statements unless it is available to finance current expenditures.

IMPOSED NONEXCHANGE TRANSACTIONS

Imposed nonexchange transactions result from assessments by governments on non-governmental entities and individuals. Property taxes are imposed nonexchange transactions. Revenues from property taxes are recognized in the fund financial statements in the period for which the taxes were levied, to the extent they are collected in the current period or soon enough thereafter to be used to pay liabilities of the current period. Property taxes receivable but not available are reported as deferred revenue and will be recognized as revenue in the fiscal year that they become available.

INTERGOVERNMENTAL

Government-mandated nonexchange transactions occur when a government at one level provides resources to a government at another level and requires that government to use them for specific purposes. The provider government establishes purpose restrictions and also may establish time requirements. Federal and state grants mandating the District perform particular programs are government-mandated nonexchange transactions. Revenues are recognized when eligibility and time requirements are met, usually when the corresponding expenditure is incurred.

Voluntary nonexchange transactions result from legislative or contractual agreements, such as grants, entitlements, appropriations, and donations. The provider may establish purpose restrictions or eligibility requirements. Revenues are recognized in the year to which they apply according to the statute or contract.

EXCHANGE TRANSACTIONS

Investment income is recognized as revenue when earned.

EXPENDITURES

Expenditure recognition for the Operations and Capital Improvements Funds includes only amounts represented by current liabilities.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

P. DEFERRED REVENUE

The District reports deferred revenues in the governmental funds in the amount of \$92,383 at December 31, 2010. Deferred revenues consist of delinquent taxes and other receivables that do not provide current financial resources.

Q. USE OF ESTIMATES

The preparation of financial statements in accordance with generally accepted accounting principles (GAAP) requires management to make estimates that could affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

R. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including compensated absences and bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this (\$1,428,721) difference are as follows:

Bonds payable	(\$1,408,593)
Compensated absences	(27,043)
Accrued interest	(21,875)
Deferred charges	<u>28,790</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>(\$1,428,721)</u></u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures and changes in fund balance includes a reconciliation between *net changes in fund balances – total governmental funds and changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$5,659 difference are as follows:

General property taxes deferred revenue:	
At December 31, 2009	(\$86,724)
At December 31, 2010	<u>92,383</u>
Net adjustments to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u><u>\$5,659</u></u>

Another element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$274,314) difference are as follows:

Depreciation expense	<u>(\$274,314)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u><u>(\$274,314)</u></u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$4,361 difference are as follows:

Compensated absences payable:	
At December 31, 2009	\$31,404
At December 31, 2010	<u>(27,043)</u>
Net adjustments to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u><u>\$4,361</u></u>

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the District maintains deposits at those depository banks authorized by the District, all of which are members of the Federal Reserve System.

Minnesota Statutes require that all District deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the District or in a financial institution other than that furnishing the collateral. Authorized collateral includes the following:

- a) United States government treasury bills, treasury notes, treasury bonds;
- b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- c) General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- d) Unrated general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- e) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation; and
- f) Time deposits that are fully insured by any federal agency.

The District has no deposits at December 31, 2010.

B. INVESTMENTS

Minnesota Statutes authorize the District to invest in the following:

- a) Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6;
- b) Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

- c) General obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- d) Bankers' acceptances of United States banks;
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- f) With certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

The District's external investment pool investment is with the 4M Fund. The fair value of the District's position in the external investment pool is equal to the pool shares. The external investment pool is not registered with the Securities and Exchange Commission and regulatory oversight rests with the League of Minnesota Cities. The investments are managed in compliance with investment guidelines as outlined within the Minnesota Statutes.

At December 31, 2010, the District held \$4,482,236 in a pooled investment fund (4M Fund) organized under Minn. Stat. 471.59, the Joint Powers Act.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation to the holder of the investment. The District follows State Statutes in regards to credit risk of investments. The District does not have an investment policy which further limits its investment choices.

Interest Rate Risk. Interest rate risk is the risk that changes in the interest rates of debt investments could adversely affect the fair value of an investment. The District does not have an investment policy which limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the District's investment in a single issuer. The District does not have an investment policy which addresses the concentration of credit risk.

