

ANNUAL REPORT 2011



# Capitol Region Watershed District



# Letter to Stakeholders

## :: Dear Stakeholders

April 2012

The Board of Managers and staff of Capitol Region Watershed District (CRWD) would like to share with you a review of its 2011 accomplishments, the Capitol Region Watershed District Annual Report.

2011 was another outstanding year for CRWD. Oversight and maintenance continued for the Trout Brook Stormwater Interceptor which was transferred to CRWD from the Metropolitan Council in 2006. The CRWD Permitting Program completed its fifth year of implementation. In 2011, 30 permit applications were received and processed. Of the 142 acres covered in the applications, approximately 90 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 included 16 stormwater monitoring sites in 2011. Ten of these sites are 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 27 grant awards totaling nearly \$30,000 in 2011. Four Partner Grants totaling \$35,000 helped make possible a volunteer stewardship program, a study of lawn care practices in two subwatersheds of Como Lake, an environmental intern program, and a water education and celebration event serving Latino youth.

The construction of the Central Corridor Light Rail Transit (CCLRT) project is a unique opportunity to improve stormwater quality in a major urban transportation corridor. With financial assistance from the State of Minnesota Clean Water Fund, project partners Metropolitan Council, CRWD, the City of Saint Paul and Ramsey County are constructing green infrastructure practices to mitigate stormwater pollution in the corridor.

Another major project completed in 2011 was at William Street Pond, a stormwater detention pond near William and Elmer Streets in Roseville. The improved William Street Pond is expected to remove an additional seven pounds of phosphorus per year from the stormwater entering it, resulting in less algae overgrowth.

In 2011, CRWD completed the Trillium Site Water Feature Feasibility Study to determine the best alternatives for bringing water back to the surface at this 41-acre site. The site is being developed into a park space and is located in the area where Trout Brook formerly flowed.

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, Saint Paul District Planning Councils, the cities of Saint 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: Lake McCarrons*



# Our Organization

## :: Mission

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

## :: Vision

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.

## :: 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.

:: Mississippi River at Hidden Falls.







## :: 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 Soil and Water 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.

CRWD covers 40 square miles and includes portions of the cities of Falcon Heights, Lauderdale, Maplewood, Roseville, and Saint Paul. Located within Ramsey County, it has a population of 225,000 people. CRWD drains to the Mississippi River, also its primary water resource. Como Lake, Crosby Lake, Loeb Lake, and Lake McCarrons are also located in CRWD.

A Board of five managers appointed by the Ramsey County Board of Commissioners guides the work of 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. CRWD also undertakes and cooperates on studies and projects to protect and improve CRWD's lakes, wetlands, and the Mississippi River.

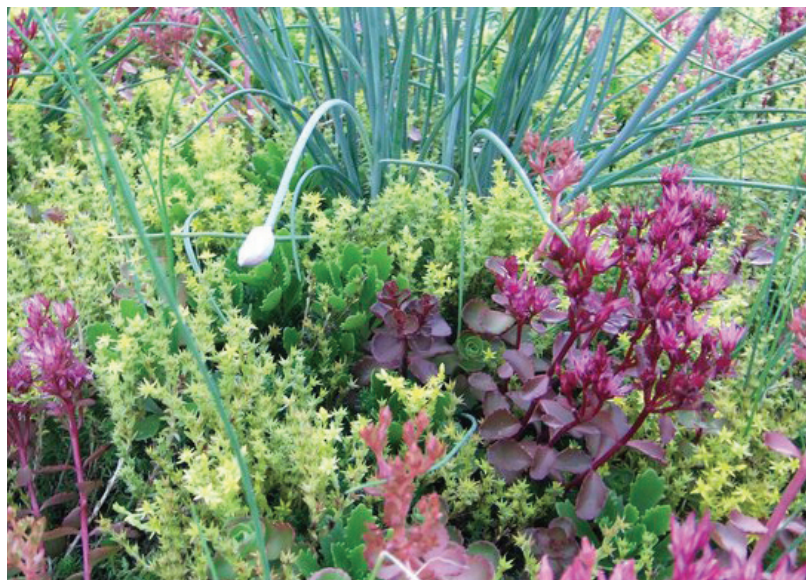
CRWD Watershed Management Plan was adopted on September 1, 2010. The Plan is the blueprint for

the work of CRWD and includes goals and objectives, watershed data, standards, priorities, and implementation plans for CRWD until 2020. The Plan is available on CRWD's website at [capitolregionwd.org](http://capitolregionwd.org) or through the CRWD office.

## :: 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 detailed information about CRWD's finances can be found in Appendix A.

:: Green roof.



# Our Organization

## :: District Map



:: Capitol Region Watershed District is home to more than 225,000 people and is 42% impervious surfaces.



# Our People

## :: Board of Managers

CRWD is led by a five-person Board of Managers that guides CRWD 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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## :: Citizen Advisory Committee

The Citizen Advisory Committee (CAC) assists CRWD Board of Managers with organizational development and strengthens connections between the District and its citizens. Meetings are held the second Wednesday of each month and are open to the public. 2011 members are:

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

## :: 2011 Consultant Engineers

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Minneapolis, MN 55435 | 952-832-2600

Emmons & Olivier Resources, Inc. | 651 Hale Ave No  
Oakdale, MN 55128 | 651-770-8448

HDR Engineering, Inc. | 701 Xenia Ave So  
Minneapolis, MN 55416 | 763-591-5434

Inter-fluve, Inc. | 3602 Atwood Ave  
Madison, WI 53714 | 608-441-0342

Wenck Associates | 1800 Pioneer Creek Center  
Maple Plain, MN 55359 | 763-479-4200

## :: Staff

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### Seasonal Water Resource Interns

Pat Brockamp; Joy Degl'innocenti;  
Morgan Greenfield; Freya Rowland

### Minnesota GreenCorps Member

Kat McCarthy

### Gordon Parks High School Interns

Daniel Denham; Destinee Vang

# Our Work

## :: CRWD Water Resources

The water resources located in CRWD all eventually discharge to the Mississippi River. The four major lakes in CRWD are Como Lake, Crosby Lake, and Loeb Lake in Saint Paul, and Lake McCarrons in Roseville. All four lakes serve important recreational needs for CRWD 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 Saint 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 Saint 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 Saint 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.

In 2002, CRWD developed a strategic management plan that describes water-related issues



:: 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 Saint Paul, Falcon Heights, and 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.





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 Saint 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 Saint 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

## :: CRWD Water Resources (cont.)

### 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 Saint Paul Parks and Recreation Department.

In 2011, CRWD continued its work developing a management plan for Crosby Lake. A draft lake management plan was completed in summer 2011, which includes management goals, and implementation projects and activities to achieve the goals. Reviewed by both the technical and citizen advisory groups for the plan, CRWD

anticipates revising the draft plan based on their comments and seeking Board approval of the final plan in spring/summer 2012. Partial funding for this project comes from a 2009 grant from the Minnesota Clean Water Partnership Program.

### 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 2011, 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 1,747 feet of shoreline with an area of 39,200 square feet has been restored. CRWD, RCD, and BWSR will continue to foster and support additional shoreline restoration projects in 2012.



:: Shoreline restoration projects on Lake McCarrons.







### Villa Park Management Plan

In 2009, CRWD completed the Villa Park Wetland Management Plan, which identifies reasons why the system as originally designed has not functioned to reduce nutrient loading to Lake McCarrons, and determines management actions to restore system function. The study recommends a dual approach: 1) removal of 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. Work began on the project in July 2011 with a preliminary engineering study to determine sediment volume, contaminant levels, and dredging method. The study concluded in early 2012 and the project will be completed via hydraulic dredging during the summer of 2013.

### William Street Pond

William Street Pond is a stormwater detention pond near William and Elmer Streets in the city of Roseville. The pond receives stormwater from the surrounding neighborhood and empties into Lake McCarrons. The pond was identified in CRWD's Lake McCarrons Subwatershed Study as a potential water quality improvement project.

To improve its ability to remove solids and dissolved phosphorus, the pond's bottom was dredged to remove collected soil deposits. The inlet to the pond was also reconstructed to repair an erosion gulley and was retrofitted with a University of Minnesota Saint Anthony Falls Laboratory (SAFL) Baffle. This structure captures large soil particles before they enter the pond. These improvements to the pond will increase

its capacity to capture soil and extend the time between dredgings.

The project also incorporated iron-enhanced sand filtration benches, a new technology that helps remove the excess dissolved phosphorus that causes algae overgrowth in Lake McCarrons. The "benches" are flat areas next to the pond about five feet wide and two feet deep. They are filled with a mixture of sand and 5% iron filings. When stormwater flows through the filter, dissolved phosphorus pollution chemically bonds to the iron instead of adding to pollution problems in Lake McCarrons.



:: Villa Park Wetland drains directly to Lake McCarrons.

# Our Work

## :: CRWD Water Resources (cont.)

Sunram Construction was selected by CRWD to construct the project and completed work in late summer 2011. The improved William Street Pond is expected to remove an additional seven pounds of phosphorus per year from the stormwater entering it, resulting in less algae overgrowth. Stormwater monitoring stations have been installed to document actual pollutant removal. The total construction cost of the project was approximately \$124,000. CRWD's project partners were the City of Roseville, contributing \$30,000 to the project, and Ramsey Conservation District who committed \$37,500.

### Improvements for Gottfried's Pit

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 Saint 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 occurs.

In partnership with the cities of Saint Paul, Falcon Heights, and Roseville, along with Ramsey County, CRWD began an improvement project at the Gottfried's Pit lift station in June 2010. Pumps were upgraded at the lift station and 630 feet of new forcemain pipe was 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 cul de sac on Huron Street in Saint Paul.

This project was completed June 1, 2011. The new pumping system and upgraded pipes will significantly reduce the frequency and duration of flooding on Larpenteur Avenue.



:: Iron-enhanced sand filter under construction at William Street Pond.





## Highland Ravine

Since 2007, CRWD has partnered with the City of Saint Paul to address flooding and sedimentation problems from the Highland Ravine in central Saint Paul.

The Highland Ravine is a 50-acre woodland bluff area that has been incised with gullies over time. The bluff is a naturally steep escarpment that rises from Lexington Avenue up to Edgcombe Road with residential properties residing at its top and base and City of Saint Paul parkland to the south. Gullies have formed in the bluff in response to hydrologic changes associated with urban development that has occurred in the bluff uplands. During precipitation events, runoff is transported downslope through the gullies causing severe erosion. Subsequently, residential properties at the base of the bluff frequently experience property damage from floodwater and sediment discharging from the gullies. In addition, sediment-laden stormwater is conveyed to the Saint Paul storm sewer system which discharges to the Mississippi River.

In response to concerns raised by citizens regarding property damages from gully erosion, CRWD completed the Highland Ravine Stabilization/Restoration Feasibility Study in spring 2011. Based on the results from this study, several strategies were recommended to stabilize and restore the ravine area to alleviate flooding, sedimentation, and pollutant loading.

In fall 2011, CRWD applied for and received a Minnesota Board of Water and Soil Resources (BWSR) FY 2012 Clean Water Fund – Clean Water Assistance Grant for \$150,000 to implement the recommendations detailed in the feasibility study. In 2012, CRWD will begin working with an engineering firm to develop preliminary designs for gully stabilization and woodland restoration.

Actual construction of the stabilization practices as well as the woodland restoration plan will occur during summer 2013. It is estimated that the implementation of this project will reduce total sediment loads by 11.5 tons/year and total phosphorus loads by 91 lbs/year. In addition, stormwater volumes are estimated to be reduced by 0.08 ac-ft for a one-inch rain event.

:: The 50-acre woodland bluff area has been incised with gullies.



:: Residential properties at the base of Highland Ravine often experience property damage from floodwater.

# Our Work

## :: CRWD Water Resources (cont.)

### Trillium Nature Sanctuary

A dominant theme in CRWD's 2010 Watershed Management Plan is "Bring Water Back to Saint Paul." The value of reconnecting the residents of Saint Paul with the water resources that flow around them and beneath their streets is reflected in many CRWD programs — from education programs that aim to bring water back into the consciousness of people to physical restoration and enhancement initiatives that aim to literally bring streams that have long been buried in storm sewers back to life as flowing streams. Among the specific goals highlighted in the Watershed Management Plan is a goal to "identify opportunities to restore portions of historic streams of the District by providing surface flow where water is currently conveyed through an underground pipe."

