

Capitol Region Watershed District

2012 ANNUAL REPORT



Letter to Stakeholders

Dear Stakeholders

April 2013

The Board Managers and staff of Capitol Region Watershed District (CRWD) would like to share a review of 2012 accomplishments, the Capitol Region Watershed District Annual Report.

2012 was another excellent year for CRWD. Oversight, maintenance and improvement continued for the Trout Brook Stormwater Interceptor, which was transferred to CRWD from Metropolitan Council in 2006. The CRWD Permitting Program completed its sixth year. In 2012, 30 permit applications were received and processed. Of the 331 acres covered in the applications, approximately 109 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 17 stormwater monitoring sites in 2012. 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.

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

In 2012, progress continued on the Trillium Site, which is being developed into a nature sanctuary on Saint Paul's East Side that will include special water quality features. CRWD also continued its involvement with City of Saint Paul's Neighborhood Stabilization Program in which grant funds are used to acquire and redevelop foreclosed properties. The City of Saint Paul requested CRWD's assistance creating stormwater BMP plans that minimize runoff and while improving aesthetics. CRWD also supported the installation of 60 boulevard rain gardens in the Hamline Midway neighborhood in partnership with City of Saint Paul Department of Public Works as they carried out their annual Residential Street Vitality Program (RSVP) street reconstruction work.

Fellow Board Managers and staff also extended heartfelt thanks to Manager Bob Piram as he retired from the CRWD Board in 2012. A few of Manager Piram's accomplishments during his eventful tenure include leading negotiations with Metropolitan Council for the transfer of ownership of the Trout Brook Storm Sewer, spearheading the Arlington Pascal Stormwater Improvement Project planning and overseeing development of CRWD's Watershed Rules that regulate treatment of stormwater on development sites. Manager Piram also won a 2012 Sustainable Saint Paul Award. Board and staff recall with gratitude his 13 years of dedicated service.

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,



Joe Collins, President



Mark Doneux, Administrator

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CRWD field trip.



1410 Energy Park Drive • Suite 4
 Saint Paul, Minnesota 55108
 651.644.8888 • fax 651.644.8894
www.capitolregionwd.org

Crosby Lake.

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, and to protect residents against flooding.

Because Minnesota is the Land of 10,000 Lakes, it established watershed districts as legal entities through the Minnesota Watershed Act of 1955. Minnesota has 48 watershed districts, including 14 in the metro area, all working to protect our lakes, streams, wetlands and natural habitat.

Ducks swimming in Lake McCarrons in Roseville.



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 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 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 CRWD Watershed Plan. More detailed information about CRWD's finances can be found in Appendix A.



Pier at Como Lake.

District Map



Capitol Region Watershed District is home to more than 225,000 people and the land area contains 42% impervious surfaces.

Our People

Board of Managers

CRWD is led by a five-person Board of Managers that guides 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.



**Joe Collins,
President**
534 W Orange St
St. Paul, MN 55117
651-488-5108
joe.collins@
ci.stpaul.mn.us



**Seitu Jones,
Secretary**
629 Kent St
St. Paul, MN 55103
651-227-9328
seitu.jones@
comcast.net



Shirley Reider
1725 Fairview Ave N
Falcon Heights,
MN 55113
s.reider@pobox.com



**Mary Texer,
Education/
Information**
113 Farrington St
St. Paul, MN 55102
mtexer@visi.com



**Michael Thienes,
Treasurer**
284 S McCarrons Blvd
Roseville, MN 55113
651-489-1998
mthienes@
comcast.net

Citizen Advisory Committee

The Citizen Advisory Committee (CAC) assists CRWD Board of Managers with organizational development and strengthens connections between CRWD and its citizens. Meetings are held the second Wednesday of each month and are open to the public. 2012 members are:

David Arbeit; Bill Barton; Pat Byrne; Janna Caywood; Steven Duerre; Wade Johnson; Jerry Kafka; Michael MacDonald; Ted McCaslin; Shirley A. Reider*; Michael Trojan; Michelle Ulrich; Jerome Wagner; Gwen Willems

2012 Consultant Engineers

Barr Engineering
4700 77th St | Minneapolis, MN 55435

Emmons & Olivier Resources, Inc.
651 Hale Ave N | Oakdale, MN 55128

HDR Engineering, Inc.
701 Xenia Ave S | Minneapolis, MN 55416

HR Green and Associates
2550 University Ave W, Ste 400N | St. Paul MN 55114

Houston Engineering, Inc.
6901 E Fish Lake Rd, Ste 140 | Maple Grove MN 55369

SRF Consulting Group, Inc.
One Carlson Pkwy, Ste 150 | Minneapolis, MN 55447

Wenck Associates
1800 Pioneer Creek Center | Maple Plain, MN 55359

Staff

Mark Doneux, Administrator
Melissa Baker, Water Resource Technician
Elizabeth Beckman, Education Coordinator
Anna Eleria, Water Resource Project Manager
Bob Fossum, Water Resource Project Manager
Forrest Kelley, Permit Coordinator
Matt Loyas, Water Resource Technician
Dawn Nelson, Office Manager
Britta Suppes, Water Resource Technician
Lindsay VanPatten, Education Asst. & Receptionist

Staff can be contacted by email at
FirstName@capitolregionwd.org.

Seasonal Water Resource Interns

Joy Degl'innocenti; David Depaz; Morgan Greenfield;
Corey Poland; Joe Sellner

Gordon Parks High School Intern

Michael Hiveley

* Appointed to Board of Managers 11/2012.

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 facing the lake and identifies the management strategies and



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.

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 is 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.

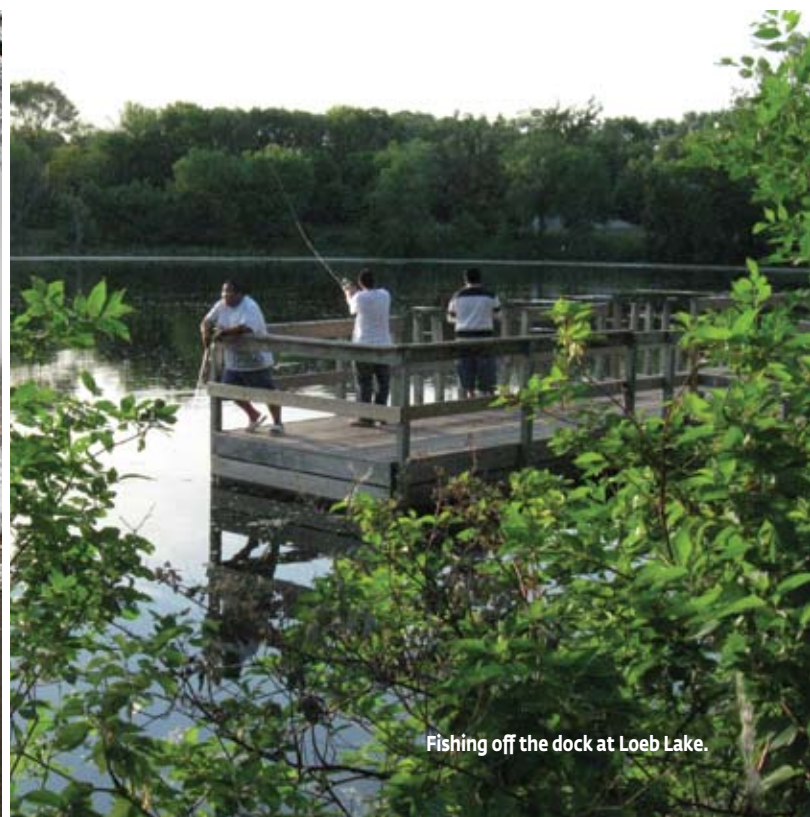
In 2009, the CRWD Board approved the Loeb Lake-Willow Reserve Management Plan which defines the critical water-related issues of Loeb Lake listed above and recommends management goals and implementation activities to address these issues. The Plan also considers goals and activities for Willow Reserve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

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



Como Lake in winter.



Fishing off the dock at Loeb Lake.

Our Work

CRWD Water Resources (cont.)

water quality has generally been good with very good lake clarity, however, in recent years its water quality has slightly declined. CRWD analyzes the lake monitoring data collected by Ramsey County and identifies concerns and trends in the lake's health in our annual Monitoring report. The land surrounding Crosby Lake, collectively known as Crosby Farm Regional Park, is managed by the City of Saint Paul Parks and Recreation Department and is a part of the National Park Service's Mississippi National River and Recreation Area.

In 2012, CRWD completed the development of a management plan for Crosby Lake. The Plan includes management goals and implementation projects and activities to achieve those goals. Reviewed by both technical and citizen advisory groups for the plan, CRWD Board approved the plan in summer 2012. Partial funding for this project was provided by Minnesota Clean Water Partnership Program.

Lake McCarrons

Starting in 2008, CRWD partnered with Ramsey Conservation District (RCD) to design and construct restored shorelines on Lake McCarrons in Roseville. By the end of 2012, 14 lakeshore residents with eroding shorelines completed restoration projects with joint cost-share funds from CRWD and Minnesota Board of Water and Soil Resources (BWSR) and RCD. Nearly 1,800 feet of shoreline with an area of 40,000 square feet has been restored. A 2009 program participant whose project boasts nearly 600' of shoreline and a 20,000 ft² planting area annually hosts organizations and gardening groups for tours and education about shoreline restoration.



A restored shoreline on Lake McCarrons in Roseville.

Villa Park Management Plan

In 2009, CRWD completed the Villa Park Wetland Management Plan, which identifies potential reasons the system is not functioning to reduce nutrient loading to Lake McCarrons as originally designed, 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. Final design and financing of the project was completed in late 2012 and the dredging project will be completed via hydraulic dredging during the summer of 2013.

In April 2012, CRWD received a \$275,000 grant from the Minnesota Pollution Control Agency to conduct a subwatershed analysis to locate, design and construct a volume reduction practice within the drainage area upstream of the Villa Park Wetland System. The project will help to reduce the frequency that the wetland system needs to be dredged and reduce the pollutant load and volume of water entering the already undersized Villa Park Wetland System and ultimately Lake McCarrons.

Highland Ravine

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

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 West up to Edgumbe 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 steep slopes, sandy soils and 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.

Villa Park weir.



Our Work

CRWD Water Resources (cont.)

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 2011, CRWD received a Minnesota Board of Water and Soil Resources (BWSR) 2012 Clean Water Fund – Clean Water Assistance Grant for \$150,000 to implement the recommendations detailed in the feasibility study. In 2012, CRWD began work 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 fall 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/yr.

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



Erosion damage on Highland Ravine.



Trillium Nature Sanctuary

A dominant theme in CRWD's 2010 Watershed 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 of the 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 CRWD Watershed Plan is a goal to "identify opportunities to restore portions of historic streams of CRWD 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 2012, the City of Saint Paul began work on finalizing Plans for the Trillium Nature Sanctuary.