Note 3 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers compensation coverage for District employees and board members is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The District pays an annual premium to LMCIT. The District is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the District is not subject to a deductible. The District workers

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Other insurance coverage is provided through a pooled self-insurance program through the LMCIT. The District pays annual premium to LMCIT. The District is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The District retains risk for the deductible portions of the insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the previous three years.

Note 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets depreciated				
Infrastructure	8,069,752	-	-	8,069,752
Less accumulated depreciation for:				
Infrastructure	576,197	274,314	-	850,511
Total capital assets depreciated, net	7,493,555	(274,314)	-	7,219,241
Total capital assets, net	<u>\$7,493,555</u>	<u>(\$274,314)</u>	<u>\$ -</u>	<u>\$7,219,241</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
Conservation of Natural Resources	<u>\$274,314</u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 5 LONG-TERM DEBT

The District issued a Tax Supported Bonds Series 2007A to provide funds for capital improvements.

GOVERNMENTAL ACTIVITIES

As of December 31, 2010, the governmental long-term bonded debt of the financial reporting entity consisted of the following:

	Interest Rates	Date	Final Maturity Date	Original Issue	Payable 12/31/10
Tax Supported Bonds:					
\$1,555,000 Series 2007A	3.75-4.75%	1/4/2007	2/1/2027	\$1,555,000	\$1,400,000
Unamortized premium (discount)				10,108	8,593
Total indebtedness - governmental activities				<u>\$1,565,108</u>	<u>\$1,408,593</u>

Annual debt service requirements to maturity for Series 2007A Bonds are as follows:

Revenue (Tax Supported) Bonds			
	Principal	Interest	Total
2011	\$60,000	\$55,919	\$115,919
2012	60,000	53,669	113,669
2013	65,000	51,325	116,325
2014	65,000	48,806	113,806
2015	70,000	46,106	116,106
2016-2020	385,000	186,379	571,379
2021-2025	475,000	98,825	573,825
2026-2027	220,000	9,350	229,350
Totals	<u>\$1,400,000</u>	<u>\$550,379</u>	<u>\$1,950,379</u>

Governmental Activities	Beginning Balance	Additions	Reductions	Amortized Premiums	Ending Balance	Due Within One Year
Bonds payable:						
Revenue (tax supported) bonds	\$1,455,000	\$ -	(\$55,000)	\$ -	\$1,400,000	\$60,000
Premium on bonds	9,098	-	-	(505)	8,593	-
Total bonds payable	<u>\$1,464,098</u>	<u>\$0</u>	<u>(\$55,000)</u>	<u>(\$505)</u>	<u>\$1,408,593</u>	<u>\$60,000</u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

Note 6 OPERATING LEASE

The District leases office space from an unrelated third party. The lease is classified as an operating lease. The term of the lease is November 1, 2006 through October 31, 2011. Lease expenditures for the year ended December 31, 2010 amounted to \$59,618.

Total annual minimum future lease payments under the operating lease are as follows:

2011	<u>\$55,912</u>
Total	<u><u>\$55,912</u></u>

The District also leases a copier from an unrelated third party. The lease is classified as an operating lease. The term of the lease is September 1, 2009 through August 31, 2014. Lease expenditures for the year ended December 31, 2010 amounted to \$3,467.

Total annual minimum future lease payments under the operating lease are as follows:

2011	\$3,196
2012	3,196
2013	3,196
2014	<u>2,397</u>
Total	<u><u>\$11,985</u></u>

Note 7 DEFINED BENEFIT PENSION PLANS - STATEWIDE

A. PLAN DESCRIPTION

All full-time and certain part-time employees of the Capitol Region Watershed District are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with *Minnesota Statute*, Chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF. That report may be obtained on the internet at www.mnpera.org, by writing to PERA, 60 Empire Drive #200, St. Paul, Minnesota, 55103-2088, or by calling (651)296-7460 or 1-800-652-9026.

B. FUNDING POLICY

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The District makes annual contributions to the pension plans equal to the amount required by state statutes. GERF Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.0%, respectively, of their annual covered salary in 2010. The District is required to contribute the following percentages of annual covered payroll in 2010: 11.78% for Basic Plan GERF members and 7.0% for Coordinated Plan GERF members. Employer contribution rates for the Coordinated Plan will increase to 7.25%, effective January 1, 2011. The District's contribution to the General Employees Retirement Fund for the years ending December 31, 2010, 2009 and 2008 were \$35,573, \$30,176 and \$25,516, respectively. The District's contributions were equal to the contractually required contributions for the years as set by state statute.