The Trillium Nature Sanctuary presents an excellent opportunity to begin realizing this goal and building support for expansion of restoration efforts in the city. This 41-acre site, proposed for development into a park space attractive to humans as well as a diverse ecosystem of other species, sits close to the middle of where Trout Brook formerly flowed.

In 2011, the District completed Trillium Site Water Feature Feasibility Study to determine the best alternatives for bringing water back to the surface at this site and begin to identify and address challenges associated with re-creating a stream in a densely developed watershed. To achieve these purposes, the design team has conducted preliminary analysis and developed preliminary concept drawings of proposed water features to allow the design project to move efficiently into the final park design process.

An important part of the conceptual design process is incorporating input from numerous

project partners and interested people. Before the design process began, a workgroup was formed that included representatives from the local neighborhood, City of Saint Paul Parks and Recreation and Public Works Departments, Minnesota Department of Transportation, Minnesota Pollution Control Agency, Ramsey County Parks and Recreation, and CRWD.

An analysis of alternative sources of water was conducted and included several options for routing stormwater runoff from nearby watersheds to the site, options for pumping water from sources at elevations lower than the upstream end of the site, and options for running gravity driven flow through a pipe from sources at higher elevations. Based on this analysis, the project partners concluded that the preferred option is to drain water continuously from Arlington Jackson pond, north of the site, through a pipe that would outlet at the north end of the Trillium site. This water is proposed to be augmented during and after storm events with treated stormwater runoff from the Hatch Agate neighborhood west of the site. If capital funding and/or easements cannot be secured to construct the pipe from Arlington Jackson pond, pumping water from the Trout Brook Storm Sewer Interceptor (TBI) is also a possibility.

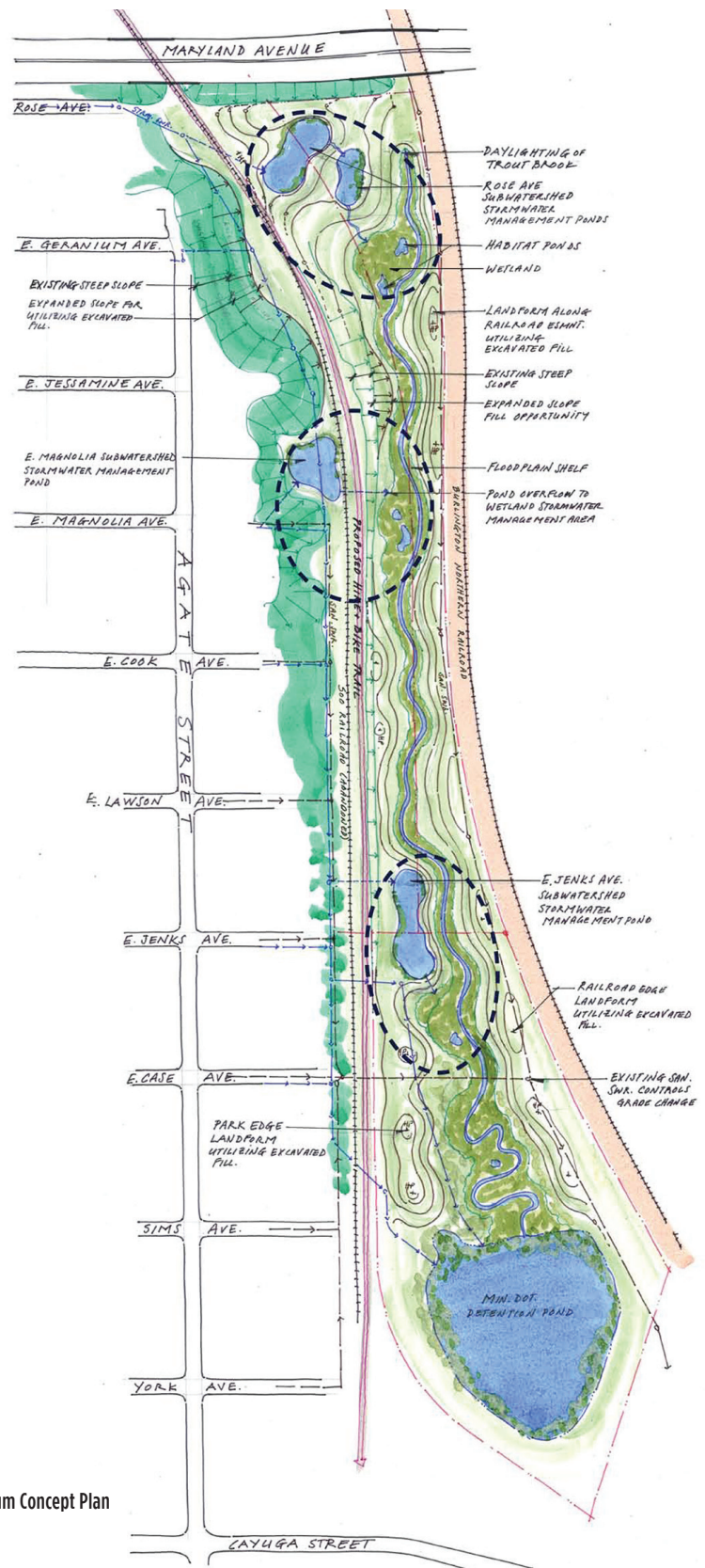
Water features proposed on site include a small stream, three stormwater treatment complexes, and an enhanced pond where the Sims Agate stormwater pond is located. The stream will begin at the northern end of the site and is proposed to have a base width on the order of 6-7 feet, with a floodplain bench on each side, and options for unpaved footpaths near the stream. The stream will have very mild sinuosity for most of the reach, but will become very sinuous at the lower end of the site before reaching the Sims Agate pond.





Three general areas are proposed to contain stormwater management systems that will be aesthetically subtle and contain diverse treatment elements to maximize pollutant removal. Water will enter the stormwater management systems from the neighborhood west of the site and will pass through a system of settling ponds, filtration systems, and wetlands before entering the stream. Detailed design of these stormwater systems will be conducted during the next stage of site design.

Enhancements at the Sims Agate pond are proposed that will render the pond safer and more attractive for people to recreate near it and make it more attractive to a variety of wildlife. The anticipated result of routing higher quality water from Arlington Jackson pond to this pond and treating stormwater from the Hatch Agate neighborhood prior to entering the Sims Agate pond is greater capacity for ecological function and diversity. Proposed changes to the pond will increase habitat quality along with this increased water quality. These enhancements include a broader emergent vegetation zone that will also function as a safety bench to prevent people from accidentally falling into deep areas, and greater depth diversity throughout the pond to increase habitat diversity for a variety fish, birds, reptiles, and amphibians.



:: Trillium Concept Plan

# Our Work

## :: 2011 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 advisory 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 and found 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. In January 2006, CRWD Board of Managers established a joint Technical Advisory Committee (TAC) 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.

### CRWD Permit Summary By Year

	2007	2008	2009	2010	2011
Applications Received	30	33	31	33	30
Acres Disturbed	94	85	110	358	142
Acres Impervious	68	64	65	194	90
Alternative Compliance Sites	12	13	5	15	14
Standard Compliance Sites	15	18	26	18	13
Linear Projects	4	5	9	9	6
Total Linear Impervious (ac)	37	34	32	156	49.83
Total Linear Treatment (cf)	72,180	20,969	75,201	431,597	118,110
Infiltration Approved (cf)	120,349	148,131	163,297	425,289	275,781
Filtration Approved (cf)	73,861	65,959	35,649	198,844	179,448
Variances Requested	2	2	2	2	1
Variances Approved	1	2	1	2	1
Incomplete/Withdrawn Applications	3	2	0	0	3





## Permitting Program

The adoption of District Watershed Rules in 2006 made necessary a permitting program to ensure that developments of more than one acre were in compliance with standards set forth in the Rules. By working with the District's consultant engineer, Wenck Associates, and permit applicants, the permit coordinator processes applications and presents staff recommendations to CRWD 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 Best Management Practices (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 TAC convenes regularly to discuss rules and potential changes to the permitting process. In 2011, the TAC met twice to discuss rule revisions to the one-acre land disturbance threshold, wetland regulations, volume reduction BMP credits, impacts to Trout Brook, and BMP maintenance.

:: Silt fence should stay intact during construction to contain sediment-laden runoff.



:: A storm drain inlet protected from runoff at a construction site.

# Our Work

## :: Trout Brook Storm Sewer Interceptor

CRWD owns, operates, and maintains the Trout Brook Storm Sewer Interceptor (TBI), which consists of 6.5 miles of pipes that drain 5,054 acres from the cities of Saint Paul, Roseville, Falcon Heights, and Maplewood.

Since 2007, CRWD has completed two major rehabilitation projects for the TBI system. The first major repair involved replacing a 200-foot section of the storm sewer adjacent to Willow Reserve in Saint Paul.

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. This project included replacement of a 200-foot section of TBI underneath L'Orient Street Bridge; reinforcement of a 260-foot section of TBI underneath Maryland Avenue with foundation supports; and concrete repairs inside another 4,000 feet of TBI. CRWD conducted less extensive repair work to TBI in 2011. It involved installing a new, permanent stormwater inlet to TBI for runoff from the railroad right-of-way as well as improving TBI access at CRWD's stormwater monitoring station.

### Stormwater Pollution Prevention Program

2011 was the fifth 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 2011 activities and programming in pursuit of permit compliance, and the planned activities for 2012. Highlights of the program included hosting municipal workshops on turf maintenance and winter maintenance and construction of stormwater BMPs within the Central Corridor in Saint Paul and at William Street Pond in Roseville.



:: Trout Brook Interceptor Outfall at the Mississippi River.

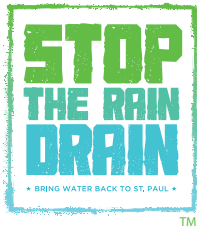


:: Construction site runoff in a natural area.





## :: Education and Outreach



### Stop the Rain Drain

In 2011 CRWD carried out the Stop the Rain Drain (SRD) gutter downspout redirection program, a goal expressed in the 2009 CRWD Education Plan.

In 2011, 69 garages were redirected totaling 16,000 square feet of garage roof — nearly one acre of redirected runoff. This amounts to approximately 320,000 gallons of runoff reduction per year. Since there are a wide range of garage conditions and drainage scenarios in CRWD, and many homeowners have difficulty fully understanding project descriptions and determining their own eligibility, Minnesota GreenCorps Member Kat McCarthy identified project garages that could be served using simple elbow redirection. In June 2011, CRWD Board Managers approved a program using these eligibility criteria:

- a garage whose roof drains onto an impervious surface that leads to an alley or street where runoff will meet the storm drain system;
- a garage adjacent to a lawn or garden area where runoff can be directed and infiltrate without impacting a neighboring property; and
- a garage whose roof areas can be redirected without the downspout extension crossing a walkway.



:: A Stop the Rain Drain redirected downspout.

rection work to be completed by a contractor. If there was no response after three weeks, a reminder postcard was sent via US Mail. SRD 2011 contractors, DTD Construction and LetUs Service, also installed rain barrels purchased by the homeowner, who were then allowed to request a \$50 reimbursement from CRWD. Homeowners who completed redirection work themselves were eligible for reimbursement at \$4/linear foot after submitting paperwork and receipts.

### 2011 SRD Total Annual Cost (69 projects)

PROGRAM COST	
• Design	\$500
• Printing	\$950
• Web updates	\$350
• Kat McCarthy staff time (264 hours August-October)	\$3,500
• Fortin Consulting SRD evaluation (April 2011)	\$3,000
<i>Program cost subtotal</i>	\$8,300
DOWNSPOUT REDIRECTION COST	
• Homeowner reimbursement	\$350
• Contractor (labor and materials)	\$5,500
<i>Downspout redirection cost subtotal</i>	\$5,850
<b>TOTAL ANNUAL COST</b>	<b>\$14,150</b>
ANNUAL COST PER PROJECT	\$205
DOWNSPOUT REDIRECTION COST PER PROJECT	\$80

### 2011 Pollutant Reduction (69 projects)

Impervious area treated	16,008 ft <sup>2</sup>
Volume reduction in ft <sup>3</sup> (20-yr life cycle)	864,440 ft <sup>3</sup>
Volume reduction in gallons (20-yr life cycle)	6,466,011 gal
P reduction (20-yr life cycle)	10 lb
TSS reduction (20-yr life cycle)	1,980 lb

# Our Work

## :: Education and Outreach (cont.)

### SRD 2011 Costs

At the close of SRD in November 2011, 69 garages were redirected at a total annual cost of \$14,150, a per project cost of \$205. Considering only downspout redirection costs, per project cost was \$80.