An analysis of water from available sources was conducted and included several options for routing stormwater runoff from nearby watersheds to the site, options for pumping water from sources and options for running gravity driven flow through a pipe from sources at higher elevations. Based on this analysis, it was determined pumping water from the Trout Brook Storm Sewer Interceptor (TBI) to the north end of the Trillium site would provide base flow to the stream. This water is proposed to be augmented during and after storm events with treated stormwater runoff from the neighborhood west of the site. Water features proposed on site include a small stream, three stormwater treatment ponds and an enhancement to the Sims Agate stormwater pond. The stream will begin at the northern end of the site and is proposed to have a base width of 6-7 ft, with a floodplain bench on each side, and options for unpaved footpaths near the stream. Due to site constraints described in detail in this report, the stream will have very mild meander 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



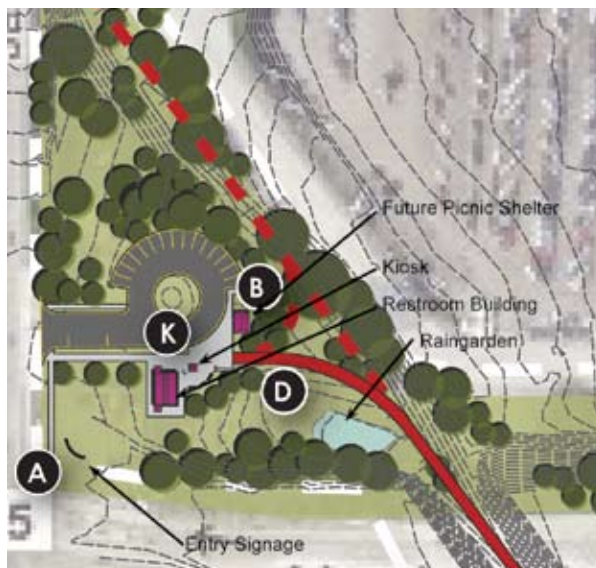
Current Trillium site.

Our Work

CRWD Water Resources (cont.)

stormwater management ponds from the neighborhood west of the site and 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 nearby 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 neighborhood to the west prior to entering the Sims Agate pond is greater capacity for ecological function and diversity. Changes to the pond are proposed that 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, and greater depth diversity throughout the pond to increase habitat diversity for a variety fish, birds, reptiles and amphibians.



Trillium Nature Sanctuary and Trout Brook Regional Trail
City of Saint Paul Department of Parks and Recreation
January 2013



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.

In 2012, the first phase of the TBI Realignment Project near I-35E and Cayuga in Saint Paul was completed. In 2011, during the preliminary design process of Minnesota Department of Transportation's (MnDOT) reconstruction of Interstate I-35E, it was determined that a portion of the existing TBI was in conflict with the proposed I-35E bridge piers and needed to be moved by the middle of 2013. The new Trout Brook alignment involves abandoning 630 feet of existing TBI pipe and replacing it with 830 feet of new 12' x 9' box culvert and a new TBI railroad crossing.

The first phase of the project occurred in August and September 2012, which included installation of 560 feet of new storm sewer sections and the new TBI railroad crossing. Of the 560 feet of storm sewer, over 160 feet were constructed during a 33-hour work window on September 4 and 5 when the railroad tracks were disassembled and rail service was out of commission. Prior to construction, groundwater levels were lowered to establish dry conditions for excavating and installing TBI. Due to the dewatering of the site including the area beneath the railroad tracks, the tracks were monitored for movement prior to, during and after construction to ensure that the railroad would not subside or be structurally damaged. After the 33-hour work window, the remaining 400 feet of storm sewer and a temporary sanitary sewer line were installed. The construction site has been temporarily stabilized and restored as CRWD awaits the second phase of construction, which is anticipated to begin in June 2013 after MnDOT removes the existing Mississippi Street Bridge. The second phase includes installing the remaining 270 feet of new TBI, connecting the new 830-foot alignment with the existing TBI and abandoning the old TBI.



Stormwater Pollution Prevention Program

2012 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 2012 activities and programming in pursuit of permit compliance and the planned activities for 2013. Highlights of the program included hosting a chloride reduction workshop for the 100 drivers of the City of Saint Paul's snowplow fleet, constructing BMPs within the Central Corridor in Saint Paul and partnering with the City of Saint Paul's Public Works Department to construct boulevard rain gardens as part of its street reconstruction projects.

Our Work

2012 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.



Construction of underground storage at a permitted site in Saint Paul.

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



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 BMPs are installed and maintained, the District verifies that construction supervisors comply with permit conditions, to minimize the impact of sediment-laden discharge.

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

The Technical Advisory Committee (TAC) convenes regularly to discuss rules and potential changes to the permitting process. In 2012, the TAC met to discuss rule revisions to the one acre land disturbance threshold, wetland regulations, volume reduction BMP credits, impacts to Trout Brook and BMP maintenance. The table below summarizes the first six years of permit program statistics.

CRWD Permits By Year

	2007	2008	2009	2010	2011	2012
Applications Received	30	33	31	33	30	30
Acres Disturbed	94	85	110	358	142	331
Acres Impervious	68	64	65	194	90	109
Alternative Compliance Sites	12	13	5	15	14	12
Standard Compliance Sites	15	18	26	18	13	17
Linear Projects	4	5	9	9	6	4
Total Linear Impervious (ac)	37	34	32	156	49.83	75.93
Total Linear Treatment (cf)	72,180	20,969	75,201	431,597	118,110	435,928
Infiltration Approved (cf)	120,349	148,131	163,297	425,289	275,781	91,100
Filtration Approved (cf)	73,861	65,959	35,649	198,844	179,448	474,887
Variances Requested	2	2	2	2	1	0
Variances Approved	1	2	1	2	1	0
Incomplete/Withdrawn Applications	3	2	0	0	3	1

Our Work

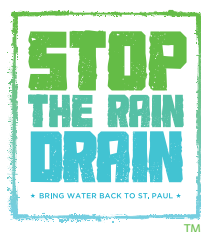
Education and Outreach

Outreach

CRWD also continued outreach to students and adults in 2012 through direct work with organizations and community groups. CRWD staff and volunteers contacted more than 1,100 watershed residents through public events, trainings, presentations, resource assistance, school visits and field trips within the District. This included a summer evening lake study attended by 35 residents of all ages and rain garden workshops and walking tours for more than 120 residents. CRWD also sponsored transportation costs for eight water quality education field trips attended by CRWD students, co-sponsored with Friends of the Mississippi River storm drain stenciling and trash cleanup in CRWD as part of the Girl Scouts Centennial Day of Service on October 13, 2012, supported Children's Water Fest with a financial contribution, led a rain garden tour for Saint Paul

Parks and Recreation's 50+ group, sponsored chloride education workshops for 100 snowplow fleet drivers from Saint Paul Public Works Street Maintenance division and hosted 50 Saint Paul Parks staff for an educational workshop about maintaining turf in a way that causes minimal impact to water quality.

Stop the Rain Drain



CRWD carried out a third and final year of the Stop the Rain Drain gutter downspout redirection program. In 2012, 31 garages were redirected totaling 10,000 ft² of redirected runoff amounting to approximately 4 million gallons

of reduction per year. CRWD staff revisited and left doorhangers with suitable project sites identified in 2011. Twenty percent of those identified responded. SRD 2012 contractor DTD Construction made the adjustments to downspouts and also installed rain barrels purchased by homeowners, 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.

2012 SRD Total Annual Cost (31 projects)

PROGRAM COST	
• Design	\$188
• Printing	\$969
• Promotion (stamps)	\$51
• Web updates	\$300
• Education Assistant Intern staff time (157 hours August-October)	\$2,045
Program cost subtotal	\$3,552
DOWNSPOUT REDIRECTION COST	
• Homeowner reimbursement	\$300
• Contractor (labor and materials)	\$3,607
Downspout redirection cost subtotal	\$3,907
TOTAL ANNUAL COST	\$7,459
ANNUAL COST PER PROJECT	\$240



A Stop the Rain Drain redirected downspout.

Rain Barrel Construction Workshop Grants

With rain barrel construction workshop grants from CRWD, four community organizations hosted more than 180 participants at six events. Workshops were held by Hamline Midway Coalition, Saint Anthony Park Community Council, Union Park District Council and Mississippi Market food cooperative.

Metro WaterShed Partners

CRWD has been a contributing member to WaterShed Partners since 2005. WaterShed Partners (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

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).

media placements on radio and cable television and public service announcements (PSAs) to educate the public about preventing polluted runoff. In 2012, the media campaign partnership financed 38 public service announcement (PSA) placements during Saint Paul Saints and Minnesota Twins baseball games, 400 PSA placements on Comcast cable channels and streaming online gateway ads about sidewalk salt reduction education on Minnesota Public Radio (KNOW 91.1) during December 2012.



Dipping on Bugs' Night Out at Como Lake.



Community Design Center interns learn about lake water quality.

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 and
4. raise stormwater pollution prevention awareness among residents.

Grant requests are reviewed and approved by staff. 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 as well as 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 2012, 31 grants were awarded, totaling \$34,400. These grants helped make possible 42 rain gardens, a green roof, nine residential rain barrels and three rain barrel construction workshops. Grant funding also provided support for CRWD to host two interns from Gordon Parks High School, support of storm drain stenciling for the Girl Scouts Centennial Day of Service, a community clean up at Como Lake and a native plant education expo and market.

First Covenant Church volunteers plan a rain garden.



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. In addition to increasing residents' awareness of water quality issues, another purpose of the Partner Grant Program is to support and foster relationships with organizations and groups whose work furthers the mission of CRWD.

2012 Partner Grants included:

- funding for a community organizing project focused on supporting water quality projects of faith communities in CRWD,
- support of a street sweeping study,
- a water quality education event for Latino youth,
- stipends for environmental education internships for East Side youth,
- support of Friends of the Mississippi River's river stewardship and habitat restoration programs as well as their State of the River Report and
- educational signage and construction of rain gardens at the City of Saint Paul's Beacon Bluff redevelopment project being headed up by Saint Paul Port Authority.

In 2012, eight grants were awarded totaling \$73,000.

2012 Grants

Thirty-one Stewardship Grant awards (up to \$2,000) totaled \$34,400.

Eight Partner Grant awards (\$2,000 to \$20,000) totaled \$73,000.



Rain barrel assembly workshop.



Students dig out a rain garden on Saint Paul's East Side.

Our Work

Stewardship and Partner Grants (cont.)

Hamline Midway Boulevard Rain Gardens

On Saturday, June 9, Hamline Midway neighbors came together to improve the quality of our lakes and Mississippi River by planting 60 boulevard rain gardens. When Saint Paul Public Works reconstructed the streets in a section of the neighborhood, they gave residents the option of having a rain garden installed in the boulevard in front of their home. Curb cuts were constructed to allow water to enter the gardens, boulevard soil was replaced with a sandy rain garden soil mix and mulch was laid. CRWD provided plants and coordinated the neighborhood planting. Staff from the organization Great River Greening were on hand during planting day to provide planting help, advice, tools and watering assistance. Minnesota native plant species were used in the gardens and include turtlehead, prairie dropseed, wild petunia, junegrass and Jacob's ladder.

After the rain gardens were planted, homeowners assumed responsibility for maintaining the gardens, which is critical during the first two growing seasons. The frequency of maintenance decreases once gardens become established, but until then these basic tasks are important:

- Water weekly with at least 1" of water if it has not rained...more often in very hot weather.
- Keep the garden weeded in order to prevent weeds from shading the plants and to keep it looking well maintained.
- Maintain a 2 to 3" mulch cover to reduce the need for watering and minimize weed growth.
- Regularly clear the inlet of accumulated leaves, sediment and trash.
- Aside from regular maintenance, avoid walking in the rain garden basin to prevent soil compaction.

Project engineer Barb Mundahl of Saint Paul Public Works was instrumental in making this project a reality. Special thanks also goes to Hamline Midway homeowners who are caring for their new gardens. These gardens play a role in preventing water pollution in our lakes and the Mississippi River, they provide food for wildlife and will be a beautiful addition to the neighborhood.



Rain garden excavation.



Planting Day, June 9, 2012.



Neighborhood Stabilization Program

In summer 2011, the City of Saint Paul's Department of Planning and Economic Development and CRWD began a unique partnership to enhance residential landscapes and achieve water quality benefits at foreclosed homes acquired by the City for rehabilitation. Through the City's Neighborhood Stabilization Program (NSP), the City and CRWD are designing and constructing environmentally friendly landscapes in Saint Paul that treat nearly all residential runoff on-site via downspout direction to rain gardens, rain barrels and other green areas. The partnership builds on synergy between two local government entities: CRWD provides expert advice and design to create an environmentally conscientious landscape plan, NSP provides the resources to install the plan and the two entities work together to provide educational support for the occupants at the site.