Note 8 COMPENSATED ABSENCES

Changes in compensated absences during 2010 are:

Balance January 1, 2010	\$31,404
Additions	-
Deductions	(4,361)
Balance December 31, 2010	<u>\$27,043</u>
Due within one year	<u>\$27,043</u>

REQUIRED SUPPLEMENTARY INFORMATION

CAPITOL REGION WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - OPERATIONS
For The Year Ended December 31, 2010

Schedule 1

	Budgeted Amounts		2010 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
Tax levy	\$1,719,733	\$1,719,733	\$1,694,591	(\$25,142)
Intergovernmental:				
Market value homestead credit	53,031	53,031	53,031	-
Grants and reimbursements	-	-	628,500	628,500
Fees	35,000	35,000	20,000	(15,000)
Other	25,000	25,000	2,725	(22,275)
Total revenues	<u>1,832,764</u>	<u>1,832,764</u>	<u>2,398,847</u>	<u>566,083</u>
Expenditures:				
Administrative	309,750	309,750	358,264	(48,514)
Programs	955,037	955,037	824,294	130,743
Projects	567,977	567,977	454,692	113,285
Total expenditures	<u>1,832,764</u>	<u>1,832,764</u>	<u>1,637,250</u>	<u>195,514</u>
Revenues over expenditures	<u>\$0</u>	<u>\$0</u>	761,597	<u>\$761,597</u>
Fund balance - January 1			<u>670,352</u>	
Fund balance - December 31			<u><u>\$1,431,949</u></u>	

The accompanying note to the required supplementary information is an integral part of this schedule.

CAPITOL REGION WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENT
For The Year Ended December 31, 2010

Schedule 2

	Budgeted Amounts		2010 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
Interest income	\$125,000	\$125,000	\$1,126	(\$123,874)
Expenditures:				
Shoreline and streambank restoration	30,000	30,000	-	30,000
Como - project maintenance, inspection and monitoring	50,000	50,000	398,991	(348,991)
McCarron's BMP	372,500	372,500	36,492	336,008
Trout Brook BMP	100,000	100,000	32,501	67,499
Special projects and grants	150,000	150,000	117,500	32,500
Debt services	122,896	122,896	113,075	9,821
Total expenditures	825,396	825,396	698,559	126,837
Revenues over (under) expenditures	(\$700,396)	(\$700,396)	(697,433)	\$2,963
Fund balance - January 1			3,289,992	
Fund balance - December 31			\$2,592,559	

The accompanying note to the required supplementary information is an integral part of this schedule.

CAPITOL REGION WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2010

Note A BUDGETS

The Operations and Capital Improvement Funds budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level for both funds. Expenditures did not exceed appropriations in the Operations Fund or the Capital Improvement Fund.

The Board of Managers adopts an annual budget for the Operations Fund and Capital Improvement Fund of the District. During the budget year, supplemental appropriations and deletions are or may be authorized by the Board. The modified accrual basis of accounting is used by the District for budgeting data. All appropriations end with the fiscal year for which they were made.

The District monitors budget performance on the fund basis. All amounts over budget have been approved by the Board through the disbursement approval process. Encumbrance accounting, under which purchase orders, contracts and commitments of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District.

Appendix B

:: Printed Materials

Capitol Region Watershed District

Our mission is to protect, manage and improve the water resources of the Capitol Region Watershed District.

INSIDE

2 Trout Brook engineering wonder 3 Wilder study
3 CCLRT grant **BACK** CRWD grants to residents

Capitol Region Watershed District **Spring 2010**

Less Green, More Blue

by Elizabeth Beckman

Minnesotans love the outdoors, even if it's just the backyard. But the perfect lawn takes a lot of work, a lot of chemicals and a lot of energy. When spring comes, remember you can have a decent looking lawn and still protect lakes and the Mississippi River:

If you're starting from seed, choose hard fescue – Chewings fescue and creeping red fescue. Minnesota lawns are typically planted with Kentucky bluegrass and perennial ryegrass, and both varieties require a lot of nitrogen fertilizer and water to stay green. They also don't grow well in shade.