SRD continues to be cost effective when compared with other CRWD BMPs. The 2010-11 BMP Report shows a range of \$700-\$2,700 per pound of phosphorus removal for all Arlington Pascal BMPs.

2011 SRD cost per pound of phosphorus removed over the life cycle is \$1,542, considering total annual cost, and \$637 per pound of phosphorus removed, considering only downspout redirection cost:

### BMP Cost Benefit Analysis for Life Cycle Cost

	2010	2011
TP \$/# total annual cost	\$9,434	\$1,542
TP \$/# downspout redirection cost	\$1,645	\$637
Volume reduction \$/ft <sup>3</sup> total annual cost	\$0.1001	\$0.0164
Volume reduction \$/ft <sup>3</sup> downspout redirection cost	\$0.0175	\$0.0068

### Outreach

CRWD also continued outreach to students and adults in 2011 through direct work with organizations and community groups. CRWD staff and volunteers reached more than 1,500 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 42 municipal staff, and rain garden walking tours and workshops for more than 60 residents

### Rain Barrel Construction Workshop Grants

With \$1,200 in rain barrel construction workshop grants from CRWD, eight community organizations hosted more than 400 participants. Workshops were held by City of Falcon Heights Environment Committee, City of Saint Paul District Planning Councils 4, 6 and 13, City Academy, and Mississippi Market food cooperative.

:: Macroinvertebrate investigation at Como Lake.





### Metro WaterShed Partners

CRWD served WaterShed Partners (WSP) in 2011 by hosting and attending monthly meetings and contributing to the Clean Water Media Campaign. 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 and public service announcements (PSAs) to educate the public about preventing polluted runoff. In 2011, the program boasted 7 million media impressions including PSA placements during St. Paul Saints baseball games, on Comcast cable channels, Minnesota Public Radio, and ads played on the Twins Radio Network.

### Minnesota GreenCorps

CRWD hosted its first Minnesota GreenCorps Member in 2010-11. Kat McCarthy worked in all Education and Outreach program areas, but spent most of 2011 hard at work on the Stop the Rain Drain program identifying garages that met 2011 program criteria.



PLANTING FOR CLEAN WATER

The Blue Thumb Partners are a group of professionals from local governmental units (watershed and conservation districts, cities, counties), nonprofit 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 contributing partner helping to maintain a website of clean water gardening resources and print and display materials for resident use. Blue Thumb partners work to cultivate consistent clean water planting messages for watershed residents. Visit [bluethumb.org](http://bluethumb.org).



:: Kat McCarthy.

# Our Work

## :: Stewardship and Partner Grants

### Stewardship 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 Grant program are to:

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 that 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 2011, 27 grants were awarded, totaling \$29,920. These grants helped make possible 19 rain gardens, one green roof, three pervious paver projects, one erosion control project, three rain barrels, and

eight rain barrel construction workshops. Grant funding also provided support for the District's watershed artist-in-residence, two interns from Gordon Parks High School, 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.

2011 Partner Grants included funding for a Knowledge Attitudes & Practices study designed by University of Minnesota Water Resource Center staff in collaboration with Freshwater Society, a water quality education event designed for Latino youth, stipends for environmental education internships for East Side youth, 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 \$35,000 of funding.

### 2011 Grants

Twenty-seven Stewardship Grant awards (up to \$2,000) totaled nearly \$30,000. Four Partner Grant awards (\$2,000 to \$20,000) totaled \$35,000.



:: Pervious driveway.



:: Pervious parking pad in a Saint Paul alley.



:: 2011 high school interns Daniel Denham and Destinee Vang.



:: Wine barrels to be repurposed into rain barrels.



:: Newly planted rain garden.



# Our Work

## :: Stormwater Quality Monitoring

### **Stormwater Quality Monitoring**

Since 2005, CRWD has been monitoring stormwater quality and quantity from its 41-square mile watershed in Saint Paul, Roseville, Maplewood, Falcon Heights, and Lauderdale, which eventually drains to the Mississippi River. The watershed district is highly urbanized with 225,000 residents and at least 42% impervious land cover. CRWD is a special purpose unit of local government established in 1998 whose mission is to protect, manage, and improve the water resources of the District. Essential to accomplishing this mission, CRWD has developed and implemented a monitoring program to assess stormwater water

quality and quantity in various subwatersheds and the four lakes located within CRWD.

Throughout the year in 2011, CRWD collected water quality and flow data from storm sewers, stormwater ponds, and lakes at 16 stormwater sites. Of those 16 sites, ten sites 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, Saint Anthony Park and Trout Brook. Como 7, Villa Park, Trout



:: Stormwater monitoring staff enters a storm drain.





Brook-West Branch, and Trout Brook-East Branch are located within Trout Brook subwatershed while Sarita is located within the Saint Anthony Park subwatershed. Samples were collected during both baseflow (dry weather) and stormflow (wet weather) and were analyzed for a suite of water quality parameters including nutrients, sediment, metals, and bacteria. Of the remaining sites, two were flow-only stations at Como Lake and Lake McCarrons and four were water level recording stations at three stormwater ponds located in the Trout Brook subwatershed and one pond located in the Villa Park subwatershed.

Ramsey County Public Works Department (RCPW) monitored water quality of the four lakes in CRWD on a monthly or bi-monthly basis from May through September. The lakes were monitored for a suite of water quality parameters including nutrients, sediment, water clarity, and chlorophyll a.

2011 was an above average year for precipitation based on historical normal rainfall averages. Five monitoring sites were monitored throughout the entire year and collected an average of 358 days of data each. These five sites were located in three of the four major subwatersheds. Sites not monitored for the entire year collected an average of 222 days of data each. Winter monitoring efforts aided in the MPCA's Chloride Monitoring project.

In general, CRWD major subwatersheds recorded greater flow and lower phosphorus and sediment yields in 2011 than in previous years. The Trout Brook subwatershed generated the highest discharge and TP and TSS loads in CRWD with East Kittsondale and Saint Anthony Park subwatersheds producing the next highest TP and TSS loads. Most of this pollutant loading occurred during storms rather than during dry weather condi-

tions. The Phalen Creek site experienced high water during most of the spring and summer. This site yielded much smaller TSS loads than other major subwatershed outlets, and the per acre water export was highest from Phalen Creek. The Trout Brook subwatershed had the second highest per acre water yield. In terms of flow-weighted pollutant concentrations, East Kittsondale had the highest flow-weighted average TP and TSS concentrations of all sites in 2011, but the concentrations were low 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, stormwater runoff from CRWD was more polluted for TP and TSS than the Mississippi River. While the East Kittsondale subwatershed had the highest TP and TSS flow-weighted average concentrations, the Phalen Creek subwatershed had the lowest flow-weighted concentrations.

Besides phosphorus and sediment being pollutants of concern in CRWD, metals and bacteria issues were identified in 2011. During storm events, the average lead and copper concentrations for all major subwatershed outlet sites except one were higher than the state standards. Average zinc concentrations during storms at two of the four major subwatershed outlet sites were higher than the state standard.

Thirteen of 19 samples collected during storm events at the four major subwatershed outlet sites in 2011 exceeded the maximum standard for E. coli bacteria with the highest being 40,400 mpn/100mL. Conversely, during dry weather, only 4 of 65 samples exceeded the state standard. The

# Our Work

## :: Stormwater Quality Monitoring (cont.)

City of Saint Paul eliminated an illicit discharge of bacteria in the East Kittsondale subwatershed in May of 2010, and 2011 bacteria concentrations continued to reflect this, with only one exceedance at this site during dry weather.

Due to a wet monitoring season and spring flooding, all four lakes experienced increased total phosphorus and chlorophyll a concentrations, which was especially apparent in Crosby Lake. However, Como Lake is the only lake currently considered impaired, as it does not meet the state eutrophication standard, which is based on total phosphorus, chlorophyll a concentrations, and water clarity data collected over several years.

Based on field observations, CRWD staff recorded up to 10 potential illicit discharges from the Saint Anthony Park subwatershed. Due to fluctuations from the Mississippi River these discharges could not be confirmed by flow data. However, staff noted colorful plumes, floating debris, and

foul odor during these events. While results are currently inconclusive, the discharges typically have higher concentrations of total dissolved solids, total suspended solids, and E. coli. CRWD is working with the City of Saint Paul to determine the source and magnitude of these discharges.

Based on the results and findings of the 2011 monitoring program, CRWD makes several recommendations for 2012. CRWD will continue to document illicit discharges throughout the watershed, including Saint Anthony Park, and will work with the City of Saint Paul to eliminate other potential sources of pollution. It will continue monitoring through winter months and will work with the MPCA to monitor the extent of chloride pollution. CRWD will also begin to evaluate important portions of unmonitored subwatersheds to consider new long-term monitoring sites.



:: Some sections of the Saint Paul sewer system date to the 1880s.





## :: BMP Maintenance and Monitoring

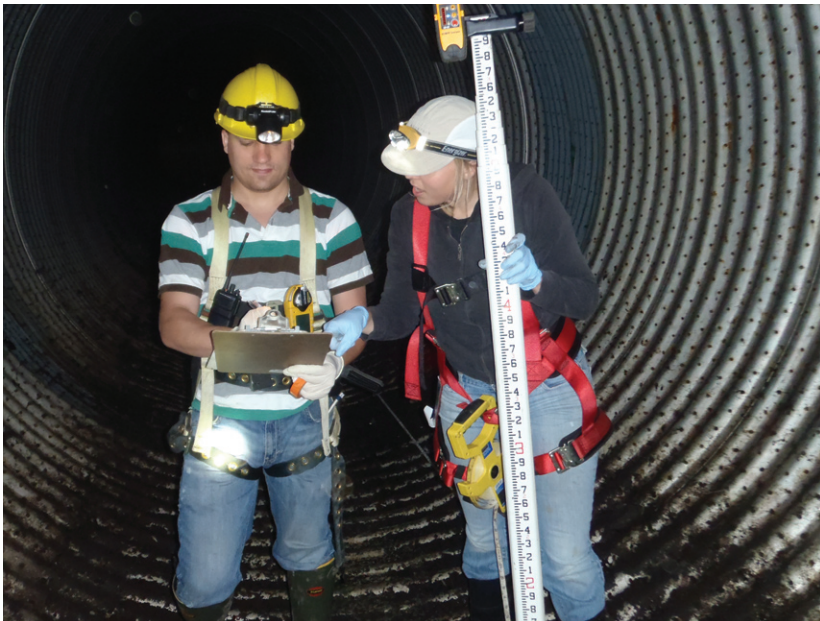
Stormwater Best Management Practices (BMPs) are activities, practices, and structures that prevent or reduce the impacts of stormwater runoff. CRWD maintains and/or owns several stormwater BMP structures throughout the watershed. Those BMPs include eighteen stormwater BMPs constructed in the Como Lake subwatershed in Saint Paul, and four BMPs constructed in the Central Corridor Light Rail Transit (CCLRT) project area, also in Saint Paul.

The BMPs constructed in the Como Lake subwatershed were built as part of the Arlington Pascal Stormwater Improvement Project, a multi-jurisdictional project that aimed to reduce localized flooding and improve the water quality of Como Lake. The BMPs constructed include an underground stormwater storage and infiltration facility, a regional stormwater pond, eight rain gardens, and eight underground infiltration trenches. The underground stormwater facility and infiltration trenches have pretreatment devices (a hydrody-

namic separator and sumped catch basins and manholes) incorporated into their design, in order to provide treatment of stormwater runoff by capturing trash, debris, oils, and sediment before it flows into the BMP. These pretreatment units help maintain the ability of BMPs to remove pollutants and infiltrate stormwater runoff.

The BMPs constructed in the CCLRT project area include three stormwater planters and one rain garden. Sumped catch basin inlets provide treatment of stormwater runoff before it flows into each BMP. These green infrastructure practices are highly visible along the corridor. They not only provide treatment of stormwater runoff, reducing the amount of pollutants flowing to the Mississippi River, but also improve aesthetics and air quality, and reduce the urban heat island effect.

All of the BMPs and pretreatment units are regularly inspected and maintained by CRWD to ensure they are functioning properly. CRWD also



:: BMP Maintenance staff check the solids present in the Arlington Hamline Stormwater Facility pipe.