At the end of 2012, CRWD, with assistance from Ramsey Conservation District, designed 87 residential site plans for NSP and over a dozen projects were constructed. At the end of the first phase of the program in 2013, the project partners anticipate 120 vacant properties will have been rehabilitated to treat stormwater on-site for a total estimated infiltration volume of 171,000 cubic feet per year. In addition, CRWD, with input from the City of Saint Paul Forestry Department, incorporated enhancements to the City's tree canopy in the residential landscape designs. Moving forward, the partnership with CRWD will be fully integrated into the City of Saint Paul's scattered site single family program, resulting in an annual impact of 50-75 rain gardens at new construction and rehabilitated properties.

Our Work

Stormwater Quality Monitoring

Since 2005, CRWD has monitored stormwater quality and quantity from its 40-square mile watershed in Saint Paul, Roseville, Maplewood, Falcon Heights and Lauderdale, which ultimately drains to the Mississippi River. CRWD is highly urbanized with 225,000 residents and at least 42% impervious land cover. CRWD's monitoring program assesses stormwater water quality and quantity in various subwatersheds and the four lakes located within CRWD.

Throughout the year in 2012, CRWD collected water quality and flow data from storm sewers, storm-water ponds and lakes at 16 stormwater sites (see map). Of those 16 sites, ten sites were full monitoring stations where both water quality and flow data were collected. 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. Ramsey County Public Works Department 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, water clarity and chlorophyll a.

CRWD uses the data collected annually to make water quality improvement recommendations and to track illicit discharges in the District. CRWD also continues monitoring throughout the winter months and works with the Minnesota Pollution Control Agency to monitor the extent of chloride pollution. The 2012 Monitoring Report will be available on the CRWD website at capitolreignwd.org on or before July 1, 2013.

Stormwater monitoring staff are trained in confined space entry.

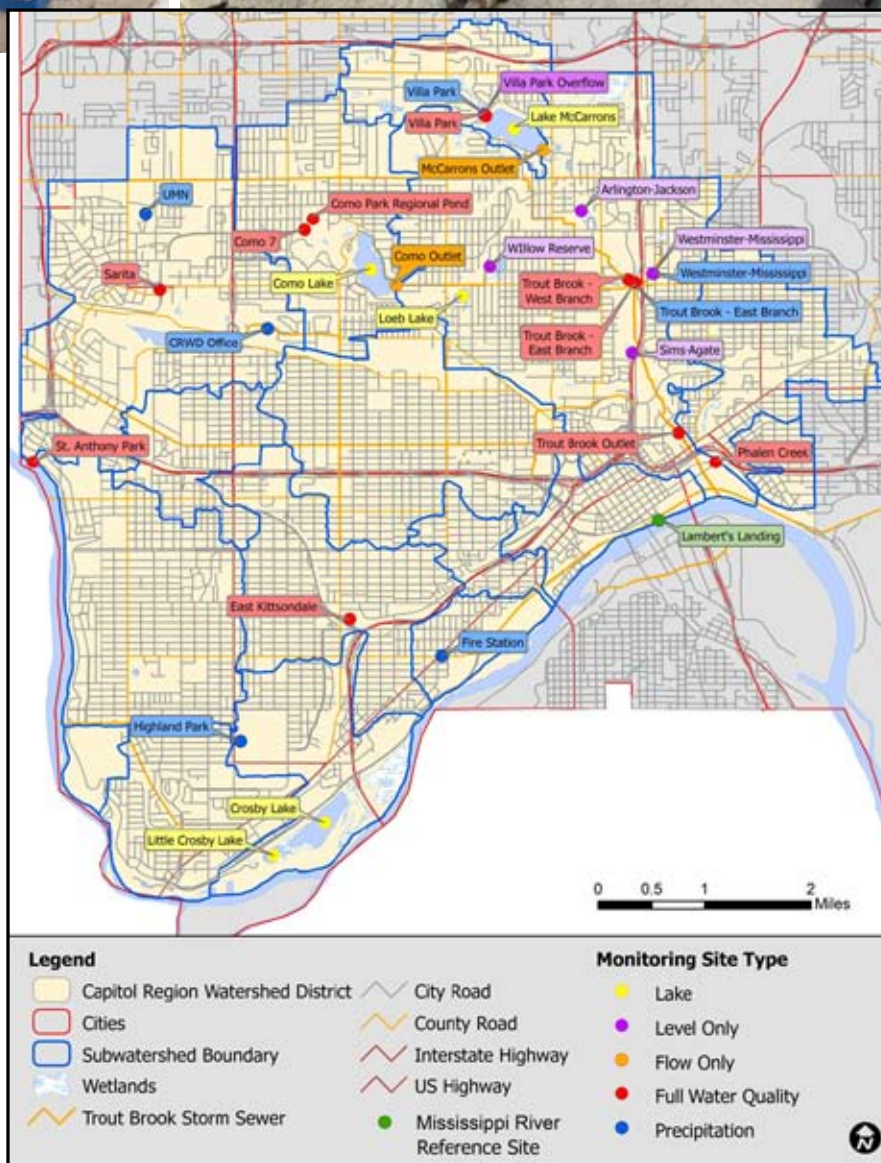




Stormwater monitoring continues in winter.



Downloading stormwater data.



Our Work

BMP Maintenance and Monitoring

Stormwater Best Management Practices (BMPs) are activities, practices and structures that reduce the impacts of stormwater runoff. CRWD maintains/owns several stormwater BMP structures throughout the watershed: eighteen stormwater BMPs constructed in the Como Lake Subwatershed in Saint Paul and twelve 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. 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 hydrodynamic 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 to maintain the performance of those BMPs at removing pollutants and infiltrating stormwater runoff.

The BMPs constructed in the CCLRT project area include five stormwater planters and four rain gardens. 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, improve 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 receives assistance with maintenance of some of the BMPs from citizen volunteers and other government entities. In 2012, approximately 640 staff and volunteer hours were spent inspecting and maintaining the BMPs.

Since 2007, CRWD has been collecting water quality and 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 eighteen of the Arlington Pascal Project BMPs. Modeling efforts are necessary because Minnesota's winter prohibits monitoring data from being collected year round. This data, in addition to actual construction, design,



Cleaning out street trenches with a vacuum truck.

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* published in spring 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 BMPs 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* published in spring 2012.



Spring cleanup of McKinley Street rain garden.



Conservation Corps Minnesota participated in annual maintenance.

Our Work

Green Infrastructure in the Central Corridor

The construction of the Central Corridor Light Rail Transit (CCLRT) project presented a unique opportunity to improve stormwater quality in a major urban transportation corridor. The Metropolitan Council, Capitol Region Watershed District (CRWD), the City of Saint Paul and Ramsey County have constructed green infrastructure 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, which will be operational in 2014, will connect the downtowns of Minneapolis and Saint Paul in an urban corridor that is home to commercial, industrial and residential land uses. The former drainage system within the project limits sent untreated stormwater from 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 was required to meet CRWD Watershed Rules. CRWD Rules require stormwater quality improvements by retaining one-inch rainfalls through best management practices (BMPs) that remove 90% of sediment and 60% of phosphorus.

Four types of green infrastructure practices were installed for the Corridor:

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



The integrated tree trench system was constructed on both sidewalks along five miles of University Avenue where soils were clean and well drained. The system receives street runoff via catch basins that direct runoff to infiltration trenches and from sidewalks via pervious pavers that direct runoff to structured soils that support the health of boulevard trees.

In total, eleven green infrastructure projects have been constructed on streets connecting to University Avenue. Stormwater planters are located in the boulevards of five streets including Aldine SE, Albert NW, Albert NE, Griggs NW and Oxford SE. Rain gardens have been constructed in the boulevards of Pillsbury NW, Syndicate SW, Marion SW and Marion SE. Two infiltration trenches are situated beneath the streets of Saint Albans and Arundel.

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.

Green Infrastructure:

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.



Stormwater planter.

2012 District Finance Summary

CRWD offers this summary overview and analysis of the District's financial activities for the fiscal year ended December 31, 2012. The complete 2012 Annual Financial Report and Audit can be found in the Appendix.

Operations

2012 budgeted revenue was \$2,368,075 and actual revenue was \$2,380,758. The increased revenue was mostly due to increased permit fees. Expenditures in 2012 were budgeted at \$2,368,025. Actual expenditures were \$1,932,216. This decrease was largely due to projects that were not started or delayed in 2012.

Capital Improvement Program (CIP)

2012 budgeted revenue was \$4,352,480 and actual revenue was \$4,026,976. This decrease was of \$325,504 in revenue was mostly due to reduced reimbursements for the TBI Realignment Project for MNDOT on I-35E Cayuga Project. Actual expenditures in 2012 were \$4,628,830 which was a decrease from the budgeted amount of \$5,102,480. This reduction in expenditures was largely due to lower than anticipated expenses from the TBI Realignment Project for MNDOT on I-35E Cayuga Project.

Financial Highlights

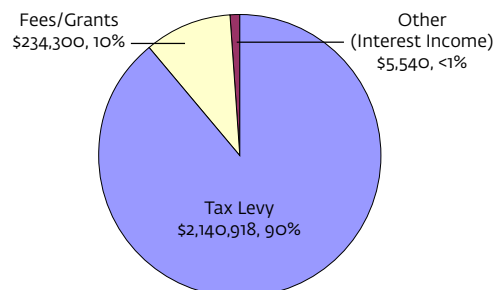
The Met Council completed construction of the Central Corridor Light Rail Transit Stormwater Best Management Practices (BMPs). Some BMPs are part of the permit requirement for the project while others are being built through a grant from the State of Minnesota. In 2012, the final five BMPs were constructed.

During 2012, the Board approved a budget amendment of \$125,350 to accelerate the implementation of CRWD grants to residents and businesses through the Stewardship Grant Program. This program leverages funds and projects through the City of Saint Paul's Residential Street Vitality Program and the Neighborhood Stabilization Program. The Fund Balance was used as the funding source for the amendment.

One of the biggest projects of 2012 was completion of Phase I of the Trout Brook Realignment Project, which involves realigning approximately 800 feet of the Trout Brook Stormsewer Interceptor. The project is part of utility relocation work in advance of MN DOT's I-35 E Cayuga Bridge and Interchange Project. Phase I included approximately 600 feet of realignment including 120 feet under two main line BNSF railroad tracks. The project required a \$3,488,500 budget amendment and is being funded by the MN DOT.