Test first. You may not need a fertilizer. Minnesota soils are naturally rich in phosphorus, and it is illegal to use fertilizer with phosphorus unless the soil has been tested. This law is meant to protect Minnesota's lakes and rivers. University of Minnesota soil test information can be found at <http://soiltest.cfans.umn.edu> or 612-625-3101.

In spring, your lawn is still "digesting" a fall fertilization, so you can probably save time and money by omitting a

spring application. Plus, invariably when you fertilize, some fertilizer will run off the surface of the soil and get into our lakes and the Mississippi River. So less fertilizer can mean less water pollution. Also, mow often and long (2 ½ to 3 inches), and leave the nutrient rich clippings to further reduce the need for fertilizer.

Water wisely. Watering a little bit every day every day doesn't help the lawn. When there's no rain during the growing season, water once or twice a week to 1". And water early in the morning to conserve water since up to 50% of sprinkler waterings done midday evaporate before they reach the lawn.

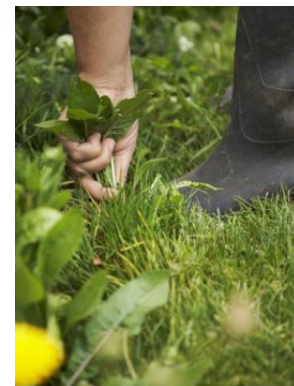
My grass isn't dead, it's sleeping. Most lawn grasses naturally go dormant in summer when the top of the grass

dies back, but the roots stay lively underground. A sprinkler uses about 240 gallons of water per hour, and it takes lots of water to keep grass green all summer. This is water we are treating at great expense for drinking.

Remove weeds naturally. If you don't want to use chemical weed killers, use corn gluten meal early in the spring (about the time the daffodils come up) to cut back lawn weeds. Or get some exercise and remove broadleaf lawn weeds like dandelions and plantain the old-fashioned way – by hand. And remember a little clover in your lawn

is good – it converts nitrogen from the air and puts it into the soil.

A perfectly green, weed-free lawn can create water pollution. So this growing season, go



Dig early and often

for a little less green to make way for more blue.

More information is available in "A Year Round Guide to Yard Care" at capitolregionwd.org, or call us at 651-644-8888.

Board of Managers: Robert P. Piram, President; Joe Collins; Marylyn Deneen; Mike Thienes; Seitu Jones

Staff: Mark Doneux, Administrator; Bob Fossum, Water Resource Project Manager; Matt Loyas, Water Resource Technician; Forrest Kelley, Permit Coordinator; Anna Eleria, Water Resource Specialist; Dawn Nelson, Office Manager; Camille Logan, Administrative Assistant; Melissa Baker, Water Resource Technician; Elizabeth Beckman, Education & Outreach Coordinator

Established in 1998, the Capitol Region Watershed District covers 40 square miles and includes portions of the cities of Falcon Heights, Lauderdale, Maplewood, Roseville and St. Paul. Located within Ramsey County, it has a population of 245,000 people. The district drains to The Mississippi River, also its primary water resource. Como Lake, Crosby Lake, Loeb Lake and Lake McCarrons are also located in the District.

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St. Paul, MN 55108 • 651-644-8888 • www.capitolregionwd.org

Trout Brook one of seven engineering wonders in Minnesota

CRWD repairs tunnel on fast track, District saves \$13 million

by Anna Eleria

CRWD and Barr Engineering were recognized for engineering ingenuity with the Seven Wonders of Engineering Award from Minnesota Society of Professional Engineers and one of nine Grand Awards from American Council of Engineering Companies for the Trout Brook Storm Sewer Repair Project.

In 2006, when CRWD's Trout Brook storm sewer was suffering from severe cracking, settling, and seepage along one reach of system, the District considered rerouting the section in order to complete repairs. As an alternative, Barr Engineering of Minneapolis recommended alternative in-place repairs, including replacement of a 200-foot sagging section, be completed in winter before the storm sewer started receiving spring snowmelt and rain. CRWD's Anna Eleria explains, "Any delays in the project held the potential for catastrophic flooding. Fortunately, winter 2008-2009 was one of the consistently coldest on record in Minnesota." By repairing the system in place, CRWD saved \$13 million.