:: Rain garden at Asbury and Frankson streets in Saint Paul.

# Our Work

## :: BMP Maintenance and Monitoring (cont.)

receives assistance with maintenance of some of the BMPs from citizen volunteers and other government entities. In 2011, approximately 560 staff and volunteers hours were spent inspecting and maintaining the BMPs.

Since 2007, CRWD has been collecting water quality and/or quantity data on several BMPs constructed for the Arlington Pascal Project. BMPs are monitored to determine their overall effectiveness at reducing stormwater runoff and pollutant loads. All of this monitoring data was used to calibrate a water quality model which simulated the amount of stormwater runoff and pollutants flowing to and from all 18 of the Arlington Pascal Project BMPs. Modeling efforts are necessary because Minnesota winters prohibit monitoring data from being collected year round. This data, in addition to actual construction, design, and operation and maintenance costs for each individual BMP, were used to

determine the cost-benefit (the cost per pound of pollutants removed and the cost per unit of volume reduction) of each BMP. All of this data is presented in CRWD's *BMP Performance and Cost-Benefit Analysis: Arlington Pascal Project 2007-2010*, which was published in early 2012.

CRWD also undertook additional monitoring efforts to determine the amount of gross solids (trash, organic matter, and sand/gravel) which accumulated within the Arlington Pascal Project BMPs as well as the gross solids captured by the BMP pretreatment units. Additionally, the amount of phosphorous contained in the gross solids was also determined. The results of this study were incorporated in to the BMP performance analysis described above. However, detailed results may also be found in CRWD's *Arlington Pascal Project: Gross Solids Accumulation Study* which was published in 2012.



:: Litter and organic matter accumulate within the BMPs.



:: BMP Maintenance staff test solids collected in the stormwater trenches.



## Green Infrastructure Definition:

A stormwater management approach that uses natural landscape features and hydrologic processes to treat stormwater by infiltrating, evapotranspiring, and/or reusing runoff. Green infrastructure also achieves other environmental goals such as carbon sequestration, reductions in urban heat island effect, improved air quality, improved wildlife habitat, and increased opportunities for outdoor recreation.

### :: CCLRT

The construction of the **Central Corridor Light Rail Transit** (CCLRT) project is a unique opportunity to improve stormwater quality in a major urban transportation corridor. The Metropolitan Council, CRWD, the City of Saint Paul, and Ramsey County are constructing green infrastructure (see definition box) practices to mitigate stormwater pollution. Financial assistance for the project comes from a State of Minnesota Clean Water Fund grant.

The two-way commuter rail system will connect the downtowns of Minneapolis and Saint Paul in an urban corridor that is home to both commercial and industrial land uses and residential property. The current drainage system within the project limits sends untreated stormwater from about 111 acres of impervious surface directly to the Mississippi River. Portions of this stretch of the river are impaired for turbidity, nutrients, and bacteria.

Based on its large project area, the 100+ acre CCLRT construction area is required to meet **CRWD Watershed Rules**. CRWD Rules require stormwater quality improvements by retaining one-inch rainfalls through BMPs that remove 90% of sediment and 60% of phosphorus.

Four types of green infrastructure practices have been selected for the Corridor:

- integrated tree trench system,
- stormwater planters,
- rain gardens, and
- infiltration trenches.



:: Aldine Street stormwater planter.

# Our Work

## :: CCLRT (cont.)

The integrated tree trench system is being constructed on both sidewalks along 5.2 miles of University Avenue where well-drained soils exist. The system will receive University Avenue stormwater runoff 1) via catch basins that direct runoff to infiltration trenches, and 2) from sidewalks via pervious pavers that direct runoff to structured soils that support the health of boulevard trees. The system will in turn improve air quality, reduce the urban heat island effect, and enhance the aesthetics of the corridor. As of December 1, nearly 40% of the tree trench was complete.

Eleven additional green infrastructure projects are being constructed on streets connecting to University Avenue. In fall 2011, three stormwater planters were constructed at the following intersections with University Avenue: Aldine Street SE, Albert Street NW and Albert Street NE. One rain garden was constructed at Pillsbury Avenue NW,

and the City of Saint Paul has also constructed two infiltration trenches at St. Albans Street South and Arundel Street South.

Other BMPs to be built in 2012 include:

### ***Rain Gardens***

Syndicate Street Southwest  
Marion Street Southwest  
Marion Street Southeast

### ***Stormwater Planters***

Griggs Street Northwest  
Oxford Street Southeast

It is anticipated that CCLRT green infrastructure practices will remove 83 pounds of phosphorus and two tons of sediment per year from stormwater runoff which will improve water river quality.





# 2011 District Finance Summary

CRWD offers this summary overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2011. The complete 2011 Annual Financial Report and Audit can be found in the Appendix.

## Operations

2011 budgeted revenue was \$1,934,380 and actual revenue was \$1,864,765. Expenditures in 2011 were under budget by \$335,990, from \$2,078,960 to \$1,742,970. This decrease was largely due to a decrease in interest income and uncollectable property taxes.

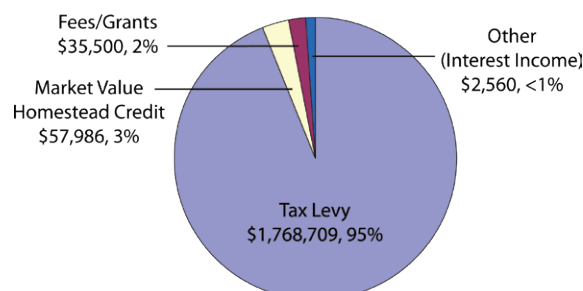
## Capital Improvement Program (CIP)

2011 budgeted revenue was \$1,479,841 and actual revenue was \$710,137. This decrease of \$769,704 in revenue was mostly due to not starting the Villa Park Wetland Restoration Project which therefore did not bring in the approved loan funds. Expenditures in 2011 decreased by \$1,051,145, from the budgeted amount of \$1,651,890 to \$600,745. This reduction in expenditures was largely due to not starting the Villa Park Wetland Restoration Project.

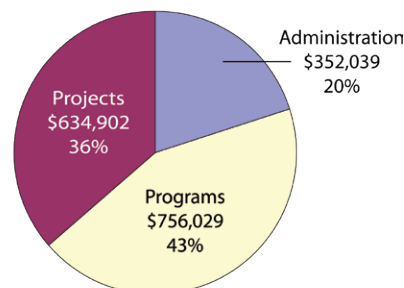
## Financial Highlights

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$10,000,685 (net assets). Of this amount, \$1,041,971 (unassigned 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 increased \$93,274 in 2011. As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance was \$4,236,598 compared to \$4,024,508 the previous year. At the end of the current fiscal year, the District is able to report a positive balance in net assets.

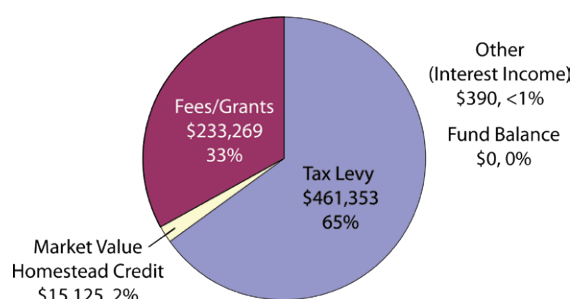
**2011 Operations Revenue (actual)**  
Total \$1,864,765



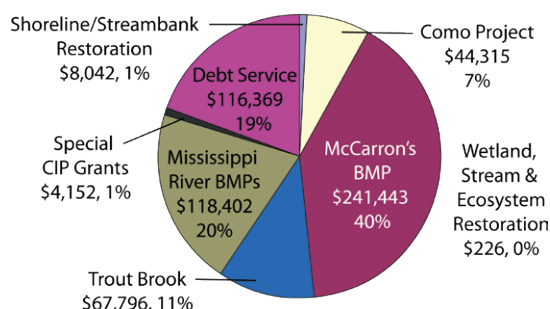
**2011 Operations Expenditures (actual)**  
Total \$1,742,970



**2011 CIP Revenue (actual)**  
Total \$710,137



**2011 CIP Expenditures (actual)**  
Total \$600,745



# Our Plans

## :: 2011 Year In Review

2011 was an outstanding year for CRWD. Oversight and maintenance continued for the Trout Brook Stormwater Interceptor which was transferred to CRWD from the Metropolitan Council in 2006. The CRWD Permitting Program completed its fifth year of implementation. In 2011, 30 permit applications were received and processed. Of the 142 acres covered in the applications, approximately 90 of those acres were impervious surfaces on which stormwater runoff is treated to the one-inch standard specified in the Watershed Rules.

CRWD's Monitoring program included 16 stormwater monitoring sites in 2011. Ten 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 27 grant awards totaling nearly \$30,000 in 2011. Four Partner Grants totaling \$35,000 helped make possible a volunteer stewardship program, a study of lawn care practices in two subwatersheds of Como Lake, an environmental intern program, and a water education and celebration event serving Latino youth.

The construction of the Central Corridor Light Rail Transit (CCLRT) project is a unique opportunity to improve stormwater quality in a major urban transportation corridor. With financial assistance from the State of Minnesota Clean Water Fund, project partners Metropolitan Council, CRWD, the City of Saint Paul, and Ramsey County began constructing green infrastructure practices to mitigate stormwater pollution in the corridor.

Another major project completed in 2011 was at William Street Pond, a stormwater detention pond near William and Elmer Streets in Roseville. The improved William Street Pond is expected to remove an additional seven pounds of phosphorus per year from the stormwater entering it, resulting in less algae overgrowth.

In 2011, CRWD completed the Trillium Site Water Feature Feasibility Study to determine the best alternatives for bringing water back to the surface at this 41-acre site. The site is being developed into a park space and is located in the area where Trout Brook formerly flowed.

Below is a complete list of 2011 CRWD projects:

Fund Name	Project Name
Administration	General Administration
	BWSR Prap
Groundwater Protection	Well Sealing
	Groundwater Studies



<b>Rulemaking</b>	Evaluate Rules and Conduct Annual TAC Mtg
	Review and Compare Metro WMO Stormwater Regulations
	Evaluate Green Infrastructure Incentives/Regulation
<b>Permitting</b>	Implement Effective, Efficient, and Equitable Permit Program
	Construction Inspection
	Permit Closure and Post Construction Inspection and Maintenance
<b>Stewardship Grants</b>	Grant Promotion and Outreach
	Project Inspection
	Project Design and Assistance
	Application Processing and Grant Administration
<b>Monitoring and Data Collection</b>	Baseline Monitoring and Data Collection
	Lake Monitoring and Data Collection
	Villa Park Monitoring and Data Collection
	Wetland Biological Monitoring
	Willow Reserve/Loeb Lake Monitoring and Data Collection
<b>Education and Outreach</b>	Outreach — Communication
	Homeowner — Downspouts
	Homeowner Outreach — Community Clean-Up
	Municipal Outreach
	Website
	Landscape Contractor Outreach
	Partnerships
	Events/Outreach
<b>Technical Resources and Information Sharing</b>	General
	Watershed Approach: MS4 & TMDL Compliance
	Strategic Project Preparation
<b>Future Trends: Research &amp; Positioning</b>	Innovative BMPs Research
	National Speakers for Conferences

# Our Plans

## :: 2011 Year in Review (cont.)

<b>Geographic Information System</b>	GIS Program Development
	Data Acquisition
	Internal Mapping System
<b>Safety Program</b>	Safety Training
	Safety Program Updates/Audits
	CSE Equipment
	Administrative Allocation
<b>Shoreline and Streambank Maintenance</b>	Lake McCarrons Shoreline Restoration Project
	Saint Paul Natural Resources Intern Program
<b>Como Lake Project Planning, Maintenance, Inspection, Monitoring</b>	BMP Maintenance
	Settleable Solids Accumulation Sampling and Investigation
	Arlington-Hamline Facility Modifications
<b>Lake McCarrons Project Planning, Maintenance, Inspection, Monitoring</b>	Lake McCarrons Subwatershed
	Villa Park Wetland Sediment Sampling
<b>Crosby Lake Subwatershed</b>	Crosby Lake Management Plan
<b>Trout Brook Subwatershed</b>	TBI Easement Verification and Documentation
	TBI Hydraulic/Hydrologic Model Calibration and Update
	Center Street/Rice Street Subwatershed Analysis
	NPDES MS4 Stormwater Program
	Illicit Discharge Detection and Elimination Program
	TBI Televised Inspection
<b>Wetland, Stream, and Ecosystem Restoration — Planning</b>	Wetland Reestablishment Feasibility Study
	Stream Corridor Restoration Feasibility Study