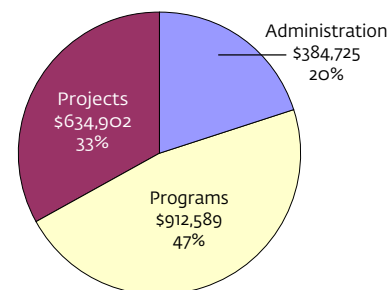
2012 Operations Revenue (actual)

Total \$2,380,758



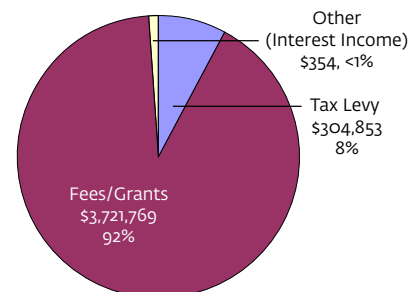
2012 Operations Expenditures (actual)

Total \$1,932,216



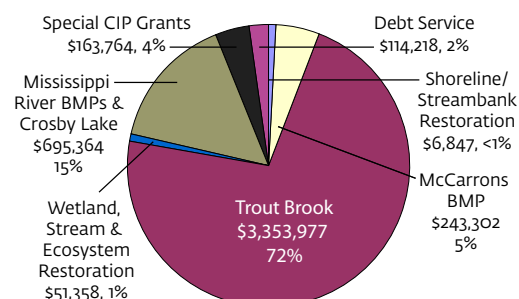
2012 CIP Revenue (actual)

Total \$4,026,976



2012 CIP Expenditures (actual)

Total \$4,628,830



Our Plans

2012 Year In Review

Below is a complete list of 2012 CRWD projects:

Fund Name	Project Name
Administration	General Administration
	Performance Review & Assistance Program
Groundwater Protection	Well Sealing
	Groundwater Studies
Rulemaking	Evaluate Rules and Conduct Annual TAC Mtg
Permitting	Implement Effective, Efficient & Equitable Permit Program
	Construction Inspection
	Permit Closure and Post Construction Inspection and Maintenance
Stewardship Grants	Grant Promotion and Outreach
	Project Inspection
	Project Design & Assistance
	Stewardship and Partner Grants
Monitoring and Data Collection	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
	Filtration BMP Monitoring
	CCLRT Tree Trench Monitoring
Education and Outreach	Outreach — Communication
	Homeowner Outreach — Stop the Rain Drain
	Homeowner Outreach — Community Clean-Up
	Municipal Outreach
	Website and Social Media
	Landscape Contractor Outreach
	Partnerships
	Events/Outreach

Our Plans

2012 Year In Review (cont.)

Fund Name	Project Name
Technical Resources and Information Sharing	Urban Stormwater BMP Specialist
	Strategic Project Preparation
Future Trends: Research & Positioning	Innovative BMPs Research
	National Speakers for Conferences
Geographic Information System	GIS Program Development
	Data Acquisition
Safety Program	Safety Training
	Safety Program Updates/Audits
	CSE Equipment
Shoreline and Streambank Maintenance	Lake McCarrons Shoreline Restoration Project
	Saint Paul Natural Resources Intern Program
Como Lake Project Planning, Maintenance, Inspection, Monitoring	Como BMP Maintenance and Inspection
	Como 7 Subwatershed - Curtis Field
	Settleable Solids Accumulation Sampling and Investigation
	Como Park Regional Pond Bathymetric Survey
	BMP Performance Improvements
Lake McCarrons Project Planning, Maintenance, Inspection, Monitoring	Lake McCarrons Subwatershed Study
Crosby Lake Subwatershed	Crosby Lake Management Plan
	Highland Ravine Stabilization

Fund Name	Project Name
Trout Brook Subwatershed	Operation, Maintenance and Management
	Center Street/Rice Street Subwatershed Analysis
	NPDES MS4 Stormwater Program
	Illicit Discharge Detection and Elimination Program
	Trout Brook Subwatershed Study
Wetland, Stream and Ecosystem Restoration — Planning	Wetland Reestablishment Feasibility Study — Victoria Park
	Stream Corridor Restoration Feasibility Study — Trillium Site
Mississippi River Subwatershed	Implement Green Infrastructure along the Central Corridor — Planning
Shoreline and Streambank Restoration	Shoreline and Streambank Restoration Projects
Como Lake BMPs	Como Lake Subwatershed BMPs
Lake McCarrons BMPs	Villa Park Wetland Restoration Project
	Villa Park Subwatershed Plan and BMP Design
Crosby Lake BMPs	Highland Ravine Stabilization Project
Trout Brook BMPs	TBI Repair Station 136+16 to 168+73
	TBI Repair Station 185+82 to 186+94
	TBI Repair West Tunnel Station 0+00 to 17+62
Wetland, Stream and Ecosystem Restoration — Implementation	Wetland Improvement
	Wetland Reestablishment: Implementation
	Trillium Site - Water Resource Feature Engineering
Mississippi River Subwatershed BMPs	CCLRT BMP Implementation
Special Projects and Grants	Special Grants

Our Plans

2013 Workplan

Fund Name	Project Name	Priority	Project Description
Administration	General Administration	Critical	Administration initiatives include ongoing activities that recur annually to satisfy Minnesota Rules for watershed districts and those that pertain to the organization, administration and coordination of programs, services and facilities provided by the District. Administration initiatives also include organization and coordination of the Citizen Advisory Committee and its activities.
Groundwater	Groundwater Protection — Well Sealing	Beneficial	Groundwater and well sealing initiatives that were begun prior to this Plan will continue. The well sealing cost share program will continue to be implemented in 2013.
Rulemaking/ Rule Revisions	Wetland Management & Regulation Plan	Critical	The District regularly reviews its Rules with support from the Technical Advisory Committee (TAC) to satisfy both the spirit and letter of State statute 103D, described above.
Permitting	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.
Stewardship Grants	Grant Program Administration	Important	Administer, promote and conduct outreach on Stewardship and Partner Grant Programs.
	Project Inspection	Important	Annual inspection of Stewardship Grant projects to ensure the proper function and intended benefit of each project.
	Project Design & Assistance	Important	Partner with Ramsey Conservation District to prepare project designs.
	Application Processing & Grant Award	Important	Conduct pre-application site visits of potential grant projects. Review and make recommendations on proposed projects and grant applications. Approve and make payments to applicants.

Fund Name	Project Name	Priority	Project Description
Monitoring & Data Collection	Baseline Monitoring & Data Collection	Critical	Continue to collect baseline stormwater data and monitor improvements. Operate and maintain 18 full water quality monitoring stations, 7 lake/pond stations, 1 BMP level station and 5 precipitation stations. Continue to operate monitoring station for the Como 3 subwatershed feasibility study. Develop and implement a plan to address issues identified in the 2011 Monitoring Report. Complete 2012 Water Monitoring Report by May 2012. Assist the City of Saint Paul with their NPDES monitoring requirements.
	Lake Monitoring & Data Collection	Critical	Continue lake level monitoring on Como, McCarron's and Loeb Lakes and continue to support Ramsey County Public Works staff conducting the water quality monitoring on these lakes.
	Villa Park Monitoring & 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	Data Continue partnership with other metro agencies in the development of a database for long term storage of monitoring data, to facilitate further analysis of monitoring data.
	Willow Reserve / Loeb Lake Monitoring & Data Collection	Important	Monitor Loeb Lake and Willow Reserve as identified in the Loeb Lake/Willow Reserve Management Plan.
	Non-CRWD BMP Inventory	Future	Document non-CRWD BMPs within the watershed.
	10-Year Monitoring Plan	Beneficial	Develop a long range plan for the District's Monitoring program in conjunction with the City of Saint Paul's NPDES permit monitoring requirements.
	BMP Monitoring	Important	Monitor the effectiveness of BMPs, including Beacon Bluff, CCLRT, William Street Pond and filtration BMPs.

Our Plans

2013 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
Education & Outreach	Outreach/ Communication	Critical	Provide staff, equipment and material support for general watershed outreach and education programing.
	Homeowner Outreach - Stop the Rain Drain	Critical	In partnership with CCM, conduct Stop the Rain Drain campaign in two phases, 1) District-wide, and 2) to a focused geographic area.
	Homeowner Outreach - Community Cleanup	Critical	In partnership with Freshwater Society promote to organizations in the District CRWD grants in combination w/ Community Clean Ups for Water Quality leaf litter education toolkit.
	Municipal Outreach	Important	Develop a municipal outreach effort to build potential for clean water partnership between the District and municipal staff and increase the use of education as a way of affecting decisions regarding land use planning.
	Website & Social Media	Important	Maintain and improve CRWD website for effective use as a tool for educating and informing the public.
	Contractor Outreach	Important	Participate as a Blue Thumb partner to facilitate outreach of clean water planting techniques.
	Partnerships	Beneficial	Sponsor rain garden or other water quality protection workshops for homeowners in partnership w/ RCD, District Planning Councils, and other organizations.
	Events/Outreach	Beneficial	Provide water quality education field events for the general public, schools and student groups.
	Homeowner Outreach - Watershed Heroes	Beneficial	Develop a Watershed Heroes program to recognize citizens working for water quality protection in the community that can be used to make a statement about CRWD's values
Technical Resources & Information Sharing	Local and Agency Plan Review & Tech Committee	Important	Participate in the review and comment on local water plans, agency plans, relevant agency regulations as well as active involvement on technical committees.
	Watershed Approach: MS4 & TMDL Compliance	Important	Coordinate MS4 and TMDL compliance and reporting as well as BMP implementation.
	Strategic Project Preparation	Important	Take selected projects through design to a level where they are ready for bidding in advance of available funding.

Fund Name	Project Name	Priority	Project Description
Future Trends: Research & Positioning	Innovative BMP's Research	Important	Select and begin research on innovative BMPs with a focus on their performance, applicability under different conditions, and long-term maintenance needs.
	Water Resource Awareness Tools/ Methods/Techniques	Important	Develop a policy and plan to incorporate public into CRWD programs as well engage a artist in residence.
	National Speakers for Conferences	Beneficial	Provide sponsorship and support for the 2013 LID Conference.
Geographic Information Systems (GIS)	GIS Program Development	Important	Purchase and/or update software and hardware to incorporate GIS into major program areas. Provide and ensure staff training to stay current on GIS technology.
	Data Acquisition	Critical	Purchase district wide data layers and data updates necessary to support accurate calibrations of water quality models, subwatershed analysis, and other District projects and programs.
	Internal Mapping System	Beneficial	Research a more user-friendly internal web based mapping system for use by District staff.
	Impervious Surfaces Data Set	Beneficial	Update GIS map layers for impervious surface coverage.
Safety Program	Safety Training	Critical	The District's commitment to facilitating safe working conditions is ensured through provision of proper field operations equipment and routine equipment maintenance and calibration. Safety training is an equally vital program element.
	Safety Program Updates/Audits	Critical	The District will conduct a safety audit every three years or more frequently if District activities or operations change. The audit will include equipment and operational inspections, status of staff safety training, and a review of working conditions. This initiative includes rectifying all issues identified as a result of the audit.
	CSE Equipment	Critical	The District's commitment to facilitating safe working conditions is ensured through provision of proper field operations equipment and routine equipment maintenance and calibration.

Our Plans

2013 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
Shoreline & Streambank Maintenance	Lake McCarron's Shoreline Restoration Project	Important	Promote shoreline restoration projects around Lake McCarrons.
	Saint Paul Natural Resources Intern Program	Important	Sponsor a natural resources intern with the City of Saint Paul to help maintain rain gardens, restored shorelines and other natural areas.
	Loeb Lake Shoreline Assessment	Beneficial	Conduct an assessment of the shoreline of the lake.
	Crosby Lake Shoreline Assessment	Beneficial	Conduct an assessment of the shoreline of the lake.
Como Lake Subwatershed	Como Park Regional Park Stormwater Plan	Important	Develop a Stormwater Management Plan for Como Regional Park.
	Como BMP Maintenance & Inspection	Critical	Continue to monitor the BMPs from the Arlington Pascal Stormwater Improvement Project. Complete 2009 & 2010 BMP Performance Assessment by May 31, 2010.
	Como Lake Implementation Reporting & Audit	Important	Implement an audit to: use monitoring data to evaluate performance, review which project types are most cost effective, track if load reduction goals are being met, and conduct in-lake assessment. Complete a State of Lake Report.
Loeb Lake Subwatershed	Willow Reserve Restoration Plan	Critical	Develop a restoration plan for Willow Reserve with input from stakeholder group.
Crosby Lake Subwatershed	Crosby Lake Management Plan Implementation	Critical	Develop a lake management plan for Crosby Lake with input from federal, state and local agencies, citizens and other interested parties.
Trout Brook Subwatershed	Inspection & Minor Maintenance	Critical	Inspection and minor maintenance of TBI as needs arise.
	TBI Easement Verification & Documentation	Critical	Complete easement verification work for TBI and work towards correcting errors in location and filling gaps where there are no easements
	Center St./Rice St. Subwatershed Analysis	Important	Evaluate management strategies and plans for water quality improvement and flood reduction for implementation by the District and its partners.
	NPDES MS4 Stormwater Program	Critical	Coordinate District MS4 requirements in cooperation with District partners.
	Illicit Discharge Detection & Elimination Program	Critical	Develop a web-based system for citizen reporting of potential illicit discharges.
	(TBI) Television Inspection	Important	Complete televised inspection of the TBI system.