In addition to cost savings, an innovative approach was needed to account

for limited overhead clearance for construction that made use of standard large equipment impossible. "We had to figure out a way to install support piers without a pile driver and so designed a system of corkscrew-shaped piers that could be installed using a small tractor," explained Jim Herbert of Barr Engineering. The small tractor was also used to push tunnel sections into place along a concrete "rail"

system once the sections had been lowered into the excavation.

For more information contact Anna Eleria, Water Resource Specialist. Anna manages the Trout Brook Storm Sewer, assists with stormwater monitoring, coordinates lake management planning and administrates Stewardship Grants.

Tunnel sections were lowered in and pushed into place along concrete rails using a small tractor.

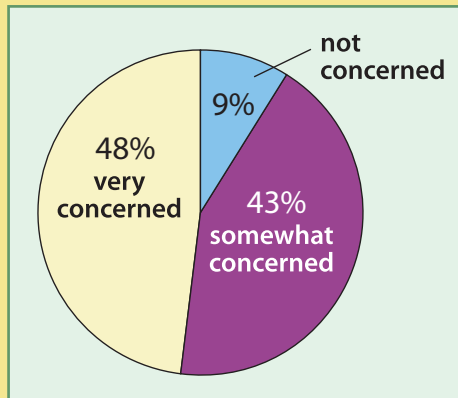


Wilder study sheds light

by Elizabeth Beckman

In 2009, CRWD partnered with Wilder Research on *A study of resident attitudes and behaviors related to water quality*. The study involved 443

Are you concerned about water pollution in lakes and the Mississippi River?



completed telephone surveys, and a focus group of 11 phone survey respondents who were concerned about water quality, but taking little action.

Survey highlights

Eighty-seven percent of District residents reported they believe their actions can improve water quality, good news for water educators since many types of water pollution result from individual yard care behaviors. Ninety-two percent of respondents “agree” or “strongly agree” that preserving water quality is one of the “most important issues” facing our region. Nearly half the respondents (48%) reported they are “very concerned” about water quality and an additional 43% reported they are “somewhat concerned.”



Focus groups participants are asked about beliefs and attitudes about water pollution prevention.

Residents have a high level of interest in these issues, and CRWD programming will focus more strongly on the connection between water pollution and individual actions.

CRWD receives grant for CCLRT

by Anna Eleria

CRWD has received a \$665,000 Clean Water Legacy grant to fund green infrastructure projects as part of the Central Corridor Light Rail Transit project (CCLRT). In cooperation with St. Paul, Ramsey County, and Metropolitan Council CRWD will use the grant to support construction of green infrastructure practices that will prevent stormwater runoff from the CCLRT project area, and improve aesthetics and sustainability within the Corridor.

Metropolitan Council will construct the CCLRT, a two-way commuter rail connecting the downtown areas of Minneapolis and St. Paul, in a highly urbanized corridor comprised mainly of commercial and industrial land uses with small residential pockets. Untreated runoff within the project area drains directly to the Mississippi River.

This project is a unique opportunity to “green” a major transportation corridor. The project partners are committed to innovative green infrastructure practices to reduce stormwater runoff. As light rail continues to expand in the Twin Cities, this project can be a model for sustainable transportation.

The following best management practices currently designed for the area are: 1) an integrated tree trench system, 2) stormwater planters, 3) rain gardens, and 4) infiltration trenches. These practices will keep polluted runoff out of the Mississippi River. The trees, shrubs, and perennials, as well as the soil that is part of these installations will retain, filter, and breakdown the pollutants before they can reach the river. The infiltrated runoff will also recharge groundwater resources.



Stormwater planters capture stormwater, and help green up city streets.

The Clean Water Funds were dispersed by the Minnesota Board of Soil and Water Resources. The Clean Water Fund was established to implement the Clean Water, Wildlife, Cultural Heritage, and Natural Areas Constitutional Amendment approved by Minnesota voters in 2008 to protect, enhance, and restore water quality in lakes, rivers, and streams, and to protect groundwater and drinking water sources.