<b>Mississippi River Subwatershed</b>	Mississippi River Subwatershed Initiatives
	Implement Green Infrastructure along the Central Corridor — Planning
	Subwatershed Planning Process
	Sarita Wetland Plan Implementation Monitoring
<b>Special Projects and Grants</b>	Staff and Engineering Support of Special Grants
	Program Initiatives
<b>Shoreline and Streambank Restoration</b>	Lake McCarrons Shoreline Restoration Project
<b>Lake McCarrons BMPs</b>	Villa Park Performance Improvement Project
<b>Trout Brook BMPs</b>	TBI Repair Station 23+00 to 23+15
<b>Wetland, Stream, and Ecosystem Restoration — Implementation</b>	Wetland Improvement
	Wetland, Stream, and Ecosystem Restoration — Implementation
<b>Mississippi River Subwatershed — Implementation</b>	CCLRT BMP Implementation

# Our Plans

## :: 2012 Workplan

Fund Name	Project Name	Priority	Project Description
<b>Adminstration</b>	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 five 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.
	Performance Review and Assistance Program	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.
<b>Groundwater</b>	Groundwater Protection — Well Sealing	Important	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	Important	Monitor Groundwater levels in the Cleveland-Randolph Study Area
	Ramsey County Groundwater Plan		
<b>Rulemaking/ Rule Revisions</b>	Evaluate Rules and Conduct Annual Technical Advisory Committee Meeting	Critical	The District regularly reviews its Rules with support from the Technical Advisory Committee (TAC). The District will continue to evaluate its Rules to ensure that they are effective, practical, and economically reasonable.
	Review and Compare Metro WMO Storm-water Regulations		
	Evaluate Green Infrastructure Incentives/Regulation	Beneficial	Evaluate potential incentives to accelerate Green Infrastructure in alleys



<b>Permitting</b>	Implement 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	Inspect 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.
	Filtration BMP Monitoring		Moved to Monitoring.
	Web Based Permit Tracking Integration	Important	Implement Web-Based Permit Tracking System based on 2011 Study
	Industrial Permit Assistance		
<b>Stewardship Grants</b>	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	Annually inspect Stewardship Grant projects to ensure proper function and intended benefit of each project.
	Project Design and Assistance	Important	Conduct pre-application site visits as well as prepare rain garden, shoreline restoration, and erosion control project designs.
	Stewardship and Partner Grants	Important	Grant administration and approval. Review and make recommendations on proposed projects and grant applications. Administer and coordinate approved grants.

# Our Plans

## :: 2012 Workplan (cont.)

Monitoring and Data Collection	Baseline Monitoring and Data Collection	Critical	Operate and maintain 15 full water quality monitoring stations, 14 level/flow stations, and six precipitation stations. Complete 2011 Water Monitoring Report by May 2012. Assist the City of Saint Paul with their NPDES monitoring requirements.
	Lake Monitoring and Data Collection	Important	Continue lake level monitoring on Como, McCarrons, 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 Bio-monitoring	Important	Complete macrophyte and invertebrate indices of biological integrity for 10 wetlands.
	Long-term Monitoring Database Development	Critical	Continue partnership with other metro agencies to develop a database for long-term storage of monitoring data to facilitate further analysis of monitoring data.
	Willow Reserve/Loeb Lake Monitoring and Data Collection	Important	Monitor Loeb Lake and Willow Reserve as identified in the Loeb Lake/Willow Reserve Management Plan.
	Non-CRWD BMP Inventory	Important	Inventory all non-CRWD BMPs into new system meeting new state NPDES - MS4 requirements.
	10-Year Monitoring Plan	Beneficial	Develop a 10-year District-wide monitoring plan that establishes the monitoring program framework. The plan will define the questions that monitoring will address, identify measureable objectives, and include specifics on monitoring sites, parameters, methodologies, and timelines, and will direct the District to other monitoring needs and research.
	Filtration BMP Monitoring	Beneficial	Collaborate with permit holders to monitor the effectiveness of filtration BMPs.
	CCLRT Tree Trench Monitoring	Critical	Monitor one block of Integrated Tree Trench along University Avenue.
	Beacon Bluff Monitoring	Important	Monitor groundwater quality and quantity beneath the Beacon Bluff BMP.
	Crosby Subwatershed Monitoring	Important	



<b>Education and Outreach</b>	Outreach/Communication	Critical	Provide staff, equipment, and material support for general watershed outreach and education programming.
	Homeowner Outreach — Stop the Rain Drain	Critical	Implement “Stop the Rain Drain” program to redirect downspouts from impervious to pervious surfaces. This program will raise public awareness and understanding of stormwater pollution as well as reduce stormwater runoff.
	Homeowner Outreach — Community Clean-up	Critical	Provide grants to local partners for Community Water Quality Cleanups for Water Quality and yard waste education toolkit.
	Municipal Outreach	Important	Provide appropriate water resource training and professional development for city and county staff.
	Website and Social Media	Important	Maintain and improve CRWD website and social media to serve as an effective tool for educating and informing the public.
	Landscape Contractor Outreach	Important	Facilitate best landscape practices by sponsoring education and training opportunities
	Partnerships	Important	Base grants and annual contributions for partner organizations.
	Events/Outreach	Important	Sponsor or participate in water quality education events for the general public, schools, and student groups.
	Homeowner Outreach — Watershed Heroes	Important	Maintain an award and or recognition program for CRWD volunteers and outstanding citizens.
<b>Technical Resources and Information Sharing</b>	Urban Stormwater BMP Specialist	Important	Establish Urban Stormwater BMP Specialist Position to assist Permit, Stewardship Grants, Education, and BMP Programs.
	Watershed Approach: MS4 and TMDL Compliance	Important	Coordinate MS4 and TMDL compliance and reporting as well as BMP implementation. The District will take on a role that would include inventorying and accounting for reductions in pollutant loading in the watershed and representing the MS4s in large scale TMDL studies. The District would serve as the “aggregator” or TMDL coordinator to assist each of the MS4s, in coordination, in meeting their individual TMDL requirements.
	Strategic Project Preparation	Beneficial	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.

# Our Plans

## :: 2012 Workplan (cont.)

<b>Future Trends: Research and Positioning</b>	Innovative BMPs Research	Important	Conduct or facilitate research on innovative BMPs with a focus on their performance, applicability under different conditions, and long-term maintenance requirements.
	Water Resource Awareness Tools/ Methods/ Techniques	Beneficial	Identify stormwater design methods/techniques that provide both visual appeal and raise public awareness and understanding.
	Water Quality Goals for Other Pollutants of Concern	Beneficial	Determine the need for, and if necessary develop quantitative goals for, addressing additional pollutants in District resources through a technical and public stakeholder process.
	National Speakers for Conferences	Beneficial	Sponsor/coordinate workshops on innovative urban management techniques, future trends, etc.
<b>Safety Program</b>	Safety Training	Critical	The District commitment to a safe working environment for its employees is provided by regular training that includes confined space entry certification.
	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.
	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.
<b>Shoreline and Streambank Maintenance</b>	Lake McCarrons Shoreline Restoration Project	Important	Promote and coordinate shoreline restoration projects around Lake McCarrons through a partnership with the Ramsey Conservation District.
	Saint Paul Natural Resources Intern Program	Important	Sponsor a natural resources intern with the City of Saint Paul to help maintain rain gardens, restored shorelines, and other natural areas.
	Loeb Lake Shoreline Assessment	Important	Conduct an assessment of shoreline conditions around Loeb Lake.
	Crosby Lake Shore- line Assessment	Beneficial	Conduct an assessment of the shoreline conditions around Crosby Lake.
<b>Como Lake Subwatershed</b>	Como 2 Feasibility Study	Beneficial	Conduct a Subwatershed Study for Como Subwatershed #2.
	Como BMP Maintenance and Inspection	Critical	Continue to monitor the BMPs from the Arlington Pascal Stormwater Improvement Project.



	Como Lake Implementation Reporting and 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	Important	Implement a trash net demonstration site on Como Lake.
	Como 7 Subwatershed - Curtis Field	Important	
	Settleable Solids Accumulation Sampling and Investigation	Beneficial	Sample and monitor the debris accumulation, pollutants removed, and pollutant load removal capacity of the Arlington Pascal BMPs and pretreatment devices.
	Arlington-Hamline Facility Modifications	Beneficial	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.
	Como Park Regional Pond Bathymetric Survey	Beneficial	Conduct the five-year bathymetric survey of the Como Park Regional Pond in order to determine sedimentation rates.
	BMP Performance Improvements	Critical	In accordance with responsibilities outlined in the Como Park Regional Pond Operation and Maintenance Plan, reconstruct the muskrat control along the pond's perimeter, and construct a new native vegetation buffer.
	Como Regional Park Stormwater Plan	Important	Assist the City of Saint Paul with a Stormwater Management Plan for Como Regional Park.
<b>Lake McCarrons Subwatershed</b>	Lake McCarrons Subwatershed Study	Important	To be completed under the Lake McCarrons Subwatershed Plan (413).
	Villa Park Wetland Sediment Sampling		
<b>Loeb Lake Subwatershed</b>	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.
	Good Housekeeping Assessment		

# Our Plans

## :: 2012 Workplan (cont.)

<b>Crosby Lake Subwatershed</b>	Crosby Lake Management Plan Implementation	Critical	Implement planning initiatives of lake management plan for Crosby Lake with input from federal, state, and local agencies, and citizens and other interested parties.
	Highland Ravine Stabilization	Important	Implement/coordinate ravine restoration/stabilization project.
<b>Trout Brook Subwatershed</b>	Operation, Maintenance and Management	Critical	Inspection and minor maintenance of TBI as needs arise as well as management and coordination of Trout Brook related activities.
	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 & Update	Critical	Identify undersized and over-capacity pipe sections and implement pipe upgrades. Investigate the function of the TBI stormwater ponds.
	Center St./Rice St. Subwatershed Analysis	Important	Implement findings of this subwatershed analysis 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	Implement MST methods for identifying source(s) of bacteria in key subwatersheds. Investigate pollution "hot spots" including Saint Anthony Park subwatershed. Assist City of Saint Paul with implementing IDDE monitoring.
	(TBI) Television 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.
	Trout Brook Subwatershed Study	Beneficial	



<b>Wetland, Stream, and Ecosystem Restoration — Planning</b>	Wetland Reestablishment Feasibility Study	Beneficial	This initiative will investigate the feasibility of specific reestablishment projects identified in the wetland management plan. The Victoria Park site in Saint Paul is one of the identified priorities for Wetland Reestablishment in the District.
	Stream Corridor Restoration Feasibility Study	Important	As part of the <i>Bringing Water Back to Saint Paul</i> campaign, the District will explore the feasibility and value of restoring a number of stream corridors in the District. The Ford Site is one of the identified priorities for Stream Corridor Restoration in the District.
<b>Mississippi River Sub-watershed</b>	Mississippi River Subwatershed Initiatives		
	Implement Green Infrastructure along the Central Corridor — Planning	Critical	The District intends to partner with the City of Saint 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 Saint 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.
	Illicit Discharge Mitigation Study		
	Subwatershed Planning Process		
	Sarita Wetland Plan Implementation Monitoring		
<b>Watershed Management Planning</b>	Third-generation Watershed Management Plan		Maintain an up-to-date plan that reflects the activities and initiatives of the District.
<b>Special Projects and Grants</b>	Staff & Engineering Support of Special 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

## :: 2012 Workplan (cont.)

<b>Shoreline and Streambank Restoration</b>	Shoreline and Streambank Restoration Projects	Important	Implement shoreline and streambank restoration projects throughout the District including wetlands and Lake McCarrons, Loeb Lake, Crosby Lake, and Como Lake.
<b>Como Lake BMPs</b>	Chatsworth/Como Underground Filtration		
	Como Lake Subwatershed BMPs	Important	Implement BMPs within the Como Lake Subwatershed in accordance with Como Lake Management Plan, Como Lake TMDL, Como Subwatershed # 3 and #7 Studies.
	High School Pervious Parking		
<b>Lake McCarrons BMPs</b>	Villa Park Wetland Restoration Project	Critical	Complete the Villa Park Wetland Restoration Project.
	Villa Park Subwatershed Plan and BMP Design	Critical	Finalize Villa Park Subwatershed Plan and engineer two BMPs.
<b>Loeb Lake BMPs</b>	Stormwater Pond Retrofit	Beneficial	Install a skimmer structure on the pipe connecting the southeast stormwater pond to Loeb Lake.
<b>Crosby Lake BMPs</b>	Crosby Lake Management Plan CIPs	Important	Implement BMPs in Crosby Lake subwatershed.
	Highland Ravine Stabilization Project	Critical	Implement Highland Ravine Stabilization Project.
<b>Trout Brook BMPs</b>	TBI Repair Station 136+16 to 168+73	Critical	Conduct TBI repairs from Station 136+16 to 168+73.
	TBI Repair Station 185+82 to 186+94	Critical	Conduct TBI repairs from Station 185+82 to 186+94.
	TBI Repair West Tunnel Station 0+00 to 17+62	Critical	Conduct TBI West Tunnel repairs from Station 0+00 to 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.