Fund Name	Project Name	Priority	Project Description
Wetland, Stream & Ecosystem Restoration - Planning	Stream Corridor Restoration Feasibility Study	Important	As part of the Bringing Water Back to St. Paul campaign, the District will explore the feasibility and value of restoring a number of stream corridors during years 1-6 of the plan.
Mississippi River Subwatershed	Implement Green Infrastructure along the Central Corridor - Planning	Critical	The District intends to partner with the City of St. Paul, Ramsey County, and the Metropolitan Council to recreate and redevelop with sustainable storm-water management as a focus.
	Large Scale Redevelopment Stormwater Planning	Important	Plan for shared, stacked-function stormwater and green infrastructure along the Central Corridor Light Rail Transit Project for the associated redevelopment that is expected to occur.
	CCLRT BMP Maintenance	Critical	Maintain CRWD Green Infrastructure along CCLRT.
Shoreline & Streambank Restoration	Shoreline & Streambank Restoration Projects	Important	In cooperation with the Ramsey Conservation District (RCD), continue the Lake Shoreline Restoration projects. Facilitate completion and follow-up inspection of shoreline restoration projects.
Como Lake BMPs	Curtis Field Subwatershed Improvements	Important	Provide partner funding to the City of Falcon Heights for the implementation of Curtiss Field Flood Mitigation project(s).
	Gottfrieds Pit Improvement Project	Important	Provide partner funding to the City of Roseville for the acquisition of an emergency generator.
Lake McCarrons BMPs	Villa Park Wetland Restoration Project	Critical	Implement Villa Park Management Plan improvement project.
	Villa Park Subwatershed BMPs	Critical	Implement BMPs within the Villa Park Subwatershed.
Crosby Lake BMPs	Highland Ravine	Critical	Complete the Highland Ravine Stabilization projects.
Trout Brook BMPs	TBI Repair Station 53+08 to 60+49 - Cayuga Interchange	Critical	Complete engineering for TBI repairs from Station 136+16 to 168+73.
	TBI Repair - Farrington	Critical	Complete engineering for TBI repairs from Station 185+82 to 186+94.

Our Plans

2013 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
Wetland, Stream & Ecosystem Restoration - Implementation	Trillium Site - Water Resource Feature - Construction	Critical	Provide partner funding to the City of Saint Paul for the Water Resource Features of the Trillium site.
Mississippi River Subwatersheds BMPs	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	Important	Provide partner funding to the City of St. Paul, Ramsey County, and the Metropolitan Council to recreate and redevelop with sustainable stormwater management as a focus.
Debt Service	Debt & Loan Service	Critical	Annually meet the full requirements of the Districts past debt (bond) and loan service.

Appendix A

Financial Statements and Audit

ANNUAL FINANCIAL REPORT

Year Ended December 31, 2012

Capitol Region Watershed District

Ramsey County, Minnesota

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CAPITOL REGION WATERSHED DISTRICT
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INTRODUCTORY SECTION

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CAPITOL REGION WATERSHED DISTRICT

ORGANIZATION

December 31, 2012

Board of Managers

Joseph Collins - President
Seitu Jones - Secretary
Mary Texer - Vice-President
Michael R. Thienes - Treasurer
Shirley Reider

Watershed District Staff

Mark Doneux, Administrator
Melissa Baker, Water Resource Technician
Elizabeth Beckman, Education and Outreach Coordinator
Anna Eleria, Water Resource Project Manager
Robert Fossum, Water Resource Project Manager
Forrest Kelley, Regulatory and Conservation Program Manager
Matt Loyas, Water Resources Technician
Dawn Nelson, Office Manager
Corey Poland, Water Resource Technician
Britta Suppes, Water Resource Technician
David Depaz, Water Resource Technician
Joe Sellner, Water Resource Technician
Lindsay VanPattern, Education & Admin. Assistant

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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

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2012, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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

September 12, 2013

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, 2012.

Financial Highlights

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$13,293,021 (Net position). Of this amount, \$3,750,611 (unrestricted net position) 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 position increased by \$3,292,336.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance was \$3,402,332 compared to \$4,255,685 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 position* presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 position between 2012 and 2011.

	2012	2011
Current and other assets	\$4,842,725	\$4,804,796
Capital assets	11,009,335	7,053,572
Total assets	<u>\$15,852,060</u>	<u>\$11,858,368</u>
Payables	\$1,225,052	\$471,363
Other liabilities	1,333,987	1,386,320
Total liabilities	<u>\$2,559,039</u>	<u>\$1,857,683</u>
Net position:		
Net investments in capital assets	\$9,542,410	\$5,705,484
Unrestricted	3,750,611	4,295,201
Total net position	<u>\$13,293,021</u>	<u>\$10,000,685</u>

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

Governmental Activities

Governmental activities resulted in an increase of the District's net position by \$3,292,336. The details of the increase are as follows:

Capitol Region Watershed District's Changes in Net Position

	2012	2011
Revenues:		
Program revenues:		
Charges for services	\$199,000	\$20,500
Operating grants and contributions	710,930	176,682
Capital grants and contributions	2,548,426	-
General revenues:		
Property taxes	2,438,556	2,209,376
Grants and contributions not restricted to specific programs	-	144,698
Unrestricted investment earnings	588	621
Miscellaneous other	5,540	2,329
Total revenues	<u>5,903,040</u>	<u>2,554,206</u>
Expenses:		
General	1,760,980	1,754,159
Capital improvement	849,724	706,773
Total expenses	<u>2,610,704</u>	<u>2,460,932</u>
Change in net assets	3,292,336	93,274
Net position - January 1	10,000,685	9,907,411
Net position - December 31	<u>\$13,293,021</u>	<u>\$10,000,685</u>

The increase in net position in 2012 is mainly due to the construction of the realigned Trout Brook Stormsewer.

Management's Discussion and Analysis

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 increased by \$627,883 in 2012, which was due to several projects coming in under budget as well as some projects that were budgeted for that did not begin or started late in 2012.

The Capital Improvement fund balance decreased by (\$1,481,236) in 2012, which was due to contractor payments that had been made for 2012 work that will be reimbursed in 2013.

Budgetary Highlights

Operations

The operations expenses were under budget by \$615,217. This was due in part to having less program related expenses than anticipated.

Capital Improvement

The capital improvement expenses were under budget by \$240,442. This was due to lower than planned costs on the realigned Trout Brook Stormsewer project as well as several projects that did not go to construction in 2012.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of December 31, 2012, amounts to \$11,009,335. This investment in capital assets is in infrastructure and construction in progress. Accumulated depreciation was \$1,399,135 with current depreciation charges of \$274,312.

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

	December 31,	
	2012	2011
Infrastructure	\$7,458,967	\$6,944,929
Construction in progress	3,550,368	108,643
Total	<u>\$11,009,335</u>	<u>\$7,053,572</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

The Met Council completed 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 2012, the final five BMPs were constructed.

During 2012, the Board approved a budget amendment of \$125,350 to accelerate the implementation of CRWD grants to residents and businesses through the Stewardship Grant Program. This program leverage funds and projects through the City of St. Paul are Residential Street Vitality Program and the Neighborhood Stabilization Program. The Fund Balance was used as the funding source for the amendment.

One of the biggest highlights and projects of 2012 was completion of Phase I of the Trout Brook Realignment Project. This project involves realigning approximately 800 feet of the Trout Brook Stormsewer Interceptor. The project is part of the advance utility relocation work in advance of MN DOTs I-35 E Cayuga Bridge and Interchange Project. Phase I included approximately 600 feet of realignment including 120 feet under two main line BNSF railroad tracks. The project required a \$3,488,500 budget amendment and is being funded by the MN DOT.

The District awarded \$194,000 in special grants to our partners for capital projects in the District. The final design was completed for the Trillium Site Water Resource Features with its Partner, the City of St. Paul. The District also completed the Villa Park Wetland Restoration Final Engineering Plans and Specifications. Maintenance improvements were substantially completed on the Como Park Golf Course Pond.

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 POSITION**

December 31, 2012

Statement 1

	Primary Government Governmental Activities
Assets:	
Cash and short term investments	\$1,927,371
Property taxes receivable:	
Due from county	40,446
Delinquent	64,482
Due from other governments	2,644,676
Accounts receivable - net	136,557
Prepaid items	5,203
Deferred charges	23,990
Capital assets - net:	
Depreciable	7,458,967
Nondepreciable	3,550,368
Total assets	<u>15,852,060</u>
Liabilities:	
Accounts payable	712,278
Contracts payable	183,166
Deposits payable	307,715
Accrued interest payable	21,893
Bonds payable:	
Due within one year	65,000
Due in more than one year	1,222,583
Compensated absences payable:	
Due within one year	46,404
Total liabilities	<u>2,559,039</u>
Net position:	
Net investments in capital assets	9,542,410
Unrestricted	3,750,611
Total net position	<u><u>\$13,293,021</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, 2012

Statement 2

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges For Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary government:					
Governmental activities:					
General government	\$1,760,980	\$199,000	\$ -	\$ -	(\$1,561,980)
Conservation of natural resources	849,724	-	710,930	2,548,426	2,409,632
Total governmental activities	<u>\$2,610,704</u>	<u>\$199,000</u>	<u>\$710,930</u>	<u>\$2,548,426</u>	847,652
General revenues:					
Property taxes					2,438,556
Grants and contributions not restricted to specific programs					-
Unrestricted investment earnings					588
Miscellaneous other					5,540
Total general revenues					<u>2,444,684</u>
Change in net position					3,292,336
Net position - beginning					<u>10,000,685</u>
Net position - ending					<u>\$13,293,021</u>

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

CAPITOL REGION WATERSHED DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012

Statement 3

	Operations	Capital Improvement	Total Governmental Funds 2012
Assets			
Cash and short-term investments	\$1,927,371	\$ -	\$1,927,371
Due from other governments	-	2,644,676	2,644,676
Interfund receivable	88,119	-	88,119
Accounts receivable	136,557	-	136,557
Taxes receivable:			
Delinquent	56,448	8,034	64,482
Due from county	35,405	5,041	40,446
Prepaid items	5,203	-	5,203
Total assets	\$2,249,103	\$2,657,751	\$4,906,854
Liabilities:			
Accounts payable	\$206,189	\$506,089	\$712,278
Interfund payable	-	88,119	88,119
Contracts payable	3,824	179,342	183,166
Deposits payable	307,715	-	307,715
Deferred revenue	56,448	156,796	213,244
Total liabilities	574,176	930,346	1,504,522
Fund balance:			
Nonspendable	5,203	-	5,203
Restricted	-	-	-
Committed	-	-	-
Assigned	-	1,727,405	1,727,405
Unassigned	1,669,724	-	1,669,724
Total fund balance	1,674,927	1,727,405	3,402,332
Total liabilities and fund balance	\$2,249,103	\$2,657,751	\$4,906,854
Fund balance reported above			\$3,402,332
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources, and, therefore, are not reported in the funds.			11,009,335
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.			(1,331,890)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			213,244
Net position of governmental activities			\$13,293,021

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, 2012

Statement 4

	Operations	Capital Improvement	Total Governmental Funds
Revenues:			
General property taxes	\$2,140,918	\$304,853	\$2,445,771
Intergovernmental:			
Grants and reimbursements	35,000	3,075,594	3,110,594
Interest income	233	355	588
Permit fees	199,000	-	199,000
Miscellaneous	5,540	-	5,540
Total revenues	<u>2,380,691</u>	<u>3,380,802</u>	<u>5,761,493</u>
Expenditures:			
Current:			
General government:			
Other services and charges	128,485	-	128,485
Salaries & benefits	623,313	88,215	711,528
Supplies	45,256	118	45,374
Noncapitalized equipment	62,118	-	62,118
Legal	15,973	19	15,992
Engineering	199,703	227,488	427,191
Projects and studies	677,960	202,454	880,414
Capital outlay - construction in progress	-	4,230,075	4,230,075
Debt services:			
Principal	-	60,000	60,000
Interest	-	53,669	53,669
Total expenditures	<u>1,752,808</u>	<u>4,862,038</u>	<u>6,614,846</u>
Revenues over (under) expenditures	<u>627,883</u>	<u>(1,481,236)</u>	<u>(853,353)</u>
Net change in fund balance	627,883	(1,481,236)	(853,353)
Fund balance - January 1	<u>1,047,044</u>	<u>3,208,641</u>	<u>4,255,685</u>
Fund balance - December 31	<u>\$1,674,927</u>	<u>\$1,727,405</u>	<u>\$3,402,332</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, 2012

Statement 5

	<u>2012</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)	(\$853,353)
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	4,230,075
Depreciation expense	(274,312)
Accrued interest payable:	
At December 31, 2012	(21,893)
At December 31, 2011	22,739
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 position. 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	(4,295)
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, 2012	213,244
At December 31, 2011	(71,697)
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, 2012	(46,404)
At December 31, 2011	38,232
Change in net position of governmental activities (Statement 2)	<u><u>\$3,292,336</u></u>

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

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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 position 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. Funding for these projects is through grants and special revenues.