Grants for CRWD Residents

*Do your part to prevent water pollution
and get financial assistance*

CRWD offers grants for projects that prevent water pollution by decreasing runoff, or projects that educate District residents about water pollution prevention.

Eligible projects include:

- rain gardens
- pervious pavement
- rain barrels
- shoreline restoration
- green roofs
- water quality education

Individuals, faith communities, government organizations, businesses and schools are encouraged to apply. Applicants must be CRWD residents, and projects must be located within the District. CRWD accepts applications throughout the year.

Contact Anna: anna@capitolregionwd.org or 651-644-8888.



St. Paul students designed a water pollution survey for carnival goers at Grand Old Day.



Project labor can be applied as part of a grantee's contribution.

Capitol Region Watershed District

Our mission is to protect, manage and improve the water resources of the Capitol Region Watershed District.

INSIDE

2 Neighbors Take on Pollution 3 Gottfried's Pit Improvements
3 Artist in Residence **BACK** Snow & Ice Management Training

Capitol Region Watershed District **Fall 2010**

Stop the Rain Drain

by Elizabeth Beckman

When it rains, it drains. Rainwater from our roofs and gutters drains to local lakes and the Mississippi River via storm drains, picking up pollution along the way: leaves, grass clippings, auto fluids, trash and pet waste all harm our local waters.

There are simple steps you can take to Stop the Rain Drain. This summer we're asking St. Paul residents to redirect garage gutter downspouts to lawn or garden areas instead of alleys, sidewalks or driveways, and we want to help. You can do the work yourself and be reimbursed part of your supply costs, or we'll do it for you for free!

To schedule an appointment for your garage, call Elizabeth at Capitol Region Watershed District, 651-644-8888.



Learn more at
stopraindrain.org



No gutters? No problem! This garage roof slopes toward an area of flower garden that intercepts nearly all the runoff.



Above: It can be simple to Stop the Rain Drain. This downspout can be easily redirected onto grass nearby.

At left: Rain drain can be stopped here by installing a gutter and corner piece on the alley side with the downspout directed onto the planted area.

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Como Neighbors Take on Storm Water Pollution

by Janna Caywood

On April 17, 2010 Como neighborhood residents participated in the first biannual Como Lake Curbside Cleanup. The target? Organic debris: leaves, grass, seeds and dirt that had settled against street curbs. The goal of the cleanup was to prevent the debris from washing down storm drains with the next rain where it would be carried untreated to Como Lake. The problem with organic debris is that once it's in the lake, it causes algae to grow which releases a lot of phosphorous when it decomposes. This is the process that turns Como Lake green in summer.

Many of the lakes in Minnesota's cities receive millions of gallons of rainwater from neighborhood storm drains. There are 13 storm drain outfalls around the Como Lake shoreline that drain hundreds of streets in St. Paul, Roseville, and Falcon Heights. All that storm water carries tons of organic debris. City crews generally sweep streets once in spring and once in fall, but citizens can tremendously reduce phosphorous entering Como Lake by sweeping leaves and grass clippings from the street in front of their homes during the summer months. If every-



Como residents lifted their rakes to help Como Lake!

one would "Lift a Rake to Help Your Lake" the health of our beloved surface waters would dramatically improve.

The Como Lake Curbside Cleanup was organized by citizens of the Como Lake Neighbor Network (www.clnn.org). A CRWD stewardship grant made the event possible and St. Paul Public Works donated crew time and trucks to haul away bagged debris to the Ramsey county yard waste site. CLNN will host a fall Como Lake Curbside Cleanup on October 16, 2010.

Contact CRWD for information if your organization would like to host a fall or spring clean up: 651-644-8888.

The gutter is the concrete area next to the asphalt street. What's in the gutter ends up in the storm drain which leads to the lake.



Improvements for Gottfried's Pit

by Bob Fossum

Stormwater lift stations are pumps located in low areas that help prevent flooding. When it rains, the pump lifts water from the low area into pipes that lead to the storm drain system.

Gottfried's Pit is a stormwater lift station located in Roseville near the intersection of Larpenteur and Fernwood Avenues. The Gottfried's Pit area receives stormwater runoff from St. Paul, Falcon Heights, and Roseville. Flooding has regularly occurred on Larpenteur Avenue at Fernwood because water cannot drain away fast enough. Each time flooding occurs, Larpenteur Avenue is closed, business access is blocked and property damage results.