<b>Wetland, Stream, and Ecosystem Restoration — Implementation</b>	Wetland Improvement	Beneficial	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 Reestablishment: Implementation	Beneficial	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.
	Trillium Site — Water Resource Feature Engineering	Important	Complete final engineering, assist with bidding, and award.
<b>Mississippi River Subwatersheds BMPs</b>	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.
	CCLRT Redevelopment BMPs	Critical	Assist in implementation of stormwater BMPs as opportunities arise, as part of CCLRT redevelopment or other redevelopment efforts.
<b>Special Projects and Grants</b>	Special Grants	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.
	Stormwater Reuse Demonstration		
<b>Debt Service</b>	Program Initiatives	Critical	Annually meet the full requirements of the District's past debt service.





# Appendix A

## :: Financial Statement and Audit



# **ANNUAL FINANCIAL REPORT**

**Year Ended December 31, 2011**

**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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**CAPITOL REGION WATERSHED DISTRICT**

**ORGANIZATION**

December 31, 2011

---

**Board of Managers**

Joseph Collins - President

Seitu Jones - Secretary

Robert P. Piram - Public Education and Information

Mary Texer - Vice-President

Michael R. Thienes - Treasurer

**Watershed District Staff**

Mark Doneux, Administrator

Melissa Baker, Water Resource Technician

Elizabeth Beckman, Education and Outreach Coordinator

Joy Degl'innocenti, Water Resource Technician - Seasonal

Anna Eleria, Water Resource Project Manager

Robert Fossum, Water Resource Project Manager

Morgan Greenfield, Water Resource Technician - Seasonal

Forrest Kelley, Regulatory and Conservation Program Manager

Matt Loyas, Water Resources Technician

Dawn Nelson, Office Manager

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, 2011, 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.

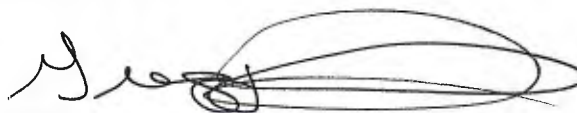
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Capitol Region Watershed District as of December 31, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 9 to the financial statements, in 2011, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

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 GASB, who considers it to be an essential part of financial reporting for placing the 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

June 22, 2012

## 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, 2011.

### **Financial Highlights**

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$10,000,685 (Net assets). Of this amount, \$4,295,201 (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 increased by \$93,274.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance was \$4,255,685 compared to \$4,024,508 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 2011 and 2010.

	2011	2010
Current and other assets	\$4,804,796	\$4,628,247
Capital assets	7,053,572	7,219,241
Total assets	<u>\$11,858,368</u>	<u>\$11,847,488</u>
Payables	\$471,363	\$504,441
Other liabilities	1,386,320	1,435,636
Total liabilities	<u>\$1,857,683</u>	<u>\$1,940,077</u>
Net assets:		
Invested in capital assets, net of related debt	\$5,705,484	\$5,810,648
Unrestricted	4,295,201	4,096,763
Total net assets	<u>\$10,000,685</u>	<u>\$9,907,411</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 an increase of the District's net assets by \$93,274. The details of the increase are as follows:

#### **Capitol Region Watershed District's Changes in Net Assets**

	2011	2010
Revenues:		
Program revenues:		
Charges for services	\$20,500	\$20,000
Operating grants and contributions	176,682	628,500
Capital grants and contributions	-	-
General revenues:		
Property taxes	2,209,376	1,700,250
Grants and contributions not restricted to specific programs	144,698	53,031
Unrestricted investment earnings	621	1,746
Miscellaneous other	2,329	2,105
Total revenues	<u>2,554,206</u>	<u>2,405,632</u>
Expenses:		
General	1,754,159	1,962,020
Programs	-	585,484
Projects	-	-
Capital improvement	706,773	-
Total expenses	<u>2,460,932</u>	<u>2,547,504</u>
Change in net assets	93,274	(141,872)
Net assets - January 1	9,907,411	10,049,283
Net assets - December 31	<u>\$10,000,685</u>	<u>\$9,907,411</u>

## Management's Discussion and Analysis

The increase in net assets in 2011 is mainly due to the decrease in expenses.

### **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, unassigned 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 decreased by (\$384,905) in 2011, which was due to interfund transfers.

The Capital Improvement fund balance increased by \$616,082 in 2011, which was due to interfund transfers.

### **Budgetary Highlights**

#### **Operations**

The operations expenses were under budget by \$335,990. This was due in part to having less program related expenses than anticipated.

### **Capital Asset and Debt Administration**

**Capital assets.** The District's investment in capital assets for its governmental activities as of December 31, 2011, amounts to \$7,053,572. This investment in capital assets is in infrastructure and construction in progress. Accumulated depreciation was \$1,124,823 with current depreciation charges of \$274,312.

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

	December 31,	
	2011	2010
Infrastructure	\$6,944,929	\$7,219,241
Construction in progress	108,643	-
Total	<u>\$7,053,572</u>	<u>\$7,219,241</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

### **2012 Financial Highlights**

In 2011, the District completed the Williams Street Pond Project. Total construction cost was approximately \$173,408. The Met Council began 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. In 2011, four BMPs were constructed. During 2011, the Board approved the transfer of \$598,500 from Operations to the Capital Fund. This transfer is for the Central Corridor Light Rail Transit Stormwater BMPs. The District awarded approximately \$150,000 in special grants to our partners for capital projects in the District. The District completed Trillium Site Water Resource Features Study with its Partner, the City of St. Paul. The District also completed the Villa Park Wetland Restoration Project Feasibility Study. Maintenance repairs were made to the Trout Brook Interceptor Stormsewer as well in 2011.

In 2012, the District will complete the Central Corridor Light Rail Transit Stormwater 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 \$250,000 in special grants to our partners for capital projects in the District. The District will also be starting the final design of the Trillium Site Water Resource Features with its Partner, the City of St. Paul. The District will also begin final design of the Villa Park Wetland Restoration Project with its Partner, the City of Roseville.

**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, 2011

**Statement 1**

	Primary Government Governmental Activities
Assets:	
Cash and short term investments	\$4,546,820
Property taxes receivable:	
Due from county	34,212
Delinquent	71,697
Due from other governments	117,725
Accounts receivable - net	479
Prepaid items	5,073
Deferred charges	28,790
Capital assets - net:	
Depreciable	6,944,929
Nondepreciable	108,643
Total assets	<u>11,858,368</u>
Liabilities:	
Accounts payable	177,609
Contracts payable	-
Deposits payable	271,015
Accrued interest payable	22,739
Bonds payable:	
Due within one year	60,000
Due in more than one year	1,288,088
Compensated absences payable:	
Due within one year	38,232
Total liabilities	<u>1,857,683</u>
Net assets:	
Invested in capital assets, net of related debt	5,705,484
Unrestricted	4,295,201
Total net assets	<u><u>\$10,000,685</u></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, 2011

**Statement 2**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges For Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary government:					
Governmental activities:					
General government	\$1,754,159	\$20,500	\$ -	\$ -	(\$1,733,659)
Conservation of natural resources	706,773	-	176,682	-	(530,091)
Total governmental activities	<u>\$2,460,932</u>	<u>\$20,500</u>	<u>\$176,682</u>	<u>\$ -</u>	<u>(2,263,750)</u>
General revenues:					
Property taxes					2,209,376
Grants and contributions not restricted to specific programs					144,698
Unrestricted investment earnings					621
Miscellaneous other					2,329
Total general revenues					<u>2,357,024</u>
Change in net assets					93,274
Net assets - beginning					<u>9,907,411</u>
Net assets - ending					<u>\$10,000,685</u>

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

**CAPITOL REGION WATERSHED DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2011

**Statement 3**

	Operations	Capital Improvement	Total Governmental Funds 2011
<b>Assets</b>			
Cash and short-term investments	\$1,436,799	\$3,110,021	\$4,546,820
Due from other governments	-	117,725	117,725
Accounts receivable	479	-	479
Taxes receivable:			
Delinquent	56,863	14,834	71,697
Due from county	27,134	7,078	34,212
Prepaid items	5,073	-	5,073
<b>Total assets</b>	<b>\$1,526,348</b>	<b>\$3,249,658</b>	<b>\$4,776,006</b>
<b>Liabilities:</b>			
Accounts payable	\$151,426	\$26,183	\$177,609
Contracts payable	-	-	-
Deposits payable	271,015	-	271,015
Deferred revenue	56,863	14,834	71,697
<b>Total liabilities</b>	<b>479,304</b>	<b>41,017</b>	<b>520,321</b>
<b>Fund balance:</b>			
Nonspendable	5,073	-	5,073
Restricted	-	-	-
Committed	-	-	-
Assigned	-	3,208,641	3,208,641
Unassigned	1,041,971	-	1,041,971
<b>Total fund balance</b>	<b>1,047,044</b>	<b>3,208,641</b>	<b>4,255,685</b>
<b>Total liabilities and fund balance</b>	<b>\$1,526,348</b>	<b>\$3,249,658</b>	<b>\$4,776,006</b>
Fund balance reported above			\$4,255,685
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.			7,053,572
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.			(1,380,269)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			71,697
<b>Net assets of governmental activities</b>			<b>\$10,000,685</b>

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, 2011

**Statement 4**

	Operations	Capital Improvement	Total Governmental Funds
Revenues:			
General property taxes	\$1,768,709	\$461,353	\$2,230,062
Intergovernmental:			
Market value homestead credit	57,986	15,125	73,111
Grants and reimbursements	15,000	233,269	248,269
Interest income	231	390	621
Permit fees	20,500	-	20,500
Miscellaneous	2,329	-	2,329
Total revenues	<u>1,864,755</u>	<u>710,137</u>	<u>2,574,892</u>
Expenditures:			
Current:			
General government:			
Other services and charges	245,254	4,000	249,254
Salaries & benefits	660,402	51,066	711,468
Supplies	33,057	70	33,127
Noncapitalized equipment	99,621	-	99,621
Legal	18,194	3,099	21,293
Engineering	327,970	139,042	467,012
Projects and studies	358,472	178,906	537,378
Capital outlay - construction in progress	-	108,643	108,643
Debt services:			
Principal	-	60,000	60,000
Interest	-	55,919	55,919
Total expenditures	<u>1,742,970</u>	<u>600,745</u>	<u>2,343,715</u>
Revenues over (under) expenditures	<u>121,785</u>	<u>109,392</u>	<u>231,177</u>
Other financing sources (uses):			
Transfers in	91,810	598,500	690,310
Transfers out	(598,500)	(91,810)	(690,310)
Total other financing sources (uses)	<u>(506,690)</u>	<u>506,690</u>	<u>-</u>
Net change in fund balance	(384,905)	616,082	231,177
Fund balance - January 1	<u>1,431,949</u>	<u>2,592,559</u>	<u>4,024,508</u>
Fund balance - December 31	<u><u>\$1,047,044</u></u>	<u><u>\$3,208,641</u></u>	<u><u>\$4,255,685</u></u>

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, 2011

**Statement 5**

	<u>2011</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)	\$231,177
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 depreciation exceeded capital outlay in the current period:	
Capital outlay	108,643
Depreciation expense	(274,312)
Accrued interest payable:	
At December 31, 2011	(22,739)
At December 31, 2010	21,875
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	60,000
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, 2011	71,697
At December 31, 2010	(92,383)
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, 2011	(38,232)
At December 31, 2010	<u>27,043</u>
Change in net assets of governmental activities (Statement 2)	<u><u>\$93,274</u></u>

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

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

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**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, 2011

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**K. FUND BALANCE CLASSIFICATIONS**

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

*Nonspendable* - consists of amounts that are not in spendable form, such as prepaid items.