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.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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. 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.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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.

H. 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.

I. LONG-TERM OBLIGATIONS

In the government-wide financial statements long-term debt is reported as a liability in the statement of net position. 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.

J. 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.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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.

K. CAPITAL ASSETS

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

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

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

Rain gardens	20 years
Trenches	20 years
Other Infrastructure	30 years

The District implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010. GASB Statement No. 51 required the District to capitalize and amortize intangible assets. Intangible assets include easements and computer software. For governmental entities with total annual revenues of less than \$10 million for the fiscal year ended December 31, 1999, the retroactive reporting of intangible assets is not required under the provision of GASB Statement No. 51. The District has elected not to report intangible assets acquired in years prior to 2010. The District did not acquire any intangible assets for the year ending December 31, 2012.

L. 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.

M. 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.

N. REVENUES AND EXPENDITURES

REVENUES

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

IMPOSED NONEXCHANGE TRANSACTIONS

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

INTERGOVERNMENTAL

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

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

EXCHANGE TRANSACTIONS

Investment income is recognized as revenue when earned.

EXPENDITURES

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

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

O. DEFERRED REVENUE

The District reports deferred revenues in the governmental funds in the amount of \$213,244 at December 31, 2012. Deferred revenues consist of delinquent taxes and other receivables that do not provide current financial resources.

P. 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.

Q. 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 POSITION

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. 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 (\$1,331,890) difference are as follows:

Bonds payable	(\$1,287,583)
Compensated absences	(46,404)
Accrued interest	(21,893)
Deferred charges	<u>23,990</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>(\$1,331,890)</u></u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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 position 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 \$141,547 difference are as follows:

Deferred revenue:	
At December 31, 2011	(\$71,697)
At December 31, 2012	<u>213,244</u>
Net adjustments to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$141,547</u>

Another element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$3,955,763 difference are as follows:

Capital outlay - construction in progress	\$4,230,075
Depreciation expense	<u>(\$274,312)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$3,955,763</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 (\$8,172) difference are as follows:

Compensated absences payable:	
At December 31, 2011	\$38,232
At December 31, 2012	<u>(46,404)</u>
Net adjustments to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>(\$8,172)</u>

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

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

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

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

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

The District has no deposits at December 31, 2012.

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.

At December 31, 2012, the District held \$1,927,371 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.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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.

Note 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Construction in progress	\$108,643	\$4,230,075	(\$788,350)	\$3,550,368
Capital assets depreciated				
Infrastructure	8,069,752	788,350	-	8,858,102
Less accumulated depreciation for:				
Infrastructure	1,124,823	274,312	-	1,399,135
Total capital assets depreciated, net	6,944,929	514,038	-	7,458,967
Total capital assets, net	\$7,053,572	\$4,744,113	(\$788,350)	\$11,009,335

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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

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

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, 2012, the governmental long-term bonded debt of the financial reporting entity consisted of the following:

	Interest Rates	Date	Final Maturity Date	Original Issue	Payable 12/31/12
Tax Supported Bonds:					
\$1,555,000 Series 2007A	3.75-4.75%	1/4/2007	2/1/2027	\$1,555,000	\$1,280,000
Unamortized premium (discount)				<u>10,108</u>	<u>7,583</u>
Total indebtedness - governmental activities				<u><u>\$1,565,108</u></u>	<u><u>\$1,287,583</u></u>

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

	Revenue (Tax Supported) Bonds		
	Principal	Interest	Total
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	75,000	40,406	115,406
2018-2022	415,000	153,950	568,950
2023-2027	<u>520,000</u>	<u>56,891</u>	<u>576,891</u>
Totals	<u><u>\$1,280,000</u></u>	<u><u>\$440,790</u></u>	<u><u>\$1,720,790</u></u>

Governmental Activities	Beginning Balance	Additions	Reductions	Amortized Premiums	Ending Balance	Due Within One Year
Bonds payable:						
Revenue (tax supported) bonds	\$1,340,000	\$ -	(\$60,000)	\$ -	\$1,280,000	\$65,000
Premium on bonds	<u>8,088</u>	<u>-</u>	<u>-</u>	<u>(505)</u>	<u>7,583</u>	<u>-</u>
Total bonds payable	<u><u>\$1,348,088</u></u>	<u><u>\$ -</u></u>	<u><u>(\$60,000)</u></u>	<u><u>(\$505)</u></u>	<u><u>\$1,287,583</u></u>	<u><u>\$65,000</u></u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

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, 2012 amounted to \$64,225.

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, 2012 amounted to \$5,727.

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

2013	\$3,196
2014	<u>2,397</u>
Total	<u><u>\$5,593</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, 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, 2012

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 2012. The District was required to contribute the following percentages of annual covered payroll in 2012: 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, 2012, 2011 and 2010 were \$39,960, \$37,915 and \$35,573, 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 2012 are:

Balance January 1, 2012	\$38,232
Additions	50,825
Deductions	<u>(42,653)</u>
Balance December 31, 2012	<u><u>\$46,404</u></u>
Due within one year	<u><u>\$46,404</u></u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

Note 9 FUND BALANCE

A. CLASSIFICATIONS

At December 31, 2012, a summary of the governmental fund balance classifications are as follows:

	<u>Operations</u>	<u>Capital Improvement</u>	<u>Total</u>
Nonspendable:			
Prepaid items	\$5,203	\$ -	\$5,203
Total Nonspendable	<u>5,203</u>	<u>-</u>	<u>5,203</u>
Assigned to:			
Capital improvement	-	1,727,405	1,727,405
Total assigned	<u>-</u>	<u>1,727,405</u>	<u>1,727,405</u>
Unassigned	<u>1,669,724</u>	<u>-</u>	<u>1,669,724</u>
Total	<u>\$1,674,927</u>	<u>\$1,727,405</u>	<u>\$3,402,332</u>

Note 10 INTERFUND RECEIVABLE/PAYABLES

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
Major Funds:		
Operations	\$88,119	\$ -
Capital Improvement	-	88,119
Total	<u>\$88,119</u>	<u>\$88,119</u>

Interfund payables and receivable is representative of lending/borrowing arrangements to cover deficit cash balances at the end of the fiscal year.

Note 11 SUBSEQUENT EVENTS

The District sold \$3,000,000 of General Obligation Bonds on April 17, 2013 to finance its Capital Improvement Program. The rates of the bonds per year range from 2.0% to 3.0% with a true interest cost of 2.28%. Principal payments are due annually each February beginning in 2014 through 2034.

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REQUIRED SUPPLEMENTARY INFORMATION

CAPITOL REGION WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - OPERATIONS
For The Year Ended December 31, 2012

Schedule 1

	Budgeted Amounts		2012 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
Tax levy	\$2,182,675	\$2,182,675	\$2,140,918	(\$41,757)
Intergovernmental:				
Grants and reimbursements	25,000	25,000	35,000	10,000
Fees	20,000	20,000	199,000	179,000
Interest income	15,000	15,000	233	(14,767)
Other	-	-	5,540	5,540
Total revenues	<u>2,242,675</u>	<u>2,242,675</u>	<u>2,380,691</u>	<u>138,016</u>
Expenditures:				
Administrative	355,550	355,550	384,587	(29,037)
Programs	1,227,067	1,352,417	912,597	439,820
Projects	660,058	660,058	455,624	204,434
Total expenditures	<u>2,242,675</u>	<u>2,368,025</u>	<u>1,752,808</u>	<u>615,217</u>
Revenues over expenditures	<u>\$ -</u>	<u>(\$125,350)</u>	<u>627,883</u>	<u>\$753,233</u>
Fund balance - January 1			<u>1,047,044</u>	
Fund balance - December 31			<u><u>\$1,674,927</u></u>	

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

CAPITOL REGION WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENT
For The Year Ended December 31, 2012

Schedule 2

	Budgeted Amounts		2012 Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
Revenues:				
General property taxes	\$310,799	\$310,799	\$304,853	(\$5,946)
Intergovernmental:				
Grants and reimbursements	543,181	4,031,681	3,075,594	(956,087)
Interest income	10,000	10,000	355	(9,645)
Total revenues	<u>863,980</u>	<u>4,352,480</u>	<u>3,380,802</u>	<u>(971,678)</u>
Expenditures:				
Shoreline and streambank restoration	25,000	25,000	6,848	18,152
Como - project maintenance, inspection and monitoring	70,580	70,580	-	70,580
McCarron's BMP	665,450	665,450	243,303	422,147
Trout Brook BMP	110,300	3,598,800	3,572,209	26,591
Crosby Lake BMP	50,000	50,000	30,627	19,373
Wetland, Stream and Ecosystem Restoration - Implementation	79,950	79,950	51,358	28,592
Mississippi River Subwaters - Implementation	287,700	287,700	679,709	(392,009)
Special projects and grants	200,000	200,000	163,765	36,235
Debt services	125,000	125,000	114,219	10,781
Total expenditures	<u>1,613,980</u>	<u>5,102,480</u>	<u>4,862,038</u>	<u>240,442</u>
Revenues over (under) expenditures	<u>(\$750,000)</u>	<u>(\$750,000)</u>	<u>(1,481,236)</u>	<u>(\$731,236)</u>
Fund balance - January 1			<u>3,208,641</u>	
Fund balance - December 31			<u>\$1,727,405</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, 2012

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 Trillium Nature Sanctuary 3 Villa Park Wetland System
3 Forrest Kelley, PE **BACK** Stop the Rain Drain 2012

Capitol Region Watershed District **Summer 2012**

Neighbors plant 60 rain gardens in a day

by Elizabeth Beckman

On Saturday, June 9, Hamline Midway neighbors came together to improve the quality of the Mississippi River by planting 60 boulevard rain gardens. Last year, when Saint Paul Public Works reconstructed the streets in a section of the neighborhood, they gave residents the option of having a rain garden installed in the boulevard in front of their home. Curb cuts were created to allow water to enter the gardens, boulevard soil was replaced with a sandy rain garden soil mix and mulch was laid. CRWD provided plants and coordinated the neighborhood planting. Staff from the organization Great River Greening were on hand during planting day to provide planting help, advice, tools and watering assis-



Gardens were mulched prior to planting.

tance. Minnesota native plant species were used in the gardens and include turtlehead, prairie dropseed, wild petunia, junegrass and Jacob's ladder.

These gardens play a role in preventing water pollution in our lakes and the Mississippi River, they provide food for wildlife, and, if cared for properly, will be a beautiful addition to the Hamline Midway neighborhood.