With the partnership of the cities of St. Paul, Falcon Heights, Roseville and Ramsey County, CRWD began an

improvement project at the Gottfried's Pit lift station in June. Pumps will be upgraded at the lift station, and 630 feet of new forcemain pipe will be installed. The forcemain pipe is under pressure since it receives the water being pumped up from the low area. It leads from the lift station up and under Larpenteur Avenue, then south to the area under the culdesac on Huron Street in St. Paul.

This project is expected to be completed by December 1. Once complete, the new pumping system and upgraded pipes will eliminate or reduce the frequency and duration of flooding on Larpenteur Avenue.

Installation of new forcemain pipe, summer 2010.



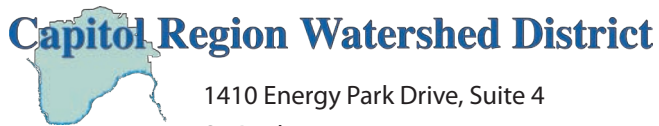
Christine Baeumler

CRWD Artist in Residence

by Elizabeth Beckman

CRWD and neighboring Ramsey Washington Metro Watershed District have partnered with Public Art St. Paul (PASP) to codevelop a watershed public art plan. Public art can help advance water quality improvement goals by educating and inspiring the public, or depending on the medium or format, actually mitigating pollution and cleaning water.

As a first step toward creating a watershed public art plan and developing a proposal for potential public art demonstration projects, the partners chose St. Paul environmental artist Christine Baeumler to serve as watershed Artist in Residence in 2010-11. Christine is Associate Professor of Art at the University of Minnesota. Through her work, Christine seeks to raise awareness about ecological issues. Her research has taken her to the Northern Australian Rain Forest, the Great Barrier Reef, the Galapagos Archipelago, and this summer, to St. Paul's Trout Brook Storm Sewer and Villa Park wetland system! Christine has photographed her watershed excursions with CRWD staff as a way to document this process, and has studied various reports, articles, and plans. She is currently analyzing and synthesizing what she has learned in order to identify possibilities for incorporating art as an integral part of some of the watersheds' current activities.



1410 Energy Park Drive, Suite 4
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651-644-8894 fax
www.capitolregionwd.org

Free

Snow and Ice Management Certification Training



From 7-40% of the chloride entering our waters is from parking lots and sidewalks.



Applicators of road salt can learn techniques to reduce salt use while maintaining road safety.

Winter Road Certification Training

Wednesday, November 3, 2010, Capitol Region Watershed District

Improve efficiency and reduce environmental impacts of winter road maintenance. This training is for commercial operators and city staff, and is based on the Minnesota Snow and Ice Control Field Handbook for Snowplow Operators.

Winter Parking Lot and Sidewalk Training

Thursday, November 4, 2010, Capitol Region Watershed District

Minnesota is the first state to offer certification for winter parking lot and sidewalk maintenance. All plow drivers, maintenance workers, building managers or others who are involved in winter parking lot & sidewalk management are encouraged to attend.

Certification involves the six-hour training, a certification exam, and the commitment to try to incorporate best management practices learned in class into your work.

Trainings are free but fill quickly, so reserve your spot today. Contact Elizabeth Beckman at CRWD, elizabeth@capitolregionwd.org or 651-644-8888.

**STOP
THE RAIN
DRAIN**



**KEEP OUR LAKES
AND RIVERS CLEAN**



When it rains, it drains. Rainwater from our roofs and gutters drains to local lakes and the Mississippi River via storm drains, picking up pollution along the way. This water is *not* treated before it goes to lakes and rivers.

You can Stop the Rain Drain. We're asking St. Paul residents to redirect garage gutter downspouts to lawn or garden areas instead of alleys, sidewalks or driveways. We'll do it for you for *free*, or you can do it yourself!

Crews will be in your neighborhood September 7-30.
To schedule an appointment, call Elizabeth at Capitol Region Watershed District at 651-644-8888.

Learn more at stopraindrain.org.

Prevent runoff today. Cleaner water tomorrow.