*Restricted* - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* - consists of internally imposed constraints. These constraints are established by Resolution of the District.

*Assigned* - consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the District's intended use. These constraints are established by the District Administrator.

*Unassigned* - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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

When committed, assigned or unassigned resources are available for use, it is the District's policy to use resources in the following order; 1) committed 2) assigned and 3) unassigned.

**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

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

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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, 2011.

**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.



**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

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**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.

**P. DEFERRED REVENUE**

The District reports deferred revenues in the governmental funds in the amount of \$71,697 at December 31, 2011. 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 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 (\$1,380,269) difference are as follows:

Bonds payable	(\$1,348,088)
Compensated absences	(38,232)
Accrued interest	(22,739)
Deferred charges	<u>28,790</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>(\$1,380,269)</u></u>

**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 (\$20,686) difference are as follows:

General property taxes deferred revenue:	
At December 31, 2010	(\$92,383)
At December 31, 2011	<u>71,697</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>(\$20,686)</u></u>

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

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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 (\$165,669) difference are as follows:

Capital outlay - construction in progress	\$108,643
Depreciation expense	<u>(\$274,312)</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>(\$165,669)</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 (\$11,189) difference are as follows:

Compensated absences payable:	
At December 31, 2010	\$27,043
At December 31, 2011	<u>(38,232)</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>(\$11,189)</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;

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

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- 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, 2011.

**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;
- 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.

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

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At December 31, 2011, the District held \$4,546,820 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 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.



**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

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**Note 4 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets not depreciated				
Construction in progress	<u>\$ -</u>	<u>\$108,643</u>	<u>\$ -</u>	<u>\$108,643</u>
Capital assets depreciated				
Infrastructure	<u>8,069,752</u>	<u>-</u>	<u>-</u>	<u>8,069,752</u>
Less accumulated depreciation for:				
Infrastructure	<u>850,511</u>	<u>274,312</u>	<u>-</u>	<u>1,124,823</u>
Total capital assets depreciated, net	<u>7,219,241</u>	<u>(274,312)</u>	<u>-</u>	<u>6,944,929</u>
Total capital assets, net	<u><u>\$7,219,241</u></u>	<u><u>(\$165,669)</u></u>	<u><u>\$ -</u></u>	<u><u>\$7,053,572</u></u>

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

Governmental activities:	
Conservation of Natural Resources	<u><u>\$274,312</u></u>

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

**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, 2011, the governmental long-term bonded debt of the financial reporting entity consisted of the following:

	Interest Rates	Date	Final Maturity Date	Original Issue	Payable 12/31/11
Tax Supported Bonds:					
\$1,555,000 Series 2007A	3.75-4.75%	1/4/2007	2/1/2027	\$1,555,000	\$1,340,000
Unamortized premium (discount)				10,108	8,088
Total indebtedness - governmental activities				<u>\$1,565,108</u>	<u>\$1,348,088</u>

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

	Revenue (Tax Supported) Bonds		
	Principal	Interest	Total
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	70,000	43,306	113,306
2017-2021	400,000	170,519	570,519
2022-2026	500,000	78,391	578,391
2027-2027	110,000	2,338	112,338
Totals	<u>\$1,340,000</u>	<u>\$494,459</u>	<u>\$1,834,459</u>

Governmental Activities	Beginning Balance	Additions	Reductions	Amortized Premiums	Ending Balance	Due Within One Year
Bonds payable:						
Revenue (tax supported) bonds	\$1,400,000	\$ -	(\$60,000)	\$ -	\$1,340,000	\$60,000
Premium on bonds	8,593	-	-	(505)	8,088	-
Total bonds payable	<u>\$1,408,593</u>	<u>\$ -</u>	<u>(\$60,000)</u>	<u>(\$505)</u>	<u>\$1,348,088</u>	<u>\$60,000</u>

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

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**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. As of December 31, 2011, the lease is on a month to month basis. Lease expenditures for the year ended December 31, 2011 amounted to \$60,607.

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, 2011 amounted to \$3,198.

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

2012	\$3,196
2013	3,196
2014	<u>2,397</u>
Total	<u><u>\$8,789</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.

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](http://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.

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

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**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. GERS Basic Plan members and Coordinated Plan members were required to contribute 9.10% and 6.25%, respectively, of their annual covered salary in 2011. The District was required to contribute the following percentages of annual covered payroll in 2011: 11.78% for Basic Plan GERS members, 7.25% for Coordinated Plan GERS members. The District's contributions to the General Employees Retirement Fund for the years ending December 31, 2011, 2010 and 2009 were \$37,915, \$35,573 and \$30,176, 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 2011 are:

Balance January 1, 2011	\$27,043
Additions	11,189
Deductions	-
Balance December 31, 2011	<u>\$38,232</u>
Due within one year	<u>\$38,232</u>

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2011

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**Note 9 FUND BALANCE**

The District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2011. This standard changed fund balance classifications for governmental fund statements. Definitions for the new classifications are included in Note 1K.

**A. CLASSIFICATIONS**

At December 31, 2011, a summary of the governmental fund balance classifications are as follows:

	<u>Operations</u>	<u>Capital Improvement</u>	<u>Total</u>
Nonspendable:			
Prepaid items	\$5,073	\$ -	\$5,073
Total Nonspendable	<u>5,073</u>	<u>-</u>	<u>5,073</u>
Assigned to:			
Capital improvement	-	3,208,641	3,208,641
Total assigned	<u>-</u>	<u>3,208,641</u>	<u>3,208,641</u>
Unassigned	<u>1,041,971</u>	<u>-</u>	<u>1,041,971</u>
Total	<u>\$1,047,044</u>	<u>\$3,208,641</u>	<u>\$4,255,685</u>

**Note 10 INTERFUND AND TRANSFERS**

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
Major Funds:		
Operations	\$91,810	\$598,500
Capital Improvement	<u>598,500</u>	<u>91,810</u>
Total	<u>\$690,310</u>	<u>\$690,310</u>

Interfund transfers allow the District to allocate financial resources to the funds that receive benefit from services provided by another fund. Most of the District's interfund transfers fall under that category.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**CAPITOL REGION WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - OPERATIONS**  
For The Year Ended December 31, 2011

**Schedule 1**

	Budgeted Amounts		2011 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
Tax levy	\$1,796,394	\$1,796,394	\$1,768,709	(\$27,685)
Intergovernmental:				
Market value homestead credit	57,986	57,986	57,986	-
Grants and reimbursements	-	20,000	15,000	(5,000)
Fees	20,000	20,000	20,500	500
Other	40,000	40,000	2,560	(37,440)
Total revenues	<u>1,914,380</u>	<u>1,934,380</u>	<u>1,864,755</u>	<u>(69,625)</u>
Expenditures:				
Administrative	344,800	344,800	352,039	(7,239)
Programs	1,057,841	1,029,491	756,029	273,462
Projects	511,739	704,669	634,902	69,767
Total expenditures	<u>1,914,380</u>	<u>2,078,960</u>	<u>1,742,970</u>	<u>335,990</u>
Revenues over expenditures	<u>-</u>	<u>(144,580)</u>	<u>121,785</u>	<u>266,365</u>
Other financing sources (uses):				
Transfers in	-	-	91,810	91,810
Transfers out	-	-	(598,500)	(598,500)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(506,690)</u>	<u>(506,690)</u>
Net change in fund balance	<u>\$0</u>	<u>(\$144,580)</u>	<u>(384,905)</u>	<u>(\$240,325)</u>
Fund balance - January 1			<u>1,431,949</u>	
Fund balance - December 31			<u>\$1,047,044</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, 2011

**Schedule 2**

	Budgeted Amounts		2011 Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues:				
General property taxes	\$468,575	\$468,575	\$461,353	(\$7,222)
Intergovernmental:				
Market value homestead credit	15,125	15,125	15,125	-
Grants and reimbursements	700,000	946,141	233,269	(712,872)
Interest income	50,000	50,000	390	(49,610)
Total revenues	<u>1,233,700</u>	<u>1,479,841</u>	<u>710,137</u>	<u>(769,704)</u>
Expenditures:				
Shoreline and streambank restoration	25,000	25,000	8,042	16,958
Como - project maintenance, inspection and monitoring	126,660	91,660	44,315	47,345
McCarron's BMP	600,550	750,550	241,443	509,107
Loeb Lake BMP	9,250	9,250	-	9,250
Trout Brook BMP	85,500	85,500	67,796	17,704
Wetland, Stream and Ecosystem Restoration - Implementation	84,580	52,770	226	52,544
Mississippi River Subwaters - Implementation	303,200	303,200	118,402	184,798
Special projects and grants	178,960	213,960	4,152	209,808
Capital outlay - construction in progress	-	-	-	-
Debt services	120,000	120,000	116,369	3,631
Total expenditures	<u>1,533,700</u>	<u>1,651,890</u>	<u>600,745</u>	<u>1,051,145</u>
Revenues over (under) expenditures	<u>(300,000)</u>	<u>(172,049)</u>	<u>109,392</u>	<u>281,441</u>
Other financing sources (uses):				
Transfers in	-	-	598,500	598,500
Transfers out	-	-	(91,810)	(91,810)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>506,690</u>	<u>506,690</u>
Net change in fund balance	<u>(\$300,000)</u>	<u>(\$172,049)</u>	<u>616,082</u>	<u>\$788,131</u>
Fund balance - January 1			<u>2,592,559</u>	
Fund balance - December 31			<u>\$3,208,641</u>	

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, 2011

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**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 Williams Street Pond 3 Chalchitlique Environmental Summit  
3 Turfgrass training **BACK** Host a rain barrel workshop

Capitol Region Watershed District **Winter 2011**

## The Crosby Lake Management Plan

by Elizabeth Beckman

Crosby Lake is located within CRWD in Crosby Farm Regional Park, owned and managed by the city of St. Paul. Crosby Lake is within the Mississippi River floodplain, and is 48 acres in size with a maximum depth of 19 feet. The lake is part of a complex of wetland and forested areas located in the Mississippi National River & Recreation Area, a unit of the National Park Service.

Water is fed to Crosby Lake from runoff, groundwater and spring and fall flooding of the Mississippi River. Water quality in Crosby Lake is regularly monitored by Ramsey County, and CRWD analyzes and reports the data. Most of the lake is shallow and receives only a small amount of runoff, so water quality of the lake is generally good. It has, however, been slowly declining since 2005. According to Anna Eleria of CRWD, "Crosby Lake plays an important role in our watershed. It provides aesthetic value, wildlife and aquatic habitat, flood control, and recreation opportunities in an urban watershed. Despite the lake's small drainage area, we need to manage runoff in order to protect and improve its health."

Managing and improving the health of a lake often starts with a plan: in late 2009 Minnesota Pollution Control Agency awarded CRWD a \$50,000 grant from the state's Clean Water Partnership Grant Fund to develop the Crosby Lake Management Plan. Grant partners include the city of St. Paul, Ramsey County, National Park Service, Friends of the Mississippi River, Friends of the Parks and Trails and Highland District Council.

Management plan goals are to:

- assess current lake conditions;
- identify concerns and prioritize watershed issues;
- develop management goals and objectives; and
- discover opportunities and activities to protect and improve the ecological, aesthetic and recreational benefits of the lake.

To involve citizens in creating the plan, CRWD convened two advisory groups: a technical group of government agencies and nonprofit organizations, and a Crosby Lake citizen group. Members of the group are park users and other interested

watershed residents. In the first two of three interactive meetings, more than forty citizens learned about CRWD and its work; the current condition of Crosby Lake and factors impacting its health; and the process for developing a lake management plan. Citizens also generated ideas for activities to protect and improve the lake, including best management practices, fish management, shoreline restoration, and adjacent parkland management as it relates to lake health.



The next citizen group meeting will be held in March 2011. CRWD will present and receive comments on the draft plan. All are welcome to share their vision for Crosby Lake. Visit the Crosby Lake webpage at <http://www.capitolregionwd.org/CrosbyLakeManagementPlan.html>.