Each homeowner installed about 100 plants.

Planting is just the beginning

After the rain garden is planted, homeowners will assume regular maintenance, which is critical during the first two growing seasons. The frequency of maintenance decreases once gardens become established, but until then these basic tasks are important:

- Water weekly with at least 1" of water if it has not rained...more often in very hot weather.
- Keep the garden weeded in order to prevent weeds from shading the plants and to keep it looking neat.
- Maintain a 2 to 3" mulch cover to reduce the need for watering and minimize weed growth.
- Regularly clear the inlet of accumulated leaves, sediment and trash.
- Aside from doing regular maintenance, avoid walking in the rain garden basin to prevent soil compaction.

More information about rain gardens can be found at bluethumb.org. Thank you to Blair-Griggs homeowners who are caring for their new boulevard rain gardens.



Villa Park Wetland System improvements planned

by Bob Fossum

The Villa Park Wetland is a storm-water wetland system built in 1985 to reduce pollution in Lake McCarrons, an 81-acre lake in Roseville. Over time, sedimentation and excessive algae growth began to make the wetland system less effective. In 2004, CRWD and the City of Roseville partnered to install a weir system within the wetland to help improve its ability to capture sediment and nutrients before they enter the lake. When monitoring data showed the wetland was not capturing as much nutrient pollution as expected, CRWD completed the Villa Park Wetland Management Plan in 2009 to find other ways to improve the system. The plan recom-

mends dredging of sediment in the wetland system to restore its storage capacity and to increase the number of pollution prevention projects in the watershed draining to the wetland. In support of this project, CRWD was awarded a \$430,000 loan from the State of Minnesota to assist with the dredging project, and \$275,000 from the Minnesota Clean Water Partnership Grant fund for stormwater runoff reduction projects upstream of the Villa Park Wetland watershed.

Current analysis shows that storm-water projects in the Villa Park Wetland watershed have the potential to significantly reduce the amount of phosphorus entering Lake McCarrons. Phosphorus reduction will help maintain water quality which will

Left: Lake McCarrons is an 81-acre lake in Roseville.
Below: One of the Villa Park weirs.



in turn support fish habitat and abundance, aquatic plant diversity and the recreational features of the lake. The \$275,000 grant will be used to collect information to prioritize the most cost-effective stormwater pollution prevention projects, to gather citizen feedback about possible projects and to create designs for construction projects in the Villa Park Wetland watershed. Rain gardens, stormwater infiltration trenches and other runoff reduction practices will be considered. Projects are expected to be completed in 2013. Lake water quality will continue to be monitored to ensure pollution reduction targets are met. CRWD is working on this project in partnership with the City of Roseville.



Congratulations to Forrest Kelley, PE

CRWD Regulatory and Construction Manager Forrest Kelley has received his Professional Engineering license. Since joining CRWD in 2007, Forrest has coordinated the District's permitting and construction regulation programs. Professional engineers must have an engineering degree from an accredited university, accumulate a minimum number of hours under the supervision of a licensed engineer and complete a Principles and Practices in Engineering exam. Upon receiving the Professional Engineer licensure, engineers are authorized to provide engineering services to the general public. We congratulate Forrest on this career milestone!

Capitol Region Watershed District



1410 Energy Park Drive, Suite 4
St. Paul, MN 55108
651-644-8888
651-644-8894 fax
www.capitolregionwd.org

Stop the Rain Drain 2012

Stop the Rain Drain teaches residents about reducing runoff and helps them take action.

This summer, CRWD has been looking for garages and homes with gutter downspout extensions that can be redirected onto lawn or garden areas nearby. Keeping rainwater out of streets and alleys helps prevent pollution in our lakes and the Mississippi River. With the homeowner's permission, CRWD will make these improvements to your gutters free of charge. Look for a Stop the Rain Drain doorhanger at your house, or visit stopraindrain.org for information about being reimbursed to do the work yourself.

Learn more at stopraindrain.org



A newly redirected downspout.



News from Capitol Region Watershed District Fall 2012

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

INSIDE

- 2 Trout Brook realignment
- 3 Biological monitoring
- BACK** Sant Peter Claver project update

The new design comes at a time when CRWD is involved in a variety of exciting projects:



CRWD unveils new logo

by Elizabeth Beckman

This week, Capitol Region Watershed District (CRWD) presents its newly designed logo. The new image is intended to illustrate CRWD's work to protect the Mississippi River and its service to watershed residents. "The circular outline represents the natural water cycle and the Capitol skyline represents the built environment that overlays the District," said CRWD Board Manager Seitu Jones. The blue

and green color scheme exemplifies the aquatic and natural systems that coexist in the urban landscape. CRWD's original logo was created in 2000 by Irv Deneen, husband of veteran CRWD Board Manager Marylyn Deneen. The new logo was designed by Charles Ross Group and was officially presented to CRWD Board of Managers on Wednesday, October 3.

Stream restoration Trillium Nature Sanctuary is a 40-acre site near I-35E and Cayuga Avenue being developed by Saint Paul Parks and Recreation as part of the larger Trout Brook Regional Trail. The new park will include a recreated portion of Trout Brook, which once flowed in the valley of the project area, as well as restored wetlands and ponds fed by stormwater runoff from the neighborhood.

Green infrastructure As part of the Central Corridor Light Rail Transit (CCLRT) project, CRWD, Metropolitan Council and the City of Saint Paul are constructing green infrastructure practices to reduce water pollution including stormwater planters, rain gardens, infiltration trenches and an integrated tree trench system. Assistance for this project comes from a Minnesota Clean Water Fund grant.

Clean water partnerships CRWD is partnering with City of Saint Paul Department of Public Works to plant boulevard rain gardens built during the street construction portion of the city's Residential Street Vitality Program (RSVP). Additionally, CRWD is partnering with the City of Saint Paul's Department of Planning and Economic Development on its Neighborhood Stabilization Program (NSP). The program purchases and refurbishes foreclosed properties that may otherwise degrade the community. CRWD's role has been to prepare landscape plans that provide water pollution reduction benefits and enhance property aesthetics.

With its new visual identity in place, CRWD looks forward to continued work with its clean water partners! Visit the CRWD website at capitolregionwd.org.

Capitol Region Watershed District

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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 225,000 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.

Board of Managers:

Joe Collins, President; Mike Thienes, Treasurer; Seitu Jones, Secretary; Mary Texer, Vice President

Staff:

Mark Doneux, Administrator
Melissa Baker, Water Resource Technician
Elizabeth Beckman, Education & Outreach Coordinator
David Depaz, Seasonal Water Resource Technician
Anna Eleria, Water Resource Specialist
Bob Fossum, Water Resource Project Manager
Forrest Kelley, Permit Coordinator
Matt Loyas, Water Resource Technician
Dawn Nelson, Office Manager
Joe Sellner, Seasonal Water Resource Technician
Britta Suppes, Water Resource Technician
Lindsay VanPatten, Education Assistant and Receptionist

Trout Brook realignment

by Anna Eleria

During the preliminary design of 135-E from University Avenue to Maryland Avenue, it was determined that a portion of CRWD's Trout Brook Storm Sewer would have to be moved to avoid conflicts with a new proposed bridge. The new Trout Brook alignment involves abandoning 630 feet of existing TBI pipe and replacing it with 830 feet of new 12' x 9' pipe and a new TBI railroad crossing.

The first phase of the project occurred in August and September 2012, which included installation of 560 feet of new storm sewer sections and the new TBI railroad crossing. Of the 560 feet of storm sewer, over 160 feet were constructed during a 33-hour work window on September 4-5, when the railroad tracks were disassembled and rail service was out of commission.

Prior to installation of TBI, groundwater levels had to be lowered by six to ten feet so excavation and installation of TBI could occur under dry conditions. Since dewatering of the site included the area beneath the railroad tracks, the tracks were monitored for movement prior to, during and after construction to ensure that the railroad would not subside or be structurally damaged as a result of the project.

After the 33-hour work window, the remaining 400 feet of storm sewer and a temporary sanitary sewer line were installed. The construction site has been temporarily stabilized and restored as CRWD awaits the second phase of construction, which is expected to start in June 2013 after MnDOT removes the existing Mississippi Street Bridge. The second phase includes installing

the remaining 270 feet of new TBI, connecting the new 830-foot alignment with the existing TBI, and abandoning the old TBI. Follow the progress of this project and others on our website, capitolregionwd.org.

Trout Brook construction, September 2012



What is biological monitoring and why is it important?

by Lindsay VanPatten

Biological monitoring is the evaluation of a system to determine its level of biological health. To assess the health of aquatic ecosystems, information may be gathered about fish, macroinvertebrates and plants. A measurement of the organisms in the system is used to create an Index of Biological Integrity (IBI). This way of monitoring is useful because it helps to distinguish if changes in the biological health of a system are naturally occurring or a result of outside disturbances, usually human practices. The IBI also shows the system's ability to support a diversity of life.

CRWD's mission is to protect, manage and improve our water resources. Through biological monitoring, we can evaluate the health of our local wetlands. The information can then be used to determine what practices on land may be harming our water resources and to help staff recommend ways to improve water resources.

CRWD staff have gathered wetland health data since 2007. Wetlands are surveyed annually, usually in May or June for macroinvertebrates when many insect species are present. The wetlands are surveyed for plant health in August or September when most aquatic plants are easily identified. Since

CRWD is surveying wetlands only, we do not sample fish species.

The survey process is based on the biological monitoring standards of the Minnesota Pollution Control Agency. Within the watershed district, 18 wetlands are designated as suitable for the monitoring program and CRWD evaluates 6-8 of those each year. Wetlands play a critical role in the ecosystem since they act as filters that absorb and process chemicals, sediment, nutrients and bacteria that would otherwise enter lakes, rivers and groundwater.

Wetlands also provide critical habitat to an abundance of wildlife. Most natural wetlands in Minnesota have been lost as a result of draining or being filled in, and those left are subject to high levels of chemical and sediment from runoff from hard surfaces. Some species of insects and plants are particularly sensitive to pollution and are keys to evaluating the health of a water body.

CRWD Water Resource Technician Matt Loyas has been conducting biological monitoring since 2008. "Locally, fingernail clams are a good indicator species," says Loyas, "because they're sensitive to silt and sediment pollution common in urban areas." Loyas says



Here and below, CRWD staff collecting plant and macroinvertebrate samples.



staff often finds large dragonfly larvae and predacious beetle species. It is uncertain what this means on an ecosystem level, but it may indicate that these species are somehow benefitting from smaller numbers of other species like fingernail clams.

To learn more about biological monitoring visit:

CRWD Wetland Monitoring

<http://tinyurl.com/crwdmonitoring>





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651-644-8894 fax
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Local Project Update: Saint Peter Claver Catholic School and Parish

In December of 2011, CRWD Board approved a grant for the Saint Peter Claver Church and School Stormwater Improvement Project. Grant funds will help with design and construction of clean water practices that are part of the project. Saint Peter Claver plays an important role in the Twin Cities Community. Located in the Summit-University neighborhood, it is one of the largest congregations in Saint Paul and is the largest parochial school of its kind in the city.

Project goals include playground and parking lot improvements that also reduce stormwater runoff pollution: a rain garden that captures rainwater from the school roof and parking lot, a new plaza constructed with permeable pavers, turf grass stabilized to allow stormwater to soak in and a landscape buffer around the property to prevent erosion. The project will be completed in Fall 2012. Please visit our website for more information on this and other projects, capitolregionwd.org.



Shown during construction (top) and after completion, this rain garden captures roof and parking lot runoff.

Dear CRWD resident:

The least expensive way to prevent water pollution in our lakes and the Mississippi River is for each resident to take small actions in their yards and Capitol Region Watershed District (CRWD) has a grant program to help.

All CRWD residents are eligible to apply for a grant. Example projects include rain gardens, rain barrels, green roofs, pervious pavement, soil erosion control and water quality education projects. Typically, project materials are reimbursed (plants, mulch, etc.) and your labor to install or create the project is used as the match for the grant.

Grants are made on a reimbursement basis for up to \$2,000 for single-family residential projects. **Contact Melissa at CRWD for more details or to receive an application, 651-644-8888.** You can also find grant information at capitolregionwd.org.

Thank you for helping prevent water pollution and protect our lakes and rivers!



Grants available

**to prevent water
pollution and protect
our lakes and rivers!**



YOU CAN HELP KEEP OUR LAKES AND RIVERS CLEAN.

Staff from Capitol Region Watershed District (CRWD) are working in your area to limit the amount of pollution entering the Mississippi River and nearby lakes from storm drains. Staff visited the neighborhood and identified garage gutters where improvements can be made. 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 it 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 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: _____

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Capitol Region Watershed District
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ALL REDIRECTION WORK WILL BE COMPLETED BY A PROFESSIONAL CONTRACTOR.

Here's what we propose for your property:

If you have questions, visit stopraindrain.org or call 651-644-8888.



stopraindrain.org



When it rains, it drains

Rainwater from roofs and gutters drains to streets and into storm drains picking up pollution like dirt, oil and trash along the way. This runoff is not treated before it enters lakes and the Mississippi River. Redirecting downspouts onto lawn or garden allows rainwater to soak into the ground, and this is a good thing for lakes and rivers.

Making a difference one gutter at a time

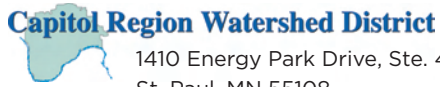
Stop the Rain Drain helps residents prevent pollution by redirecting roof runoff. It won't work everywhere of course -- each property has a different slope, soil type or proximity to neighbors. Sometimes, wet basements or soggy lawns are an issue and you shouldn't redirect your downspout. But when possible, Stop the Rain Drain aims to make it easier for homeowners to redirect their runoff.

Take a look outside and ask yourself:

- Is my garage or house roof sloping toward the alley, street or driveway?
- If so, is there lawn or garden nearby where the downspout extension could be redirected?
- If there's no gutter and downspout, could they be added and directed to nearby lawn or garden?

Call us and we'll come check it out: 651-644-8888.
And visit stopraindrain.org for photos and more information.

A program of
Capitol Region Watershed District
capitolregionwd.org



1410 Energy Park Drive, Ste. 4
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stopraindrain.org



Stop the Rain Drain

is brought to you by
CRWD. Redirect your
garage gutter downspouts
this summer to improve
water quality in our lakes
and the Mississippi River!

Where rain drains matters.



Rain Gardens

Rain gardens are planted depressions designed to allow runoff to soak into the ground. Rain garden plants provide wildlife habitat and add beauty to the neighborhood. When stormwater runoff soaks into the ground instead of flowing directly to Como Lake, pollutants are filtered out.

Eight rain gardens were constructed in the Como neighborhood in 2005: Hamline-Midway borders the west side of Como Zoo and is the largest of the eight gardens. Frankson-McKinley is another large rain garden that was installed during street reconstruction. It was designed with a small hill near the center of the basin. Other gardens are located at Frankson and Asbury Streets, Arlington and McKinley Streets, and Pascal and McKinley Streets.

Rain gardens keep about 95% of the pollution entering them from entering lakes and rivers. For more information about rain gardens, contact CRWD at 651-644-8888 or capitolregionwd.org.

Rain Garden Locations

-  **Arlington & McKinley Streets**
-  **Asbury Street**
(2 rain gardens at this location)
-  **Frankson & McKinley Streets**
-  **Hamline Avenue & Midway Parkway**
-  **Pascal Street**
(3 rain gardens at this location)

Look for these plants: great blue lobelia, joe-pye weed, purple coneflower, blue flag iris, black-eyed susan, golden alexander, little bluestem, fox sedge, prairie blazing star, monarda, sideoats grama, blue vervain, cardinal flower, canada anemone.

Como Neighborhood Rain Gardens



Como Neighborhood Rain Gardens

About 40% of Saint Paul is made up of hard surfaces like roads, parking lots and roofs. When it rains, stormwater isn't able to soak into the ground and runs off hard surfaces into storm drains. This runoff causes water pollution because it picks up litter, road salt, leaves and grass clippings, motor oil and anything else in its path.

The power of plants

In the Como neighborhood, most storm drains flow directly to Como Lake without being treated. This causes algae overgrowth in the lake, especially in late summer. To help clean up Como Lake, CRWD installed features that allow water to soak into the ground before it flows through the street picking up pollution.



Neighborhood involvement

Concerned for the health of Como Lake, residents petitioned the Minnesota Legislature in 1998 to create a watershed district to oversee water quality improvements. CRWD began monitoring pollution levels in Como Lake and worked with City of Saint Paul, Ramsey County and other partners to construct stormwater controls as part of the Arlington-Pascal street reconstruction project. Como residents are still involved in neighborhood efforts to improve Como Lake.



Pascal Street rain gardens



Como Golf Course Pond

Arlington-Pascal Stormwater Project

When streets in the Como neighborhood were reconstructed in 2005, CRWD worked with community partners to install a host of new clean water projects:

The Arlington-Hamline Underground Storage Facility

(AHUG) is a series of perforated pipes 10 feet in diameter that receive stormwater runoff from neighborhood streets. AHUG helps reduce flooding by allowing stormwater to soak into the ground instead of flowing to Como Lake.

Infiltration trenches

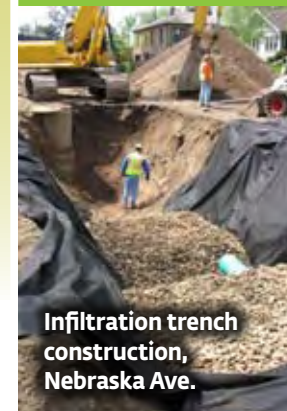
are a smaller version of the AHUG. The 10-inch perforated pipes are surrounded by rock and buried underneath Arlington and Nebraska Avenues. The pipes receive stormwater from a one-block area and allow it to soak into the ground.



AHUG construction



AHUG today



Infiltration trench construction, Nebraska Ave.

Part of the neighborhood drains to Como Lake through the **Como Golf Course Pond**. Stormwater enters the pond through underground pipes, and sediment and trash are allowed to settle out of the water before it flows to Como Lake. This pond can be seen just off Chelsea Street and Chelsea Place on the western edge of Como Golf Course.



Capitol Region Watershed District

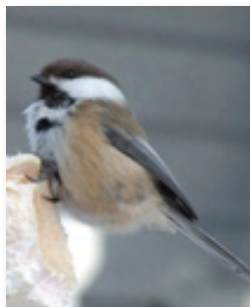
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BIRDS



Northern House Wren
Troglodytes aedon



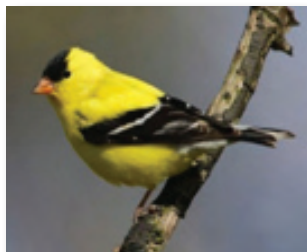
Gray-headed Chickadee
Poecile cinctus



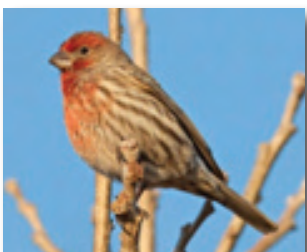
Cardinal
Cardinalis cardinalis



Ruby Throated Hummingbird
Archilochus colubris



American Goldfinch
Carduelis tristis



House Finch
Carpodacus mexicanus



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Como Neighborhood Rain Garden Field Guide of Plants and Wildlife



Rain gardens provide habitat for many species of animals and insects, help filter rain water and add beauty to our neighborhoods.

INSECTS



Common Green Darner Dragonfly
Anax junius



Monarch Butterfly
Danaus plexippus



Painted Lady Butterfly
Vanessa virginiensis



Questionmark Butterfly
Polygonia interrogationis



Red Admiral Butterfly
Vanessa atalanta



Rain Garden Field Guide

PLANTS



Blue Flag Iris
Iris versicolor



Canada Anemone
Anemone canadensis



Purple Coneflower
Echinacea purpurea



Wild Bergamot
Monarda fistulosa



Red Osier Dogwood
Cornus stolonifera



Blue Vervain
Verbena hastata



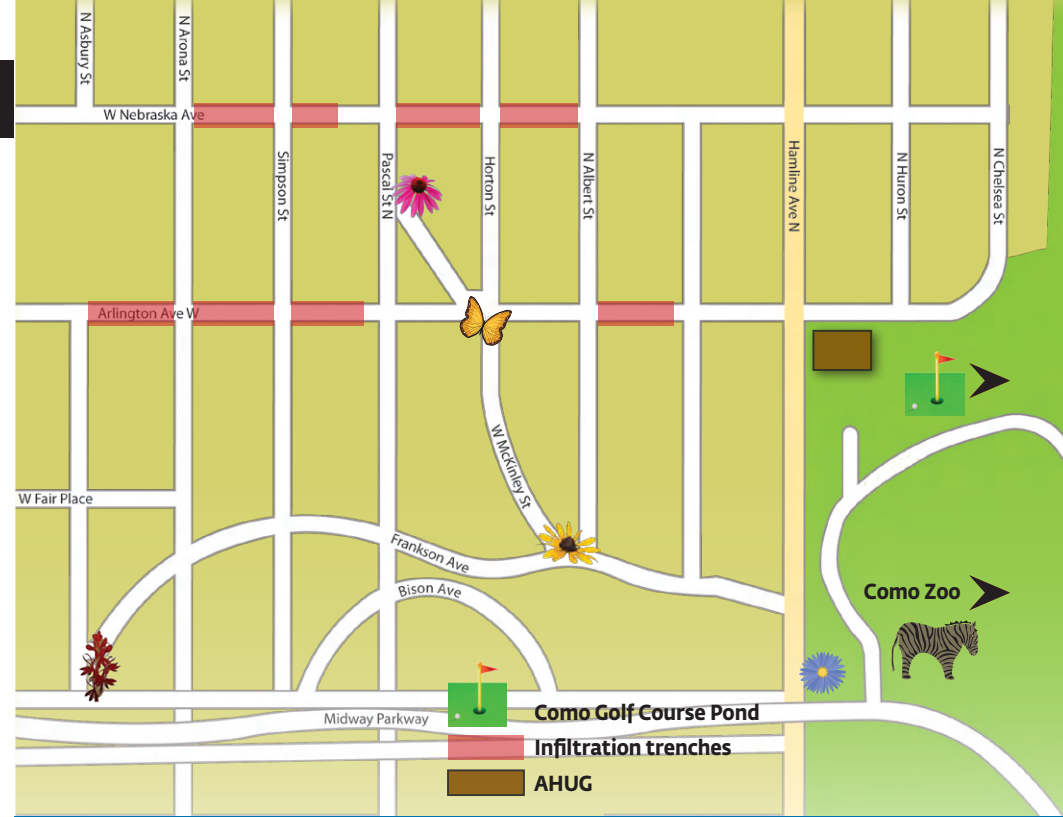
Cardinal Flower
Lobelia cardinalis



Little Bluestem
Schizachyrium scoparium



Prairie Blazingstar
Liatris pycnostachya



Rain gardens are planted depressions designed to allow runoff to soak into the ground. Rain garden plants provide wildlife habitat and add beauty to the neighborhood. When stormwater runoff soaks into the ground instead of flowing directly to Como Lake, pollutants are filtered out. Eight rain gardens were constructed in the Como neighborhood in 2005. Rain gardens keep about 95% of the pollution entering them from entering lakes and rivers.



Fox Sedge
Carex vulpinoides



Rattlesnake Master
Eryngium yuccifolium



Golden Alexander
Zizia aurea