**Board of Managers:** Robert P. Piram, President;  
Joe Collins; Mary Texer; Mike Thienes; Seitu Jones

**Staff:**

Mark Doneux, Administrator  
Melissa Baker, Water Resource Technician  
Elizabeth Beckman, Education & Outreach Coordinator  
Anna Eleria, Water Resource Specialist  
Bob Fossum, Water Resource Project Manager  
Liz Hutter, Administrative Assistant  
Forrest Kelley, Permit Coordinator  
Matt Loyas, Water Resource Technician  
Dawn Nelson, Office Manager  
Britta Suppes, Water Resource Technician

*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.*

**Capitol Region Watershed District** 1410 Energy Park Drive, Suite 4  
St. Paul, MN 55108 • 651-644-8888 • [www.capitolregionwd.org](http://www.capitolregionwd.org)

## Williams Street Pond

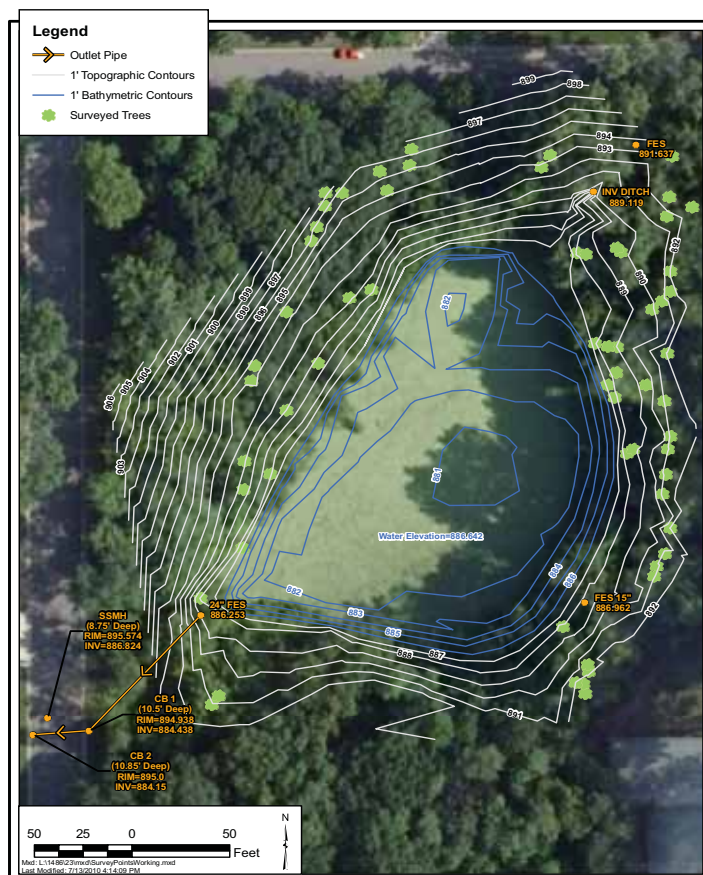
by Bob Fossum

**W**illiams Street Pond is a stormwater collection pond near Williams and Elmer Streets in the city of Roseville. The pond receives stormwater from the nearby neighborhood and empties into Lake McCarrons. The pond was noted in CRWD's Lake McCarrons Sub-watershed Study as a potential water quality improvement project.

To improve the pond's ability to remove solids and phosphorus from stormwater flowing through it on the way Lake McCarrons, dredging was recommended to remove collected soil deposits at the bottom of the pond. Stabilization of the pond's inlet was also proposed. The result will be more effective removal of soil and solids from the stormwater flowing through the pond.

The project will also incorporate iron-enhanced filtration benches, a new technology that helps remove the excess phosphorus that causes algae overgrowth in Lake McCarrons. The "benches" are flat areas next to the pond about five feet wide and two feet deep. The benches are filled with a mixture of sand and iron filings. When stormwater flows through the sand, dissolved phosphorus pollution chemically bonds to the iron instead of adding to pollution problems in Lake McCarrons.

Sunram Construction was selected by CRWD to construct the project. The improved Williams Street Pond will remove an additional 7 pounds of phosphorus per year from the stormwater entering it, resulting in less algae overgrowth. The total cost of the project is approximately \$100,000. CRWD's project partners are the city of Roseville contributing \$30,000 to the project, and Ramsey Conservation District who has committed \$25,000. Construction will take place between March and August 2011.



Topography map of the Williams St. Pond area

### Free Turfgrass Maintenance Training

Tuesday, March 8, 8:00 am - 2:00 pm, CRWD

Improve efficiency and reduce environmental impacts of turfgrass maintenance. This training is for lawn maintenance professionals and applicators of fertilizers and pesticides. The Minnesota Pollution Control Agency is offering certification for those who take an exam and commit to incorporating best management practices.

Reserve your spot today. Contact Kat McCarthy at CRWD, [kathleen@capitolregionwd.org](mailto:kathleen@capitolregionwd.org) or 651-644-8888.



# Partner Highlight

## Chalchiutlique Environmental Summit

by Elizabeth Beckman

*“What is Chalchiutlique? It is the scientific phenomena that occur within water. It is snow on the mountains, rivers and lakes, groundwater in the earth and springs where the water flows out to the surface. Here in Minnesota, the land of many waters, the water flows around us, over us, under us and through us. We exist as droplets in an ever cloudy sky.”*

Members of the Chalchiutlique Environmental Project serve the Latino and indigenous communities in the Twin Cities by helping people create solutions to environmental problems, doing grassroots community outreach and organizing, and by forming partnerships with other communities. The Chalchiutlicue Summit, Ceremony and Celebration is an annual gathering for the Latino community to come together with friends and allies to share what has been learned and to honor water through a cultural community celebration.

Since 2008, CRWD has supported the Chalchiutlique Summit with a grant to fund facility fees, event promotion and translation of water pollution education materials into the Spanish language. The Summit is a one-day education conference that creates space for learning about local environmental issues including the importance of water pollution prevention and watershed health.

At the 2010 Summit, a group of 600 Latino, American Indian, African, European and Hmong adults, youth and elders took part in a blend of the traditional Mexican cultural methodology of teaching through movement and action, fused with the traditional European method of small group learning. In a survey taken after the conference, 100% of respondents said they will take action to protect water quality by picking up trash to keep it out of storm drains, raking leaves and grass clippings out of the street, picking up after pets or planting trees to soak up stormwater.

**Learn more about the 2011 Summit at**  
**<http://www.chalchiutlicue.org>**



2010 Chalchiutlique  
Environmental Summit





1410 Energy Park Drive, Suite 4  
St. Paul, MN 55108  
651-644-8888  
651-644-8894 fax  
[www.capitolregionwd.org](http://www.capitolregionwd.org)

## Host a rain barrel workshop

When it rains, dirty runoff from roofs, streets and parking lots flows to storm drains and pollutes our lakes and rivers. Rain barrels are one way to reduce water pollution since they collect rain before it becomes runoff, and you can put this free, non-chlorinated water to good use on lawns and gardens.

In 2011, CRWD will offer grants of up to \$2,000 to neighborhood organizations, faith communities or other groups who host rain barrel construction and education workshops for at least 50 participants. Many organizations work in partnership with one of several local rain barrel vendors.

For more information, or to request a grant application, call 651-644-8888 or visit [www.capitolregionwd.org/sp\\_grants.html](http://www.capitolregionwd.org/sp_grants.html). Grants are made on a reimbursement basis.





# YOU CAN HELP KEEP OUR LAKES AND RIVERS CLEAN.

Staff from Capitol Region Watershed District (CRWD) visited the neighborhood and looked at your garage gutters. With your permission, we'll redirect your garage gutter elbow and/or downspout extender so water flows onto the lawn or garden area nearby *for free*.

## Why are we doing this?

Because when it rains, it drains. Rainwater from roofs and gutters flows down alleys and streets picking up pollution along the way. This water enters storm drains and is *not* treated before it empties into lakes and the Mississippi River.

## How will this help?

Redirecting your downspout allows rainwater to soak into the ground, which prevents water pollution and recharges groundwater.

## What do I need to do?

Fill out the postcard below & return to CRWD. Don't forget your address and color preference for gutter components – white or brown. We'll



be in touch to let you know when a contractor will complete the work.

If you have questions, visit [stopraindrain.org](http://stopraindrain.org) or call 651-644-8888.

## Yes, I'd like to help Stop The Rain Drain!

Select a gutter component color: ☐ White ☐ Brown

I, \_\_\_\_\_ of \_\_\_\_\_

(Print name)

\_\_\_\_\_, St. Paul, Minnesota,

(Print address)

agree to the following:

- that I am voluntarily participating in Stop the Rain Drain to help prevent water pollution from flowing to the Mississippi River;
- that CRWD is providing me with gutter downspout supplies to limit stormwater from the streets of Saint Paul flowing into the Mississippi River - instead stormwater shall be directed to lawn, garden, rain barrel or other planted areas;
- that free gutter supplies will be installed by an insured private gutter contractor on behalf of CRWD;
- that after the gutter supplies are installed by a private gutter contractor, I will be responsible for necessary maintenance such as inspecting gutters and removing debris from gutters that might prevent gutters from working properly; and
- that I will not initiate action against CRWD, nor will I hold CRWD liable for acts taken by private gutter contractors, its employees or its agents.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_ Phone: \_\_\_\_\_

**ALL REDIRECTION WORK WILL BE  
COMPLETED BY A PROFESSIONAL  
CONTRACTOR.**

Here's what we propose for your property:

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If you have questions, visit [stopraindrain.org](http://stopraindrain.org)  
or call 651-644-8888.

1410 Energy Park Drive, Ste. 4  
St. Paul, MN 55108

Capitol Region Watershed District  
1410 Energy Park Drive, Ste. 4  
St. Paul, MN 55108





[stopraindrain.org](http://stopraindrain.org)



As a home exterior professional, you know that when it rains, it drains. Rainwater from roofs and gutters drains from streets and alleys into storm drains. This rainwater picks up street pollution like dirt, oil and trash along the way and is not treated before it enters lakes and the Mississippi River.

Redirecting downspouts onto a lawn or garden area allows rainwater to soak into the ground.



### Making a difference one gutter at a time

Stop the Rain Drain won't work everywhere: each property has a different slope, soil type and proximity to neighbors. Sometimes, wet basements or soggy lawns are an issue. But where it is possible, CRWD wants to make it easier for contractors and homeowners to help prevent polluted runoff. If you see a job where Stop the Rain Drain will work, CRWD will reimburse you for gutter supplies.

- If a downspout drains to the alley but there's a lawn or garden nearby, simply adjusting the elbow can solve the problem.
- Sometimes a length of gutter and downspout added to one side of the garage makes a difference.
- In Saint Paul, detached garages on alleys provide many opportunities to Stop the Rain Drain.

### Benefits to you as a contractor

Gutters are easy to install and can add the finishing touch to a larger job – again, you sell garage gutters to the homeowner and we'll reimburse you for supplies. Other benefits:

- *Free advertising* — Your company will be listed on CRWD's website.
  - *Incentive for homeowners* — When marketing for larger jobs like siding and windows, you can offer homeowners gutters as a bonus.
  - *Rain barrels* — CRWD offers homeowners a \$50 rain barrel rebate and will pay you to install the barrels.
- Many homeowners care about preventing water pollution. But when it's a secondary issue for them, and incentive can help them decide to Stop the Rain Drain.

A program of  
Capitol Region  
Watershed District

## Capitol Region Watershed District



1410 Energy Park Drive, Ste. 4  
St. Paul, MN 55108

[stopraindrain.org](http://stopraindrain.org)



### Stop the Rain Drain

is brought to you by  
CRWD. Add value to your  
services by helping your  
customers redirect garage  
gutter downspouts to  
improve water quality!

**Where rain drains matters.**





# Bugs' Night Out

Tuesday, June 21, 6:00-7:30pm

Meet at the dock area at Como Lakeside Pavilion,  
1360 N Lexington Parkway, St. Paul

Dip into Como Lake with bug expert Brandon Burns! We'll use dip nets to get a closer look at macroinvertebrates living in the lake, and learn about the effect pollution has on these tiny creatures.

For children ages 6 to 11. Children must be accompanied by an adult. Please register for this free event by contacting Kat at 651-644-8888 or [kathleen@capitolregionwd.org](mailto:kathleen@capitolregionwd.org).



Macroinvertebrates are insects without a backbone. They are visible without a microscope, and can live a few years in freshwater. Many kinds of macroinvertebrates in a lake indicates healthy water. When scientists count the numbers and different kinds of bugs over and over, they can make predictions about what's happening to the water quality in a lake or wetland.